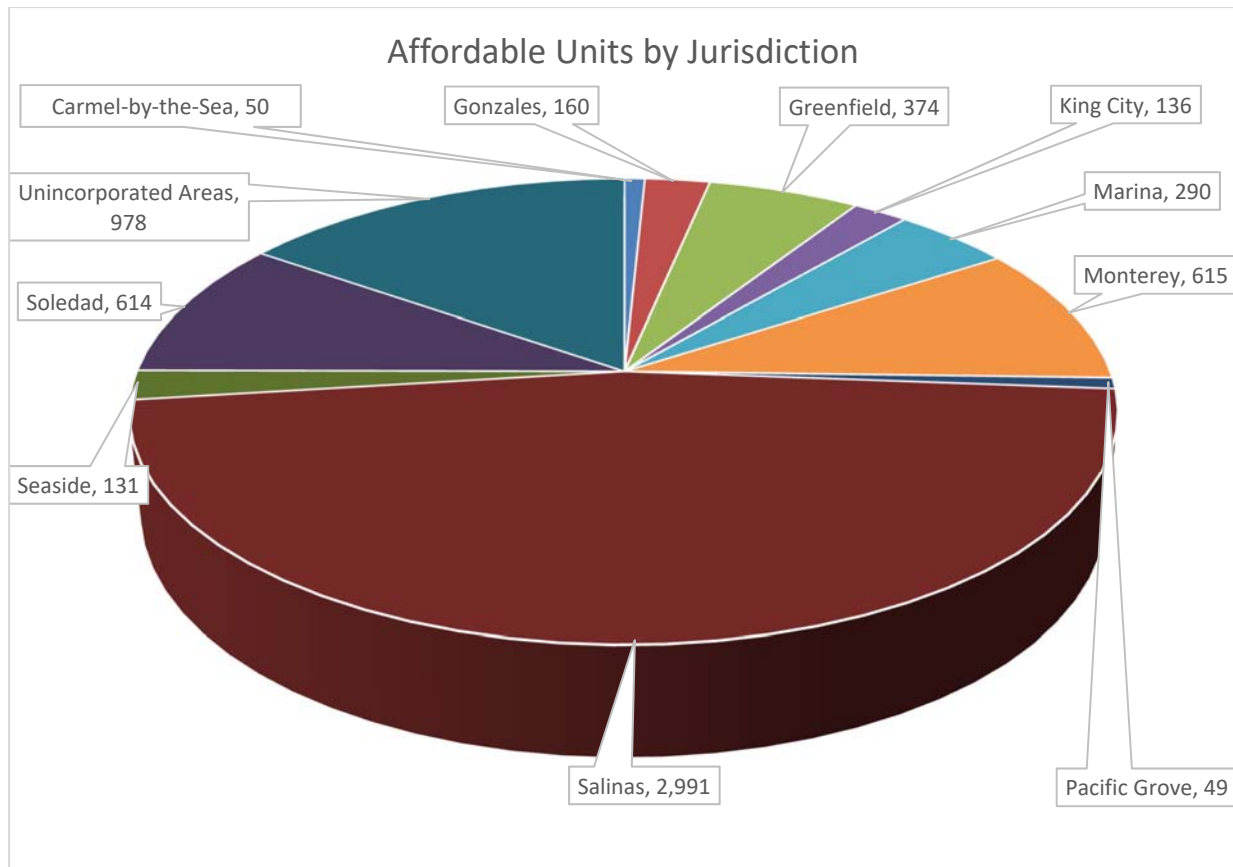


ATTACHMENT 4
FAST FACTS ABOUT MULTI-FAMILY AFFORDABLE HOUSING
IN MONTEREY COUNTY

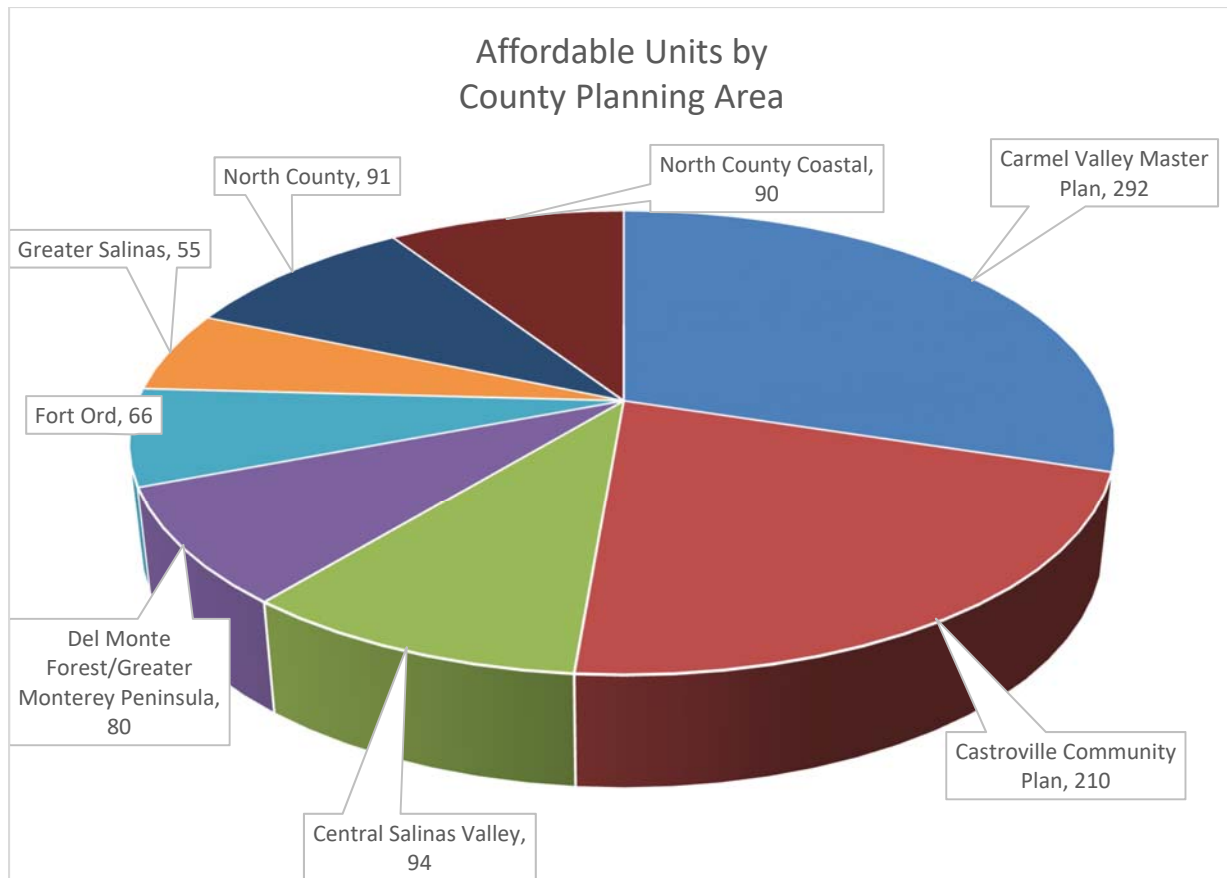
Affordable Housing Inventory¹



- 178 Number of affordable housing projects built and/or rehabilitated in Monterey County with some form of public participation since 1984.
- 6,400 Number of occupancy restricted units built in Monterey County since 1984
- 4,700 Number of occupancy restricted units built with Tax Credits
- 1,400 Number of units restricted to seniors
- 1,000 Number of units built since 2012
- 800 Number of units restricted to farmworkers or farmworker families

¹ Figures cited throughout this attachment are approximate. Please refer to the last page of the attachment for more information on the source and limitations of the numbers and amounts contained herein.

