



Consent
April 22, 2014

Honorable Mayor and Members of the City Council

Title: Housing Trust Fund Annual Report

Location/Council District: Citywide

Issue: Annual report on housing revenue and production utilizing City Housing Trust Fund

Recommendation: Receive and file

Contact: Christine Weichert, Assistant Director, Development Finance, 440-1353

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The City Housing Trust Fund ordinance (#89-013) was adopted by the City Council on March 7, 1989. The ordinance included a method to calculate local financing fees for affordable housing near employment centers. The City Housing Trust Fund is administered by the Sacramento Housing and Redevelopment Agency (SHRA).

Pursuant to the Mitigation Fee Act (Government Code 66000 et. seq.), the Agency is required to provide an annual report to City Council on revenue and production generated by the City Housing Trust Fund (HTF). Attachment 1 provides background information on the City Housing Trust Fund. Attachment 2 shows the fee schedule for 2012-2013. Attachment 3 charts financial information for the funds for 2013, including:

- Beginning and ending balance
- Revenue, including the amount of fees collected, interest earned, and income from loan repayments
- Amount of expenditures for projects and operations
- Amount budgeted, but not expended, for projects
- Balance available for new projects

Attachment 4 identifies current HTF projects, expenditures, and balance available. For each project the chart also identifies the HTF restricted and total number of housing units, and the loan maturity date. In 2013, expenditures totaling \$1,469,120 were made for two projects with 19 HTF units and 103 total units.

Attachment 5 identifies all properties which received Housing Trust Funds and the total number of units produced.

Parties interested in receiving notices of meetings at which this report is heard may request to be placed on a notification list. Notice of the time and place of the meeting will be mailed 15 days prior to the meeting. Written requests should be made to SHRA and are valid one year from the date on which it is filed. Renewal requests for mailed notices should be made on or before April 1st of each year.

Policy Considerations: There are no policy implications as a result of this informational report.

Environmental Considerations:

California Environmental Quality Act (CEQA): The specific actions herein consist of the filing of a report and are not a project as defined by the California Environmental Quality Act (CEQA) [CEQA Section 21065 and CEQA Guidelines Section 15378 (b)(5)].

Sustainability Considerations: Not applicable

Other: The National Environmental Policy Act (NEPA) does not apply.

Commission Action: At its meeting of April 2, 2014, the Sacramento Housing and Redevelopment Commission received the information presented in this report.

Rationale for Recommendation: Pursuant to the Mitigation Fee Act (Government Code 66000 et. seq.), the Agency is required to provide an annual report to City Council on revenue and production generated by the City Housing Trust Fund (HTF).

Financial Considerations: The City has collected a total of \$33,221,229 in fees, interest, and loan income since the inception of the fund in 1989. A total of \$28,212,755 has been expended for projects and \$2,551,508 for administration, (approximately eight percent of total revenues). The balance remaining at the end of 2013 was \$2,256,966.

M/WBE and Section 3 Considerations: The activities in this staff report do not involve federal funding; therefore, there are no M/WBE or Section 3 requirements.

Respectfully Submitted by:

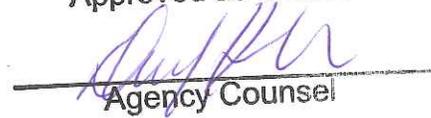


LA SHELLE DOZIER
Executive Director

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Approved as to form:



Agency Counsel

Housing Trust Fund Annual Report Background

The City Housing Trust Fund ordinance, which includes a North Natomas Housing Trust Fund, was adopted in 1989 to provide local financing for affordable housing near employment centers. Fees on non-residential development generate the funds' revenue based on an economic nexus analysis which determined that the construction of commercial projects such as offices, business parks, hotels, warehouses, and shopping centers played a major role in attracting new very low and low income workers to Sacramento.

Due to the jobs/housing linkage, trust funds assist housing likely to be occupied by persons in the labor force. Overall, projects must be located within a seven-mile radius of the employment-generating uses that pay housing trust fund fees. The City's HTF benefits both very low and low income households earning up to 80 percent of the area median income.

In 2001, the City Council amended the City Housing Trust Fund ordinance to allow the use of commercial development impact fees paid into the North Natomas housing trust fund to be used for the same purposes as the citywide fund. Although the amendment integrated the purposes of the funds, it did not change their different fee schedules. The North Natomas fees are based on land use, while the City fees are based on building types.

