

LIST OF HOUSING TRUST FUNDS

There are more than 350 housing trust funds in the United States - from cities, counties, states, and even regional areas. Housing trust funds have grown substantially in the last 30 years. This list is up-to-date as of 2002.

City Housing Trust Funds

Alexandria, Virginia	Massachusetts (50+ communities through the Community Preservation Act)
Ann Arbor, Michigan	Menlo Park, California
Aspen, Colorado	Morgan Hill, California
Austin, Texas	Nashville, Tennessee
Bainbridge Island, Washington	New Jersey (142 COAH approved developer fee programs)
Berkeley, California	Palo Alto, California
Bloomington, Indiana	Portland, Oregon
Boston, Massachusetts	Salt Lake City, Utah
Boulder, Colorado	San Antonio, Texas
Burlington, Vermont	San Diego, California
Cambridge, Massachusetts	San Francisco, California
Charleston, South Carolina	Santa Fe, New Mexico
Chicago, Illinois	Santa Monica, California
Cupertino, California	Seattle, Washington
Denver, Colorado	St. Louis, Missouri
Fort Wayne, Indiana	St. Paul, Minnesota
Greensboro, North Carolina	Tallahassee, Florida
Indianapolis, Indiana	Telluride, Colorado
Knoxville, Tennessee	Toledo, Ohio
Lawrence, Kansas	Washington, D.C
Longmont, Colorado	West Hollywood, California.
Los Angeles, California	
Manassas, Virginia	

State Housing Trust Funds

Arizona	Maryland	Oklahoma
California	Massachusetts	Oregon (2)
Connecticut	Minnesota	Rhode Island
Delaware	Montana	South Carolina
Georgia	Nebraska (2)	Texas
Hawaii	Nevada	Utah
Illinois	Nevada	Vermont
Indiana	New Hampshire	Washington
Kansas	New Jersey	West Virginia
Kentucky (2)	North Carolina	Wisconsin
Maine	Ohio	

County Housing Trust Funds

California = 4 county housing trust funds

Alameda County
Napa County
Sacramento
Santa Clara County (2)

Missouri = 3 county housing trust funds

Jackson County
St. Charles County
St. Louis County

Florida = 2 county housing trust funds

Dade County (2)

Ohio = 1 county housing trust fund

Columbus/Franklin County
Montgomery County

Iowa = 1 county housing trust fund

Polk County

Pennsylvania = 40 county housing trust funds

Maryland = 2 county housing trust funds

Howard County
Montgomery County

Virginia = 2 county housing trust funds

Arlington County
Fairfax County

Minnesota = 1 county housing trust fund

Ramsey County

Washington = 1 county housing trust fund

ARCH (multi-jurisdiction housing trust fund)
King County

Multi-jurisdictional Housing Trust Funds

ARCH, Eastside Housing Trust Funds: Includes King County and the cities of Bellevue, Bothell, Issaquah, Kirkland, Mercer Island, Redmond, Woodinville, NewCastle, Beax Arts Village, Clyde Hill, Hunts Point, Medina, and Yarrow Point.

Columbus/Franklin County, Ohio Housing Trust Fund: Includes the City of Columbus and Franklin County.

Sacramento City and County, California Housing Trust Funds: Includes the City of Sacramento and Sacramento County.

HOUSING TRUST FUND Sources of Funds and Eligible Uses					
CITY/COUNTY	SOURCES OF FUNDS	ELIGIBLE USES	CITY/COUNTY	SOURCES OF FUNDS	ELIGIBLE USES
BERKELEY HTF created 1990 Major sources of funds: (1) HOME; (2) Local General Funds; (3) 20% Setaside plus extra RDA funds; (4) \$1 Million from Prop 48 Local HTF Prog Current balance in fund: \$400,000	1. HOME 2. CDBG 3. Redev 20% Setaside 4. Inclusionary Zoning in-lieu fees 5. Hsg mitigation fees from dev projs, demos & condo conv's 6. General Funds 7. Proceeds from sale of City-owned res properties 8. Payments of int & prin due to City from previous HTF loans 9. Funds from other sources auth by City Council, Hsg Auth, Redev Agcy & voters 10. Gifts from indivs or orgs	1. New rental & ownership hsg 2. Rehabilitation of rental & ownership hsg 3. Rental hsg affordable to 30% to 60% of AMI depending on household size. 4. Ownership hsg affordable to 65% of AMI 5. Existing hsg which creates below market units 6. Creation of common areas & space to provide svcs to assisted units 7. Moving hsg structures to preserve residential structures 8. All reasonable costs associated w/acquisition, bldg reloc & rehab 9. All reasonable costs assoc w/new construction	IRVINE Affordable Housing Fund Established 5/95 Inclusionary Housing Ordinance (has been used only on case-by-case basis to date) An "In-lieu Fee Affordable Housing Fund" for all new housing development is to be submitted for approval on 5/6/04.	1. Inclusionary Housing in-lieu fees (currently the only funds in the HTF)	Below are <u>draft</u> priorities & policies for "In-lieu Fee Affordable Housing Fund" for 5/6/04 Ping Comm agenda: 1. New construction of affordable rental & for-sale units 2. Acq of land and/or housing for affordable housing 3. Conversion of existing structures to affordable hsg 4. Extension of affordability in existing units 5. Equity investment; loans; interest subsidies; grants; gap financing; refi costs 6. Staff & overhead costs related to projs
LOS ANGELES Housing Trust Fund Established 2000 Currently L.A. has \$20-22 Mil in HTF. However, just committed \$40 Million in two \$20 Million projects Major fund source: HOME	1. HOME 2. CDBG 3. General Purpose Funds (seed funding of \$5 M) 4. RDA Setaside - 30% 5. Tobacco Settlement Funds (probably one-time only) 6. DWP \$1 Mil per year to be used only for energy/water efficiency 7. Bond issue & refunding fees 8. Inclusionary Hsg In-Lieu Fees (IZ ordinance not yet adopted) 9. Spec funds, e.g., condo conv 10. HCD funds: \$2Million LHFFP & \$3.2Million Jobs/Hsg Balance	1. 60% MF Rental - 60% AMI 2. 20% Ownership - 120% AMI 3. 5% Emer rental assistance 4. 10% Flexible use (priority to preservation housing) 5. 5% Admin costs	OAKLAND "Jobs/Hsg Impact Fee & Affordable Housing Trust Fund" Effective July 1, 2005 Administered by City Mgr, w/all allocations approved by City Council	1. Impact fees for office & warehouse/distribution development projects	1. New constr & rehab. 2. Loans; grants; equity participation in affordable hsg projs with public/priv partners 3. Staff and admin costs for specific affordable housing projs 4. Funds for benefit of rental hsg. 5. Ownership hsg, limited equity coops, mutual hsg devs, or other types of affordable hsg projs. 6. In general, "funds to be used to increase, improve & preserves affordable hsg, w/priority for VLI households."

