



Information Item

July 6, 2011

TO: Mayor and City Council
FROM: Andy Agle, Director of Housing and Economic Development
SUBJECT: FY 09/10 Annual Report Regarding Proposition I

Introduction

This Information Item serves as the Fiscal Year 2009-2010 (FY 09/10) annual report required by Article XXI of the City Charter regarding “low-rent housing” developments that received planning approvals or funding commitments during FY 09/10. The City was authorized by Article XXI to develop, construct or acquire a total of 1,016 low-rent housing units during the FY 09/10 period and utilized 13 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 percent) 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, 2010 is 51,482. This is calculated from the total number of housing units in the City as of June 30, 2009 (51,317), plus the number of newly constructed housing units completed in FY09/10 (228) minus the number of housing units that were demolished in FY09/10 (63).

During FY 09/10, pursuant to Section 2110 of Article XXI, the City was authorized to "develop, construct or acquire" 1,016 low rent housing units. Thirteen affordable housing units received City planning approval or funding commitments, which reduced the total authority. At the end of FY 09/10, a total of 239 units of unused authority expired (carry over unit authority is valid for three years). Therefore, the carry over balance beginning in FY 09/10 is 764 units (1,016 minus 13 minus 239).

Added to this "carry over" authority of 764 units is the FY 10/11 base allocation of new authority of 257 units (1/2 of 1 percent of 51,482 total housing units in the City as of June 2010), for a total authority of 1,021 low rent housing units for FY 10/11.

Attachment 1 of this report contains the supporting information for the annual Proposition I authority calculations, including an inventory of low rent housing units that were developed, constructed or acquired during FY 09/10. The 13 affordable housing units listed for FY 09/10 all received binding funding commitments (executed commitment letter or loan agreement) during FY 09/10.

The Proposition I report logs new housing activities and does not reflect the full scope of the City's low-income housing 'pipeline' of properties in predevelopment or construction. Currently, there are 542 units in the low-income housing pipeline that were counted toward Proposition I authority in previous reports. Additionally, 38 units have been

granted funding commitments during the FY 10/11 reporting period to date (and therefore will be included in the next Proposition I report). Attachment 2 provides information on the status of Proposition I developments.

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Attachments

Attachment 1: Prop. I Annual Report - FY 09/10

Attachment 2: Prop. I Authority Status of Developments

ATTACHMENT 1

Prop. I Annual Report

[per Section 2120 of City Charter]

FY 2009-10

<u>Prop. I Authority</u>	
<i>FY09/10 Total Authority:</i>	1,016
<i>Authority Used During FY09/10:</i>	(13)
<i>Expired Unused Authority at June 2010:</i>	(239)
<i>Carryover from FY07/08-09/10:</i>	764
<i>FY 10/11 New Authority:</i>	257
<i>Grand Total FY 10/11 Authority:</i>	1,021

List of Developments Utilizing Prop. I Authority for FY 09/10

Affordable Housing Address	Project Type	# of Units	Date of Commitment or Planning Approval *
217 Bicknell Ave.	Rehabilitation	13	11/05/2009

Total # of Units: 13

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

**ATTACHMENT 2:
Proposition I Authority Status of Developments**

From FY 01/02 through FY 08/09 the City of Santa Monica has utilized 940 units of Proposition I Authority. A total of 398 of those units are completed and 542 are currently in development. Table 1 shows the annual authority utilized each year and the current status of those units. Table 2 lists the affordable housing properties that are presently in development.

Table 1: City of Santa Monica Proposition I Authority FY 01/02 to FY 08/09			
<i>Year of Prop. I Authority</i>	<i>Units Utilizing Authority</i>	<i>Units In Development</i>	<i>Units Completed</i>
FY 01/02	159	105	54
FY 02/03	180	92	88
FY 03/04	56	0	56
FY 04/05	46	0	46
FY 05/06	28	0	28
FY 06/07	41	0	41
FY 07/08	188	160	28
FY 08/09	242	185	57
Totals	940	542	398

Table 2: City of Santa Monica Pipeline of Affordable Housing Properties in Development			
<i>Year of Prop. I Authority</i>	<i>Development</i>	<i># of Units</i>	<i>Status</i>
FY 01/02	1930 Stewart (a.k.a. Mountain View Mobile Home Park)	105	Construction (20 City-owned manufactured homes)
FY 02/03	1942 High Place	47	Predevelopment
FY 02/03	1959 High Place	45	Predevelopment
FY 07/08	1701 Ocean Avenue (a.k.a. The Village)	160	Predevelopment
FY 08/09	430 Pico Blvd.	32	Predevelopment
FY 08/09	2802 Pico Blvd.	33	Predevelopment
FY 08/09	2602 Broadway	33	Construction
FY 08/09	FAME (multiple addresses)	49	Predevelopment
FY 10/11	520 Colorado	26	Predevelopment
FY 10/11	2309-15 Oak Street	12	Acquisition (Rehab)
	Total Units in Pipeline	542	