Program 1b | REQUIRE INCLUSIONARY HOUSING IN FOR SALE HOUSING PROJECTS

PURPOSE: Expand the supply of housing available to moderate income households by requiring that all for sale projects of greater than 6 units build and price-restrict 15 percent of the units for moderate income families (and, with consideration, some low income households

AREA OF STUDY:

- *Review policy options and structure for the inclusionary requirements (based upon the policy framework spreadsheet developed by the HAP Team.*
- *Evaluate impact of the proposed inclusionary requirements upon feasibility of market-rate for sale housing projects.*
- *Identify (align with) regulatory and financial incentives intended to improve development feasibility and reduce cost impacts of the inclusionary housing requirement.*
- *Prepare new inclusionary housing ordinance and related in lieu fee analysis and schedule.*

STEPS:

Month one:

- Work with HAP team to study options for the structure and applicability of the inclusionary requirements including the affordability mix, the size of project that triggers the requirement, and the applicable alternative compliance options and regulatory and financial incentives offered.
- Initiate inclusionary housing feasibility analysis to determine ability to provide inclusionary units or for small projects, pay the in lieu fee.
- Identify stakeholders and develop notification list. Work with Raissa and Community Engagement Team to develop an outreach and communication plan.

Month two and three:

- Select recommended structure for the inclusionary requirement.
- Following discussion with the HAP team, prepare a recommended profile for the new Inclusionary Housing Ordinance.
- Working with Sue, determine if consultant support is needed for Ordinance drafting and related technical work; if so, solicit consultant support
- Conduct community and industry outreach efforts as part of refinement of initial staff recommendations.
- Finalize technical work and draft of the new Inclusionary Housing Ordinance

Month four:

- Post draft Ordinance on website and notice public meeting. Hold public meeting.
- Refine as appropriate after meeting and begin preparing for hearing.
- Develop CEQA document.

Month five/six:

- Provide informational report to Housing Authority.
- Provide information report to the Planning Commission.

Month seven:

- Hold public hearing at City Council for adoption, by Ordinance, of the new Inclusionary Housing Ordinance.