HOUSING TRUST FUND Sources of Funds and Eligible Uses					
CITY/COUNTY	SOURCES OF FUNDS	ELIGIBLE USES	CITY/COUNTY	SOURCES OF FUNDS	ELIGIBLE USES
PASADENA 1. Inclusionary Housing Trust Fund (In Lieu fees only source of funds) Ord. 6868 & 2 (part), 200 2. Housing Opportunities Trust Fund (20% Setaside only source of funds) Funds collected to date: \$1,006,567 - all of which is obligated	1. Inclusionary Housing in-lieu fees only 2. Funds collected by the City which were forfeited by devs who violated provisions of the Inclusionary Hsg Ord	1. Solely for the dev of housing affordable to Low & Mod Income Households. 2. Priority use for hsg affordable to VL and Low Income households. 3. Payment to tenants or owners who made payments in excess of applicable Affordable Housing Costs (These payments can be made only from funds forfeited by indivs who sold or rented units in violation of Incl Hsg Ord.)	SACRAMENTO HTF Ord. eff. 4/6/89 Ord. #89-013 Title 17.188 City Code Note: City also has a separate Inclusionary Hsg Plan since 10/2000. Sect 17.180.110 Zoning. Devs must provide 10% VL & 5% LI for new rental & ownership hsg, on-site, off-site, or dedicate land of equiv value. No In-Lieu fees allowed.	1. Commercial Linkage fees for non-residential construction (commercial & industrial development). 2. Leveraging from tax credits, etc. (Approx. \$8 are leveraged for every \$1 of HTF monies.) Major source of funds: Only source: Comm'l Linkage fees Current HTF balance: City: \$1,300,000 Since 1989: \$14,654,000 County: \$2,800,000 Since 1990: \$20,108,000	1. Increase & improve supply of VL and LI hsg, both rental & owner-occupied 2. Construct, rehab, subsidize, or assist other govt entities, private orgs or indivs in construction of low income hsg. 3. Stimulate hsg in infill areas to reduce commute distance & improve air quality 4. Reasonable admin fees 5. Processing fees to Planning Dept for admin of HTF. 6. Annual eval of achievements, effectiveness & possible fee change
SAN DIEGO "Affordable Hsg Fund" Ordinance 0-17454 Created 4/16/90 (Also called Housing Trust Fund) In the Affordable Housing Fund are (1) Housing Trust Fund Acct (2) Includ Hsg Fund Acct Anticipated funds in FY 2005 HTF: \$2.5 Million IHF: \$2.8 Million Major fund source: Comm'l Linkage Fee	Affordable Housing Fund 1. Commercial Linkage Fees 2. Inclusionary Hsg In-lieu Fees 3. Transit Occupancy Tax Revs. 4. Prin & interest from loan repayments & proceeds from grant repayments Within the Affordable Housing Fund are: Housing Trust Fund 1. All funds received by the Afford Hsg Fund except in-lieu fees & shared equity revenues (i.e., Gen Funds approp or special funds) Inclusionary Hsg Fund 1. In-lieu fees 2. Shared equity revenues	Affordable Hsg Fund 1. To meet the hsg needs of VL, LI & MI households Housing Trust Fund 1. May be used in any manner, thru loans, grants, or indirect assistance for prod & maint of assisted units & related facilities 2. Program to increase capacity of non-profits to dev & oper hsg for VLI, LI & MI households 3. Under specific circums, funds can be used for childcare or social services Inclusionary Hsg Fund 1. Constr/acq/rehab of rental hsg. Priority for constr of new affordable hsg in Community Ping Areas from which funds were collected 2. First-time homebuyer asstnc 3. 10% for transitional housing	SAN FRANCISCO A. Affordable Housing Fund (Is in Planning Code) B. Inclusionary Housing Fund Money goes into AHF (Is in Planning Code) C. General Obligation Bonds Money went into AHF \$100,000,000 issued 1996 D. Hotel Tax Fund Currently San Francisco has \$938,000 in Inclusionary & Jobs/Hsg funds. (5/25/04)	A. Affordable Hsg Fund 1. Jobs/Hsg Linkage Fees 2. Inclusionary Hsg Prog in-lieu fees 3. General Oblig Money Funds from above three programs go into AHF but have different uses. B. Transient Occupancy Tax (approx 4% of TOT)	A. Affordable Hsg Fund 1. No restrictions on use. Primary emphases on new rental hsg dev & 1st Time Homebuyers 2. No restrictions on use. Primary focus on new construction. 3. Capital costs primarily. Note: AHF is very flexible, w/wide range of uses: new constr, acq/rehab, supportive hsg. No admin costs - these are paid from CDBG & HOME. 1. Dedicated to housing for seniors & disabled 2. Minor amt: rent subsidies.

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<p>SAN JOSE</p> <p>Housing Trust Fund Created June 2004</p> <p>Anticipated balance in June 2004: \$5.3 million</p> <p>Major source of funds (ongoing and anticipated): Bond fees, interest, loan repayments, in-lieu fees</p>	<p>1. Old "Rental Rehab Prog" \$1.3 Million 2. Prop 46 Match (\$1.5 Million) 3. 20% Redevelopment Setaside. (All of HTF funds are used outside of Redevelopment Areas.) 4. Inclusionary in-lieu fees paid by devs goes to the HTF. 5. Bond fees; loan repayments; Interest 6. <u>No</u> HOME or CDBG. <u>Note:</u> The Redev Agency also does affordable housing production with some of their 80% money. 20% of new hsg produced in Redev Areas must be affordable. Affordability is restricted to 50% AMI households if rental, and 120% AMI if for-sale.</p>	<p><u>Affordable Housing</u></p> <p>1. Mid-size (under 20 units) new constr/rehab of owner & rental hsg (gap financing, last money in). 2. Meet hsg needs of Extremely Low, Very Low and Low Income households 3. Emphasis on small proj's throughout city</p> <p><u>Direct Services</u></p> <p>1. Assist agencies serving hsg needs of EL, VL, & LI hh's 2. New constr/rehab of small proj's homeless shelters. 3. General assistance to the homeless (incl rental assistance)</p>	<p>SANTA MONICA</p> <p>"Affordable Housing Production Program"</p> <p>Article 9, Planning & Zoning, Chapter 9.56 adopted 7/21/98. 1918 CCS. Prop R 1990 30% MFaffrdbl</p> <p>NOTE: Money collected + int must be approp within 5 years or refunded to devs who paid during that time</p> <p>Major source of funds: RDA setaside</p> <p>Current balance in AHF: \$840,000 (Over \$10 Million since inception of program)</p>	<p>1. RDA tax increment funds (has been up to 40/50% of tax increment funds) 2. Affordable Hsg Prod Prog In-Lieu fees for multifamily housing, including condos & townhouses 3. CDBG funds 4. Office Production Mitigation fees</p>	<p>1. Development of VL and Low- Income housing 2. Administrative costs 3. Monitoring & eval of the AHPP</p>

