Housing-Related Parks Program

California Department of Housing and Community Development
Housing-Related Parks Program
2013 Designated Program Year (DPY)

- Program Introduction & Objectives
- Eligibility and Threshold Requirements
- Base Production Awards
- Bonus Awards
- Helpful Hints
- Next Steps
Program Introduction and Objectives
Authorizing Legislation

- One of several initiatives funded by the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C)
- Created by Assembly Bill No. 2494 (Caballero) CHAPTER 641 to add Chapter 8 (Section 50700) to Part 2 of Division 31 Part 2 of the Health and Safety Code
- Amended by Assembly Bill No. 1672 (Torres) Chapter 779, Statutes 2012
Program Objectives

- Increase new construction, preservation, substantial rehabilitation and acquisition/conversion of affordable housing
- Fund the creation and renovation of community parks
- Reward compliance with State Housing Element Law

Music Avenue Neighborhood Park, City of Clovis
Housing-Related Parks Program

- $200 Million to Housing Urban-Suburban-and-Rural Parks Account to fund the Housing-Related Parks (HRP) Program
- Revised Guidelines released October 2013
- 2013 DPY NOFA
  - Released October 2013
  - $25 million available for FY 2013/2014
  - Changes pursuant to AB 1672
Recent Changes per AB 1672

- Building permits vs. foundation inspection reports
- Expanded eligibility to include:
  - units substantially rehabilitated
  - converted from market rate to affordable
  - preserved
- Bonus for newly constructed units
- No certificate of occupancy requirement for disbursement of funds
Highlights of the HRP Program

- The program is non-competitive (no rating and ranking)
- All applicants meeting the threshold requirements will be funded
- If Program is oversubscribed, funds will be prorated among eligible applicants
Eligible Use of Funds

- Construction, rehabilitation or acquisition of capital assets that benefit the community (Government Code Section 16727)
- Physical property with a useful life of 15 years or more
- Equipment with a useful life of 2 years or more
- Costs related to construction or acquisition, i.e. planning, design, engineering, environmental impact reports, appraisals, legal, site acquisition, easements
Eligibility & Threshold Requirements
Eligible Applicants

- Cities and counties meeting all threshold eligibility criteria
- Jurisdictions may partner with a recreation and park district or nonprofit organization that has among its purposes the conservation of natural or cultural resources
Threshold Requirements

- Housing element compliance
- Submittal of the Annual report on the implementation of the housing element pursuant to GC § 65400 for all years in which applicant has eligible units
- Documentation of Eligible Units
- Minimum grant amount of $75,000
Threshold Requirements

- Housing Element Compliance

  4\textsuperscript{th} cycle Housing element which has been adopted by the jurisdiction’s governing body and determined to be in substantial compliance with State housing element law pursuant to Government Code Section 65585

  * For SANDAG jurisdictions, housing element compliance must be for the 5\textsuperscript{th} planning period
Threshold Requirements

- **Annual Progress Report**
  - Annual Progress Report(s) submitted by application due date for the corresponding CY(s)
  - Charter cities must submit an Annual Progress Report to be eligible for the HRP Program
  - Use forms and Regulations adopted by the Department in March 2010. Available online at [http://www.hcd.ca.gov/regulations/](http://www.hcd.ca.gov/regulations/)
Threshold Requirements

- Documentation of Eligible Units
  - Building Permit or Certificate of Occupancy documentation during the Designated Program Year (DPY).

2013 Designated Program Year
### Threshold Requirement Summary

<table>
<thead>
<tr>
<th>Housing Element Compliance</th>
<th>Annual Progress Report</th>
<th>Documentation of eligible units</th>
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</thead>
<tbody>
<tr>
<td>4th Planning period compliance as of NOFA date (October 2, 2013)*</td>
<td>CY 2009</td>
<td>CY 2010</td>
</tr>
<tr>
<td></td>
<td>CY 2010</td>
<td>CY 2011</td>
</tr>
<tr>
<td></td>
<td>CY 2011</td>
<td>CY 2012</td>
</tr>
<tr>
<td></td>
<td>CY 2012</td>
<td>1/1 - 6/30/2013</td>
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</table>

* For jurisdictions within the SANDAG region, housing element compliance must be for the 5th planning period.
Base Production Award
Funds are awarded on a per bedroom basis in units affordable to very low income (VLI) or low-income (LI) households.

