

Potential Housing Programs (as discussed in symposia)

Program:	Housing Trust Fund (HTF)
How it Works:	A Housing Trust Fund is a distinct, flexible fund comprised of dedicated, recurring revenue sources to support the production of affordable homes. A HTF is usually run by a non-profit or local government agency.
Benefits:	<ul style="list-style-type: none"> • Sustainability— funding stream that is not subject to federal and state budget cuts • Flexibility— locality determines use of funds
Funding Options:	<ul style="list-style-type: none"> • Impact Fee • Commercial Linkage Fee • Inclusionary In-lieu Fee • Transfer Tax • Hotel/motel Tax • Loan Repayments / Interest on Account • Donations • Donations incentivized by tax credits (CDFI Model) • State Matching Funds (\$1 million - \$2 million)
Housing Produced:	All types- rental and homebuyer unit construction, first time homebuyer assistance, rehabilitation, rental assistance, foreclosure prevention, and homeless services.
Case Studies:	<p><i>City of Santa Rosa</i> Year Established— 2002 Annual Budget— \$4.5 million Sources— inclusionary in-lieu fees; real estate transfer tax Uses— financing for new housing (for-sale and rental) Production— 130 units to date</p> <p><i>San Luis Obispo County (Separate 501c3 Organization)</i> Year Established— 2003 Annual Fund Balance— \$3.5 million Sources— local jurisdiction member fees; bank investments (CDFI); charitable donations; loan fees and interest Uses— financing for housing that serves the workforce, seniors, and special needs; technical assistance Production— 32 units to date</p> <p><i>Shasta County</i> Year Established— In process Annual Fund Balance— Initial \$1 million Sources— Lowe’s mitigation fee; planning for donations incentivized by tax credits (major employers such as hospital) Uses— Low cost financing, specific housing types not identified Production— none to date</p>

Program:	Community Land Trust (CLT)
How it Works:	A CLT, a nonprofit organization, is formed to hold title to land in order to preserve its long-term affordability. The CLT enters into a long-term land lease with the buyer of the housing improvements. The land lease requires a form of shared appreciation that provides limited equity to the buyer while preserving affordability for subsequent buyers. The CLT board of directors is typically composed of public officials, homeowners who lease from the CLT, and at-large community members.
Benefits:	<ul style="list-style-type: none"> • Long-term affordability—CLT land ownership limits price appreciation • Efficiency— shared appreciation limits the need for additional subsidies (e.g. loans, grants) to homebuyers • Community control—the CLT maintains control over property maintenance, finding and selecting buyers, and can mediate with mortgage lenders to avoid foreclosures
Funding Options:	<ul style="list-style-type: none"> • RDA funds • HOME funds (if compatible with CLT guidelines) • Trust Fund (if available) • City-owned property
Housing Produced:	Predominantly homes for low to moderate income homebuyers; also rentals, mobile home parks and community facilities.
Case Studies:	<p><i>Humboldt Bay Housing Development Corporation (Arcata)</i> Year Established— 2003 Governance— Nonprofit, supervisory board with lessees Sources— City HOME, RDA, inclusionary set-aside land Uses—homes for low-income first-time homebuyers Resale Formula— owner 20% share of appreciation Production— 22 new construction units to date</p> <p><i>Sawmill Community Land Trust (Albuquerque, NM)</i> Year Established— 1996 Governance— Nonprofit Sources— City HOME and CDGB, Federal Home Loan Bank Uses—homes for low to moderate income first-time homebuyers Resale Formula— owner 25% share of appreciation Production— 25 units to date (75 more in development)</p>

Program:	Employer Assisted Housing
How it Works:	Usually a public-private partnership in which employers assist in reducing housing costs for residents. The program may be targeted to employees of a particular employer or may be a pool of funds with multiple contributing employers. Funds may be used for: homebuyer down payment assistance; rental subsidies; or project financing.
Benefits:	<ul style="list-style-type: none"> • Economic Development— promotes employee attraction and retention • Smart Growth— can be used to locate housing closer to jobs • Promotes Partnerships— public funds can leverage private funds
Funding Options:	<ul style="list-style-type: none"> • Employer contributions to a trust fund • Direct employer grants or loans to employees • Employer participation with the City in project financing
Housing Produced:	Rental and homebuyer unit construction, first time homebuyer assistance, rental assistance.
Case Studies:	<p><i>UC Davis – City of Davis</i> Description— Affordable homes on University land Sources— City of Davis, UC Davis Uses— single-family and duplex homes Production— 37 units for faculty and staff</p> <p><i>Housing Trust of Santa Clara County</i> Description— Nonprofit trust fund Sources— Local employer donations, Santa Clara County funds, and contributions from all 15 Santa Clara municipalities. Uses— first-time homebuyer loans, rental housing, special needs housing Production— 1,099 special needs units, 2,026 loans for first-time homebuyers, 1,442 units of low-income rental housing</p>