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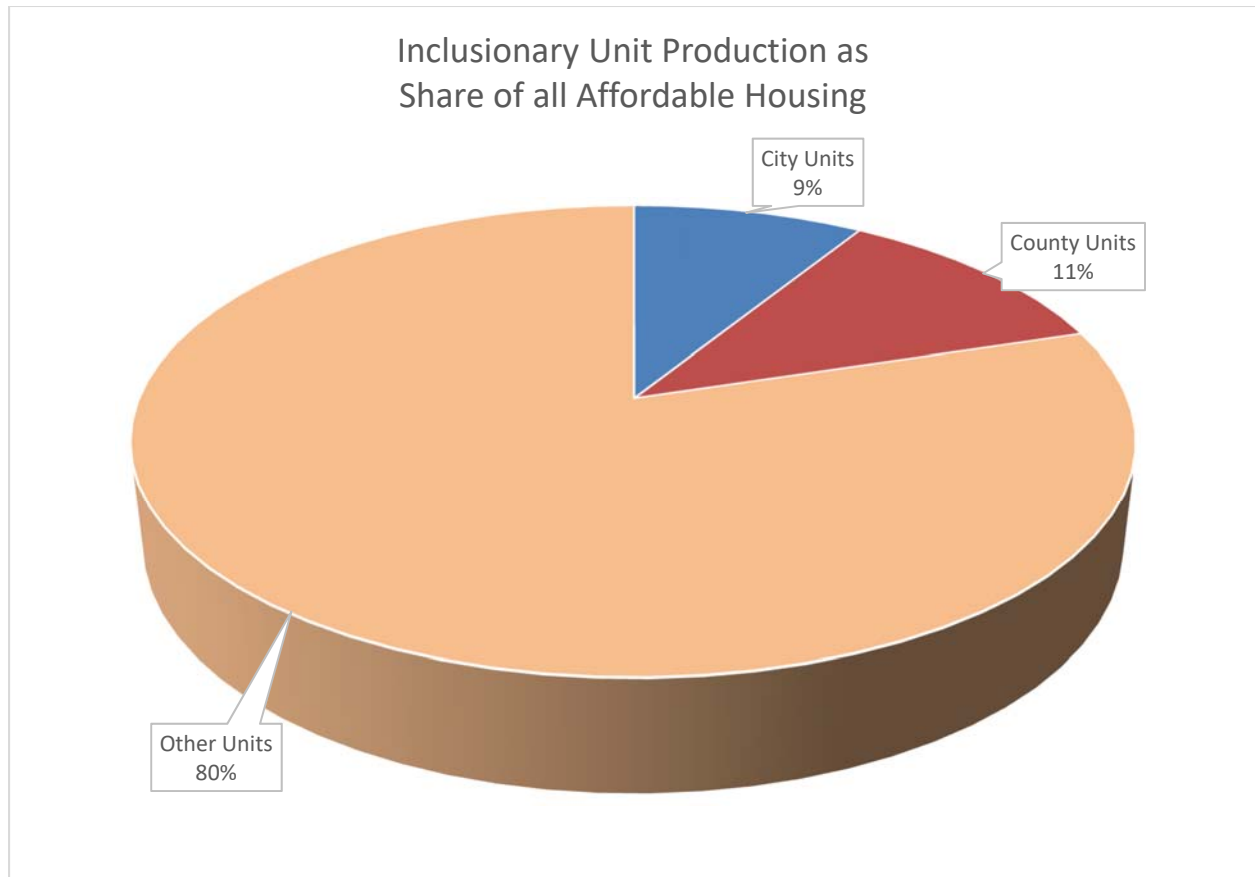


The number of income restricted units in Carmel Valley is skewed by two developments.

- Pacific Meadows is a 200-unit, privately developed retirement community located on land that was dedicated for affordable housing because of the County's Inclusionary Housing Ordinance.
- Rippling River is a 79 unit, former public housing development operated by the Housing Development Corporation of the Housing Authority of Monterey County.

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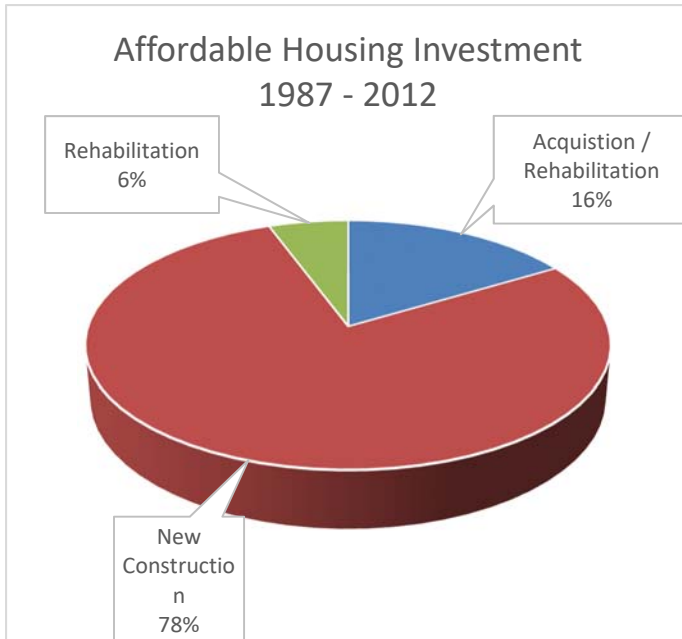
**Impact of Inclusionary Housing Ordinances
on Affordable Housing Production**



- \$1,857,100 Approximate amount of funding raised through city and County Inclusionary Housing In-Lieu Fees and used to support the development of affordable housing developers
- 1,290 Approximate number of affordable units built to comply with or benefitting from city and/or County Inclusionary Housing Ordinances.
- 249 Number of units built on land dedicated for affordable housing under the County's Inclusionary Housing Ordinance.
- 209 units are in Carmel Valley at Grey Goose Gulch and Pacific Meadows.
 - 40 units are CHISPA's Vista de la Terraza development in Salinas
- 231 Approximate number of units that have received direct financial support from in-lieu fees generated by city and Inclusionary Housing Ordinances.
- 154 Number of units in the City of Salinas receiving financial assistance from or built to comply with the County's Inclusionary Housing Ordinance.
- 40 units are CHISPA's Vista de la Terraza development
 - 50 units were the Housing Authority's Lakeside Towers development
 - 64 units are spread across 5 developments by Interim, Inc.