**LIST OF CALIFORNIA CITIES AND COUNTIES
WITH INCLUSIONARY HOUSING POLICIES OR PROGRAMS**

Cities:

Agoura Hills	Arroyo Grande	Benicia	Berkeley
Brea	Calistoga	Carlsbad	Chula Vista
Clayton	Coronado	Corte Madera	Cotati
Cupertino	Danville	Davis	Del Mar
Dublin	East Palo Alto	Emeryville	Encinitas
Fairfax	Fremont	Gonzales	Half Moon Bay
Healdsburg	Hercules	Hesperia	Huntington Beach
Irvine	Isleton	Laguna Beach	Larkspur
Livermore	Lompoc	Los Altos	Los Gatos
Mammoth Lakes	Menlo Park	Mill Valley	Monrovia
Monterey	Morgan Hill	Morro Bay	Mountain View
Napa	Novato	Oceanside	Oxnard
Palo Alto	Pasadena	Patterson	Petaluma
Pismo Beach	Pleasant Hill	Pleasanton	Port Hueneme
Portola Valley	Poway	Rancho Palos Verdes	
Richmond	Rio Vista	Ripon	Rohnert Park
Roseville	Sacramento	Salinas	San Anselmo
San Carlos	San Clemente	San Diego	San Francisco
San Juan Bautista	San Juan Capistrano	San Leandro	San Luis Obispo
San Mateo	San Rafael	Santa Clara	Santa Cruz
Santa Monica	Santa Rosa	Sebastopol	Solana Beach
Sonoma	South San Francisco	Sunnyvale	Tiburon
Union City	Vista	Watsonville	West Hollywood
Winters	Woodland	Yountville	

Counties:

County of Alameda	County of Contra Costa
County of Marin	County of Monterey
County of Napa	County of Nevada
County of San Benito	County of San Mateo
County of Santa Barbara	County of Santa Cruz
County of Sutter	County of Yolo

Source: 2003 Survey by the California Coalition for Rural Housing (CCRH) and the Non-Profit Housing Association of Northern California (NPH)

**SURVEY OF CITIES IN CALIFORNIA
WITH COMMERCIAL LINKAGE FEE ORDINANCES
February 2003**

CITY	YEAR EST.	DEVELOPMENT TYPE/FEE	THRESHOLDS/ EXEMPTIONS/ CAPS	TIMING OF PAYMENT	REVENUES	TARGETED USE OF FUNDS
Alameda	1989, rev. in 2001	<ul style="list-style-type: none"> • \$3.45/sf for office • \$1.75/sf for retail • \$0.60/sf for new manufacturing/ warehouse • \$885/room, hotel/motel <p>Adjusts annually based on increases in Engineering News Record cost index.</p>	<ul style="list-style-type: none"> • Any publicly owned development 	<ul style="list-style-type: none"> • Prior to issuance of building permit 		Fees go toward expanding affordable housing opportunities to low- and moderate- income households.
Berkeley	1988	<ul style="list-style-type: none"> • Office space, \$5.00/sf • Retail, \$5.00/sf • Industrial, \$2.50/sf <p>Fees can be negotiated if economic analysis demonstrates that fees render project infeasible.</p>	Office, retail, industrial, other commercial, 7,500 sf	<p>Three payments</p> <ul style="list-style-type: none"> • Before issuance of permit • Before issuance of C.O. • One year after C.O. 	Since 1988, over \$2 million has been collected.	20% of these fees go toward child care operating subsidies (since 1993).
Corte Madera	2001	<ul style="list-style-type: none"> • Office space, \$4.79/sf • Health club/recreation, \$2.00/sf • Light industrial, \$2.79/sf • Research and development, \$3.20/sf • Retail, \$8.38/sf • Hotel, \$1.20/sf • Warehouse, \$0.40/sf • Commercial services, \$1.20/sf • Restaurant, \$4.39/sf • Training facility/school, \$2.39/sf 		<ul style="list-style-type: none"> • Paid at issuance of building permit 		Funds go to the Affordable Housing Fund to support the development of housing for very low- and low- income persons.
Cupertino	1993	<ul style="list-style-type: none"> • Office/industrial, \$2.17/sf 	None	<ul style="list-style-type: none"> • Paid at issuance of building permit 		Revenues are used for affordable housing.

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Menlo Park	1987 est. policy, revised in 2001	<ul style="list-style-type: none"> • \$6.07/sf for other commercial development • \$11.15/sf for office and research and development <p>Fee adjustment annually based on five year moving average of price increase of new homes sold in San Mateo County.</p>	<ul style="list-style-type: none"> • 10,000 sf exemption; alteration must exceed 50% of replacement cost 	<ul style="list-style-type: none"> • Prior to issuance of building permit 		Fees go into the "Below Market Rate Reserve".
Mountain View	2001	<ul style="list-style-type: none"> • Office, \$3.00/sf for 1 sf to 10,000 sf, \$6.00/sf above 10,000 sf • High tech/industrial, \$3.00/sf for 1 sf to 10,000 sf, \$6.00/sf above 10,000 sf • Hotel, \$1.00/sf for 1 sf to 25,000 sf, \$2.00/sf above 25,000 sf • Retail & entertainment, \$1.00/sf for 1 sf to 25,000 sf, \$2.00/sf above 25,000 sf 	None – however, fees are lower for smaller developers.	<ul style="list-style-type: none"> • Paid at issuance of building permit 		Funds deposited in housing fund. Funds used to increase and improve the supply of housing affordable to very low, low and moderate income households.
Oakland	2002; goes into effect in 2006	<ul style="list-style-type: none"> • Office space, \$4.00/sf • Warehouse/distribution, \$4.00/sf 	25,000 sf exemption.	<ul style="list-style-type: none"> • 25% paid at issuance of building permit • 50% paid at issuance of temporary certificate of occupancy • 25% paid 18 mos. After TCO issuance 	Not applicable	All funds go to the Affordable Housing Trust Fund.

