

UNDERSTANDING AND INCENTIVIZING WORKFORCE HOUSING: A  
PROFESSIONAL PROJECT FOR THE CITY OF SAN LUIS OBISPO

A Project  
presented to  
the Faculty of California Polytechnic State University,  
San Luis Obispo

In Partial Fulfillment  
of the Requirements for the Degree  
Master of City and Regional Planning in the College of Architecture and  
Environmental Design

by  
Jennifer L. Wiseman  
June 2015

©2015

Jennifer L. Wiseman

ALL RIGHTS RESERVED

## COMMITTEE MEMBERSHIP

TITLE: Understanding and Incentivizing Workforce  
Housing: A Professional Project for the City of San  
Luis Obispo

AUTHOR: Jennifer L. Wiseman

DATE SUBMITTED: June 2015

COMMITTEE CHAIR: Michael Boswell, Ph.D.  
Associate Professor of City and Regional  
Planning

COMMITTEE MEMBER: Chris Clark, J.D.  
Lecturer of City and Regional Planning

COMMITTEE MEMBER: Tyler Corey  
Housing Programs Manager  
City of San Luis Obispo

## ABSTRACT

Understanding and Incentivizing Workforce Housing: A Professional Project for the City of San Luis Obispo

Jennifer L. Wiseman

Adding workforce housing to the City of San Luis Obispo Zoning Regulation is a needed component to successfully begin, and promote, the development of housing in the City to those making between 121 and 160% of the Area Median Income. This regulation would ensure eligible households are provided with housing choices within the community, preferably the community in which they work. The addition of Workforce Housing has been a large phenomenon throughout the State of California, and the County as a whole, as housing market prices increase and most salaries maintain at a steady rate. It is important to note that the State of California Housing and Community Development Department currently does not officially categorize workforce housing, effectively banning any funding, subsidy or mandatory incentive to be required by jurisdictions.

This professional project provides initial step to the development of a workforce housing ordinance with the needed introductory research and outreach analysis of the current conditions facing our community with regards to workforce housing. It examines case studies of jurisdictions throughout the County who have taken the initial step to acknowledge workforce housing and create successful, and unsuccessful, programs which assist developers and community members with developing workforce housing. An extensive review of scholarly literature was



completed to understand the need of workforce housing in both an economic and health and safety need. Outreach was then conducted with local stakeholders to understand the range of barriers, opportunities and recommendations regarding workforce housing, and how City of San Luis Obispo policy could benefit or harm the community. The project concludes with the compilation and analysis of outreach and research to develop incentives and recommendations, found in the Recommendation Analysis, to overcome barriers of workforce housing and begin increasing the supply of quality workforce housing within San Luis Obispo.

## ACKNOWLEDGMENTS

I express my sincerest appreciate to my committee chair, Professor Michael Boswell, and committee member, Professor Chris Clark, for their knowledge, guidance, insightful feedback and ability to always provide assistance when needed.

I would also like to extend my appreciation to Tyler Corey, Housing Programs Manager for the City of San Luis Obispo and committee member, for providing me the opportunity to pursue this project and begin the process of implementing workforce housing for the City. Without his guidance, and willingness to answer all questions and concerns, this project would not have been possible. I would like to thank Tyler for being a great mentor throughout this project and for always providing comic relief.

Finally, I thank my family and friends for always providing encouragement and needed distractions.

## TABLE OF CONTENTS

	Page
LIST OF TABLES .....	x
LIST OF FIGURES .....	xi
CHAPTER	
1. INTRODUCTION .....	2
1.1 What is Workforce Housing? .....	2
1.2 Defining Workforce Housing .....	3
2. BACKGROUND .....	5
2.1 City of San Luis Obispo Demographic Overview .....	5
2.2 Housing in San Luis Obispo .....	6
2.3 Economic Aspects .....	8
2.3.1 Expansion Zones .....	11
3. CONTEXT .....	13
3.1 Need for Workforce Housing in San Luis Obispo .....	13
3.2 Importance of Workforce Housing to Employers .....	13
3.3 Importance of Workforce Housing to Employees .....	14
3.4 Difference Between Affordable and Workforce Housing .....	15
3.5 Effect of Local Governmental Regulations on Housing Development .....	17
3.5.1 City of San Luis Obispo Growth Management Regulations .....	21
3.5.2 Non-Governmental Constraints .....	22
4. LITERATURE REVIEW .....	23
4.1 Housing and Income Relationship over the Years .....	23

4.2	Why do we Need Workforce Housing?.....	25
4.3	Initial Barriers .....	26
4.4	Ideal Strategies .....	27
5.	METHODS .....	30
5.1	Introduction .....	30
5.2	Research Questions.....	30
5.3	Method One – Review of Relevant Documents.....	30
5.4	Method Two – Data Collection .....	31
5.5	Method Three – Key Stakeholder Interviews.....	31
6.	FINDINGS .....	32
6.1	Introduction .....	32
6.2	Key Stakeholders .....	32
6.2.1	Key Stakeholder Interview Questions.....	33
6.2.2	Additional Outreach .....	34
6.2.3	Interview & Outreach Key Findings.....	35
6.3	Barriers to Developing Workforce Housing .....	36
6.3.1	Understanding Existing Barriers .....	36
6.4	Incentives and Recommendations.....	39
6.4.1	Identified Incentives .....	39
6.5	Preserving Workforce Affordability .....	40
6.5.1	Current City Use of Deed Restriction .....	40
6.5.2	Non-Deed Restriction Reasoning .....	41
6.5.3	Alternative Preservation Methods .....	42

7. CONCLUSION ..... 43

BIBLIOGRAPHY ..... 45

APPENDICES

APPENDIX A: WORKFORCE HOUSING RECOMMENDATION ANALYSIS FOR  
THE CITY OF SAN LUIS OBISPO ..... 49

## LIST OF TABLES

Table	Page
Table 1: 2014 Income Limits, Rental and Sales Standards for Workforce Households in San Luis Obispo County. ....	4
Table 2: Housing Stock by Type.....	7
Table 3: Least Affordable Metropolitan Regions for Housing in the United States, 2014 .....	13
Table 4: City of San Luis Obispo Impact Fees.....	20

## LIST OF FIGURES

Figure	Page
Figure 1: Age Distribution in the City of San Luis Obispo, 2010 .....	5
Figure 2: San Luis Obispo Economic Sectors .....	11
Figure 3: San Luis Obispo Opportunity Sites.....	12
Figure 4: City of San Luis Obispo current Affordable Housing Incentives and Funding Sources .....	17
Figure 5: Comparative Residential Development Fees of San Luis Obispo County .....	19
Figure 6: California Residential Building Activity 1990-2007 .....	24

*“Workforce housing is a challenge that transcends any of our abilities to solve alone”*

*-Richard Syron, CEO of Freddie Mac,*

(Joint Center for Housing Studies of Harvard & Center for Workforce Preparation,  
2005)



## EXECUTIVE SUMMARY

The purpose of this background report is to provide the framework for understanding the need for workforce housing within the City of San Luis Obispo. This background report sets the context of the City in regards to its existing housing and economic situations and then focuses on the importance of providing sufficient housing affordable to the workers of the community. The background report then reviews literature of barriers to developing workforce housing, successful methods to overcome those barriers, and the economic importance of providing adequate housing within all price ranges.

Appendix 1, Understanding and Incentivizing Workforce Housing, then uses the background data, case studies, literature review, and key stakeholder interviews to successfully identify 9 incentives which the City should consider when adding the workforce housing affordability category into the Zoning Regulations. Each incentive identifies case studies and successful examples from other jurisdictions to which the City can use as guidelines to determining how to implement each incentive.

## 1. INTRODUCTION

### 1.1 What is Workforce Housing?

As city populations rise, planners begin to play one of the largest roles of maintaining and preparing our communities for growth. Housing prices across the Country continue to steadily rise, faster than many salaries. As cities and counties across the country try to bring their revenues and expenditures in-line and prioritize how to spend scarce resources; policymakers and planners are learning to understand the benefits of well-designed affordable housing programs (Fougere, et al., 2010). Such programs are important now more than ever, as research demonstrates that housing affordability has worsened significantly in recent years. Planners also must work with economic development officials to understand how to maintain a healthy city with job-housing ratios. The correlation to bringing economic activity and stability into communities revolves around the ability to house a workforce to occupy those jobs and have the ability to own a home near their place of employment (Joint Center for Housing Studies of Harvard & Center for Workforce Preparation, 2005).

