

Metropolitan Transportation Commission Programming and Allocations Committee

February 10, 2021

Agenda Item 3b - 21-0182

Housing Incentive Pool (HIP) program 2018 and 2019 progress report

Subject: Staff will present an update on the first two years of progress in the production and preservation of affordable housing, as part of the incentive program to reward San Francisco Bay Area local jurisdictions that produce or preserve the most affordable housing over a five-year period. Housing progress for the remaining three years, 2020 through 2022, will be reflected in future HIP program reporting as data becomes available.

Background: In October 2018, the Commission established the criteria for the \$76 million Housing Incentive Pool (HIP) program, comprised of \$46 million in regionally controlled Regional Transportation Improvement Program (RTIP) funds¹ and an additional \$30 million in funds from the One Bay Area Grant (OBAG 2) program.

In approving the program criteria (MTC Resolution No. 4348), the Commission directed \$5 million of the program total for the Sub-HIP pilot program in the North Bay. The Commission programmed the \$5 million to various transportation projects in Marin, Napa, Solano, and Sonoma in July 2020. This agenda item focuses on the status of the larger, \$71 million HIP program that remains currently unprogrammed.

HIP Program Overview

Established as a “race to the top” incentive, the HIP program will award transportation funds to the 15 jurisdictions that produce or preserve the greatest number of affordable housing units from 2018 through 2022. Funds will be distributed on a per unit basis among the top 15 jurisdictions.

For housing units to qualify for HIP credit, the following criteria apply:

- Units must be affordable to households at the very-low, low-, or moderate-income levels, as categorized by California Department of Housing and Community Development (HCD).
- Units must be located within Priority Development Areas (PDAs) or Transit Priority Areas (TPAs).
- All new units must be deed-restricted; deed restriction on preserved units must be for at least 55 years to receive full credit.
- Preserved units may either be multi-family units newly acquired and protected as affordable or the extension of protections on existing multi-family units that are identified as “very-high risk” or “high risk” of converting to market-rate rents.

¹ The availability of the RTIP funds for the HIP program is conditioned on the funds not being required for Caltrain’s Peninsula Corridor Electrification project, as they had been previously committed as additional project contingency.

- New units qualifying for HIP credit are based on certificates of occupancy as reported by jurisdictions to the state.

To be eligible for HIP program funding, jurisdictions must be compliant with state housing laws for Surplus Lands, Accessory Dwelling Units, Density Bonuses, and Housing Elements. Compliance with Housing Element law will be determined by HCD. Jurisdictions must certify compliance with the three other laws by council or board resolution by December 2022.

HIP Status Report

In the first two years of the five-year program, 2018 and 2019, Bay Area jurisdictions built or preserved more than 3,300 affordable units in PDAs or TPAs, as shown in the summary table below. More than half (54%) of the qualifying units in that period were located in San Francisco. When including the next four cities – San Jose, Oakland, Sunnyvale, and Fremont – the top 5 jurisdictions account for producing or preserving 75% of the total qualifying HIP units. Additional details on the current HIP program standings are shown in **Attachment 1**. Please note that the current standings do not imply a funding commitment; HIP program awards will not be determined until the full five years of housing data have been compiled.

HIP Units and Current Standings – 2018 and 2019 Progress


Rank	Jurisdiction	Total	Rank	Jurisdiction	Total
1	San Francisco	1,806	14	Walnut Creek	58
2	San Jose	215	15	Campbell	43
3	Oakland	207	16	Contra Costa Co.	42
4	Sunnyvale	169	17	Pleasanton	33
5	Fremont	101	18	Morgan Hill	25
6	Mountain View	83	19	San Mateo	16
7	Santa Rosa	79	20	Lafayette	7
8	Emeryville	78	21	Redwood City	7
9	El Cerrito	77	22	Santa Clara	7
10	Oakley	74	23	Daly City	3
11	Livermore	72	24	Menlo Park	3
12	American Canyon	69	25	South San Francisco	1
13	Fairfield	64	26	Los Gatos	1
			Total		3,340

To illustrate the targeted focus of the HIP program, the units built in 2018 and 2019 that qualify for HIP comprise only a fraction (10%) of the total number of housing built in that time. **Attachment 2** lists the total number of housing units built in each jurisdiction in 2018 and 2019 – including all levels of affordability, deed restriction status, and relationship to PDAs and/or TPAs.