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Palo Alto	1984, revised in 2002	<ul style="list-style-type: none"> Commercial uses, \$15.00/sf 	Currently, no exemptions. However, City Council is considering exemptions for commercial spaces below 1,500 sf zoned for retail, restaurants, personal services, and automotive.	<ul style="list-style-type: none"> 100% paid at issuance of building permit 	Since inception, approximately \$7 million.	Ordinance states that funds go toward housing for "low, moderate, middle" income persons. In practice, most funds go toward housing for very low income persons.
Pleasanton	2000	<ul style="list-style-type: none"> Commercial uses, \$0.54/sf 	Fee reduction for certain types of uses (subject to approval by the City Council) if it can be demonstrated that the use will generate substantially fewer workers.	<ul style="list-style-type: none"> Paid at issuance of building permit 	Since inception of commercial linkage fee policy, approximately \$11 million in both inclusionary housing in-lieu fees and commercial linkage fees collected.	Ordinance states that funds go toward the development of housing for "very low, low, and moderate income" households.
Sacramento	1989; collections started in 1991	<ul style="list-style-type: none"> Office Space, \$0.99/sf Hotel, \$0.94/sf Res. and dev., \$0.84/sf Commercial, \$0.79/sf Manufacturing, \$0.62/sf Warehouse/Office, \$0.36/sf Warehouse, \$0.27/sf 	Developers can apply for variances if there are special circumstances, the project is no longer feasible, or a specific and substantial financial hardship would occur without the variance	<ul style="list-style-type: none"> Paid at issuance of building permit 	Over \$11 million in the City; Over \$15 million in the County.	<p>City – targeted to persons at 50% and 80% AMI.</p> <p>County – targeted to persons at 50% of AMI.</p>

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San Diego	1990, rev. in 1996	<ul style="list-style-type: none"> • Office space, \$1.06/sf • Hotel, \$0.64/sf • Res. and dev., \$0.80/sf • Retail, \$0.64/sf • Manufacturing, \$0.64/sf • Warehouse, \$0.27/sf 	Exempts residential hotels; other variances granted based on special circumstances, project feasibility, financial hardship, and alternative means of compliance.	<ul style="list-style-type: none"> • Paid at issuance of building permit 	Since inception, over \$33 million.	San Diego Housing Trust Fund, targeted to assist persons at 80 percent of AMI or below.
San Francisco	1981, est. as policy; 1985, as ordinance	<ul style="list-style-type: none"> • Office space, \$14.96/sf • Entertainment, \$13.95/sf • Hotel, \$11.21/sf • Research and development, \$9.97/sf • Retail, \$13.95/sf 	25,000 sf exemption.	<ul style="list-style-type: none"> • Paid at issuance of building permit 	Over \$40 million (estimate from study by Boston Redevelopment Authority).	All funds go to the Affordable Housing Fund.
Santa Monica	1986	<ul style="list-style-type: none"> • Applies only to general office development. • Approximately \$3.84/sf for the first 15,000 sf of net rentable space, approximately \$8.53/sf for the remainder, adjusted for CPI annually. • Developer can construct affordable housing units and park space. However, each housing unit is valued at approximately \$51,300, adjusted for CPI. 	15,000 sf exemption for new construction, 10,000 sf exemption for additions.	<ul style="list-style-type: none"> • 25% at C.O. • 25% at the three anniversaries thereafter • Agency requires irrevocable letters of credit to back the payment obligations 	Estimated at over \$5 million (by City of Santa Monica staff).	45% towards low and moderate income housing, 45% towards Parks Mitigation Fund, remaining 10% to go toward either or both uses.

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Sunnyvale	1984	<ul style="list-style-type: none"> • \$7.19/sf new industrial development 	<ul style="list-style-type: none"> • Limited to new industrial development. Fee charged only if the development exceeds 35% floor area ratio or the ratio applicable to the specific zoning district with employee-generating space. Cafeterias, meeting rooms, warehousing and assembly are excluded from the calculation. 	<ul style="list-style-type: none"> • Prior to issuance of building permit 		Funds go toward funding of low and moderate income housing.

Other California cities with commercial linkage fees include Napa, Livermore, and Milpitas

PROPOSED INCLUSIONARY HOUSING / COMMERCIAL LINKAGE FEE PROGRAM PARAMETERS and HOUSING TRUST FUND REVENUE SOURCES AND TARGET POPULATION					
	Inclusionary Housing (IH) Requirement	IH In-lieu Fees	Commercial Linkage Fee	Housing Trust Fund (HTF) Revenue Sources	HTF Target Population
Consultant Conclusions	(1) 10% of all new rental units; (2) 15% of all new for-sale units	(1) \$14,000 per unit for rental developments; (2) \$12,000 per unit for all new ownership units	\$10 to \$15 per sf	(1) IH In-Lieu fees (2) Commercial Linkage fees	
STAFF Recommendations	(1) 10% of all new rental units; (2) 15% of all new for-sale units	<u>Year 1:</u> \$5 per sf <u>Year 2:</u> \$7.50 psf + a % increase based on increase in median housing sales price <u>Year 3:</u> \$10 psf + a % increase based on increase in median hsg sales price		(1) IH In-Lieu fees	(1) 40% of funds for Extremely Low-Income; (2) 60% of funds for Moderate-Income
LBHDC Recommendations	(1) 10% of all new rental units; (2) 15% of all new for-sale units	<u>Year 1:</u> \$5 per sf <u>Year 2:</u> \$7.50 psf + a % increase based on increase in median housing sales price <u>Year 3:</u> \$10 psf + a % increase based on increase in median hsg sales price	\$2.50 per sf for new construction over 10,000 sf	(1) IH In-Lieu fees (2) Commercial Linkage fees (3) Increase in Redev setaside (4) % from existing or increases in TOT (5) % from existing or increases in Real Property Transfer Tax (6) % of Bus. License Fees (7) Housing bond (8) Corporate donations	(1) 40% of funds for Extremely Low-Income; (2) 60% of funds for Moderate-Income

