



# Board of Supervisors October 6, 2020

ITEM NO. 10

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## Inclusionary Housing Ordinance Amendments & In-Lieu Fee

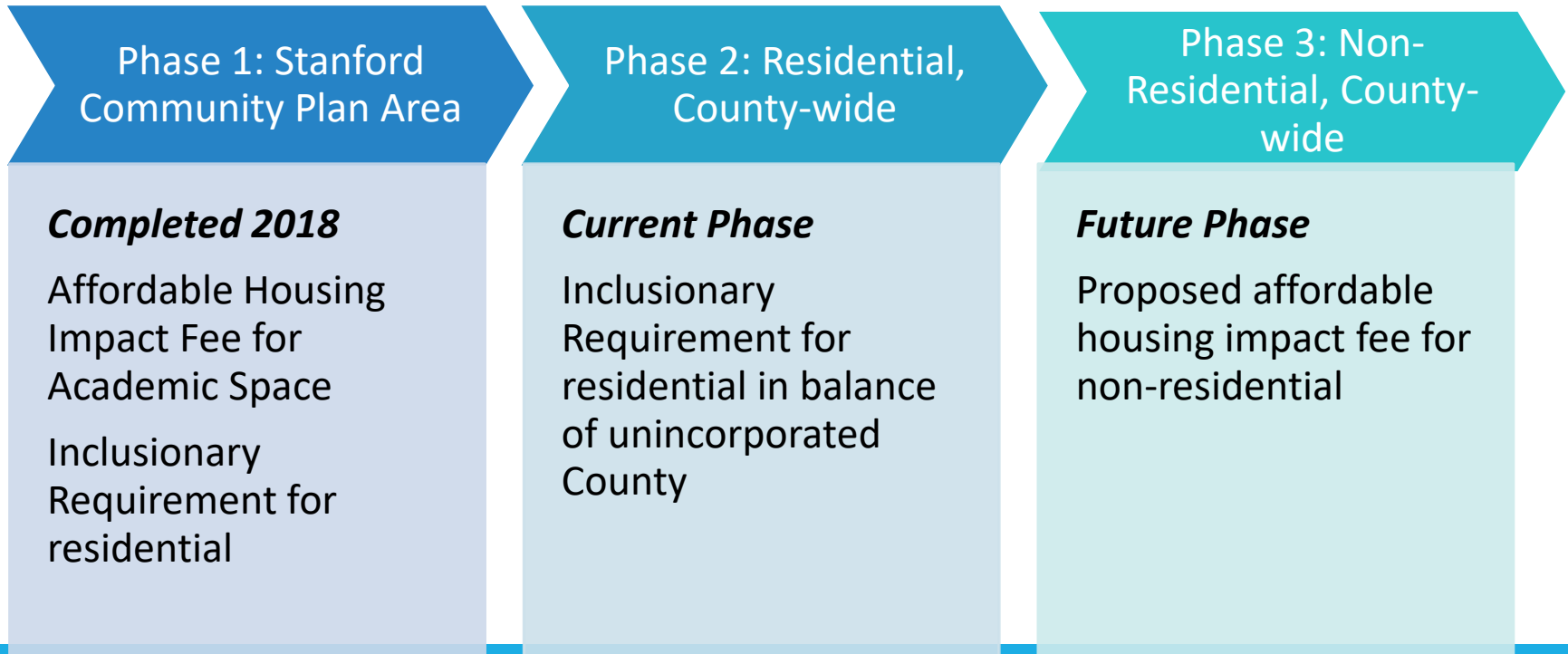
Presenter: Valerie Negrete, Department of Planning and Development

# Overview

## Inclusionary Housing

Affordable housing that is required to be constructed within new market rate housing developments or made available through an alternative means such as off-site construction or payment of an in-lieu fee.

## Proposed Ordinance is Part of Incremental Approach



# Proposed Ordinance Amendments

	Outside SCPA	Inside SCPA
<b>Threshold</b>	Three or more units	
<b>Percentage of units to be affordable</b>	16%, for a period of 55 years	
<b>Income level requirement</b>	<u>For Sale:</u> Moderate Income <u>For Rent:</u> <b>Low, Very-Low, &amp; Extremely Low Income</b>	<u>For Sale:</u> Moderate Income <u>For Rent:</u> <b>Moderate, Low, &amp; Very-Low /Extremely Low Income</b>
<b>Alternative Compliance Options</b>	<ul style="list-style-type: none"> <li>Construct units on-site or off-site</li> <li>Convert off-site market rate units (at 2:1 ratio)</li> </ul>	
	<b>For Fractional Units: In-lieu fee option (\$259,000/unit)</b>	<b>No in-lieu fee option (Fractional Units are banked)</b>

Differences noted in purple

# Proposed Ordinance Amendments

## Fractional Units Example

	Units Proposed	Inclusionary Requirement (16%)	Compliance Option
<b>Outside SCPA</b>	10	1.6	<ul style="list-style-type: none"><li>• Build two units on-site or;</li><li>• Build one unit and pay \$155,400*</li></ul> (0.6 x \$259,000)

\* In-lieu fee would be established through a Board Resolution (\$259,000 times fractional unit required).

# Outreach and Community Input

## ○ **Community Outreach Meetings**

- County neighborhood associations
- Frequent applicants
- Affordable housing developers
- Stanford University
- County website

## **Two comment of Support**

## ○ **Public Meetings**

- Planning Commission August 27, 2020
- San Martin Planning Advisory Committee (SMPAC) August 26, 2020

# Staff Recommendation

## **CEQA**

- Use of Prior CEQA (2014 Housing Element Negative Declaration) and separately and independently;
- CEQA exemption Section 15061(b)(3)

## **Recommendation**

- Amend the Inclusionary Housing Ordinance to apply County-wide;
- Adopt a Resolution establishing the Inclusionary Housing In-Lieu fees for fractional units

# Questions?



**Name**

**Department**

Valerie Negrete

Planning

Manira Sandhir

Planning

David Doezema

KMA

Consuelo Hernandez

OSH

Diana Castillo

OSH

Eloiza Murillo-Garcia

OSH



**Web page:**

<https://www.sccgov.org/sites/dpd/PlansOrdinances/Studies/Pages/InclusionaryHousing.aspx>