10/22/2019





### **Overview**

#### **SUMMARY**

- The Tasman East Specific Plan was approved on November 13, 2018.
- As per the Specific Plan, 10% of all units must be affordable to households making an average of 100% of area median income (AMI).
- Developer's obligation would be approximately 80 affordable units restricted to be affordable to households at an average of 100% AMI.
- City staff and the Developer have proposed to consolidate the cumulative affordable housing obligation to deliver 30 very low-income units at a single site in lieu of providing 80 moderate income units across multiple projects.

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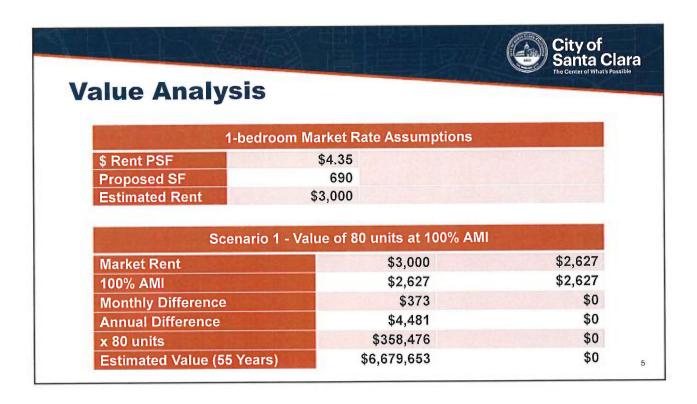
## **Overview**

### **BACKGROUND**

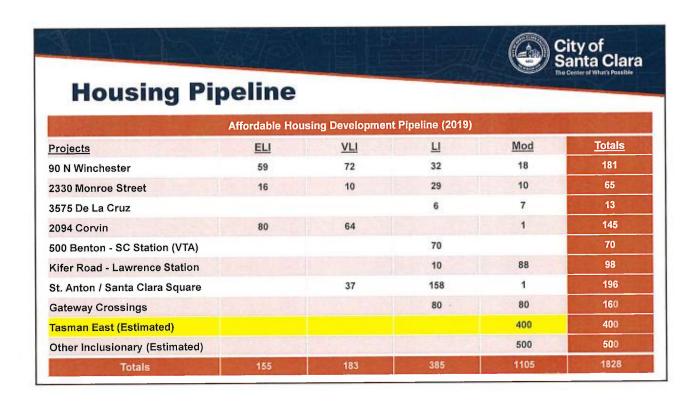
- This item was initially scheduled for City Council action on September 24, 2019. The City Council continued the item and asked staff to provide additional information on the following:
  - ☐ Economic Benefit Analysis
  - ☐ How the proposal would align with the City's affordable housing goals and the Regional Housing Needs Allocation (RHNA) targets
  - ☐ How the proposal would align with the Tasman East Specific Plan
  - ☐ Policy Implications or "Precedent"

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		City o Santa The Center of W	
lue Analysis			
1-bedroon	n Market Rate Assumptions		
\$ Rent PSF	\$4.35		
Proposed SF	690		
Estimated Rent	\$3,000		
Proposed Scenar	rio 2 - Value of 30 Units at 50	% AMI	
Market Rent	\$3,000	\$2,627	
50% AMI	\$1,463	\$1,463	
Monthly Difference	\$1,537	\$1,164	
Annual Difference	\$18,449	\$13,968	
	\$553,469	\$419,040	
x 30 units	4000,.00		



RHNA Progress					
A Allocation	Actual Production	Target Pipeline	Remaining Production		
015-2022	2015-2018	2019-2022	2019-2022		
1050	0	338	712		
695	1	385	309		
755	36	1105	N/A		
1,593	3382	5500	N/A		
4093	3419	7328	1021		
	695 <mark>755</mark> 1,593	A Allocation Production   015-2022 2015-2018   1050 0   695 1   755 36   1,593 3382	A Allocation Production Target Pipeline   015-2022 2015-2018 2019-2022   1050 0 338   695 1 385   755 36 1105   1,593 3382 5500		



### Conclusion

## The Proposal Accomplishes the Following:

- ✓ Provides an estimated \$3.6 million economic benefit to City
- ✓ Helps the City diversify its housing pipeline and create units at deeper levels of affordability
- ✓ Helps the City address its potential excess of Moderate Income units and deficit of Very Low units relative to its RHNA requirements.
- ✓ Does not negatively impact the buildout of the Tasman East Plan
- ✓ Provides a pathway to create additional Very Low units if necessary

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# Recommendation

1. Adopt a Resolution approving and authorizing the City Manager to execute the Affordable Housing Agreement with ZAEN Partners, LLC for the provision of thirty (30) very low-income units at 2310 Calle Del Mundo (APN# 097-05-059)

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Item 4. 19-1173

