



Information Item

March 17, 2010

TO: Mayor and City Council

FROM: Andy Agle, Director of Housing and Economic Development

SUBJECT: FY08/09 Annual Report Concerning the Affordable Housing Production Program

Introduction

This Annual Report transmits information concerning the implementation of the City's Affordable Housing Production Program (AHPP) for the reporting period beginning on July 1, 2008 and ending June 30, 2009 (FY08/09), as required by Santa Monica Municipal Code Section 9.56.150.

This report details how the City met and exceeded Proposition R's 30 percent affordability standard for units completed in FY 08/09. During FY 08/09, 46 percent of the multifamily housing completed was designated affordable to low and moderate income households. This report also provides the amount of affordable housing fees collected during the fiscal year and information about the City's pipeline of multifamily developments (projects that have received planning approvals or are in construction).

Background

Proposition R was adopted by the voters of the City of Santa Monica on November 6, 1990 and added as Section 630 to the City Charter. This charter amendment specifies that not less than 30 percent of all newly constructed multifamily residential housing in the City on an annual basis be permanently affordable to and occupied by low- and moderate-income households. Low-income is defined as at or below 60 percent of area median income and moderate income is defined as at or below 100 percent of area median income. Proposition R further requires that at least one-half of the newly constructed affordable units be made available to low-income households and the remainder be affordable to moderate-income households.

Discussion

Staff provides information annually to the City Council concerning the implementation of Chapter 9.56, the manner in which its affordable housing provisions have been met during the preceding fiscal year, as well as an assessment of the City's compliance with Article VI, Section 630 of the City Charter (Proposition R) during this same period. This discussion includes the following:

- Affordable Housing Fees
- Housing developments and units that were completed
- Housing developments and units with active Building Permits
- Housing developments and units that received Planning Approvals

Affordable Housing Fees

Affordable housing fees must be paid prior to final City approval of a building permit and are deposited into the Citywide Housing Trust Fund. These funds are then used to subsidize the development of new affordable housing units by nonprofit developers. The City collected a total of \$1,073,398 in affordable housing fees during FY08/09. This total differs from the total fees reflected in Attachment 1 because some projects paid fees in prior years but were completed in the reporting year and other projects paid fees during the reporting year but will be completed in the subsequent year.

Completed Developments

Attachment 1 of this report indicates that 26 developments totaling 537 units were completed during FY08/09 with 248 (46 percent of total) units designated as affordable. The units consisted of 15.1 percent at very low or low income designation and 31.1 percent at moderate income. Thus, in FY08/09, the City met and exceeded the Proposition R standard of 30 percent affordability overall and also met the additional requirement that at least 15 percent of the units overall be designated for low-income households. Within the category of completed developments, two projects consisting of

82 affordable units received City Housing Trust Fund loans of approximately \$12.7 million. One of these two developments also leveraged funds with a five-year \$1.7 million U.S. Department of Housing and Urban Development Shelter Plus Care rental subsidy contract via the Santa Monica Housing Authority.

Developments In Construction

Attachment 2 of this report utilizes information about active building permits to determine the number of multifamily units in construction at the end of the FY08/09 reporting period. Building permits remained active for 739 units in 47 new multifamily developments. If all of these developments are completed during a single reporting period, then only 15% will be affordable. However, due to varying construction periods, it is not possible to predict how many of these developments will actually be completed in any given year. In the event that the provisions of Proposition R have not been met in a given year, Proposition R states that City Council shall take such action as is necessary to ensure that the provisions will be met in the future, including, but not limited to, amending the provisions of Chapter 9.56 or its implementation. Finally, City Housing Trust Fund loans of approximately \$5.2 million financed 20 of the affordable units in construction during FY08/09.

Planning Approvals

Attachment 3 indicates that ten multifamily developments containing 362 units, of which 200 will be affordable, received planning approvals during FY08/09. Although 55 percent of these units will be affordable, 54 percent will be affordable to moderate-income households and only 1 percent will be affordable to low income households. The high percentage of moderate-income units in this category is due to two 100% affordable housing developments (194 units) sited in commercial zones. In industrial/commercial zones, the AHPP allows for 100% of the units in multifamily developments to be targeted to moderate-income households. As with construction (noted above), the varying financing and development schedules for these residential buildings makes it difficult to predict if the City will meet the overall goals of 30 percent low- and moderate-income units and 15 percent overall low income units. In the event

that the provisions of Proposition R have not been met in a given year, Proposition R states that City Council shall take such action as is necessary to ensure that the provisions will be met in the future, including, but not limited to, amending the provisions of Chapter 9.56 or its implementation.

