

**PLANNING COMMISSION MEETING  
THURSDAY, JUNE 14, 2018**

**PRESENTATIONS**

# **STAFF PRESENTATION**

## **WORK SESSION**

**RPT #18-108**

## **STRATEGIES FOR AFFORDABLE HOUSING**

# City Manager's Office:

Development of  
Affordable Housing



# Focus of the Presentation

Strategies to encourage the development of affordable housing

Affordable Housing  
Ordinance

Notice of Funding  
Availability



# Affordable Housing Ordinance

## Purpose

- Mitigate impacts of market rate development
- Increase production of affordable units
- Disbursement of affordable units throughout the City
- Contribute to attainment of housing element goals
- Support housing objectives under state law

## Applicability

- All residential projects with **two units** or more

# Affordable Housing Ordinance

## **Options for complying with the ordinance:**

- Pay an affordable housing in-lieu fee
- Include on-site units
  - Ownership
  - Rental
- Construct affordable units off-site contingent on City approval
- Propose additional alternatives contingent on City approval
- In an ownership residential project, provide rental affordable units consistent with requirements for rental housing

# Affordable Housing Ordinance

## **On-site Affordable Rental Units:**

- 6% of the units restricted as affordable
  - 50% target low-income households
  - 50% target very low income households
- Can target lower income levels
- Units restricted in perpetuity

# Affordable Housing Ordinance

## 2018 Income Limits

Income Category	Number of Persons in Household						
	1	2	3	4	5	6	7
Extremely Low Income	\$24,400	\$27,900	\$31,400	\$34,850	\$37,650	\$40,450	\$43,250
<b>Very Low Income</b>	<b>\$40,700</b>	<b>\$46,500</b>	<b>\$52,300</b>	<b>\$58,100</b>	<b>\$62,750</b>	<b>\$67,400</b>	<b>\$72,050</b>
<b>Low Income</b>	<b>\$62,750</b>	<b>\$71,700</b>	<b>\$80,650</b>	<b>\$89,600</b>	<b>\$96,800</b>	<b>\$103,950</b>	<b>\$111,150</b>
Median Income	\$73,100	\$83,500	\$93,950	\$104,400	\$112,750	\$121,100	\$129,450
Moderate Income	\$87,700	\$100,250	\$112,750	\$125,300	\$135,300	\$145,350	\$155,350



# Affordable Housing Ordinance

## 2018 Rent Limits

County	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR
<b>ALAMEDA</b>						
<b>100% Income Level</b>	\$2,034	\$2,180	\$2,614	\$3,020	\$3,370	\$3,718
<b>80% Income Level</b>	\$1,628	\$1,744	\$2,092	\$2,417	\$2,696	\$2,975
<b>70% Income Level</b>	\$1,424	\$1,526	\$1,830	\$2,114	\$2,359	\$2,603
<b>60% Income Level</b>	<b>\$1,221</b>	<b>\$1,308</b>	<b>\$1,569</b>	<b>\$1,812</b>	<b>\$2,022</b>	<b>\$2,231</b>
<b>55% Income Level</b>	\$1,119	\$1,199	\$1,438	\$1,661	\$1,853	\$2,045
<b>50% Income Level</b>	<b>\$1,017</b>	<b>\$1,090</b>	<b>\$1,307</b>	<b>\$1,510</b>	<b>\$1,685</b>	<b>\$1,859</b>
<b>45% Income Level</b>	\$915	\$981	\$1,176	\$1,359	\$1,516	\$1,673
<b>40% Income Level</b>	\$814	\$872	\$1,046	\$1,208	\$1,348	\$1,487
<b>35% Income Level</b>	\$712	\$763	\$915	\$1,057	\$1,179	\$1,301
<b>30% Income Level</b>	\$610	\$654	\$784	\$906	\$1,011	\$1,115
<b>20% Income Level</b>	\$407	\$436	\$523	\$604	\$674	\$743

# Affordable Housing Ordinance

## **On-site Affordable Ownership Units:**

- 7.5% of the units restricted as affordable for high density Condominium projects (35 units per square acre)
- 10% of the units restricted for lower density projects
- Restricted moderate income or lower
- Sales price based on 110% AMI
- Units restricted in perpetuity

