



City of Santa Monica Housing Division Housing Trust Fund Plan

(effective through 2021)

On July 24, 2018, the Santa Monica City Council approved the following initial Housing Trust Fund Plan (Plan) effective concurrently with the 2013-2021 Housing Element cycle:

1. The City should endeavor to enter into Housing Trust Fund (HTF) spending commitments for affordable housing production and preservation totaling at least \$15 million to \$18 million during each fiscal year. The City should endeavor to further increase HTF spending commitments when there are opportunities to maximize the use of HTF resources by leveraging non-City funding (such as tax credits), implementing construction technologies to achieve significant cost savings, or developing affordable housing on City-owned land. In evaluating the cost efficiency of prospective HTF investments, the City should consider the number of bedrooms produced (i.e., number of people served) in addition to the number of residences produced.
2. A priority goal of the Plan is to ramp up the Preserving Our Diversity (“POD”) local rent subsidy program to a range that requires a commitment of no more than \$2 million per fiscal year in HTF funds. No actual expansion of the POD program will occur unless and until a detailed plan for doing so is proposed by City staff, vetted by the Housing Commission, and approved by the City Council. Any portion of the potential \$2 million in annual HTF funding that is not actually used for the POD program in any particular fiscal year shall remain available for commitment in future fiscal years to other Plan priorities.
3. A priority goal of the Plan is to provide permanent housing in Santa Monica for those among the population of homeless persons that the City Council determines the City should take responsibility to permanently house in the City. This should include “Santa Monicans” who are homeless. Subject to further refinement, this group is deemed to include those persons on the Santa Monica Homeless Registry as of the



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date the Plan is adopted who are not already in permanent housing. The City should look to leverage as much as possible federal funds, State funds, County funds, other City funds, or private funds, to accomplish this goal.

4. The remainder of the HTF funds spent each fiscal year should be used to create new affordable housing units for seniors, for physically and mentally challenged persons, for large families, and for small families (including individuals). Unless one or more unusually advantageous opportunities dictate a different result, a goal of the Plan is to provide roughly equal HTF funding support for affordable housing targeted to each of these four populations over the life of the Plan. The equal funding support determination shall take into account HTF funding committed during the entire lifetime of the 2013-2021 Housing Element, even if it occurred prior to the adoption of the Plan. The equal funding support determination also shall take into account HTF funding committed to the POD program (which is for senior housing) and to permanently housing Santa Monicans who are homeless (who may be members of any of the four populations).

5. The City's existing affordable housing programs generally provide the highest preference to persons displaced without fault from their existing homes in Santa Monica, and provide the next highest preference to persons who either already live in Santa Monica or who work full-time in Santa Monica. The two goals of the Plan identified in paragraphs #2 and #3 above, however, only serve persons who already live in Santa Monica. The City recognizes that the daily efforts of low income workers are particularly critical to the businesses (including hotels, restaurants, and retail stores) that generate the sales and use taxes supporting the HTF through Measures GS and GSH, as well as the sales and use taxes and transit occupancy taxes that fund a substantial portion of the City's budget. City staff therefore is directed to develop, in



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consultation with the Housing Commission, a proposal to increase—to the extent it is necessary and feasible to do so in order to maintain an overall equal preference for affordable housing opportunities in the City—the preference in other HTF funded projects for low-income Santa Monica workers.

6. City staff is directed to develop as soon as possible, in consultation with the Planning and Housing Commissions, a proposal to adjust the AHPP program that applies outside of the Downtown Community Plan. The proposal shall be based on a feasibility study, and shall take into account past and projected future production of housing through inclusionary zoning and HTF funded projects, as well as the quantified objectives in the Housing Element and the requirements of Proposition R.