

**City of Sacramento Housing Trust Fund**  
**Annual Report**  
**for**  
**January 1, 2016 to December 31, 2016**

**Sacramento Housing and Redevelopment Agency**

**May 2017**

## **HOUSING TRUST FUND ANNUAL REPORT FOR 2016**

The Housing Trust Fund (HTF) ordinance was adopted in 1989 to provide local financing for affordable housing near employment centers (Chapter 17.708 of the Sacramento City Code). Fees on non-residential development generate the revenue based on an economic nexus analysis which determined that the construction of commercial developments 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 that is to be occupied by persons in the labor force. Overall, developments must be located within a seven-mile radius of the employment-generating uses that pay housing trust fund fees. The City's Housing Trust Fund benefits both very low and low-income households earning up to 80 percent of the area median income.

In 2001, the City Council (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.

On October 12, 2004, the Council approved Ordinance 2004-057 instituting an automatic annual increase for the Housing Trust Fund fee based on changes in the construction cost index. The automatic increase ensures that the fund keeps pace with housing construction costs.

On February 14, 2017, the Council approved Ordinance 2017-0010 to add Chapter 18.56 to Title 18 of the Sacramento City Code, relating to the Development Impact Fee (DIF) programs. The DIF program was developed to prioritize and restructure impact fees as part of a master ordinance established under City Code Chapter 18.56 and includes the Housing Trust Fund fee among other impact fees. Council also approved Ordinance 2017-0013 to add Article IV to Chapter 18.56 and deleting Chapter 17.708 of the Sacramento City Code, relating to the Housing Trust Fund fee. These ordinances were effective April 15, 2017.

Pursuant to the Mitigation Fee Act (Government Code §66000 et. seq.) and consistent with the Housing Trust Fund Nexus Analysis adopted by Council Resolution 2017-0072, this report provides the public with information on revenue and production generated by the City Housing Trust Fund for calendar year 2016.

### Citywide Developments

As of July 1, 2017

<b>Building Type/HTF Fee Level (Fee/SqFt)</b>	
Office	\$2.51
Hotel	\$2.39
Commercial	\$2.01
Manufacturing	\$1.57
Warehouse	\$0.69

The following 2016 City Housing Trust Fund Financial Information tables provide the following figures for the fund in 2016, including:

- beginning and ending balance
- revenue, including the amount of fees collected, interest earned, and income from loan repayments
- amount of expenditures for developments and operations
- amount budgeted, but not expended, for developments
- balance available for new developments

#### 2016 City Housing Trust Fund Financial Information

<b>Beginning Balance</b>	
	<b>\$ 3,615,870</b>
<b>Income</b>	
Fees Collected	\$ 1,969,735
Interest	\$ 51,082
Loan Repayment	\$ 2,170,588
<b>Total Income</b>	<b>\$ 4,191,405</b>
<b>Total Income</b>	
	<b>\$ 7,807,275</b>
<b>Expense</b>	
Operations	\$ 138,863
Projects	\$ 899,038
<b>Total Expense</b>	<b>\$ 1,037,901</b>
<b>Ending Balance</b>	
Remaining Project Balances	\$ 3,791,759
Balance Available for Projects	\$ 2,977,615
<b>Ending Balance</b>	<b>\$ 6,769,374</b>

The interest earnings include both interest earnings from the investment pool and interest earned from the interest portion of loan repayments on loans made with the Housing Trust Fund. The substantial increase in loan repayment income can be largely attributed to the payoff of the Del Paso Nuevo Phase IV home construction loan of \$1,683,814 principal and interest.

The 2016 City Housing Trust Fund Expenditures table below identifies current Housing Trust Fund developments, expenditures, and balance available. For each development, the chart also identifies the Housing Trust Fund restricted units, the total number of housing units, and the loan maturity date.

It is anticipated Council will approve \$2.5 million in Housing Trust Funds to the 800 Block of K development on May 16, 2017.

### 2016 City Housing Trust Fund Development Expenditures

Development	Address	HTF Units	Total Units	Total HTF Budgeted	HTF 2016 Expenditure	Remaining Balance	Loan Maturity Date
Del Paso Nuevo Phase IV	Hayes Avenue Vicinity	20	37	\$ 1,042,797	\$ 899,038	\$ 143,759	5/1/2017
700 Block of K	700 K St	5	137	\$ 790,000	\$ 0	\$ 790,000	10/1/2071
Bel-Vue	1123 8 <sup>th</sup> St	14	22	\$ 2,100,000	\$ 0	\$ 2,100,000	TBA
Pensione K	1100 17 <sup>th</sup> St	6	129	\$ 758,000	\$ 0	\$ 758,000	3/1/2074
<b>TOTAL</b>		<b>45</b>	<b>325</b>	<b>\$ 4,690,797</b>	<b>\$ 899,038</b>	<b>\$ 3,791,759</b>	