Issues: **Housing data** – Data for new units is derived from the Housing Element Annual Progress Reports submitted by jurisdictions to HCD. Data for preserved units are provided by California Housing Partnership Corporation (CHPC), who review annual Tax Credit Allocation Committee (TCAC) affordable housing development reports to identify qualifying preserved units. Jurisdictions are encouraged to review the housing data presented in **Attachment 1** and **Attachment 2** and alert MTC staff to any corrections that are needed in the number or categorization of units. HIP unit data will be considered draft until the program awards are finalized after 2022.

Recommendation: Information Only

Attachments: Attachment 1 – HIP Program Status Report: 2018 and 2019
Attachment 2 – All New Housing Units: 2018 and 2019



Therese W. McMillan

Housing Incentive Pool (HIP) Program Status Report - 2018 & 2019

Current Rank	Jurisdiction	2018			2019			Total		
		Qualifying New Units	Qualifying Preserved Units	Total	Qualifying New Units	Qualifying Preserved Units	Total	Qualifying New Units	Qualifying Preserved Units	Total
1	San Francisco	504	-	504	1,279	23	1,302	1,783	23	1,806
2	San Jose	-	-	-	215	-	215	215	-	215
3	Oakland	39	66	105	4	98	102	43	164	207
4	Sunnyvale	55	23	78	91	-	91	146	23	169
5	Fremont	1	-	1	100	-	100	101	-	101
6	Mountain View	16	-	16	67	-	67	83	-	83
7	Santa Rosa	79	-	79	-	-	-	79	-	79
8	Emeryville	1	-	1	77	-	77	78	-	78
9	El Cerrito	15	-	15	62	-	62	77	-	77
10	Oakley	-	-	-	74	-	74	74	-	74
11	Livermore	-	-	-	72	-	72	72	-	72
12	American Canyon	-	-	-	69	-	69	69	-	69
13	Fairfield	-	-	-	-	64	64	-	64	64
14	Walnut Creek	58	-	58	-	-	-	58	-	58
15	Campbell	18	-	18	25	-	25	43	-	43
16	Contra Costa County	-	-	-	42	-	42	42	-	42
17	Pleasanton	33	-	33	-	-	-	33	-	33
18	Morgan Hill	-	-	-	25	-	25	25	-	25
19	San Mateo	16	-	16	-	-	-	16	-	16
20	Lafayette	7	-	7	-	-	-	7	-	7
21	Redwood City	-	-	-	7	-	7	7	-	7
22	Santa Clara	7	-	7	-	-	-	7	-	7
23	Daly City	3	-	3	-	-	-	3	-	3
24	Menlo Park	-	-	-	3	-	3	3	-	3
25	South San Francisco	1	-	1	-	-	-	1	-	1
26	Los Gatos	1	-	1	-	-	-	1	-	1
		854	89	943	2,212	185	2,397	3,066	274	3,340

Current rankings are shown for informational purposes only, and do not imply or guarantee a funding award. Final rankings and funding awards will not be determined until after 2022. Only jurisdictions with at least one qualifying HIP unit in 2018 or 2019 are shown.

HIP Unit Qualifying Criteria

- The HIP program compiles eligible units from 2018 through 2022.
- Newly built or preserved units must be affordable to households at the very low-, low-, or moderate-income levels.
- Newly built or preserved units must be located in Priority Development Areas (PDAs) and/or Transit Priority Areas (TPAs).
- Newly built or preserved units must be deed-restricted.
- Newly built units are measured by certificates of occupancy submitted to California Department of Housing and Community Development through a jurisdiction's Housing Element Annual Progress Report.

