

County of Santa Clara

Office of the Board of Supervisors

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Liz Kniss
Supervisor Fifth District

Tuesday, December 17, 2002

To: Board of Supervisors
From: Liz Kniss
Supervisor, District Five
Subject: Criteria for Affordable Housing Project Selection

RECOMMENDED ACTION

- 1) Refer to the Office of the County Executive a report back to the full Board of Supervisors concerning the creation of a Board policy on the criteria for affordable housing project selection utilizing funds allocated to affordable housing.
- 2) Within the report back, the County Executive's office should evaluate the following criteria for possible inclusion into the Board policy:
 - a) Projects should require support of the local government through either land grants or direct financial support.
 - b) County financial support is leveraged to raise funds from other agencies and funding sources. All possible funding sources are contacted.
 - c) Projects should emphasize public private partnerships whenever possible
 - d) Projects deemed viable without County support should be given a lower priority than projects infeasible without County aide.
- 3) The County Executive's office should also survey other Board of Supervisor's offices, local city governments and other concerned parties for other criteria to include in drafting an initial policy document to be presented to the Board.

BACKGROUND AND REASONS FOR RECOMMENDATION

As we take action today concerning the creation of an Office of Affordable Housing, we must begin to look forward to the criteria and processes that the new office will use in allocating those remaining RDA set-aside funds not already encumbered by today's discussion. I recommend that the Board adopt a policy detailing the criteria to be used in evaluating which projects should receive some portion of these affordable housing funds as we move forward.

Among possible criteria to be evaluated for inclusion include:

- 1) Projects should require support of the local government through either land grants or direct financial support.**
Local governments with direct control over land use decisions are paramount in any affordable housing project. This criteria ensures that local government are a strong proponent of any project before it can be considered for funding from the County.
- 2) County financial support is leveraged to raise funds from other agencies and funding sources. All possible funding sources are contacted.**
While the County may be the largest fund provider for any specific project, any proposed project should exhaust all possible funding streams before being considered for County affordable housing funds. Additionally, projects where County funds can be leveraged to raise funds from other parties should be given a higher priority than projects in which this is not the case.
- 3) Projects should emphasize public private partnerships whenever possible**
Successful private public partnerships have in the past allowed public dollars to be leveraged to a greater extent possible than if public funds were used alone. This type of partnership should be utilized whenever possible.
- 4) Projects deemed viable without County support should be given a lower priority than projects infeasible without County aide.**
Many affordable housing projects today are undertaken with the knowledge that future rent payments are expected to repay the initial outlay of funding for construction. Yet, in many of the neediest communities, the rent level necessary to achieve this relationship is infeasible. Therefore, I feel projects targeted at the neediest communities in our County should take precedent over those that could be viable through private investment alone.

As affordable housing is a collaborative goal between county government, our local cities and the community, the County Executive should make efforts to consult all these entities for further important criteria to be included prior to bringing a draft policy to the full Board for comment and adoption.