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December 4, 2022

To: City Council

Re: Appropriate Fiscal Year 2022 Preliminary General Fund Operating Surplus and Adopt Reserve Policy (Resolutions)
(December 6, 2022 Council Agenda, Item 20)

Mayor Rowse and Council Members,

Allied Neighborhoods Association appreciates the opportunity to provide comment on the above agenda item.

As background to our comments please know Allied has members who follow the annual budget hearings, Finance Committee meetings and other Council meetings related to General Fund finances. The Finance Committee meetings on the Fiscal Sustainability Initiative so far have been informative, especially the presentation by the Housing Authority of the City of Santa Barbara and following Q & A and discussion. We highly recommend watching this meeting.

As we are all familiar with, in the City of Santa Barbara we have a **housing affordability crisis**. This has a huge effect on both private and public employers' ability to attract and retain workers and the ability of longtime residents to continue to live in their hometown.

As we are also all too familiar with, housing production in Moderate, Low, and Extremely Low income categories in our RHNA 5th Cycle (ending Feb. 2023) is woefully low.

Our recommendation is to make an allocation from the FY 2022 General Fund budget surplus to the City's new Affordable Housing Trust Fund.

As we heard from the Housing Authority (at the Finance Committee meeting mentioned above), the Housing Authority needs to show City monetary contribution to score high to get federal tax credit financing.

The City needs to show its monetary commitment to Affordable income-restricted/price-restricted housing, both to help the Housing Authority (for example) obtain tax credit financing and leverage the money, and to attract philanthropic donations.

We look forward to your deliberations.

Thank you for consideration of our comments.

Sincerely,
Allied Neighborhoods Association

Cc: Keith DeMartini
Rebecca Bjork
Elias Isaacson
Daniel Gullett