

ADMINISTRATIVE GUIDELINES  
for the  
AFFORDABLE HOUSING PRODUCTION PROGRAM  
of the  
CITY OF SANTA MONICA

(Pursuant to Chapter 9.56 of the Municipal Code)

Prepared by  
the Housing Division

Approved by City Council June 14, 2011

# Table of Contents

1. Introduction .....	1
2. Fee Methodology .....	2
A. Establishment and Periodic Adjustment of Base Fee .....	2
B. Affordable Housing Unit Development Cost.....	3
3. On-Site Affordable Unit Option.....	4
4. Off-Site Affordable Unit Option.....	5
A. One-Quarter Mile Radius Maximum.....	5
B. Exceptions to the One-Quarter Mile Radius Maximum .....	5
C. Evidence of Site Control .....	7
D. Simultaneous Development of Off-Site Affordable Units .....	7
5. Land Acquisition Option .....	8
A. Eligible Land Parcels.....	8
B. Evidence of Site Control.....	11
C. Conveyance of the Site.....	11
D. Simultaneous Conveyance of Land or Option.....	13
E. Eligible Non-Profit Affordable Housing Developer.....	13
6. For-Sale Affordable Unit Requirements .....	14
A. Establishment of the Initial Purchase Price .....	14
B. Re-Sale of an Affordable Unit to a Subsequent Purchaser .....	15
C. Subordination .....	16
D. Default and Foreclosure.....	16
E. Distribution of Insurance and Condemnation Proceeds .....	17
7. Tenant and Purchaser Eligibility Procedures .....	17
A. Priority Households .....	18
B. Persons Ineligible to Occupy an Affordable Unit.....	19
C. Establishment, Maintenance, and Update of Income-Qualified Tenants and Purchasers List.....	19
8. Adjustments or Waivers.....	28

DRAFT

## ATTACHMENTS

- 1-A Municipal Code Chapter 9.56
- 1-B AHPP Options Comparison Table
- 2-A Fee Adjustment Methodology
- 2-B Current Base Fees for Apartment and Condominium Projects
- 3-A Affordable Units Table - Condominium Projects w/4+ Units in Multifamily Zones
- 3-B Development Incentives Table
- 3-C Very Low, Low and Moderate Income Levels
- 3-D of Maximum Rents
- 3-E Sample of Deed Restrictions
- 4-A Sample Application for Affordable Housing Waiting Eligibility List
- 4 B Referral Status Form

# 1. Introduction

These Administrative Guidelines provide guidance on the implementation of the City's Affordable Housing Production Program, Chapter 9.56 of the Santa Monica Municipal Code ("AHPP") (see Attachment 1-A for a complete copy of the AHPP). The AHPP was originally adopted by the City Council on July 21, 1998. It has been amended on several occasions since then. The AHPP gives developers of multi-family housing a variety of **options** for satisfying the City's affordable housing requirements. The precise options vary depending on the housing type and location of the housing being produced.

All new multi-family housing developments of two or more units, including multi-family housing that is part of commercial or other development, must comply with Chapter 9.56 unless specifically exempted by the terms of Chapter 9.56. See Attachment 1-B for a comparison table on the various options for complying with Chapter 9.56. The AHPP implements Proposition R. Approved by Santa Monica voters in November, 1990, Proposition R requires that not less than 30 percent of all multi-family residential housing newly constructed in the City each year be permanently affordable to, and occupied by, low- and moderate-income households.

Section 2 of these Guidelines describes the **Fee Methodology**. Section 3 provides information about the number of affordable units required and development incentives associated with the On-Site Option. The remaining sections expand upon the AHPP and provide additional requirements regarding the **Off-Site Option** (Section ), the **Land Dedication Option** (Section 5), For-Sale Affordable Units (Section 6), the Tenant and Purchaser Eligibility Procedures (Section 7) and Adjustments or Waivers (Section 8).

Questions about how a particular multifamily project applicant shall satisfy the affordable housing obligation (pay fee, build units onsite or offsite, or provide land dedications)

should be directed to the City Planning Division at (310) 458-8341 or to the Planning Counter in Room 111 in City Hall. Questions about current maximum rents and sales price calculation, or Tenant Eligibility and Selection Procedures should be directed to staff in the Housing Division at (310) 458-8702.

## **2. Fee Methodology**

One way to satisfy the affordable housing obligation is through payment of the Affordable Housing Unit Base Fee (§ 9.56.070). The amount of the Affordable Housing Unit Base Fee ("Base Fee") is based upon the floor area of the project. The floor area of the project, as defined in the Municipal Code § 9.04.02.030.315, is multiplied by the Base Fee in order to determine the total fee owed by each project. The proceeds from this Base Fee are deposited into a special City Trust Fund and used to facilitate the development of housing affordable to very low income, low-income and moderate-income households. The Fee Option is not available for ownership projects of 4 or more units in the City's multi-family residential zones.

### **A. Establishment and Periodic Adjustment of Base Fee**

The Base Fee is set by a Resolution of the City Council (See Municipal Code 9.56.070 (b)) and is subject to annual adjustment based on changes in land cost and construction cost. The methodology for making these annual adjustments was established by the City Council in June 2006. More specifically, construction cost inflation is established based on the Engineering News Record's (ENR) Construction Cost Index, because it is updated monthly and is readily available via the Internet. The methodology uses annual change in median condominium purchase prices as a proxy measure for land cost changes. The relative balance between land cost inflation (based on changes in median condo prices) and construction cost inflation (based on a construction cost index) is determined based on current development cost data for recently completed or construction-in-progress multi-family affordable developments assisted by the City. A detailed explanation of the annual adjustment methodology is provided in Attachment 2-A.

There are **different** base fees for condominiums and apartment projects. **Attachment 2-B** contains the current Base Fee amounts for apartment and condominium projects.

### **B. Affordable Housing Unit Development Cost**

The Affordable Housing Unit Development Cost is set by a Resolution of the City Council (See Municipal Code 9.56.070(c)) and is subject to annual adjustment based on changes in land cost and construction cost. The methodology for making these annual adjustments was established by the City Council in June 2006 and is the same methodology used in adjusting the Affordable Housing Unit Base Fee described in Section 3-A. The Affordable Housing Unit Development Cost is the average cost to the City to develop a unit of housing affordable to low- and moderate-income households. The Affordable Housing Production Program provides that when developers of market rate multi-family housing are providing affordable units on- or off-site, and the calculation of the number of affordable units required results in a fractional unit, these developers are eligible to pay a fee equal to the cost of producing that fractional unit based on the Affordable Housing Unit Development Cost if that fraction is less than 0.75. See Attachment 2-A.