PROPOSED INCLUSIONARY HOUSING / COMMERCIAL LINKAGE FEE PROGRAM PARAMETERS and HOUSING TRUST FUND REVENUE SOURCES AND TARGET POPULATION					
	Inclusionary Housing (IH) Requirement	IH In-lieu Fees	Commercial Linkage Fee	Housing Trust Fund (HTF) Revenue Sources	HTF Target Population
LBHTF Coalition Recommendations	<p>(1) 10% of all new rental units (affordable to 45% of Area Median Income (AMI))</p> <p>(2) 15% of all new for-sale units (affordable to 90% AMI)</p>	<p>(1) \$14,000 per unit for rent developments</p> <p>(2) \$12,000 per unit for all new ownership units</p> <p>NOTE: Fee option <u>only</u> for developments of 9 units or less</p>	\$10 per sf	<p>(1) IH In-Lieu fees</p> <p>(2) Commercial Linkage fees</p> <p>(3) Increase in Redev setaside</p> <p>(4) % of existing or an increase in TOT</p> <p>(5) % of existing or an increase in Real Property Transfer Tax</p> <p>(6) % of Bus. License Fees</p> <p>(7) Sale of City-owned property</p> <p>(8) Prog income from repayment of housing loans</p> <p>(9) Property tax from closure of redev project areas</p>	<p>(1) 40% Extremely Low-Income (30% of AMI)</p> <p>(2) 30% Very Low-Income (50% AMI)</p> <p>(3) 30% Low-Income (80% of AMI)</p>
Other Recommendations				Condominium Conversion Fee	

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Position Statement on the Establishment of a Housing Trust Fund for the City of Long Beach



The
**Long Beach
Housing
Development
Company**

The Long Beach Housing Development Company unanimously recommends that the City Council establish a Housing Trust Fund. Long Beach has a diverse population and this population has a variety of housing needs. While the market is able to meet the housing needs of most middle- and upper-income residents, we recognize that an alarming number of Long Beach residents cannot afford to pay market rates for housing. LBHDC's mission is to ensure that affordable housing is available for all Long Beach residents, but current funds are simply not enough to meet current needs. A Housing Trust Fund is a very effective method of addressing this housing crisis by providing dedicated, flexible, and local funding to make affordable housing available for our moderate to extremely low-income residents:

Funding sources for the Housing Trust Fund could include the following:

- Redevelopment tax increment – provide more than the required 20% set-aside for affordable housing
- Transient Occupancy Tax – allocate a % from existing or increases in revenues
- Real Property Transfer Tax – allocate a % from existing or increases in revenues
- Commercial linkage fees – initiate reasonable impact fees for new non-residential development
- Inclusionary housing in-lieu fees – allow payment of an in-lieu fee as an alternative option under a separately adopted inclusionary housing ordinance

Other sources of funding could include:

- Statewide housing bond
- Percentage of existing or increases in business license fees
- Corporate donations

Our mission is to tap into all the options that would provide attainable housing for our City, our neighborhoods, and our families.

The concept of a Housing Trust Fund is nothing new. It has been implemented and proven in close to 300 jurisdictions nationwide, including major California cities such as Los Angeles, San Diego, San Francisco, Oakland and Sacramento. It's time for Long Beach to step up to the challenge.

**MAKING
AFFORDABLE
HOUSING
HAPPEN**

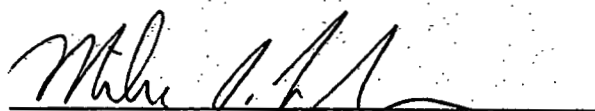
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Tel 562/570-6949


The concept of a Housing Trust Fund is nothing new. It has been implemented and proven in close to 300 jurisdictions nationwide, including major California cities such as Los Angeles, San Diego, San Francisco, Oakland and Sacramento. It's time for Long Beach to step up to the challenge.

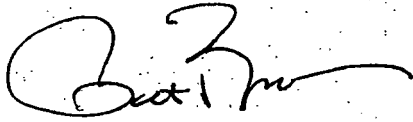
There comes a time when one must take a position that is neither safe, popular, or political; but because it is right. (*Dr. Martin Luther King, Jr.*) The establishment of a Housing Trust Fund is simply the right thing to do. It is critical to ensure an adequate supply of decent and safe housing that is affordable and accessible to all segments of our city's population. It allows us the opportunity to take responsibility at the local level for producing housing that everybody can afford. A recent editorial in the Press Telegram states: "Housing costs have risen so high that homes and apartments are out of reach for teachers, police officers, firefighters and other public sector employees, seniors, young families and service sector workers such as day care instructors, home health care aides and security guards."

The establishment of a Long Beach Housing Trust Fund is the most effective way to address the serious need for housing that our residents can afford. We have an alarming number of Long Beach residents who cannot afford to pay market-rate rent or own their own home in our city. We are concerned with the economic security of our working poor and moderate income residents and the negative impact on government services, neighborhoods, and public safety when people are impoverished and living in overcrowded, and deteriorating housing conditions. We believe that the housing crisis, and its impacts on our community, can be best addressed through the creation of a Long Beach Housing Trust Fund with a dedicated, flexible, and local funding source of at least \$20 million annually to build quality affordable housing for moderate income, low-income, and very low-income residents.

The City has a responsibility to see that the different housing needs of its residents are met. A Housing Trust Fund would help the City accomplish this by providing an additional source of funds dedicated for housing. The Housing Trust Fund must be created along with inclusionary housing and commercial linkage fee ordinances that provide the mechanism to generate new revenues. If Long Beach desires to maintain the quality of life of its residents, it must invest in their housing and neighborhoods, and a Housing Trust Fund is the best tool to make this happen.

