

City of Santa Monica Inclusionary Housing Policy

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History

- Began in 1980's with a Housing Element program, subsequently implemented with in-lieu fees and inclusionary requirements
- SM voters adopted Proposition R in Nov. 1990
 - Requires 30% of all new multifamily housing (on a city-wide basis, not per project) be affordable to low/mod-income households
- Various implementing ordinances since 1990
 - Current program = **Affordable Housing Production Program (AHPP)**

Overview

- ❖ 38% of all multifamily development since 1994 is affordable!
[includes City-funded housing developments]

AHPP: Overview

- Requirements/options differ by housing type
 - apartment vs. condominium projects
- All 'by-right' (Tier 1) apartment projects can pay fee in-lieu of including affordable units
- Only condo projects of 3 units or less, or projects located in commercial zones, can pay fee

AHPP: Overview

- More than 1,000 affordable units created through inclusionary housing programs

Housing Sizes		
Bedrooms	Homes	Percent
0	348	34%
1	348	34%
2	300	30%
3	13	1%
	1,009	100%

AHPP: Overview

Population Served		
Income Level	Homes	Percent
Extremely Low	0	0%
Very Low	163	16%
Low-60	110	11%
Low-80	132	13%
Mod-100	550	55%
Mod-120	54	5%
	1,009	100%

- ❖ 70 apartments targeted to Extremely Low-Income Households are now in the pipeline

AHPP: Overview

- Units monitored annually for compliance with income eligibility and rent limits
 - Owner submits reports online, as well as tenant household income documentation
- Household incomes allowed to increase to 140% of income limit before triggering move-out

AHPP: Overview

Tier 1 vs. Tier 2 Development Requirements

- Tier 2 developments, which allow higher density than Tier 1 (base zoning), must include more affordable units than required in Tier 1 projects
- Tier 2 developments must provide onsite or offsite affordable units; cannot pay fee in-lieu

Tier 1 Projects

AHPP: Tier 1 Projects

Apartment Project Options

- Pay fee = rate x project square footage
 - Currently @ \$34/sq. ft.
- Include % of affordable units onsite
 - 5% @ extremely low, or 10% @ very low, or 20% @ low, or 100% @ moderate-income
- Provide affordable units offsite
 - within 1/4-mile of market-rate project
 - must be built concurrently with market-rate project

AHPP: Tier 1 Projects

Condominium Project Options

- Pay fee if project = 2 or 3 units
 - Currently @ \$39.71/sq. ft.
- Provide units **offsite**
 - Must provide **25% more** affordable units than required if provided onsite

AHPP: Tier 1 Projects

Condominium Project Options (continued)

○ For projects of for **4-15 units**

- 20% @ moderate-income ownership units or low-income rental units, or
- 10% @ very low-income rental units, or
- 5% @ extremely low-income rental units

○ For projects of **16+ units**

- 25% @ moderate-income ownership units or low-income rental units, or
- 15% @ very low-income rental units, or
- 10% @ extremely low-income rental units

AHPP: Tier 1 Projects

Onsite Affordable Units

- Must be **2-bdrm units**, unless 95% of project is studio or 1-bdrm units
- Must be minimum size:
 - Studio: 500 sqft
 - 1-bdrm: 600 sqft
 - 2-bdrm: 850 sqft
 - 3-bdrm: 1,080 sqft

Tier 2 Projects

AHPP: Tier 2 Projects

- Must include **50% more** affordable units than required in Tier 1 projects
- Moderate-income units **not allowed**
- **Cannot pay fee** in-lieu of providing affordable units

AHPP: Tier 2 Projects

Onsite Affordable Unit Ratios

- 7.5% @ extremely low-income, or
- 15% @ very low-income, or
- 30% @ low-income
- Average # of affordable unit bedrooms must be same or greater than # of market-rate bedrooms

AHPP: Tier 2 Projects

- ❖ Affordable unit size must = market-rate unit size

Unit Size Ratios for Market-Rate Projects

- No more than 15% @ studios
- At least 15% @ 2-bdrm units
- At least 15% @ 3-bdrm units
- Average # of bdrms must be 1.2

Downtown Area Inclusionary Policy

- Special inclusionary requirements for Downtown area
- Per- project affordability ratio ranging from 20% - 30% of total units, depending on project height
- Affordability mix must include extremely low to moderate income
 - 20% of affordable units @ extremely low-income
 - 20% of affordable units @ very low-income
 - 30% of affordable units @ low-income
 - 30% of affordable units @ moderate-income

Incentives for 100% Affordable Projects

- ✓ Administrative Approval
- ✓ Density, FAR, and height bonus
- ✓ Exemption from development impact fees

Recent Development Trends

- 3-unit condo projects [to avoid onsite requirement; fee out allowed]
- 5- and 6-unit condo projects with 1 moderate-income for-sale unit [using density bonus]
- High-density projects in Downtown and on Lincoln Blvd.

Inclusionary Housing Pipeline

	Units in Construction	Units with Planning Approval	Total
Extremely Low-Income	10	60	70
Very Low-Income	97	65	162
Low-Income	24	13	37
Moderate-Income	8	60	68
Totals:	139	198	337



Questions?