# Affordable Housing Ordinance

## 2018 Income Limits

Income Category	Number of Persons in Household						
	1	2	3	4	5	6	7
Extremely Low Income	\$24,400	\$27,900	\$31,400	\$34,850	\$37,650	\$40,450	\$43,250
Very Low Income	\$40,700	\$46,500	\$52,300	\$58,100	\$62,750	\$67,400	\$72,050
Low Income	\$62,750	\$71,700	\$80,650	\$89,600	\$96,800	\$103,950	\$111,150
Median Income	\$73,100	\$83,500	\$93,950	\$104,400	\$112,750	\$121,100	\$129,450
<b>Moderate Income</b>	<b>\$87,700</b>	<b>\$100,250</b>	<b>\$112,750</b>	<b>\$125,300</b>	<b>\$135,300</b>	<b>\$145,350</b>	<b>\$155,350</b>

# Affordable Housing Ordinance

## Estimated 2018 Affordable Sales Price

Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
• \$298,401	• \$348,454	• \$398,694	• \$448,981	• \$489,145

### Assumes:

- 5.25% interest rate
- \$250 HOA due
- 5% downpayment

Changes in variables may decrease/increase price

# Affordable Housing Ordinance

## **Affordable Housing Plan to include:**

- The location
- structure (attached or detached)
- proposed tenure (for-sale or rental)
- size of the proposed market-rate units and Affordable Units
- basis for calculating the number of Affordable Units provided
- A floor or site plan depicting the location of the Affordable Units
- Targeted income levels

# Affordable Housing Ordinance

## **Affordable Housing Plan:**

- Phasing plan if applicable
- Requested incentives
- Description of alternative plans for compliance with the ordinance
- A marketing plan
- Description of design, distribution and timing
- Any other information reasonably requested by the Planning Director to assist with evaluation of the AHP under the standards of this Article



# Affordable Housing Ordinance

## **Design and distribution of affordable units:**

- Integrated
- Comparable in size and amenities
  - Increased affordability or number of affordable units can compensate
- Different finishes allowed if good quality

# Affordable Housing Ordinance

## **In lieu fee:**

- Previous fee: \$3.63-4.61 per habitable square foot
- Fee for projects deemed complete after December 20, 2017:
  - High-Density Condos (35+ units/acre)-\$15.00/sf of habitable space
  - All other Dwellings Unit Types-\$18.18/sf of habitable space
- Fees paid at occupancy increase 10%
- Fractional Units options
  - Pay fee based on fractional unit
  - Provide an additional affordable unit

# Affordable Housing Ordinance

## In lieu fee:

Projects consisting of less than 10 units will pay reduced fee:

Number of Units in the Project	Percentage of Calculated Fees
2	50%
3	67%
4	75%
5	80%
6	83%
7	86%
8	88%
9	89%

# Purpose of the NOFA

**To ensure that the award of local housing funds:**

- are based on the City's priorities;
- are made to affordable housing developers in an amount necessary to make the projects feasible; and
- maximize the City's local housing funds to leverage County, State and private financing sources.

# NOFA ELIGIBLE PROJECTS

- Include new construction of rental, supportive or transitional affordable housing.
- Affordable ownership projects have been excluded because these projects will not need local matching funds to be eligible for the County Measure A1 Bond funding.

# Threshold vs. Scoring Criteria

## Threshold Criteria

Establishes required project attributes

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## Scoring Criteria

Evaluates to what degree a project meets the City's established priorities or exceeds threshold requirements

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# NOFA THRESHOLD CRITERIA

- Meet Alameda County's Policies for Measure A1 funds
- Serve extremely low-income households at 20% AMI (based on County requirements)
- 30% of the units must be affordable
- Projects with 10 units or more
- Meet City Maximum Loan amount-Greater of:
  - Planning and permit fees
  - 10% of the Total Development Costs
- Meet County Maximum loan for Measure A1 requested funds
- Hosts at least 2 community meeting
- Provide documents required to assess feasibility

