

CC 5-11-2021

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# Housing Element Study Session

Presentation



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## Agenda

- Welcome and Introductions
- Review of Study Session #1
- Overview of Housing Element
  - Timeline
- Programs and Policies
  - Adequate housing sites
  - Other programs and policies
- Best Practices
- Discussion

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## Introductions: Baird and Driskell Community Planning

Joshua Abrams



Paul Peninger

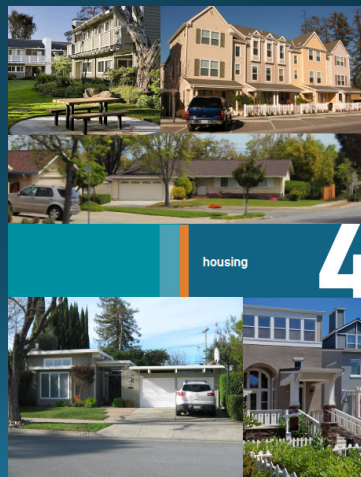


- Small, Bay Area firm specializing in assisting local cities
- Staff to the Santa Clara County Planning Collaborative

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## Review: What is a Housing Element?

1. Required element of the General Plan
2. Updated every 8 years
3. Plan for accommodating housing needs for all segments of the community
4. Opportunity to create local housing strategies



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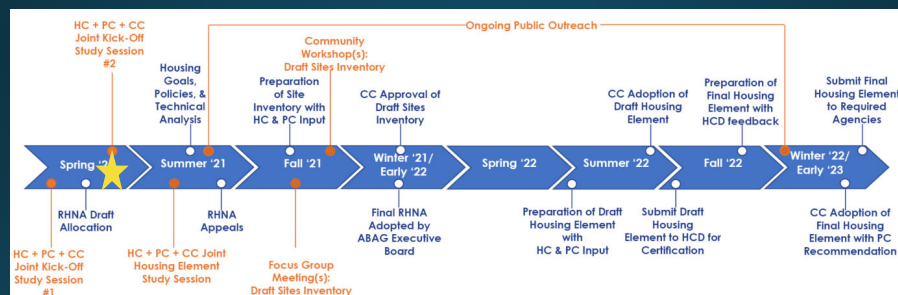
## Review: Structure of the Housing Element

- 1) Public Participation
- 2) Reviewing Previous Element
- 3) Housing Needs
- 4) Government and Non-Governmental Constraints
- 5) Sites Inventory and Analysis
- 6) Goals, Programs and Policies



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## Housing Element Timeline



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## Program and Policies Section



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## Required Programs and Policies

1. Programs to provide **Adequate Sites**
2. Programs to **Assist Lower-Income Housing Development**
3. Programs to Address Housing **Constraints**
4. Programs to **Conserve and Improve the Housing Stock**
5. Programs to **Affirmatively Further Fair Housing**
6. Programs to **Preserve "at risk" Units**
7. Programs for **ADUs/Second Units**

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## 1. Adequate Sites Policies and Programs

- ❑ Higher RHNA to Plan for than in Past Period
- ❑ Appeals Process to Initiate Soon

Draft RHNA for Cupertino May, 2021	#	%
Lower-Income (up to 80% AMI)	1,880	41.0%
Moderate-Income (80-120% AMI)	755	16.5%
Above Moderate Income (>120% AMI)	1,953	42.6%
Total	4,588	100.0%
Source: ABAG, May, 2021.		

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## 1. Sites Policies/Programs

**Address difficult to develop sites/ adopt strategies for...**

- ❑ “Non-Vacant” Sites
- ❑ Currently Occupied Mixed-Use Sites (e.g. existing underutilized office and retail)
- ❑ Small (less than .5 Acres) and Large (more than 10 Acres) Sites

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## Non-Vacant Sites

- Sites with an existing use (broadly defined)
- Often underutilized commercial sites
- Analysis: show why the existing uses don't constitute an impediment to lower-income housing development



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## Non-Vacant Sites - Possible Strategies

- Identify and target specific financial resources
- Allow streamlined or “by right” development application processing
- Adjust development standards as appropriate

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## Mixed-Use Sites

- ❑ Sites zoned for more than one use, including housing
- ❑ Analysis: show how housing is possible/feasible in planning period



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## Mixed-Use Sites: Possible Incentives

- ❑ Relax/Adjust development standards for mixed use development projects that include an affordable housing component
- ❑ Allow higher building intensities, reduced parking requirements, reduced set-back and yard requirements, increased building height, and greater floor area ratios

