

Best Practices for
Affordable
Housing
Development





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Housing Element

In California, municipalities are required to plan for affordable housing for all economic segments of the community through measurable goals, policies and commitments.

Kennedy Commission - Housing Element Campaign

•Housing Element must:

- Establish housing programs and policies – from public or land use policies to funding affordable housing developers – that encourage affordable housing for people of all incomes and those with special needs.
- Demonstrate that they have enough land zoned for multifamily housing to build all of the homes needed for lower-income families.
- Reduce obstacles to housing development - such as density limits, excessive parking requirements, even community opposition
- Describe how they will use available funding for affordable housing.



Local Policy



The Kennedy Commission actively participates with local government entities in the development and implementation of strategies that guides community growth and residential development.

We engage in Housing Elements, General Plan and Specific Plan updates to advocate for effective policies and programs to ensure the affordable housing needs of lower income households are met.

How Community Land Trusts work



Land is not owned by individuals just the residential or commercial buildings. Because they pay only for the structure and not the land, purchasing the building is more affordable



Land is owned by the Community Land Trust that is overseen by community leaders



A 99 year ground lease between the CLT and the owner is agreed upon



A resale formula is built into the ground lease to ensure homes remain affordable for subsequent buyers

Affordable Housing Land Trust

An **Affordable Housing Land Trust** is 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.

Model

City of Irvine, Community Land Trust

- Retain ownership of land (either donated or purchased) and lease the land to the owner of the improvements for the creation of affordable housing; 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 facilitate the creation of affordable housing designed to serve special needs populations.

Jurisdictions with CLTs

- San Diego Community Land Trust
- Multiple jurisdictions in LA County (e.g. TRUST LA)
- Multiple Jurisdictions in the Bay Area (e.g., OAK CLT, Bay Area Community Land Trust)

[About Us — Irvine Community Land Trust \(irvineclt.org\)](http://irvineclt.org)

Jobs Housing Linkage Program

The **Jobs Housing Linkage Program** includes 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.

Model

City of Milpitas

- City of Milpitas' **Commercial Linkage Fees** requires business developers to provide market-rate and/or affordable housing to mitigate new housing created by their new job employment.

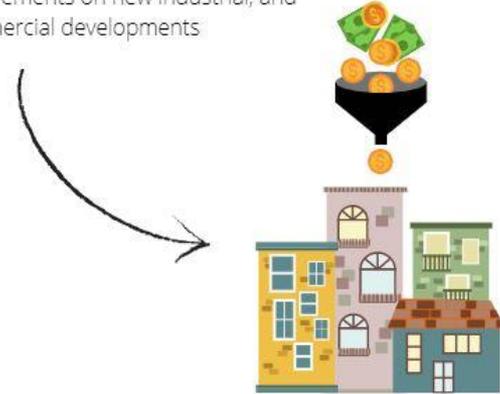
City of Los Angeles

- City of Los Angeles **Linkage Fee** ordinance places a fee on certain new market-rate residential and commercial development to generate local funding for affordable housing. Fee varies by the type of use and by location.

Implementation of Jobs/Housing Linkage Program



Local governments place fees or other requirements on new industrial, and commercial developments



The collected fees will be used to support affordable housing developments.

Housing Preservation Programs

- 1) Rent Control:** regulation that restricts the amount of rent landlords can charge tenants
- 2) Condominium Conversion:** Cities should discourage apartment conversion to condominiums without an impact analysis to the housing stock.

Model

Santa Monica

Santa Monica Rent Control Board - landlords can increase rents by 2% for all eligible units. Landlords may petition for additional rent increases based on unusually high operating expenses.