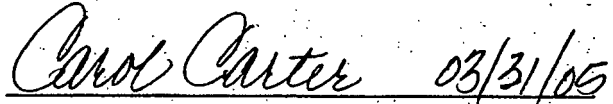

Michael Lo Grande, Chair Date
Council District 4


Gladys Gutierrez, Vice Chair Date
Council District 9



Patrick Brown
Council District 3

Date

 03/31/05

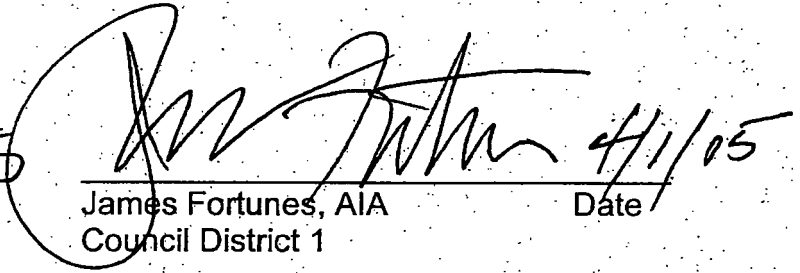
Carol Carter
Council District 4

Date

 3/31/05

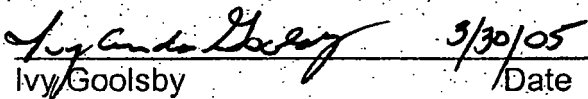
Kevin Cooper
Council District 5

Date

 4/1/05

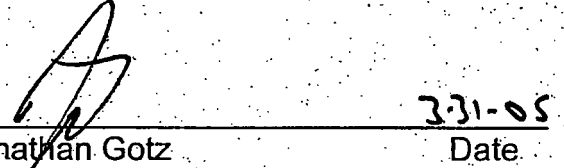
James Fortunes, AIA
Council District 1

Date

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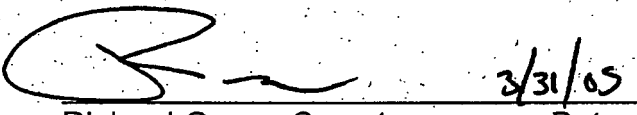
Ivy Goolsby
Council District 8

Date

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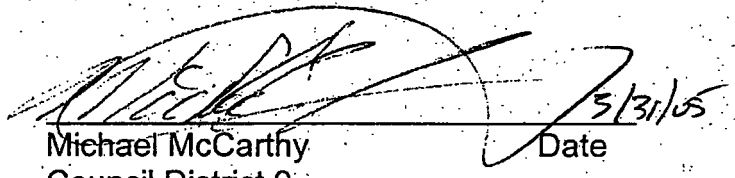
Jonathan Gotz
Council District 8

Date

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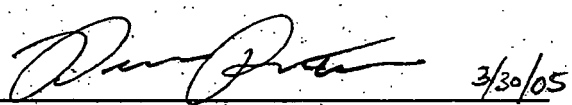
Richard Green, Secretary
Council District 2

Date

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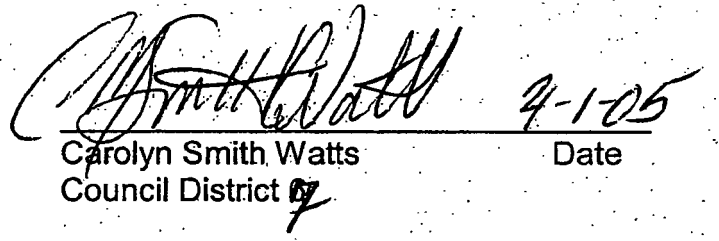
Michael McCarthy
Council District 9

Date

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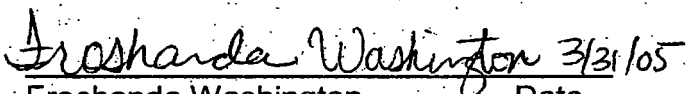
Perry Rector
Council District 5

Date

 4-1-05

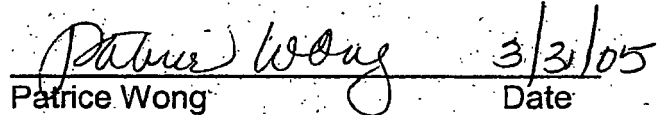
Carolyn Smith Watts
Council District 7

Date

 3/31/05

Froshanda Washington
Council District 6

Date

 3/31/05

Patrice Wong
Council District 1

Date

Long Beach Housing Trust Fund Coalition
Summary of Key Housing Trust Fund Recommendations (February 2005)

1. Adoption of a HTF: Long Beach should adopt a local Housing Trust Fund (HTF).
2. Submission to Council: The HTF and its funding sources should be submitted to the City Council as a single proposal.
3. Targeting: HTF dollars should be targeted as follows: (a) 40% for extremely low-income persons (30% AMI and below); (b) 30% for very low-income persons (50% AMI and below); and (c) 30% for low-income persons (80% AMI and below).
4. Commercial Linkage Fees: Commercial linkage fees should be set at a minimum of \$10.00 per square foot. The City's consultant, David Rosen and Associates, recommended setting linkage fees between \$10.00 and \$15.00 per square foot.
5. Inclusionary Zoning: Set aside 10% of the units in new rental developments for families earning \$25,000 per year (45% of area median income). Set aside 15% of the units in new ownership developments for families earning \$50,000 per year (90% area median income).

In lieu fees for Inclusionary Zoning should be based on the economic equivalent of providing an affordable unit. In lieu fees should be set at \$14,000 per unit for all units at rental properties and \$12,000 per unit for all units at ownership properties. These fee amounts were recommended to the City by its consultant, David Rosen.

An in lieu fee option should only be allowed for developments of nine units or less. Developments of ten units or more should be required to include affordable units on-site.

6. Additional Revenue Sources: The City should include additional revenue sources for the HTF, including: (a) an increase in redevelopment set aside money; (b) Transient Occupancy Tax (a percentage or an increase in revenues from); (c) Business license fees (a percentage or an increase in revenues from); and (d) Real estate transfer tax (a percentage or an increase in revenues from)
7. Affordability Covenants: Affordability covenants should be for a minimum of 55 years.
8. Eligible uses of HTF dollars should include: new construction of affordable housing, adaptive re-use of existing structures, rehabilitating existing structures or units, accessibility modifications, preserving the affordability of at risk units, relocation assistance, homelessness prevention/rental assistance, predevelopment costs, operating costs, supportive housing services and acquisition of buildings or land.

9. Administration of the Fund: The LBHDC Board, and its implementing language, should be broadened to specifically include members from the following groups: low-income renters, housing advocates, homeless advocates and advocates for persons with disabilities

10. Accountability: The LBHDC should be responsible for providing quarterly and annual reports on the activities of the HTF including, but not limited to: the amount of revenues collected, the expenditures of the fund, the number and type of awards made, those who benefited from the projects funded and the amount of leverage achieved.

LONG BEACH HOUSING TRUST FUND COALITION

TO: LBHDC Board Members
FROM: Long Beach Housing Trust Fund Coalition
RE: Housing Trust Fund Recommendations
Date: February 2005

Given the great shortage of affordable housing and the need for increased local investment in the creation of affordable housing, the Long Beach Housing Trust Fund Coalition supports the creation of a local housing trust fund. We commend the City for taking the initiative to develop a housing trust fund proposal. Set forth below are our recommendations for the creation, administration and operation of a Housing Trust Fund.

