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# Housing and Homelessness Working Group

CPD and HOST  
November 6, 2024

# Agenda

## Expanding Housing Affordability: (20 min)

- Strategy and goals
- Implementation to-date
- Q and A (10 min)

## Additional CPD Housing topics: (10 min)

- Pathways to Removing Obstacles to Housing (PRO) HUD Grant
- Residential Care & zoning buffers
- Affordable Housing Review Team (AHRT) Permitting

## Councilmember comments and questions (10 min)

# Expanding Housing Affordability (EHA)

Expanding Housing Affordability is one key strategy to ensure that as new homes are built, more affordable homes are built too.

- The result of a robust stakeholder and technical market-based process
  - Strikes a balance between the **need for affordable housing** and ensuring a healthy production of housing
- **Approach**
  - Requiring new affordable housing in new residential developments of ten or more units to **create mixed-income housing** throughout the city while **providing meaningful incentives** to offset some of the cost and **encourage more housing overall**

# Expanding Housing Affordability (EHA)


Program Priorities – *Used to inform ongoing evaluation*

- Create **mixed-income housing across the city**, especially in transit and opportunity rich areas **without the use of public financing**
- Create affordable housing that **serves unmet need while complementing existing programs** and funding sources for affordable housing
- Promote **clarity and predictability** of requirements and process
- Create **market-based requirements** that enable for the market to be a partner in addressing housing needs
- Provide **meaningful incentives** to off-set costs and increase overall housing supply




# EHA - Program Applicability

All new development contributes to housing needs

 **1-9 Units**

 **10+ Units**

 **Hotel  
Office  
Retail  
Industrial**

 **Linkage Fee  
\$4 – 7 per/sf**

 **Mandatory Housing  
8-15% of units affordable  
focused at 60% AMI**

 **Linkage Fee  
\$2 – 8 per/sf**



**Affordable Housing Fund  
Housing Creation**

Enabling for  
**Alternative Compliance**

And providing  
**Meaningful Incentives**



**Affordable Housing Fund  
Housing Creation**

# EHA Implementation to date

- As expected, new concept and SDP applications are lower in 2023 and 2024 than the two years prior.
- Applications are continuing with 130 concept submittals and 133 site plans submitted as of September 2024.
- Non-residential development is occurring at slightly higher rate contributing to the affordable housing fund at higher rates than before.
  - concepts (55%) vs. SDPs (54%)
- Nearly one third of residential concepts are 100% income-restricted – indicating the use of incentives add clear value to affordable projects
- Nearly one third are smaller development and are contributing to the affordable housing fund at higher rates than before.



