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CITY OF SANTA MONICA
HOUSING DIVISION

AFFORDABLE HOUSING TRUST FUND
PRIORITY PLAN

INTRODUCTION: AFFORDABLE HOUSING DEVELOPMENT

There are two principal affordable housing development programs; both differ in terms of who has been served and who has not. In the discussion of Affordable Housing Trust Fund spending, these numbers and the City's Strategic Goal of "inclusivity and diversity" can be factored in, along with the loss of affordable housing and who has been/is at risk.

- AFFORDABLE HOUSING PRODUCTION PROGRAM (AHPP), applies to private developments. The AHPP is incentive-based (e.g., "bonus density"), and requires a smaller percentage of affordable residences in each new development. For about 25 years, 73-75% of the AHPP onsite affordable housing has served the 80%-120% of Area Median Income (AMI) households.

- AFFORDABLE HOUSING TRUST FUND (HTF), is a depository of local funds, with revenue collected from:
1) Commercial Linkage Fee; 2) GS/GSH Retail Sales Tax;
3) Developer In-Lieu (or opt-out) Fee; and 4) Redevelopment Agency "boomerang" funds.

Affordable Housing Trust Fund allocations are for: New Construction, and Acquisition/Rehabilitation. A housing document, "Housing Trust Fund Guidelines," assists City staff in determining funding priorities, such as underserved populations and the most efficient per-unit, per-project cost.

Our Affordable Housing Trust Fund provides more permanent and deeper affordability, and prioritizes the 30%-80% of AMI families, seniors, and Special Needs (PWDs).

HOUSING PRODUCTION OVERVIEW

- The state HOUSING ELEMENT/REGIONAL HOUSING NEEDS ASSESSMENT (HE/RHNA), imposes a 7-year benchmark for local development of residential housing. The housing

HOUSING PRODUCTION OVERVIEW
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is new construction. The HOUSING ELEMENT/REGIONAL HOUSING NEEDS ASSESSMENT (HE/RHNA) specifies the number of new residential units for each income level. The HE/RHNA Quantified Objective is the local determination by our City Council, and from public input, on new development and what is feasible, such as specific household incomes/production numbers during the 7-year period.

- PROPOSITION R (1990), is a local Ordinance which establishes annual, minimum affordability goals, with at least 30% or more of all new residential development affordable each year to low- and moderate-income households.
- AFFORDABLE HOUSING TRUST FUND (HTF), our depository for local taxes/fees, supports 100% affordable housing (new, acquisition/rehabilitation). The local revenue targets specific populations, provides deeper affordability, and serves the lower-income households most in need.

TRUST FUND PRIORITY PLAN

DISCUSSION

Local financing, and its success, relies on two factors: The leveraging of other sources of funding (such as for new construction), and the availability of land sites, or property. There are uncertainties regarding federal Tax Credit Financing. As for land availability/costs, it would be helpful to identify City-owned land, evaluate its current use, and the potentials for affordable housing development.

QUESTIONS

TRUST FUND BUDGET (#3):

- 1) What is the year-to-year, and total, Trust Fund revenue for the Housing Element/RHNA period remaining through 2021?

TRUST FUND BUDGET (#3):
(Continued)

- 2) What is the availability of various leveraging sources?, such as the status of Tax Credit Financing; L.A. County Measure H; and L.A. City Measure HHH?
- 3) Regarding funding/housing for the homeless (Measures H; HHH), what City departments/staff would coordinate, apply, and what amounts are available?

TRUST FUND LAND SITES (#2):

- 1) What City-owned parcels are available for affordable housing, such as location and lot size?
- 2) In the Santa Monica Downtown, the BBB Transit Yard (Colorado Ave./5th St.), is a large, underutilized City parcel adjacent to the OPCC/The People Concern homeless service center on Olympic Blvd. What is the potential to adapt the Transit Yard into a shared-use site, and what is the number of supportive housing residences the property could sustain?

TRUST FUND OPTIONS

Three Options are discussed to help achieve our Affordable Housing Trust Fund goals, and for the Housing Element/RHNA period remaining through 2021:

OPTION 1 sets a minimum goal of 181 new residential units, and OPTION 2 sets a minimum goal of 231 residential units. OPTIONS 1/2 include housing funding for the first time for Moderate Income (81%-120% of AMI) households, with 24 residential units. OPTION 3 sets a minimum goal of 227 residential units, and satisfies the typical use of Trust Funds, by limiting funding to lower incomes and deeper affordability.

QUESTIONS

TRUST FUND OPTIONS (#2):

TRUST FUND OPTIONS (#2):
(Continued)

1) Do our current Trust Fund Guidelines prioritize housing loans for households earning 60% of AMI or less?, and do they establish income maximums?

2) OPTIONS 1/2 would allocate Trust Funds for higher-income affordable housing. Would adding higher incomes (81%-120% of AMI) impede on the work of our nonprofits and the availability of Tax Credit Financing?

OTHER

PRESERVING OUR DIVERSITY (POD)

The current Affordable Housing Trust Fund Guidelines do not include the Preserving Our Diversity (POD) program as an eligible use of funds. The POD program was initiated in 2016-17 by the Housing Commission, and provides a monthly payment to seniors who are severely housing burdened. The program is cost-efficient, low-impact, and addresses the City's Strategic Goal of inclusivity and diversity: The housing already exists, there is no need to construct or acquire land, and our residents most at-risk for displacement stay housed.

QUESTIONS

PRESERVING OUR DIVERSITY (#2):

1) What is the POD budget for rental subsidies/administration for the 22 pilot program participants?

2) What is the expected yearly cost for rental subsidies/administration for participant retention/replacement, and for any expanded POD program?