



**Sacramento  
Housing &  
Redevelopment  
Agency**

March 2, 2005

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Housing Trust Fund Annual Report

LOCATION & COUNCIL DISTRICT - Citywide

**RECOMMENDATION**

This item is for information only and no action is required.

**CONTACT PERSONS**

Darren Bobrowsky, Director of Development Services, 440-1310  
Christine Groth Weichert, Housing Finance Program Manager, 440-1353

**FOR COUNCIL MEETING OF** - March 15, 2005

**SUMMARY**

This report provides information on the status of the City Housing Trust Fund for fiscal year 2004. No action is required.

**BACKGROUND**

Pursuant to the Mitigation Fee Act (Government Code 66000 et. seq.), this report provides information on revenue and production generated by the City Housing Trust Fund (HTF) for fiscal year 2004. Individuals interested in receiving future reports should contact the Sacramento Housing and Redevelopment Agency and ask to be added to the mailing list.



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The City Housing Trust Fund ordinance, which includes a North Natomas Housing Trust Fund, was adopted in 1989 to raise local financing for affordable housing near employment centers. Fees on non-residential development generate the funds' revenues based on an economic nexus analysis that determined that the construction of such commercial projects as offices, business parks, hotels, warehouses, and shopping centers played a major role in attracting new very low- and low-income workers to Sacramento. Since the workers are often unable to afford housing close to their work sites, the fee-generated revenue is used to increase the supply of housing affordable to these income groups. The City's HTF benefits both very low- and low-income households (up to 80 percent of the area median income).

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 reasonable distance of the employment-generating uses that pay housing trust fund fees, defined in the ordinance as within a seven-mile radius.

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, shown below. The North Natomas fees were based on land use, while the City fees were based on building types.

In its meeting on December 7, 2004, the City Council approved an increase in the Housing Trust Fund Fees of 44 percent until July 1, 2005 then the fee will increase up to 81.3 percent above the fee in effect prior to the December 7, 2004 increase. The new fee schedule took effect on December 11, 2004. Agency and City staff are currently in the process of retaining a consultant to prepare an updated nexus study. In addition, the consultant will evaluate the impact of the HTF fee on infill development and whether a different fee schedule is appropriate. Staff will return to Council upon completion of the consultant's work.

The New City fee schedule is as follows:

Building Use	Fee Per Sq Ft.
Office	\$1.43
Hotel	\$1.35
Research & Development	\$1.21
Commercial	\$1.14
Manufacturing	\$.89
Warehouse/office	\$.52
Warehouse	\$.39

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The New North Natomas fee schedule is as follows:

Land Use	Fee Per Sq Ft.
Highway Commercial	\$1.56
Community/Neighborhood Commercial	\$1.17
Office Business	\$1.17
M-50	\$.99
M-20	\$.82
Light Industrial	\$.63

Attachment I charts financial information for the funds for 2004, including:

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

Attachment II identifies each project on which funds were expended in 2004. For each project, the chart includes the total amount of HTF funding and the amount expended per year; the percentage of total funding this represents; and the number of units by income. Also, for each project, information regarding the loan maturity date and the rate of interest is provided. In 2004, expenditures totaling \$1,463,769 were made for six projects with 98 HTF units and 604 total units. Since the inception of the City's Housing Trust Fund, funds were committed to projects containing a total of 2,149 units.

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 with 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 1<sup>st</sup> of each year.

### **FINANCIAL CONSIDERATIONS**

The City has collected a total of \$17,488,268 in fees, interest and loan income since the inception of the fund in 1989. A total of \$10,063,814 has been expended for projects and \$1,383,288 for administration, including fees caused by litigation challenging the ordinance's adoption. The 2004 end balance was \$6,041,166. After subtracting for projects with budgeted expenditures (projects in process), the balance available for new projects is \$4,301,230. This does not include projects for which approval is pending.

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**POLICY CONSIDERATIONS**

No action is required and no policy changes are being recommended.

**ENVIRONMENTAL REVIEW**

This report is for information only.

**M/WBE CONSIDERATIONS**


The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully submitted,



ANNE M. MOORE  
Executive Director

Transmittal approved,

  
ROBERT P. THOMAS  
City Manager

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**2004 HTF Expenditures**

Project Name	Address	Total Units	HTF Units	2004 HTF Expenditure	Total HTF Amount	% of Total Funding	Loan Maturity Date	Rate of interest
Greenfair Development	Fairgrounds Dr.	0	* <sup>1</sup>	\$200,000	\$200,000	100%	2009	0%
Terracina Meadows	4500 TyneBourne St.	156	30	\$100,000	\$1,000,000	6%	2033	4%
Del Paso Nuevo	54 Ford. Rd.	0	* <sup>2</sup>	\$550,467	\$1,130,945	*	Demand	4%
St. Anton Building – 21 <sup>st</sup> & L	2110 L St.	8	64	\$276,500	\$385,000	4%	2021	4%
North Avenue Apartments	999 North Avenue	80	* <sup>3</sup>	\$17,125	\$600,000	*	*	*
Phoenix Park	7508 La Sandia Way	360 <sup>4</sup>	4	\$59,806	\$200,000	*	2059	0%

<sup>1</sup> Purchase of land for future development of affordable housing

<sup>2</sup> Purchase of land for future development of affordable housing

<sup>3</sup> Purchase of land for future development of affordable housing

<sup>4</sup> Funds used for purchase of 4 units; project will ultimately entail 360 units.