FY 08/09 Summary and Historical Data

The following chart summarizes the number of multifamily units in the City’s housing pipeline and identifies how many of those units will be designated as affordable to low and moderate income residents. The City’s ‘in construction’ multifamily units, which typically entail an 18-month construction period, are at varying stages ranging from breaking ground to nearing construction completion. Therefore, it is anticipated that only a portion of the units in construction will be completed during FY 09/10. Developments at the planning approvals stage are likely several years from reaching construction completion.

FY 08/09 Affordable Housing Production Program Summary			
Development Stage	Total Units	Affordable Units	% Affordable
Completed	537	248	46%
In Construction	739	110	15%
Planning Approvals	362	200	55%

Although the Proposition R mandate is measured on an annual basis, the following figures provide a historical perspective on the affordable housing accomplishments since the passage of Proposition R:

Cumulative Proposition R Achievements: Affordable New Multifamily Units Completed Annually FY 94/95 to FY 08/09			
Reporting Period	Total Units	Affordable Units	% Affordable
FY94/95	11	2	18%
FY96/97	108	86	80%
FY97/98	111	68	61%
FY98/99	172	146	85%
FY99/00	177	123	69%
FY00/01	267	64	24%
FY01/02	702	211	30%
FY02/03	212	1	0%
FY03/04	235	40	17%
FY04/05	55	26	47%
FY05/06	39	2	5%
FY06/07	272	86	32%
FY07/08 (1)	264	92	32%
FY08/09	537	248	46%
TOTAL:	3,162	1,195	38%
<i>(1) FY 0708 Figures are adjusted for one project with 10 units that were not counted in last year's report.</i>			

Cumulatively, the City is exceeding Proposition R's 30 percent affordable housing mandate. From FY 94/95 to FY 08/09 the aggregate percentage of affordable units within all new multifamily units that were built totals 38 percent.

Prepared by: Lisa Luboff, Senior Administrative Analyst

Attachments

- Attachment 1 - Multifamily Developments Completed During FY 08/09
- Attachment 2 - Multifamily Developments In Construction as of June 30, 2009
- Attachment 3 - Multifamily Developments Approved During FY 08/09

Multifamily Developments Completed During FY2008-09

[July 2008 - June 2009]

Address	Total Condos?	Fee Units	Fee Option?	Fee Amount	VERY LOW INCOME UNITS			LOW INCOME UNITS			MOD. INCOME UNITS			Mkt- Rate Units	Completed Date
					On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site		
954 15th St.	<input type="checkbox"/>	7	<input type="checkbox"/>		1									6	07/31/2008
1544 11th St.	<input checked="" type="checkbox"/>	6	<input checked="" type="checkbox"/>	\$101,479										6	08/04/2008
2632 Santa Monica	<input type="checkbox"/>	2	<input checked="" type="checkbox"/>	\$3,868										2	08/11/2008
1229 22nd St.	<input type="checkbox"/>	2	<input checked="" type="checkbox"/>	\$20,913										2	08/26/2008
1228 21st St.	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	\$68,967										4	09/04/2008
1253 18th St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	\$83,126										5	09/16/2008
1027 10th St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	\$80,637										5	10/14/2008
1524 11th St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	\$100,995										5	10/27/2008
914 14th St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	\$68,438										5	11/05/2008
2411 Centinela Ave.	<input type="checkbox"/>	36 [City Loan]	<input type="checkbox"/>				18			18				0	11/11/2008
1120 21st St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	\$45,055										5	11/20/2008
2001 Olympic Blvd.	<input type="checkbox"/>	100	<input type="checkbox"/>							100				0	12/09/2008
908 17th St.	<input checked="" type="checkbox"/>	8	<input checked="" type="checkbox"/>	\$157,443										8	12/23/2008
606 Broadway	<input type="checkbox"/>	50	<input type="checkbox"/>			5								50	12/31/2008
403 Idaho Ave.	<input checked="" type="checkbox"/>	2	<input checked="" type="checkbox"/>	\$39,878										2	02/09/2009
1107 18th St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	\$84,425										5	02/25/2009
1548 05th St.	<input type="checkbox"/>	46 [City Loan]	<input type="checkbox"/>				44					2		0	03/16/2009
1311 Centinela Ave.	<input checked="" type="checkbox"/>	8	<input checked="" type="checkbox"/>	\$142,580										8	03/17/2009
126 Pacific St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	\$85,063										5	03/22/2009
1243 Franklin St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	\$79,536										5	03/27/2009

Multifamily Developments Completed During FY2008-09

[July 2008 - June 2009]