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Affordable Housing Investments



\$723,300,000 - Estimated amount spent to acquire, construct or rehabilitate affordable housing between 1987 and 2012 (in 2018 dollars)

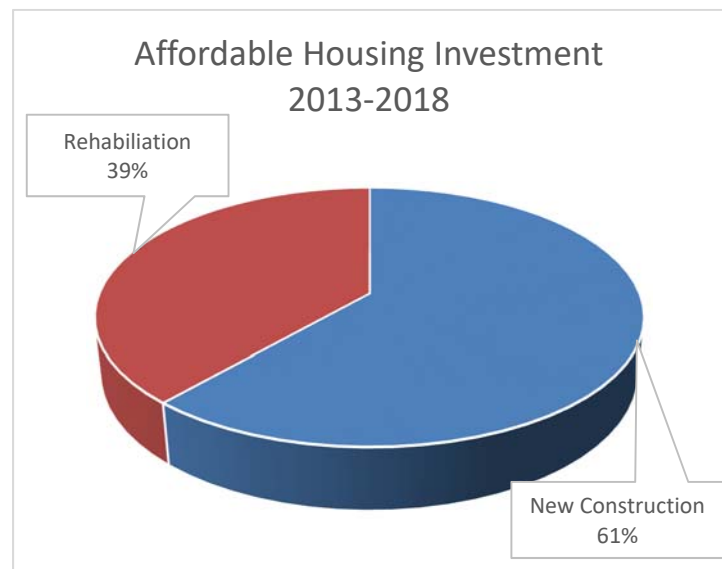
Before 1990, most public housing and affordable housing development subsidies did not require developers or housing authorities to establish a replacement reserve account. As a result, many subsidized housing projects suffered from a lack of maintenance and funding to replace the development when it reached functional obsolescence.

The distribution of expenditures during this period reflects the bias towards new construction rather than preservation.

\$468,612,000 - Estimated amount spent to acquire, construct or rehabilitate affordable housing between 1983 and 20182 (in 2018 dollars)

In 2013, Congress passed the Rental Assistance Demonstration (RAD) program. RAD allowed owners of HUD assisted housing to convert units to project based rental assistance and allow complexes to have a mix of income restricted/assisted units and market rate units.

Since the RAD program was introduced, more investment is going into rehabilitating or tearing down and building new subsidized housing.



The Housing Development Corporation of the Housing Authority of the County of Monterey has been working very diligently to use RAD to replace the old public housing stock. Their efforts are most visible in the vicinity of Calle Cebu, Natividad Road and Rossi St in Salinas.

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Development Costs vs. Revenue Streams

In 2014, the California Department of Housing and Community Development (HCD) prepared a development cost benchmark study report of affordable housing projects that received funding from Proposition 1C.

- Affordable Housing development in Monterey County, on average, contain few units than development in the Bay Area or statewide.
- Affordable housing units in Monterey County, on average, cost 106% more than the Bay Area and 129% more than the statewide average.
 - At least some of the increased costs is attributable to the requirement Monterey County affordable housing developments use the same prevailing wage schedules as developments in the San Francisco Bay Area.

The development costs are one side of the coin. The other side of the coin is the revenue stream the development will produce to cover debt service, setting aside maintenance and replacement reserves, and developer profits. The primary source of revenue is tenant rents. Rents are typically restricted at a percentage of income based on the tenant household's annual income.

- 4.5% Amount by which the maximum restricted rents at all income levels in Monterey County exceed the state average rent
- 31% Amount by which the maximum restricted rents at all income levels in the San Francisco Bay Area exceed the Monterey County average rent

The following table summarizes the costs of development and estimated rental income for a generic 48-unit² mixed income development based on the average for each geography.

