



REPORT TO CITY COUNCIL
City of Sacramento
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www.CityofSacramento.org

CONSENT
April 4, 2006

Honorable Mayor and
 Members of the City Council

Subject: HOUSING TRUST FUND ANNUAL REPORT

Location/Council District: Citywide

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

Contact: Christine Weichert, Interim Director of Development Services, 440-1353

Presenters: Not Applicable

Department: Sacramento Housing and Redevelopment Agency

Summary: This report provides information on the status of the City Housing Trust Fund for fiscal year 2005. No action is required.

Background Information: 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 2005.

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' 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 reasonable distance of the employment-generating uses that pay housing trust fund fees which is defined in the ordinance as being within a seven-mile radius. The City's HTF benefits both very low and low income households earning up to 80 percent of the area median income.

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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.

The City fee schedule is as follows:

Building Use	Fee Per Sq Ft.
Office	\$1.79
Hotel	\$1.70
Research & Development	\$1.52
Commercial	\$1.43
Manufacturing	\$1.12
Warehouse/office	\$.65
Warehouse	\$.49

The North Natomas fee schedule is as follows:

Land Use	Fee Per Sq Ft.
Highway Commercial	\$1.96
Community/Neighborhood Commercial	\$1.47
Office Business	\$1.47
M-50	\$1.25
M-20	\$1.03
Light Industrial	\$.80

Attachment A charts financial information for the funds for 2005, 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;
- Amount budgeted, but not expended, for projects; and
- Balance available for new projects.

Attachment B identifies current HTF projects, their 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 2005, expenditures totaling \$2,425,867 were made for six projects with 363 HTF units and 986 total units. Since the inception of the City's Housing Trust Fund, funds were committed to projects containing a total of 2,333 units.

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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 1st of each year.

Financial Considerations: The City has collected a total of \$19,270,307 in fees, interest and loan income since the inception of the fund in 1989. A total of \$12,489,796 has been expended for projects and \$1,592,386 for administration, including fees caused by litigation challenging the ordinance's adoption. The 2005 end balance was \$5,188,125. After subtracting for projects with budgeted expenditures (projects in process), the balance available for new projects is \$3,760,057. This does not include projects for which approval is pending.

Environmental Considerations: This report is for information only.

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

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

Respectfully Submitted by: 
ANNE M. MOORE
Executive Director

Recommendation Approved:



RAY KERRIDGE
City Manager

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ATTACHMENT A
2005 City Housing Trust Funds

2005

Beginning Balance		\$6,041,166
Fees Collected	\$1,566,784	
Interest	\$156,350	
Loan Repayment	\$58,905	
Total Income		\$1,782,039
Operations	\$209,213	
Projects	\$2,425,867	
Total Expense		<u>\$2,635,080</u>
End Balance		\$5,188,125
 Remaining Project Budgets		
18 th and L Streets		\$132,754
Silverado Creek Apartments		\$220,000
Lemon Hill Townhomes		\$764,000
St. Anton Building		\$108,500
North Avenue Apartments		\$63,774
Del Paso Nuevo		\$134,040
Coral Gables		\$5,000
TOTAL		<u>\$1,428,068</u>
 Balance Available for Projects		 \$ 3,760,057

2005 City Housing Trust Fund Expenditures

Project Name	Address	HTF Units	Total Units	Total HTF Budgeted	2005 HTF Expenditure	Remaining Balance	Loan Maturity Date
18 th & L Streets	1801 L Street	20	176	\$200,000	\$0	\$132,754	1/1/2036
Atrium Court Apartments	3801 Duckhorn Drive	168	224	\$550,000	\$180,000	\$0	1/1/2033
Del Paso Nuevo	548 Ford Road	21	77	\$1,639,945	\$374,960	\$134,040	N/A
Coral Gables	31 Coral Gables	3	4	\$395,000	\$390,000	\$5,000	10/31/2035
Fremont Mews	1400 P Street	49	119	\$500,000	\$500,000	\$0	10/1/2035
Lemon Hill Townhomes	6000 Lemon Hill Avenue	6	74	\$764,000	\$0	\$764,000	12/1/2035
North Avenue Apartments	999 North Avenue	79	80	\$600,000	\$907	\$63,774	12/1/2034
Silverado Creek Apartments	0000 Bruceville Road	9	168	\$1,200,000	\$980,000	\$220,000	5/1/2031
St. Anton Building (21 st & L)	2110 L Street	8	64	\$385,000	\$0	\$108,500	12/11/2035
	TOTAL	363	986		\$2,425,867	\$1,428,068	