Workforce housing provides housing options to those households in a community who have professions making average to above average income levels but are still priced out of local housing markets. Households may range from head-of-household single residents to families with combined working incomes. While the

trend of job centered cities increases, the affordability of those cities tends to steadily decrease, as residents wish to live near their workplace to lessen commutes. The struggle to provide adequate, affordable and diverse housing options within communities raises many concerns. These concerns range from the ever increasing fees that contribute to higher housing costs, to the availability of developable land near employment centers (Kroll & Wyant, 2009). From a broader perspective, an overwhelming majority of residents feel that our communities are better places to live when housing is within reach of all. Healthy communities need businesses that employ their residents. Employees need and desire a diversity of housing choices near where they work. Cities and counties need revenue to provide the services that promote the health, wellbeing, and economic sustainability of their communities (Wardrip, Williams, & Hague, 2011). These principles may sound simple, but striking the balance between these often competing goals is the biggest challenge. The lack of sufficient housing opportunities to meet the needs of a jurisdiction's workforce results in a wide range of negative unintended consequences.

## 1.2 Defining Workforce Housing

Today, the definition of workforce housing ranges widely across communities. The definition is often never portrayed the same way in two jurisdictions. For the purpose of the City of San Luis Obispo's future zoning regulation update to include a workforce category, the City has chosen to define workforce housing as a household who makes between 121 and 160% of the area median income.

The area median income (AMI) is a set number provided on an annual basis by the California Department of Housing and Community Development (HCD). The number represents the County's median income for a family of four individuals. For the calendar year 2014, HCD identified the AMI of the County of San Luis Obispo as \$77,000 (State of California HCD, 2014). HCD provides all AMI data only on a county basis, and not individually by jurisdiction. Table 1 below further identifies income data in relation to workforce housing.

Table 1: 2014 Income Limits, Rental and Sales Standards for Workforce Households in San Luis Obispo County

Income Group	Number of Persons in Household							
	1	2	3	4	5	6	7	8
Area Median Income	\$53,900	\$61,600	\$69,300	\$77,000	\$83,150	\$89,300	\$95,500	\$101,650
Moderate Limit at 120% AMI <sup>3</sup>	\$64,700	\$73,900	\$83,150	\$92,400	\$99,800	\$107,200	\$114,600	\$121,950
Workforce Limit at 160% AMI	\$86,240	\$98,560	\$110,880	\$123,200	\$133,040	\$142,880	\$152,800	\$162,640
Maximum Monthly Rent <sup>1</sup>	\$1,796	\$2,053	\$2,310	\$2,556	\$2,771	\$2,976	\$3,183	\$3,388
Maximum Purchase Price	\$301,750	\$344,975	\$389,000	\$431,550	\$465,650	\$500,075	\$534,800	\$569,125

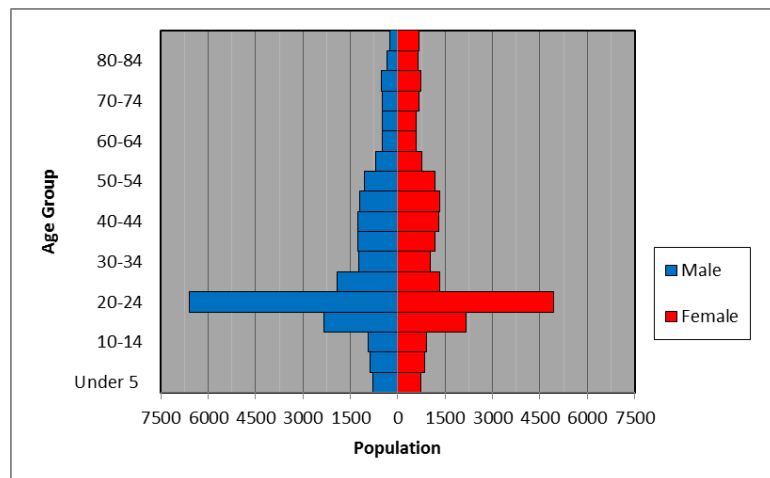
1. Workforce affordability level, divided by 12 months, multiplied by 25% of monthly income per City of San Luis Obispo moderate income level calculations.
2. Workforce affordability multiplied by 3.5 per City of San Luis Obispo moderate income level calculations.
3. Moderate Income Level already set by City of San Luis Obispo as part of Affordable and Inclusionary Housing requirements.

## 2. BACKGROUND

### 2.1 City of San Luis Obispo Demographic Overview

As of 2013, San Luis Obispo is home to 45,541 residents (City of San Luis Obispo, 2014-2019 Housing Element, 2015). The population is estimated to reach 47,622 by the year 2030, and the City could reach 57,000 residents once development has reached build out potential in the large expansion zones by approximately the year 2057, assuming the maintenance of a 0.5% growth rate (City of San Luis Obispo, 2014-2019 Housing Element, 2015). Over the past 15 years, the City has seen average annual growth rates between 0.5 and 0.2% lower than both the County of San Luis Obispo and the state of California. The City is located next to California Polytechnic State University and near Cuesta College, resulting in a high proportion of residents aged 18-24, highlighted in Figure 1.

Figure 1: Age Distribution in the City of San Luis Obispo, 2010



Source: City of San Luis Obispo Housing Element, 2015

The distribution in age ranges also identifies that the second largest population includes residents age 25-44, often those with head of household jobs, first time homebuyers, and young families or couples most likely to qualify as workforce income level households. The City's household size is also below the County and State, averaging at 2.3 persons per household, and decreasing since 1990 (City of San Luis Obispo, 2014-2019 Housing Element, 2015). The declining household size often reflects the aging of the City's residents and the relatively high cost of housing within this community, as larger families may be priced out of the market. As homeowners age and become "empty nesters", they often cannot afford to "shift down" and buy smaller housing that better meets their needs and budget. As average households grow smaller, the existing housing stock accommodates fewer people, exacerbating housing needs, particularly for families and large households.

## 2.2 Housing in San Luis Obispo

A large majority of homes in the City are renter-occupied, mainly due to the City's location near Cal Poly. Currently 61% of all homes in the City limits are renter occupied, and only 39% are owner-occupied (City of San Luis Obispo, 2014-2019 Housing Element, 2015). San Luis Obispo's housing market is strongly influenced by Cal Poly University and Cuesta College enrollment, due to the university's lack of on-campus student and faculty housing. Owner occupied housing units saw a 2% decrease since 2000 even with the recent increase of on-campus student housing at Cal Poly (City of San Luis Obispo, 2014-2019

Housing Element, 2015). Cuesta College does not offer on-campus housing. Most of the area’s students live off campus in single family or multi-family rental units in the City of San Luis Obispo. Under City zoning regulations, up to five persons can live together in a house and share rental costs (City of San Luis Obispo, Zoning Regulations, 2015). Consequently, college students can often out-compete non-student households for rental housing in areas that were historically single-family residential neighborhoods (City of San Luis Obispo, 2014-2019 Housing Element, 2015).

In the 1980’s and 1990’s, the City’s housing stock grew slower than the population, with 17,877 housing units in the City and a vacancy rate of 5.5%. In 2000, the City’s housing stock grew to 19,340 units, with a vacancy rate of 3.6%. By 2010, the City housing stock grew to 20,553 housing units, an increase of 1,213 units (City of San Luis Obispo, 2014-2019 Housing Element, 2015). The composition of housing stock also changed rapidly during this time, seen in Table 2. The City continues to see the largest increase in multi-family housing units.

Table 2: Housing Stock by Type

Unit Type	2000		2013		Percent Change (%)
	Number of Units	Percent of Type (%)	Number of Units	Percent of Type (%)	
Single Family Detached	8,961	47	9,588	46	7
Single Family Attached	1,210	6	1,381	7	14
Multi Family (2-4 units)	2,347	12	2,650	13	13
Multi Family (5+ Units)	4,821	26	5,596	27	16
Mobile Homes, Other	1,531	9	1,482	7	-3
Total	18,871	100	20,697	100	10

Source: U.S Census Bureau, 2000; Dept of Finance, 2013

In addition, the age of the City's housing stock is also increasing. Approximately 50% of the housing stock in San Luis Obispo was built between 1950 and 1980, meaning these homes are reaching between 40 and 60 years old, often signifying time for significant repairs and investments (City of San Luis Obispo, 2014-2019 Housing Element, 2015)

### 2.3 Economic Aspects

The supply of affordable housing is only one part of the problem, and to say the housing affordability problem is merely a production problem oversimplifies the issue. Failing to address the issue of geography means overlooking what real estate agents call the three most important factors in real estate: location, location, and location. The issue is not how much housing is produced but where it is produced, as well as how to address the challenges of producing it where it is needed. The proximity of housing to jobs is the second part of the problem (Haughey, 2002).

