



# **Ch. 21.03**

## **Affordable Housing Regulations Ordinance**

May 10, 2022

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# Agenda

- ▶ History
- ▶ Findings & Purpose
- ▶ Inclusionary Contributions & Requirements
- ▶ On-site & Off-site Units
- ▶ In-Lieu Payments, Collection, & Use
- ▶ Developmental Project Approval
- ▶ Occupancy & Available Units
- ▶ Housing Advisory Committee
- ▶ Density Bonus & Incentives
- ▶ Affordability & Developmental Standards
- ▶ Enforcement & Monitoring of Ordinance



# History

- ▶ Ch. 21.03 Affordable Housing Ordinance Adopted in 2016
- ▶ Ad Hoc Committee to clarify and complete sections of ordinance established in Fall of 2019
  - 2 Planning Commission, 2 Board of Supervisors, and 2 Public Representatives
- ▶ Contracted with Vernazza Wolfe Associates to assist with ordinance amendments, affordable-gap analysis, and feasibility study in Fall of 2019
- ▶ Ch. 21.3 Amended Affordable Housing Ordinance was Adopted November 17, 2020



# 21.03.001/2 Findings & Purpose

- ▶ There is an inadequate supply of housing for low-moderate income families in San Benito County
- ▶ The goal of this ordinance is to achieve a balanced community with housing available for persons of all economic levels
- ▶ Housing shortages for persons with low to moderate income is detrimental to public health, safety, and welfare, due, in part, to a lack of diverse and securable workforce
- ▶ The purpose of this ordinance is to ensure that remaining developable land is utilized to support economic diversity



# 21.03.004/05 Inclusionary Contributions & Requirements

- ▶ Inclusionary units are housing that requires approval to meet affordability and requirements of this chapter
- ▶ Requirements of this chapter do not preclude developers from providing affordable units at a lower cost set forth by this chapter
- ▶ Applicants may propose alternative means of compliance with this chapter
- ▶ All developments with 11 or more lots shall provide inclusionary units on-site or off-site
- ▶ Developments not required to comply with chapter: residential developments that are part of a larger development with no increase in units/lots, development for farm workers, and mobile-home park development





# 21.03.006/07 On-site & Off-site Units

- ▶ Residential developers must construct *on-site* inclusionary units at a rate of 15% the total number of units
- ▶ *On-site* units will have compatible exterior appearance and similar number of bedrooms as market rate homes
- ▶ *Off-site* development provides greater contribution to county affordable housing needs. Developers must construct *off-site* inclusionary units at a rate of 20% the total number of Units
- ▶ *Off-site* units should be located within the same planning area as the market rate project



# Inclusionary Tables On-Site, For-Sale

On-Site For Sale Inclusionary Requirements (15%)			
Size of Development	Inclusionary Requirement	Moderate-Income (81%–120% AMI)	Low-Income (51%–80% AMI)
1–10	None		
11–13	Provide 15% inclusionary units + fractional fee	1 unit	
14–19*	Provide 15% inclusionary units + fractional fee	1 unit	1 unit
20	Provide 15% inclusionary units	2 units	1 unit
21–26*	Provide 15% inclusionary units + fractional fee	2 units	1 unit
27–33	Provide 15% inclusionary units + fractional fee	2 units	2 units
34–39*	Provide 15% inclusionary units + fractional fee	3 units	2 units
40	Provide 15% inclusionary units	3 units	3 units
41 lots or more*	Provide 15% inclusionary units + fractional fees	10% of all units	5% of all units
<b>Note:</b> * Fractional units, regardless of project size or on-site or off site, still pay in-lieu fees.			