Example (6-unit condominium project)

$6 \times .20 = 1.2$  affordable housing units

1 unit would be constructed on-site

Fee payment of  $0.2 \times \$265,632 = \$53,126.40$

### **3. On-Site Affordable Unit Option**

Another way to satisfy the affordable housing requirements of Chapter §9.56 is by constructing affordable units on the same site as the proposed new multi-family project (See § 9.56.050). Ownership projects or 4 or more units in multifamily zones must provide affordable units either onsite or offsite (See § 9.56.040). All housing developments that provide onsite affordable units in accordance with the AHPP are entitled to a bonus over the maximum allowable number of units on the site (i.e., density bonus) or a development bonus (commercial/industrial zones) and incentives in accordance with Interim Ordinance No. 2180 extended by Interim Ordinance No. 2252. This includes all units for sale or rent such as:

- Substantial remodel and conversion of commercial buildings to residential units
- Substantial remodel of residential buildings
- Condos and apartments.

Attachment 3-A provides a table indicating the minimum number of affordable units required in an ownership project in a multifamily zone and the fractional portion of a unit that may be paid as a fee. Attachment 3-B provides information on density bonus and other development incentives allowed when providing onsite affordable units. Attachment 3-C and 3-D provide information on the most current income eligibility and rent limits. Attachment 3-E provides an example of the Agreement Imposing Restrictions on Real Property between the City and the developer regarding a project containing affordable housing units.

## **4. Off-Site Affordable Unit Option**

This section of the Guidelines specifies certain additional requirements concerning the location of the Off-Site Affordable Units, site control and concurrent development of the market-rate project and the off-site units.

### **A. One-Quarter Mile Radius Maximum**

Except as provided below, the alternative site for the Off-Site Affordable Units shall be located within a one-quarter mile radius of the parcel on which the market rate units are proposed, and within the boundaries of the City. (SMMC § 9.56.060 (c)) The outer limit of this one-quarter mile radius area shall be determined by the Planning and Community Development Department. The Department's method for so doing shall be similar to the method used for determining the area within which written notice of a pending development permit is given. Specifically, on a map of City parcels, the project applicant shall submit as part of the project application a set of one-quarter mile radii from the corners of the parcel on which the market rate units will be constructed. Any multi-family parcel or commercial parcel on which multi-family housing is a permitted use, located, in whole or in any part, within these intersecting one-quarter mile radii is an eligible parcel for development of Off-Site Affordable Units.

### **B. Exceptions to the One-Quarter Mile Radius Maximum**

The maximum one-quarter mile radius requirement may be waived by majority vote of the City Planning Commission (whose decision shall be appealable to the City Council), based upon substantial evidence demonstrating that the location of Off-Site Affordable Units more than one-quarter mile from the site of the market rate units, but still within the City limits, better accomplishes the goals of the City's zoning and planning regulations, including maximizing affordable housing production and dispersing affordable housing throughout the City. (SMMC § 9.56.060 (f))

The project applicant shall have the burden of demonstrating why a location for the Off-Site Affordable Units of more than one-quarter mile from the market rate units better accomplishes the City's affordable housing objectives. In making its determination, the Planning Commission shall consider the recommendations of the Planning Director and the Housing and Redevelopment Manager on the petition. An application for an exception to the one-quarter mile radius shall be submitted as part of the planning application for any other discretionary approvals on the project that are within the purview of the Planning Commission.

By way of example, but not by limitation, factors that may justify the special exception include:

- *No Available Sites.* There are no multi-family or suitably zoned non-residential parcels within the strict boundaries of the one-quarter mile radius that can accommodate the required number of Affordable Off-Site Units.
- *Dispersal of Affordable Units.* The alternative location makes it possible to locate Off-Site Affordable Units throughout the City.
- *More Affordable Units.* The size, price or other characteristics of the alternative site results in a project that yields more affordable units than the project would yield if it were located within the strict limits of the one-quarter mile radius.
- *Deeper Level of Affordability.* The size, price or other characteristics of the alternative location makes it possible to offer the Off-Site Affordable Units to households at a lower household income level than would be possible within the strict limits of the one-quarter mile radius.

In no event, however, shall the Off-Site Affordable Units be located outside a radius of one mile from the market rate units. No more than five project exceptions to the one-quarter mile radius shall be approved in any one City fiscal year.

### C. Evidence of Site Control

In order to exercise the Off-Site Affordable Unit Option, the applicant must provide evidence that the site is owned in fee or that an option to purchase, subject to City project approval, has been secured. (SMMC § 9.56.060 (b)) Evidence of such site control (e.g., copies of purchase or option agreements) shall be provided to the City as part of the project application package.

### D. Simultaneous Development of Off-Site Affordable Units

All affordable housing units in a multi-family project or a phase of a multi-family project shall be constructed concurrently with the construction of market rate units in the multi-family project or phase of that project. No building permit for the market rate units shall be issued until a building permit has been issued for the Off-Site Affordable Units, and no final City construction permit sign-off or occupancy permit shall be granted for the market rate units until final construction permit sign-off or occupancy permit has been granted for the Off-Site Affordable Units. either: Off-Site Affordable Units shall be offered for rent or sale, as applicable, prior to or concurrently with rental or sale of the market rate units.

~~1) A final construction permit sign-off or occupancy permit has been granted for the Off-Site Affordable Units. Off-Site Affordable Units shall be offered for rent or sale, as applicable, prior to or concurrently with rental or sale of the market rate units; or,~~

~~2) All of the following conditions have been met: i) the Off-Site Affordable Units have been issued a building permit; ii) all equipment and facilities necessary to commence construction of the Off-Site Affordable Units have been mobilized on site and construction has commenced; and, iii) the developer provides the City with an irrevocable letter of credit or similar financial instrument deemed acceptable by the City in an amount at least equal to the in-lieu fee that would otherwise be required to meet the obligation for the market rate project(s), plus advance interest on that amount~~

~~equal to the most recent yield listed in the City Treasurer's Monthly Cash and Investments Report. If the off-site affordable housing units are not issued a final City construction permit sign-off or occupancy permit within 18 months of a final City construction permit sign-off or occupancy permit for the market rate units which produced the affordable housing obligation, the letter of credit or other approved financial instrument shall contain a provision allowing the City, in its discretion, to draw down on the letter of credit (i.e. convert the letter of credit to cash). The City Manager shall have the discretion to extend the 18 month period by not more than an additional 6 months.~~

## **5. Land Acquisition Option**

This section of the Guidelines specifies additional requirements for exercising the Land Acquisition Option.

### **A. Eligible Land Parcels**

Only land parcels meeting the following minimum characteristics shall be eligible under the Land Acquisition Option:

#### **1. Zoning**

Land parcels eligible for conveyance to the City, or an eligible non-profit affordable housing developer, shall be located in a City multi-family housing, commercial or industrial district in which multi-family housing is a permitted use.