Where affordable housing does exist, it usually is located far from employment centers. In rapidly growing cities throughout the United States, most new affordable housing is being created in the outer regions where land is often less expensive, so this is where moderate income and workforce income families are being forced to live. This outward movement of population brings with it all the undesirable aspects of sprawl: increasing traffic congestion, school overcrowding, increasing air pollution, and a loss of open space (Haughey,



2002). Yet most major institutions like government centers and hospitals are located in or near the central city and cannot move out to follow the workforce. This dynamic makes it hard to recruit and retain moderate-income employees such as teachers, fire fighters, nurses, and so forth (Joint Center for Housing Studies of Harvard & Center for Workforce Preparation, 2005). Private businesses, on the other hand, are more mobile. Many businesses could move to the outer fringes to be closer to their workforce. While this might appear to solve the jobs/housing imbalance, it actually further compounds the cycle of sprawl by driving up land and the need to develop further commercial centers towards these residential developments.

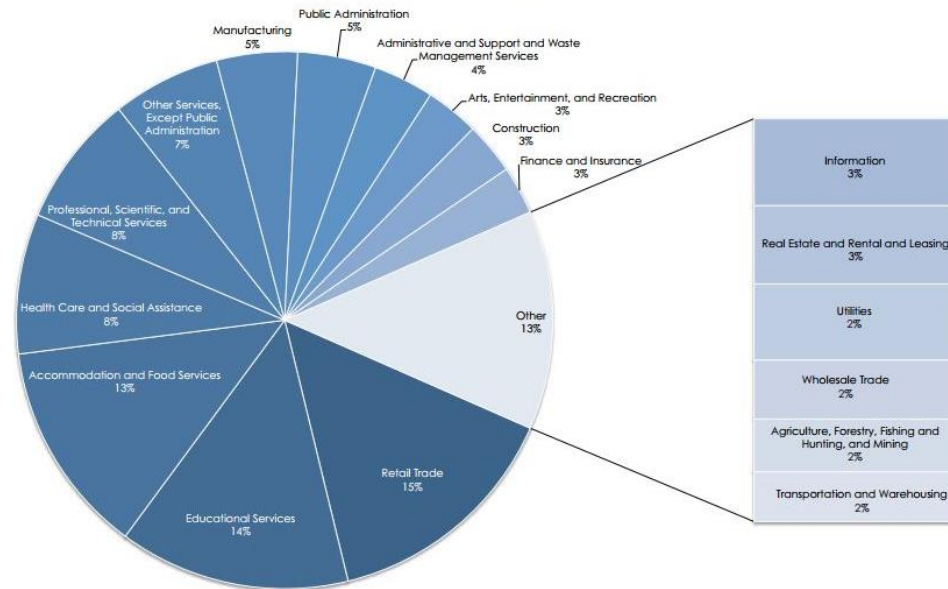
San Luis Obispo is currently known as the economic hub of San Luis Obispo for job purposes. Due to its central location, early settlement and important transportation links from the Southern Pacific Railroad and State Highways 101, 1 and 227; San Luis Obispo historically has served as the County's governmental, retail and cultural hub, and continues to do so today (City of San Luis Obispo, 2014-2019 Housing Element, 2015). The City sees these same issues stated previously, with employers being forced to move to the northern and southern portions of the County yet the majority of jobs are located within the City limits.

Working wage jobs and affordable housing are a key aspect of any community. In order to attract and retain an educated workforce, both jobs and plentiful

housing affordable to its residents must be available. Students who are unable to find work or live in an affordable place after graduation are likely to move elsewhere. Businesses are less likely to relocate to or remain in an area without an educated workforce. This theory relates to the City of San Luis Obispo since the region is home to Cal Poly, and businesses look to the University to provide highly educated students into the local workforce (Capital City Development Corporation, 2007).

In addition to the amount of highly qualified potential employees in the City, the community also has a wide range of employment sectors. Seen in Figure 1 below, San Luis Obispo has a large percentage of employment industries that are considered low wage jobs. Approximately one quarter of the employment industry makes less than \$20,000; which includes retail trade, arts and entertainment, accommodation and food series, and other services. After that, approximately half of the employment sectors are jobs with an average salary of less than \$35,000. This highlights the number of residents in the community who are priced out of the housing market and would qualify as workforce income households. (City of San Luis Obispo, Economic Development Strategic Plan, 2012).

Figure 2: San Luis Obispo Economic Sectors



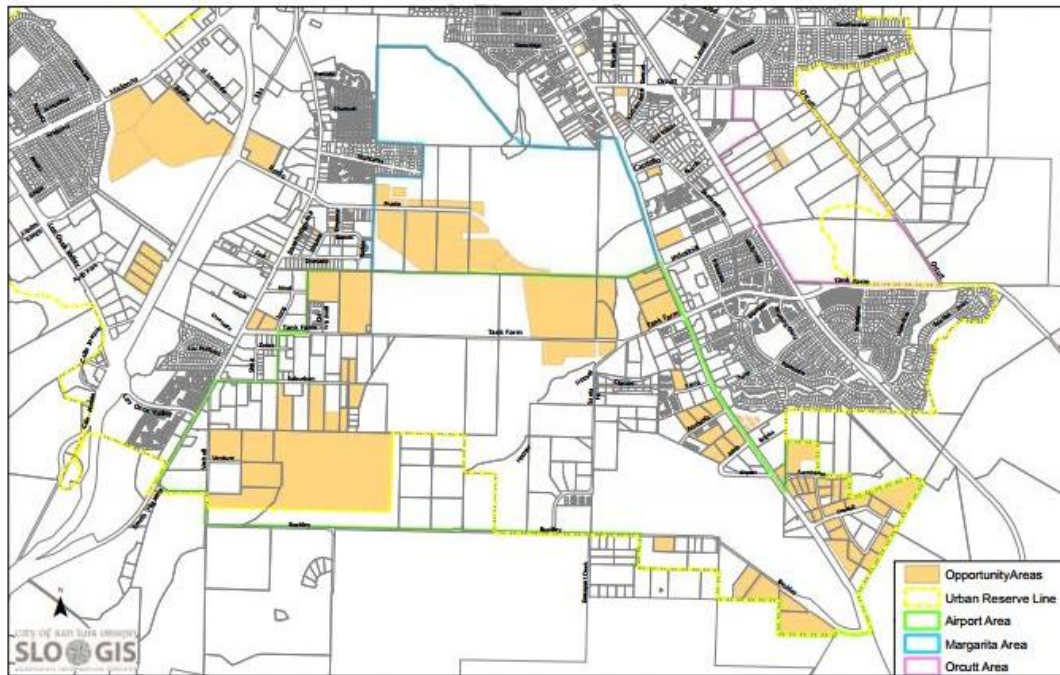
Source: City of San Luis Obispo Economic Strategic Plan, 2012

### 2.3.1 Expansion Zones

As the City of San Luis Obispo looks to southern expansion areas as a key source of commercial and residential development, the expansion areas will play a main role in expanding workforce housing options near some of the biggest employers in the City.

The Margarita, Orcutt, and South Broad Street areas all have approved specific plans for fostering development in their respective areas. While the Margarita area has begun construction over the past few years, the development has focused on single-family homes selling for much above workforce income limits. As the supply of housing increases however, the possibility for lower prices may begin to show.

Figure 3: San Luis Obispo Opportunity Sites



*Source: City of San Luis Obispo Economic Strategic Plan, 2013*

The expansion regions shown in the figure above have the ability to provide a large number of dwelling units. In the Margarita Area, approximately 870 housing units, including multiple parcels devoted to affordable housing will be developed. Over 1,000 units will be developed within the Orcutt Area. Multiple Orcutt area projects are currently in the entitlement phase. Over 600 units have the potential to be built on the Avila Ranch site, with the possible San Luis Ranch site being a potential location for a large number of single family and multi-family housing units developed in the future (City of San Luis Obispo, 2014-2019 Housing Element, 2015).

### 3. CONTEXT

#### 3.1 Need for Workforce Housing in San Luis Obispo

According to the National Association of Homebuilder’s “Housing Opportunity Index” in 2014, San Luis Obispo County was the 11<sup>th</sup> least affordable in the Country. As seen in Table 3 below, the New York-White Plains-Wayne metropolitan was the only top 14 least affordable region not in California (National Association of Home Builders, 2014).