West Hollywood

Rent Stabilization Division - administers the Maximum Allowable Rent (MAR) for rent-stabilized units

Renting Housing in West Hollywood					
A guide to rules and regulations for renting <u>residential</u> property					
GOVERNED BY:					
West Hollywood Rent Stabilization Ordinance				State Rent Increase Limits	
Property Type (includes illegal/ unpermitted dwellings)	Entire Rent Stabilization Ordinance	Just Cause Eviction and Anti-Harassment	Habitability Requirements For Construction	5% + Inflation, 10% max in 12 mo period (split into max of 2 total increases)	90 day notice of increase over 10%
2 or more dwellings – <u>built*</u> before or on 7/1/1979	✓	✓	✓		
2 or more dwellings – <u>built*</u> after 7/1/1979)		✓	✓	✓ 15 years old or older (rolling date)	✓ Newer than 15 years
Single-Family Home or Condominium		✓	✓	✓ 3 or more bedrooms rented separately	✓ All other tenancies in single-family homes & condominiums
Corporate entity or real estate Investment owner and not subject to RSO rent limit		✓	✓	✓	
Attached ADU – attached to or part of a structure that existed on or before 7/1/1979	✓ Original Dwelling	✓ ADU	✓		
Detached ADU – free standing & not part of any structure that existed on or before 7/1/1979	✓ Original Dwelling <u>only</u>	✓	✓	✓ Detached ADU (15 years old or older, rolling date)	✓ Detached ADU (Newer than 15 years)
Affordable Housing (rent limited by deed restriction)		✓	✓		

*Built means received initial certificate of occupancy and was occupied

Land Use Change Opportunity

Land use change is an effective method that allows cities to create new ways to facilitate affordable housing construction within their city. The Commission advocates for effective policies and programs to ensure the affordable housing needs of lower income households are met.

Laguna Niguel Gateway



Affordable Family Housing Overlay

The Affordable Family Housing Overlay 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.

City of Anaheim

- Affordable Housing Opportunity Sites allows “by-right” residential development in the identified sites in a manner consistent with the density allowed by their current General Plan designation, including with designated for densities over 30 dwelling units per acre that would accommodate Anaheim’s share of regional housing need for lower-income

City of Oakley, CA

- **Affordable Housing Overlay Zones** provide incentives for and allows housing densities that exceed the state density bonus criteria of 24 dwelling units per acre.
- If a development has affordable and market rate units, then the affordable units shall be constructed at a rate consistent with market rate units and mixed throughout the development.
- shall include housing units in the very low- and low-income categories and shall remain at those affordability levels for a minimum of 30 years

Affordable Housing Overlay on Commercial/Industrial Areas

The ordinance facilitates affordable housing developments on underutilized commercial and industrial zoned areas. It allows for residential development and concessions/incentives in exchange for a level of affordability.

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.

Model

Town of Corte Madera

The Town of Corte Madera 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.

County of Orange

County of Orange (2006) **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.

Laguna Niguel Gateway

Laguna Niguel Gateway increased incentive densities are intended to reflect the extraordinary contributions of a particular project in advancing the Specific Plan, including providing for affordable housing, meeting rooms and recreational facilities accessible to the general public, architectural design and site development exceeding the City's standards for environmental sustainability, the funding of streetscape and public realm improvements and amenities beyond those required for the project.

Inclusionary Housing Ordinance

Create mixed income housing opportunities by requesting 15% of all new housing construction projected through build-out will result in affordable units.

Model City of Irvine

Inclusionary Housing Ordinance 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.

City of Santa Ana

Housing Opportunity Ordinance (2011) applies to developments with 5 or more units allows developers the option of satisfying the 15% requirement by building affordable units or paying equivalent in-lieu fee of \$15 per square foot (Modified 2020)

City of Long Beach applies to new rental developments or ownership housing units if project size is 10 units or greater 11% of rental units must be affordable to very low income households and 10% of ownership housing units to moderate income households developers have the option of paying an in-lieu fee of \$270,000 to \$383,000 per unit to be put in an affordable housing fund the covenants for these projects are 55 years long applies to a specific area, but it can be triggered in the rest of the city if certain requests are made like zone changes and general plan amendments

Foster City

Foster City requires that all large residential projects set aside 20% of units, excluding bonus units be affordable (an inclusionary requirement), at the very low-, low-, and moderate-income households

State Policy



The Kennedy Commission actively participates with local government entities and communities to ensure that state legislation is strategically used to facilitate opportunities for affordable housing development.