- Preserved units must be: (1) 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 (2) The acquisition/preservation of existing unrestricted multi-family affordable housing units upon which restrictions are newly placed.

- 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.

		All New Units					New Units in Priority Development Areas (PDAs) and/or Transit Priority Areas (TPAs)					New Units Qualifying for MTC's Housing Incentive Pool (HIP) Program			
												New Units in PDAs and/or TPAs that are Deed-Restricted			
Jurisdiction	Very Low	Low	Moderate	Above Moderate	Total	Very Low	Low	Moderate	Above Moderate	Total	Very Low	Low	Moderate	Total	
Alameda County															
Alameda County	-	30	-	122	152	-	3	-	2	5	-	-	-	-	
Alameda	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Albany	-	-	12	-	12	-	-	7	-	7	-	-	-	-	
Berkeley	13	-	-	268	281	13	-	-	189	202	-	-	-	-	
Dublin	-	-	30	1,611	1,641	-	-	-	593	593	-	-	-	-	
Emeryville	47	22	9	115	193	47	22	9	115	193	47	22	9	78	
Fremont	125	50	5	1,121	1,301	90	6	5	690	791	90	6	5	101	
Hayward	-	-	4	378	382	-	-	-	89	89	-	-	-	-	
Livermore	72	11	31	349	463	72	-	2	179	253	72	-	-	72	
Newark	-	-	-	771	771	-	-	-	500	500	-	-	-	-	
Oakland	30	13	1	1,528	1,572	30	13	1	1,454	1,498	30	13	-	43	
Piedmont	-	7	8	19	34	-	1	-	-	1	-	-	-	-	
Pleasanton	61	40	16	444	561	29	4	-	199	232	29	4	-	33	
San Leandro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Union City	-	-	1	244	245	-	-	-	244	244	-	-	-	-	
Alameda County	348	173	117	6,970	7,608	281	49	24	4,254	4,608	268	45	14	327	
Share of County Total	5%	2%	2%	92%	100%	6%	1%	1%	92%	100%	82%	14%	4%	100%	
Share of Regional Total	15%	10%	9%	27%	24%	15%	5%	4%	27%	24%	15%	5%	6%	11%	
Contra Costa County															
Antioch	85	2	11	158	256	-	-	-	-	-	-	-	-	-	
Brentwood	-	-	12	327	339	-	-	-	-	-	-	-	-	-	
Clayton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Concord	-	-	-	88	88	-	-	-	8	8	-	-	-	-	
Contra Costa County	42	-	-	273	315	42	-	-	17	59	42	-	-	42	
Danville	-	13	14	78	105	-	-	-	-	-	-	-	-	-	
El Cerrito	62	5	10	84	161	62	5	10	72	149	62	5	10	77	
Hercules	-	-	-	89	89	-	-	-	88	88	-	-	-	-	
Lafayette	-	1	18	107	126	-	-	9	66	75	-	-	7	7	
Martinez	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Moraga	-	-	-	28	28	-	-	-	6	6	-	-	-	-	
Oakley	-	74	-	374	448	-	74	-	1	75	-	74	-	74	
Orinda	-	-	10	87	97	-	-	-	-	-	-	-	-	-	
Pinole	-	-	-	2	2	-	-	-	-	-	-	-	-	-	

