



Regional Housing Needs Allocation Unit Production Plan

April 4, 2022

Update on Current Affordable Housing Projects

UPholdings – Park Ave. – 65 Units

- Prepared and Submitted PLHA Plan -\$1.3 awarded
- Density Bonus Request Approved

CC915 - 73 S. Rt – 20 Units

- Prepared and Submitted Homekey Application - \$4.4 million awarded

UPholdings – V St. Motel – 96 Units

- Prepared and Submitted Homekey Application - \$24 million awarded

Visionary Home Builders – Parsons Ave – 108 Units

- Density Bonus Request in Process – Planning commission Recommended

Meta Housing – Devonwood Village – 156 Units

- Tax Credit Application Submitted
- Allocated \$1.9 mil in Home Funds

Proposed RHNA Unit Production

Require affordable housing units as part of a market rate project

Discretionary Approvals

- Pre Annexation Development Agreement (PADA)
- Development Agreement (DA)
- Legislative Action Agreement

Applies to Rental and Ownership

Single Family, Multi Family and Mixed Use

Affordability Covenants and Restrictions 55 yrs – rental & 45yrs ownership

Council Discretionary Actions

PADA & DA	Legislative Action Agreement
PADA – Applies to all new Annexations	General Plan Amendment
DA's executed at the request of the private developer	Zone Change – Ordinance Amendment
Chapter 20.86 of Zoning Code outlines the process	Establishment of a Planned Development District (PD)
	Site Utilization Plan (SUP) and modifications

Recommendations

- **Adopt a policy setting 10% of total project to include Affordable Units**
- **Units to be distributed across all income sectors:**
 - **Extremely Low**
 - **Very Low**
 - **Moderate**
- **Council may consider up to 15% requirement**
- **Any policy beyond 15% will require a nexus study**
 - **RFP to solicit consultant**
 - **Study will present findings for community need**
 - **HCD approval**

Examples of Other Cities

Jurisdiction	Inclusionary Percentage	Affordability Level	In-Lieu Fee
Campbell	15%	Low and Moderate	\$13.45
Los Altos	15%	Majority Mod and some Low	TBD
Santa Clara	15%	Average 100% AMI	Detached \$30 psf, Townhome \$25 psf, Condo \$20 psf
Cupertino	15%	50% Moderate, 50% Median	Detached \$17.82 psf Small Lot \$19.60 psf
San Jose	15%	Moderate	Transition to \$25 psf
Mountain View	15% general 15 to 20% for townhomes	Median for 15%; Moderate for 20%	\$54.40 psf Townhome \$125 spf
Sunnyvale	12.5%	Moderate	7% of sales price
Palo Alto	15%	2/3 Median; 1/3 Moderate	\$77.62 psf Condo \$51.75
Davis	10-25%	Low and Very Low	\$75,000/unit
Ripon	5-10%	Low and Moderate	\$7,800 - \$9,500 per unit
Morgan Hill	10-15%	Very Low, Low, and Moderate	4 Cell Res \$19.20, Infill \$13.20, Rental \$29 psf, Downtown \$14.50,
Yolo	10-25%	Very Low to Moderate	TBD

Exemptions - Exclusions

- When limited by PADA or DA
- Time extension or Minor Amendment to PADA or DA
- When non-residential projects require PADA, DA, or Legislative Action Agreement
- Permitted, By Right, Site Plan, CUP, and non-discretionary entitlements
- Projects by other Governmental Agencies
- Multi Family of less than 36 Units
- Single Family of less than 60 units
- Other projects at the sole discretion of the City Council

Affordability Options

- Land Dedication – within project area, Council may consider off site locations policy
- Purchase – Acquisition of Regulatory Covenants on Existing Housing Units
- Rehabilitation of Existing Housing Units in Exchange for Regulatory Covenant
- Payment of an In Lieu Fee - requires Nexus Study (interim solution can be generated)
- Options may be combined – Council Discretion co-use with Density Bonus

Funds from In-Lieu Fee can be held in a future Trust Fund for Affordable Housing.



City Assistance

- HCD Financial Programs
- Tax Exempt Financing and Bonds
- Community Facilities Districts – infrastructure
 - SCIP & BOLD
- Density Bonus
- City Programs
 - PFFP Reduction, Waiver, Deferral
 - Use of PADA and DA
 - Use of HUD funding for qualified projects
 - PLHA
 - Housing Successor Agency
 - In-Lieu Fees

City Council Action

Adopt policy on Affordable Housing Resolution – determine what discretionary percentage

Provide direction on Nexus Study

Provide direction on other options for supporting Affordable projects