Table 3: Least Affordable Metropolitan Regions for Housing in the United States, 2014

Rank	Metropolitan	Percent Affordable in 2014
1	San Francisco- San Mateo-Redwood City, CA	11.1
2	Napa, CA	12.0
3	Santa Cruz-Watsonville, CA	15.0
4	Los Angeles-Long Beach-Glendale, CA	16.2
5	Salinas, CA	16.9
6	Santa Ana-Anaheim-Irvine, CA	17.1
7	San Jose-Sunnyvale-Santa Clara, CA	21.8
8	New York-White Plains-Wayne, NJ-NY	24.7
9	Santa Rosa-Petaluma, CA	25.0
10	San Diego-Carlsbad-San Marcos, CA	25.3
11	San Luis Obispo-Paso Robles, CA	26.6
12	Oakland-Fremont-Hayward, CA	31.4
13	Santa Barbara-Santa Maria-Goleta, CA	33.3
14	Oxnard-Thousand Oaks-Ventura, CA	34.8

*Source: National Association of Homebuilders, 2014*

#### 3.2 Importance of Workforce Housing to Employers

Employers are more satisfied than employees with the location, type, and setting of their homes, making fewer compromises than their employees are forced to make. 71% of employers think workforce housing is extremely or somewhat

important to the well-being of their companies (Letters & Smith, 2013). Those employers also stated that the types of housing needs their employees have include: single family homes to purchase, single family homes to rent, and starter homes for first time homebuyers. Employers found the main barriers of workforce housing include: building codes, environmental regulations, zoning regulations and cost of land. Employers then stated that the top incentives to developing workforce housing were: interest rates, availability of labor, and market demand (Letters & Smith, 2013). In a national survey, more than half of larger companies noted that there is an insufficient amount of housing in their communities that is affordable to their workers within the proximity of their employment location, while more than 60% states that the shortage of affordable housing is negatively affecting their ability to hold or gain qualified employees (Wardrip, Williams, & Hague, 2011).

### 3.3 Importance of Workforce Housing to Employees

According to the EVC Workforce Housing Survey from 2013, employees are impacted the most by housing costs and the lack of choices available in the community within their income range. Employees want to live and work in the same community; however due to the city's difference in income and housing costs, most households are making compromises between location and housing type. Between 25 and 30% of employees surveyed are less than satisfied with their current housing situation, with about 25% of employees currently renting who wish to purchase a home. In addition, employees want three bedrooms and

two bathrooms; prefer detached units with a garage and extra storage space (Letters & Smith, 2013). The survey also found that workers who can find housing affordable to their income range were much more likely to spend other portions of their income within the city on items such as: food, clothing, healthcare and transportation; creating addition revenue for the jurisdiction (Wardrip, Williams, & Hague, 2011).

### 3.4 Difference Between Affordable and Workforce Housing

Currently, affordable housing is made available for residents making less than 120% of the area median income, these limits and guidelines are set by the California Department of Housing and Community Development on a yearly basis. California Health and Safety Code provides these State Income Limits for the low, very-low, and extremely-low income categories and are updated yearly upon the U.S. Department of Housing and Urban Development (HUD) updating its Section 8 program income limits (State of California HCD, 2014). From there, each County is provided their individual income limits. The State and the City of San Luis Obispo currently identifies “affordable housing” as extremely low, very low, low, and moderate income households categories.

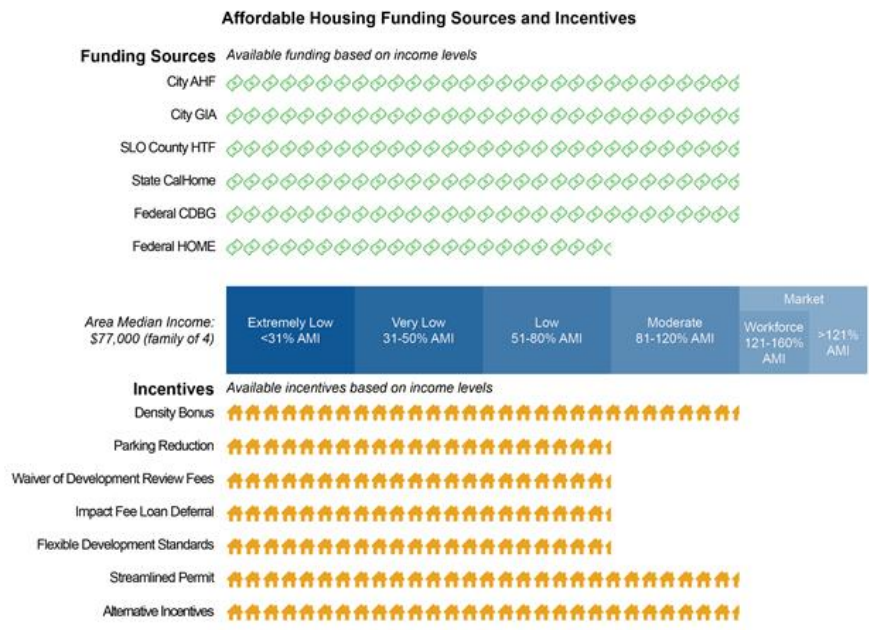
When the City adopted their Inclusionary Housing Ordinance and affordable housing incentives in the late 1990’s, the City was required to conform to the State’s definitions of affordable housing. Part of the Inclusionary Housing requirements focus on payment of an in-lieu fee when the developer is not able

to physically construct their affordable housing requirements (City of San Luis Obispo, Zoning Regulations, 2015). These fees are transferred into the Affordable Housing Fund and are distributed to developers or local organizations who request funding to build or assist with developing future affordable housing.

Since the State of California does not recognize a 'workforce' affordability level, the City cannot currently provide Affordable Housing Fund monies or any state grants programs (CDBG, HOME, BEGIN) to workforce housing developments. Since workforce level affordability is considered market rate by the State, any workforce housing developed in the City would be subject to Inclusionary Housing requirements and developing affordable housing, adding additional costs. The City currently provides the following incentives for affordable housing, seen in Figure 4.



Figure 4: City of San Luis Obispo current Affordable Housing Incentives and Funding Sources



Source: City of San Luis Obispo Community Development Department, 2015

As seen above, the City currently offers a wide range of incentives for affordable housing. These incentives were used as a form of template for the creation of workforce housing incentives, stated in Appendix 1. Like previously mentioned, the above funding sources are not available to workforce housing besides individual low interest loans from the San Luis Obispo Housing Trust Fund, which was discussed in key stakeholder interviews (Rioux, 2015).

### 3.5 Effect of Local Governmental Regulations on Housing Development

Local regulations can account for a large percent of development costs all over the state of California. Where housing prices are high such as San Luis Obispo;

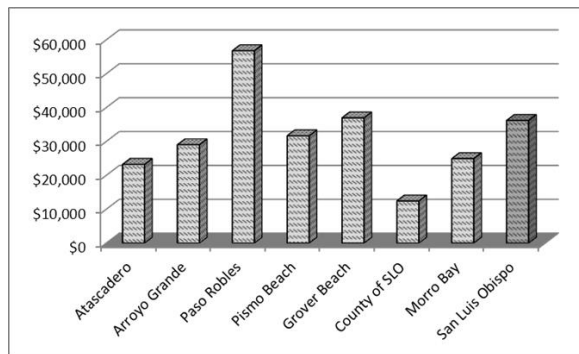
climate, view, proximity to amenities, accessibility, and limits on surrounding growth play key factors to price, in addition to the brick and mortar development aspect of a house. Also, local regulatory agencies require a wide range of development and impact fees in addition to strict regulations regarding zoning and land use.

Local governments levy fees and assessments to cover the cost of processing development applications and permits, and to cover the cost of services. These fees help ensure high-quality housing developments are produced and the provision of adequate public facilities and services. Development costs, including application and permit fees, are typically passed through to the consumer in the form of higher rents or sales prices for new housing where possible within prevailing rent and sales prices. Consequently, City fees can increase development costs and affect housing affordability. One method of evaluating whether San Luis Obispo's fees are excessive or pose barriers to housing development is to compare its fees to those in other nearby jurisdictions (City of San Luis Obispo, 2014-2019 Housing Element, 2015).

In 2013 the City surveyed development fees for the County's seven cities, and for San Luis Obispo County. The City also compared fees that the various jurisdictions would charge for a new 2,000-square-foot house with a 500- square-foot garage. The survey showed that for some development fees, San Luis Obispo is generally higher than the other county jurisdictions. These comparative

development fees for a detached house are shown in Figure 4 below. Development fees include planning application fees, building plan check and permit fees, Fire Department and Public Works Department plan check and inspection fees, and other impact fees. For a typical 2,000-square foot single family home with a 500-square-foot garage and a construction value of \$245,960; development fees in San Luis Obispo in April 2014 totaled \$36,220, or about 15% of construction value. By comparison, development fees for the same hypothetical development in the County of San Luis Obispo were \$12,470 (City of San Luis Obispo, 2014-2019 Housing Element, 2015).

