



SAN FRANCISCO
CHAMBER OF COMMERCE *Where smart business starts.*

Building Workforce Housing: Meeting San Francisco's Challenge

A Report Prepared by
Kim Ilana Marschner, M.P.P.

3.19.03
March 19, 2003

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
INTRODUCTION	3
THE CASE FOR WORKFORCE HOUSING	4
REGULATORY BARRIERS	5
PURPOSE OF STUDY: A REVIEW OF BEST PRACTICES	6
METHODOLOGY	6
SUMMARY OF FINDINGS	7
BEST PRACTICES	7
I. BEST PRACTICE – STREAMLINED AND EXPEDITED PLANNING, ENVIRONMENTAL, AND OTHER REVIEWS.	7
II. BEST PRACTICE – REDUCED PARKING REQUIREMENTS/INCREASED DENSITY IN TRANSIT CORRIDORS.	8
III. BEST PRACTICE – GREEN BUILDING STANDARDS	10
IV. BEST PRACTICE – FEE WAIVERS OR OTHER CASH INCENTIVES.	11
V. BEST PRACTICE – LOW-COST PRE-DEVELOPMENT AND CONSTRUCTION FINANCING.	11
CONCLUSIONS	12
CASE STUDIES	13
CITY OF AUSTIN, TEXAS	13
CITY OF BOSTON, MASSACHUSETTS	14
CITY OF BOULDER, COLORADO	15
CITY OF CHICAGO, ILLINOIS	16
CITY OF DENVER, COLORADO	17
CITY OF LOS ANGELES, CALIFORNIA	18
CITY OF PORTLAND, OREGON	19
CITY OF SEATTLE, WASHINGTON	21
DEVELOPMENT TRUST FUNDS	21
APPENDIX A: BIBLIOGRAPHY AND LITERATURE REVIEW	24
APPENDIX B: INTERVIEWS	26
APPENDIX C: SUMMARY MATRIX OF CITY PROGRAMS	28

EXECUTIVE SUMMARY

The Bay Area is experiencing a housing crisis. Some estimates indicate that just 16% of Bay Area households can afford a median priced home in the region **while less than 10% of San Francisco's moderate-income households can afford a median priced home in the City**. Over the past decade, San Francisco's employment growth has exceeded the production of housing with nearly 60,000 new residents and only 8,500 net new housing units. Simply stated, not enough new housing is being built to meet the needs of the City's expanding workforce.

Workforce housing – housing designed to be affordable to those earning up to 120% of Area Median Income (AMI) – is a critical component of any effort to increase the supply of housing in San Francisco. In a City where the Median Household Income (MHI) is \$55,221 and the median home sales price is \$525,000, the goal of homeownership remains unreachable even for moderate-income families.

In its annual, state-mandated assessment of San Francisco's regional housing needs, the Association of Bay Area Governments (ABAG) projects that the City must construct over 20,370 new housing units between 1999-2006 to meet its fair share of the Bay Area's housing need, amounting to over 2,700 new housing units per year. Of these 20,370 units, 5,600 (28%) should be affordable for middle-income families, i.e. individuals earning between 80-120% of AMI.

The San Francisco Chamber of Commerce is focused on creating homeownership opportunities for San Francisco's middle-income workers. Its major goals are to increase the housing supply for homeownership while creating new financing programs through its Workforce Housing Fund. The purpose of this study is to assess strategies and approaches that other cities have identified as successful efforts to increase production of workforce housing.

While cities vary in the number of strategies pursued and specific income levels targeted, many elements emerge as fundamental to any effort to encourage the development of affordable and workforce housing, including:

- I. Streamlined and expedited planning, environmental, and other reviews;
- II. Reduced parking requirements and increased density along transit corridors;
- III. Green Building standards;
- IV. Fee waivers or other cash incentives; and
- V. Low-cost pre-development and construction financing.

Our study will summarize the benefits of each component through a literature review and a comparative case study of cities that have implemented one or more of the above strategies. A careful review of these cities' approaches – coupled with a thoughtful consideration of the various unique features of San Francisco's political and regulatory environment – should serve as the fundamental basis for any effort to increase the production of workforce housing and to insure that San Francisco meets its workforce housing needs.

INTRODUCTION

"More than 20% of all working families¹ in San Francisco...spend more than half their incomes on housing..."²

The Bay Area is experiencing a housing crisis. Some estimates indicate that just 16% of Bay Area households can afford a median priced home in the region while less than 10% of San Francisco's median-income households can afford a median priced home in the city.³ This housing affordability crisis is already having significant impacts on San Francisco's economic security as well as on its quality of life as workers are traveling increasingly longer distances to get to work – adding to the cost of living in the Bay Area as well as contributing to adverse environmental impacts.

A major factor contributing to this crisis is the fact that housing production has not kept pace with job growth and demand. Over the past decade, the City's employment growth has exceeded the production of housing⁴, and despite the recent economic downturn and slight "softening" of the City's housing market, the homeowner vacancy rate remains extremely low at 0.8%⁵. Since 1990, the City's population grew by 60,000 people while net housing units grew by fewer than 8,500. This significant jobs/housing imbalance specifically means that not enough new housing was built to meet the needs of the city's expanding workforce.

Further exacerbating this supply-demand imbalance is lack of strong local regulatory and other initiatives to produce the type of housing that is affordable to a majority of San Francisco's workforce. A recent study by the Association of Bay Area Governments (ABAG) concluded that the cumulative impact of land use policies and development decisions aimed at protecting the quality of life for the region's residents has actually had the

¹ Defined as families who earned at least half their income from employment, and whose total income fell between \$10,700 a year – the equivalent of a full-time job at the minimum wage – and 120% of the local area median income (AMI)

² Stegman, Quercia, and McCarthy. "Housing America's Working Families", June, 2000.

³ California Association of Realtors, July 2000 and the National Association of Home Builders, *Housing Opportunity Index, 2002*.

⁴ Housing Element of the San Francisco General Plan (Final Draft for Public Review), February, 2003.

