


City of Brisbane

Planning Commission Agenda Report

TO: Planning Commission For the Meeting of 3/27/14

FROM: Tim Tune, Special Assistant, via  John Swiecki, Community Development Director

SUBJECT: **Housing Element Update Study Session #3-A: Chapter V, "Meeting Housing Needs"**

INTRODUCTION: The subject of the first half of this Housing Element Update Study Session is the inventory of resources relevant to meeting housing needs. As recommended by the Department of Housing and Community Development, we will be updating Chapter V, "Meeting Housing Needs," from the 2007-2014 Housing Element to bring current the descriptions of various potential housing programs from the past Housing Element and consider new ones.

HOUSING ELEMENT COMPONENTS: State law requires that the Housing Element include the following:

1. Inventory of Resources
 - A. Inventory of resources relevant to the meeting of housing needs. [CGC 65583(a)]

ANALYSIS: In updating Chapter V, "Meeting Housing Needs," the vast majority of the recommended changes (shown in red on the attachment) are simply intended to make current the descriptions of various ways in which the City may assist in improving the availability, affordability and quality of housing in the community.

The most substantial revisions (Sections V.2.1, V.3.3, V.3.5 & V.4.1) involve the dissolution of the Redevelopment Agency, the distribution of its property to the Successor Agency and the Brisbane Housing Authority, and the disposition of what is left of the Redevelopment Agency's Low and Moderate Income Housing Funds (currently \$861,920). Under State law (California Health and Safety Code Sections 34312 & 34312.3), housing authorities can construct, lease, operate and repair low-income housing projects; provide financing for the acquisition, construction and rehabilitation of low-income dwelling accommodations; issue tax-exempt bonds for low income housing; issue revenue bonds for multifamily rental housing; advise low and moderate income households regarding the purchase, rental, occupancy, maintenance, or repair of housing; and acquire, plan, construct and operate mobilehome parks with no less than 20 percent of the mobilehomes being designated for low income households. The City Attorney is currently researching the finer differences between what the Housing Authority is empowered to do and what the Redevelopment Agency was able to do in terms of the City's housing programs.

Section V.3.1 has been updated to explain that the revision of the inclusionary housing ordinance to eliminate its applicability to rental projects has been delayed so that the City could explore the possibility of conducting a nexus study and adopting a housing impact fee and/or commercial linkage fee to help provide affordable rental housing (see below for further discussion).

Updated Section V.3.3. now notes that with the elimination of the Redevelopment Low and Moderate Income Housing Funds as a source of funding, the Redevelopment Agency's First Time Homebuyers Loan Program has been discontinued. In its place, the City now looks toward the HEART Opening Doors Program as a means to continue to provide assistance to first-time homebuyers. HEART, the Housing Endowment and Regional Trust of San Mateo County, is a public/private partnership to raise funds and work with developers and homebuyers to ensure affordable housing is available throughout San Mateo County. The City has been contributing to HEART on an annual basis since 2008.

Newly added draft proposals to encourage secondary dwelling units are increased marketing (particularly to inform property owners about new secondary unit parking standards) by use of mailings and the City's website, and technical assistance to streamline the process for owners and encourage well-designed secondary units that meet the City's standards (Section V.2.4); reduced administrative Secondary Dwelling Permit fees for units created within the building envelope of existing single-family residences, and exploration of the potential to implement a loan program for secondary dwelling unit construction (Section V.3.7). For additional information, refer to the attached Second Units Memo by the 21 Elements' housing consultants.

Not included in the 2007-2014 Housing Element's inventory of resources were the following potential policies/programs identified by the Housing Leadership Council of San Mateo County in the attached "Housing Element Policy Best Practices"—

Housing Impact Fee (page 25): To generate funds for affordable housing, some jurisdictions have adopted housing impact fees for market-rate housing developments. The amount of the fee is determined by a nexus study that evaluates the extent to which development of new market-rate housing generates additional demand for affordable housing by attracting higher-income households that spend more for goods and services that may create lower-paying jobs, generating demand for more affordable housing. The fees can be used as a replacement for lost Redevelopment Low and Moderate Income Housing Funds and to offer financial assistance to developers of rental housing in exchange for providing inclusionary rental units, consistent with the Palmer decision.