#### **2. Minimum Land Value**

For sites dedicated to the City, or an eligible non-profit affordable housing developer, the fair market value of the parcel(s) shall be at least equal to the amount of the Affordable Housing Production Fee that would otherwise apply were the market rate project applicant to elect that option under Chapter 9.56 instead of

the Land Acquisition Option. The fair market value of the parcels proposed under this Option shall be supported by an estimate of value prepared by a qualified real estate appraiser, subject to the City's reasonable review of the appraisal. For situations involving option payments, rather than conveyance of land in fee, see below. For below market rate sales, or option transfers, see below.

### 3. Site Characteristics

The parcel shall satisfy the following minimum criteria:

- 6,000 square feet
- Can be developed with at least 4 dwelling units
- Free of characteristics that would make it difficult or impossible to develop (i.e., irregular shape, excessive sloping, soil or other contamination, adjacent to incompatible land use)

A Phase I environmental evaluation report shall be required before any parcel can be considered for conveyance.

### 4. One-Quarter Mile Radius Maximum

Except as provided below, the land parcel(s) proposed to be conveyed to the City, or an eligible non-profit affordable housing developer, shall be located within a one-quarter mile radius of the parcel on which the market rate units are proposed and within the City limits. (SMMC § 9.56.080) The outer limits of this one-quarter mile radius area shall be determined by the Planning and Community Development Department. The Department's method for so doing shall be similar to the method used for determining the area within which written notice of a pending development permit is given. Specifically, on a map of City parcels, the project applicant shall draw a set of one-quarter mile radii from the corners of the parcel on which the market rate units will be constructed. Any multi-family parcels located, in whole or in any part, within these intersecting one-quarter mile radii is an eligible parcel for the Land Acquisition option.

## 5. Exceptions to the One-Quarter Mile Radius Maximum

The maximum one-quarter mile radius requirement may be waived by majority vote of the City Planning Commission (whose decision shall be appealable to the City Council), based upon substantial evidence demonstrating that the location of land more than one-quarter mile from the site of the market rate units better accomplishes the goals of the City's zoning and planning regulations, including maximizing affordable housing production and dispersing affordable housing throughout the City. (SMMC § 9.56.080)

The project applicant shall have the burden of demonstrating why a proposed site more than one-quarter mile from the market rate units (but still within the City limits) better accomplishes the City's affordable housing objectives. In making its determination, the Planning Commission shall consider the recommendations of the Planning Director and the Housing and Redevelopment Manager. An application for an exception to the one-quarter mile radius shall be processed simultaneously with any other discretionary approvals on the project that are within the purview of the Planning Commission.

By way of example, but not by limitation, factors that may justify the special exception include:

- *No Available Sites.* There are no multi-family parcels within the strict boundaries of the one-quarter mile radius that are suitable for multi-family development.
- *Dispersal of Affordable Units.* The alternative location makes it possible to locate affordable housing throughout the City.
- *More Affordable Units.* The size, price or other characteristics of the alternative site could result in an affordable housing project that yields more affordable units than

would otherwise be required under the On-Site Affordable Units option or the Off-Site Affordable Units option in Ordinance 1918.

- *Deeper Level of Affordability.* The size, price or other characteristics of the alternative location makes it possible to offer affordable units to households at a lower household income level than would be possible within the strict limits of the one-quarter mile radius.

In no event, however, shall the Land Acquisition Option apply to a site located outside a radius of one mile from the market rate units. No more than five project exceptions to the one-quarter mile radius maximum shall be approved in any one City fiscal year.

#### **B. Evidence of Site Control**

In order to exercise the Land Acquisition Option, the market rate multi-family project applicant shall provide evidence, subject to reasonable City approval, that the site to be conveyed to the City, or an eligible non-profit affordable housing developer, is owned in fee by the applicant, or that an option to purchase has been secured. Evidence of such site control, including a current title report, and a copy of the option or lease agreement, if applicable, shall be included as part of the application for the market rate project.

#### **C. Conveyance of the Site**

An eligible site, or option to purchase an eligible site, shall be conveyed to the City, or an eligible non-profit affordable housing developer, as follows:

##### **1. Fee Title Transfer**

The site shall be sold or dedicated to the City or to a qualified non-profit housing developer free of any encumbrances, contractual, physical or financial, that would prevent it from being developed in a timely way by the City, or a qualified non-profit housing developer, for affordable multi-family housing.

If the site is dedicated to the City, or to an eligible non-profit affordable housing developer at no cost, the City shall provide reasonable cooperation as may be requested to help the applicant secure any state or federal tax credit for which such a dedication may be eligible.

If the site is sold to the City, or to an eligible non-profit affordable housing developer at below market rate, the difference between the fair market value and the below market sale price must be at least equal to the amount of the Affordable Housing Production Fee otherwise due, if that option had been selected by the project applicant.

## 2. Option to Purchase

If the market rate project applicant secures an option for another site to fulfill the Land Acquisition Option, the option must have a minimum term of six months and clearly state that the option may be transferred to a third party, such as the City or a qualified non-profit housing developer, under the same terms and conditions, including the agreed upon purchase price. A copy of the option agreement and a current title report shall be included with the application for the market rate project. Any costs incurred by applicant to maintain the option from the date of project application through successful transfer of the option to the City or to a qualified non-profit developer shall be the responsibility of the applicant. If the sum of the applicant's out-of-pocket option-related expenses, from date of project application through conveyance of the option, is *less* than the amount of the Affordable Housing Production Fee Option, these costs will be treated as a credit against the Affordable Housing Production Fee that would otherwise be due the City under that Chapter 9.56 option. The applicant shall pay any difference to the City as a reduced Affordable Housing Production Fee. The applicant shall provide the City a full accounting of all option payments and out-of-pocket option-related costs eligible for offset against the Affordable Housing Production Fee amount, which accounting shall be subject to reasonable City review and approval.

The land offered for option must have the following minimum site characteristics:

- 6,000 square feet
- Can be developed with at least 4 dwelling units
- Free of characteristics that would make it difficult or impossible to develop (i.e., irregular shape, excessive sloping, soil or other contamination, adjacent to incompatible land use)

A Phase I environmental evaluation report shall be required before any parcel can be considered for option.

The City shall exercise reasonable discretion in considering the option. The land option must be consistent with all City funding requirements, including the Consolidated Rental Housing Trust Fund Guidelines.

#### **D. Simultaneous Conveyance of Land or Option**

Conveyance of land or an option to purchase land to the City or an eligible non-profit affordable housing developer, pursuant to Chapter 9.56, shall be completed prior to the City's final sign-off on construction permits for the market rate units, or issuance of a certificate of occupancy, whichever occurs first.