Implementation of Density Bonus

Requirements for **Density Bonus through AB 2348** establishes a number of affordable units that a developer must provide in order to increase residential densities and be eligible for additional incentives. The amendments made to provide further incentives for developments that are 100% affordable.

Model

CA State Density Bonus (AB 2348) (Effective 1/1/2021)

- 1) Increased the maximum density bonus to 50-percent, depending on the number and level of deed-restricted affordable homes
- 2) Incentivizes additional density bonus projects by reducing the maximum parking required by localities for qualifying projects
- 3) Provides two incentives or concessions if include at least; 17% Low, 10% very low or 20% for moderate in a common interest dev.
- 4) Provides three incentives or concessions if include at least: 24% Low, 15% very low or 30% for moderate in a common interest dev.
- 5) Provides local governments discretion to grant additional waivers for projects located within a half-mile of transit and 100% affordable.

Senate Bill 2 - Sites for Homeless Shelters

Adopted in 2007, SB 2 takes a fair share approach and requires all jurisdictions to have adequate zoning and remove barriers to siting shelter and transitional and supportive housing.

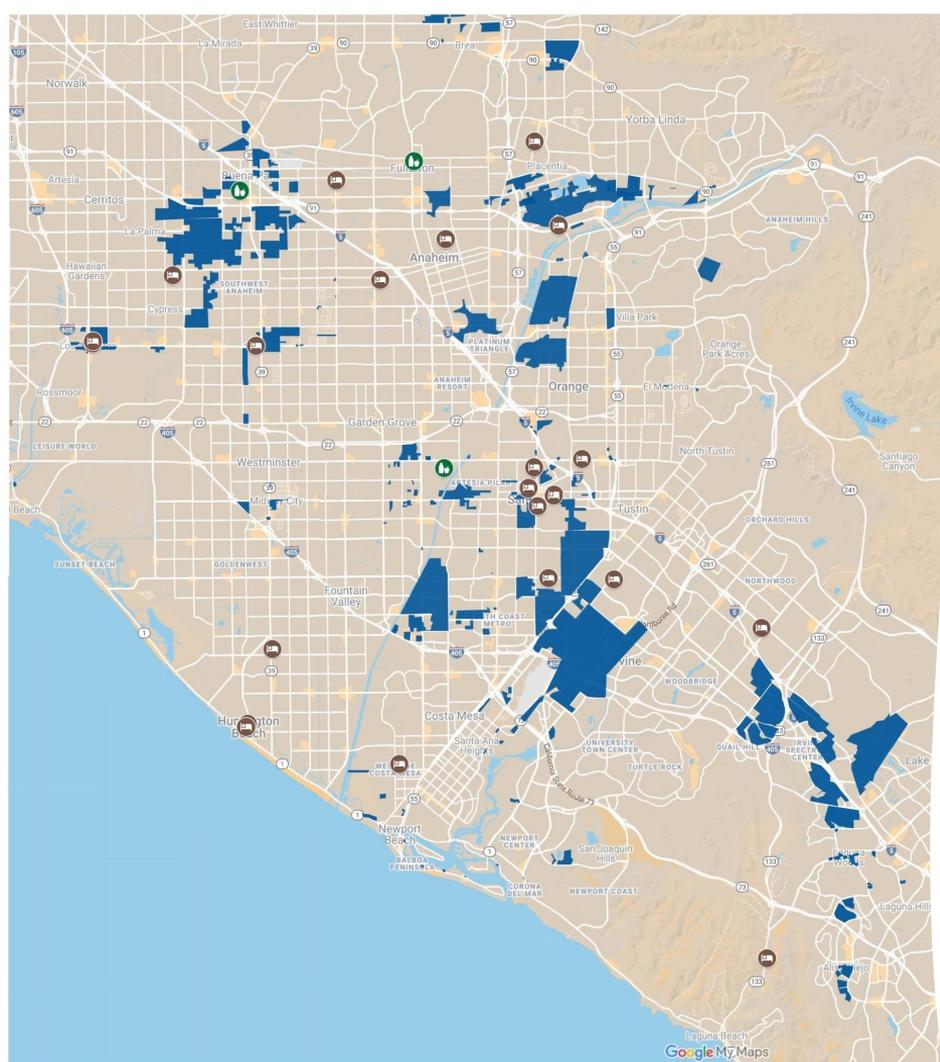
Senate Bill 2 requires jurisdictions to identify specific sites with by-right zoning for homeless shelters, transitional housing and special needs facilities.

