



AFFORDABLE HOUSING AND COMMUNITY DEVELOPMENT 68 MULTI-FAMILY UNITS IN KERMAN, CA

A discussion with
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Affordable Housing today

- The leading vehicle to develop affordable projects is the Federal Low-Income Housing Tax Credit program
- The LIHTC is issued by the Treasury Department annually to each State based on the State's population. Currently \$2.70 dollars is awarded per resident to each state.
- The tax credits are issued in a lump sum but earned over ten years to ensure compliance with the program guidelines
- A Regulatory Agreement with the State Allocating Agency is required for each LIHTC award and is recorded at the closing of the transaction. The rent restrictions are for 55 years.

Affordable Housing today – cont'd

- The tax credit application process is extremely competitive and projects with the most Public Funds as a percentage of the total development budget receive funding.
- Types of Public Fund from Cities:
 - *Fee waiver*
 - *Donation of sites*
 - *Land donation*

Development Challenges

- **Locating land near city centers**
- **Overcoming Community opposition (NIMBY'S)**
- **Cities can help by purchasing land and donating it to the development**
- **Identifying housing type needed: Seniors vs Family developments**
- **Grants are available for specific types of resident needs:**
 - *Mental Health*
 - *Homelessness*
 - *Domestic Violence*
 - *Farm Worker Housing*

Case Study

Gateway Villas Apartments, Kerman Ca

61 two and three-bedroom two bath family units

Private Sources of Funds

■ Federal Tax Credit Equity	\$9,039,656
■ State Tax Credit Equity	\$2,092,638
■ Solar Energy Credits	\$105,751
■ Permanent Debt	\$3,000,000
■ Total Private Funds	\$14,238,045

Public Funds

■ HOME funds County of Fresno	\$980,000
■ City Fee waivers	\$612,848
■ Loan donation	\$1,310,000
■ Deferred Dev Fee	\$611,133
■ Total Public Funds	\$3,513,881

Case Study

Gateway Villas Apartments, Kerman Ca

61 two and three-bedroom two bath family units – Cont'd

- Public funds as a percentage of total budget 20%

- Cost per square foot \$273
- Cost per unit \$291,000
- Cost per bedroom \$117,563

Hacienda Heights Apts
68-unit family property
Kerman, CA



Villa Paloma Apts
84 Senior Units
San Juan
Capistrano, CA

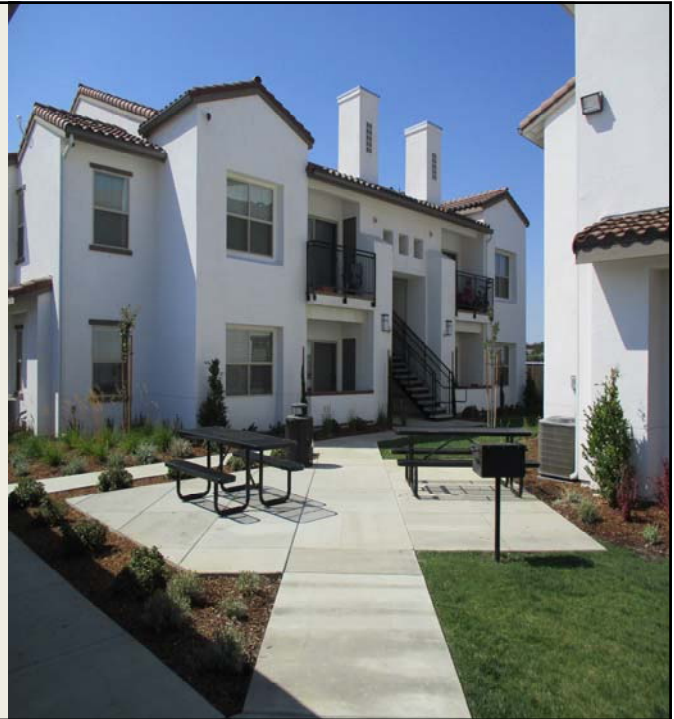
Villa Paloma Apartments



Plaza City Apartments
80 Senior Units
National City, CA



Palmer Villas
56 Family Units
Huron, CA



How can Municipalities encourage Affordable Developments?

- Educate citizens on the need for affordable housing
- Without adequate housing young families and their children are less likely to develop into productive citizens
- Affordable developments often include after school programs and services for families
- Approve planning regulations that expedite affordable developments
- Identify locations best suited for High Density Housing and zone it for that purpose

Summary

- Affordable housing construction is driven by the allocation of Federal Tax Credits
- Cities can help developers earn Federal Tax Credits by working with them to identify sites and negotiate fee waivers and other financial support
- Recent State Legislation gives new tools to cities to zone land for high density housing and fight NIMBY's
- Educate citizens and council members to explain the role affordable housing plays in healthy communities



THANK YOU FOR YOUR ATTENTION

Willow Partners, LLC