#### **E. Eligible Non-Profit Affordable Housing Developer**

Dedication of land, below market rate sale of land or transfer of an option to purchase may be made either to the City or an "eligible non-profit affordable housing developer." For purposes of the Land Acquisition Option of Chapter 9.56, an eligible not-profit affordable housing developer is a private, non-profit corporation with: (1) a current exemption under Section 501(c)(3) of the U.S. Internal Revenue Code; (2) a certificate of good standing from the Secretary of State in which the organization is incorporated; (3) has the development of housing affordable to low-income households as one of its principle missions; and (4) has been approved by the City Housing and Redevelopment Manager, based on reasonable review of the organization's record of performance developing multi-

family housing affordable to low-income households. The non-profit affordable housing developer intended as the recipient of land pursuant the Land Acquisition Option must be identified as part of the project application.

## 6. For-Sale Affordable Unit Requirements

In the event that the affordable units required under either the On-Site Affordable Unit Option or the Off-Site Affordable Unit Option is intended to be for-sale units, rather than rentals, the following rules shall apply.

### A. Establishment of the Initial Purchase Price

The developer shall establish the sales price for the affordable unit based upon an the median income and total housing cost as described in the AHPP (9.56.100) and the income-qualifying household's ability to obtain conventional bank financing and to service debt at a front-end ratio of no less than a 33 percent and no greater than a 38 percent<sup>1</sup>.

The conventional financing shall conform to all of the following terms:

Loan Term:	30 Years
Interest Rate:	Fixed
Minimum Down payment:	5%
Min./Max. Front End Debt-to-Income Ratio <sup>1</sup> :	33% min./38% max.
Maximum Back End Debt-to-Income Ratio <sup>2</sup> :	41%

<sup>1</sup> Front End Ratio: ratio of total monthly housing costs (including mortgage principal and interest, property taxes, property insurance, homeowners' association dues and mortgage insurance, if applicable – to total gross household income. Chapter 9.56 of the Municipal Code restricts the front-end ratio to no more than 38%.

<sup>2</sup> Back End Ratio: ratio of total monthly housing costs (including mortgage principal and interest, property taxes, property insurance, homeowners' association dues and mortgage insurance, if applicable) plus other monthly payments on long-term household debt to gross household income.

Note: The borrower *must* be income-qualified pursuant to Chapter 9.56 of the Municipal Code.

The lending criteria used by the private lender must be reasonable and customary and shall be subject to review and approval by the City Housing Division prior to completion of the purchase transaction. Moreover, any purchase price for an affordable unit underwritten with a front-end ratio of less than 33 percent or a back-end ratio of more than 41 percent (the maximum generally required by the secondary mortgage market) will also require review and reasonable approval by the City prior to completion of the purchase transaction.

## **B. Re-Sale of an Affordable Unit to a Subsequent Purchaser**

### **1. First Right of Refusal to the City**

Throughout the 55-year period of the Agreement Imposing Restrictions on Real Property, the City shall have the first opportunity to purchase affordable for-sale units created pursuant to the On-Site Affordable Unit Option or the Off-Site Affordable Unit Option (“Option to Purchase”). Owners wishing to sell their units shall notify the City in writing at least 60 days before the unit is offered for sale to another qualifying party. The seller shall ensure that the unit is clean, in good repair and is available to be shown to prospective buyers. Any Option-related time periods in favor of the City shall be tolled until these conditions are met to the City’s reasonable satisfaction.

The City shall have 60 days to notify the seller of its intent to exercise the Option to Purchase, either by City purchase, by its designee (e.g., a non-profit affordable housing developer), or by referral of a qualified moderate-income buyer. (See below for the method for calculating the subsequent purchase price.) The City or other qualified buyer shall close escrow within 90 days from the date that the City notifies seller of its intent to exercise the Option to Purchase. If the City elects to assign its Option to Purchase, the opening of escrow may be deferred for up to 30 additional days to enable the City to effectuate the assignment.

In the event that the City does not exercise the Option to Purchase, or an offer to purchase by the City or a qualified buyer is not accepted by the seller, or once

accepted, if an escrow account contemplating a sale shall not have been opened within 60 days of a purchase offer, the Option shall terminate and the owner may sell the unit to any income qualifying party at a price as set forth below. Seller shall not refuse an offer by an income qualified buyer, subject to the price restrictions set forth below. Closing costs shall be divided between seller and buyer as is customary for like real estate transactions in Santa Monica at the time that escrow is opened.

2. Maximum Subsequent Selling Price

The resale price restriction will provide that the price for resale of the affordable unit shall be calculated using the same formula and factors set forth in Section 6A. The monthly housing cost shall include mortgage principal and interest, property taxes, property insurance, homeowners' association dues and mortgage insurance, if applicable.

3. Continuous Use as a Primary Residence

Each purchaser of an affordable unit shall certify, prior to the close of escrow, in a form acceptable to the City that the unit is being purchased and shall be maintained as the purchaser's primary residence. Failure of the purchaser to maintain eligibility for a homeowner's exemption from property tax shall be construed as evidence that the unit is not the primary residence of the purchaser.

**C. Subordination**

At the request of the ~~moderate-income-qualifying~~ household's lender, the City may subordinate the foregoing income eligibility and resale price restrictions to a first Deed of Trust at the time of purchase, provided that the Deed of Trust does not exceed the purchase price of the unit.

**D. Default and Foreclosure**

A Request for Notice of Default shall be recorded along with the Agreement Imposing Restrictions on Real Property. The Agreement will provide that any Notice of Default will constitute an owner's Notice of Intent to Sell, and that the City may exercise its Option to Purchase. In the event that the City does not exercise its Option and the unit is foreclosed upon, proceeds of the foreclosure sale shall be used first to satisfy the lender's lien(s), and any surplus proceeds, up to the amount that the owner would have received had there been no foreclosure, shall be paid to the owner. The remaining balance of any surplus shall be paid to the City for deposit into the Citywide Affordable Housing Trust Fund.

#### **E. Distribution of Insurance and Condemnation Proceeds**

In the event that the unit is destroyed and insurance proceeds are distributed to the low-income household owner instead of being used to rebuild, or in the event of liquidation of the homeowners' association and distribution of the assets of the association to the members, including the owner, any surplus remaining after payment of encumbrances shall be distributed as set forth above with respect to default and foreclosure.

