

**Program F4 | FUTURE GENERAL FUND SUPPORT FOR AFFORDABLE HOUSING PROGRAMS****PURPOSE:**

As the City's economic conditions improve along with expansion of housing production and real estate investment generally and, as development-related taxes and fees increase (e.g. the Real Property Transfer Tax, planning and permit fee revenue) the City Council will have the opportunity to proportionately expand funding (General Fund appropriations) for the City's Housing Action Plan programs. Such funding increases will be subject to future City Budget priorities and constraints. These housing-related expenditures should be viewed from a "return on investment" perspective and sized and prioritized accordingly.

**AREA OF STUDY:**

- Document fiscal performance of new housing and related economic development as part of City Budget forecasting.
- Document and monitor "cost recovery" performance of PED and consider sustaining General Fund support year-to-year to assure adequate funding for long range planning and Housing Action Plan implementation efforts.
- As part of City Budget process consider staffing needs resulting from Housing Action Plan implementation and long range planning (General Plan) update.
- Consider economic effects of any increases in planning and permit fees as part of effort to keep aggregate fee levels within a range that does not discourage housing production.

**STEPS/DELIVERABLES:**

1. A set of public "return on investment" criteria should be developed to estimate the fiscal, economic, and social benefits of investments in supporting increased housing production.
2. As part of the 2016/17 Mid-year Budget review, consider Housing Action Plan implementation priorities, staffing, and budget requirements.
3. Develop policies (e.g. cost recovery and ROI-based funding) that increase the capacity of PED, and other City departments, to achieve and sustain Housing Action Plan objectives.

**OUTREACH AND COMMUNICATION PLAN:**

The intention of this funding initiative is to achieve adopted General Plan Housing Element and Housing Action Plan objectives. The investments being recommended need to be documented as a part of public outreach along with expected performance in terms of housing production (at all income levels) and related economic and fiscal benefits.

**TIMEFRAME:**

The City can consider Housing Action Plan implementation needs during the mid-year Budget review and the subsequent FY 2017/18 Budget deliberations and in future City Budgets.

**COST:**

Cost of the initial staff work and any related professional services should fall under existing Budget authorization.