

**CITY OF SANTA ROSA
DEPARTMENT OF ECONOMIC DEVELOPMENT AND HOUSING
AFFORDABLE HOUSING TERMS FOR DECEMBER 10, 2013 STUDY SESSION**

Affordable Housing – a living unit that is regulated by an affordable housing covenant (typically 55 years) to insure that the income and/or rent of the unit is restricted to help people at various income levels (30%, 50% and 60% of area median income) be able to afford housing costs.

Local Subsidy Resources - use of Community Development Block Grant (CDBG), HOME funds, in-lieu fees (now called Housing Impact Fees) General Funds, and other resources to provide gap financing for the development of affordable housing. Previously, Redevelopment funds provided the main source of local subsidy.

Bonds – this tax exempt financing provided through an application process facilitated by the California Debt Limit Allocation Committee (CDLAC) allows the issuance of multifamily tax exempt revenue bonds for the acquisition and construction of affordable housing. Bond financing carries below market interest rates and serves as the construction loan and then the permanent 1st mortgage. Bonds must be part of the financing for a project in order to access 4% tax credits.

9% Tax Credits – major source of financing for affordable housing. This is a direct equity contribution from corporations for a development project that does not require rents to support what would otherwise be a loan repayment. In exchange for the cash contribution the corporation receives a dollar for dollar credit against its federal tax obligations.

9% Tax Credit Competition - extremely competitive application process facilitated by the State of California Tax Credit Allocation Committee (TCAC) as a means to award these limited federal and state tax credit resources. Currently, the amount of local subsidy in an application acts as a “tie breaker” to determine which affordable housing project is selected for funding.

Continuum of Care (CoC) – Sonoma County’s CoC is the local body that coordinates the funding and services for homeless people through a local planning process. The Department of Housing and Urban Development (HUD) requires the formation of a CoC in order to access \$2.8 million of federal resources dedicated to serving the needs of homeless people.

Rapid Re-Housing (RRH) – strategy that places people who fall into homelessness into permanent housing as quickly as possible through financial assistance for security deposits, arrears, moving costs, and up to 2 years of rental assistance with case management. Over \$900,000 has come into Sonoma County since July 2012, for RRH programs.

Homeless Census – Bi-annually mandated by the federal government that each locality count the homeless population and provide statistical data of the results. This “point-in-time” count, administered by the Sonoma County Continuum of Care, occurs within a 24-hour period in the last 10 days of January.