### **7. Tenant and Purchaser Eligibility Procedures**

Per Chapter 9.56, multi-family project applicants who have opted to satisfy the affordable housing obligation through the on-site or off-site option are required to fill vacant affordable units ~~:- a)~~ by selecting income-eligible tenants from a City-developed list of income-qualified households, except ~~in cases whereif there are~~ no qualified households on the City-developed list or if the project applicant is developing ~~are available or except~~ ownership projects of 4 or more units in the City's multi-family residential zones. Under these exceptions, the project applicant may ~~to~~ choose themselves to select income-qualified households which shall be subject to eligibility certification by the City. **#**

This section establishes priorities for eligibility to occupy On-Site Affordable Units, describes categories of persons ineligible to occupy On-Site Affordable Units, and outlines

the procedures whereby the City Housing Division shall establish, maintain, and update the list of eligible tenants.

### **A. Priority Households**

In establishing the list of households eligible to occupy affordable units, the Housing Authority Division shall adhere to the following priorities:

#### **1) First Priority**

Persons who have been permanently displaced or face permanent displacement from their housing units in Santa Monica as a result of any of the following:

- A) Ellis Act, owner-occupancy, or removal permit eviction
- B) Earthquake, fire, flood, or other natural disaster
- C) ~~Cancellation of Section 8 contract by property owner~~ Funding reductions in Santa Monica housing voucher assistance programs
- D) Governmental Action, such as Code enforcement
- E) Closure of a mobile home park

#### **2) Second Priority**

Persons who are ~~either~~:

- A) Residents of Santa Monica ~~and/or~~
- B) Working in Santa Monica at least 36 hours per week ~~for at least 6 months~~

## **B. Persons Ineligible to Occupy an Affordable Unit**

Chapter 9.56 (see § 9.56.110(c)) specifically disqualifies the following categories of persons from occupying On-Site Affordable Units:

- All employees and officials of the City or its agencies, authorities, or commissions who have, by virtue of their position, policy-making authority or influence over the implementation of the Affordable Housing Production Program, as well as the immediate relatives of employees of such City employees and officials.
- The immediate relatives of the applicant or owner, including spouse, child, parent, grandparent, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, sister-in-law, and brother-in-law.

## **C. Establishment, Maintenance, and Update of Income-Qualified Tenants and Purchasers List**

The Housing Division shall be responsible for preparing and maintaining an Eligibility List for this program and shall follow these ~~guidelines~~ Guidelines for preparing, maintaining, and updating the Eligibility List. Subject to the requirements below, the establishment, maintenance and update of the This Eligibility List shall be ~~established, maintained and updated in accordance with the protocols set forth in the generally modeled after the~~ Housing Authority Administrative Plan with the Housing Division retaining the authority to adjust these protocols as appropriate for this local program.

### **1) Public Noticing Procedures**

To create the Eligibility List, the Housing Division shall publish notices in newspapers circulated widely in Santa Monica, including newspapers that reach minority communities. At least one notice shall be published in a Spanish-language newspaper of general circulation. Examples of appropriate newspapers include the Santa Monica Daily Press, L.A. Times, La Opinion, and

The Sentinel. The notices should briefly explain what affordable housing is, state the applicable income requirements, indicate how to apply for the Eligibility List, state when the application period opens and closes, indicate priorities for eligible occupants, and provide a telephone number for questions.

Applications may require name, address, telephone number, household size, income, date of birth, information relevant to program priorities, and applicant's signature.

## **2) Creating the Eligibility List**

The Housing Division shall create an Eligibility List using the information provided on the applications received, including name, household size, income, age, residency, place of employment (if applicable), priority status, and any other relevant information. Additionally, the Eligibility List will include households on any existing waiting list who indicated their intent to be included in the Eligibility List after being contacted by the Housing Division. Households will be drawn from the Eligibility List as affordable units become available or in anticipation of affordable units becoming available in the near future and shall be income qualified for use in referrals for available affordable units. Additionally, if the number of households on the Eligibility List decreases to less than 300 households for any income category (i.e., Very Low, Low or Moderate), the Housing Division will publicly notice the re-opening of the Eligibility List using the protocols described in Section 7-C(1) above.

## **3) Eligibility List and Referral Process**

Each time affordable units become available for occupancy, the owner and the Housing Division shall follow these procedures:

- A) At least 90 days prior to issuance of a Certificate of Occupancy by the City for newly developed units, or within 5 business days of notice of tenant

vacation in existing developments, owners shall notify the City of the number and type (low-/mod-income, number of bedrooms, ownership or rental) of units available.

- B) Within 20 business days of notice by the owner, the City shall provide the owner with a Referral ListForm, for each household drawn from the Eligibility List, containing and provide at least three names for each unit available. Additional names may be provided to the owner upon request, subject to availability.
- C) Owners shall directly contact the persons on the Referral ListForms provided by the City. Owners shall give applicants at least 5 business days to submit a completed application. Owners who are not able to fill vacant units from the Referral ListForms provided may request additional names from the City. Additional names will be provided within 5 business days, subject to availability.
- D) Owners shall conduct all further screening and selection of applicants. All applicable State Fair Housing laws must be observed.
- E) Candidates on the City's Eligibility List may be referred up to a maximum of five times. After the fifth referral, candidate names will be removed from the Eligibility List.

#### **24) Updating the ~~Waiting~~ Eligibility List**

- A) Periodic Update: The Eligibility List shall be periodically updated at least every two years. Letters shall be sent to all households on the Eligibility List requesting verification of all information, including name, address, place of residency, place of employment (if applicable), and continued interest in

staying on the list. Eligibility List households shall be given two weeks to respond. At the end of the two week period, the names of households who have failed to respond shall be taken off the Eligibility List. The Eligibility List shall also be updated to incorporate any changes in status (place of residency, eligibility for priority status, etc.) for each applicant.

B) Emergency Additions to ~~Waiting Eligibility~~ List: At any time, even if the Eligibility List is closed, ~~cancellation of a Section 8 contract administered by the Santa Monica Housing Authority or eviction due to governmental action for a household residing in Santa Monica~~persons displaced from Santa Monica housing as set forth in Section 7-A(1) of these Guidelines (i.e., “first-priority” households) will result in the automatic addition of that household to the Eligibility List with the applicable priority.

BC) The City will provide a Referral ~~Status~~ Form to the owner for each household selected from the Eligibility List~~on the Referral List~~. The owner shall complete the Referral ~~Status~~ Form indicating whether a unit was offered to the household and whether the unit was accepted or refused. A sample Referral ~~Status~~ Form is provided in Attachment ~~7.4~~-B. If a unit was not offered because of a poor credit history or for any other reason, the owner will note this as well. The City will incorporate this information into the Waiting Eligibility List.

D) Applicants~~Households on the City’s Eligibility List~~ will be referred only for those units for which they qualify. For example, moderate income households will only be referred for vacancies in moderate income units. Applicants~~Households on the City’s Eligibility List~~ must report any changes to address, household size, Santa Monica residency, employment in Santa

Monica, and/or, ~~for households on the List of Prequalified Applicants,~~ income to the Housing ~~Authority Division~~ within 10 days.