Figure 5: Comparative Residential Development Fees of San Luis Obispo County



Source: City of San Luis Obispo Housing Element, 2014

On the other side of the spectrum, development fees for multi-family developments are equally as high. One example highlights that for a 43-unit multi-family residential project on a 1.53 acre site in San Luis Obispo, development fees in March 2014 totaled \$23,162 per unit and a total value of \$107,596.36 per unit; or about 21.5% of construction value (City of San Luis Obispo, 2014-2019 Housing Element, 2015). By comparison, development fees

for a typical multi-family development in the County of San Luis Obispo in 2014 were \$29,219.29 per dwelling based on a per unit construction value of \$97,980.91; or approximately 30% of construction value (City of San Luis Obispo, 2014-2019 Housing Element, 2015). In most cases, City development fees assume full cost recovery for actual costs to deliver the planning, building and engineering services. Development review fees are updated annually, based on changes in the Consumer Price Index, or periodically through a detailed cost of services study. Table 4 identifies City impact fees that are currently charged.

Table 4: City of San Luis Obispo Impact Fees

Development Type	Equivalent Density Units	Impact Fee	
		Citywide	Specific Plan Area Surcharge
			Airport, Margarita, and Edna-Islay*
<i>Water</i>			
Single-Family	1.0	\$10,775	n/a
Multi-Family	0.7	\$7,542	n/a
Mobile Home	0.6	\$6,465	n/a
<i>Wastewater</i>			
Single-Family	1.0	\$3,729	\$2,745
Multi-Family	0.7	\$2,610	\$1,922
Mobile Home	0.6	\$2,237	\$1,647
<i>Transportation</i>			
Single-Family	1.0	\$3,516	n/a
Multi-Family	1.0	\$3,120	n/a

*Source: City of San Luis Obispo Housing Element, 2014. Note: This graph does not include school impact fees.*

The City's recently adopted Housing Element identifies Programs 2.8 and 2.9 which call for the City to seek additional funding sources to help offset

development-related City fees for residential projects that include affordability guarantees for extremely-low, very-low, low- and moderate income households (City of San Luis Obispo, 2014-2019 Housing Element, 2015). To make workforce housing development still be profitable while being affordable to those making 121-160% of the area median income, the City will need to consider how to prorate or enact fees on a sliding scale to encourage smaller developments that are more affordable by size or design.

### 3.5.1 City of San Luis Obispo Growth Management Regulations

The City of San Luis Obispo's General Plan states that "the City's housing supply shall grow no faster than 1% per year." This statement often creates confusion and is heard as a negative aspect to development in the City. This policy was modified in 2010 to an average of 1% per year over the five-year Housing Element planning period. The policy change responded to slow residential growth trends combined with the phasing and financing plans incorporated into the Margarita and Orcutt Specific Plan Areas. The Residential Growth Management Regulations requires each specific plan area to adopt a phasing schedule for residential growth to ensure that established thresholds in the Land Use Element are not exceeded. Since this requirement was created, annual increases in the number of dwellings have averaged 0.45% over the past ten years (City of San Luis Obispo, 2014-2019 Housing Element, 2015). Units that are deed-restricted as affordable to extremely low, very low, low and moderate income households are not factored into the Growth Management Schedule because they are

exempt from the Growth Management Ordinance. Dwellings built in the downtown area are also exempt (City of San Luis Obispo, 2014-2019 Housing Element, 2015).

### 3.5.2 Non-Governmental Constraints

Land is the largest component in the cost of new housing, accounting for over 60% of development costs. Because land costs are so high, it is difficult to build affordable housing if the project involves purchasing land at today's prices. Land in San Luis Obispo is often more expensive due to the lack of infill potential outside of expansion zones. The City of San Luis Obispo also maintains a greenbelt around the City to limit the sprawl of development. Land costs directly affect the cost of housing. As land becomes scarcer, its price increases.

In 2014 the cost of an undeveloped, average-size, single-family residential lot in San Luis Obispo was estimated by members of the Board of Realtors' multiple listing service to be between \$200,000 and \$450,000, depending on its size and location. By contrast, in 2009 the cost of a typical single-family residential lot in San Luis Obispo ranged from \$250,000 to \$375,000. The average sales price per square foot for a vacant, single-family (R-1 zone) lot in San Luis Obispo in 2014 is \$32, but ranges between \$19 and \$54 per square foot. In 2009 the cost for undeveloped land suitable for housing ranged from \$15 to \$52 per square foot (City of San Luis Obispo, 2014-2019 Housing Element, 2015).

## 4. LITERATURE REVIEW

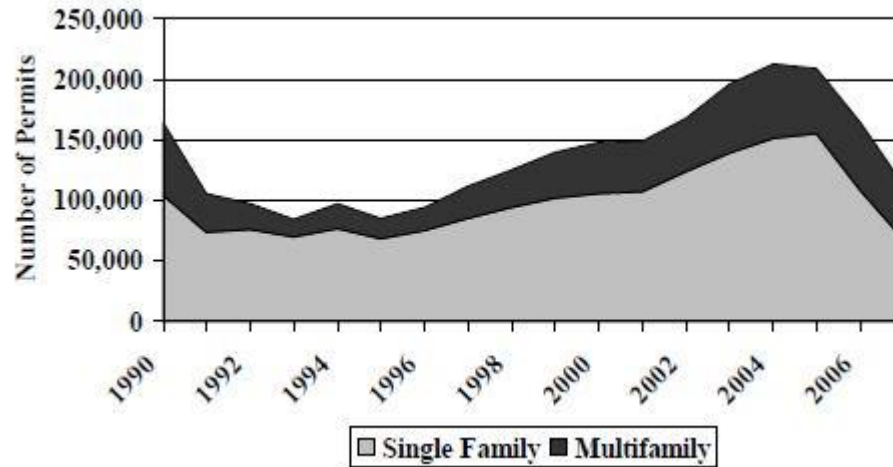
### 4.1 Housing and Income Relationship over the Years

Census data shows that the United States saw periods of rapid growth over the past fifty years, since 1990 the population has grown by over 32 million residents; more than the baby boomers era of the 1950s (Haughey, 2002). Between 2000 and 2020, approximately 50 million residents will join the population, all will be in need of housing and the Country has a large task ahead of accommodating those households.

During the past fifty years, some affordable rental housing was developed. More housing was developed for low and high income households as a net decrease for moderate income households was seen. Between the late 1980s and early 2000s, approximately 400,000 additional housing units were developed for those making less than 30% of the AMI, or extremely low households; 2.6 million units were developed for very-low income households, those make between 30-50% AMI; and 1 million units was developed for low income households, 50-80% AMI (Haughey, 2002). For those making between 80-120% AMI, or moderate income households, the supply of housing is significantly different. These households saw a decrease in half of normal production due to the increase of high-end apartments which were in high demand. This mimics the current housing stock development throughout the City of San Luis Obispo and California as a whole. We are now seeing increases of affordable housing, while continuing to see the

creations of mass, market rate developments unaffordable to the workforce. Figure 5 below shows an overview of the amount of residential development since 1990.

Figure 6: California Residential Building Activity 1990-2007



Source: Kroll and Wyant, 2009

As stated previously, affordability is seen as a household spending less than 30% of their monthly income on housing expenses (Kroll & Wyant, 2009). Between 1990 and 2000, the number of households spending greater than this amount grew 19%, while the median house payment grew 16%; greatly exceeding the growth rate of income which rose 8% during that time frame (Haughey, 2002). Common tradeoffs for additional housing costs include: spending a greater share of their income on housing, postponing or foregoing homeownership, living in more crowded housing, commuting further to work, having less income on other personal needs, and often choosing to move elsewhere (Taylor, 2015).



## 4.2 Why do we Need Workforce Housing?

Today's housing costs are the key component to the need of workforce housing. While the idea of workforce housing has been brewing rapidly since the early 2000s, the growing shortage of housing affordable to our working class and located near employment centers is growing at a more rapid pace in California (Kroll & Wyant, 2009). California's housing costs are significantly higher than much of the nation; California's housing sales prices average 2.5 times higher than others while California's rental costs are approximately 50% greater than rent across America (Taylor, 2015). While a key factor of these costs are the intense desire to reside in California, California also struggles with very low housing supplies and vacancy rates in most parts of the state. A majority of residents wish to reside in coastal communities, which simply cannot handle the influx of housing due to land availability and existing build out. The competition for housing in the state builds up home prices and rental costs, causing people to look to inland locations and suburbs for housing (Taylor, 2015). While the supply may increase in the inland regions, this only increases commutes and creates further issues.

The supply of workforce housing is only one part of the problem, failing to address the location of this workforce housing is the second major component (Haughey, 2002). The proximity of affordable and workforce housing are often located in regions where land is cheaper and therefore housing costs can be reduced, yet affordable land is often not located near bustling economic centers

where residents are employed, or even near public transit stops where residents can reduce their commutes (Haughey, 2002). While employers are now even moving office locations closer to suburbs or regions where their workforces live, this doesn't necessarily solve all the problems; this is merely compounding the cycle of sprawl by increasing land costs and in return causing housing to continuously move outwards (Haughey, 2002).

