

# **Board of Supervisors Affordable Housing Workshop**

April 8, 2025

Planning and Building Department

# Definitions

Key terms related to affordable housing include:

**Affordable Housing:** Housing that is affordable to individuals or families with specific income levels.

**Very Low-Income:** Households earning up to 50% of the area's median income.

**Low-Income:** Households earning between 51% and 80% of the area's median income.

# Definitions

**Moderate-Income:** Households earning between 81% and 120% of the area's median income.

**Inclusionary Housing:** Policies requiring a portion of new developments to be affordable for low- and moderate-income households.

# Incentives for Affordable Housing Development

**Density Bonus:** Developers may receive up to a 100% density bonus above the maximum allowable density, as per the state's Density Bonus Law (Government Code Section 65915). The Task Force has not recommended additional concessions beyond the Density Bonus Law.

**Fee Waivers and Reductions:** Possible waivers or reductions in building, infrastructure, and utility fees, especially for projects with a significant portion of affordable units.

# Incentives for Affordable Housing Development

**Parking Requirement Reductions:** Developers may qualify for reduced parking requirements based on proximity to transit or the number of affordable units (AB 2097, AB 1763, and AB 2244). The Task Force has not recommended additional concessions.

**Property Tax Incentives:** The County will collaborate with developers on tax incentives, such as the California Low-Income Housing Tax Credit, to support affordable housing projects.

# Affordable Housing Fund

Fees collected from opting out of on-site affordable housing requirements would be used to fund the existing Affordable Housing Trust Fund for development, preservation, and subsidies.

Additional funding may come from grants and donations.

The County established an in-lieu fee program in 2016 with a single developer through a Development Agreement, for \$500 per unit, annually adjusting with Consumer Price Index (CPI).

# Affordable Housing Fund

A second project was established in 2021 with the same \$500 fee structure with CPI.

Thus far the program increased from \$150,000 to \$300,000 in eight (8) years since the 2016 approval.

Considerable conversation has occurred with the AHTF regarding in-lieu fees, particularly on the ineffectiveness of a fee as low as \$500.

# Streamlining Permitting and Expedited Review Process

**Expedited Permit Processing:** A fast-track program to reduce processing times for affordable housing projects, with priority review for deed-restricted projects that goes beyond existing state law.

**Consolidated Applications:** A one-stop permitting process to simplify approvals and reduce delays.

**Pre-Approved Site Plans:** Developers may use pre-approved designs to bypass extensive review processes.

# Streamlining Permitting and Expedited Review Process

Fast-Tracking Financing: The County will assist in securing financing, including access to the Affordable Housing Fund, to speed up project delivery.

# Affordable Housing Preservation

Preservation Incentives: Financial incentives such as grants or low-interest loans may be available to developers preserving or rehabilitating affordable housing units.

Conversion or Demolition Restrictions: Restrictions will be placed on the demolition or conversion of affordable housing units without replacement, per existing state law.

# Affordable Housing Requirements

**Inclusionary Housing:** Developments of 10 or more units must include 10% affordable units. Developers can meet requirements through on-site, off-site, or in-lieu fees. The AHTF does not agree with adding an inclusionary housing component to an affordable housing ordinance.

**Affordability Covenant:** Units must remain affordable for 55 years for rental properties and 45 years for ownership properties, per existing state law.

# Key Decision Points

- 1) Should the affordable housing ordinance contain an inclusionary housing component? If so, at what percentage and which income levels?
- 2) Should an in-lieu fee be developed as an alternative to (or in addition to) the inclusionary component?
- 3) Does the Board wish to potentially utilize surplus land to support affordable housing development?

# Key Decision Points

4) If the Board desires to further streamline the permitting process beyond existing state law, how does the Board envision the Planning and Building Department prioritize workflows given constrained resources?