I. Submission to Council as a Single Proposal

We strongly recommend that the HTF, inclusionary zoning ("IZ"), commercial linkage fees and all other HTF revenue sources are submitted to the City Council as a single package. The HTF is not viable without dedicated sources of local revenue. It is important for the City Council to understand that these are integrally related parts of a single package. If the HTF and its potential funding sources are submitted to the Council separately, the Council could vote in favor of a HTF and against its funding sources. This would result in a HTF with no funding, which would serve no benefit to the city or its residents.

II. HTF Guiding Principles

- The HTF should have permanent, reliable, dedicated, local sources of revenue.
- The HTF should target housing to those who need housing the most.
- The HTF administrators should have flexibility to adapt to changing circumstances.
- The HTF administrators should be held accountable.

III. Targeting

A substantial portion of the HTF should be targeted to support housing and activities that benefit extremely low-income persons (30% AMI and below). This is especially important in light of the fact that the City's inclusionary zoning proposal does not provide housing for extremely low-income persons. The City's Housing Action Plan similarly does not target any housing dollars towards extremely low-income persons. Extremely low-income persons have the hardest time finding housing and they need housing the most.

The LBHTFC recommends that HTF dollars be targeted as follows:

- 40% for persons at 30% AMI and below (extremely-low income)
- 30 % for persons at 50% AMI and below (very low-income)
- 30% for persons at 80% AMI and below (low-income)

In order to assist developers in creating housing for extremely low-income persons, the HTF should allow for flexible uses, such as operating costs (e.g., Seattle HTF), predevelopment costs, supportive housing services, acquisition of land and buildings and various types of transitional and permanent housing.

IV. Commercial Linkage Fees

Commercial linkage fees should be set at a minimum of \$10.00 per square foot. The City's consultant, David Rosen and Associates, recommended that linkage fees be set between \$10.00 and \$15.00 per square foot.

The entire linkage fee should be devoted to the Housing Trust Fund. It should not be split in any way with parks.

V. Inclusionary Zoning

The LBHTFC supports David Rosen's recommendation that the city adopt an inclusionary zoning ordinance as follows:

- Set aside 10% of the units in new rental developments for families earning \$25,000 per year (45% of area median income / 2003 family of 4).
- Set aside 15% of the units in new ownership developments for families earning \$50,000 per year (90% area median income / 2003 family of 4).

VI. In lieu Fees for Inclusionary Zoning

The HTF should include the following requirements with respect to in lieu fees:

- In lieu fees should be based on the economic equivalent of providing an affordable unit and should be adjusted regularly over time. If in lieu fees are set too low, developers will always opt to pay the fee. This is problematic because: (a) The fee will not cover the cost of developing the affordable unit(s); (b) The City will have to locate land on which to build the affordable unit(s); and (c) The City is likely to be confronted with neighborhood opposition each time it constructs affordable units.
- The LBHTFC supports in lieu fees at the rate of \$14,000 per unit for all units at rental properties and \$12,000 per unit for all units at ownership properties. These fee amounts were recommended to the City by its consultant, David Rosen and Associates.
- An in lieu fee option should only be allowed for developments of nine units or less. Developments of ten or more units should be required to include affordable units on-site.

VII. Affordability Covenants

Affordability covenants should be for a minimum of 55 years.

VIII. Type of Funding

- Funding should be in the form of loans, grants or guarantees.
- An emphasis should be placed on allocations that leverage additional capital, but this should not be a requirement.

IX. Eligible Uses

- New construction of affordable housing
- Adaptive re-use of existing structures
- Rehabilitating existing structures or units that are uninhabitable
- Accessibility modifications
- Preserving the affordability of units at risk of losing subsidies or affordability covenants
- Relocation assistance pursuant to the LB Relocation Assistance Ordinance (one-time assistance)
- Homelessness prevention/rental assistance (one-time rental or relocation assistance for low or moderate income persons where other assistance is not available)
- Predevelopment costs
- Operating costs
- Supportive housing services
- Acquisition of buildings and/or land

X. Eligible Recipients

- Non-profit affordable housing developers
- For-profit affordable housing developers
- Joint ventures between non-profit and for-profit affordable housing developers
- Service providers
- Government agencies or affiliates (e.g., Long Beach Housing Development Company)

XI. Additional Revenue Sources

While IZ and linkage fees are critical to creating a HTF in Long Beach, they are not sufficient to sustain a viable HTF. The City should dedicate additional revenue sources to fund the HTF at \$22 million annually by 2006. This would triple the City's current annual housing budget of \$11 million, to \$33 million annually. Potential additional revenue sources include:

- Increase in redevelopment set aside money
- Transient Occupancy Tax (a percentage or an increase in revenues from)
- Business license fees (a percentage or an increase in revenues from)
- Real estate transfer tax (a percentage or an increase in revenues from)
- Sale of City owned property
- Program income from repayment of housing loans
- Property tax from the closure of redevelopment project areas

XII. Administration of the HTF

We support the administration of the HTF by the LBHDC on condition that the LBHDC's Board, and its implementing language, is broadened to specifically include members from the following groups:

- Low-income renters
- Housing Advocates
- LB Housing Trust Fund Coalition
- Homeless advocates
- Advocates for persons with disabilities

The LBHDC should be responsible for providing quarterly and annual reports on the activities of the HTF including, but not limited to: the amount of revenues collected, the expenditures of the fund, the number and type of awards made, those who have benefited from the projects funded and the amount of leverage achieved. In addition, these reports should account for units actually produced through the inclusionary zoning ordinance. Finally, the annual report should be presented at a public hearing with the opportunity for public comment.

HTF monies should be expended efficiently and quickly. Top priority should be given to financially feasible projects that demonstrate the ability to commence immediately upon receipt of a HTF allocation.

If HTF revenues are spent on administrative costs, it should be limited to those expenses that are absolutely necessary. Administrative costs should not be allowed to exceed a small percentage of HTF revenues in any given year. This will help to ensure that HTF revenues are directed overwhelmingly towards creating and improving affordable housing.

The City should produce a plan by the end of 2005 that addresses how it will secure \$22 million annually for the HTF by 2006. The plan should identify potential additional dedicated sources of public revenue and the process for securing those sources.