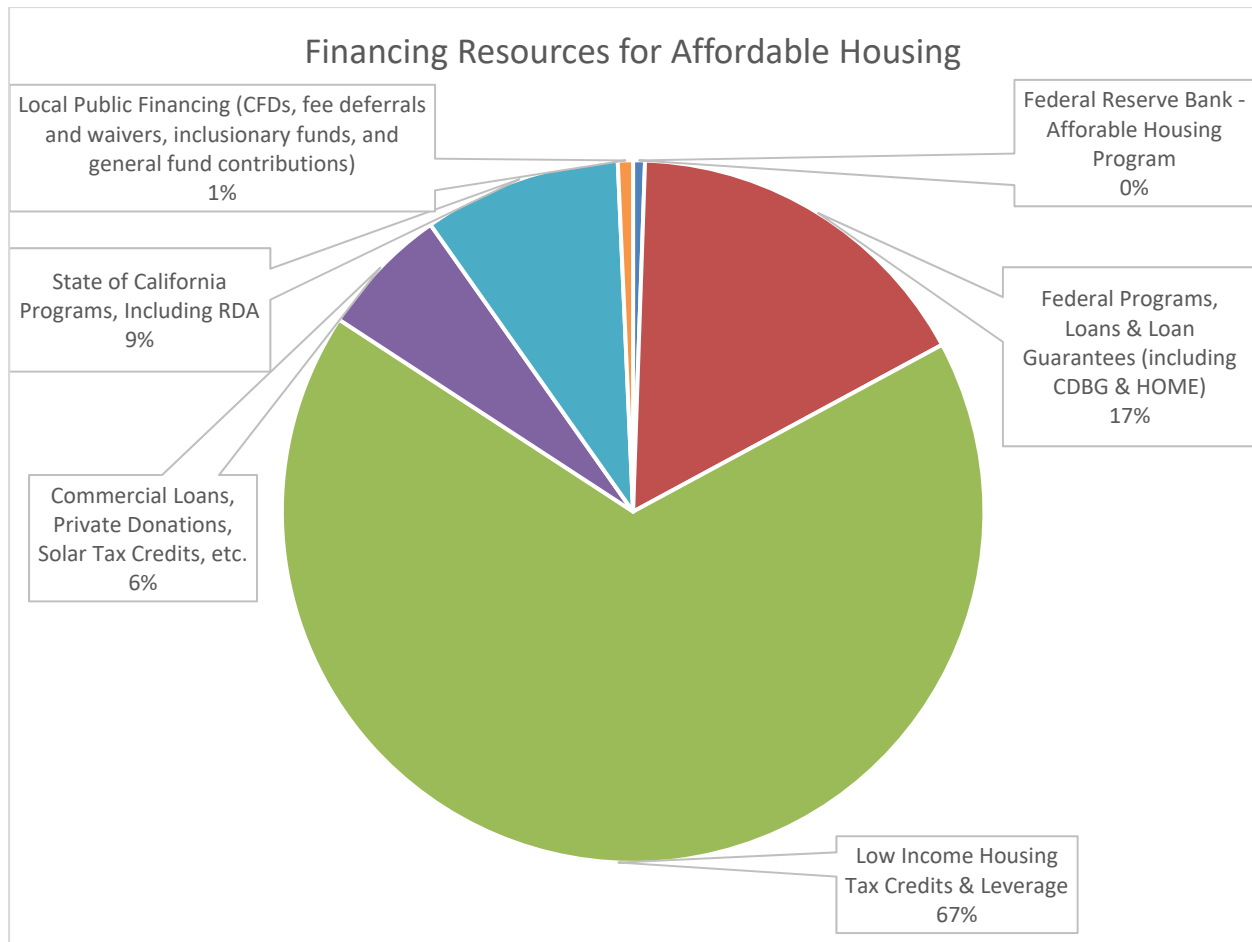
	Statewide Average	9-County Bay Area Average	Monterey County
Cost Per Unit	\$292,701	\$355,144	\$377,392
Total Development Cost	\$14,049,648	\$17,046,912	\$18,114,816
Annual Rental Income	\$462,133	\$633,085	\$483,084
Years to Recover Development Cost	30.4	26.9	37.5

² Unit distribution by income level and bedroom count:

	2 Bedroom Units	3 Bedroom Units
Income Level		
35% of AMI	2	6
40% of AMI	5	7
50% of AMI	14	5
60% of AMI	3	5
Manager Unit		1