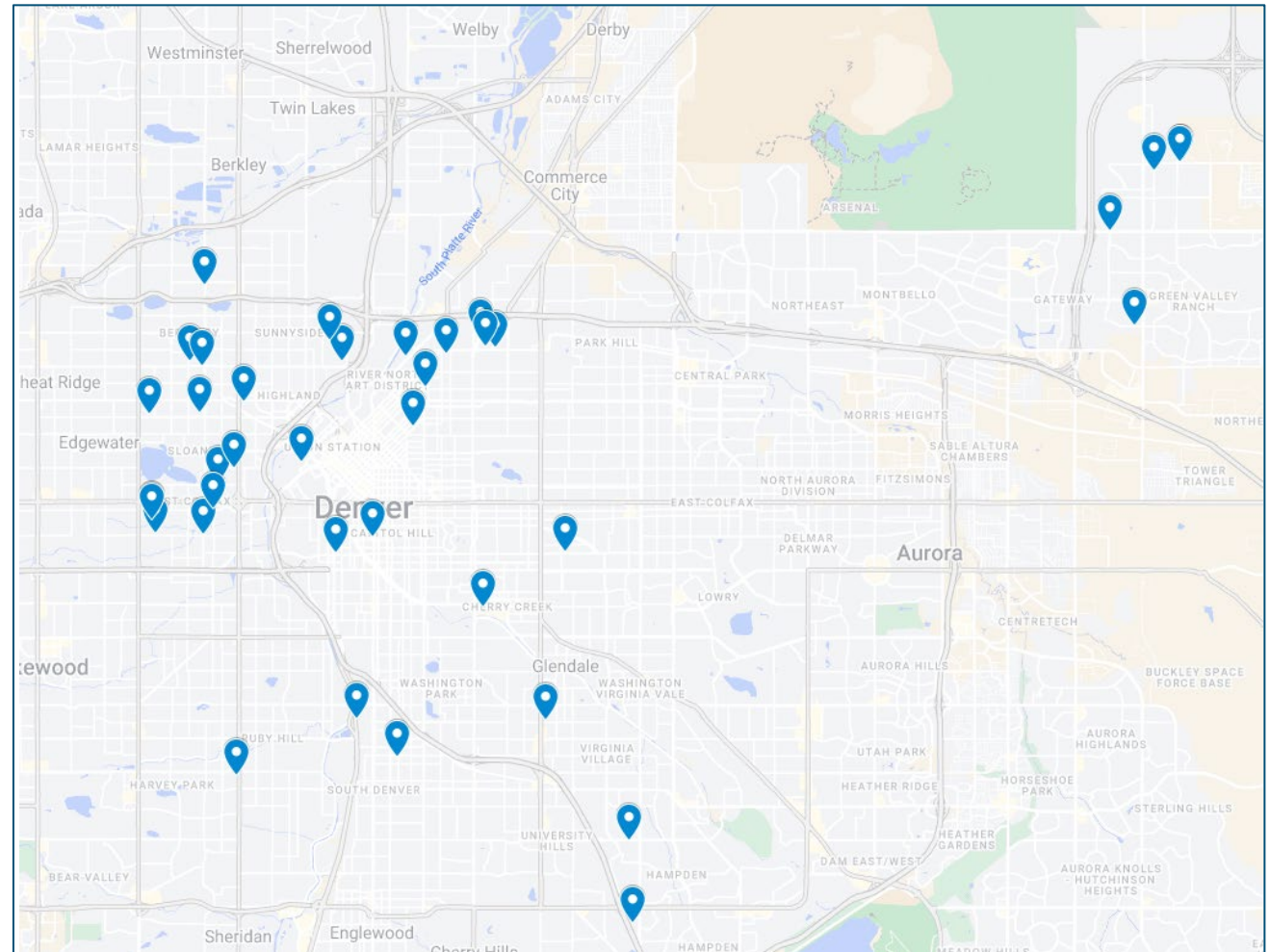
# EHA Implementation

Agreement Type	Agreements In Process	Estimated IRUs	Agreements Recorded*	Recorded IRUs
Affordable Housing Plans (not 100% IRUs)	24	166	5	53
Fee-In-Lieu	2	[\$2,840,400]	0	0
Negotiated Alternatives	3	62	0	0
High Impact Development Compliance Plans	3	274	2	1,180

\* July 2022 – November 2024

# EHA Implementation

- Full 95% of projects are opting to build affordable homes on-site
- 35% of projects are providing enhanced affordability
- Focus on predictability and commitment to responsive collaboration





Questions?

# Pathways to Removing Obstacles to Housing (PRO)

## HUD Grant

- Awarded \$4.5 million in fall of 2024 (applied for \$9 million)
- Funding through September of 2029
- CPD and HOST are actively working with HUD to develop a revised scope, given the 50% funding amount, and associated action plans
- Projects will focus on reducing barriers and creating opportunities (regulatory, monetarily, process) to advance affordable housing
- Report back in Q1 of 2025 once activities have been determined

# Group Living Rules (2021)

- Intended to remove discriminatory zoning that perpetuated inequity by preventing some populations from living in residential neighborhoods near family, jobs, transit, and other services.
- Encompasses three categories:
  1. Household Living: single-, two-, multi-unit dwellings and live/work
  2. Congregate Living: rent-by-the-room configurations, campus dormitories
  3. Residential Care: shelters, halfway houses, recovery residences, assisted living, nursing homes

# Residential Care Limitations

- The Group Living rules, upheld by voters in a referendum, regulate 4 types of Residential Care facilities based on the **number of guests**, rather than by the kinds of people who are housed.
- Consequently, some large facilities like assisted living that previously had more permissive rules are now more limited, while other large projects like shelters that previously were prohibited are now allowed with limitations.

TYPE 1: 1-10

TYPE 2: 11-40

TYPE 3: 41-100

TYPE 4: 100+

# AHRT & Prop 123

- Legislation requires local governments to commit to increasing their supply of affordable housing by 3% each year for three years

**Selected Median Income: \$93,800**

**Baseline Estimate: 51,453 units**

**Annual Goal: 1,544 units**

**Three Year Cycle Goal: 4,631 units**



# AHRT & Prop 123 Fast Track Process

- Fast Track process not required until November 1, 2026 commitment
- CPD and HOST submitted a Local Planning Capacity Grant in September
- Awarded \$145,600 to hire a consultant & develop a 90-day entitlement process
- Pilot process starting Q4 2025 or early 2026





# EHA + AHRT Success

- To-date, 9 AHRT projects have utilized the height incentives to produce an **additional 205 affordable homes**
- Primarily used in the 5-story base zone districts
  - 1-story added to project to create more affordability
- Other projects utilizing additional story for zoning compliance flexibility (i.e. roof top mechanical equipment, etc.)
  - Additional processes like administrative adjustment or BOA not required and create a more efficient process



Questions?