⁵ 2000 U.S. Census.

opposite effect; instead increasing housing costs by limiting housing affordability, and producing more sprawl and traffic congestion.⁶

While median household incomes in the Bay Area are higher than many other metropolitan areas of California, they are insufficient to keep pace with rising housing costs. San Francisco's 35% homeownership rate is the inverse of the national average of 65%.⁷ In addition, high housing costs mean that, increasingly, more of a household's income is spent on housing. "Overpayment" occurs when 30% or more of a household's income goes to paying rent; or in the case of home-owning households, 35% or more goes to mortgage payments. A disproportionate number of poorer households tend to overpay. However, even for families who are homeowners earning the median income, nearly 30% of San Francisco households are still putting 35% or more of their income towards meeting mortgage payments.⁸

THE CASE FOR WORKFORCE HOUSING

"...policy must strive to meet the housing needs of moderate- and middle-income American families and not just the very poor."⁹

Workforce housing – housing designed to be affordable to those earning up to 120% of Area Median Income (AMI) – is a critical component of any effort to increase the supply of housing in San Francisco. When home prices rise, the gap between household income and a supportable mortgage widens, making homeownership increasingly difficult for middle-income households. In a city where the Median Household Income (MHI)¹⁰ is \$55,221¹¹ and the median home sales price is \$525,000¹², the dream of homeownership remains unreachable even for families with incomes at or above MHI. According to the *Housing Opportunities Index*, a report published by the National Association of Home Builders, almost 60% of all homes sold in the country last year were at prices affordable to a family earning the national average household income. In California, over 30% of households can afford a median home sale price. However, **less than 10% of San Francisco's moderate-income households can afford a median priced home in the city.**

⁶ "Regional Housing Needs Determination", ABAG, 2001.

⁷ 2000 U.S. Census

⁸ 2000 U.S. Census

⁹ Stegman, Quercia, and McCarthy. June, 2000.

¹⁰ Note: The Area Median Income (AMI) for San Francisco's metropolitan statistical area (MSA) is \$86,100. However, San Francisco households' incomes are lower than the area median income due, in part, to higher median incomes in San Mateo and Marin Counties, and the concentrations of lower-income families in the City (Housing Element-Final Draft, February 2003). The U.S. Census defines "household" as "all persons occupying a housing unit including single persons, single families, two or more families living together, or any group of related or unrelated persons."

¹¹ 2000 U.S. Census

¹² California Association of Realtors

In its annual, state-mandated assessment of our regional housing needs, ABAG projects that San Francisco must construct over 20,370 new housing units between 1999-2006 to meet its fair share of the Bay Area's housing need¹³, amounting to over 2,700 new housing units per year¹⁴. **Of these 20,370 units, 5,600 (28%) should be affordable for moderate-income families, i.e. individuals earning 80-120% of AMI.** In all, 64% (or 5,639 moderate-income and 7,363 above moderate income) of the total number of units will be needed for moderate and above moderate-income buyers with the possibility of state sanctions if we fail to meet our fair share responsibilities.

REGULATORY BARRIERS

In the Bay Area, San Francisco is widely regarded as having one of the most challenging political environments in which to build new developments of any kind. The construction of housing poses additional challenges as pre-development dollars can be tied up for months or even years while various elements of development proposals are subject to a wide range of reviews, hearings, and public comment. Siting new workforce and affordable housing anywhere in the city requires a developer to navigate a complex political system – one that often makes such developments unprofitable. Many choose to build elsewhere in the Bay Area where land is less expensive and the potential for faster approval time is greater.

Many developers, however, would like to build more housing in San Francisco but say that changes, such as streamlined approval processes, increased density, and, in some cases, reduced parking requirements, are needed to make these projects financially feasible. At the same time, developers are willing and able to adhere to San Francisco's rigorous design and environmental standards and are committed to preserving the unique character of the City's diverse neighborhoods.

¹³ABAG estimates housing need by income group to provide a basis for determining what income levels need to be most served by new construction. ABAG figures are based on income distribution of all existing households in the City and in the Bay Area. These estimates split the difference between the City and the regional figure in an effort to move the City closer to the regional income distribution.

¹⁴ San Francisco's current housing stock consists of approximately 340,000 units. Source: Housing Element of the San Francisco General Plan (Final Draft for Public Review), February, 2003.

PURPOSE OF STUDY: A REVIEW OF BEST PRACTICES

The San Francisco Chamber of Commerce is focused on creating affordable homeownership opportunities for middle-income workers in San Francisco. Its major goals are to increase the housing supply for homeownership while creating new financing programs through its Workforce Housing Fund. The Chamber's housing committee works in coalition with other organizations to pursue a pro-housing agenda for San Francisco.

The Chamber has conducted a survey of some of the most innovative programs other cities have designed and implemented to increase affordable and workforce housing production. The purpose of this study is to assess these strategies and to support local efforts to **increase the production of workforce housing units available for purchase by moderate-income San Franciscans.**

Methodology

This is not meant to be an exhaustive study of all housing development incentive programs nationwide. Rather, it is meant to provide an overview of some of the most innovative program elements selected cities are implementing to increase the production of affordable and workforce housing. Most cities were chosen based on their general resemblance to San Francisco in terms of high cost housing markets but some were chosen merely for their accomplishment of a goal San Francisco must still achieve: a comprehensive approach to increasing the supply of workforce housing.

The cities chosen for review include:

Austin, TX

Los Angeles, CA

Boston, MA

New York, NY ¹⁵

Boulder, CO ¹⁶

Portland, OR

Chicago, ILL

Seattle, WA

Denver, CO

Washington, D.C.

The practices and summaries outlined in this study are based on a review of recent, relevant literature from academic institutions, public policy research, and economic models as well as materials from the ten cities themselves via phone interviews and web and print media.

¹⁵ New York's tax credit program for affordable housing is summarized in Appendix C only.

¹⁶ Boulder was reviewed only for its Green Building program.

SUMMARY OF FINDINGS

Even a cursory review of housing production programs leads to several distinct components of successful programs designed to increase the production of affordable workforce housing. While cities vary somewhat in the number of strategies pursued and the specific income levels targeted, many elements emerge as fundamental to any effort to encourage the development of this type of housing: expedited processing for planning, environmental, and other reviews; reduced parking requirements and increased density along transit corridors; green building standards; fee waivers or other cash incentives; and low-cost pre-development and construction financing.

Though "success" is often measured anecdotally, several cities can point to the success of these programs in the form of increased numbers of affordable units produced and/or decreased time to secure approval for new affordable housing developments. A careful review of these cities' approaches – coupled with a thoughtful consideration of the various unique features of San Francisco's political and regulatory environment – should serve as the fundamental basis for any effort to increase the production of workforce housing in San Francisco.

BEST PRACTICES

I. Best Practice – Streamlined and expedited planning, environmental, and other reviews.

Developers assert that one of the greatest sources of frustration (and revenue loss) is the significant uncertainty involved in San Francisco's planning, environmental, and other review processes. Lengthy environmental impact reviews (EIRs), protracted public comment periods, and uncertain timeframes for the completion of required permitting processes, often makes developing housing in San Francisco – *at every level of affordability* – expensive and undesirable as compared to other cities in the Bay Area.