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## Small Sites (less than .5 Acres)

- Small size can be an impediment to lower-income housing development.
- Must accommodate at least 16 total units
- Analysis : show how sites can be used during planning period by example or through policies like site consolidation



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## Small Sites: Possible Strategies

- ☐ Adopt graduated density policy where allowed density is increased as site size increases
- ☐ Defer fees specifically for consolidation
- ☐ Expedite permit processing
- ☐ Provide flexible development standards such as setback requirements
- ☐ Reduce parking requirements
- ☐ Dedicate resources for development of affordable housing
- ☐ Increase allowable density, lot coverage or floor area ratio

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## Sites: Program for Sites Identified in Previous Housing Elements

- ❑ **Vacant sites**, identified in both of the previous two Housing Element updates (cycles 4 and 5), must be developable “by right” if used to accommodate lower income housing
- ❑ **Non-vacant sites** identified in the current (5<sup>th</sup> cycle) Housing Element will need to be rezoned to be developable “by right”

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## Sites: No Net Loss

- ❑ No Net Loss Law (Government Code section 65863) requires adequate sites be maintained *throughout* the planning period
- ❑ If a housing development project is proposed on a site designated for lower income housing where fewer lower income units are proposed than shown then....
  - ❑ Demonstrate that adequate sites remain to accommodate the City's lower income needs
  - ❑ If there are inadequate remaining sites, upzone another site within 180 days
- ❑ Build in a buffer to address this! 30% is common

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## Sites: Program to Accommodate Shortfall of Adequate Sites

- ❑ Program to rezone sufficient sites within three years to accommodate RHNA at all income levels.
- ❑ If City completes zoning after adoption of Housing Element, sites designated for lower income housing will need to permit “by right” development.

However, “by right” zoning is not required if rezoning is completed in advance of housing element adoption

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## 2. Programs to Assist Development of Lower-Income Housing

- ❑ Financial assistance for developers of affordable housing,
- ❑ Regulatory policies to facilitate and streamline development for housing serving lower-income households.

Current Cupertino policies include allowing waivers for park land dedication and BMR fees for affordable housing units, as a financial incentive to developers.

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### 3. Programs to Address Constraints

- Governmental Constraints, for example:
  - Regulatory and process constraints
  - Infrastructure Constraints
  - Constraint to Special Needs Housing
- Non-Governmental Constraints, for example:
  - Market and financial feasibility constraints
  - Land Costs
  - Environmental Constraints

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### 4. Programs to Conserve and Improve the Housing Stock

- Maintenance and Repair Programs
- Acquisition and Rehabilitation of Existing Rental Housing

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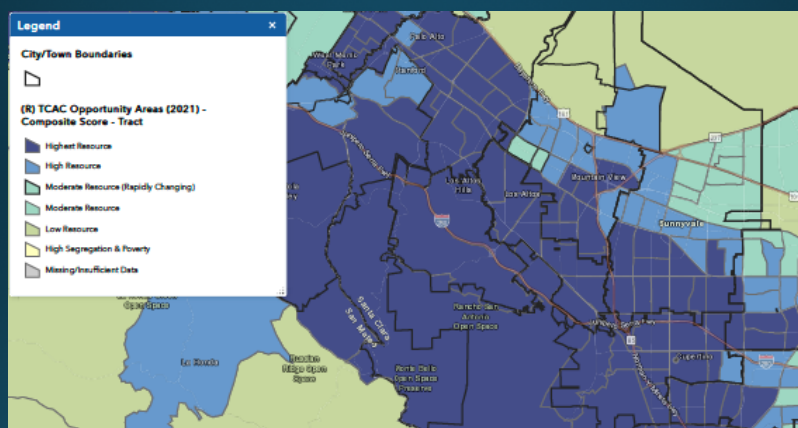


## 5. Programs to Affirmatively Further Fair Housing

- ❑ New Guidance just released:  
[https://www.hcd.ca.gov/community-development/affh/docs/affh\\_document\\_final\\_4-27-2021.pdf#page=7](https://www.hcd.ca.gov/community-development/affh/docs/affh_document_final_4-27-2021.pdf#page=7)
- ❑ Ensure that that new housing is not disproportionately put in low-income communities of color
- ❑ Identify suitable sites for low-income housing in high opportunity areas

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## AFFH Data Viewer for Cupertino



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## 6. Programs to Preserve Units at Risk of Conversion

- ❑ 97 Units with expiring rental restrictions/covenants in next 10 + years
- ❑ Staff working to identify financial and other policies to help preserve them