‘By right’ is a use permitted in a zoning district and is therefore not subject to discretionary review and approval by a local government.

Under the Housing Accountability Act, a jurisdiction cannot deny applications for such types of housing and shelter without making specific evidence-based findings.

[Map: Orange County's Homeless Shelters and Potential Emergency Housing Zones](#) Voice of OC

April 2018



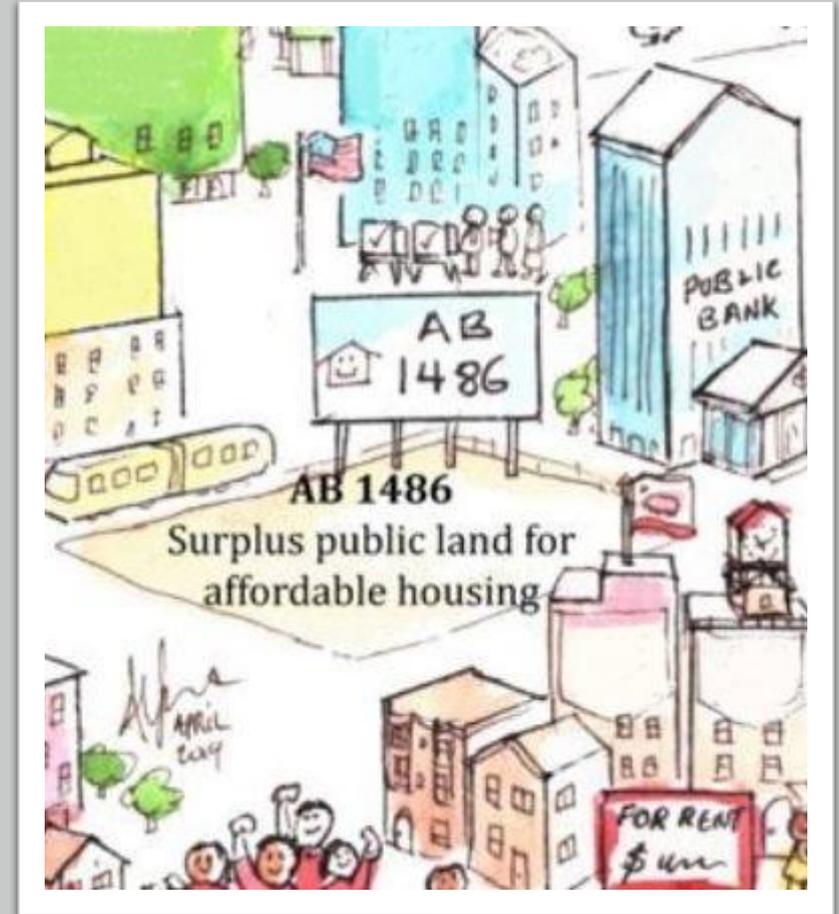
AB 1486 Surplus Land Act

The California **Surplus Land Act** requires that when cities, counties, transit agencies and other local agencies sell or lease their land, they must prioritize it for affordable housing development and open space.

Model

City of Garden Grove: Willowick Golf Course

- 102 acres of green space
- Located in the City of Santa Ana but owned by the City of Garden Grove
- Declared surplus early 2020
- Call for Request for Proposals
- Proposals include open space, affordable housing, market rate housing and mixed development.