						New Units Qualifying for MTC's Housing Incentive Pool (HIP) Program								
						New Units in Priority Development Areas (PDAs) and/or Transit Priority Areas (TPAs)					New Units in PDAs and/or TPAs that are Deed-Restricted			
All New Units														
Jurisdiction	Very Low	Low	Moderate	Above Moderate	Total	Very Low	Low	Moderate	Above Moderate	Total	Very Low	Low	Moderate	Total
Pittsburg	23	205	66	63	357	-	-	4	19	23	-	-	-	-
Pleasant Hill	-	19	7	40	66	-	-	-	17	17	-	-	-	-
Richmond	-	-	-	247	247	-	-	-	168	168	-	-	-	-
San Pablo	-	1	1	6	8	-	-	-	1	1	-	-	-	-
San Ramon	-	-	-	332	332	-	-	-	-	-	-	-	-	-
Walnut Creek	50	14	11	234	309	50	10	-	142	202	50	8	-	58
Contra Costa County	262	334	160	2,617	3,373	154	89	23	605	871	154	87	17	258
Share of County Total	8%	10%	5%	78%	100%	18%	10%	3%	69%	100%	60%	34%	7%	100%
Share of Regional Total	12%	18%	12%	10%	11%	8%	9%	4%	4%	4%	8%	9%	7%	8%
Marin County														
Belvedere	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corte Madera	4	1	5	15	25	-	-	-	-	-	-	-	-	-
Fairfax	2	8	2	1	13	-	-	-	-	-	-	-	-	-
Larkspur	-	-	-	3	3	-	-	-	2	2	-	-	-	-
Marin County	7	1	-	63	71	-	-	-	-	-	-	-	-	-
Mill Valley	3	2	4	3	12	-	-	-	-	-	-	-	-	-
Novato	8	2	-	6	16	-	-	-	-	-	-	-	-	-
Ross	2	1	2	2	7	-	-	-	-	-	-	-	-	-
San Anselmo	1	1	4	4	10	-	-	-	-	-	-	-	-	-
San Rafael	-	19	3	16	38	-	5	-	2	7	-	-	-	-
Sausalito	-	1	-	-	1	-	-	-	-	-	-	-	-	-
Tiburon	-	-	1	1	2	-	-	-	-	-	-	-	-	-
Marin County	27	36	21	114	198	-	5	-	4	9	-	-	-	-
Share of County Total	14%	18%	11%	58%	100%	0%	56%	0%	44%	100%	-	-	-	-
Share of Regional Total	1%	2%	2%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Napa County														
American Canyon	49	21	1	1	72	49	20	-	1	70	49	20	-	69
Calistoga	23	7	4	12	46	-	-	-	-	-	-	-	-	-
Napa	-	6	5	108	119	-	-	-	-	-	-	-	-	-
Napa County	-	-	1	2	3	-	-	-	-	-	-	-	-	-
Saint Helena	-	-	-	17	17	-	-	-	-	-	-	-	-	-
Yountville	-	-	4	2	6	-	-	-	-	-	-	-	-	-
Napa County	72	34	15	142	263	49	20	-	1	70	49	20	-	69