### 1989-2016 City Housing Trust Fund Income Report

Year	Fees	Interest	Income	Total Income
1989	0	0	0	0
1990	\$ 121,578	0	0	\$ 121,578
1991	\$ 1,646,184	0	0	\$ 1,646,184
1992	\$ 521,759	0	0	\$ 521,759
1993	\$ 873,478	0	0	\$ 873,478
1994	\$ 1,082,332	\$ 95,501	0	\$ 1,177,833
1995	\$ 416,276	\$ 88,020	0	\$ 504,296
1996	\$ 656,201	\$ 103,340	0	\$ 759,541
1997	\$ 667,167	\$ 105,717	\$ 821	\$ 773,705
1998	\$ 1,637,034	\$ 184,924	\$ 49,188	\$ 1,871,146
1999	\$ 1,209,832	\$ 230,422	\$ 5,000	\$ 1,445,254
2000	\$ 710,079	\$ 272,790	\$ 15,000	\$ 997,869
2001	\$ 484,138	\$ 184,757	\$ 31,313	\$ 700,208
2002	\$ 2,336,496	\$ 10,105	\$ 23,642	\$ 2,370,243
2003	\$ 1,313,586	\$ 138,628	\$ 123,081	\$ 1,575,295
2004	\$ 1,166,373	\$ 3,642	\$ 979,864	\$ 2,149,879
2005	\$ 1,566,784	\$ 156,350	\$ 58,905	\$ 1,782,039

2006	\$ 2,913,727	\$ 226,675	\$ 204,225	\$ 3,344,627
2007	\$ 2,700,187	\$ 351,634	\$ 198,592	\$ 3,250,413
2008	\$ 2,270,234	\$ 273,355	\$ 222,170	\$ 2,765,759
2009	\$ 454,668	\$ 123,427	\$ 185,748	\$ 763,843
2010	\$ 257,702	\$ 158,357	\$ 192,127	\$ 608,186
2011	\$ 255,282	\$ 118,144	\$ 242,628	\$ 616,054
2012	\$ 130,389	\$ 235,339	\$ 199,417	\$ 565,145
2013	\$ 382,413	\$ 188,291	\$ 1,466,191	\$ 2,036,895
2014	\$ 387,879	\$ 191,146	\$ 362,430	\$ 941,455
2015	\$ 916,249	\$ 33,472	\$ 1,232,396	\$ 2,182,116
2016	\$ 1,969,735	\$ 51,082	\$ 2,170,588	\$ 4,191,405
<b>TOTAL</b>	<b>\$ 29,047,762</b>	<b>\$ 3,525,118</b>	<b>\$ 7,963,326</b>	<b>\$ 40,536,206</b>

The City Housing Trust Fund Developments table and map identifies all properties which received Housing Trust Funds and the total number of units produced.

### City Housing Trust Fund Developments

Project Status	Project Name	Total Units
Completed	1048 Jean Avenue	1
Completed	10th and T	13
Completed	1100 Harris Avenue	1
Completed	1221 Rivera Drive	1
Completed	1440 Rene Avenue	1
Completed	1500 Q Street	6
Completed	18th & L Mixed-Use Development	176
Completed	2151 68th Avenue	1
Completed	2221 63rd Avenue	1
Completed	2761 Utah Street	1
Completed	3836 Dayton St.	1
Completed	63 Butterworth Ave.	1
Under Construction	700 Block of K	137
Completed	729 Morrison Avenue	1
Completed	7445 Carella Drive	1
Completed	7588 Red Willow Street	1
Completed	7672 Manorside Drive	1
Completed	7860 Deerhaven Way	1
Completed	7th & H	150
Completed	Atrium Court Apartments	224
Construction pending	Bel-View Apartments	22
Completed	Copperstone Village	103
Completed	Coral Gables Apartments	4
Completed	Danbury Park	140

