

Inclusionary Housing and Concession Menu One-Year Review

Planning Commission
August 12, 2020





Purpose of this meeting

Planning and Community Development Department

- Provide background and update
- Identify potential amendments
- Receive comments from the Commission
- Next steps

- **Policy Goals**
 - > Increase production of affordable housing
 - > Offset costs to allow continued housing production
 - > Incentivize projects that are more consistent with expected scale and character of neighborhoods



Background

Planning and Community Development Department

- Inclusionary Housing requirements amended in 2019
 - > 15% → 20%
 - 5% Very Low, 5% Low, 10% Moderate (Rental)
 - 20% Moderate (For-Sale)
 - > No trade-downs
 - > In-lieu fees increased

- **Affordable Housing Concession Menu adopted to offset costs**
 - > Additional 0.5 FAR
 - > Additional 12 ft of height over 60% of building footprint
 - > 50% reduction in side and rear setbacks
 - > 50% reduction in parking
 - > Waiver of loading requirements

- **Affordable Housing Concession Menu adopted to offset costs**
 - > Developer eligible to choose up to 2 concessions if inclusionary units are built in-site
 - > Waive Affordable Housing Concession Permit process and go directly to Design Review
 - Time savings of 6-24 months

- **Results**

- > Since amendments became effective in December 2019:
 - **0** new Affordable Housing Concession Permit (AHCP) application filed
 - **1** pipeline AHCP applications switched to using Menu
 - **0** non-concession projects switched to using Menu
 - **3** new applications filed using Menu



Background

Planning and Community Development Department

- **Results**
 - > **7** pipeline projects required to increase number of affordable units
 - **17** net additional affordable units resulting from increase

- **Results**

- > **Takeaways:**

- Discussions with applicants indicate that menu is somewhat attractive
 - Usefulness depends on site conditions and proposed affordability
 - More time needed to assess longer-term impacts

- **Policy Questions**
 - > Encouraging “family units”
 - Can the inclusionary requirement and/or menu be adjusted to create incentives for larger units suitable for families?
 - > Higher inclusionary for micro-unit/SRO projects
 - Can these project types support more affordability requirements?



Amendments

Planning and Community Development Department

- **Implementation Cleanup/Clarifications**
 - > Clarify that multiple side yard setback reductions are counted as one concession
 - > Clarify that inclusionary % applies to base density (before bonus units are added)
 - > Addressing usability of current height concession option for City of Gardens height regulations



Direction & Feedback

Planning and Community Development Department

- Are results consistent with policy goals?
 - > Has there been enough evidence to conclude one way or the other?
- Additional questions to study/explore?



Next Steps

Planning and Community Development Department

- AECOM preparing updated analysis on incentivizing family units
- Staff developing recommendations on clarifications and cleanup items
- Return to Planning Commission for public hearing and recommendation

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Amendments

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- > COG height restrictions for double frontage lots
 - In RM-32, lots 60' in width or greater, and double frontage 300' in depth or greater
 - Buildings in front 30% of the site along each frontage limited to 2 stories
 - Buildings in remaining interior 40% may be 3 stories

