



## Housing Subcommittee Concept

The Establishment of Regional Housing Trust Fund  
and Authorizing a Regional Affordable Housing Impact Fee

### Overview

Authorizes a regional governmental body, such as Metropolitan Planning Organizations (MPO), Council of Governments (COGs), or a Joint Powers Authority to establish a regional Housing Trust Fund (Trust).

### Objectives

- I. Preserve existing affordable housing
- II. Create new affordable housing
- III. Meet objective Regional Housing Needs Allocations (RHNA)
- IV. Best fits the needs of individual local governments
- V. Protect projects from erroneous CEQA lawsuits

### Authority

By establishing a regional Housing Trust Fund, the state would authorize the regional body authority to address affordable housing needs, including but not limited to:

- I. Develop and establish a regional affordable housing impact fee that would apply to all cities in the regional body on new market-rate multi-family residential developments.
- II. Authorize the regional body to collect fees from local governments and administer funding for qualifying projects.
- III. Establish a formula for qualifying affordable housing projects to receive funding from the Trust, based on criteria established by the regional body.
- IV. Establish a process and formula for local governments to receive additional funding from the Trust through an exchange between a local government's share of Trust funding to meet local RHNA.
- V. Affordable housing multi-family developments would be exempt from the regional impact fee.



- VI. Existing regional Housing Trust Funds would be required to comply with the new legislation.
- VII. Projects that provide a minimum percentage of affordable housing units, as established by the regional body, would be exempt from CEQA requirements.

## **Requirements for Funding an Affordable Housing Development**

Regional bodies, in partnership with local governments, may establish additional guidelines for qualifying projects that are in addition to guidelines set forth below:

- I. Projects must meet local development requirements, including but not limited to local objective design standards, heights, and F.A.R ratio.
- II. Projects must meet local zoning requirements established in a city's housing element and/or specific neighborhood plans.
- III. If a local government lacks capacity for dense housing, the local government may develop an overlay zone that would designate areas zoned for density.
- IV. Mixed-use developments would be prioritized for funding.
- V. Must meet a minimum percentage of a local government's share of RHNA.
- VI. For sale, for rent, and/or inclusionary housing projects would qualify for funding.

## **Funding Formula Requirements and Processes**

- I. Use of funding would be based on a formula, established by the regional body, that would be based on the following criteria:
  - i. Project's impact to local and regional (RHNA) count, specifically towards low- to very low-income housing.
  - ii. A local government's contribution (share) of the Housing Trust Fund
- II. A formula for funding by an applicant would be based on, but not limited to:
  - i. A base percentage of the applicant's city's share of the Trust Fund dollars (i.e. 20% of city's Trust Fund dollars).
  - ii. A base percentage, less than an applicant's city's share, of Trust Fund dollars from other member cities (i.e. 5%).



- iii. Maximum and minimum limits can be applied to each source.
- III. Project applicant can also seek additional funding from the Housing Trust Fund, specifically the share of another local government in the regional body, if an applicant's city and another city in the regional body agrees to additional funding, in exchange of another city's RHNA count (i.e. 10%).
  - i. The exchange of RHNA count for funding will be determined by the regional body to equate one RHNA count to a percentage of funding or a dollar value.
- IV. Project applicant would be required to provide all necessary documentation to establish a project as an affordable housing development (i.e. covenants, etc.)

## **CEQA Protections**

- I. A project that meets qualifications established in California Code of Regulations 15192 or 15194, and
  - II. Meets a city's zoning and objective design standards, and
  - III. Provides a minimum percentage of affordable housing, as established by the regional body, will not be subject to CEQA.
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## I. Timeline

Legislative sponsors have requested a concept summary by the end of November to circulate amongst legislative aides, committee staff, and other stakeholders.

The following dates are key to our housing proposal:

- November 2020 – Concept to be submitted to potential legislative sponsor before Thanksgiving
- January 4, 2021 - Legislature reconvenes for 2021-22 Regular Session
- January 22, 2021 – Last day for bill requests to be submitted to Legislative Counsel **(TBD)**
- February 19, 2021 – Last day for bills to be introduced **(TBD)**