In fact, there is a body of literature that appears to support developer claims that doing business in San Francisco is exceedingly costly due to an inefficient regulatory environment. The research suggests that cities with broad zoning restrictions (one study specifically included San Francisco in its review of such cities) have lower homeownership rates and higher housing costs as compared to cities with less restrictive zoning laws.¹⁷

Clearly, adherence to rigorous design standards, mitigation of environmental impacts, and providing ample opportunity for public input are three critical pillars of the development process in San Francisco. We believe these standards can be adhered to in such a way that still allows construction of vitally needed workforce housing. Streamlining

¹⁷ See literature review and complete bibliography in Appendix A.

planning processes and expediting review and approval times are important first steps to making San Francisco a more appealing place in which to pursue the development of new, affordable workforce housing.

The cities of **Chicago, IL; Denver, CO; Austin, TX and Los Angeles, CA** have all implemented some element of expedited reviews and permitting processes or "one-stop shops" into their programs to increase the development of affordable and workforce housing. Cities that have implemented streamlined and expedited review processes report success in promoting housing construction, including an increased number of approved permits for affordable housing and actual affordable housing units built. Developers – having increased certainty about the length of approval times as well as community and local government expectations around design standards – are able to build more affordable housing in these communities than they could prior to receiving expedited reviews.

II. Best Practice – Reduced parking requirements/increased density in transit corridors.

"...parking reductions made possible by the nature of [transit-oriented] projects, can yield cost savings that can then be invested in affordable units."¹⁸

Currently in San Francisco, zoning codes designate a 1:1 parking requirement for each new unit of housing constructed in most residential zones. Each required parking space entails an increase in costs and can often result in fewer housing units and a less attractive design. More importantly, the financial feasibility of *affordable* housing may be jeopardized. Every parking space for a given housing unit can increase the cost of that unit by \$50,000 or more.¹⁹ Reducing parking requirements, or making the 1:1 ratio a ceiling as opposed to a minimum, is an effective cost saving mechanism and incentive to a developer of affordable and workforce housing. In the Bay Area, the cities of Milpitas, Mountain View, and San Jose now allow parking reductions for housing near transit. The cities of **Austin, TX; Denver, CO** and **Los Angeles, CA** have all included reduced parking requirements in their incentive programs. In each case, unbundling parking costs from the development of a unit allowed developers to pass on savings from reduced parking requirements to homebuyers, thereby increasing affordability.

¹⁸ "Transit-Oriented Development: Moving from Rhetoric to Reality", Belzer and Autler. June, 2002.

¹⁹ Non-Profit Housing Association, "Planning for Residential Parking: A Guide for Housing Developers and Planners." (2001)

***"Building...where people can walk and take transit is always better than building in the suburbs, to which the building's occupants will have to drive and where the building itself may harm ecologically productive land."*²⁰**

Beyond reducing the cost and sale price of housing, reducing parking requirements along transit corridors is sound public policy. The benefits of transit-oriented development (TOD) are well documented and include reducing the distance required for car trips, allowing a greater portion of trips to be made by walking and cycling, and allowing some households to reduce car ownership which, together, can result in large reductions in vehicle travel.²¹ TOD neighborhoods may include a variety of design features including parking management designed to reduce the amount of land devoted to parking compared with conventional development and creation of a separate market for parking so that people pay for parking separately from other uses.²²

High-quality transit oriented neighborhoods also support the development of *higher density* urban centers that can provide accessibility and agglomeration benefits (efficiencies that result when many activities are physically close together.) Such benefits reduce transportation costs and increase productivity.²³ In addition, average vehicle ownership, vehicle travel, and vehicle expenditure per household decline with increasing residential densities and proximity to public transit.²⁴ Increasing densities also supports the revitalization of lower-income communities through increased local retail and business opportunities. Furthermore, increasing densities allows developers to build more intensively and, therefore, more profitably. Finally, density is an effective "smart growth" strategy to combat the problems related to urban sprawl which threatens the environment, despoils valuable open space, and imposes increasingly longer workday commutes.²⁵ The best alternative to sprawl is a better, fuller use of already-developed spaces.

²⁰ "Green Buildings: Bringing Environmentally Sensitive Design to San Francisco", SPUR Sustainable Development Committee.

²¹ "Transit-Oriented Development", TDM Encyclopedia, December, 2002.

²² Belzer and Autler, 2002.

²³ Voith, Richard. "The Downtown Parking Syndrome: Does Curing the Illness Kill the Patient?" *Business Review*, Vol. 1.

²⁴ Holtzclaw, John. *Using Residential Patterns and Transit to Decrease Auto Dependence and Costs*, National Resources Defense Council. (1994)

²⁵ Proscio, Tony. "Smart Communities: Curbing Sprawl at Its Core," published by The Local Initiatives Support Coalition (LISC). November, 2002.

III. Best Practice – Green Building Standards

“By being aware of alternatives and substituting healthier and more resource-efficient [building] products, we can reduce the harmful effects of home building while enhancing the quality of homes.”²⁶

Many cities around the country – including San Francisco through its 1999 Resource-Efficient City Building Ordinance – have begun to require “green building” standards for the construction or rehabilitation of city-owned or leased buildings. The State of California also adopted such requirements in the fall of 2000. Such standards are designed to increase beneficial and decrease adverse environmental impacts of housing or commercial developments and may include energy efficiency, indoor environmental quality, use of recycled and renewable materials, solar energy sources, water conservation, construction waste reduction, and site planning.²⁷ Green building encompasses design, construction, operations, and maintenance.

“The importance of greening affordable housing is evident: by narrowing our focus to the intersection of housing and sustainable communities, we can begin effectively countering poverty, the shortage of affordable housing, and dire threats to the environment.”²⁸

There is an emerging body of research on green building strategies for affordable housing that developers, designers, and managers can implement at little or not cost. Even with measures that do increase up-front costs, these are often offset by lower energy bills and maintenance costs over the long term.²⁹

Few cities require green building standards for new developments not owned by the locality itself. **Austin, TX** is leading the way on this front, requiring that developers achieve a minimum number of points on its Green Building Program's rating scale in order to receive the benefits of the *SMART Housing* program.³⁰ **Boulder, CO's** Green Points Building Program takes building green one step further by requiring that developers incorporate a minimum number of green standards into *all* new residential construction and additions and remodels larger than 500 square feet.