### **35) Persons Dependent Upon Income from Other Sources**

~~Households on the City's Eligibility List Applicants~~ must report income from all sources. Any ~~households on the City's Eligibility List Applicant~~ receiving support, including tuition payments, rent payments, and/or, substantial gifts, and/or any ~~household Applicant~~ who appears as a dependent upon the tax return of another individual must so disclose. In these cases, the income of the other will be considered along with the income of the ~~household Applicant~~ in determining eligibility ~~for any Referral List~~.

### **46) Automatic Removal from ~~Waiting Eligibility List~~**

Applicant names will be removed immediately from the Eligibility List for:

- A) Failure to appear for a scheduled ~~pre~~qualification interview or prior to the interview time contact the Housing Division to arrange an alternate time or date, or;
- B) More than two refusals of offered units, or;
- C) Fraudulent statements on ~~Application eligibility documentation, Prequalification in qualification Interview, Referral Interview interview(s), or Informal Hearing Review,~~ or;
- D) Failure to disclose dependent status or receipt of substantial support, or;
- E) Acceptance of an affordable unit stemming from a Referral.

~~Applicants~~ Households whose names are removed from the Eligibility List will also have their names removed from the ~~List of Prequalified Applicants, and from any Referral Lists Form~~ upon which their names appear. ~~Applicants Households~~ whose names are removed from the Eligibility List shall be notified

by mail at the address which they have supplied to the City. The reason for removal will be specified as part of the notification.

## **57) Appeal Process**

### A) Right to Appeal

The decision by the City to remove a name from the Eligibility List, ~~the List of Prequalified Applicants~~ or from a Referral List Form may be appealed. All appeals must be in writing and delivered to the Housing Division in person or by first class mail must be postmarked, by the close of the business day, no later than 10 business days from the date of the -or received by the Housing Division's within 10 days after the City has mailed out notification of removal from ~~any list~~ the Eligibility List.

### B) Scheduling an Informal Hearing Review

Upon receipt of an appeal in writing, the Housing Division shall ~~designate an Informal Hearing Officer~~ conduct an Informal Review. ~~The Housing Division may use the Dispute Resolution Service to conduct Informal Hearings.~~ ~~The Informal Hearing Officer~~ Housing Division will schedule an Informal Hearing Review to take place within 10 days of receipt of the appeal. Once the Informal Hearing Review date is set, the appellant may reschedule only upon showing "good cause," which is defined as an unavoidable conflict seriously affecting the health, safety or welfare of the Appellant or his/her family.

### C) Failure of Appellant to Appear for Informal Hearing Review

If the appellant does not appear at a scheduled Informal Hearing Review and has not rescheduled the Informal Hearing Review in advance, the appellant must contact the Housing Division within two working days. The Housing Division shall reschedule the Informal Hearing Review only if the appellant's absence was caused by medical emergency or incarceration. In this event, the Informal Hearing Review may be rescheduled only once.

D) Conduct of the Informal ~~Hearing~~Review

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person. The Appellant must be provided an opportunity to present written or oral objections to the decision to remove them from the Eligibility List and both the Appellant and the Housing Division have a right to present any information pertinent to the issue of the Informal Review.

~~Informal Hearings are conducted by a Hearing Officer who is appointed by the Housing Division.~~

- ~~ii. Appellant may present written and/or oral objections to the decision; may present any information or witnesses pertinent to the issue of the Informal Hearing; may request that staff be available or present at the Informal Hearing to answer questions pertinent to the case; and may be represented by legal counsel or other designated representative at their own expense.~~
- ~~iii. In addition to other rights, the Housing Division has a right to present evidence and any information pertinent to the issue of the Informal Hearing; be notified in writing if the appellant intends to be represented by legal counsel or another party; examine any documents to be used by the appellant prior to the Informal Hearing; have its attorney present; and have staff persons and other witnesses familiar with the case present.~~
- ~~iv. The Informal Hearing Officer may adjourn the Informal Hearing in order to allow the appellant time to provide additional information, documents or witnesses before making a decision. If the appellant misses an appointment or deadline for submission of information requested by the Informal Hearing Officer, the action of the Housing Division takes effect and another Informal Hearing is not granted.~~

E) Notification of the Informal Hearing Officer Review Decision

~~The Informal Hearing Officer determines whether the decision to remove the appellant's name from any list was correct based on the information presented at the Informal Hearing. A notice of the Informal Hearing Findings is provided in writing to the Housing Division within 10 days and includes a clear explanation of the reasons for the Officer's decision. The Housing Division is not bound by Informal Hearing decisions where such decision concerns matters other than the matter directly under appeal, is contrary to HUD regulations or requirements, is contrary to federal, State or local laws, or exceeds the authority of the person conducting the Informal Hearing.~~

F) Notification of Decision

- ~~i. If the Informal Hearing decision is valid, the Housing Division sends a notice to the appellant within 14 days of receipt of the decision stating a summary of the decision and reasons for the decision.~~
- ~~ii. If the Housing Division determines it is not bound by the Informal Hearing Officer's determination, the Housing Division sends a letter to the participant within 14 days of receipt of the decision describing the reasons for not complying with the Informal Hearing Officer's decision. The Housing Division must notify the Appellant within 14 days of the decision regarding the Informal Review, including an explanation of the decision and the associated findings. This decision shall be final and not subject to further administrative review.~~

**68) Changes in Income of Residents of Affordable Units**

If after moving into an affordable unit the tenant's income eventually exceeds the income limit for the unit, the tenant may remain in the unit as long as his/her income does not exceed 140% of the income limit for the unit.

However, if the tenant's income exceeds 140% of the income limit for the unit, the following shall apply, depending upon the income mix of the development:

A) **For Developments that are All Low-Income:** If a tenant's income exceeds 140% of the income limit for the low income unit but remains within the Program limit for a moderate-income unit, the tenant may remain in the unit and his/her name shall be moved automatically to the top of the Waiting List for the next available moderate-income unit of the same size or larger in the City. As long as the tenant's income does not exceed the program limits for a moderate income unit, the tenant may remain in the low income until the next moderate income affordable unit of an appropriate size becomes available. Once the tenant is offered tenancy in a moderate-income unit, if the tenant does not accept the offer, then the tenant must move out of the low income unit with 90 days of the offer of the moderate-income unit.

Notwithstanding, if the tenant's income exceeds the program limits for a moderate income unit at any time during his/her tenancy in the low-income unit, the tenant shall be given one year's notice to vacate the unit.

