



## DISCUSSION ITEMS

### Agenda Item # 11

#### AGENDA REPORT SUMMARY

**Meeting Date:** October 10, 2017

**Subject:** Discussion of Citizen Proposal for Amendments to Inclusionary Housing Ordinance

**Prepared by:** Chris Jordan, City Manager

**Attachment(s):** Citizen Proposal

**Initiated by:**  
Three Members of the City Council

**Fiscal Impact:**  
Unknown at this time

**Environmental Review:**  
Unknown at this time

**Policy Question(s) for Council Consideration:**  
Does the City Council want to explore this issue further and provide staff with direction?

**Summary:**

- This item has been placed on the agenda at the request of three members of the City Council.

**Staff Recommendation:**  
Staff does not have a recommendation on this topic.

## **More affordable housing AND more BMRs on El Camino.**

The consequence of increasing heights in the CT zone actually went COUNTER to the intent – which was to get more affordable housing. It resulted in luxury units that are larger and LESS affordable.

### **First phase: Urgent addition to Council agenda for October 10 (if 3 members support)**

1. Change the inclusionary ordinance at 14.28.030 to maximize units at different affordability levels that gives us MORE BMRs, less “market-rate” units, and more total density, so overall more affordability, both in the market-rate units and BMRs.

Because of the way the bonus works, we get MORE BMRs and MORE TOTAL UNITS.

This should not require CEQA action or any other analysis because:

- A. The total number of units that could be built under each affordability category is still LOWER than the maximum authorized now
- B. These options should have been evaluated as ok under CEQA, and fully reviewed by staff, PTC, and Council in 2010. That number is 51 units per acre for very low income level (see yellow highlights in chart on p. 2).

If we want to increase the VERY LOW category by 5 percent, too, it only give us one more BMR unit and it would push the total units in that case to 52 – I don’t know if that would still pass a no-CEQA standard.

All this can still be accommodated with a base 35-foot height plus the bonus density incentive.

Therefore, Council may also be willing to reconsider CT at October 10, to reduce the height to 35’ for multi-family and 37’ for mixed use, with the availability of 11’ under the Density Bonus ordinance.

The City Attorney could be directed to make the case to HCD that (1) the increase in BMRs under the inclusionary ordinance, (2) the reduction in height to create more-affordable units (smaller), and (3) a second phase (below) to further improve affordable housing is defensible.

The State doesn’t care about height; it cares about units We are **improving** affordability. This change does not adversely affect the number of BMRs. It DOES mean the units will be smaller – which makes them more affordable.

The other multi-family zones in our city are zoned for a maximum of 38 units/acre AT 35 FEET maximum. Also, our Housing Element says we can “easily accommodate” 3 stories in 35 feet.

### **Second phase – Direct staff and PC under the “affordable housing” priority to:**

1. Look at the possibility of additional density – in the inclusionary ordinance and/or for the CT zone specifically. Best might be a Specific Plan for CT. Include moving housing use from conditional to permitted use (also demonstrates intent to State).

It is interesting that Mountain View has three different height zones on El Camino, and they correspond to the adjoining land use. So, the shortest buildings are adjacent to R-1, and the tallest are adjacent to other commercial parcels.

2. Evaluate and propose an impact fee that would be an option for developers instead of building affordable units under the inclusionary ordinance.

### 14.28.030 - General requirements.

The following provisions shall apply to all multiple-family residential projects:

- A. One (1) to four (4) units. Affordable housing units are not required.
- B. Five (5) to nine (9) units. Affordable housing units are required. In the event that the developer can demonstrate to the satisfaction of the city council that providing affordable housing units in a project will be financially infeasible, the city council may waive the requirement to provide affordable housing units.
- C. Ten (10) units or more. Affordable housing units are required.
- D. For multiple-family residential projects where affordable housing units are required, the following minimum percentage of units shall be provided.
  - 1. Rental units. ~~Fifteen (15)~~ Nineteen (19) percent low income or ten (10) percent very-low income housing. [This is now legal because Governor Brown signed AB 1505]
  - 2. Owner units. ~~Ten (10)~~ Nineteen (19) percent moderate income housing.

Table 1. Current and proposed levels of required inclusionary zoning, showing effect on percentage of Density Bonus that would be available

Affordability level	Current inclusionary Required – applied in Case A below (in percent)	Current Density Bonus units granted (in percent)	Proposed inclusionary –applied in Case B below (in percent)	Proposed Density Bonus units that would be granted (in percent)	Incentives (would not change)
Very low (rental)	10	32.5	10	32.5	2
Low (rental)	15	27.5	19	33.5	1
Moderate (owned)	10	5.0	19	14.0	1

CASE A CURRENT ZONING	Affordability level	Market-rate units	Affordable units*	Maximum bonus units	Total units
	Very low	34	4	13	51
	Low	32	6	11	49
	Moderate	34	4	2	40

CASE B INCREASE REQUIRED AFFORDABLE PERCENTAGE	Affordability level	Market-rate units	Affordable units*	Maximum bonus units	Total units
	Very low	34	4	13	51
	Low	30	8	13	51
	Moderate	30	8	6	44

\* Current inclusionary ordinance requires that at least one unit be low income.