²⁶ City of Boulder, Residential Building Guide, “Green Points Program Guidelines.”

²⁷ “Green Buildings: Bringing Environmentally Sensitive Design to San Francisco”, SPUR Sustainable Development Committee (2001)

²⁸ Ibid.

²⁹ Karlenzig, Warren. “A Blueprint for Greening Affordable Housing: Developer Guidelines for Resources Efficiency and Sustainable Communities.” Global Green USA. Summer, 1999.

³⁰ Benefits include increased energy efficiency, increased use of recycled materials, water conservation, and better indoor environmental quality.

IV. Best Practice – Fee waivers or other cash incentives.

In addition to expediting reviews, some cities also offer other direct financial incentives to affordable housing developers. For example, with the understanding that developers of affordable housing are unable to realize the same measure of profit as they might with the development of market-rate units, several cities – including **Austin, TX; Chicago, IL; Denver, CO and Portland, OR** – have found that offering developers fee waivers or cash incentives is an effective way to spur the development of affordable housing.

Austin, TX's *SMART Housing Program* offers full or partial planning and other fee waivers on a sliding scale depending on the number of affordable units a developer produces. If 40% or more units are affordable to families earning up to 80% of AMI, all water and wastewater recovery fees, development review and inspection fees, and public works construction inspection fees are waived. The *New Homes for Chicago* program in **Chicago, IL** has a more straightforward approach: offering a \$10,000 subsidy for each home developed to be affordable to moderate-income (up to 120% of AMI) homebuyers. Similarly, **Denver, CO** offers between \$5,000-\$10,000/unit rebates depending on the unit's affordability. And, finally, **Portland, OR's Development Commission** has several fee waiver programs to offset the development and construction costs of affordable units for homebuyers earning up to 100% of AMI.

V. Best Practice – Low-cost pre-development and construction financing.

Identifying and securing low-cost sources of financing for pre-development costs can be extremely difficult. Widely recognized as the most risky phase of the development process, pre-development funding is, nonetheless, critical to any housing development. Financing for *affordable* housing poses an additional challenge as both the developer and the lender must often accept a lower return on their investment as the sale or rental price will be below what the market can bear.

To meet this challenge, many cities have established developer trust funds – capitalized in various ways – to insure that the pre-development financing needs of affordable housing developers are met with beneficial loan terms and rates. **Washington, D.C.** has established the *District of Columbia Housing Production Trust Fund* that provides capital to support the development and rehabilitation of affordable for-sale and rental housing. **Denver, CO's** *Mile High Housing Fund* provides pre-development, construction, and bridge loans exclusively to non-profit developers of affordable housing (for residents earning up to 80% of AMI). There are also a number of national programs – many of which are certified Community Development Financial Institutions (CDFIs) – that provide affordable housing finance to a broad range of cities, counties, and states across the

nation. For example, the **National Housing Community Development Fund** provides pre-development and bridge financing to non-profits working to preserve and improve affordable housing in California, Florida, Indiana, Massachusetts, North Carolina, and Virginia.

CONCLUSIONS

San Francisco's complex political and regulatory landscape demands a clear and comprehensive approach to meeting our workforce housing needs. Working to appropriately streamline permitting and planning processes while designing strategies to make workforce housing financially feasible should serve as the fundamental basis for any effort designed to meet our workforce housing needs. Striking an appropriate balance between encouraging the production of workforce housing while maintaining San Francisco's standards of environmental protection, design review, and public input should be the ultimate goal.

CASE STUDIES

City of Austin, Texas

Neighborhood Housing and Community Development Office

Program: SMART (Safe, Mixed-Income, Accessible, Reasonably Priced, Transit-Oriented) Housing Initiative.

In May 2000 the City of Austin enacted an ordinance making the Austin Housing Finance Corporation the lead agency to foster partnerships with the home building industry to develop, finance, construct, rehabilitate, relocate, and operate SMART Housing in the City.

How it works: The goal of SMART Housing is to create "reasonably priced" housing in mixed-income communities that meet standards for safety, accessibility, transit-oriented development, and green building. To qualify for SMART incentives, affordable units must remain so for a period of five years. Developers who agree to meet SMART Housing standards – including making a portion of their developments affordable to families making up to 80% of AMI, building new developments either on a major bus route or a proposed light rail line, and conforming with a minimum level of "green building standards" – receive benefits and incentives from the City.

Austin's Green Building Program promotes both broad green building practices as well as rates buildings that follow these practices. Currently, all municipal buildings in Austin must be built with sustainable standards. To qualify for the benefits of the SMART Housing program, a developer may choose from various "green" elements in order to earn the requisite number of points. These elements include energy conservation, materials, water quality, health and safety, and community.

Developer Incentives:

- Full or partial fee waivers (dependent upon what proportion of the proposed development will be dedicated to income restricted housing). Fee waivers include: zoning, site plan, subdivision, building permit, construction inspection, and capital recovery fees. Fees may be waived for up to 1,000 units of housing per year;
- Expedited permitting and zoning reviews;
- Reduced parking requirements (a 15% reduction in parking requirements for projects located within $\frac{1}{2}$ mile of a major transit corridor); and
- Department advocacy through the City's development process (i.e. with affected neighborhood constituencies).

Evidence of Success: In the first two years of this program, 1,400 units of SMART Housing have been completed (with an additional 6,000 units certified as SMART Housing) – 87% are reasonably-priced at up to 80% of AMI. In fiscal year (FY) 2002, 100% of SMART Housing zoning cases resulted in approved zoning by the Austin City Council. During FY 2003, approximately 2,108 units of SMART Housing developments are expected to be completed – including 1,249 multi-family and 859 single-family units.

City of Boston, Massachusetts

Department of Neighborhood Development (DND)

Program: Home Again

Mayor Menino created this program in May, 1998, in response to three critical factors: Boston's severe housing shortage (and, specifically, the need for homeownership opportunities), a surplus of city-owned vacant land, and interest rates at historical lows. Mayor Menino also worked with Fleet bank to establish a new construction loan product - with favorable rates and reduced, predictable costs - specifically targeted to developers who worked within Home Again program parameters. In addition, the City of Boston, the Mayor and the Neighborhood Housing Trust have pledged \$6,000,000 of Linkage funds to the Program.

How it works: The DND identified nine sites for phase one of the program and an additional six sites for phase two. Developments include new construction of buildings by a non-profit or for-profit developer or contractor with DND agreeing to market the homes and identify eligible buyers. The program will support three types of developments:

- Affordable housing developments for sale to households earning up to 80% of AMI;
- Workforce housing developments for sale to households earning above 80% of AMI;
- Mixed income housing developments with units for sale to both household types.