Commercial Linkage Fee (pages 23-24): This development impact fee assesses the housing impacts generated by new commercial development projects that provide jobs that do not pay enough for employees to afford market-rate housing. To measure the impact, a Jobs-Housing Nexus Analysis is performed to evaluate the connection between new commercial construction, employment and the demand for affordable housing and to determine an appropriate fee to mitigate the impact.

Rededication of “Boomerang Funds” to Affordable Housing (page 26): To compensate for the loss of Redevelopment Agency Low and Moderate Income Housing Funds (the 20% tax increment set-aside generated through redevelopment), jurisdictions can consider dedicating all or a portion of the ongoing year-over-year bump to property taxes that will come back to them from the County, in addition to whatever remains of the Low and Moderate Income Housing Fund, to funding affordable housing.

Graduated Density Zoning to Encourage Parcel Assembly (pages 29-30): Infill development may be impeded by the small size of existing parcels. In order to build at densities that are economically feasible, developers assemble smaller parcels into larger sites. Negotiations to purchase these lots from various owners may be difficult, particularly when holdouts demand top dollar, resulting in a stalemate. To help motivate owners to sell, graduated density zoning may be adopted that allows higher densities on sites larger than the size of the current individual parcels. This may motivate owners to sell if the value of the assembled parcels greatly exceeds the value of individual parcels which are subject to more limited development potential. Graduated density zoning may take different forms: abrupt (a single threshold in site size distinguishes lower permitted density from higher), sliding (permitted density increases proportionately to site size), and downzoning (where zoning densities are already high, regardless of site size, lower densities are imposed on smaller sites). Graduated density zoning may be most effective in portions of the SCRO-1 Southwest Bayshore Commercial District.

Universal Design Standards (page 35): The Center for Universal Design has identified a number of residential features that would make dwellings as accessible as possible to people of all ages and abilities without expensive adaptations. These include no-step entries, wider interior doorways and hallways, audio/visual doorbells, ground-floor (primary entry level) bathroom/powder room, hand-held adjustable shower heads, and kitchens on an accessible route of entry. The City could consider a program requiring that all new housing developments of more than a certain number of units include certain universal design features to make the homes as accessible as possible.

Fee Waivers for Secondary Dwelling Units Dedicated to Low or Very-Low Income Households (page 40-41): In exchange for the financial assistance provided by waiving the Secondary Dwelling Permit fee, second units could be required to be rented at affordable rates in compliance with the Palmer decision and the California Civil Code’s restrictions on rent control.

Also attached are excerpts from ABAG’s “Affordable Housing Funding Gap Analysis” which list local policies that address funding affordable housing. A complete copy of the analysis will be posted on the City’s website.

The Planning Commission should discuss whether any of these programs and policies should be added to Chapter V so they may be considered for adoption by the City (Chapter VI).

CONTINUING THE UPDATE PROCESS: Some portions of Chapter V (shown in green) will continue to be updated so as to coordinate with changes in Chapters III and VI, particularly

in regards to any programs to revise the zoning of the current SCRO-1 Southwest Bayshore Commercial District (which includes the mobilehome park). The remaining references to the Redevelopment Agency will be revised once questions regarding the Housing Authority's potential powers are resolved. Section V.2.3 will be updated to indicate the current number of potential density transfer units in the Brisbane Acres, once Chapter III is updated. Section V.3.7 regarding the survey of secondary dwelling units in Brisbane will be updated, once the results are tabulated.

The second half of this study session will review Chapter IV, "Housing Constraints," to analyze governmental and nongovernmental constraints upon developing, improving and maintaining housing for all income levels.

ATTACHMENTS:

Draft Update of Chapter V, Meeting Housing Needs

Second Units Memo: Best Practices and Sample Housing Element Language

Housing Element Policy Best Practices—Housing Leadership Council of San Mateo County

Affordable Housing Funding Gap Analysis—ABAG (excerpts)