

# **AFFORDABLE HOUSING POLICY CONSIDERATIONS**

The following policy issues represent challenges and choices for the CCDC Board in directing how to invest the Centre City and Horton Plaza Low and Moderate Income Housing Funds:

## **Long Range Planning**

- The Downtown Community Plan has established that downtown will have 53,100 residential units by 2025. If 15% of those units are affordable, as required by California Redevelopment Law, then downtown must have about 8,000 affordable units by 2025. By June 2007, downtown will have approximately 3,200 affordable units completed or under construction, which means the goal over the next 15-20 years is to create 4,800 affordable units. This impacts the ability for CCDC to fund projects outside downtown.
- The estimated remaining Low and Moderate Income Housing Funds from downtown tax increment is \$375 million. If subsidies average \$100,000 per affordable unit, 3,750 units could be created, leaving a shortfall of 1,050 units to maintain a 15% goal.

## **Ownership Housing**

- The Affordable Housing Floor Area Ratio (“FAR”) Bonus in the Centre City Planned District Ordinance provides a way to create affordable housing without public subsidy.
- Should CCDC rely on the FAR Bonus to create affordable ownership housing without subsidy and then focus Agency funds on gap financing to create rental housing with caps on maximum Agency subsidy per bedroom based on land costs and construction type?

## **Income Diversity**

- When reviewing funding requests, staff considers options to minimize Agency subsidy by securing other eligible funding sources. In general, projects with moderate income units are more expensive to subsidize because no other funding sources are eligible to assist in financing that portion of the project.
- Should CCDC fund rental housing projects that are 100% low-income to minimize Agency subsidy or encourage development of mixed income projects with a range of affordability restrictions?

## **Family Housing**

- The majority of downtown’s affordable units (87%) are studio units, which CCDC has been criticized for by community members who argue that downtown should provide a larger supply of units suitable for families with children.
- Should CCDC encourage affordable housing developers to include three bedroom units in their projects, recognizing this increases the project’s subsidy per affordable unit?

## **Urban Design Amenities**

- The CCDC Board has recently asked project applicants to include quality-of-life features in their projects such as eco-roofs, dog runs, car-sharing programs, public art, open space, and energy conservation for LEED certification.
- Should CCDC ask affordable housing developers to include these urban design amenities in their projects, when feasible, with the costs covered by the Agency’s subsidy?

## **Geographic Distribution**

- The vast majority of downtown’s affordable housing units (2,600 of the 3,200 units) are in East Village, Marina, and other downtown neighborhoods located south of Broadway.
- Should the CCDC Board direct staff to prioritize projects located north of Broadway to promote the production of affordable housing in all of downtown’s neighborhoods and districts?