B) **For Mixed Income Developments:** If a tenant's income exceeds 140% of the income limit for his/her unit ("original unit") but does not exceed the income limits of other units in the development, the tenant may remain in the original unit as long as a) the income limit for the original unit is re-designated for an appropriate higher income category applicable to another unit in the development, and b) the next vacant higher income unit in the development is re-designated for the same lower income category applicable to the original unit.

Notwithstanding, if the tenant's income exceeds 140% the program limits for all affordable units in the mixed income development and also exceeds the

program limits for a moderate income affordable unit, the tenant shall be given one year's notice to vacate the unit.

**C) For Mixed Income Projects Including Market Rate Units:** If the tenant's income exceeds the program limits for the original unit by 140%, and if there are no units designated for a higher income category within the development which may be substituted for the original unit, the tenant may remain in the original unit and the tenant's rent may be raised to market rate. However, the next vacant market rate unit in the development must be re-designated for the same income limit formerly applicable to the original unit.

**D) Tenants Residing in Moderate Income Units**

If the income of a tenant residing in a moderate-income unit exceeds the income limit for the unit, the tenant may remain in the unit as long as his/her income does not exceed 140% of the income limit for the unit. However, once the tenant's income exceeds 140% of the moderate income limit, the tenant shall be given one year's notice to vacate the unit.

## **8. Adjustments or Waivers.**

The AHPP authorizes a project applicant to request an adjustment or waiver of the AHPP based on a showing that applying the requirements of this Chapter would effectuate an unconstitutional taking of property or otherwise have an unconstitutional application to the property.

To receive an adjustment or waiver, the applicant must submit an application to the Director of Housing and Economic Development, or his/her designee, at the time the applicant files a multi-family project application. The applicant bears the burden of presenting substantial evidence to support the request and set forth in detail the factual and legal basis for the claim, including all supporting technical documentation.

In making a determination on an application to adjust or waive the requirements of this Chapter, the Director of Housing and Economic Development, or City Council on appeal, may assume each of the following when applicable:

- (1) The applicant is subject to the affordable housing requirement of this Chapter;
- (2) The applicant will benefit from the inclusionary incentives set forth in this Chapter and the City's Municipal Code;
- (3) The applicant will be obligated to provide the most economical affordable housing units feasible in terms of construction, design, location and tenure.

The Director of Housing and Economic Development must make a written decision within ninety days after a complete application is filed. The Director's decision may be appealed to the City Council if such appeal is filed within fourteen consecutive calendar days from the date that the decision.

If the Director of Housing and Economic Development, or City Council on appeal, upon legal advice provided by or at the behest of the City Attorney, determines that applying the requirements of this Chapter would effectuate an unconstitutional taking of property or otherwise have an unconstitutional application to the property, the affordable housing requirements shall be adjusted or waived to reduce the obligations under this Chapter to the extent necessary to avoid an unconstitutional result. If an adjustment or waiver is granted, any change in the use within the project shall invalidate the adjustment or waiver. If the Director, or City Council on appeal, determines that no violation of the United States or California Constitutions would occur through application of this Chapter, the requirements of this Chapter remain fully applicable.

[The end]

## **ATTACHMENTS**

- 1-A Municipal Code Chapter 9.56 (Subject to Amendments)
- 1-B AHPP Options Comparison Table
- 2-A Fee Adjustment Methodology
- 2-B Current Base Fees for Apartment and Condominium Projects (Adjusted Annually)
- 3-A Affordable Units Table - Condominium Projects w/4+ Units in Multifamily Zones
- 3-B Development Incentives Table
- 3-C Very Low, Low and Moderate Income Levels (Adjusted Annually)
- 3-D Maximum Rents (Adjusted Annually)
- 3-E Sample of Deed Restrictions
- 4-A Sample Application for Affordable Housing Waiting List
- 4-B Referral Status Form

**ATTACHMENT 1-A**

**Municipal Code Chapter 9.56**

(This attachment will be updated to reflect the City Council action on June 14, 2011)

DRAFT

**ATTACHMENT 1-B**

**AHPP Options Comparison Table**

	<b>2-3 ownership units in multi-family zones*;                  2+ ownership units in all other zones                  2+ apartment units in any zone</b>	<b>4+ ownership units in multi-family zones*</b>
<b>ON-SITE OPTION</b>	<ul style="list-style-type: none"> <li>• 10% of units for Very Low Income</li> <li>• 20% of units for Low Income</li> <li>• 100% of units for Moderate Income (for non-residential zones)</li> </ul>	<ul style="list-style-type: none"> <li>• 20% of units are affordable for 4-15 unit projects</li> <li>• 25% of units are affordable for 16+ unit projects</li> </ul>
<b>OFF-SITE OPTION</b>	<ul style="list-style-type: none"> <li>• Same as on-site option</li> </ul>	<ul style="list-style-type: none"> <li>• 25% more than the required number of on-site units</li> </ul>
<b>AFFORDABLE HOUSING IN-LIEU FEE**                  (adjusted annually by City Council)</b>	<p align="center"><u>Current Fees</u></p> \$26.79/sf for apartments \$31.218/sf for condominiums  (To be updated subsequent to City Council action on June 14, 2011)	Not Applicable
<b>LAND ACQUISITION OPTION</b>	SMMC 9.58.080	Not Applicable

## ATTACHMENT 2-A

### Fee Adjustment Methodology

**Table 1 – Affordable Housing Unit Base Fee**

Affordable Housing Unit Base Fee Annual Inflation Adjustment Calculations for FY 20011-12

<b>Land Cost Inflation</b>						
ZIP Code	Median Price Change 2009-2010	# Condos Sold	Calculation Weights	Weighted Avg.		
90401	-14.4%	9	2.6%	-0.4%		
90402	-41.6%	19	5.4%	-2.2%		
90403	3.4%	145	41.2%	1.4%		
90404	6.2%	77	21.9%	1.4%		
90405	1.4%	102	29.0%	0.4%		
		352	100.1%	<b>0.6%</b>		

Source: MDA Dataquick (available on-line at: <http://www.dqnews.com/Charts/Annual-Charts/LA-Times-Charts/ZIPLAT10.aspx>).

