

**FUNDING AFFORDABLE HOUSING**

Bill	Required or Voluntary	Subject	Highlights	Process and Penalties	Short-Term Tasks (<12 months)	Medium-Long Term Tasks (>12 months)
SB 2	V	Permanent source of funding for housing: Recordation fee	<ul style="list-style-type: none"> <li>▪ Imposes a \$75 to \$225 recording fee on specified real estate documents. Home sale documents are exempted.</li> <li>▪ Estimated to generate \$200 to \$300 million annually.</li> <li>▪ Using 2018 revenues, 50% of funds collected can be used by cities to streamline housing production by updating general and specific plans, conducting environmental analyses and expediting permitting processes. HCD gets the other 50% to address homelessness.</li> <li>▪ From 2019 on, 70% of funds go to local governments through Community Development Block Grant (CDBG) allocations; remaining 30% to HCD for incentives and financing programs and farmworker housing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ To obtain 2018 funding, local governments may submit applications to HCD describing the use of the funds. However, the form of request and amount of funds available are unknown at this time.</li> <li>▪ From 2019 on, 90% of the 70% of funds for local governments will go to the entitlement cities and counties.</li> <li>▪ Since Lafayette is not an entitlement city (entitlement cities have populations of 50,000 or more), it will receive funds from 5% of the remaining amount which will be “allocated equitably” among non-entitlement areas using the CDBG formula. The other 5% of funds can be sought through grant applications.</li> <li>▪ To be eligible for the funds, a city must:               <ul style="list-style-type: none"> <li>▪ Submit a plan to HCD explaining how the funds will be used.</li> <li>▪ Have a compliant housing element.</li> <li>▪ Submit annual reports to HCD which include a tracking of fund expenditures.</li> <li>▪ Focus funds on production of housing affordable to households making 60% of area median income or less.</li> </ul> </li> <li>▪ Funds may be used for predevelopment, development, acquisition, rehabilitation, preservation of affordable housing, mortgage assistance and other activities to promote affordable housing.</li> </ul> <p>Penalty: If there is no documented plan to spend funds within five years, the funds revert back to HCD.</p>	<ul style="list-style-type: none"> <li>▪ Fully research SB2 language to determine the requirements for applying for grant funds.</li> <li>▪ Identify tasks that can be funded with the 2018 funds. Examples include updating design review guidelines to add “objective” standards, updating development review processes, application forms and submittal requirements, and possible an update to DSP EIR.</li> <li>▪ Submit grant applications if approved by City Council.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Develop a plan for use of CDBG funds received through the non-competitive 5% portion.</li> <li>▪ Submit grant applications if approved by City Council for the other 5%.</li> </ul>
<ul style="list-style-type: none"> <li>➤ Initial year’s revenues can be used by cities to update general and specific plans, conduct environmental analyses and expedite permitting processes.</li> <li>➤ Starting summer of 2018, 5 percent of the resources to support planning efforts are available for technical assistance to jurisdictions.</li> <li>➤ Release of Notice of Funding Availability expected in spring of 2019.</li> <li>➤ 70% of funding from revenues collected between January 1, 2019 and December 31, 2019 and thereafter will be allocated through the Community Development Block Grant (CDBG) program.</li> </ul>						
SB 3	V	Affordable housing and veterans housing bonds	<ul style="list-style-type: none"> <li>▪ Bond measure on November 2018 ballot to raise \$3 billion for existing state affordable housing programs and \$1 billion for veterans’ homeownership program.</li> <li>▪ Funds do not go directly to local governments, but will be used in a number of multifamily funding programs.</li> </ul>	<p>Some of the funding programs that could potentially be used in Lafayette:</p> <ul style="list-style-type: none"> <li>▪ Transit Oriented Development (TOD) Implementation: Offering low-interest loans for MF housing near transit and grants for infrastructure improvements (\$150 million).</li> <li>▪ Multifamily Housing Program: Assisting in new construction, rehabilitation and preservation of rental housing for lower income households through loans to local public entities (\$1.5 billion).</li> <li>▪ Infill Incentive Grant Program: Promoting infill housing by providing financial assistance for new infill infrastructure and upgrading existing infrastructure to support greater housing density (\$300 million).</li> <li>▪ Local Housing Trust Fund Matching Grant Program: Financing affordable housing by providing matching grants, dollar for dollar, to local housing trusts (\$300 million).</li> </ul>	<ul style="list-style-type: none"> <li>▪ If the voters approve the bond measure, develop list of potential funding programs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ If the voters approve the bond measure, apply for funding if approved by City Council.</li> </ul>
<ul style="list-style-type: none"> <li>➤ Funds programs that assist affordable multifamily developments, housing for farmworkers, transit-oriented development, infrastructure for infill development, and homeownership.</li> <li>➤ Release of Initial Notice of Funding Availability in spring 2019, if measure passes this November.</li> </ul>						