

Purpose of Report

Background

History of HTF

Funds Available and Funds Requested

Issues

Berkeley Households Served by Affordable Housing Programs

<u>Program</u>	<u>No. of units</u>	<u>Total</u>
Section 8 voucher	1,800	1,800
Project Based Programs:		
Rental projects subsidized by HUD prior to HTF	771	
Housing Trust Fund (HTF)	475	
Inclusionary programs	152	
Berkeley Housing Authority Public Housing	75	
Total Project Based Programs		1,473
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Total (Approximate)		3,273

Types of Units in Affordable Housing Programs

(not including the Section 8 units that are in market rate buildings¹)

<u>Type of Unit</u>	<u>No. of Units</u>
Single Room Occupancy (SRO)	187
Studios	378
One bedroom	602
Two bedroom	293
Three bedroom	143
Four bedroom	59

¹ Source: "Subsidized Housing Inventory" table prepared by Housing Division (7-26-04)

Project Based Affordable Units For Special Needs Groups

Seniors	642
Disabled	184
Transitional	31
Supported/Assisted	177

Total Special Needs Groups 1034

Sources of Housing Trust Funds Committed Since 2001

<u>Source</u>	<u>Amount of Funds</u>
The Federal HOME fund	\$6,398,180
City of Berkeley General Fund	\$900,055
Community Development Block Grant (CDBG)	\$1,751,500
Housing Mitigation Fees	\$377,490
Redevelopment Agency	\$275,000
State Housing Trust Fund	\$324,960

Sources of Funding for Affordable Housing Units

- **Section 8 – Project Based**
- **California Multifamily Housing Program (MHP)**
- **Tax Credits**
- **California Housing Finance Agency (CHFA)**
- **HUD Section 108 loans**
- **Multifamily Housing Tax Exempt Bonds**
- **California Housing Enabled by Local Partnerships (HELP)**
- **HUD Section 202 Supportive Housing for the Very Low-Income Elderly Persons**
- **HUD Section 811 Supportive Housing for Persons with Disabilities**
- **HTF**

Purpose of Housing Trust Fund (HTF)

The stated purpose of the Housing Trust Fund (HTF) is to:

... pool monies [which the city receives] from different sources to help achieve the ... goals of developing and preserving long-term below market housing for low-income households in order to maintain and enhance the ethnic and economic diversity of the City. To achieve this purpose, HTF resources shall be used to provide loans and grants ... to undertake activities which create, maintain, or expand the City's below market housing stock.¹

¹ Housing Trust Fund Guidelines, Sec. I

Income Guidelines for Eligible Households

HUD Annual Area Median Income (AMI) Levels

Household Size

Household income level	1	2	3	4	5
30% AMI	\$17,400	\$19,850	\$22,350	\$24,850	\$26,850
50% AMI	29,000	33,100	37,250	41,400	44,700
60% AMI	34,530	39,450	44,400	49,300	53,300
80% AMI	46,350	53,000	59,600	66,250	71,550
100% AMI	57,550	65,750	74,000	82,600	88,800

Rent Levels of Affordable Units

Affordable Monthly Rent Levels (30% of Income)

Household Size

Household income level	1	2	3	4	5
30% AMI	\$435	\$496	\$559	\$621	\$671
50% AMI	725	828	931	1035	1118
60% AMI	863	986	1110	1233	1333
80% AMI	1159	1325	1490	1656	1789
100% AMI	1439	1644	1850	2055	2220

Funding Criteria Set Forth in HTF Guidelines

- A. Conformance with Adopted Plans and Policies
- B. Applicant Qualifications and Experience
- C. Cost Effectiveness
- D. Priority for Community Objectives

Available Funds and Funds Requested

Housing Trust Fund Current and Potential Funds

HTF Balance as of 9/30/04	\$2,507,904
Sacto Senior Homes (pending approval)	- 727,042
Net HTF Balance	1,780,862*
Next Years Expected Funds	1,843,041
Total Current Balance & Expected Funds	3,623,901
Potential Redevelopment Funding	844,000
Total- Net HTF Balance & Expected & Potential	4,467,903

*\$1,440,840 subject to State Local Housing Trust Fund program restrictions. May not be combined with California Multifamily Housing Program loan funds

Proposed Projects

Description Address & Developer	No. of Units	Previously Committed By HTF	HELP Loans	Requested From HTF (as of Nov.1)
1001 Ashby (Ashby Lofts) (AHA)	55	1,000,000	500,000	1,955,964
2612 San Pablo* Jubilee Village (Jubilee)	110			1,900,000*
2200 Oxford (Oxford Plaza) (RCD)	96	300,000		2,200,000
1535 University (Satellite)	80		600,000	1,900,000
Total	40	1,300,000		8,255,964
<i>Future proposal pending 2121 Seventh St. Allston House(AHA)</i>	78		300,000	<i>1,010,388 (projected)</i>

Source: 2004 HTF Applications

*On Nov. 23, 2004 Jubilee submitted a revised proposal. The data in this report does not take those revisions into account.

Acquisition and Rehab versus New Construction

Cost

What type of development – acquisition and rehab or new construction - would be more effective in terms of “output” relative to cost?

The cost to the City per affordable unit created depends on the portion of HTF funds relative to the total cost of the project, rather than depending on whether acquisition and rehabilitation or new construction is more expensive.

HTF Projects

20 Units or more

HTF Costs Per Unit (inflation adjusted)

Acquisition & Rehab

Year Approved	Affordable Units	HTF Funds/Unit(CPI Adjusted)
1990	74	10,776
1991	21	49,547
1992	35	23,585
1994	32	37,807
1997	20	25,171

New Construction

Year Approved	Affordable Units	HTF Funds/Unit(CPI Adjusted)
1997	40	30,089
1997	27	41,812
2001	27	93,167
2002	40	54,114

Advantages – Disadvantages Rehab vs. New Construction

- Rehab does not require a zoning permit
- Rehab may be more economical than new construction
- New construction will be fully accessible
- Overall quality of a newly constructed building may be higher
- New construction adds to the housing stock
- In new construction projects all units may be for households that need assistance
- It is difficult to purchase a building for a rehab program because seller's do not want to wait out a lengthy funding approval process

Other Issues

Economic Leveraging

Size of Projects – Neighborhood Preference for Smaller Projects versus Economies of Scale

Only Affordable Units/Subsidized and Market Rate

Coordinating HTF Process & Use Permit Process