**Construction Cost Inflation**

Engineering News Record's Construction Cost Index -- Los Angeles

March 2010 Index Value	9,769.69
March 2011 Index Value	10,035.05
Percentage Change 2010-2011	<b>2.7%</b>

Source: Engineering News Record (available at <http://www.enr.construction.com/features/coneco/subs/constIndex-list.asp>)

**Derivation of Land Cost and Construction Cost Calculation Weights**

Most Recent CCSM Family Rental Projects	Land Cost	Hard Construction Cost	Sum
1458 14th Street	\$ 2,730,000	\$ 6,035,559	\$ 8,765,559
2602 Broadway	\$ 5,175,000	\$ 11,199,833	\$ 16,374,833
	\$ 7,905,000	\$ 17,235,392	\$ 25,140,392
	31.4%	68.6%	100.00%

Source: Housing Division, City of Santa Monica

**Inflation Factor Derivation**

	Inflation Value	Weight	Wtd. Avg.
Land Value Inflation	0.6%	31.4%	0.2%
Construction Cost Inflation	2.7%	68.6%	1.9%
			<b>2.1%</b>

**Adjusted Fees**

	FY 2010-11 Fees	Inflation Factor	Updated Fees	\$ Change
Condos	\$31.28	2.1%	\$31.94	\$0.68
Apartments	\$26.79	2.1%	\$27.35	\$0.56

*For Information Only:*

Consumer Price Index Change, LA-Riv-Or Co.,

All Urban Consumers, 1982-84 = 100

Mar. 2010 Index Value 225,483

Mar. 2011 Index Value 232,241

Percentage Change Mar. 2010-Mar. 2011 3.0%

Source: US Bureau of Labor Statistics (available at: <http://www.bls.gov/cpi>)

Prepared by: HR&A, Inc.

## ATTACHMENT 2-A

### Fee Adjustment Methodology

#### Table 2 – Affordable Housing Unit Development Cost

Affordable Housing Development Cost Annual Inflation Adjustment Calculations for FY 2011-12

**Land Cost Inflation**

ZIP Code	Median Price Change 2009-2010	# Condos Sold	Calculation Weights	Weighted Avg.
90401	-14.4%	9	2.6%	-0.4%
90402	-41.6%	19	5.4%	-2.2%
90403	3.4%	145	41.2%	1.4%
90404	6.2%	77	21.8%	1.4%
90405	1.4%	102	29.0%	0.4%
		352	100.1%	<b>0.6%</b>

Source: MDA Dataquick (available on-line at: <http://www.dqnews.com/Charts/Annual-Charts/LA-Times-Charts/ZIPLAT10.aspx>).

**Construction Cost Inflation**

Engineering News Record's Construction Cost Index – Los Angeles

March 2010 Index Value	9,769.69
March 2011 Index Value	10,035.05
Percentage Change 2009-2010	<b>2.7%</b>

Source: Engineering News Record (available at <http://www.enr.construction.com/features/coneco/subs/constindexhist.asp>)

**Derivation of Land Cost and Construction Cost Calculation Weights**

Most Recent CCSM Family Rental Projects	Hard Construction		Sum
	Land Cost	Cost	
1458 14th Street	\$ 2,730,000	\$ 6,035,559	\$ 8,765,559
2602 Broadway	\$ 5,175,000	\$ 11,199,833	\$ 16,374,833
	\$ 7,905,000	\$ 17,235,392	\$ 25,140,392
	31.4%	68.6%	100.0%

Source: Housing Division, City of Santa Monica

**Inflation Factor Derivation**

	Inflation Value	Weight	Wtd. Avg.
Land Value Inflation	0.6%	31.4%	0.2%
Construction Cost Inflation	2.7%	68.6%	1.8%
			<b>2.1%</b>

**Adjusted Unit Cost**

	FY 2010-11 Cost/Unit	Inflation Factor	Updated Cost/Unit	\$ Change
Affordable Housing Development Cost	\$281,100	2.1%	<b>\$287,003</b>	\$5,903

**For Information Only:**

Consumer Price Index Change, LA-Riv-Cr Co., All

Urban Consumers, 1982-84 = 100

Mar. 2010 Index Value	225.483
Mar. 2011 Index Value	232.241
Percentage Change Mar. 2010-Mar. 2011	3.0%

Source: US Bureau of Labor Statistics (available at: <http://www.bls.gov/cpi>)

Prepared by: HR&A, Inc.

## ATTACHMENT 2-B

### Current Base Fees for Apartment and Condominium Projects

#### FEE FOR APARTMENT PROJECTS

Current Fee: \$26.79 [adopted 9-28-10]. Effective October 1, 2010.

*Proposed Fee: \$27.35 [City Council to consider on 6-14-2011; if adopted, Effective date will be August 15, 2011]*

#### FEE FOR CONDOMINIUM PROJECTS

Current Fee: \$31.28 [adopted 9-28-10]. Effective October 1, 2010.

*Proposed Fee: \$31.94 [City Council to consider on 6-14-2011; if adopted, Effective date will be August 15, 2011]*

#### TIMING OF FEE PAYMENT

Base Fee is due prior to completion of project, but not before building permit issuance, and the amount of fee due is based on fee amount in effect at time of payment.

**ATTACHMENT 3-A**

**Affordable Units Table - Condominium Projects w/4+ Units in Multifamily Zones**

(This attachment will be updated to reflect the City Council action on June 14, 2011.)

DRAFT

**ATTACHMENT 3-B**

**Development Incentives**

**Density Bonus Table for Housing Development in all Zones**

(This attachment will be updated to reflect the City Council action on June 14, 2011.)

DRAFT

## ATTACHMENT 3-C

### Very Low, Low and Moderate Income Levels

### 2011 Income Limits

MAXIMUM ALLOWABLE INCOME (ANNUAL)			
Household Size	Very Low (50%)	Low (60%)	Moderate (100%)
1	\$29,900	\$35,900	\$59,800
2	\$34,200	\$41,000	\$68,400
3	\$38,450	\$46,100	\$76,900
4	\$42,700	\$51,200	\$85,400
5	\$46,150	\$55,300	\$92,300
6	\$49,550	\$59,400	\$99,100
7	\$52,950	\$63,500	\$105,900
8	\$56,400	\$67,600	\$112,800

**ATTACHMENT 3-D**

**Maximum Rents**

**2011 Rent Limits**

**MAXIMUM ALLOWABLE RENTS (MONTHLY)\***

**Based on 30% of Above Income & Adjusted for # of Bedrooms**

Unit Type	Very Low (50%)	Low (60%)	Moderate (100%)
0-Bdrm	\$747	\$896	\$1,495
1-Bdrm	\$854	\$1,024	\$1,708
2-Bdrm	\$1,014	\$1,216	\$2,028
3-Bdrm	\$1,158	\$1,389	\$2,316
4-Bdrm	\$1,308	\$1,568	\$2,615

Rents: Income for 4-person household x Bdrm Adjustment x Affordability (30%) / 12.

**ATTACHMENT 3-E**

**Sample of Deed Restriction**

(This attachment will be updated to reflect the City Council action on June 14, 2011.)

DRAFT

**ATTACHMENT 4-A**

**Sample Application for Affordable Housing Eligibility List**

(This attachment will be updated to reflect the City Council action on June 14, 2011.)

DRAFT

**ATTACHMENT 4-B**

**Referral Form**

(This attachment will be updated to reflect the City Council action on June 14, 2011.)

DRAFT