# Inclusionary Tables On-Site, Rental Units

On-Site Rental Unit Inclusionary Requirements (15%)				
Size of Development	Inclusionary Requirement	Very Low-Income (<50% AMI)	Low-Income (51%–80% AMI)	Median-Income (81%–120% AMI)
1–10	None			
11–13	Provide 15% inclusionary units + fractional fee	1 unit		
14–19*	Provide 15% inclusionary units + fractional fee	1 unit	1 unit	
20	Provide 15% inclusionary units	1 unit	1 unit	1 unit
21–26*	Provide 15% inclusionary units + fractional fee	1 unit	1 unit	1 unit
21–33*	Provide 15% inclusionary units + fractional fee	2 units	1 units	1 unit
34–39*	Provide 15% inclusionary units + fractional fee	2 units	2 units	1 unit
40	Provide 15% inclusionary units	2 units	2 units	2 units
41 lots or more*	Provide 15% inclusionary units + fractional fees	5% of all units	5% of all units	5% of all units

**Note:**

\* Fractional units, regardless of project size or on-site or off site, still pay in-lieu fees.





# Inclusionary Tables Off-Site, For Sale

On-Site For Sale Inclusionary Requirements (20%)			
Size of Development	Inclusionary Requirement	Moderate-Income (81%–120% AMI)	Low-Income (51%–80% AMI)
1–10	None		
11–14*	Provide 20% inclusionary units + fractional fee	1 units	1 unit
15	Provide 20% inclusionary units	2 units	1 unit
16–19*	Provide 20% inclusionary units	2 units	1 unit
20 lots or more*	Provide 20% inclusionary units + fractional fee	12% of all units	8% of all units
<b>Note:</b> * Fractional units, regardless of project size or on-site or off site, still pay in-lieu fees.			



# Inclusionary Tables Off-Site, Rental Units

On-Site For Sale Inclusionary Requirements (20%)				
Size of Development	Inclusionary Requirement	Very Low-Income (50% AMI)	Low-Income (51%–80% AMI)	Median-Income (100%)
1–10	None			
11–14*	Provide 20% inclusionary units + fractional fee	1 unit	1 unit	
15	Provide 20% inclusionary units	1 unit	1 unit	1 unit
16–19*	Provide 20% inclusionary units	1 unit	1 units	1 unit
20 lots or more*	Provide 20% inclusionary units + fractional fee	5% of all units	10% of all units	5% of all units
<b>Note:</b> * Fractional units, regardless of project size or on-site or off site, still pay in-lieu fees.				

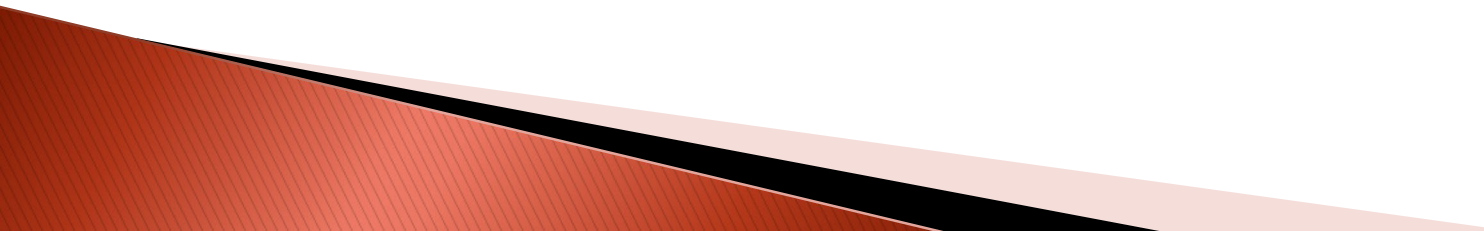


# 21.03.008/012 In-Lieu Payments, Collection, and Use


- ▶ In-Lieu fees to be calculated annually which are based on the annual increase in the Residential Construction Cost
- ▶ If the percentage of inclusionary units results in a fractional number, the developer must either round the fraction to the closest whole number or pay in-lieu fees corresponding to the amount of the fraction
- ▶ Developments containing 11 or more units may elect to pay a fee in-lieu of providing all inclusionary units
- ▶ Fees must be paid to the county prior to final inspection
- ▶ Monies collected will be allocated to support expenses for developments associated with affordable housing regulations