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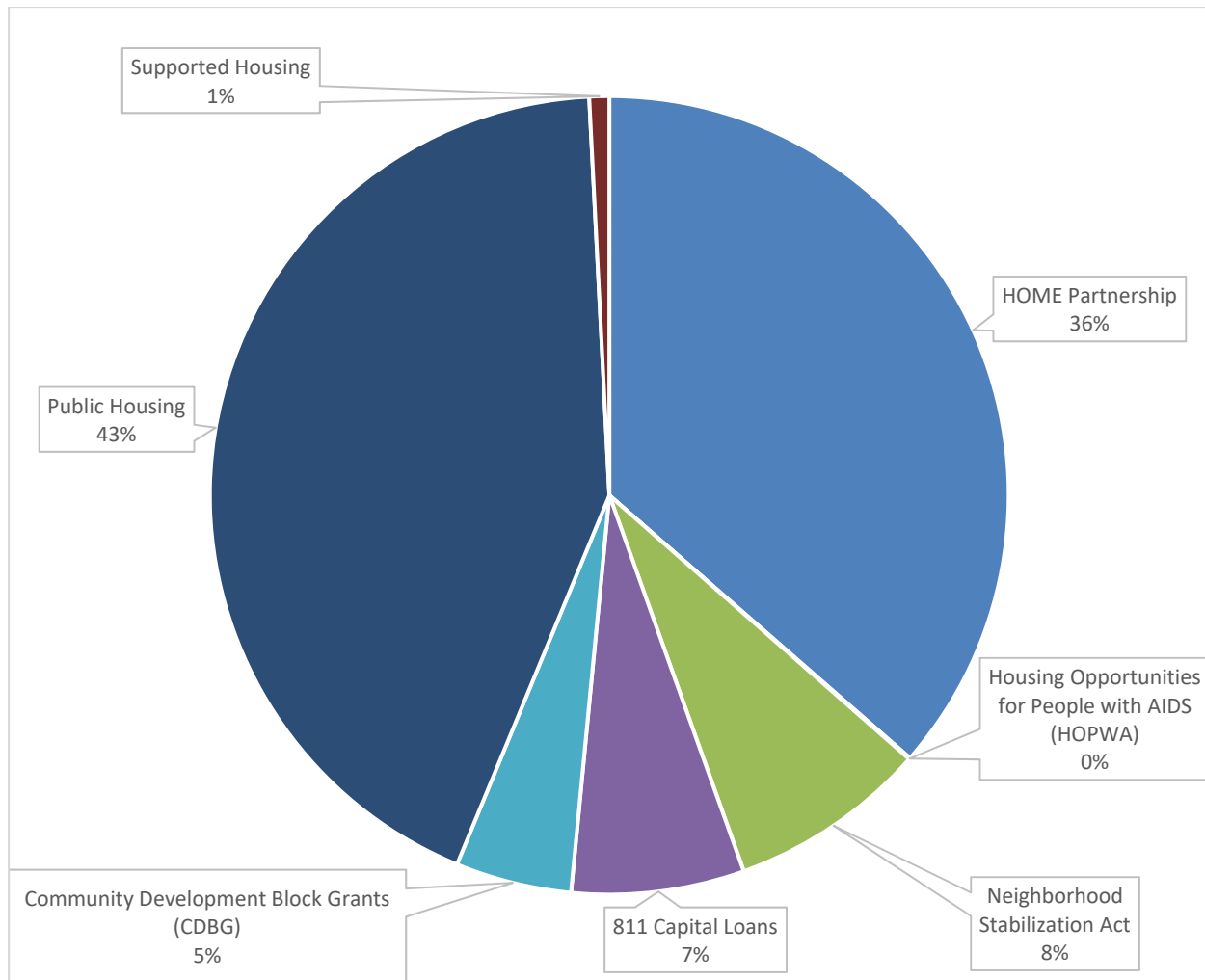
Financing Affordable Housing



\$35,204,900	Low estimate investment of all redevelopment agencies in Monterey County from their Redevelopment Low Income Housing Trust Funds (the “20% money”) between 1984 and 2017.
\$317,632	The average cost to build a new, tax credit funded, unit between 2012 and 2017
50	Number of different funding sources accessed for affordable housing since 1984, including defunct state and federal programs
12	Number of different programs offered by the State of California that have been used to finance projects in Monterey County
7	Number of different programs offered by the US Department of Urban Development that have been used to finance projects in Monterey County
5.9	Average number of different funding sources needed to build an occupancy restricted, tax credit project in Monterey County