OTHER POTENTIAL REVENUE SOURCES FOR THE HOUSING TRUST FUND

Redevelopment Housing Set-aside – State law requires the Redevelopment Agency (RDA) to set-aside 20 percent of tax increment revenues it receives for affordable housing, which the RDA currently transfers to the City and is deposited into the Housing Development Fund.

Historical Revenues:

FY02	\$ 4,550,774
FY03	\$ 6,457,675
FY04	\$10,429,604

Proposal: Increase the housing set-aside above the 20 percent imposed by State law

Action Required: To increase the housing set-aside above the 20 percent imposed by State law requires RDA Board approval.

Transient Occupancy Tax (TOT) – a 12% tax charged for occupancy of a hotel guest room

TOT revenues are currently allocated as follows: 50 percent to the General Fund; the other 50% is divided between the Redevelopment Agency (RDA) Fund (which is used for the repayment of the Aquarium Bonds, and a loan from the Port of Long Beach) and Promotions Fund (which is used to pay for the City's contract with the Convention and Visitors Bureau and for the City's Special Events Office). Generally the RDA and Promotions Funds split are in the range of 40 percent to 45 percent for RDA, and 55 percent to 60 percent for the Promotions Fund.

Historical Revenues:

FY02	\$12,446,746
FY03	\$13,133,441
FY04	\$14,088,242

Alternative Proposals:

1. Set a base amount of existing TOT revenues and deposit any increase in TOT revenues over that base amount into the Housing Trust Fund.
2. Set a base amount of existing TOT revenues and deposit a percentage of any increase in TOT revenues over that base amount into the Housing Trust Fund.
3. Increase the TOT rate and additional revenues generated will be deposited into the Housing Trust Fund.

Action Required: Alternative proposals 1 and 2 would require a budgetary action; alternative proposal 3 would require a 2/3 vote from the electorate

Real Property Transfer Tax (RPTT) – a tax of \$0.275 per \$500.00 on the selling price of any real property assessed over \$100.00. It is adopted pursuant to the authority contained in Section §11901 of the California Revenue and Taxation Code. These revenues are deposited in the General Fund.

Historical Revenues:

	FY02	\$1,463,541
	FY03	\$1,686,109
	FY04	\$2,288,974

Alternative Proposals:

1. Set a base amount of current RPTT revenues and deposit any increase in RPTT revenues over that base amount into the Housing Trust Fund.
2. Set a base amount of current RPTT revenues and deposit a percentage of any increase in RPTT revenues over that base amount into the Housing Trust Fund.
3. Increase the RPTT rate and additional revenues generated will be deposited into the Housing Trust Fund.

Action Required: Alternative proposals 1 and 2 would require a budgetary action; alternative proposal 3 would require a 2/3 vote from the electorate

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**CURRENT RESIDENTIAL DEVELOPMENT IMPACT FEES
OF SELECTED CALIFORNIA CITIES WITH INCLUSIONARY HOUSING ORDINANCES**

CITY	INCLUSIONARY HOUSING IN LIEU FEE	CURRENT RESIDENTIAL DEVELOPMENT IMPACT FEES		With In Lieu Fee TOTAL FEES
		DETAIL	TOTAL	
BERKELEY	No in-lieu fees permitted; must build.	Child Care Fee: \$0.75 psf Traffic Impact Fee:)Negotiated Developer Impact Fees:)case by case School District Fee: \$2 psf aprox	\$2.75 psf + other fees	\$2.75 plus other fees
CARLSBAD	(Applies to 7+ units only) \$4.06 psf	School Dist Fee: \$2.14 psf Public Facilities Fee: \$5.32 psf Traffic Fee: \$0.50 psf Major Thoroughfare Fee: \$0.38 psf Parkland Dedication Fee: \$1.19 psf	\$9.53 psf	\$13.59 psf
IRVINE	\$6.01 psf	Parkland Fee: Not Available School Dist Fee: \$2.24 psf	\$2.24 psf +	\$8.25 psf + Parkland/Traffic fees
LONG BEACH	\$5.00 psf (Proposed)	Trans & Improv Fee: \$1.01 psf Parks & Rec Fee: \$2.12 psf Sewer Capacity Fee: \$0.36 psf School Dist Fee: \$2.24 psf	\$5.73 psf	\$10.73 psf
PASADENA	Rental: \$1 - \$22 For Sale: \$5 - \$41 (Fees based on location) (<10 units exempt)	Res Impact Fee: \$3.29 psf Construction Tax (1.92% of value): \$2.56 psf School Dist Fee: \$2.05 psf	\$7.90 psf	\$8.90 - \$29.90 \$12.90 - \$48.90

**CURRENT RESIDENTIAL DEVELOPMENT IMPACT FEES
OF SELECTED CALIFORNIA CITIES WITH INCLUSIONARY HOUSING ORDINANCES**

CITY	INCLUSIONARY HOUSING IN LIEU FEE	CURRENT RESIDENTIAL DEVELOPMENT IMPACT FEES		With In Lieu Fee TOTAL FEES	
		DETAIL	TOTAL		
SACRAMENTO	No in-lieu fees permitted; must build.	Street Constr Tax:	\$1.60 psf	\$4.44 psf + valuation	
		Parks Fee:	\$0.84 psf		
		School District Fee	\$2 psf aprox		
		Housing Trust Fund Fee (Construction Tax Fee): 0.8% of value	Not Available		
SAN DIEGO	\$1.75 psf	Spec Parks Fee:	\$3.56 psf	\$6.91 psf	
		Traffic Fee & Surcharge:	\$1.18 psf	(Plus School Fee)	
		Facilities Benefit Assmt:	\$2.17 psf		
SAN FRANCISCO	\$8.43 - \$11.09 psf (Fees based on br size) (<10 units exempt)	Office Affordable Housing Fund	\$7.05 psf (over 25,000 sf)	\$9.05 psf	
		Downtown Park Fund	\$2 psf of park space		(Plus Other Dev Fees)
SAN JOSE	\$2.25 - \$2.86 psf	Res Constr Tax:	\$0.08 psf	\$7.39 psf	
		Parks:	\$5.28 psf		
		Strong Motion Prog:	\$0.03 psf		
		School District Fee:	\$2 approx		
SANTA MONICA	\$6.14 - \$11.01 psf (MF rental & for sale only)	Parks & Rec:	\$0.18 psf	\$2.11 psf	
		School Dist Fee:	\$1.93 psf		\$8.25 - \$13.12 psf

Rev. 4/1/05