HOUSING ELEMENT
APPENDIX F

Principles and Guidelines for Program Eligibility for Self Certification
(As adopted by SANDAG Housing Element Advisory Committee)

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PRINCIPLES AND GUIDELINES FOR PROGRAM ELIGIBILITY FOR SELF-CERTIFICATION

The following principles and guidelines were prepared by SANDAG's Housing Element Advisory Committee and approved by SANDAG for use by local jurisdiction staff in determining which programs may be counted towards the affordable housing goals for self-certification of their housing elements. A list of examples of the programs that count or do not count is also included. The list is not exclusive. These principles and guidelines are for use for both the 1991-1999 and 1999-2004 housing element cycles.

The principles and guidelines recognize a variety of types of housing programs and opportunities that jurisdictions can provide to assist low, very low, or extremely low (also referred to as low) income households. Assessing progress towards meeting the affordable housing goals for self-certification is the responsibility of each jurisdiction, as is the self-certification process. These principles and guidelines, and the list of program examples are to be used by jurisdictions in determining whether they have met their affordable housing goals during the previous housing element cycle, and reflect the requirements of subdivision (c)(3) of Section 65585.1 of the Health and Safety Code. State law only allows jurisdictions to "count each additional lower income household provided with affordable housing costs."

Principles

1. Jurisdictions may count each additional affordable housing opportunity provided for low income households towards their affordable housing goals for the applicable housing element cycle, in accordance with the Credit System for Measuring Performance.
2. Flexibility is provided to local jurisdictions in how they meet their affordable housing needs. Credit may be claimed for: new construction, acquisition, rehabilitation, rental or ownership assistance and preservation of the availability to lower income households of affordable housing units which are assisted, subsidized, or restricted by a public entity and are threatened with imminent conversion to market rate housing.
3. Housing opportunities counted must serve only low, very low, or extremely low income households, between 51-80 percent, 31-50 percent or, at below 30 percent of the region's median income adjusted for household size, respectively.
4. Measures must be in place to assure that the units counted remain affordable.
5. Local jurisdiction administrative burdens related to self-certification should be minimized.

Guidelines

6. "Affordable housing costs are defined in Section 6918 for renters, and in Section 6920 for purchasers, of Title 25 of the California Code of Regulations, and in Sections 50052.5 and 50053 of the Health and Safety Code, or by the applicable funding source or program." (Section 65585.1(c)(2) of the Health and Safety Code) For extremely low income households, the definition of affordable housing costs is 30 percent of 30 percent of area median income adjusted for household size.

   For renters assisted using local regulatory measures, and local homeownership assistance or owner-occupied rehabilitation programs, housing costs for low income households shall not exceed 30 percent of 80 percent of area median income adjusted for household size. For renters assisted with rent subsidies or units provided with an ongoing subsidy to the property owner, affordability is defined in Section 6918 of Title 25 of the California Code of Regulations and Section 50053 of the California Health and Safety code. (All other types of subsidy are considered regulatory in nature.)

   For homeownership assistance such as the federal HOME program and mortgage credit certificates, the program regulations capping the cost of the dwelling unit and/or the lender's loan underwriting standards define affordability.

7. For homebuyer programs, the sales price of the unit should not exceed three times the household income.

8. Occupancy of new units, or certificates of inspection or affordability of existing units began during the housing element cycle.

9. Units should be counted not households. Households may be counted for shared housing programs, transitional housing and group homes (when the capacity of the unit is more than one household), and rental subsidy programs.

10. For group homes and transitional housing, a jurisdiction should determine the capacity of the dwelling unit by assessing the typical number of households occupying the dwelling, but in no case shall the number of households credited exceed the number of bedrooms.

11. Rental units shall be income and affordability restricted for at least five years.

12. Any program that extends affordability only counts when the extension will impose income and affordability restrictions for at least an additional 30 years unless specified by federal or state funding sources.

13. Second dwelling units shall count only if the units are rented at an affordable housing cost to a low income household.

14. Owner-occupied rehabilitation shall count only if the household assisted is low income, the rehabilitation done is substantial (i.e., a substandard unit is made standard), and the household is paying affordable housing costs or the rehabilitation results in an increase in affordability.
15. Only the net increase in households assisted through rental assistance or mobile home rent programs may be counted.
16. For homebuyer programs, affordability and income eligibility shall be verified at time of sale; however, covenants are not required to assure ongoing income eligibility and affordability provided program funds are recycled.
17. Transitional housing opportunities should be counted based on the household capacity of the dwelling unit.
18. Credit for programs/units may be shared on a voluntary basis if there is joint participation and agreement.
19. For the 5 year housing element cycle, only the net increase in low, very low, and extremely low income households paying affordable housing costs who are placed in shared housing may be counted. The number of shared households assisted for the 5 year cycle would be calculated as follows: Total number of low income households assisted (expressed in total number of months of assistance) divided by 60 months.

Examples of Programs that Count*	Examples of Programs that Do Not Count***
1. Units funded by State Mobile Home Resident Owner program 2. Inclusionary and density bonus units 3. Conversion from commercial/industrial to residential 4. Units funded with tax credits 5 Transitional housing opportunities in a permanent dwelling unit (includes opportunities for persons with special needs) 6 236 and 221(d)(3) units that have received extended affordability 7. Farmworker housing 8. Section 202 – new rental housing 9. Rent subsidy programs including new competitively funded federal rental assistance** 10. Rental rehabilitation/ acquisition with rent restriction 11. Second dwelling units/illegal unit conversion 12. Mobile home rent programs 13. Single room occupancy units (SROs) 14. Housing bonds/refinance 15. First-time homebuyer programs 16. Mortgage credit certificates 17. Shared housing operated by a non-profit and funded by a jurisdiction 18. Owner-occupied rehabilitation of substandard units * Jurisdictions should refer to the principles and guidelines to determine whether a particular program should be counted. ** The net increase in Section 8 certificates and vouchers may be counted during the 1991-99 housing element cycle. For the 1999-2004 cycle, only new competitively funded federal rental assistance may count.	1. Inclement weather shelter facilities 2. Market rate units unless affordability is guaranteed and occupants are income eligible 3. Rental rehabilitation without rent restrictions 4. FEMA shelter vouchers 5. Cosmetic rehabilitation and fix-up/paint programs 6. Dormitory style housing facilities and nursing homes *** Though these programs do not count towards the affordable housing goals for self-certification, they are recognized as programs that address important housing needs.