Developer Incentives: The City may provide various types of assistance to these developments including technical assistance, environmental assessments, site surveys, land acquisition as low as \$1, and direct capital subsidies from Linkage or HOME funds. DND first meets with community residents and groups, finalizes site selection and design plans, conducts environmental reviews, and establishes any necessary plans for remediation. All this occurs before a Request for Proposals (RFP) is issued. *With site design and development packages completed on these selected sites, developers will be responsible for construction bids only.* The RFP will contain specifics regarding development objectives and selection criteria including, but not limited to, the number of houses to be built, where

the houses should be sited, and elevations and building footprints that comply with zoning requirements. Overall, this program offers unprecedented inter-departmental coordination with the goal of moving projects quickly and at the least cost possible.

Evidence of Success:

To date, 209 single-family, duplex style and two-family homes have been constructed in fifteen developments under this program. There are an additional thirteen that are in the pipeline that will total approximately 72 new homes. For these thirteen developments, RFPs have been issued and developers selected in some cases. In others, the city is working with neighborhood groups to define the RFP criteria.

The response from developers has been favorable. In particular, the city's willingness to complete and fund environmental reviews and to work with neighborhoods to establish acceptable design standards and even prototypes – all before the RFP is issued – has resulted in significant cost and time savings. In addition, under the provisions of "Home Again" developers have the added certainty of institutional backing during the permitting process. Specifically, the DND is able to expedite certain reviews and reduce the time it takes to schedule hearing dates from months to a matter of a few weeks, in some cases.

City of Boulder, Colorado

Office of Environmental Affairs

The Green Points Building Program

The purpose of the Green Points Building Program is to:

- Help homeowners and builders find the products and designs for building "green";
- Encourage Boulder homeowners to include cost-effective and sustainable remodeling and building methods that conserve fossil fuels, water and other natural resources;
- Promote the recycling of construction materials and reduce solid waste; and
- Promote better indoor air quality.

How it works: The Green Points Program applies to *all new residential construction*, and additions and remodels larger than 500 square feet. The program requires building permit applicants to earn "points" by selecting green measures in order to receive a building permit. For new construction, any project up to 1,500 sq. ft. must earn 50 green points. Any project between 1,500 and 2,500 sq. ft. must earn 65 points. Projects over 2,500 sq. ft. must earn 65 points plus 1 point for each additional 50 sq. ft. area up to a maximum of 100% of all available green points.

Points can be earned in a variety of categories including use of recycled materials, water conservation, framing, plumbing, electrical, insulation, heating, and indoor air quality measures.

NOTE: Most Boulder affordable housing developers are meeting or exceeding the minimum point requirement in their new developments.

City of Chicago, Illinois

Department of Housing (DOH)

Program: *New Homes for Chicago*

This program is designed to expand housing affordability by encouraging the production of single-family and two-flat homes and condominiums for purchase by low- and moderate-income families throughout Chicago.

How it works: Developers either solicit qualified buyers on their own or through the DOH's delegate community agencies. All buyers must be pre-qualified for mortgage financing and complete a certified Homebuyer Counseling course. DOH determines *subsidies for the construction and sale* upon review of completed document packages.

Qualified buyers earn between 60% and 120% of AMI. City assistance is provided in the form of a second mortgage for the new homebuyer and is forgiven over a four-year period for city-funded projects and for an additional period for projects using federal HOME dollars.

Developer incentives:

- 20% market rate development set aside;
- Simplified design review process;
- Decreased approval time upon receipt of all completed forms;
- Waiver or reduction of various building permit and utility connection fees; and
- \$10,000 subsidy per home.

Evidence of Success: Now in its eleventh year, "New Homes for Chicago" has supported 64 developments and over 1,600 newly constructed affordable single-family and two-flat units throughout the City.

City of Denver, Colorado

Department of Housing

Council Bill No. 251

In reviewing public records for 1998-2000, the city council determined that less than two percent (2%) of the new housing built in Denver is affordable in projects of thirty (30) or more for-sale units without any incentives from the City. In August 2002, Denver's City Council passed an amendment to its Municipal Code relating to affordable housing. This amendment is designed to increase the production of affordable housing for both rental and homeownership.

How it works: All developments of thirty (30) or more detached for-sale single family dwelling units and all for-sale attached or multi-family projects of thirty (30) or more units must include a minimum of 10% moderately-priced units. In for sale single-family projects, at least 10% of units must be affordable at 80% of AMI for 15 years. In rental projects, at least 10% of units must be affordable at 65% of AMI. For high-rise housing (i.e. above 3 stories, with an elevator and structured parking), the ordinance allows units to be priced as affordable for up to 95% of AMI.

Developer Incentives:

- A 10% density bonus (if requested);
- An expedited review process: from the time a developer pays his/her first review fee, the City has 180 days to complete its review of the project or it is automatically approved. Caveat: the clock stops if an outside review is deemed appropriate (i.e. by a utility company);
- A 20% reduction in the number of required parking spaces;
- \$5000/unit rebate from the city for each unit affordable at 80% of AMI; and
- \$10,000/unit rebate from the city for each unit affordable at 65% of AMI.

Evidence of Success: In the first 6 months of this program, 300 new affordable housing units have been created – nearly double the projected number of units. The city is currently working on formalizing information about the program so that more developers can take advantage of it. Affordable housing is now being developed in parts of Denver where none currently exists – serving to diversify the City both economically and culturally. Also, the fact that market rate developers are now participating in a workforce product,

some switching from exclusively high-end projects, is encouraging and results in more overall housing activity and higher quality units.

City of Los Angeles, California

Planning Department

Program: *Affordable Housing Incentives Program (AHIP)*

Enacted by ordinance in November, 1995, this program offers developers and owners of buildings the right to variances on a site if the owner agrees to set aside units for **low- and very low-income** households through a series of amendments to the municipal code.

How it works: A developer must submit a variance application to the Planning Department under the AHIP. The developer and the City determine the number of low- and very low-income housing units that will be set aside given the incentives incorporated into the project. The developer and the Planning Department write the agreed upon terms into a Covenant and Agreement signed by the Los Angeles Housing Department. This serves as the official document that restricts the units and guarantees the developer's incentives.

From the time the information is passed to the Los Angeles Housing Department, it takes two to three weeks for the Covenant to be ready for the owner's signature and another two to three weeks (after owner signing) for other City officials to sign-off on the document for recordation.

