

Housing Incentive Pool (HIP) and Affordable Housing Law Compliance

Proposed MTC Program

Proposed Program Rules

Housing Incentive Pool (HIP)

Program Objective

Provide transportation funds to **reward** jurisdictions that **produce** and **preserve** the most affordable housing

“Race to the top”

\$76 Million

Proposed Program Rules

September

- Calendar years **2015 – 2020**
- **15 jurisdictions** with greatest # units
- Units must be in PDA/TPA
- County guarantee - at least one jurisdiction
- Grants distributed on **sliding scale**
 - \$250,000 floor
 - Balance distributed among top 15 on per unit basis
- Grants must be spent on eligible **transportation projects** (STP/CMAQ/STIP rules apply)
- Grants distributed **after 2020** units tabulated

Distribution Concept

7,652 units \$76M

2015-2017 permit data, as of 9/30/18

\$ in millions

Rank	Jurisdiction	County	Total HIP Units	Sample \$\$	Rank	Jurisdiction	County	Total HIP Units	Sample \$\$
1	San Francisco	San Francisco	2,981	\$28.1	10	Daly City	San Mateo	227	\$2.4
2	San Jose	Santa Clara	858	\$8.3	11	American Canyon	Napa	202	\$2.1
3	Richmond	Contra Costa	631	\$6.1	12	Alameda Cty	Alameda	188	\$2.0
4	Livermore	Alameda	456	\$4.5	13	Mtn View	Santa Clara	138	\$1.5
5	Fremont	Alameda	454	\$4.4	14	Berkeley	Alameda	120	\$1.4
6	Oakland	Alameda	441	\$4.4	15	South SF	San Mateo	112	\$1.3
7	Sunnyvale	Santa Clara	339	\$3.4	22	Sonoma Cty	Sonoma	77	\$0.25
8	Gilroy	Santa Clara	260	\$2.7	35	Novato	Marin	14	\$0.25
9	Union City	Alameda	245	\$2.5	56	Benicia	Solano	1	\$0.25

Data for new & preserved units gathered by surveying the Bay Area's 101 cities & 9 counties

Proposed Program Rules

September

- Calendar years **2015 – 2020**
- **15 jurisdictions** with greatest # units
- Units must be in PDA/TPA
- Permitted Units
- County guarantee - at least one jurisdiction
- Grants distributed on **sliding scale**
 - \$250,000 floor
 - Balance distributed among top 15 on per unit basis
- Grants must be spent on eligible **transportation projects** (STP/CMAQ/STIP rules apply)
- Grants distributed **after 2020** units tabulated

October

- Calendar years **2018 – 2022**
- **15 jurisdictions** with greatest # units
- Units must be in PDA/TPA
- **Built Units** (certificate of occupancy)
- County guarantee - at least one jurisdiction
- Grants distributed on **sliding scale**
 - \$250,000 floor
 - Balance distributed among top 15 on per unit basis
- Grants must be spent on eligible **transportation projects** (STP/CMAQ/STIP rules apply)
- Grants distributed **after 2020** units tabulated

Proposed Program Rules

Additional rules

- New + Preserved Units
- Affordable at very low-, low- & moderate- income level
- Units must be in PDA/TPA
- Built Units (certificate of occupancy)
- Deed restriction
 - Required for **new units** affordable at very low- and low- income levels
 - Required for **preserved units** at all affordability levels
- Preserved Units
 - At risk of conversion to market rate – OR – newly place affordability restrictions on currently unrestricted unit
 - HIP credits based on length of deed restriction, 55-year deed restriction equates to 1 HIP credit
- Compliance with four housing laws as a condition to receive funds

Compliance with Housing Laws

	Surplus Lands	ADU	Density Bonus	Housing Element
In Compliance	94	83	83	109*
In Process	2	15	1	
Charter City	2	N/A	N/A	
Noncompliant	0	0	14**	
Not Reported	11	11	11	

* 4 jurisdictions are currently working with HCD to confirm compliance: Fairfax, Los Altos, Los Gatos, San Bruno. HCD considers them to be in compliance while this work proceeds.

** 14 jurisdictions are not currently in compliance: Richmond, Fairfax, E. Palo Alto, Pacifica, Portola Valley, Redwood City, San Carlos, Woodside, San Jose, Dixon, Vacaville, Vallejo, Solano County and Healdsburg

Requested Feedback Prior to October 24

- General Feedback on the Program
- Should MTC provide an equalization scheme to give all jurisdictions an opportunity to compete? Progress towards RHNA goals? Big City/Small City?
- Does this program incentivize the production of affordable housing?
- How does this program produce more affordable housing vs. density bonus law producing more affordable housing?
- Does Cities Association as a whole want to provide feedback and/or leave it up to individual cities?