- LI Units: $500/Bedroom
- VLI Units: $750/Bedroom
Documentation Requirements

Eligible units documented by one of the following:

- **Building Permits** for new affordable housing units issued during the Designated Program Year

- **Certificate of Occupancy** or other evidence of readiness for occupancy within Designated Program Year for units substantially rehabilitated, converted, or preserved
Affordability Restrictions

- Must be restricted to either Low, Very Low or Extremely Low-Income
- **Rental** (55 years)
- **Ownership** (20 years) with a sales price no greater than applicable new construction purchase price limits established and published by the California Housing Finance Agency (CalHFA)
- For non-subsidized ownership units, demonstrate *initial occupancy* to a very low- and/or low-income household
Bedroom Count Documentation

- Floor Plan
- Plan Check
- Signed Letter from program sponsor
- Approved Project Description (Memo/Staff Report to Legislative Body)
- Tax Credit Reservation Letter with attachment, or other subsidy document
Bedroom Count Documentation

Sample Tax Credit Reservation Letter with attachment

<table>
<thead>
<tr>
<th>Unit Type &amp; Number</th>
<th>2004 Rents</th>
<th>% of Area Median Income</th>
<th>Proposed Rent</th>
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<tr>
<td></td>
<td></td>
<td>(including utilities)</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>4 Two-bedroom units</td>
<td>30% Very Low Income</td>
<td>$432</td>
</tr>
<tr>
<td>15</td>
<td>4 Two-bedroom units</td>
<td>40% Low Income</td>
<td>$577</td>
</tr>
<tr>
<td>6</td>
<td>4 Two-bedroom units</td>
<td>50% Low Income</td>
<td>$721</td>
</tr>
<tr>
<td>5</td>
<td>6 Two-bedroom units</td>
<td>60% Low Income</td>
<td>$865</td>
</tr>
<tr>
<td>35</td>
<td>5 Three-bedroom units</td>
<td>30% Very Low Income</td>
<td>$499</td>
</tr>
<tr>
<td>25</td>
<td>5 Three-bedroom units</td>
<td>40% Low Income</td>
<td>$666</td>
</tr>
<tr>
<td>15</td>
<td>15 Three-bedroom units</td>
<td>50% Low Income</td>
<td>$833</td>
</tr>
<tr>
<td>1</td>
<td>1 Three-bedroom unit</td>
<td>60% Low Income</td>
<td>$999</td>
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<tr>
<td></td>
<td>Manager’s unit</td>
<td></td>
<td>$1,459</td>
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</table>
Tracking Affordable Units:
Documentation Summary For New Construction

- Number of units affordable to very low- and/or low-income households
- Affordability Restrictions (Covenants)
  - 55 years for Rental
  - 20 years for Owner
- Number of bedrooms by income level
- Issuance of building permits between 1/1/2010 – 6/30/2013
Tracking Affordable Units: Substantially Rehabilitated, Converted, or Preserved

- Number of units affordable to very low- and/or low-income households

- Affordability Restrictions (Covenants)
  - 55 years for Rental
  - 20 years for Owner

- Number of bedrooms by income level

- Certificate of occupancy/readiness for occupancy between 1/1/2010 - 6/30/2013

- **AND** additional requirements based on the type of unit
For units Substantially Rehabilitated:

- Demonstration of:
  - committed assistance
  - units at imminent risk of loss

- Where units previously occupied:
  - relocation assistance provided
  - tenants were given the right to reoccupy the units.
Tracking Affordable Units:
Substantially Rehabilitated, Converted, or Preserved

For Units Converted from Non-Affordable to Affordable

- Demonstration of:
  - committed assistance
  - eligible unit type
  
  - Multifamily rental (3 or more units)
  - Multifamily ownership units
  - Foreclosed properties