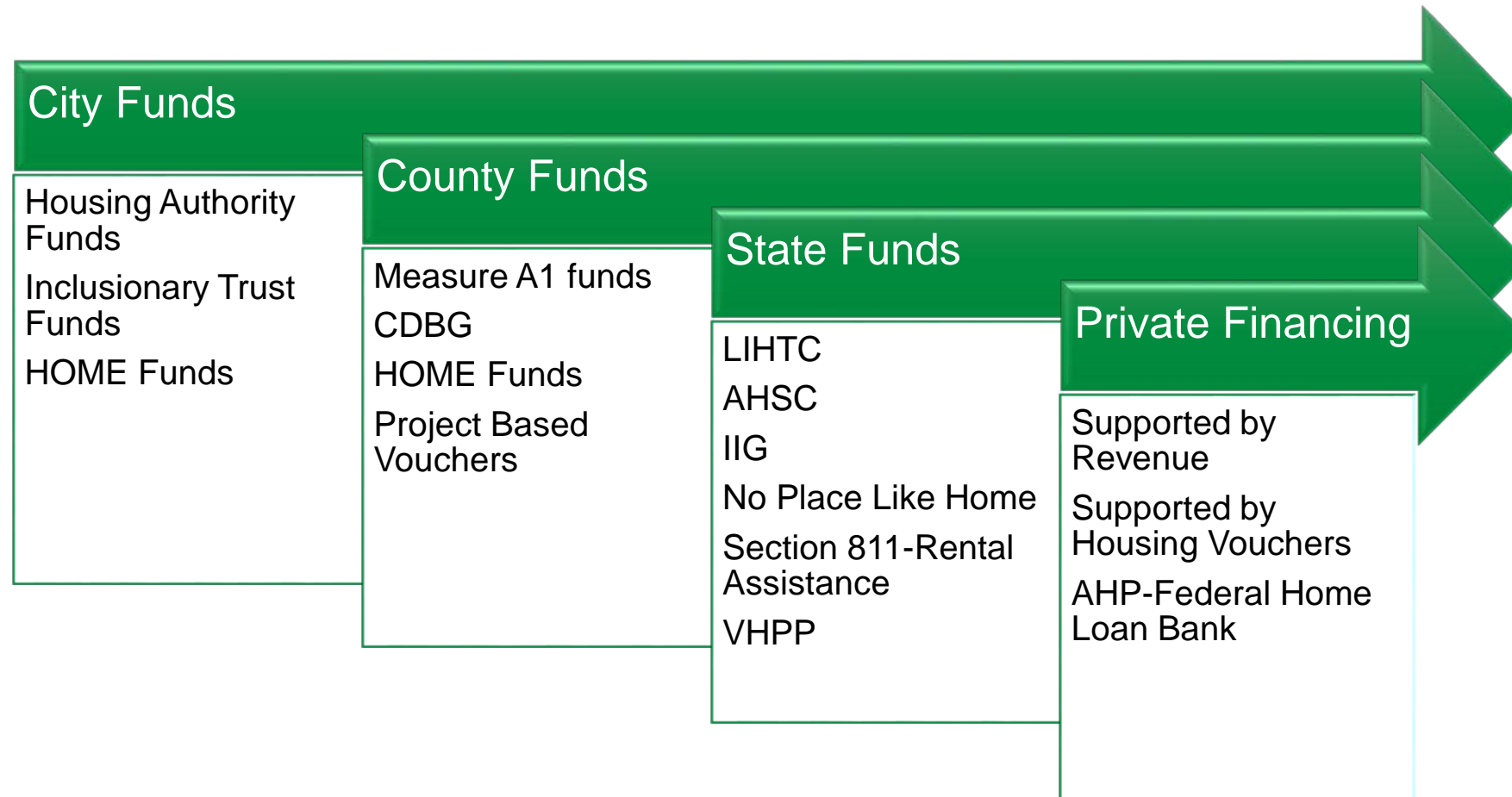
# NOFA SCORING CRITERIA

- Readiness
  - Discretionary land use approvals
  - Funding commitments
  - Partnerships with service providers
- Leveraging
- Target Population and Project Attributes
  - Percent of Affordable units above threshold
  - Income targeting
  - Unit size
  - Units for people with special needs