On October 12, 2004, the City Council approved Ordinance 2004-057 instituting an automatic annual increase for the Housing Trust Fund fee based on changes in the construction cost index. The automatic increase ensures that the Fund keeps pace with housing construction costs. Attachment 2 identifies HTF fee levels for the City and North Natomas.

HOUSING TRUST FUND FEE SCHEDULE

CITYWIDE PROJECTS (Excluding North Natomas)

BUILDING TYPE/ HTF FEE LEVEL (FEE/SQ FT)	Fee Schedule (FY 2013-14)
Office	\$2.25
Hotel	\$2.14
Research and Development	\$1.91
Commercial	\$1.80
Manufacturing	\$1.41
Warehouse/Office*	\$0.82
Warehouse	\$0.61
* Warehouse buildings with a minor portion (25% maximum) of the space improved for incidental office use.	

NORTH NATOMAS PROJECTS ONLY

Use*/ HTF Fee Level (fee/sq ft)	Fee Schedule (FY 2013-14)
Highway Commercial	\$2.47
Community/Neighborhood Commercial	\$1.86
Office/Business	\$1.86
M-50	\$1.57
M-20	\$1.30
Light Industrial	\$1.01
* Each nonresidential development project will be subject to a fee which is based on the applicable North Natomas community plan land use category.	

2013 City Housing Trust Fund Financial Information**2013**

Beginning Balance		\$1,928,199
Fees Collected	\$382,413	
Interest	\$188,291	
Income / Loan Repayment*	\$1,466,191	
Total Income		\$2,036,895
Projects	\$1,469,120	
Operations	\$39,008	
Total Expense		<u>(\$1,508,128)</u>
End Balance		\$2,456,966

Remaining Project Budgets

La Valentina	\$200,000
TOTAL	<u>\$200,000</u>
Balance Available for Projects	\$2,256,966

* Includes \$1,210,770 in Greenfair Sales Proceeds

2013 City Housing Trust Fund Expenditures

Project Name	Address	HTF Units	Total Units	Total HTF Budgeted	2013 HTF Expenditure	Remaining Balance	Loan Maturity Date
La Valentina	12 th Street and D Street	18	81	\$3,535,000	\$0	\$200,000	11/18/2065
Greenfair	5505 Broadway			\$3,645,641 *	\$1,400,000	\$0	N/A
Ridgeway Studios	912-914 12 th Street	1	22	\$69,120	\$69,120	\$0	4/26/2068
	TOTAL	19	103	\$7,249,761	\$1,469,120	\$200,000	

*Ten percent of future units must be sold to buyers earning 80% or less of Area Median Income.

HOUSING TRUST FUND DEVELOPMENTS

Project Status	Project Name	Total Units
Completed	1048 Jean Avenue	1
Completed	10th And T	13
Completed	1100 Harris Avenue	1
Completed	1221 Rivera Drive	1
Completed	1440 Rene Avenue	1
Completed	1500 Q Street	6
Completed	18th & L Mixed-Use Development	176
Completed	2151 68th Avenue	1
Completed	2221 63rd Avenue	1
Completed	2761 Utah Street	1
Completed	3836 Dayton St.	1
Completed	63 Butterworth Ave.	1
Completed	729 Morrison Avenue	1
Completed	7445 Carella Drive	1
Completed	7588 Red Willow Street	1
Completed	7672 Manorside Drive	1
Completed	7860 Deerhaven Way	1
Completed	7th & H	150
Completed	Asbury Place	104
Completed	Atrium Court Apartments	224
Completed	Copperstone Village	103
Completed	Coral Gables Apartments	4
Completed	Danbury Park	140
Completed	Del Paso Nuevo	54
Completed	Del Paso Nuevo Unit 2	23
Completed	Fremont Mews	119
Planning	Greenfair	TBD
Completed	Kelsey Village	20
Completed	Kennedy Estates Apartments	98
Completed	La Valentina	81
Completed	Land Park Woods	75
Completed	Lemon Hill Townhomes	74
Completed	Morrison Point Subdivision	22
Completed	North Avenue Apartments	80
Completed	Pensione K Apartments	137
Completed	Phoenix Park	360
Completed	Phoenix Park II	182
Under Construction	Ridgeway Studios	22
Completed	Silverado Creek Apartments	168
Completed	St Anton Building	64
Completed	Surreal Estates, Ink	11
Completed	Terracina Gold, Village 1 And 3	160
Completed	Terracina Gold, Village 2	120
Completed	Terracina Meadows Apartments	156
Completed	Valencia Point	168
Completed	Victory Townhomes/Evergreen	76
Completed	Willow Glen	135
Total		3,339