Developer Incentives

OPTION 1: A project provides 10% of dwelling units for "very low" income households (not more than 50% of AMI) OR 20% of dwelling units for "lower" income households (not more than 80% of AMI) OR 5% of dwelling units for disabled persons with household incomes not exceeding Supplemental Security Income (SSI) levels. In return, the developer shall receive:

- A 25% density bonus;
- Reduced parking for restricted dwelling unit;
- Waiver of guest parking provisions for restricted units;
- Deferred payment of fees and permits (up to the time of the issuance of Certificate of Occupancy); and
- Expedited processing of plans and permits.

OPTION 2: All incentives listed in Option 1 are available for projects that offer fewer affordable dwelling units listed above *except* for the 25% density bonus. Some number of dwelling units must still be provided to low-income seniors or low-income disabled persons or other low-income households with incomes up to 80% of AMI with rents set at 60% of median.

These projects shall reserve and maintain the number of dwelling units designated as restricted dwelling units for a period of not less than 30 years from the issuance of any Certificate of Occupancy.

City of Portland, Oregon

Portland Development Commission

Program: Development Fee Waiver Program for Affordable Housing

This program is designed to offset some of the development or construction of affordable housing units developed by non-profit organizations. The Fee Waiver benefit amount is calculated based on the number of affordable units created for any given project with the developer receiving a "gift certificate" to be applied towards certain development fees.

How it works: *For Sale Criteria:* Buyers must be first-time homebuyers earning *less than 100% Median Family Income (MFI) adjusted to household size* at the time of initial occupancy and the maximum sales price for each unit may not exceed \$145,425. *Rental Criteria:* Units must be leased or rented to tenants whose gross household income is equal to or less than 60% of MFI for a minimum of 60 years. If a tenant's income increases above the threshold, the next available unit must be rented to tenant(s) who meet the affordability standard.

The PDC Development Fee Waiver Program may be applied to the following development fees related to Bureau of Buildings and Bureau of Planning reviews, Bureau of Transportation Plan Review, Bureau of Parks and Recreation Review, and the Fire Bureau's Fire Code Enforcement Fee. The PDC also designates a maximum total development fee waiver given for qualified units, regardless of fees assessed.

Program: System Development Charges (SDC) Exemption Program.

These exemptions are intended to reduce the development costs for residential units that are made affordable to first-time homebuyers and low-income renter households by

exempting developers from paying SDC fees levied by the City of Portland. SDC fees fund a portion of the needed capacity increases in transportation, water, and parks facilities resulting from the construction and occupation of new housing units.

How it works:

For Homeownership Projects: Units must be sold to persons with a gross household income at or below 100% MFI at time of initial occupation. The project sponsor must enter into a Regulatory Agreement with the PDC at time of Exemption approval. This agreement will record a lien against the property to evidence the Project Sponsor's obligation and PDC's requirements. The lien will be released at the time of sale. *For*

For Rental Projects: Units must be affordable to households earning up to 60% of MFI at the time of occupancy and shall be leased to, rented, or made available on a continuous basis to persons or households whose incomes are at or below 60% MFI. Units must be rented or leased at rent levels that do not exceed the maximum allowable rents for the targeted tenant income profile. Units must comply with these Tenant Income and Maximum Rent guidelines for a period of 60 years. Project sponsors must enter into a Regulatory Agreement with the PDC at the time of Exemption approval. This agreement identifies the number and type of units to be affordable, the required tenant income threshold, and maximum allowable rent criteria.

City of Seattle, Washington

Department of Design, Construction, and Land Use (DCLU)

Various Programs: DCLU has worked to make its permitting processes easier and more efficient so as not to impede the development of affordable housing. All City funds for affordable housing are targeted at individuals and families earning up to 80% of AMI. The Department is *working* on the following specific programs, with final implementation yet to be achieved:

Affordable Housing Priority Permit Processing: Permits for affordable housing – especially in the event of life safety emergencies – go to the top of the permitting priority list and are issued first.

Coordinated Permitting Process: DCLU has worked to improve turnaround, to coordinate permit review with other city Departments, and to improve the level of information and services provided.

Reduced Street Improvement Standards: DCLU and the Seattle Transportation Department have prepared a new street improvement manual that is designed to reduce the required level of improvements and, therefore, the costs new housing must bear in cases where these improvements apply.

Code Simplification: City staff and consultants have identified opportunities for simplification of existing code requirements, including non-conformity, low-rise standards, and non-conforming standards for residential use.

Development Trust Funds

The Mile-High Housing Fund, Inc. (Denver, Colorado)

The MHHF was formed in May 2000 to increase the creation or preservation of affordable housing by meeting the credit needs of nonprofit developers. In 2001, the MHHF originated \$4.4 million in loans that, in turn, leveraged \$23 million and financed 453 units of affordable housing. This lending volume more than doubled MHHF's 2000 level of funding. The average loan size was \$300,000, with loans ranging in size from \$49,800 to \$1,200,000.

In the summer of 2001, the MHHF received a new infusion of funds from refunds from bonds that financed the Coors Baseball Stadium. Several metro-area cities, once they realized these funds would be available, decided to make affordable housing a priority and invested funds in MHHF. Participating cities include Arvada, Boulder, Englewood, Glendale, and Lakewood. These five cities are investing a total of \$275,000 in 0% interest,

four-year loans to MHHF. The City of Denver, with an additional investment of \$275,000 in grant funds, is the sixth city participating in this initiative.

The MHHF provides funding for secured or unsecured pre-development financing, as well as secured acquisition, construction, and bridge loans. Projects must be affordable to residents earning up to 80% AMI.

Fannie Mae's American Communities Program (Denver, Colorado)

The City of Denver, in partnership with Fannie Mae, has a \$17.5 million revolving loan fund. Both for profit and non-profit developers are eligible to apply for loans to finance both acquisition and construction financing at terms of 5 years and 3% interest. Fannie Mae requires that the City guarantee 25% of the drawdowns, which Denver has done by securing a letter of credit from a local bank against its loan portfolio.

The National Housing Trust Community Development Fund (nationwide)

The National Housing Trust Community Development Fund (NHTCDF) is an affiliate of the National Housing Trust and is a certified Community Development Financial Institution (CDFI.) The NHTCDF provides predevelopment and bridge financing to nonprofits working to preserve and improve affordable multifamily housing properties.

The National Housing Trust established NHTCDF with funds from the Ford and Fannie Mae Foundations in 1997. The loan fund disbursed its first loans in 1999, and has since made over \$1.5 million in loans, helping to preserve more than 1,100 units of affordable housing in California, Florida, Indiana, Massachusetts, North Carolina, and Virginia. This past year, the NHTCDF received CDFI certification and \$1 million in support from the Treasury Department's CDFI Fund. Currently the NHTCDF offers two loan products: Interim Development loans up to \$250,000 and Predevelopment loans up to \$150,000.