Program:	Inclusionary Zoning
How it Works:	A policy that requires developers to set-aside a certain percentage of new homes as affordable to various income levels. Inclusionary Zoning can include alternatives to building the units, such as land dedication or payment of in-lieu fees. It can also offer incentives to developers, such as density bonuses, use permit variances, public subsidy, and impact fee deferrals or waivers.
Benefits:	<ul style="list-style-type: none"> • High Production— harnesses the private market to build affordable units • Economic Integration— results in mixed income communities
Funding Options:	Not a funding program
Housing Produced:	New construction rental and homebuyer, some special needs housing through partnerships with nonprofits.
Case Studies:	<p><i>City of Davis</i> Year Adopted— 1990 Inclusionary Requirement— 35% for very low income rental; 25% median income and 10%-20% middle income for ownership</p> <p>Minimum Units— 5 Alternatives— in-lieu fee for 15 units or fewer in downtown area or land dedication Incentives— density bonus; fee deferral; fee reduction; subsidies Uses— rental and ownership housing for low to moderate, and above moderate “workforce” households Production— 1,750 units</p> <p><i>City of Winters</i> Year Adopted— 1994 Inclusionary Requirement— 15% (6% for very low income, 9% for low to moderate income) applies to rental and ownership</p> <p>Minimum Units— 5 Alternatives— in-lieu fee, land dedication, off-site construction Incentives— density bonus; fee deferral; fee reduction; fee waiver; flexible design standards Uses— rental and ownership housing for low to moderate income households Production— 267 units</p>

Current City of Chico Housing Programs

Program: Mortgage Subsidy Program (MSP)	
How it Works:	The City offers a deferred payment loan to first-time homebuyers. The loan has a below-market interest rate and re-payment is deferred until the time that the home is re-sold. This reduces the amount of the homebuyer's mortgage and makes the purchase more affordable. Participants are required to participate in a homebuyer workshop.
Benefits:	<ul style="list-style-type: none"> • Provides opportunity for first-time homebuyers to access the market • MSP recipients have low foreclosure rates • Economic benefits in stimulating local investment
Subsidy per Unit:	\$30,000 for a moderate income household (100%-120% AMI) \$50,000 for median income household (80%-100% AMI) \$70,000 for lower income household (less than 80% AMI)
Production:	Assisted 44 households in the last fiscal year (July 1, 2007-June 30, 2008).

Program: Housing Rehabilitation Program (HRP)	
How it Works:	The City offers grants and deferred payment loans to low income homeowners. The loan has a below-market interest rate and re-payment is deferred until the time that the home is re-sold. The funds are used to rehabilitate homes, prioritizing health and safety, and code compliance issues.
Benefits:	<ul style="list-style-type: none"> • Improves housing stock • Increases home values and neighborhood investment • Addresses unsafe housing conditions
Subsidy per Unit:	Ranges from \$5,000 to \$80,000; averages \$30,000.
Production:	Assisted 13 households in the last fiscal year (July 1, 2007-June 30, 2008).

Program: Rental Housing Development	
How it Works:	The City provides financing to developers who build affordable rental housing. Rents are generally affordable to households earning less than 50% of Area Median Income, with many of the units targeted to much lower income persons with special needs. Some of the housing is also targeted to seniors. The City places an affordability covenant on the property that insures rents are affordable for 55 years from the date of completion.
Benefits:	<ul style="list-style-type: none"> • Long-term affordability • Provides housing for special needs groups, those ready to graduate from transitional housing and shelters, and seniors on fixed incomes • Leverages about \$4 in non-local funds for every \$1 invested
Subsidy per Unit:	Averages about \$70,000 per unit for new construction; about \$35,000 per unit for acquisition and rehabilitation.
Production:	Completed 151 units in the last fiscal year (July 1, 2007-June 30, 2008).

Program: Tenant Based Rental Assistance Program (TBRA)	
How it Works:	Subsidizes the difference between 30% of a household's income and market rent (similar to the Section 8 program). The subsidy is a voucher that may be used in privately-owned units. Local service providers refer participants to the program. Participants must be engaged in a self-sufficiency plan with the service provider. The subsidy lasts for 1-2 years for each participant.
Benefits:	<ul style="list-style-type: none"> • Emphasizes self-sufficiency and temporary assistance • Flexible in that the subsidy can be used in the private market
Subsidy per Recipient:	Averages about \$4,000 for a year of rental subsidy.
Production:	Assisted 50 households in the last fiscal year (July 1, 2007-June 30, 2008).

Program: Rental Accessibility Program	
How it Works:	Funds improvements to rental properties so that they are accessible to the disabled. Improvements range from grab bars to wheelchair lifts and ramps. Participants are referred by Independent Living Services of Northern California.
Benefits:	<ul style="list-style-type: none"> • Improves rental housing accessibility
Subsidy per Case:	Ranges from \$150 to \$15,000 per case; averages \$6,000.
Production:	Completed 16 cases in the last fiscal year (July 1, 2007-June 30, 2008).

Program: Community Development Block Grants (CDBG)	
How it Works:	Grants for programs that serve low-income persons, including: <ul style="list-style-type: none"> • homeless shelters • transitional housing • other programs (substance abuse rehabilitation; childcare; senior services; mental health services; domestic violence services; legal assistance; small business development) • off-site and infrastructure improvements related to housing and facilities that serve low-income persons.
Benefits:	<ul style="list-style-type: none"> • Critical support for programs with limited resources • Assistance for the most vulnerable populations • Flexibility
Subsidy per Recipient:	Varies depending on program funded.
Production:	Annual budget of about \$400,000.