

# The Kennedy Commission

## Toolbox/ Best Practices for Affordable Housing Development

**Goal 1:** To create clear meaningful policies and tools that prioritize and advance concrete goals for balanced housing development.

**Goal 2:** To create a strategic plan that sets housing goals and policies for the production of low, very low and extremely low income units that are not produced by the market. To address low, very low and extremely low income housing needs, the development of rental units needs to be encouraged.

**Goal 3:** To identify and dedicate housing funds and in lieu fees for the development of low and very low income units.

Best Practices	Model
<p><b>Affordable Family Housing Overlay</b> The ordinance provides by-right incentives of certain development standards in exchange for a dedication of 20% units as affordable family housing units at very low income.</p>	<p><b>City of Anaheim (2004 &amp; 2006)</b> Affordable Family Housing Ordinance -by right development standards and administrative approval in exchange of a minimum of 20% affordable housing units. The overlay applies to existing land use designations that allow for multi-family development. Incentives for developers include: building height increase, set back reduction, and alternative parking requirements.</p> <p><b>County of Orange (2006)</b> Housing Opportunities Overlay - allows residential development on underutilized commercial and industrial sites in unincorporated areas of the county as long as development is 100% affordable to low income families.</p>
<p><b>Implementation of Density Bonus Law SB1818</b> New requirements for Density Bonus through SB1818 establishes a number of affordable units that a developer must provide in order to increase residential densities and be eligible for additional incentives.</p> <p>Most Orange County cities need to update their Density Bonus.</p>	<p><b>SB1818</b></p> <ol style="list-style-type: none"> <li>1) If at least 5% of units are affordable to Very Low income households or 10% of units are affordable to Low income households, then the project is eligible for a 20% density bonus.</li> <li>2) If the project meets the minimum criteria for a density bonus, the developer is entitled concessions and incentives.</li> <li>3) Developers may request the waiver of an unlimited number of “development standards” by showing that the waivers are needed to make the project economically feasible.</li> </ol>

<p><b>Affordable Housing Overlay Zoning on Commercial/Industrial Areas</b>  Facilitates affordable housing developments on underutilized commercial and industrial zoned areas. The ordinance allows for residential development and allows for concessions and incentives in exchange for a level of affordability.</p> <p>Within the overlay zone, affordable housing developments should be eligible for (a) by-right residential development, (b) multifamily development on commercial sites, (c) waivers of local fees, and (d) subject to overall design review, relaxation of certain development standards (i.e. parking, setbacks, height).</p>	<p><b>Town of Corte Madera</b>  - utilizes “exclusive affordable housing zone” which requires the development of a substantial percentage of affordable units on affected sites. It ensures that identified sites are preserved for affordable housing.</p> <p><b>County of Orange</b>  - allows for rental housing development on industrial/commercial if development is proposed as 100% affordable.</p>
<p><b>Mixed Income Housing Ordinance</b>  Create mixed income housing opportunities by requesting 15% of all new housing construction projected through build-out will result in affordable units.</p>	<p><b>City of Irvine</b>  - allows developers the option of satisfying the 15% requirement by building affordable units (onsite/off-site), paying equivalent in-lieu fees, or donating land of equivalent value.</p> <p><b>Cities with similar requirements:</b>  City of Brea  City of San Clemente  City of Pasadena</p>
<p><b>Redevelopment Set-Aside Funds</b>  Increase Redevelopment Agency’s housing set aside funds from redevelopment project areas to produce affordable units</p>	<p><b>City of Anaheim (2006)</b>  - extended life of redevelopment areas and increased housing set-aside funds to 30%, with a focus on Low and Very Low income units</p> <p><b>City of Irvine (2006)</b>  - redevelopment 20 percent housing set-aside funds will be generated from the Orange County Great Park project area. It will generate approximately \$143 million over the next 40 years.</p>

<p><b>Affordable Housing Trust Fund</b>  Creation of funds that permanently dedicate a source of public revenue to support the production and preservation of affordable housing.</p>	<p><b>Housing Trust of Santa Clara County</b>  - a public/private partnership between government and corporations to expand affordable housing opportunities through the creation of a permanent housing fund. The Trust has committed \$9 million in funding to multifamily affordable rental and homeless/special needs developments (2005).</p> <p><b>Orange County Housing Trust</b>  - provides opportunities for the private sector to fund affordable housing developments.</p>
<p><b>Affordable Housing Land Trust</b>  A public/private partnership between government and corporations dedicated to acquire land for affordable housing and then facilitate the creation of permanently affordable housing on these sites.</p>	<p><b>City of Irvine</b>  Community Land Trust:  1) retain ownership of land (either donated or purchased) and lease the land to the owner of the improvements for the creation of affordable housing;  2) retain both the ownership of the land and the right to repurchase the improvements in the future at a formula-determined price, enabling the units to be re-sold or re-rented at affordable prices in perpetuity and  3) facilitate the creation of affordable housing designed to serve special needs populations.</p>
<p><b>Implementation of Jobs/Housing Linkage Programs</b>  Include fees or other requirements that local governments place on new industrial, commercial and office developments to offset the impact that new employment has on housing needs within a community. The collected fees will be used to support affordable housing developments.</p>	<p><b>City of Milpitas</b>  - requires business developers to provide market-rate and/or affordable housing to mitigate new housing created by their new job employment.</p>
<p><b>SB 2 Implementation/ Homeless Planning</b>  Requires jurisdictions to identify specific sites with by-right zoning for homeless shelters, transitional housing and special needs facilities</p>	<p>Just signed into law and all jurisdictions in California need to implement SB2 in their Housing Element by 2008.</p>

<p><b>Housing Preservation Programs</b></p> <p>1) Rent Control- regulation that restricts the amount of rent landlords can charge tenants</p> <p>2) Condominium Conversion- cities should discourage apartment conversion to condominium without an impact analysis to the housing stock.</p>	<p><b>Santa Monica:</b>  Santa Monica Rent Control Board  - September 2007: landlords were allowed to increase rents by 2.3% for all eligible units.</p>
<p><b>Housing Element</b></p> <p>In California, municipalities are required by law to plan for their fair share of affordable housing for all economic segments of the community. Cities are required to produce a Housing Element to address housing needs at all income segments through measurable goals, policies and commitments. Housing Elements are due to the California Housing and Community Development Department by June 2008.</p>	<p><b>Kennedy Commission- Gaining Ground Campaign</b>  Housing Element Campaign</p> <ul style="list-style-type: none"> <li>- Establish housing programs &amp; policies</li> <li>- Identify properly zoned land to meet RHNA needs</li> <li>- Analysis on barriers &amp; solutions to affordable housing</li> <li>- City funding to promoting affordable housing</li> <li>- Community participation in Housing Element process</li> </ul>

**NOTE: For more information on best practices and models on affordable housing, please contact Cesar Covarrubias at [cesarc@kennedycommission.org](mailto:cesarc@kennedycommission.org) or (949) 250-0909.**