



Information Item

March 2, 2012

To: Mayor and City Council
From: Andy Agle, Director of Housing and Economic Development
Subject: FY 10/11 Annual Report Regarding Proposition I

Introduction

This Information Item serves as the Fiscal Year 2010-2011 (FY10/11) annual report required by Article XXI of the City Charter regarding low-rent housing developments that received planning approvals or funding commitments during FY10/11. This report demonstrates that the City's low-rent housing activities remain within the authority allowed by the City Charter. In FY10/11, the City was authorized by Article XXI to develop, construct or acquire a total of 1,021 low-rent housing units and it utilized 38 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 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 Housing Trust Fund loans to affordable housing developers. This report satisfies Section 2120 of Article XXI, which requires an annual report 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, 2011 is 51,583. This is calculated from the total number of housing units in the City as of June 30, 2010 (51,482), plus the number of newly constructed housing units completed in FY10/11 (156) minus the number of housing units that were demolished in FY10/11 (55).

During FY10/11, pursuant to Section 2110 of Article XXI, the City was authorized to develop, construct or acquire 1,021 low-rent housing units. During this period, 278 affordable housing units of authority either expired or was utilized and 258 units of new authority was issued (1/2 of 1 percent of 51,583 total housing units in the City as of June 30, 2010). As a result, in FY11/12, the City is authorized to develop, construct or acquire 1,001 low-rent housing units.

Attachment 1 of this report provides 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 FY10/11. The 38 affordable housing units listed for FY10/11 all received binding funding commitments (executed commitment letter or loan agreement) during FY10/11.

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. Attachment 2 shows the status of 559 units that were counted toward Proposition I authority in previous reports.

Prepared by: Lisa Luboff, Senior Development Analyst

Attachments

Attachment 1: Prop. I Annual Report - FY 10/11

Attachment 2: Prop. I Authority Status of Developments

ATTACHMENT 1

Prop. I Annual Authority Calculation

[per Section 2120 of City Charter]

FY 2011-12

FY10/11 Total Authority:	1,021
Authority Used During FY10/11:	(38)
Expired Unused Authority at June 2011:	(240)
Carryover Authority FY08/09-10/11:	743
Plus FY 11/12 New Authority:	258
Grand Total FY 11/12 Authority:	1,001

List of Developments Utilizing Prop. I Authority for FY 10/11

Affordable Housing Address	Project Type	# of Units	Date of Commitment or Planning Approval *
520 Colorado Avenue	New Construction	26	11/29/2010
2309 Oak Street	Rehabilitation	12	04/15/2011
Total # of Units:		38	

* 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 10/11 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 10/11			
<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	164	78
FY 09/10	13	0	13
FY 10/11	38	38	0
Totals	991	559	432

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	Construction
FY 02/03	1959 High Place	45	Building Permit Issued
FY 07/08	1705 Ocean Avenue (a.k.a. Civic Center Village)	160	Construction
FY 08/09	430 Pico Blvd.	32	Building Permit Issued
FY 08/09	2802 Pico Blvd.	33	Construction
FY 08/09	2602 Broadway	33	Construction
FY 08/09	FAME (multiple addresses)	49	Building Permit Issued
FY 08/09	1616 Ocean Avenue	17	Acquisition/Rehab
FY 10/11	520 Colorado	26	Predevelopment
FY 10/11	2309-15 Oak Street	12	Acquisition/Rehab
	Total Units in Pipeline	559	