



# Information Item

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February 18, 2010

TO: Mayor and City Council  
FROM: Andy Agle, Director of Housing and Economic Development  
SUBJECT: FY 08/09 Annual Report Regarding Proposition I

## **Introduction**

This Information Item serves as the Fiscal Year 2008-2009 (FY08/09) annual report required by Article XXI of the City Charter regarding “low-rent housing” developments that received planning approvals or funding commitments during FY08/09. The City was authorized by Article XXI to develop, construct or acquire a total of 1,011 low-rent housing units during the FY08/09 period and utilized 242 units of this authority. Details of the Article XXI formula and a list of the affordable housing developments that utilized this authority are provided in Attachment 1.

## **Background**

On November 3, 1998, the voters of the City of Santa Monica approved Proposition I, which added Article XXI to the City Charter. Article XXI provides annual authority to the City to develop, construct or acquire low-rent housing developments [Section 2110]. The annual authority is equal to one-half of one percent (1/2 of 1%) of the total number of existing residential units in the City at the end of the prior fiscal year. The City may “carry over” any unused (unit) authority for three years. The City’s typical method of participation in low-rent housing developments involves providing loans to affordable housing developers using Redevelopment and other Housing Trust Funds. This report satisfies Section 2120 of Article XXI, which requires that staff report annually to Council on the previous fiscal year’s activity and the number of housing units that are authorized for the current fiscal year.

## **Discussion**

The total number of existing housing units in the City as of June 30, 2009 is 51,317. This is calculated from the total number of housing units in the City as of June 30, 2008 (50,796), plus the number of newly constructed housing units completed in FY08/09 (585) minus the number of housing units that were demolished in FY08/09 (64).

During FY08/09, pursuant to Section 2110 of Article XXI, the City was authorized to “develop, construct or acquire” 1,011 low rent housing units. Two hundred forty-two (242) affordable housing units received City planning approval or funding commitments which reduced the total authority. Ten units of unused authority expired at the end of FY 08/09 (carry over unit authority is valid for three years). Therefore, the carry over balance beginning in FY09/10 is 759 units (1,011 - 242 - 10).

Added to this “carry over” authority of 759 units is the FY09/10 base allocation of new authority of 257 units (1/2 of 1% of 51,317 total housing units in the City as of June 2009), for a total authority of 1,016 low rent housing units for FY 09/10.

Attachment 1 of this report contains the supporting information for this annual report, including an inventory of low rent housing units for FY08/09, and calculations of Proposition I authority. The 242 affordable housing units listed for FY08/09 all received binding funding commitments (executed commitment letter or loan agreement) during FY08/09. The City may have other developments in the “pipeline” that are expected to receive planning approval or a funding commitment, but they are not included in this report as the approval or commitment had not yet been granted during the FY08/09 reporting period.

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## **Attachments**

Attachment 1: Prop. I Annual Report - FY 08/09

# ATTACHMENT 1

## **Prop. I Annual Report**

*[per Section 2120 of City Charter]*

**FY 2008-09**

### Prop. I Authority

<b><i>FY08/09 Total Authority:</i></b>	<b>1,011</b>
<b><i>Authority Used During FY08/09:</i></b>	<b>(242)</b>
<b><i>Expired Unused Authority at June 2009:</i></b>	<b>(10)</b>
<b><i>Carryover from FY06/07-08/09:</i></b>	<b>759</b>
<b><i>FY 09/10 New Authority:</i></b>	<b>257</b>
<b><i>Grand Total FY 09/10 Authority:</i></b>	<b>1,016</b>

#### **List of Developments Utilizing Prop. I Authority for FY 08/09**

<b>Affordable Housing Address</b>	<b>Project Type</b>	<b># of Units</b>	<b>Date of Commitment or Planning Approval *</b>
430 Pico Blvd.	New Construction	32	11/14/2008
750 Marine St.	Rehabilitation	8	10/08/2008
844 Lincoln Blvd.	Rehabilitation	10	10/08/2008
914 04th St.	Rehabilitation	16	09/25/2008
1438 25th St.	Rehabilitation	12	09/19/2008
1513 Centinela	Rehabilitation	8	11/20/2008
1616 Ocean Avenue	Rehabilitation	17	02/10/2009
1754 19th	New Construction	49	06/29/2009
2029 20th St.	Rehabilitation	12	12/11/2008
2320 34th Street	Rehabilitation	6	07/08/2008
2418 05th St.	Rehabilitation	6	07/07/2008
2602 Broadway	New Construction	33	12/08/2008
2802 Pico Blvd.	New Construction	33	01/15/2009

***Total # of Units:*** **242**

\* Which ever occurred first, per Section 2110 of the City Charter.