		All New Units					New Units in Priority Development Areas (PDAs) and/or Transit Priority Areas (TPAs)					New Units Qualifying for MTC's Housing Incentive Pool (HIP) Program			
												New Units in PDAs and/or TPAs that are Deed-Restricted			
Jurisdiction		Very Low	Low	Moderate	Above Moderate	Total	Very Low	Low	Moderate	Above Moderate	Total	Very Low	Low	Moderate	Total
Share of County Total		27%	13%	6%	54%	100%	70%	29%	0%	1%	100%	71%	29%	0%	100%
Share of Regional Total		3%	2%	1%	1%	1%	3%	2%	0%	0%	0%	3%	2%	0%	2%
San Francisco County															
San Francisco		920	736	446	5,693	7,795	920	736	440	5,682	7,778	920	736	127	1,783
San Francisco County		920	736	446	5,693	7,795	920	736	440	5,682	7,778	920	736	127	1,783
Share of County Total		12%	9%	6%	73%	100%	12%	9%	6%	73%	100%	52%	41%	7%	100%
Share of Regional Total		40%	40%	33%	22%	25%	49%	72%	70%	35%	40%	50%	75%	51%	58%
San Mateo County															
Atherton		1	-	-	20	21	1	-	-	3	4	-	-	-	-
Belmont		-	-	12	5	17	-	-	3	2	5	-	-	-	-
Brisbane		-	-	5	12	17	-	-	-	-	-	-	-	-	-
Burlingame		-	-	-	8	8	-	-	-	5	5	-	-	-	-
Colma		-	-	-	8	8	-	-	-	8	8	-	-	-	-
Daly City		-	69	73	80	222	-	23	24	66	113	-	-	3	3
East Palo Alto		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foster City		9	31	9	222	271	-	-	-	-	-	-	-	-	-
Half Moon Bay		-	-	10	44	54	-	-	-	-	-	-	-	-	-
Hillsborough		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Menlo Park		29	17	2	300	348	2	1	2	22	27	-	1	2	3
Millbrae		1	2	-	6	9	-	-	-	1	1	-	-	-	-
Pacifica		-	-	-	14	14	-	-	-	-	-	-	-	-	-
Portola Valley		7	1	3	2	13	-	-	-	-	-	-	-	-	-
Redwood City		7	43	-	634	684	7	3	-	634	644	7	-	-	7
San Bruno		-	5	-	84	89	-	1	-	83	84	-	-	-	-
San Carlos		-	-	-	9	9	-	-	-	3	3	-	-	-	-
San Mateo		12	3	3	213	231	12	3	1	173	189	12	3	1	16
San Mateo County		7	35	-	96	138	-	3	-	4	7	-	-	-	-
South San Francisco		-	-	13	325	338	-	-	4	319	323	-	-	1	1
Woodside		4	1	1	16	22	-	-	-	-	-	-	-	-	-
San Mateo County		77	207	131	2,098	2,513	22	34	34	1,323	1,413	19	4	7	30
Share of County Total		3%	8%	5%	83%	100%	2%	2%	2%	94%	100%	63%	13%	23%	100%
Share of Regional Total		3%	11%	10%	8%	8%	1%	3%	5%	8%	7%	1%	0%	3%	1%

		All New Units					New Units in Priority Development Areas (PDAs) and/or Transit Priority Areas (TPAs)					New Units Qualifying for MTC's Housing Incentive Pool (HIP) Program			
												New Units in PDAs and/or TPAs that are Deed-Restricted			
Jurisdiction	Very Low	Low	Moderate	Above Moderate	Total	Very Low	Low	Moderate	Above Moderate	Total	Very Low	Low	Moderate	Total	
Santa Clara County															
Campbell	22	3	18	483	526	22	3	18	462	505	22	3	18	43	
Cupertino	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gilroy	-	-	6	115	121	-	-	1	1	2	-	-	-	-	
Los Altos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Los Altos Hills	7	9	3	50	69	-	-	-	-	-	-	-	-	-	
Los Gatos	-	-	30	26	56	-	-	2	5	7	-	-	1	1	
Milpitas	-	-	-	1,039	1,039	-	-	-	897	897	-	-	-	-	
Monte Sereno	13	-	1	6	20	-	-	-	-	-	-	-	-	-	
Morgan Hill	14	15	25	252	306	14	9	2	62	87	14	9	2	25	
Mountain View	54	29	-	882	965	54	29	-	792	875	54	29	-	83	
Palo Alto	-	-	-	14	14	-	-	-	1	1	-	-	-	-	
San Jose	245	-	-	1,230	1,475	215	-	-	1,003	1,218	215	-	-	215	
Santa Clara	-	-	8	806	814	-	-	7	44	51	-	-	7	7	
Saratoga	-	4	4	-	8	-	-	-	-	-	-	-	-	-	
Sunnyvale	73	19	95	847	1,034	73	19	56	720	868	73	19	54	146	
Santa Clara County	428	79	190	5,750	6,447	378	60	86	3,987	4,511	378	60	82	520	
Share of County Total	7%	1%	3%	89%	100%	8%	1%	2%	88%	100%	73%	12%	16%	100%	
Share of Regional Total	19%	4%	14%	22%	20%	20%	6%	14%	25%	23%	20%	6%	33%	17%	
Solano County															
Benicia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dixon	-	-	14	27	41	-	-	-	1	1	-	-	-	-	
Fairfield	-	-	1	592	593	-	-	-	3	3	-	-	-	-	
Rio Vista	-	-	3	222	225	-	-	-	-	-	-	-	-	-	
Solano County	-	5	1	3	9	-	-	-	-	-	-	-	-	-	
Suisun City	-	-	-	11	11	-	-	-	-	-	-	-	-	-	
Vacaville	-	-	-	249	249	-	-	-	-	-	-	-	-	-	
Vallejo	-	-	-	86	86	-	-	-	-	-	-	-	-	-	
Solano County	-	5	19	1,190	1,214	-	-	-	4	4	-	-	-	-	
Share of County Total	0%	0%	2%	98%	100%	0%	0%	0%	100%	100%	-	-	-	-	
Share of Regional Total	0%	0%	1%	5%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	