Affordable Housing Financing

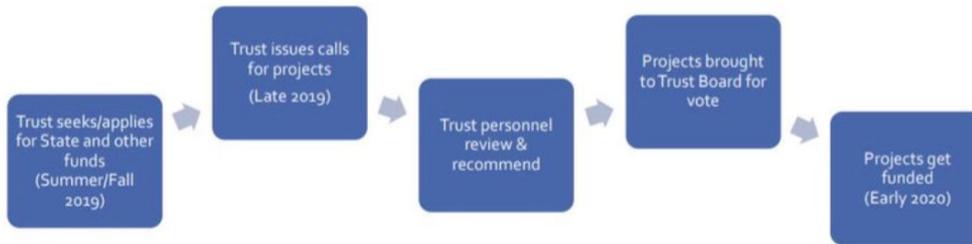


With recent proposed federal budget cuts to affordable housing resources, the need for more funding and resources is urgent and greater than ever. The Kennedy Commission has partnered with organizations such as Housing California and the California Housing Consortium, to focus on legislation that will increase resources for the development of affordable housing.

Affordable Housing Trust Fund

The creation of **Affordable Housing Trust Funds** that permanently dedicates a source of public revenue to support the production and preservation of affordable housing.

How the OC Housing Finance Trust Works



Model

Housing Trust Silicon Valley a nonprofit housing lender serving people experiencing homelessness, renters, and first-time homebuyers. Since 2000, Housing Trust has invested \$335 million -creating more than 20,000 affordable housing opportunities and serving over 36,700 residents.

Orange County Housing Finance Trust formed in 2019 as a joint powers authority between the County of Orange and the cities throughout the county. OCHFT was created for the purpose of funding housing specifically assisting the homeless population and persons and families of extremely low, very low, and low income within Orange County.

Orange County Housing Trust the revitalized Orange County Housing Trust powered by NeighborWorks OC and OC Business Council provides a private financing vehicle to help bring permanent supportive and affordable housing projects in Orange County.

Affordable Housing Bond

County or City bonds dedicated to funding the building new affordable housing. Local governments issue bonds to raise funds for an activity the jurisdiction wishes to support.

Model

- **Santa Clara County Housing Bond** the \$950 million affordable housing bond will enhance the County's ability to achieve its housing priorities which include: Increasing the scope and breadth of supportive housing for special needs populations, including homeless and chronically homeless persons; Increasing the supply of housing that is affordable to extremely low income (ELI) households; and, Improving coordination and collaboration among the County, the cities, other governmental agencies, and the affordable housing community.

[2016 Measure A - Affordable Housing Bond - Supportive Housing - County of Santa Clara \(sccgov.org\)](https://www.sccgov.org/2016-Measure-A-Affordable-Housing-Bond-Supportive-Housing-County-of-Santa-Clara)

- **Alameda County Housing Bond** the \$580 million housing bonds are allocated throughout Alameda County to protect affordable housing options for people who need it most. Programs include the Rental Housing Development Fund, Down Payment Assistance Loan Program, and the Housing Preservation Loan Program.

Transit-Oriented Development (TOD) Housing Program

Transit Oriented Developments increase public transit ridership affordable housing within one-quarter mile of transit stations and invest in infrastructure improvements necessary for the development of specified housing developments.

- Low-interest loans are available as gap financing for rental housing developments near transit that include affordable units.
- Grants are available to Localities and transit agencies for infrastructure improvements necessary for the development of specified housing developments, or to facilitate connections between these developments and the transit station.

Model

East LA Community Corporation (ELACC)- Cielito Lindo

- TOD Housing Program awarded ELACC's Cielito Lindo Gold Line-Adjacent affordable housing development.
- Cielito Lindo is located steps from the Gold Line's Soto Station making public transportation easily accessible for tenants.
- Five story building features 50 one, two and three bedroom apartments.
- 8,500 square feet ELACC 's Headquarters Office
- Rents between \$458 and \$1060 per month
- 5,000 sf ground -level commercial space

[Rendering vs. Reality: Gold Line-Adjacent Cielito Lindo Apartments | Urbanize LA](#)
[121-Year-Old Home Moves for Affordable Housing | Urbanize LA](#)

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