

Meeting Date: 5/19/2015

Report Type: Consent

Report ID: 2015-00292

Title: Housing Trust Fund Annual Report

Location: Citywide

Recommendation: Receive and file.

Contact: Christine Weichert, Assistant Director, (916) 440-1353, Sacramento Housing and Redevelopment Agency

Presenter: None

Department: Sacramento Housing & Redevelopment Agency

Division: Sacramento Housing & Redevelopment Agency

Dept ID: 99991011

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-HTF Fee Schedule
- 4-2014 HTF Financial Information
- 5-2014 HTF Expenditures1
- 6-HTF Developments
- 7-Map

City Attorney Review

Approved as to Form
Sheryl Patterson
5/12/2015 8:19:34 AM

Approvals/Acknowledgements

Department Director or Designee: LaShelle Dozier - 5/4/2015 4:46:32 PM

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.), SHRA 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 2015-2016. Attachment 3 charts financial information for the funds for 2014, 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 2014, expenditures totaling \$967,723 were made for one project that had 20 single family HTF units and 37 total units.

Attachment 5 identifies all properties that received HTFs and the total number of units produced. Attachment 6 is a location map of those properties.

SHRA procedures provide that parties interested in receiving notices of this meeting could request to be placed on a notification list. SHRA provided notice of the time and place of this meeting 15 days prior to this date. Written requests 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 CEQA Guidelines Section 15378 (b)(5).

Sustainability Considerations: Not applicable.

Commission Action: At its meeting of May 5, 2015, 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.), SHRA is required to provide an annual report to City Council on revenue and production generated by the City HTF.

Financial Considerations: The City has collected a total of \$34,162,684 in HTF fees, interest, and loan income since the inception of the fund in 1989. A total of \$29,180,478 has been expended for projects and \$2,588,906 for administration (approximately eight percent of total revenues). The balance remaining at the end of 2014 was \$2,393,300. After subtracting for approved projects with budgeted expenditures, the balance available for new projects is \$1,596,023 as of December 31, 2014.

Local Business Enterprise (LBE): Not applicable.

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 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 households (50% of area median income) and low income households (80 % of 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 Citywide and North Natomas projects.

HOUSING TRUST FUND FEE SCHEDULE

CITYWIDE PROJECTS (Excluding North Natomas)

BUILDING TYPE/ HTF FEE LEVEL (FEE/SQ FT)	Fee Schedule (FY 2015)
Office	\$2.48
Hotel	\$2.35
Research and Development	\$2.10
Commercial	\$1.98
Manufacturing	\$1.55
Warehouse/Office*	\$0.90
Warehouse	\$0.68
* 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 2015)
Highway Commercial	\$2.71
Community/Neighborhood Commercial	\$2.04
Office/Business	\$2.04
M-50	\$1.73
M-20	\$1.43
Light Industrial	\$1.11
* Each nonresidential development project will be subject to a fee which is based on the applicable North Natomas community plan land use category.	

2014 City Housing Trust Fund Financial Information**2014**

Beginning Balance		\$2,456,966
Fees Collected	\$387,879	
Interest	\$191,146	
Income / Loan Repayment*	\$362,430	
Total Income		\$941,455
Projects	\$967,273	
Operations Total Expense	\$37,398	<u>(\$1,005,121)</u>
End Balance		\$2,393,300

Remaining Project Budgets

Del Paso Nuevo Phase 4	\$7,277
700 Block of K Street	<u>\$790,000</u>
TOTAL	\$797,277
Balance Available for Projects	\$1,596,023

