

RESPONSES TO *PALMER & PATTERSON--PALMER*

Inclusionary Ord. Provisions	Amendment Required?	Helpful Amendments	Other Issues/Possibilities
<u>For-Sale Units</u>	NO	<ul style="list-style-type: none"> • <u>Must offer units for sale by certain date</u> (to avoid renting of affordable condos at market rents) • <u>Reference Gov't Code 65589.8</u> (developers may voluntarily agree to develop rent restricted rentals) 	<ul style="list-style-type: none"> • <u>Offer Costa-Hawkins Act Exception Incentives to Encourage Rentals</u> (Civil Code 1954.52(b))
<u>Rental Units</u>	<u>YES, If Ord. does not contain sufficient procedures or discretion to enable community to waive</u>	<ul style="list-style-type: none"> • <u>Express Exemption</u> 	<ul style="list-style-type: none"> • <u>Condo Conversion Restrictions</u> (require converted units to include affordable units)
Rental Housing Alternatives	Local Law	Purpose	Bases & Implementation
1. <u>Affordable Housing Fee on Rental Projects</u>	<u>General Plan Policy & Program</u> <ul style="list-style-type: none"> • Establish % of affordable housing needed in future development. <u>Local Ordinance Establishing Fee</u>	<u>Address broad Social, Economic and Environmental Needs & Objectives</u> <ul style="list-style-type: none"> • <i>E.G.</i>, existing and future low & mod need, workforce need, GHG reduction, reduction of segregation, remedy past exclusionary zoning, scarcity of land 	<ul style="list-style-type: none"> • <u>Base Fee on “Gap” Analysis:</u> <ul style="list-style-type: none"> - Cost of Financing affordable units • <u>Mitigation Fee Act/ Nollan/Dolan test not applicable:</u> <ul style="list-style-type: none"> - Not a public facilities impact fee - Fee applies to all housing development • <u>“Nexus” Study of Impact of New Housing Dev. on Housing Need?</u> <ul style="list-style-type: none"> - Provides quantified basis for fee - <i>BUT</i> Unnecessary & Unduly Restrictive - Ignores existing needs - Ignores other legitimate purposes
2. <u>Zoning Overlay/ Super Density Bonus</u>	<u>General Plan & Zoning Ordinance Amendments—</u> <ul style="list-style-type: none"> • Incentives and regulatory concessions for % on-site affordable rental housing. 	<u>Provide Affordable Rental Housing after Palmer.</u>	<u>Comply with the Costa-Hawkins Exception.</u> (CC 1954.52(b)) <ul style="list-style-type: none"> • Provide greater density bonus than Density Bonus Law (Gov't C 65915) • Provide greater regulatory concessions than DB Law or financial subsidies.

RESPONSES TO PALMER & PATTERSON—PATTERSON

	Amendment Required?	Revisions	Other Alternatives Considered
In-Lieu Fees	<p><u>NO</u>,</p> <p><u>Unless</u> fee is similar to Patterson's:</p> <ul style="list-style-type: none"> • Defined as an "Impact Fee" • Based on impact of housing development on need for affordable housing • Inadequate relationship between identified need & new development 	<p><u>Base Fee on "Gap" Analysis:</u></p> <ul style="list-style-type: none"> • Cost of replacing the forgone affordable inclusionary units (akin to the in-lieu fee considered in <i>San Remo</i>) 	<p><u>Basing Fee on Particular Impacts:</u></p> <ul style="list-style-type: none"> • Impact of Forgoing On-site Affordable Housing—the most direct impact <ul style="list-style-type: none"> - Same as Gap Analysis <p align="center"><i>OR</i></p> • Impact of Housing Development on Need for Affordable Housing: <ul style="list-style-type: none"> - Not a true in-lieu fee— - Not based on IZ ordinance - Could lead to attacks on the Fee - Could lead to attacks on IZ <p><i>BUT:</i></p> <ul style="list-style-type: none"> - Provides quantified basis for fee
Inclusionary Policies and Ordinances	<p><u>NO</u>,</p> <p><u>Unless:</u></p> <ul style="list-style-type: none"> • Purpose not clear or broadly defined to address identified existing and future social, economic and environmental needs & objectives 	<p><u>Address Existing and Future Social, Economic and Environmental Needs & Objectives</u></p> <ul style="list-style-type: none"> • <i>E.G.</i>, existing and future low & mod need, workforce need, GHG reduction, reduction of segregation, remedy past exclusionary zoning, scarcity of land • <i>Identified In:</i> Housing Element, ConPlan, Analysis of Impediments (AI), SB 375 Sustainable Communities Strategy (SCS), etc. 	<p><u>Basing IZ on Impacts:</u></p> <ul style="list-style-type: none"> • Impacts of Not Including Affordable Housing in New Development <ul style="list-style-type: none"> - exacerbating existing & future needs - jobs-housing imbalance - segregation - increase in GHG emissions <p align="center"><i>OR</i></p> • Impact of Housing Development on Need for Affordable Housing: <ul style="list-style-type: none"> - Provides quantified basis for fee - BUT Unduly Restrictive - Ignores existing needs - Ignores other legitimate purposes