- Relocation assistance provided and tenants were given the right to reoccupy the units if income-qualified
Tracking Affordable Units:
Substantially Rehabilitated, Converted, or Preserved

For Units Preserved

Demonstration of:

- Committed assistance

- Units located within an “assisted housing development” and/or restricted to income-qualified households

- Units at imminent risk of conversion to market rate.
SAMPLE PROJECT

Fremont Mews

20 Low-Income (LI) Units
- 5 studios (one-bedroom unit)
- 14 one-bedroom
- 6 two-bedroom

24 Very Low-Income (VLI) Units
- 4 studios (one-bedroom unit)
- 14 one-bedroom
- 6 two-bedroom

5 Extremely Low-Income (ELI) Units
- 5 Studios (one-bedroom unit)
SAMPLE PROJECT
Fremont Mews

Base Award Calculation

19 LI Units x 1 Bdrm = 19 x $500/Bdrm = $ 9,500
6 LI Units x 2 Bdrm = 12 x $500/Bdrm = $ 6,000
Subtotal = $15,500

18 VLI Units x 1 Bdrm = 18 x $750/Bdrm = $13,500
6 VLI Units x 2 Bdrm = 12 x $750/Bdrm = $ 9,000
5 ELI Units x 1 Bdrm = 5 x $750/Bdrm = $ 3,750
Subtotal = $26,250

HRPP Base Award = $41,750

* For purposes of calculating base award, ELI units are counted as VLI units
Bonus Awards
Bonus Funds

Seven Potential Bonuses:

- Unit-based bonuses (3) - bonuses tied to the units used to qualify for the base awards
  1) Extremely low-income units
  2) New construction
  3) Infill units

- Park Project location-based bonuses (3) – bonuses tied to the location of the park project for which the jurisdiction is proposing to use the funds received
  1) Disadvantaged Community
  2) Park-Deficient Community
  3) Infill-Supporting Park Project

- RHNA Bonus (1)
Bonus Funds – Unit Based

Extremely Low-Income Households ($250/bedroom)

- For units affordable to ELI households (30% of AMI)
Bonus Funds – Unit Based

Newly Constructed Units  ($300/bedroom)

- For units with building permits for new construction issued during the DPY
Bonus Funds – Unit Based

Units developed as an infill project ($250/bedroom)

- Must meet one of the following criteria:
  - Urbanized Area: located within an incorporated city of urbanized area/cluster as defined by the US Census
  - Unincorporated Areas: must be serviced by sewer and water & designated in the local general plan for urban development

AND

- The site must have been previously developed or surrounded by existing urban uses.
SAMPLE PROJECT

Fremont Mews

Eligibility for Infill Unit Bonus
Bonus Funds – Park Based

Park Projects which serve Disadvantaged Communities ($500/bedroom)

Must be located in or bordered by:

- A Qualified Census Tract (QCT) as determined by HUD (http://209.48.228.153/qctmap.html)

- A census tract determined by HUD as having at least 51% of its residents at low- or moderate-income levels (http://www.hud.gov/offices/cpd/systems/census/ca/index.cfm#lowmod)
SAMPLE PARK PROJECT

PARK BASED BONUSES

Eligibility for Disadvantaged Community Bonus
Bonus Funds – Park Based

Park projects located within a Park-Deficient Community ($500/bedroom)

- The amount of useable park space for every 1,000 residents within the identified ½ mile radius must be less than 3 acres
- Documentation to support this identification will be obtained from: http://www.parkinfo.org/caparks/grantee
SAMPLE PROJECT

PARK BASED BONUSES
Eligibility for Park Deficient Community Bonus
Infill Supporting Projects/Regional Blueprint Conformance ($100/bedroom)

- The park project is within a ¼ mile radius of an infill development or within a ½ mile walkable route from an infill development.

