

RESOLUTION NO. 3297-16

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR
APPROVING GUIDELINES FOR INCLUSIONARY HOUSING FUND**

WHEREAS the Town collects housing in-lieu fees from residential development in lieu of constructing affordable housing (herein referred to as “inclusionary housing fees”); and

WHEREAS the Town desires the establishment of guiding principles for the use and disbursement of the Town’s inclusionary housing fees, said fees collected in the Town’s Inclusionary Housing Fund; and

WHEREAS Guidelines for the Town’s Inclusionary Housing Fund (“Guidelines”) were presented to Council at its meeting of June 15, 2016 to establish such guiding principles for the use and disbursement of the Town’s inclusionary housing fees.


NOW, THEREFORE, BE IT RESOLVED that the Town Council hereby approves the Guidelines for the Town of Windsor Inclusionary Housing Fund, included as Attachment A and incorporated herein by reference.

PASSED, APPROVED AND ADOPTED this 15th day of June 2016, by the following vote:

AYES: COUNCILMEMBERS OKREPKIE, SALMON,
VICE MAYOR FUDGE, AND MAYOR MILLAN
NOES: NONE
ABSTAIN: NONE
ABSENT: COUNCILMEMBER FOPPOLI



MARK MILLAN, MAYOR

ATTEST:


MARIA DE LA O, TOWN CLERK

Attachment:

- Attachment A – Guidelines for Inclusionary Housing Fund dated June 15, 2016

**TOWN OF WINDSOR
INCLUSIONARY HOUSING FUND**

GUIDELINES

June 15, 2016

Purpose

The purpose of these Guidelines is to establish guiding principles for the use and disbursement of the Town's inclusionary housing fees (also referred to as housing in-lieu fees). These Guidelines will supplement, but not supersede, the requirements as set forth in the Town's Zoning Ordinance.

Review Authority

The Community Development Director (Director) is responsible for interpreting these Guidelines and implementing the procedures set forth herein, except as specifically stated as requiring the approval of the Town Manager or Town Council.

Definition and Types of Funds

The Inclusionary Housing Fund (IHF) contains revenue from housing in-lieu fees paid by new development as required under the Inclusionary Housing provisions in Chapter 27.23 of the Zoning Ordinance and consists of three separate funds as follows:

1. Main Fund (80 percent of funds paid into the IHF). The Main Fund is for development projects listed in the section entitled Eligible Projects and Programs that are proposed within the Town's boundaries.
2. Special Projects Fund (10 percent of paid funds in the IHF). The Special Projects Fund is for projects the Town Council may want to invest in or support that benefit those living in Sonoma County that may be undertaken by another organization such as Sonoma County Community Development Commission for countywide homeless, veterans' assistance, etc.
3. Administrative Fund (actual costs of administration up to 10 percent of paid funds into the IHF). The Administrative Fund is defined in the "Administration and Administrative Fund" section below.

Goal of Inclusionary Housing Fund

The Town of Windsor will encourage the production of additional affordable housing units through distribution of its Inclusionary Housing Fund. Towards this end, the purposes of the Inclusionary Housing Fund are:

1. To provide direct financing;
2. To leverage other funds; and
3. To reduce the cost of borrowing.

Administration and Administrative Fund

The Town will administer the funds through the Administrative Services Department (Department). Town costs will be covered by the General Fund for each fiscal year. Within ninety (90) days of the end of the fiscal year, Department staff will present a report to the Council, containing an accounting of direct costs reimbursable to the General fund up to a

maximum of 10 percent of inclusionary housing in-lieu fees paid by developers during the fiscal year or 10% of the fiscal year-end fund balance, whichever is greater. For the first year these Guidelines are in effect, the maximum reimbursable costs to the General Fund shall be set at \$120,000. Direct costs that are eligible for reimbursement are direct charges and payments for legal services, professional and consultant services, and advertising and marketing services and supplies. Other direct costs and charges not listed herein may be allowed at the discretion of the Town Manager. Town staff time is not eligible for reimbursement.

Eligible Projects and Programs

In general, projects and programs are eligible for funding from the Town's Inclusionary Housing Fund when the project or program increases affordable housing stock in the town. Eligible projects and programs may include:

1. Construction or acquisition of permanent for-sale affordable housing and affordable rental housing;
2. Construction or acquisition of permanent residential for-sale and rental affordable housing in mixed-use developments;
3. Acquisition of land to provide local sites either by direct purchase of property by the Town or indirect purchase of property by a developer for the purpose of development of affordable housing;
4. Transitional or emergency housing and homeless shelters;
5. Preservation of at-risk assisted housing (such as purchase of apartments when Section 8 contracts or tax credits expire); and
6. Other programs and projects meeting the Town's affordable housing goals as considered by Council on a case-by-case basis.