2014 City Housing Trust Fund Expenditures

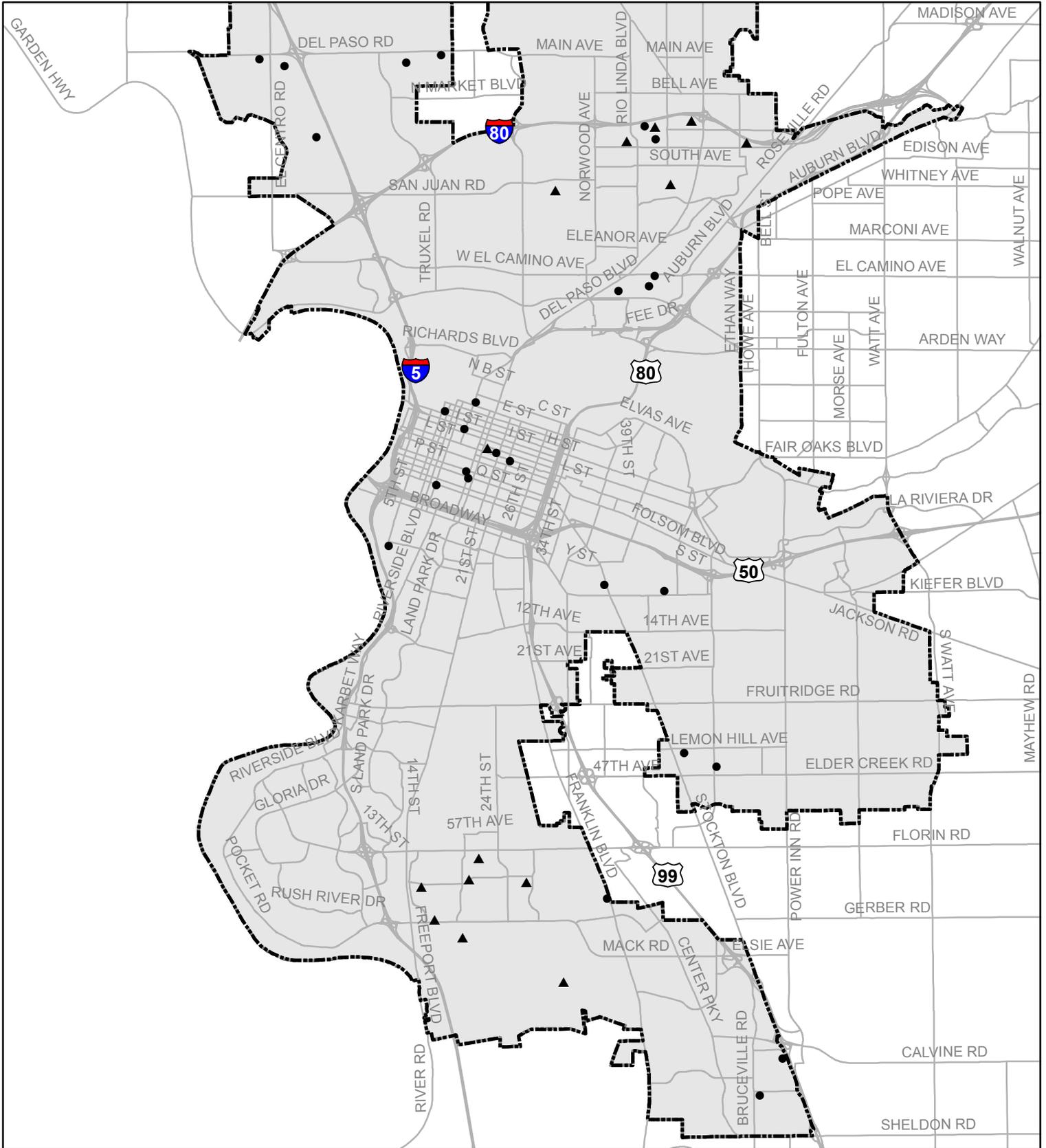
Project Name	Address	HTF Units	Total Units	Total HTF Budgeted	2014 HTF Expenditure	Remaining Balance	Loan Maturity Date
Del Paso Nuevo Phase 4	Hayes Avenue Vicinity	20	37	\$975,000	\$967,723	\$7,277	5/1/2017
	TOTAL	20	37	\$975,000	\$967.723	\$7,277	

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
Under Construction	700 Block	137
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	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
Under Construction	Del Paso Nuevo Unit 4	37
Completed	Fremont Mews	119
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
Completed	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		<u>3,409</u>



Housing Trust Fund Expenditures



-  City of Sacramento
-  Single Family Housing Trust Fund Project
-  MultiFamily Housing Trust Fund Project