Address	Condos?	Total Units	Fee Option?	Fee Amount	VERY LOW INCOME UNITS			LOW INCOME UNITS			MOD. INCOME UNITS			Mkt-Rate Units	Completed Date
					On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site		
1418 07th St.	<input type="checkbox"/>	50	<input type="checkbox"/>			5							50	04/03/2009	
1902 California Ave.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	\$93,112									5	05/04/2009	
507 Wilshire Blvd.	<input type="checkbox"/>	50	<input type="checkbox"/>			5							50	05/22/2009	
2029 Olympic Blvd.	<input type="checkbox"/>	65	<input type="checkbox"/>							65			0	05/27/2009	
1610 Broadway	<input type="checkbox"/>	4	<input checked="" type="checkbox"/>	\$74,867									4	06/19/2009	
1410 05th St.	<input type="checkbox"/>	52	<input checked="" type="checkbox"/>	\$148,795									52	06/29/2009	
TOTALS:		537		\$1,479,176	1	0	62	0	0	18	165	0	2	289	

# of Developments:	26
Total Units :	537
	<u>V.Low</u> <u>Low</u> <u>Mod.</u>
Total Affordable Units :	248 63 18 167
% Affordable Units :	46% 11.7% 3.4% 31.1%

Multifamily Developments In Construction as of June 30, 2009

Address	Total Condos?	Units	Fee Option?	Fee or Offsite Address	VERY LOW INCOME UNITS			LOW INCOME UNITS			MOD. INCOME UNITS			Mkt- Rate Units	Building Permit Issued
					On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site		
1445 25th St.	<input type="checkbox"/>	4	<input checked="" type="checkbox"/>	\$40,033									4	04/12/2005	
1442 05th St.	<input type="checkbox"/>	50	<input type="checkbox"/>	1514 7th St.		5							50	05/26/2005	
1906 Broadway	<input checked="" type="checkbox"/>	32	<input type="checkbox"/>		3								29	06/07/2005	
1321 05th St.	<input type="checkbox"/>	16	<input checked="" type="checkbox"/>	\$40,178									16	06/09/2005	
1420 05th St.	<input type="checkbox"/>	50	<input type="checkbox"/>	1514 7th St.		5							50	06/29/2005	
1751 Appian Way	<input type="checkbox"/>	14	<input type="checkbox"/>					3					11	08/15/2005	
1750 10th St.	<input checked="" type="checkbox"/>	8	<input checked="" type="checkbox"/>	\$68,218									8	01/23/2006	
1537 16th St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	\$73,921									5	01/27/2006	
914 05th St.	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>	\$85,305									4	06/05/2006	
3107 Santa Monica Blvd	<input type="checkbox"/>	9	<input type="checkbox"/>		1								8	06/06/2006	
2121 Virginia Ave.	<input checked="" type="checkbox"/>	11	<input checked="" type="checkbox"/>	\$205,359									11	06/12/2006	
1804 10th St.	<input checked="" type="checkbox"/>	6	<input checked="" type="checkbox"/>	\$93,123									6	06/30/2006	
1502 Broadway	<input checked="" type="checkbox"/>	32	<input type="checkbox"/>		3								29	12/12/2006	
947 04th St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>	\$104,991									5	12/26/2006	
1814 12th St.	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>										4	12/31/2006	
626 Broadway	<input type="checkbox"/>	48	<input type="checkbox"/>	711 Colorado Ave.		5							48	01/29/2007	
1514 07th St.	<input type="checkbox"/>	26	<input type="checkbox"/>		20					6			0	03/16/2007	
711 Colorado Ave.	<input type="checkbox"/>	26	<input type="checkbox"/>		26								0	04/04/2007	
1548 06th St.	<input type="checkbox"/>	50	<input type="checkbox"/>	711 Colorado Ave.		5							50	04/20/2007	
1511 15th St.	<input type="checkbox"/>	29	<input checked="" type="checkbox"/>	\$34,375									29	05/08/2007	
1038 11th St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>										5	05/11/2007	
1027 21st St.	<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>	\$48,697									3	07/06/2007	
2510 07th St.	<input checked="" type="checkbox"/>	8	<input checked="" type="checkbox"/>										8	07/12/2007	

