

CEDC Memorandum

To: Jeff Lambert
CC: Inclusionary Housing Committee
From: Nancy Conk
Date: 2/4/2014
Re: Sample IZ ordinances

I have been researching inclusionary ordinances from jurisdictions that I think the City would reasonably consider peers in terms of population, median income and desirability. I can't say that I found a single ordinance that I consider ideal, but there are four that have policies that are fairly consistent and are alternatives to Oxnard or Santa Barbara as models: Carlsbad, Santa Monica, Pasadena and San Mateo County.

Location

Carlsbad - The City Council may approve alternatives to the construction of new inclusionary units where the proposed alternative supports specific Housing Element policies and goals and assists the City in meeting its state housing requirements. Such determination shall be based on findings that new construction would be infeasible or present unreasonable hardship in light of such factors as project size, site constraints, market competition, price and product type disparity, developer capability, and financial subsidies available. Alternatives may include, but are not limited to, acquisition and rehabilitation of affordable units, conversion of existing market units to affordable units, construction of special needs housing projects or programs (shelters, transitional housing, etc.), and the construction of second dwelling units (with the income and rent limitations set forth in the Ordinance).

Pasadena - *Off-site units*. Upon application by the Developer and at the discretion of the Director, the Developer may satisfy the requirement of providing Inclusionary Units as part of the Residential Development, in whole or in part, by constructing or Substantially Rehabilitating the required Inclusionary Units at a site different than the site of the Residential Development.

Land Donation. Upon application by the Developer and at the discretion of the Director, the Developer may satisfy the requirement of providing Inclusionary Units as part of the Residential Development, in whole or in part, by a conveyance of land to the City for the construction of the required Inclusionary Units.

Santa Monica - The following requirements must be met to satisfy the off site option of this Chapter:

- a. The multi family project applicant for ownership projects of four or more units in multi family residential districts shall agree to construct twenty five percent more affordable housing units than number of affordable housing units required by Section 9 56 050 a and b
- b. For all other multi family project applicants the applicant shall agree to construct the same number of affordable housing units as specified in Section 9 56 050 c
- c. The multi family project applicant shall identify an alternate site suitable for residential housing which the project applicant either owns or has site control over e g purchase agreement option to purchase lease subject to City review to ensure that the proposed development is consistent with the City s housing objectives and projects
- d. The off site units shall be located within a one quarter mile radius of the market rate units
- e. The off site units shall satisfy the requirements of subsections d through j of Section 9 56 050
- f. The off site units shall not count towards the satisfaction of any affordable housing obligation that development of the alternative site with market rate units would otherwise be subject to pursuant to this Chapter
- g. Exceptions to the location of the off site units specified in this Section may be granted by the Planning Commission on a case by case basis upon a showing by the multi family project applicant based upon substantial evidence that the location of off site units in a location different from that specified in this Section better accomplishes the goals of this Chapter including maximizing affordable housing production and dispersing affordable housing throughout the City

San Mateo - Transfer to alternative Development Site - A developer who is developing more than one project in the unincorporated area may be allowed to transfer the obligation for inclusionary units from one development to another if the units transferred to another location are targeted to meet the same goals (number of units, affordability level) that they would have had to meet if they were built on the subject site. This option will only be allowed if the alternative development occurs prior to or concurrently with the development of market-rate units on the subject site.

Land Dedication - Land dedication may be allowed as an option if the site being dedicated is in the unincorporated area, is of equal or greater value than the amount of the in-lieu fee specified by this section, and is physically suitable and has infrastructure adequate to support development that meets the inclusionary

requirement applicable to the subject development site. Sufficient resources must be available to assure production of the units by the County or its agent.

Fabrication/Design

Carlsbad - The design of the inclusionary units shall be reasonably consistent or compatible with the design of the total project development in terms of appearance, materials and finished quality. Inclusionary projects shall provide a mix of number of bedrooms in the affordable dwelling units in response to affordable housing demand priorities of the City.

Pasadena - All Inclusionary Units shall be reasonably dispersed throughout the Residential Development; shall be proportional, in number, bedroom size and location, to the Market Rate Units; and shall be comparable with the Market Rate Units in terms of the base design, appearance, materials and finished quality.

Santa Monica - The multi family project applicant may reduce either the size or interior amenities of the affordable housing units as long as there are not significant identifiable differences between affordable housing units and market rate units visible from the exterior of the dwelling units provided that all dwelling units conform to the requirements of the applicable

San Mateo – a. Inclusionary units in a residential development shall be constructed concurrently with market-rate units. Where the phasing of construction is necessary, each phase shall provide the required ratio of inclusionary units to San Mateo County Inclusionary Housing Ordinance Effective April 16, 2004 market-rate units to ensure that the inclusionary units are made available for sale or rent at the same time as the market-rate units.

b. Inclusionary units shall be integrated into the overall design and distributed throughout the development. The units shall be generally the same size as the market-rate units and their exterior materials and appointments shall be architecturally compatible with the market-rate units in the development.

c. The mix of unit sizes and bedroom counts in the inclusionary units should be proportional to the mix of unit sizes and bedroom counts provided in the market rate units (i.e., if 50% of the market rate units are two bedroom units, 50% of the inclusionary units should be two bedroom units).

Fees

Carlsbad – only applies to projects of 6 units or less. Carlsbad just commissioned a nexus study for an affordable housing impact fee in anticipation of Court rulings that prohibit in lieu fees. Their preference is for the units to be built or fund affordable

units within a non-profit developed affordable housing development. Priority is on multi-family rental housing.

Pasadena - In Lieu Fee. At the discretion of the Developer, payment of a fee in lieu of all or some of the Inclusionary Units, as follows:

1. The amount of the fee shall be calculated using the fee schedule established by resolution of the City Council.

Santa Monica - A multi family project applicant eligible to meet the affordable housing obligations established by this Chapter by paying an affordable housing fee shall pay the fee in accordance with the following requirements

a An affordable housing fee may be paid in accordance with the following formulas

1 Affordable housing unit base fee x floor area of multi family project

2 Multi family projects with fractional affordable housing units of less than 0.75 based on the formula established in Section 9.56.050 City's affordable housing x fractional percentage unit development cost

b For purposes of this Section the affordable housing unit base fee shall be established by resolution of the City Council. Commencing on July 1, 2006 and on July 1st of each fiscal year thereafter the affordable housing unit base fee shall be adjusted based on changes in construction costs and land costs

Land Acquisition - A multi family project applicant may meet the affordable housing obligations established by this Chapter by making an irrevocable offer

- a. dedicating land to the City or a non profit housing provider
- b. selling of land to the City or a non profit housing provider at below market value or
- c. optioning of land on behalf of the City or a non profit housing provider
- d. The multi family project applicant must identify the land at the time that the development application is filed with the City. Any land offered pursuant to this Section must be located within one quarter mile radius of the market rate units unless the multi family project applicant demonstrates that locating the land outside of this radius better accomplishes the goals of this Chapter

San Mateo - In-Lieu Fee Option for Developments of 5 to 9 Units - The payment of an in-lieu fee may be allowed for developments creating 5 to 9 units. The in-lieu fees shall be deposited in a county housing fund for use by the County, or its contracted profit or non-profit housing organization, to support affordable housing programs in the County. The in-lieu fee shall equal a percentage of the estimated cost to construct all the inclusionary units that would otherwise be required for each residential development pursuant to Section 7911.

February 4, 2014