



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: February 20, 2008 REPORT NO: 08-017
ATTENTION: Council President and Members of the City Council
Docket of February 26, 2008
SUBJECT: Resolution supporting eligible projects for Proposition 1C- Transit
Oriented Development Fund
REFERENCE:

REQUESTED ACTION:

1. Approve the Resolution authorizing the Mayor to support applications to the California Department of Housing and Community Development (HCD) for funding under Proposition 1C-Transit Oriented Development (TOD) Housing Program for housing projects that meet the HCD eligibility criteria.
2. Approve the Resolution granting authority for City to apply for TOD Infrastructure funds for the Commercial and 22nd Street Project and for 15th and Commercial Project.
3. Authorize the Mayor to take all necessary actions to secure funding from the HCD for the infrastructure improvement projects.
4. Authorize the Auditor and Comptroller to accept funds if grant funding is secured.
5. Authorize the Auditor and Comptroller to establish a special interest-bearing fund for the grants.
6. Direct the City Attorney to expeditiously prepare the appropriate resolutions.

STAFF RECOMMENDATION:

Approve

SUMMARY:

Proposition 1C authorized \$2.85 billion in general obligation bonds (GO bonds) for various housing purposes. While most of the money will go to existing programs, \$300 million will be going to Transit Oriented Developments (TOD) under new criteria developed by the legislature and the California Department Housing and Community Development. The TOD fund is to provide local assistance to cities, counties, transit agencies and developers to develop or facilitate the development of higher density uses with close proximity to transit stations. To be eligible for a loan, at least 15% of the units in the proposed development shall be made available at an affordable rent or at an affordable housing cost to persons of very low or low income for at least 55 years. Developments assisted pursuant to this subdivision shall be on parcels at least a portion of which are located within ¼ mile of a

transit station. A housing development project may include a mixed-use development consisting of residential and nonresidential uses.

REPORT:

In response to the passage of the 2006 State Infrastructure Bonds (Props. 1B-1E and Prop. 84), the Mayor formed an internal Infrastructure Bond Task Force to best position the City to take advantage of these new funding opportunities. The Task Force is chaired by the Director of Intergovernmental Relations and includes members from City Planning and Community Investment, Engineering and Capital Projects, Water, Stormwater, Park and Recreation, Housing Commission, CCDC, and members of the City of San Diego’s lobbying team.

The Infrastructure Bond Task Force, along with our state lobbyists Sloat, Higgins, Jensen and Associates were active in 2007 in helping to shape criteria both for eligible funding categories within Proposition 1C. Additionally, the Task Force has worked to identify worthy projects to submit for state consideration at the appropriate times.

The Taskforce has identified four projects within the City that meet the criteria outlined by HCD which includes project readiness, proximity to light rail and location within a high density area. The four projects and corresponding developers are:

- 7th and Market – Related Companies/City Link
- 1050 B – Affirmed Housing Group
- 15th and Commercial – St Vincent de Paul/Chelsea Investment Corporation
- Comm22 – Bridge Housing/MAAC Project/The Bronze Triangle

The Task Force identified that all four projects would be worthy candidates for this first cycle of funding under Proposition 1C.

TIMELINES AND AVAILABLE FUNDING:

The Notice of Funding Availability for the cycle 1-TOD was December 11, 2007 with Final applications due on Friday, March 7, 2008. HCD expects to make awards in June of 2008. There is approximately \$95 million available statewide in cycle 1, with a maximum award of \$17 million dollars.

Outlined below are the three categories that the City has identified as likely award categories in cycle 1 within the Transit Oriented Development Program.

**HCD - Transit Oriented Development (TOD)
Housing Program**

HOMEOWNERSHIP MORTGAGE ASSISTANCE:

Eligible Applicant: Developer + City (co-applicant)

Required Application Forms: 1) Universal Application, certain tabs

- 2) Density Range Calculation Request Form
- 3) Scoring Sheet
- 4) TOD Homeownership Assistance Attachment

Grant Assistance Size: The lesser of \$30k per unit or 20% of sales price.

Cash Contribution: Not required.

Required Local Approvals: 1) Agreement between City & Developer.
2) Resolution by City granting authority to apply – 1472.

RENTAL:

Eligible Applicant: Developer.

Required Application Forms: 1) Universal Application, entire application
2) Density Range Calculation Request Form
3) Scoring Sheet
4) TOD Rental Attachment

Grant Assistance Size: Unclear. Guidelines refer to 25 CCR 7307 & NOFA w/ a Maximum Program Loan or grant or combination for a single housing development of \$17 million.

Cash Contribution: Not required.

Required Local Approvals: None.

Eligible Projects Cycle 1: Commercial/22nd; 7th and Market, 1050 B, and 15th and Commercial

INFRASTRUCTURE:

Eligible Applicant: City, County, City/County, Transit Agency.

Required Application Forms: 1) Universal Application, certain tabs
2) Density Range Calculation Request Form
3) Scoring Sheet
4) TOD Infrastructure Attachment

Grant Assistance Size:

If project supports a Housing Development:
\$35k per residential unit, or
\$50k per Restricted unit


If project to improve pedestrian/bike access from
Housing Development to a Qualifying

Transit Station: \$10k per residential unit

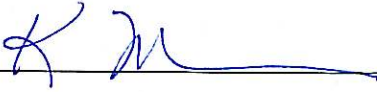
Cash Contribution: 20% including federal & state funds under local control along with funding commitment letters

Required Local Approvals: Local Public Works Dept, however, City's Regulations require a 1472 process to apply.

Eligible Projects Cycle 1: Comm/22; 15th and Commercial



Job Nelson
Director, Intergovernmental Relations



Kris Michell
Deputy Chief Operating Office

Attachments: NOFA for TOD, December 11, 2007
Final TOD Guidelines, December 3, 2007