The District of Columbia Housing Production Trust Fund (Washington, D.C.)

The Housing Production Trust Fund (HPTF) is a newly restored source of local funding for the preservation and production of affordable housing. The fund was initially capitalized with a \$25 million capital infusion from the sale of the Department of Employment Services building in 2000. Recently, the Mayor and City Council amended the Fund's authorizing statute to permit the city to deposit 15% of deed recordation taxes and real estate transfer taxes into the Fund each year. This authority will ensure that the fund receives an estimated \$12 million in new funds annually.

The Fund may be used to develop and rehabilitate both for-sale and rental housing for households earning up to 80% of AMI. Under the Housing Act, the Department of Housing and Community Development (DHCD) will award the funds so that at least 40% of the money benefits households at 0-30% of AMI and at least 40% benefits households at 31-50% AMI. At least 50% of funds will be awarded to rental housing projects.

Funds may be used for a variety of uses including pre-development funds for non-profit developers, bridge loans and gap financing to reduce up-front costs and costs of residential development, and financing for the construction of new housing, or rehabilitation or preservation of existing housing.

APPENDICES

Appendix A: Bibliography and Literature Review

Association of Bay Area Governments (ABAG). "Blueprint 2001: Housing Element Ideas and Solutions for a Sustainable and Affordable Future – Bay Area Housing." (2001)

Association of Bay Area Governments (ABAG). "Regional Housing Needs Determination for the San Francisco Bay Area – 2001-2006 Housing Element Cycle." (2001)

Belzer, Dena and Autler, Gerald. "Transit-Oriented Development: Moving from Rhetoric to Reality." *Discussion paper for The Brookings Institution Center on Urban and Metropolitan Policy and The Great American Station Foundation.* June, 2002.

City of Boulder, Colorado. Residential Building Guide: "Green Points Program Guidelines." January, 2003.

Collins, Michael; Crowe, David and Carliner, Michael. "Examining Supply-Side Constraints to Low-Income Homeownership." *Joint Center for Housing Studies of Harvard University – Low-Income Homeownership Working Paper Series.* August 2001.

- This paper has a broad focus including examining (1) the supply of affordable owner-occupied housing using National American Housing Surveys and (2) the transition of affordable homeownership units over a two-year time period. Authors also find that increasing housing regulations increase homeownership costs relative to renting.

Glaser, Richard and Gyourko, Joseph. "The Impact of Zoning on Housing Affordability." *Preliminary Draft written for the conference on "Policies to Promote Affordable Housing" sponsored by the Federal Reserve Bank of New York and the New York University School of Law.* February, 2002.

- Using econometric and other models, the authors found a robust connection between high housing prices and government regulation (i.e. "zoning") concluding that "where housing is quite expensive, zoning restrictions appear to have created these high prices."

Gyourko, Joseph and Linneman, Peter. "The Affordability of the American Dream." *Journal of Housing Research 4, no.1.* (1993)

- Paper examines the supply-side constraints placed on new construction by strict building codes, approval delays, low-density zoning laws, and impact fees.

Holtzclaw, John. *Using Residential Patterns and Transit to Decrease Auto Dependence and Costs,* National Resources Defense Council. (1994)

Karlenzig, Warren. "A Blueprint for Greening Affordable Housing: Developer Guidelines for Resources Efficiency and Sustainable Communities." Global Green USA. Summer, 1999.

- Reviews a variety of local and state efforts to produce resource efficient affordable housing and specific recommendations about managing the green development process, creative financing mechanisms, site design, and specifics on a broad range of issues that fall under the guise of smart land use, energy-efficiency, resource-efficiency, and healthy buildings.

Malpezzi, Stephen. "Housing Prices, Externalities, and Regulation in U.S. Metropolitan Areas." *Journal of Housing Research* 7, Issue 2. (1996)

- Again, using an econometric model and focusing on 60 metropolitan areas across the U.S. (including San Francisco), author's results suggest that regulation raises housing rents and values and lowers homeownership rates.

National Association of Home Builders, "Decent, Affordable Housing. It's the American Dream." July, 2002.

Proscio, Tony. "Smart Communities: Curbing Sprawl at Its Core", published by The Local Initiatives Support Coalition (LISC). November, 2002.

San Francisco Planning Department. "Housing Element: An Element of the San Francisco General Plan. (Final Draft for Public Review)." February, 2003.

Stegman, Michael, Quercia, Roberto, and McCarthy, George. "Housing America's Working Families." *The Center for Housing Policy, Vol. 1, Issue 1, June, 2000.*

- Authors' analysis supports the need for increasing existing demand-side production incentives including encouraging states and communities to reduce regulatory barriers to and provide development incentives for the construction of affordable housing (article defines "working families" as those with incomes up to 120% of AMI.)

SPUR Sustainable Development Committee. "Green Buildings: Bringing Environmentally Sensitive Design to San Francisco." (2001)

TDM Encyclopedia, "Transit Oriented Development: Using Public Transportation to Create More Accessible and Livable Neighborhoods." December 6, 2002.

Voith, Richard. "The Downtown Parking Syndrome: Does Curing the Illness Kill the Patient?" *Business Review, Vol. 1.*

Appendix B: Interviews

California Housing Finance Agency

California Debt Advisory Commission

California State Department of Housing and Community Development

California Redevelopment Association

City of Alameda

Meri Soll, Green Building Program

City of Austin, Texas

Stuart Hersh, SMART Housing Program

Steven Barney, Neighborhood Housing and Community Development

Toye Goodson, Green Building Program

Nathan Doxsey, Green Building Program

City of Boston, Massachusetts

John Feuerbach, Department of Neighborhood Development

City of Boulder, Colorado

Elizabeth Vasetka, Green Points Building Program

City of Chicago, Illinois

Judy Smart, Department of Housing

City of Denver, Colorado

James Mercado, Housing Department

Michael O'Flaherty, Development Department

City of Los Angeles, California

Jane Blumenfeld, Planning Department

City of Portland, Oregon

Brad Carter, City Planning

Mike Saba, Housing (Planning Office)

City of San Francisco, California

Marshall Foster, Citywide Planning, Planning Department

Timothy Blomgren, Environmental Transportation Planner, Planning Department

Jan Stenslen, Department of the Environment

City of Seattle, Washington

Maureen Traxler, Code and Policy Development

Mike Podowski, Department of Design, Construction, and Land Use

Bart Becker, Office of Housing

Global Green USA

Walker Wells

San Francisco Planning and Urban Research Association (SPUR)