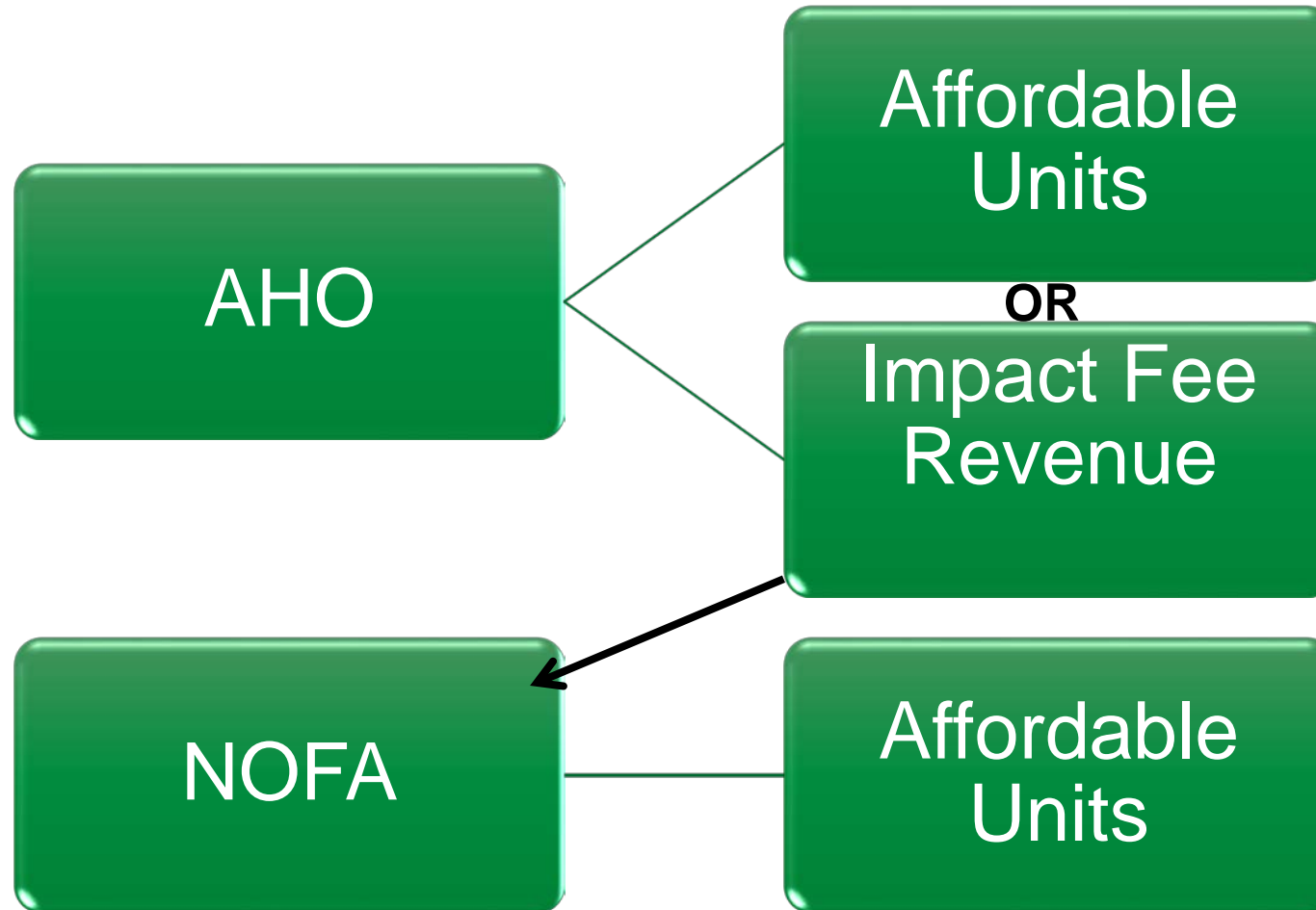
# NOFA SCORING CRITERIA

- Permanent Supportive Housing Units for Homeless Individuals
- Location- Proximity to:
  - Public transportation
  - Grocery stores
  - Parks, Recreation, or Community Centers
  - Services
- Developer Experience
- Sustainability
- Innovation

# NOFA SCORING CRITERIA-LEVERAGING OTHER FUNDING



# NOFA and AHO



# Questions

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