											New Units Qualifying for MTC's Housing Incentive Pool (HIP) Program			
						New Units in Priority Development Areas (PDAs) and/or Transit Priority Areas (TPAs)					New Units in PDAs and/or TPAs that are Deed-Restricted			
Jurisdiction	All New Units					Very Low	Low	Moderate	Above Moderate	Total	Very Low	Low	Moderate	Total
	Very Low	Low	Moderate	Above Moderate	Total	Very Low	Low	Moderate	Above Moderate	Total	Very Low	Low	Moderate	Total
Sonoma County														
Cloverdale	-	-	-	40	40	-	-	-	16	16	-	-	-	-
Cotati	1	3	2	3	9	-	1	1	-	2	-	-	-	-
Healdsburg	-	-	1	-	1	-	-	-	-	-	-	-	-	-
Petaluma	-	-	8	101	109	-	-	-	-	-	-	-	-	-
Rohnert Park	-	-	5	493	498	-	-	-	-	-	-	-	-	-
Santa Rosa	83	29	53	404	569	56	23	18	140	237	56	23	-	79
Sebastopol	4	5	4	11	24	-	3	4	6	13	-	-	-	-
Sonoma	-	14	10	15	39	-	-	-	-	-	-	-	-	-
Sonoma County	52	165	153	607	977	-	-	-	24	24	-	-	-	-
Windsor	-	-	-	6	6	-	-	-	1	1	-	-	-	-
Sonoma County	140	216	236	1,680	2,272	56	27	23	187	293	56	23	-	79
Share of County Total	6%	10%	10%	74%	100%	19%	9%	8%	64%	100%	-	-	-	-
Share of Regional Total	6%	12%	18%	6%	7%	3%	3%	4%	1%	1%	3%	2%	0%	3%
Regional Total	2,274	1,820	1,335	26,254	31,683	1,860	1,020	630	16,047	19,557	1,844	975	247	3,066
Share of Regional Total	7%	6%	4%	83%	100%	10%	5%	3%	82%	100%	60%	32%	8%	100%

Certificate of occupancy data from California Department of Housing and Community Development (HCD) from local jurisdictions Housing Element Annual Progress Reports; data compiled and analyzed by MTC staff to confirm spatial relationship with PDAs/TPAs.

Housing Incentive Pool (HIP) Unit Qualifying Criteria

- The HIP program compiles eligible units from 2018 through 2022.
- Newly built or preserved units must be affordable to households at the very low-, low-, or moderate-income levels.
- Newly built or preserved units must be located in Priority Development Areas (PDAs) and/or Transit Priority Areas (TPAs).
- Newly built or preserved units must be deed-restricted.
- Newly built units are measured by certificates of occupancy submitted to California Department of Housing and Community Development through a jurisdiction's Housing Element Annual Progress Report.

- Preserved units must be: (1) 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 (2) The acquisition/preservation of existing unrestricted multi-family affordable housing units upon which restrictions are newly placed.
- 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.