#### 4.3 Initial Barriers

Many regulations increase the cost of housing or reduce its supply. While some can be understood and even mitigated to encourage development, the majority of barriers are regulations which are meant for safety purposes and therefore cannot often be reduced, such as the use of certain materials for fire suppression, or health and safety codes associated with buildings (Schill, 2004). Since the early 2000s, policymakers have shifted to focus on the costs of federal, state, and local regulations as home prices increased at extremely high rates. It is difficult to distinguish between unneeded barriers and those which are useful and need to be preserved, while government frequently enacts new regulations which could unintendedly affect housing prices. Main governmental barriers identified include: building codes, environmental regulation, land use and zoning, impact fees, and the administrative process (Schill, 2004). Studies highlight that the difference in costs between lightly and highly regulated environments can increase rents by over 17% and increase house values and sales costs by 51%, this results in a homeownership rate reduced by 10% (Schill, 2004). For

workforce housing specific barriers, today's subdivisions are creating the need for aesthetic and socioeconomic exclusivity, and direct land use regulations such as large lot zoning and setbacks discourage the development of multi-family or smaller lot developments which are commonly the most affordable development possibilities (Advisory Commission on Regulatory Barriers of Affo, 1991).

#### 4.4 Ideal Strategies

While many cities vary with their definition of workforce housing, those who view workforce as an income category focus on several main strategies to increase development of housing for those in the income range. The first section of success comes from land use and regulatory programs. Here, a majority of cities have implemented fee waivers, expediting processing, and smaller incentives such as reduced parking requirements (Craeger & Peninger, 2014). The next key strategy includes creating a type of financing program specifically for housing purposes. Whether that be a voter-approved funding source, housing levies, commercial linkage fees, or contingent loan agreements; cities such as Seattle, Austin, San Diego, Boston and Portland found success in developing their category of workforce housing through these financial features (Craeger & Peninger, 2014). Other market-led approaches that have proven successful include adopting flexible regulations and zoning for micro-units or second units to provide other resources for affordability. The creation of new small unit ideas including *apodments*, micro units with shared kitchens in multifamily zoned

regions, or single room occupancy units have also been popular in increasing workforce housing in Seattle and San Diego. Other areas with less developed inclusionary programs or affordable housing programs often look to the creation of non-profit housing corporations, land trusts and the idea of co-operatives as a solution to uniquely providing workforce housing without subsidizing or incentivizing development (Urban Land Institute, 2008).

In addition, a key factor outside of regulatory or governmental control includes programs purposed to bring two working groups together to develop housing. An employer assisted housing program has recently become a key program in a variety of situations to ensure that employees are provided housing near their workplace. Employers in this situation would not have to wait for local regulations to create housing solutions but instead work with local developers or employees through loans, matched savings or homebuyer educational programs. Fannie Mae works closely with employers to assist them with setting up employer assisted housing programs (Housing Authority of the County of Monterey, 2002). In communities where affordability is a key issue, employers are using these types of programs to provide land to developers in exchange for added affordability of units, employers could also provide physical services, construction loans to developers or even permanent financing options. These programs are often seen associated with universities. Universities and colleges are now providing unique housing opportunities on or off campus for faculty members. Stanford University offers affordable homes to faculty members either through

purchase programs or the homes that the University builds on campus (Stanford University, 2015). Purchase programs include mortgage assistance programs, deferred interest programs, zero interest programs, housing allowance programs or residential ground lease programs. In addition, the University builds a variety of home types available for rental or purchase as reduced cost to faculty and their families (Stanford University, 2015). This type of program would be extremely beneficial for Cal Poly as the University finds housing to be a barrier in the competition of gaining quality faculty members.

## 5. METHODS

### 5.1 Introduction

The following is methodology used for the creation of the Workforce Housing Recommendation Analysis prepared for the City of San Luis Obispo. This project utilizes a literature review that details the implementation of workforce housing ordinances, programs and ideas throughout the United States. Numerous key stakeholder interviews, review of documents and data collection were used to develop the main sense of community need, understandings, hardships and ideas regarding the City's role in improving the availability of workforce housing.

### 5.2 Research Questions

1. What is workforce housing?
2. What is the proper definition of workforce housing in San Luis Obispo?
3. What are the barriers to developing workforce housing?
4. What incentives are needed to increase the supply of workforce housing?
5. What is the proper way to maintain long-term affordability of workforce housing units?

### 5.3 Method One – Review of Relevant Documents

A thorough review of associated literature, example ordinances and case studies was conducted to understand basic workforce housing ordinance development, success stories and failures of other jurisdictions around the county.

#### 5.4 Method Two – Data Collection

Data regarding the City of San Luis Obispo and its market trends, economic aspects, income levels and housing needs was collected for the Workforce Housing Recommendation Analysis. This data was prepared on a variety of sources including U.S. Census Data, California Department of Housing and Community Development, the City of San Luis Obispo, County of San Luis Obispo, the Economic Vitality Corporation and the Association of Realtors. Data was gathered and formed into maps and charts to be analyzed to best understand the current context and scenario of workforce housing in San Luis Obispo.

#### 5.5 Method Three – Key Stakeholder Interviews

A series of interviews were conducted with local developers, realtors, planners, and directors of nonprofits in the housing and economic sector. These interviews focused on ten main questions regarding defining workforce housing, barriers of development, incentives needed to increase supply, funding opportunities, deed restriction and design aspects. Transcribed notes can be found in the appendix of Appendix 1.

## 6. FINDINGS

### 6.1 Introduction

The purpose of the research and outreach was to develop the attached Recommendation Analysis which begins the process of the City of San Luis Obispo developing a workforce housing ordinance which incentivizes housing affordable to households making between 121-160% AMI. The creation of this ordinance and been largely discussed within the community over the past few years and was a key issue coming from all housing element outreach events. The following chapter outlines key stakeholder outreach, related case studies and research done to further enhance comments heard during outreach.

### 6.2 Key Stakeholders

In February and March, outreach was conducted to better understand the community's point of view on the importance of workforce housing. Using the Economic Vitality Corporation's 2013 Housing Survey as a benchmark in understanding employee and employer needs, interviews were prepared with key stakeholders.

Key stakeholders included:

- a. *Jerry Rioux*, Executive Director of the SLO County Housing Trust Fund
- b. *Jeff Eckles*, Executive Director of the Home Builders Association of the Central Coast
- c. *Leonard Grant*, Principal at RRM Design Group and member of the Economic Vitality Corporation



- d. *Christine Rogers*, Program Manager of the Economic Vitality Corporation
- e. *Brad Brechwald*, Principal and CEO of the Wallace Group, member of the Economic Vitality Corporation.
- f. *Steve Delmartini*, Realtor and Broker at San Luis Obispo Realty

#### 6.2.1 Key Stakeholder Interview Questions

Below represents the questions asked to each key stakeholder during interviews. A culminating interview response summary with specific comments can be found in Appendix A of Appendix 1.

1. How do you define workforce housing?
2. What does workforce housing look like? (SFH, detached, size?)
3. Should workforce housing include both rental and ownership opportunities?
4. How does the availability of workforce housing affect the City's economy?
5. What are your ideas for increasing the supply of workforce housing in the City?
6. What do you believe are the barriers to developing workforce housing in the City?
7. What incentives should the City consider to facilitate the construction of workforce housing?
8. How could the City's development review process (planning & building permitting) be modified to support the construction of workforce housing?
9. How does housing design, product type and location relate to affordability?
10. Should subsidized workforce housing be deed restricted for affordability? Why or why not?

11. What are your ideas regarding deed restricted affordability? What are the different ways this could be structured? (long-term; equity share)
12. Are you aware of any financing opportunities targeted toward workforce housing?
13. Thoughts on Employer Backed Financing?

#### 6.2.2 Additional Outreach

In March, City staff attended the Home Builders Association of the Central Coast's 'Builder Breakfast' where developers come to discuss current projects, understand new items going on in the development world and meet with others working in the industry. Approximately fifty participants attended the breakfast. Three speakers presented regarding: an update of Serra Meadows development, an overview of the County's workforce housing update, and a presentation of a fee study done by the County of San Diego.