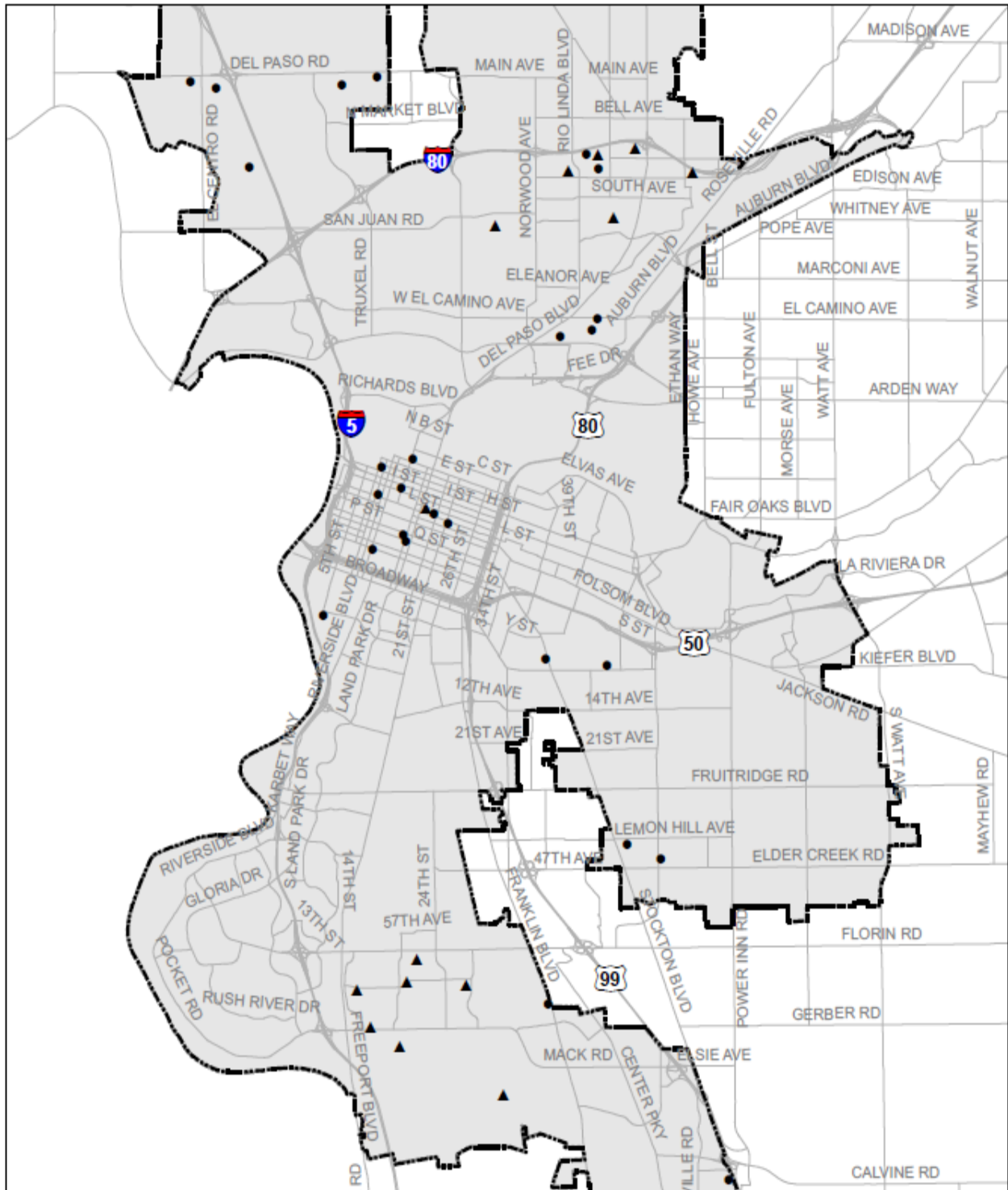
## Attachment 2

Completed	Del Paso Nuevo Phases I-III	77
Completed	Del Paso Nuevo Phase IV	37
Completed	Fremont Mews	119
Completed	Kelsey Village	20
Completed	Kennedy Estates Apartments	98
Completed	La Valentina	81
Completed	Land Park Woods	75
Completed	Lemon Hill Townhomes	74
Completed	Morrison Point Subdivision	22
Completed	North Avenue Apartments	80
Construction pending	Pensione K Apartments	137
Completed	Phoenix Park	360
Completed	Phoenix Park II	182
Completed	Ridgeway Studios	22
Completed	Silverado Creek Apartments	168
Completed	St Anton Building	64
Completed	Surreal Estates, Ink	11
Completed	Terracina Gold, Village 1 And 3	160
Completed	Terracina Gold, Village 2	120
Completed	Terracina Meadows Apartments	156
Completed	Valencia Point	168
Completed	Victory Townhomes/Evergreen Estates	76
Completed	Willow Glen	135
<b>TOTAL UNITS</b>		<b>3,431</b>

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 to SHRA and are valid one year from the date on which they are filed. Renewal requests for mailed notices should be made on or before April 1<sup>st</sup> of each year.



# Housing Trust Fund Expenditures



- City of Sacramento
- Single Family Housing Trust Fund Project
- MultiFamily Housing Trust Fund Project



SHRA GIS  
April 12, 2017