Eligible Populations

Housing projects serving Extremely Low, Low or Very Low Income households, including the homeless, veterans, seniors and the disabled, are eligible to use this Fund. Populations that are Moderate are ineligible.

Eligible Applicants

Housing projects serving Extremely Low, Low or Very Low Income households for applicants that are:

1. Town of Windsor residents. A Town of Windsor resident applicant is defined herein as a resident (with or without a partner) residing within the Windsor town limits and has continuously resided in the Windsor town limits prior to and including at the time of the filing of the application for at least five (5) years. This provision is subject to Fair Housing Laws, as may apply.
2. Projects, programs or individual permanent for-sale affordable housing for applicants in the following categories: veterans, seniors, the disabled and the homeless.
3. Private nonprofit organizations.
4. Private for-profit developers partnered with nonprofit developers and/or service providers.
5. Any qualified project or program proponent.

Types of Assistance (either predevelopment, direct project/program, or both)

1. Grants (conditioned by formal, recorded agreements)

2. Loans

- Secured by collateral, typically project property
- Paid back on short or long term, with interest set at the maximum allowed under the State of California Tax Credit Allocation Committee (CTCAC)
- MAY be deferred (in whole or partially) for special circumstances
- Loans MAY be forgivable (convert to grants) under certain circumstances, timeframes

Amount of Assistance

Assistance provided by the Town of Windsor will vary, at the discretion of the Town Council, based on factors such as the amount of funds available in the account, the project's leveraged funding, the targeting of lower income levels and/or special needs households, the mechanism and duration of affordability restrictions and the legal status of the majority owner/developer (nonprofit vs. for-profit, for example). Council may provide assistance up to the amount that is available in the Fund, but in no event can the fund balance of the Main Fund or the Special Projects Fund be drawn negative.

Application and Distribution Process

Main Fund

1. A potential applicant shall submit a letter of interest, complete with information requested in the Town's application form, to the Director.
2. The Director or his/her designee(s) will review the application for eligibility and completeness.
3. Following a completeness determination, the Director will issue a "Call for Projects" for a period of two (2) weeks to disclose the Town's intent to review a project for grant funding and any interested applicants may apply to compete for the available funds.
4. Within thirty (30) days of the public release of the "Call for Projects" or as practicable to bundle the applications as noted below, the Director will submit a request to Council for review of the application and granting of funds at a future regularly scheduled Town Council meeting.
5. The Town reserves the right to "bundle" applications for Town Council review at periods of time of no more than one time every four (4) months of determination of a complete application in an effort to lessen the administrative burden and impacts to Town staff.
6. The Town reserves the right to award NO FUNDS or partial funds at the end of the review process.
7. The Town Manager has the authority to revise deadlines associated with the Application and Distribution process to mitigate conflicts with other Town deadlines and to improve process efficiency in any given fiscal year.

Special Projects Fund

1. Applications for Special Projects will be reviewed by the Director or his/her designee(s) on a first-come, first-served basis.
2. From time-to-time, the Director may issue Requests for Proposals for a Special Project, as approved by the Town Council.

Selection Guidelines

1. Award decisions will be made by the Town Council upon report from the Director at a regularly scheduled meeting of the Town Council.
2. Funding requirements (local objectives, all applicable laws like Article 34, etc.).
3. Competitive Evaluation Criteria (points for each criterion, or ranking by number of criteria met by project).
4. Funding preferences (less restrictive than priorities but Town preference for long-term deed restricted projects).
5. Priorities (like projects that leverage other funding, serve lowest income households, offer longest affordability, etc.).
6. Set-aside funds available (for Special Projects).
7. Capacity of developer or service provider to complete the project.
8. How quickly funds will produce housing.
9. Priority for Windsor residents, veterans, seniors, the disabled and homeless. This provision is subject to Fair Housing Laws, as may apply.

Legal Requirements and Project Readiness

1. Awarded projects require project readiness such as entitlements (General Plan consistency, correct zoning, ownership or control of the project site).
2. In lieu of the full acquisition of Entitlements under #1 above, a project application may be given “conditional commitment of funds” from the Town provided the project proposal is consistent with the current general plan land use designation including any available density bonus. Conditional commitment of funds requires acquisition of full project entitlements within one year of the Town’s commitment and may be extended for up to two (2) ninety-day extensions with Council approval for each extension.
3. Preference given to projects with an active Windsor entitlements application.
4. Current nonprofit registration with the California Secretary of State required for nonprofit preference.
5. Article 34 applicability (either as determined by the Town Attorney or proponent’s submitted attorney opinion, as required by Town of Windsor in the Request for Proposal).
6. Prevailing wages may apply.