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## 7. Programs to Incentivize Accessory Dwelling Units

- ❑ Financial incentives
- ❑ Regulatory/Process Incentives
- ❑ Programs to encourage lower- and moderate-income ADU production

### Program 12: Accessory Dwelling Units (ADUs)

Accessory Dwelling Unit (ADU) represents an important affordable housing option to lower and moderate income households. The State has passed multiple bills in recent years to remove constraints to the development ADUs (including AB 587, AB 671, AB 68, and SB 13, among others). The City is in the process of updating its ADU ordinance to comply with State law. As part of the outreach process for the ADU ordinance, the City will also explore the feasibility of tiny homes as an alternative affordable housing choice. In addition, the City will consider incentives and tools to facilitate ADU construction.

- |                               |   |
|-------------------------------|---|
| <b>Responsible Agencies:</b>  | • City of Imperial Beach Community Development Department   |
| <b>Financing:</b>             | • None required   |
| <b>Actions and Timeframe:</b> | <ul style="list-style-type: none"> <li>• Revise the Zoning Ordinance to update the ADU ordinance by the end of 2021.</li> <li>• Develop incentives and tools to facilitate ADU construction by April 2022. Incentives may include:               <ul style="list-style-type: none"> <li>- Fee waivers or reductions beyond State requirement;</li> <li>- Pre-approved site/floor plans; or</li> <li>- Website information on resources and technical assistance.</li> </ul> </li> </ul> |

**Quantified Objectives:** • Facilitate the construction of 200 ADUs over eight years.

*City of Imperial Beach, CA Housing Element, 2020*

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## Best Practices

- ❑ Regulatory and Process Improvements
- ❑ Funding Policies and Programs

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## Best Practices: Improve the Approvals Process

- ❑ Streamline the approval process
- ❑ Allow flexibility

City of San Diego Housing Element, 2020

### OBJECTIVE B: IMPLEMENT PERMITTING PROCESS IMPROVEMENTS

The time and cost to permit projects is often a top constraint cited by developers and housing advocates. The City annually updates the Municipal Code to make permitting easier across all levels of affordability and looks for other ways to make working with the City faster and easier.

#### POLICIES

- HE-B.1** Propose zoning and code changes to reduce average permit processing times while improving the quality of design and development.
- HE-B.2** Administer initiatives that prioritize affordable housing, especially units that are easier and faster to build.
- HE-B.3** Encourage innovation in the environmental review process for development projects.
- HE-B.4** Identify opportunities to reduce administrative burdens during permitting by, for example, automating processes, creating reference guides, and streamlining reviews.
- HE-B.5** Use the General Plan Maintenance Fee to help fund community plan updates, to provide more certainty in the development review process by enabling "by-right" ministerial project approvals. This should include the preparation of Programmatic EIRs, which can complete certain environmental analyses for entire communities to facilitate project-specific review.
- HE-B.6** Expand options for "self-certification" in certain aspects of the building permit application and building inspection processes for qualifying projects.

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## Best Practices: Streamline the Approval Process

### **Provide streamlined permitting review processes for affordable housing.**

For example, the City of San Diego has adopted a program that provides that 100% affordable housing will be processed a certain percentage faster or “Expressed,” without additional express processing fees

[https://www.sandiego.gov/sites/default/files/dsdi\\_b538.pdf](https://www.sandiego.gov/sites/default/files/dsdi_b538.pdf)

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## Best Practice: Allow Flexibility

- ❑ Encourage mixed-use development
- ❑ Establish minimum density requirements
- ❑ Remove or significantly increasing building height restrictions in designated Priority Development Areas
- ❑ Limit requirement for ground-floor retail to key nodes, and allow for residential uses on the ground floor in certain locations within designated Priority Development Areas

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## Best Practices: Funding Policies and Programs

Consider Augmenting Local Housing Sources such as....

- ❑ Private-Sector/Employer donations/support for specific programs
- ❑ Transient occupancy tax (requires two thirds vote)
- ❑ Real estate transfer tax (requires two thirds vote)
- ❑ General obligation bond (requires two thirds vote)
- ❑ County and/or other public sector agency funding

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## Best Practices: Funding Policies and Programs

Potential Uses:

- ❑ Land Assembly
- ❑ Affordable Developer NOFA

Examples:

- ❑ Cupertino's existing BMR NOFA process
- ❑ Pasadena land assembly program adopted by through which the city issues RFPs for the acquisition of sites for lower-income housing

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