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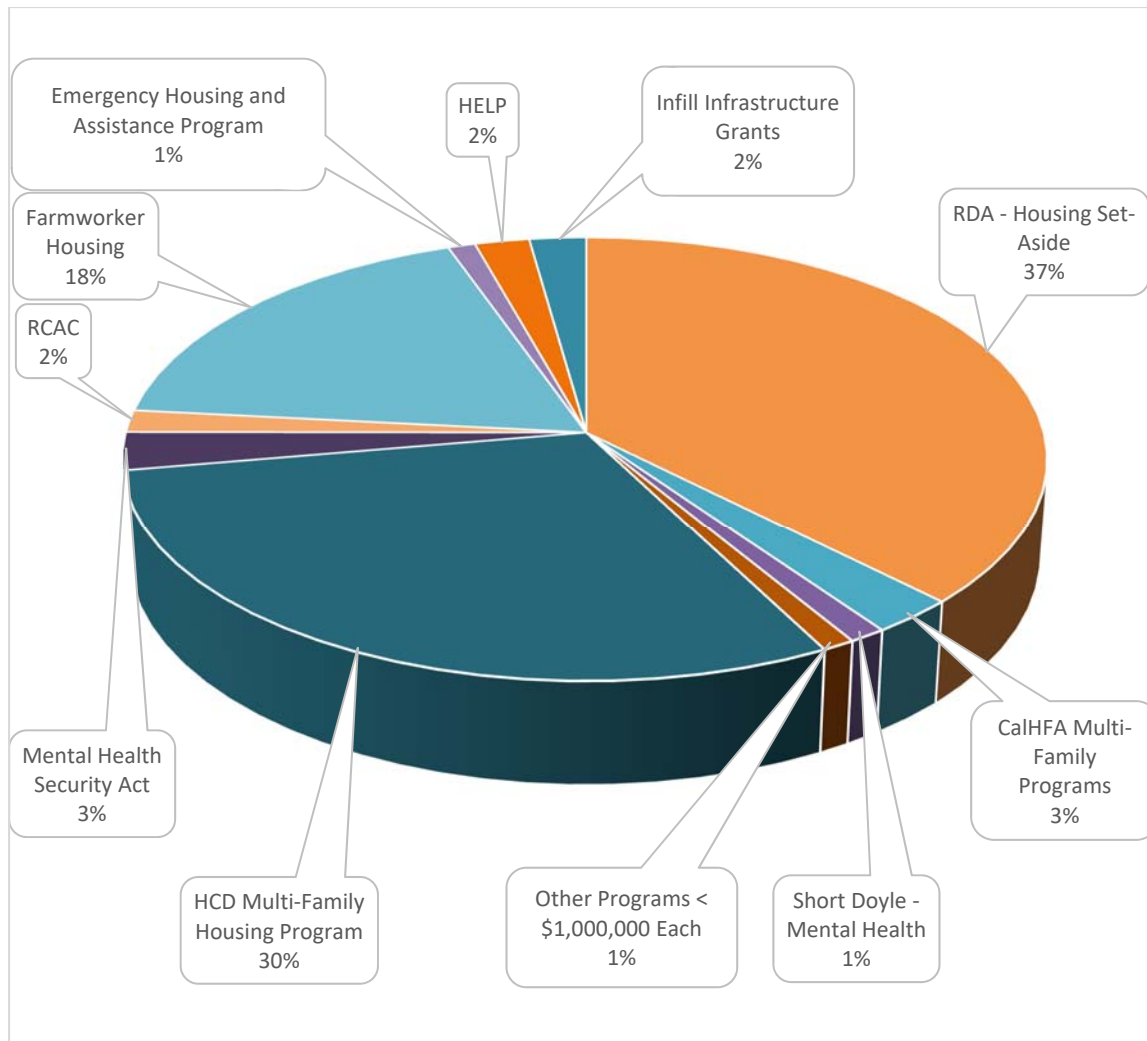
**U.S. Department of Housing and Urban Development
Financial Resources Used in Monterey County**



- 13% Share of affordable housing development and rehabilitation costs covered by HUD programs.
- \$58,848,360 Funds from public housing used to rehabilitate units through the Rental Assistance Demonstration Project (RAD)
 - RAD allows the HACM to access more traditional financing products and convert some public housing units to market rate.
- \$56,332,463 The combined amount of CDBG and HOME funding used for affordable housing in Monterey County
 - 5% of all financing
 - Both programs have been targeted for elimination in the federal budget
- \$11,026,722 Amount from the now defunct Neighborhood Stabilization Program.