Jim Chappell, Director

Gabriel Metcalf, Deputy Director

Appendix C: Summary Matrix of City Programs

(see attached sheets)

Appendix C: Summary Matrix of City Programs

CITY	CITY DEPARTMENT	HOUSING DEVELOPMENT PROGRAMS	GREEN BUILDING STANDARDS	HOUSING DEVELOPMENT TRUST FUNDS
Austin, Texas	Austin Housing Finance Corporation (AHFC)	<p><u>SMART Housing:</u> In return for producing housing that is “safe, mixed-income, accessible, reasonably-priced, and transit-oriented” developers receive:</p> <ul style="list-style-type: none"> • Full or partial fee waivers depending on the number of affordable units produced (affordable is up to 80% of AMI) • Expedited permitting and zoning reviews • Reduced parking requirements • Department advocacy through City’s development process 	<p><u>SMART Housing:</u> A critical component of SMART housing is the green building standards developers must meet in order to qualify for the various program incentives.</p> <p>Developers must meet a minimum number of green building “points” by choosing from a list of various green building options including air/water quality, health and safety, and community amenities.</p>	
Boston, Massachusetts	Department of Neighborhood Development (DND)	<p><u>Home Again:</u> program to promote new construction of homeownership housing on city-owned vacant land. In exchange for producing affordable housing (up to 80% AMI), workforce/market rate housing (above 80% AMI), or a mix of the two, developers receive:</p> <ul style="list-style-type: none"> • Technical assistance • Environmental assessments • Site surveys • Reduced-price land acquisition • Direct capital subsidies 		
Boulder, Colorado	Green Points Building Program		<p><u>Green Points Building Program:</u> This program applies to all new residential construction and additions and remodels larger than 500 square feet (not exclusively affordable developments.) Points are required for any project over 1500 square feet with additional points required for developments above 2,500 square feet.</p> <p>Points can be earned by incorporating a variety of green standards including use of recycled materials, water conservation, insulation, and indoor air quality measures.</p>	

CITY	CITY DEPARTMENT	HOUSING DEVELOPMENT PROGRAMS	GREEN BUILDING STANDARDS	HOUSING DEVELOPMENT TRUST FUNDS
Chicago, Illinois	Department of Housing (DOH)	<p><u>New Homes for Chicago</u>: Developers identify moderate-income buyers (60-120% of AMI) and DOH offers subsidies for construction and sale of housing targeted towards this income group.</p> <p>Incentives include:</p> <ul style="list-style-type: none"> • 20% market rate development set aside • Simplified design review • Decreased approval time • Waiver or reduction of fees • \$10,000 subsidy per home 		
Denver, Colorado	Department of Housing	<p><u>Council Bill No. 251</u>: all developments of 30 or more units must include a minimum of 10% affordably priced units up to 80% AMI and up to 95% AMI for high-rise housing.</p> <p>Incentives include:</p> <ul style="list-style-type: none"> • Density bonus • Expedited review • Reduction in parking • \$5,000-\$10,000/unit rebates (depending on affordability) 		<ul style="list-style-type: none"> • <u>Mile High Housing Fund</u>: pre-development financing. • <u>American Communities Program</u>: for acquisition and construction financing.
Los Angeles, California	Planning Department	<p><u>Affordable Housing Incentives Program (AHIP)</u>: Program offers developers and owners of buildings the right to variances on a site if the owner agrees to set aside units for low- and very low-income households. Incentives vary depending on how many affordable units will be incorporated into the proposed project but may include:</p> <ul style="list-style-type: none"> • Density bonuses • Reduced parking • Deferred payment of fees and permits • Expedited processing of plans and permits 		

CITY	CITY DEPARTMENT	HOUSING DEVELOPMENT PROGRAMS	GREEN BUILDING STANDARDS	HOUSING DEVELOPMENT TRUST FUNDS
New York, New York	Department of Housing Preservation and Development	<p><u>§421-a Negotiable Certificate Program:</u> The tax credits generated by low-income projects are linked to the demand for tax credits from market rate housing projects in high cost areas of Manhattan. By selling their earned real estate tax benefits to developers of market rate housing, low income builders are able to prepay the tax-exempt bond funded construction loans.</p> <p><u>421a Affordable Housing Program:</u> Market-rate projects which are not eligible for 421-a because they are located in the EXCLUSION AREA (between 14th and 96th Streets in Manhattan), but otherwise meet the requirements of 421-a, can qualify for a 10-year partial tax exemption by participating in the 421-a Affordable Housing Program.</p> <p>The developer of a project that receives benefits must finance or perform the construction or rehabilitation of on-site or off-site affordable units. Generally, one affordable unit must be financed or constructed for every five units in the project receiving benefits.</p>		
Portland, Oregon	Portland Development Commission (PDC)	<p><u>Development Fee Waiver Program:</u> Program is designed to offset some of the development and construction costs of affordable housing units. Buyers must be first-time home-buyers earning up to 100% of AMI. The fee waiver benefit amount is calculated based on the number of affordable units created for any given project with the developer receiving a "gift certificate" to be applied towards select development fees.</p> <p><u>System Development Charges (SDC) Exemption Program:</u> Program reduces the development costs for affordable residential units by exempting developers from paying SDC fees levied by the City. These fees normally fund a portion of the needed capacity increases in transportation, water, and parks facilities resulting from the construction and occupation of new housing units.</p>		

CITY	CITY DEPARTMENT	HOUSING DEVELOPMENT PROGRAMS	GREEN BUILDING STANDARDS	HOUSING DEVELOPMENT TRUST FUNDS
Seattle, Washington	Department of Design, Construction, and Land Use (DCLU)	<p>The DCLU has worked on various fronts to make its permitting process easier and more efficient so as not to impede the development of affordable housing.</p> <p>Currently the DCLU is working on efforts to accord priority to affordable housing permits, increase coordination among various departments responsible for permit reviews, reduce street improvement standards for affordable developments, and simplify existing code requirements for residential uses.</p>		
Washington, D.C.	Department of Housing and Neighborhood Services (DHCD)			<ul style="list-style-type: none"> • <u>District of Columbia Housing Production Trust Fund</u>: supports the development and rehabilitation for for-sale and rental affordable housing.
Nationwide				<ul style="list-style-type: none"> • The National Housing Community Development Fund (pre-development and bridge financing)