- or -

- The jurisdiction can provide documentation that it has conformed applicable sections of its adopted general plan, including the land use and open space elements, to the land use provisions of the applicable adopted Regional Blueprint Plan.
SAMPLE PROJECT

PARK BASED BONUSES
Eligibility for Infill Supporting Bonus
Bonus Funds – RHNA Bonus

Regional Housing Needs Allocation Bonus
$50/bedroom for units affordable to LI HHs
$75/bedroom for units affordable to VLI HHs

- Awards jurisdictions that have met a target percentage of their overall RHNA by the end of the Program Year based on the number of building permits issued
- To be determined by the Department after application submittal
Award Calculation

Eligible applicants may receive up to:
- $2,200 per bedroom in qualifying low-income units
- $2,725 per bedroom in qualifying very low-income/extremely low-income units

<table>
<thead>
<tr>
<th>Qualifying Unit</th>
<th>Unit Based</th>
<th>Bonus Awards</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base Award per Bdrm</td>
<td>ELI Units</td>
<td>New Construction Units</td>
</tr>
<tr>
<td>Low Income Unit</td>
<td>$500</td>
<td>N/A</td>
<td>$300</td>
</tr>
<tr>
<td>Very-Low Income Unit</td>
<td>$750</td>
<td>$250</td>
<td>$300</td>
</tr>
</tbody>
</table>
SAMPLE PROJECT

Fremont Mews Apartments
McClatchy Park

Bonus Award Calculation

New Construction Bonus 61 Bdrms x $300 = $18,300
Extremely Low-Income Units 5 Bdrms x $250 = $1,250
Infill Units 61 Bdrms x $250 = $15,250
Disadvantaged Community 61 Bdrms x $500 = $30,500
Park-Deficient Community 61 Bdrms x $500 = $30,500
Infill-Supporting Park Project 61 Bdrms x $100 = $6,100

HRPP BONUS Award = $101,950
SAMPLE PROJECT
Fremont Mews Apartments
McClatchy Park

Total Award Calculation

Base Award $41,750
Bonus Award $101,950
Total HRP Award $143,700
Helpful Hints

- Highlight pertinent sections in each document.

- Separate and label documentation by project (Building Permit, Income Levels, Bedroom Count and Affordability Restriction).

- Connect unit count, income level and bedroom count.

- Submit only the most current & complete copy of any regulatory agreement.

- Submit only one source of affordability/restriction documentation for each qualifying housing project – the most restrictive one!
Helpful Hints

- Clarify whether manager units are restricted – if so, is it reserved for very low- or low-income?

- Single-family homes, if part of a subdivision or under one regulatory agreement, should be submitted as one project.

- If you don’t meet threshold of $75,000 with the base award, look at bonus funds – be flexible with your park project.
Helpful Hints

A wide range housing units may qualify for funding, including:
- Duplex, triplex and fourplex developments
- Infill development
- Transit Oriented Developments (TODs)
- Mixed-use developments
- Manufactured housing
- Senior housing
- Inclusionary housing
- Density bonus units
- Second units
Anticipated Program Timeline

2013 Designated Program Year

- Release NOFA....................................................October 2013
- Release Application.........................................October 15, 2013
- Applications Due.............................................January 22, 2014
- Awards Announced..........................................June 2014
- Standard Agreements.................................July - September 2014
- Requests for Fund Disbursement...............upon execution of Standard Agreement
- Final Fund Disbursements .........................April 30, 2016
- Final Expenditure of Funds ..........................June 30, 2016
- Final Reports .................................Within 60 days of End of Standard Agreement
Dates to Remember

- Annual Progress Report to HCD: by application due date
- Application Deadline: January 22, 2014
Next Steps

Meet with Planning Department
✓ Housing Element in Compliance?
✓ Annual Progress Report – If not submitted, who’s responsible?

Meet with Building Official
✓ Affordable development since 2010
✓ Units substantially rehabilitated or preserved since 2010
✓ Documentation- building permits/certificates of occupancy

Meet with Housing Program Staff/Housing Sponsors
✓ How is affordability (very low / low) documented?
✓ Where to get copies of necessary documentation?
### HRP Program Team

<table>
<thead>
<tr>
<th>Regional Representatives</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Southern California</strong></td>
<td>Lindy Suggs</td>
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Housing-Related Parks Program

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California Department of Housing and Community Development

Housing Policy Development Division

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