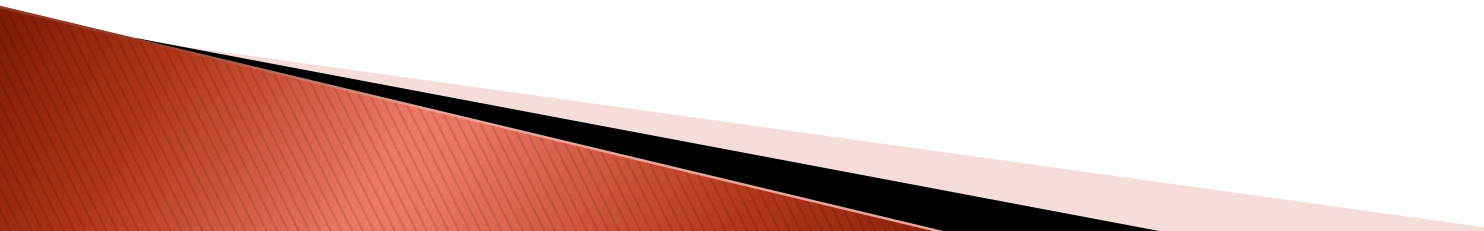
# 21.03.009 Developmental Project Approval

- ▶ Applications are incomplete until they include a plan to adhere to the regulations set forth in this chapter
  - ▶ Notice of inclusionary units, number of units, and in-lieu fees must be included before approval
  - ▶ Maps of development must include notation of compliance with the chapter
  - ▶ Applicants can request to modify an agreement and approvals can be appealed
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# 21.03.010 Occupancy and Availability of Units

- ▶ The amount and type of units are determined during the application and approval process
  - ▶ On-site/off-site and for-sale/rental inclusionary units should only be sold to eligible households of extremely-low to moderate income households
  - ▶ Maximum resale price shall be the initial sale price of the inclusionary unit, increased at the same rate as the median income has increased
  - ▶ For-sale inclusionary units can be refinanced
  - ▶ Affordability and occupancy restrictions shall remain in effect for 30 years for new and existing for-sale inclusionary units. These restrictions shall apply for 55 years for rental inclusionary units
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# 21.03.011 Housing Advisory Committee

- ▶ The advisory committee consists of 2 members of the public Board of Supervisors, 2 members of the Planning Commission, and three members appointed by the Board of Supervisors Chair
  - ▶ The purpose of the Housing Advisory Committee is to advise the Board of Supervisors on matters relating to general plan elements of housing and inclusionary housing ordinance and evaluate proposals for disbursal of in-lieu fees
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# 21.03.013 Density Bonus and Incentives

- ▶ The County of San Benito shall provide density bonuses, by increasing the number of units permitted in a proposed residential project
- ▶ The county can either grant a bonus greater or lower than required by this chapter
- ▶ The county shall ensure the continued affordability of (moderate-income) units directly related to density bonus for 10 years
- ▶ Concessions and incentives include reduction in development standards, modifying zoning code requirements, and mix use zoning
- ▶ Concessions and incentives are not required to provide for affordable housing costs
- ▶ Density increase of 25% for construction with 5 or more dwellings



# **21.03.014/015/016 Affordability and Developmental Standards**

- ▶ Reserved. (Ord. 951, § 1(part), 2016).

# 21.03.017 Enforcement & Monitoring of Ordinance

- ▶ No permits to be issued if affordable housing requirements are not met.
- ▶ The county may pursue legal action against those who violate this chapter
- ▶ Homeowners and renters will receive annual monitoring notices to confirm that residents remain eligible
- ▶ Owners and occupants must comply with monitoring notices within two business days of a written notice
- ▶ All records associated with affordable housing should be kept for a period of 5 years
- ▶ This chapter shall be evaluated by the Director every 5 years or sooner





# Thank You

Questions?