California Department of Housing and Community Development

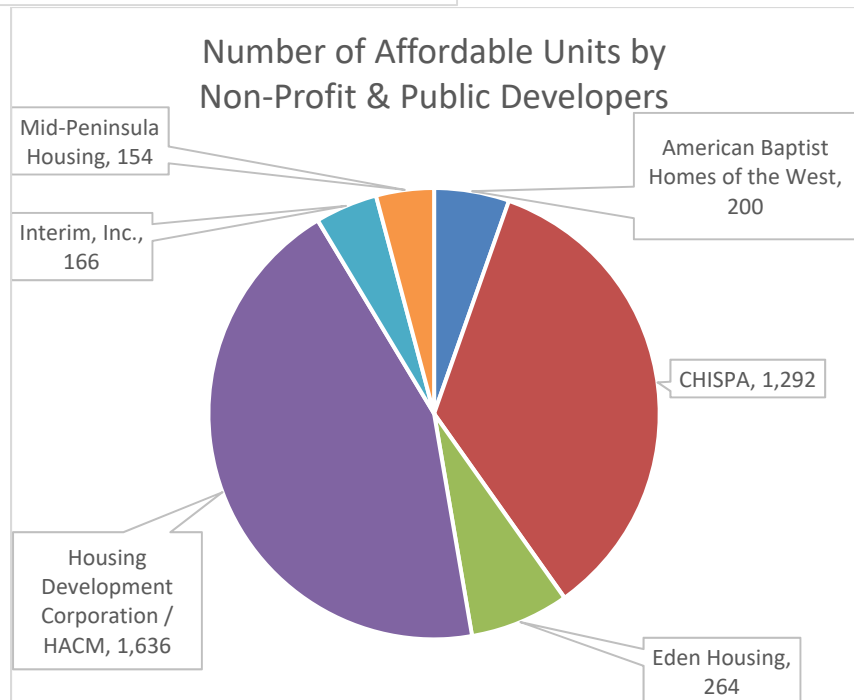
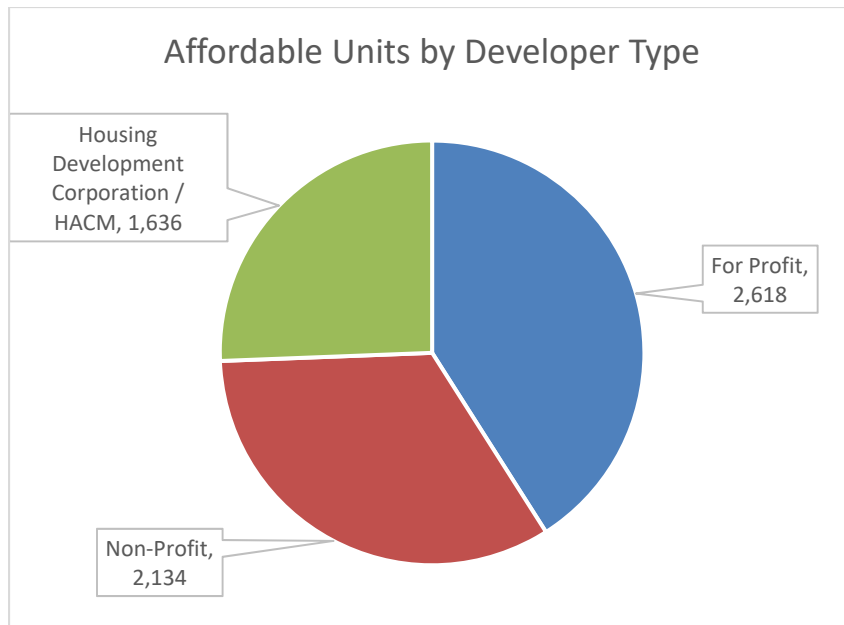
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Financial Resources Used in Monterey County



- 24% Approximate amount of state funding that has been funded by voter approved bonds.
- 3% Redevelopment Low Income Housing Trust Fund share of all affordable housing development and rehabilitation costs
- 1.7 Years it will take for the County to accumulate SB2 local share funding to fund the average County RDA affordable housing contribution since 2004

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Affordable Housing Developers in Monterey County



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Disclaimer

The database this information is collected in is a work in progress. The Economic Development Department has made every effort to ensure that the information is complete and accurate. However, as staff worked with the data several issues that could lead to misinterpretation because evident. These issues include, but are not limited to:

- Projects same address with different unit counts.
- Projects with the same name at different addresses.
- Different funding amounts for the same project.

Data Sources

Information collected from the following websites:

- <http://hdcmonterey.org/rental-portfolio/>
- <http://www.chispahousing.org/>
- <http://www.hamonterey.org/>
- <http://www.treasurer.ca.gov/ctcac/>
- <https://midpenproperty.midpen-housing.org/>
- https://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/projectervlet?state=CA&st=06&cnty=053&mapname=CA_S&propertytype=#form.PropertyType#
- <https://www.cityofsalinas.org/media-folders/media-root/departments-files/community-development-files/housing-report-ab-987-pdf>
- <https://www.edenhousing.org/>

California Tax Credit Allocation Committee

- 53 Staff Reports for Projects Placed in Service
- 11 Staff Reports for Project Reservations