Overall, developer concerns mimicked the information received during key stakeholder interview. Jeff Eckles, executive director of the HBA, provided this information during his interview in the form of the three pillars that the ordinance must solve: time, fees, and regulations. The presentation given about the San Diego fee study highlighted specifically on the time pillar, providing key data supporting the unintended consequences of a lengthy development review process and how that can negatively affect developers but also transfer costs to homebuyers. Developers overall were hesitant about increasing policy requirements regarding workforce housing, and turned to attending County officials to ask for assistance and comradery with the regulatory process, time

and fee reduction mechanisms in order to increase the housing supply. A detailed review of the Builder Breakfast comments can be found in Appendix A of Appendix 1.

### 6.2.3 Interview & Outreach Key Findings

For the purpose of the City's workforce housing ordinance, the follow agreements were made, and should be taken into consideration when developing the ordinance. Further details and comments can be found in Appendix A of Appendix 1.

- Workforce housing needs to be in the form of both rental and ownership opportunities.
- Workforce housing should be a small size unit, less than 1,500 square feet.
- Incentives are needed to increase developer security
  - *See full recommendations in Chapter 6.*
- Multiple barriers exist when it comes to developing workforce housing in the City
  - *See full discussion in Chapter 5*
  - Time
    - Emphasized again at Builder Breakfast
  - Cost (fees)
  - Complicated regulations
  - Slim infill opportunities outside of expansion areas
  - Lack of infrastructure
  - Lack of neighborhood support
- Design will play a large role in creating affordability
  - Flexibility in regulation promotes this

- Workforce housing should not be deed restricted.
  - *See full discussion in Chapter 7.*
- Lack of grants or state/ federal funding opportunities exist for workforce income level development
- Employer backed financing can be a tremendously successful program in the City should employers agree to it.
- The ordinance could be most successful as a pilot program.
- Education and outreach is important throughout process.
  - Ensure developers fully understand incentives offered.
  - Promote the program
- Workforce housing allows our employees an opportunity to live in the community, raise their children here and bring needed economic revenue into the community.
  - Opportunity to increase owner-occupied tenure.

### 6.3 Barriers to Developing Workforce Housing

#### 6.3.1 Understanding Existing Barriers

A wide range of research exists on barriers to development of residential and commercial units. While the majority of complaints regarding any development process are based around governmental regulation, outreach events focused in on three main barrier categories. During stakeholder interviews, the majority agreed there are multiple barriers which developers face when proposing new projects in the City. The majority relate to the City's development review process and fee schedules, while others focus on lack of community support and opportunity.

Three overarching barriers were used to understand these barriers:

- a) Time
- b) Cost
- c) Regulations.

*a) Time*

The first barrier highlights the significant amount of time it takes for a project proposal to go from conceptual to development. Stakeholders stated that development review process lacks efficiency mainly because of complicated hearing schedules and the large amount of neighborhood group appeals which further delay projects. According to a study from the County of San Diego, time can increase cost of developments by 47%. Cost related from excessive time can include: lost units, increase in building supply costs, loss of certain interest rates, additional public hearings, additional regulatory fees and more (Lloyd, 2015)

*b) Costs*

The second main barrier to developing workforce housing is the cost of development in San Luis Obispo. While stakeholders understand fees for workforce housing are primarily non-negotiable, they stated that developers have no incentive to build smaller units if the City charges a flat rate for all development. Developers will always choose to maximize building potential in order to maximize profits. Stakeholders also stated that the use of a low interest loan or fee deferral or payment plan would be very beneficial to developers as it would reduce developer risk.

Another aspect of cost is infrastructure costs in new expansion areas, regions which have the highest opportunity factor for workforce housing. Should developers look into workforce housing subdivisions in these new regions, developers will be faced with the full brunt of infrastructure costs. Stakeholders identified a significant benefit to affordability would be if they City invested in infrastructure to reduce land costs, and therefore the price of the home would be significantly less.

### *c) Regulations*

The final barrier category encompasses a wide range of barriers that developers in the City face. Stakeholders identified regulations that create barriers mainly include strict zoning limitations, strict setbacks, minimum lot sizes that are too large and difficultly with infill. According to a fee study done for the County of San Diego, regulatory costs drive 40% of average new housing costs within their County (Lloyd, 2015).

Additional barriers discussed in stakeholder interview and outreach events included:

- Lack of growth possibility outside expansion areas for development
- Requirement of common spaces and HOA standards by State of California
- Higher housing costs in San Luis Obispo County.
- Lack of housing supply (creating higher costs)
- Large range of existing policy
- NIMBYism

## 6.4 Incentives and Recommendations

Following stakeholder interviews, outreach, case study research and communication with City staff, the following chapter contains appropriate incentives the City of San Luis Obispo should consider in the development of the workforce housing ordinance. These incentives were created after discussion of current barriers facing developers, which mainly focused on time, costs and regulations. Since the City currently incentivizes affordable housing to those making less than 120% AMI, a careful balance must be developed as not to reduce the development of affordable housing.

### 6.4.1 Identified Incentives

Incentives were chosen on a practical basis of what the City can modify appropriately, and what development aspects the City cannot change. The chosen incentives highlight actions the City is currently in the process of reviewing, what the City allows for affordable housing, and what the City identifies as successful options for obtaining workforce housing. The identified incentives include:

- a) Restructuring Impact Fees
- b) Impact Fee Loan/ Deferral
- c) Streamlined Review Process
- d) Density Bonus
- e) Reduce Inclusionary Requirements
- f) Reduction of Planned Development Size

- g) Flexible Setbacks and Development Requirements
- h) Small Lot Size/ Small Lot Subdivisions

Full discussion, case studies and recommendations are emphasized in the City deliverable, seen in Appendix 1.

## 6.5 Preserving Workforce Affordability

### 6.5.1 Current City Use of Deed Restriction

The City of San Luis Obispo currently uses two methods of sales restriction to preserving affordable units for those making less than 120% AMI. Developers of affordable units specify the type of affordability restrictions to be applied and can choose between: participating in a share equity purchase program (equity share) or to enter into an affordable housing agreement to ensure that affordability is maintained for the longest period allowed or required by state law (long-term deed restriction) (City of San Luis Obispo, Zoning Regulations, 2015).

Currently, the majority of units on the City's inventory of affordable units use a long-term deed restriction program. This ensures that the unit will be affordable for a period of 45 years if consisting of for-sale unit, and 55 years for a rental unit. The City currently offers an Equity Share Program for residents of Moylan Terrace affordable units. This method allows residents to purchase the unit at the affordable price, and gain a percent of equity in the unit for every year of



ownership. Should the owner sell the unit within the first two years of purchase, the owner would receive no equity, for every year of ownership after year 2, owners received an additional 25% of the equity from the sale of the unit (City of San Luis Obispo, Zoning Regulations, 2015). This method, however, does not keep affordable units in the City's inventory in perpetuity. Some stakeholders agreed this was a more beneficial method than a traditional deed, they still recommended not having any restrictions on the dwellings.

#### 6.5.2 Non-Deed Restriction Reasoning

Throughout key stakeholder interviews, all participants agreed that workforce housing should not contain any form of deed restriction. A main challenge of developing this ordinance will focus on this topic; how can the City guarantee that developers given workforce housing incentives provide housing affordable to the workforce level?

Deed restricting is a beneficial way to preserve affordability for a long period time, however main hurdles to having a deed restricted property can include:

- Hard to finance/find lenders for homebuyer when deed restricted
- Deed restriction only benefits units which will have large price gap
  - I.e. very low & low income units
- Results in unintended economic consequences
- Existing City deeds are too limiting; a hardship clause should be considered
  - Clause could include:

- Be able to rent for a few months in event of family death, military leave etc.
- Workforce housing developments should be built affordable using new incentives and opportunities.

### 6.5.3 Alternative Preservation Methods

Case studies and ordinances, seen in Appendix 1 Appendix A, focus on the use of an initial agreement with the developer to produce the housing. Some jurisdictions sets restrictions on the initial sale, including that it must be owner occupied and only initially sold to eligible households. This scenario would be ideal for the City of San Luis Obispo in order to reduce deed restriction needs but yet create a supply of new workforce housing so households in that category can afford and have the ability to become homebuyers.

- Workforce Housing Agreements
  - This method is seen throughout multiple ordinances, found in Appendix A.
  - Require developer to provide units, either for sale or rent, to households within the workforce income level.

Recommendations for preserving workforce housing sale and rental prices can be found within the deliverable, in Appendix 1.

## 7. CONCLUSION

There is not, and likely will not be an easy fix to the disconnect between what local households earn, what type of housing they prefer, what developers will profit the most from, what regulations control and what housing eventually costs (Montgomery County Commissioners, Unkown). However, actions created among local governments can encourage the development of housing that is affordable to the workforce of the community.

Workforce housing will continue to be the key idea as population increases and housing becomes more in demand. The percentage of households making between 121-160% AMI, defined by State of California, is expected to rise as the job market strengthens and grows. City's will compete for the next great employer and will need to find ways to adequately provide quality housing for those employers. As land and resources grow scarce, the cities and counties of California will also need to find creative avenues to accommodating their growing populations.

