

Date: October 24, 2018  
W.I.: 1511  
Referred by: PAC  
Revised: 10/23/19-C

ABSTRACT

Resolution No. 4348, Revised

This resolution approves the framework and qualifying criteria of the Housing Incentive Pool, an incentive program to reward San Francisco Bay Area local jurisdictions that produce or preserve the most affordable housing.

Attachment A of this resolution was revised on October 23, 2019 to include eligibility and programming guidelines for the \$5 million Sub-HIP pilot set-aside from the Housing Incentive Pool.

Further discussion of this action is contained in the MTC Programming and Allocations Summary Sheets dated October 10, 2018 and October 9, 2019.

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RE: Housing Incentive Pool Framework and Qualifying Criteria

METROPOLITAN TRANSPORTATION COMMISSION  
RESOLUTION NO. 4348

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, the availability of affordable housing in the San Francisco Bay Area has been highlighted as a regional issue in Plan Bay Area 2040 and other plans; and

WHEREAS, pursuant to MTC Resolution 4308, MTC has developed a framework and criteria for the distribution of funds to incentivize desired housing outcomes across the region; now, therefore, be it

RESOLVED, that MTC approves the Housing Incentive Pool (HIP) framework and qualifying criteria as set forth in Attachment A to this resolution, attached hereto and incorporated by reference; and, be it further

RESOLVED, that MTC may allocate funds to local agencies per the approved HIP framework and criteria as set forth in Attachment A to this resolution; and be it further

RESOLVED, that agencies receiving funds allocated by MTC per this resolution must adhere to any and all conditions, guidelines, and eligibility requirements prescribed by the type of funding received.

METROPOLITAN TRANSPORTATION COMMISSION



Jake Mackenzie, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, on October 24, 2018.

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Attachment A  
Resolution No. 4348  
Page 1 of 2

## **Housing Incentive Pool Framework and Qualifying Criteria**

This framework and qualifying criteria guide the distribution of funding for the Housing Incentive Pool (HIP), a funding program intended to provide incentive for the building and preservation of affordable housing units by local jurisdictions in the San Francisco Bay Area.

### HIP Eligible Time Period:

The eligible time period for the production or preservation of housing units that meet the qualifying criteria listed below is calendar years 2018 through 2022.

HIP grants will only be distributed after the fifth year of the eligible time period.

### HIP Housing Unit Qualifying Criteria:

1. Total HIP units = new built units + preserved units;
2. New or preserved units must be affordable to households at the very low-, low- and moderate-income levels;
3. New and preserved units must be located in Priority Development Areas (PDAs) or in Transit Priority Areas (TPAs) to qualify for the incentive;
4. Preserved units must be either:
  - a. Multi-family units that receive governmental assistance consistent with the funding sources in Government Code Section 65863.10(a)(3) that are identified as “very-high risk” or “high risk” of converting to market-rate rents by the California Housing Partnership Corporation (CHPC) or,
  - b. The acquisition/preservation of existing unrestricted multi-family affordable housing units upon which restrictions are newly placed;
5. A preserved unit that has deed restrictions for at least 55 years will be counted as one HIP unit. Units with deed restrictions for a shorter duration will receive a pro-rated share of one unit based on the 55-year standard;
6. All new units must be deed restricted;
7. To be eligible for the HIP program, jurisdictions must be compliant with state housing laws related to Surplus Lands, Accessory Dwelling Units, Density Bonuses, and Housing Element by the end of December, 2022. Compliance with the Housing Element will be determined by the California Department of Housing and Community Development. Jurisdictions must certify by council or board resolution that they are compliant with the other three laws.

### Funding Distribution:

Five million dollars will be set aside from funds available for the HIP to pilot a competitive program to help finance eligible infrastructure that will support affordable housing projects in Priority Development Areas and Transit Priority Areas. The county Congestion Management Agencies will work with cities and developers to identify candidate projects. MTC/ABAG staff will develop guidelines for this pilot program;

Remaining HIP funds will be distributed to the 15 jurisdictions with the greatest number of total HIP units within the eligible time period. Funds will be distributed among the top 15 jurisdictions on a per unit basis. MTC/ABAG staff will alert County Transportation Agencies (CTAs) of grant awards to jurisdictions in their counties and encourage jurisdictions to coordinate with their respective CTA on projects to receive HIP funds.

### **HIP \$5 Million Set-Aside Eligibility and Programming Guidelines**

The following framework will guide the distribution of the \$5 million set-aside from the HIP program. The set-aside is intended to help finance eligible infrastructure that will support affordable housing projects in Priority Development Areas (PDAs) and Transit Priority Areas (TPAs).

#### Funding Distribution:

1. Funds will be apportioned \$4 million to the Solano Transportation Authority (STA) and \$1 million for the other North Bay counties (Marin, Napa, and Sonoma) to be distributed after evaluation of proposals from the County Transportation Agencies (CTAs) in those counties for eligible projects, due to MTC by May 1, 2020.
2. Eligible counties will be responsible for developing county-specific guidelines, managing a call for projects, and submitting project recommendations to MTC that are consistent with these guidelines.

#### Project Eligibility:

1. Project must be a transportation investment directed within or connected directly to a PDA or TPA.
2. Project must meet the eligibility guidelines for the OBAG 2 County Program.
3. Project must be able to obligate funds by the end of FY2022, consistent with OBAG 2.
4. Project must be eligible for Federal Surface Transportation Block Grant/ Congestion Mitigation and Air Quality Improvement (STP/CMAQ) funding.
5. The minimum grant size to be awarded is \$250,000.

Jurisdiction Eligibility: Project sponsors for selected transportation projects must be compliant with OBAG 2 County Program policies (Housing Element annual reporting, Surplus Lands Act, Complete Streets Requirements, etc.)