Multifamily Developments In Construction as of June 30, 2009

Address	Total Condos?	Units	Fee Option?	Fee or Offsite Address	VERY LOW INCOME UNITS			LOW INCOME UNITS			MOD. INCOME UNITS			Mkt- Rate Units	Building Permit Issued
					On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site		
851 19th St.	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>										4	07/13/2007	
1427 07th St.	<input type="checkbox"/>	50	<input type="checkbox"/>	711 Colorado Ave.		5							50	08/16/2007	
1829 11th St.	<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>										3	09/12/2007	
1539 04th St.	<input type="checkbox"/>	62	<input type="checkbox"/>	711 Colorado Ave.		8							62	10/29/2007	
1458 14th St.	<input type="checkbox"/>	20	<input type="checkbox"/>	[City Loan]			14				6		0	10/31/2007	
2222 Pico Blvd.	<input type="checkbox"/>	2	<input checked="" type="checkbox"/>	\$31,103									2	11/09/2007	
1122 26th St.	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>										4	11/12/2007	
917 19th St.	<input checked="" type="checkbox"/>	6	<input checked="" type="checkbox"/>										6	11/27/2007	
1127 06th St.	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>										4	11/27/2007	
1327 Euclid St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>										5	12/14/2007	
852 10th St.	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>										4	12/17/2007	
1437 05th St.	<input type="checkbox"/>	27	<input type="checkbox"/>		27								0	03/21/2008	
1112 Pico Blvd.	<input checked="" type="checkbox"/>	18	<input checked="" type="checkbox"/>										18	04/10/2008	
1007 06th St.	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>										4	07/15/2008	
2117 Dewey St.	<input type="checkbox"/>	2	<input checked="" type="checkbox"/>										2	08/13/2008	
2640 Lincoln Blvd.	<input type="checkbox"/>	2	<input checked="" type="checkbox"/>										2	08/26/2008	
1236 25th St.	<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>	\$64,648									3	09/05/2008	
954 05th St.	<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>	\$184,974									3	09/24/2008	
853 21st St.	<input checked="" type="checkbox"/>	6	<input type="checkbox"/>					1					5	11/18/2008	
2301 10th St.	<input checked="" type="checkbox"/>	3	<input checked="" type="checkbox"/>	\$34,390									3	11/21/2008	
1337 23rd St.	<input type="checkbox"/>	4	<input checked="" type="checkbox"/>										4	01/30/2009	
811 19th St.	<input checked="" type="checkbox"/>	5	<input checked="" type="checkbox"/>										5	02/08/2009	
907 18th St.	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>										4	04/02/2009	

Multifamily Developments In Construction as of June 30, 2009

Address	Total Condos? <input type="checkbox"/>	Units	Fee Option? <input type="checkbox"/>	Fee or Offsite Address	VERY LOW INCOME UNITS			LOW INCOME UNITS			MOD. INCOME UNITS			Mkt- Rate Units	Building Permit Issued	
					On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site			
1241 05th St.	<input type="checkbox"/>	49	<input type="checkbox"/>	1437 5th St.		5							49	04/24/2009		
TOTALS:					739	\$1,109,314	80	38	14	4	0	0	6	0	6	629

# of Developments:	47
Total Units :	739
	<u>V.Low</u> <u>Low</u> <u>Mod.</u>
Total Affordable Units :	110 94 4 12
% Affordable Units :	15% 12.7% 0.5% 1.6%

The offsite units shown above in this chart are identified for purposes of indicating how a particular project will satisfy its affordable housing obligation. Such offsite units are not included (or double-counted) in the figures to the left.

Multifamily Developments w/Planning Approvals During FY08-09

Address	Condos?	Total Units	Fee Option?	Offsite Address	VERY LOW INCOME UNITS			LOW INCOME UNITS			MOD. INCOME UNITS			Mkt-Rate Units	Planning Approval Date
					On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site	On-Site	Off-Site	NonProfit On-Site		
525 Broadway	<input checked="" type="checkbox"/>	125	<input type="checkbox"/>	1437 5th St.		10							115	08/18/2008	
1518 11th Street	<input checked="" type="checkbox"/>	6	<input type="checkbox"/>								1		5	08/20/2008	
1337 23rd St.	<input type="checkbox"/>	4	<input checked="" type="checkbox"/>										4	10/06/2008	
519 Santa Monica Blvd	<input type="checkbox"/>	3	<input type="checkbox"/>					3					0	11/13/2008	
1518 11th St.	<input checked="" type="checkbox"/>	6	<input type="checkbox"/>								1		5	02/02/2009	
1012 2nd St.	<input checked="" type="checkbox"/>	4	<input checked="" type="checkbox"/>										4	02/18/2009	
1447 Lincoln Blvd.	<input type="checkbox"/>	97	<input type="checkbox"/>								97		0	03/09/2009	
829 Broadway	<input type="checkbox"/>	97	<input type="checkbox"/>								97		0	03/16/2009	
1703 Ocean Front Walk	<input checked="" type="checkbox"/>	6	<input type="checkbox"/>					1					5	03/18/2009	
2001 Main St.	<input type="checkbox"/>	14	<input checked="" type="checkbox"/>										14	05/20/2009	
TOTALS:		362			0	10	0	4	0	0	196	0	0	152	

of Developments: Total Units : V.Low Low Mod.Total Affordable Units : % Affordable Units :