San Luis Obispo, in addition to other high cost housing regions, has a large challenge ahead in providing adequate workforce housing to members of the community. The City of San Luis Obispo has the opportunity now to assist developers in the region to develop workforce housing. Through research and outreach, recommendations have been made regarding ideal incentives and

programs the City should consider when adding Workforce Housing into the Zoning Regulations. The final recommendations for incentives are:

- a) Restructuring Impact Fees;
- b) Impact Fee Loan/ Deferral;
- c) Streamlined Review Process;
- d) Density Bonus;
- e) Reduce Inclusionary Requirements;
- f) Reduction of Planned Development Size;
- g) Flexible Setbacks and Development Requirements;
- h) Small Lot Size/ Small Lot Subdivisions.

The City should use these recommendations, explained in depth in Appendix 1, when developing the workforce housing ordinance over the next two year financial plan period. Public input from the community and other stakeholder would be beneficial during this process to ensure the City provides adequate and efficient incentives to accommodate this development.

## BIBLIOGRAPHY

- Advisory Commission on Regulatory Barriers of Affo. (1991). *Not in my Back Yard - Removing Barriers to Affordable Housing*. Department of Housing and Urban Development.
- Capital City Development Corporation. (2007). *Workforce Housing: Meeting Market Demand*.
- City of San Luis Obispo. (2012). *Economic Development Strategic Plan*.
- City of San Luis Obispo. (2015). *2014-2019 Housing Element*. San Luis Obispo, California.
- City of San Luis Obispo. (2015). *Zoning Regulations*.
- Craeger, K., & Peninger, P. (2014). *Seattle Workforce Housing*. Otak Inc. and Peninger Consulting .
- Fougere, M., Keach, S., Dell Orfano, M., Garrepy, M., Slattery, K., & Perkins, R. (2010). *Meeting the Workforce Housing Challenge*. New Hampshire Housing Finance Authority .
- Glatnz, A. (2006, June 15). *U.S. Department of Housing and Urban Development*. Retrieved from Suffolk County Give HUD Award for Reducing Regulatory Barriers to Affordable Housing: <file:///E:/Workforce%20Housing%20Project/Literature%20and%20Case%20Studies/WFH%20Literature/HUD%20Archives%20%20SUFFOLK%20COUNTY%20GIVEN%20HUD%20AWARD%20FOR%20REDUCING%20REGULATORY%20BARRIERS%20TO%20AFFORDABLE%20HOUSING.html>
- Haughey, R. M. (2002). *Workforce Housing: Barriers, Solutions, and Model Programs*. Urban Land Institute .
- Housing Authority of the County of Monterey. (2002). *Workforce Housing: Potential Models and Issues for Monterey County*.
- Joint Center for Housing Studies of Harvard, & Center for Workforce Preparation. (2005). *Strengthening our Workforce and our Communities through Housing Solutions*. Harvard University.
- Kroll, C., & Wyant, J. (2009). *Housing Affordability in California - How do we Measure Progress?* University of California Berkeley.
- Letters, R., & Smith, H. (2013). *Workforce Housing Survey*. Economic Vitality Corporation .

- Lloyd, D. (2015, March 10). National Association of Home Builders Representative. (H. B. Breakfast, Interviewer)
- Montgomery County Commissioners. (Unkown). *Promoting Workforce Housing: The Workforce Housing Dilemma*. Montgomery County.
- National Association of Home Builders. (2014). *NAHG/Wells Fargo Housing Opportunity Index*. Retrieved from National Association of Home Builders: [https://www.nahb.org/reference\\_list.aspx?sectionID=135](https://www.nahb.org/reference_list.aspx?sectionID=135)
- Rioux, J. (2015, February 12). Executive Director of Housing Trust Fund. (J. Wiseman, Interviewer)
- Robinson, T. (2005). *Missing the Target: How Denver's Inclusionary Housing Ordinance and Urban Renewal Policy Could Better Meet Denver's Housing Needs*. Front Range Economic Strategy Center.
- Schill, M. H. (2004). *Regulations and Housing Development: What we Know and What we Need to Know*. U.S. Department of Housing and Urban Development.
- Stanford University. (2015, April 2). *Faculty Staff Housing*. Retrieved from Stanford University: <http://fsh.stanford.edu/index.shtml>
- State of California HCD. (2014, February 28). *State Income Limits for 2014*. Retrieved from <http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k14.pdf>
- Taylor, M. (2015). *California's High Housing Costs*. Legislative Analyst's Office.
- Urban Land Institute. (2008). *City of Pasadena - Implementing a Housing Program*. Urban Land Institute Technical Assistance Panel.
- Wardrip, K., Williams, L., & Hague, S. (2011). *The Role of Affordable Housing in Creation Jobs and Stimulating Local Economic Development*. Center for Housing Policy.

*This page intentionally left blank*

## APPENDICES



APPENDIX A: WORKFORCE HOUSING RECOMMENDATION ANALYSIS FOR  
THE CITY OF SAN LUIS OBISPO

# Understanding and Incentivizing Workforce Housing

A Recommendation Analysis for:



**CITY OF  
SAN LUIS OBISPO**

Prepared by: Jenny Wiseman  
June 2015



## TABLE OF CONTENTS

	Page
LIST OF TABLES .....	6
LIST OF FIGURES .....	7
1. Introduction.....	8
2. Workforce Housing Income Levels .....	10
2.1 Current Market Trends .....	10
3. Developing a Workforce Housing Ordinance.....	12
3.1 Major City Goal.....	12
3.2 2014-2019 Housing Element.....	12
4. Key Stakeholder Interviews & Outreach .....	14
4.1 Introduction.....	14
4.2 Key Stakeholder Interview Questions.....	14
4.3 Additional Outreach .....	15
4.4 Interview & Outreach Key Findings .....	15
5. Barriers to Developing Workforce Housing.....	17
5.1 Introduction.....	17
5.2 Understanding Existing Barriers .....	17
5.2.1 Time.....	17
5.2.2 Costs .....	18
5.2.3 Regulations .....	18
6. Incentives and Recommendations.....	20
6.1 Introduction.....	20
6.2 Identified Incentives.....	20
6.2.1 Restructuring Impact Fees.....	21

6.2.2	Impact Fee Loan/Deferred Payment.....	23
6.2.3	Streamlined Review Process.....	24
6.2.4	Density Bonus.....	26
6.2.5	Reduced Inclusionary Requirements.....	29
6.2.6	Reduction of Planned Development Size Requirement .....	31
6.2.7	Flexible Setbacks & Development Requirements .....	32
6.2.8	Small Lot Sizes & Small Lot Subdivisions .....	37
7.	Employer Assisted Housing.....	44
7.1	Introduction.....	44
7.1.2	What is Employer Assisted Housing? .....	44
7.2	Determining the Employers Role .....	44
7.3	Benefits of an Employers Assistance Program.....	45
7.4	Case Studies of Employer Assisted Housing Programs .....	46
7.4.1	Case Study: Workforce Housing Summit, San Luis Obispo.....	47
7.4.2	Case Study: Coastal Housing Partnership .....	49
7.5	Conclusion.....	49
8.	Preserving Workforce Affordability .....	50
8.1	Current City Use of Deed Restriction.....	50
8.2	Non-Deed Restriction Reasoning .....	50
8.3	Alternative Preservation Methods.....	51
9.	Next Steps .....	52
	BIBLIOGRAPHY.....	54
	Appendices.....	57
	Appendix A .....	58
	Key Stakeholder Interview & Outreach Summaries .....	58

Appendix B ..... 67

    City of Pasadena Workforce Housing Ordinance ..... 67

    Town of Truckee Workforce Housing Ordinance..... 67

    County of Maui Workforce Housing Ordinance ..... 67

    San Luis Obispo County Workforce Housing Ordinance..... 67

    City of St. Petersburg Workforce Housing Ordinance ..... 67

    City of Kirkland Cottage Ordinance ..... 67

Attachment 1 – City of Los Angeles Small Lot Subdivision Design Guidelines .. 68

LIST OF TABLES

Table	Page
Table 1: Least Affordable Metropolitan Regions for Housing in the United States, 2014 .....	9
Table 2: 2014 Income Limits, Rental and Sales Standards for Workforce Households in San Luis Obispo County. ....	10
Table 3: City of Pasadena Residential Impact Fee Structure .....	21
Table 4: Pasadena Workforce Housing Fee Reduction.....	22
Table 5: Overview of Employer Assisted Housing Summit.....	47

## LIST OF FIGURES

Figure	Page
Figure 1: Housing Units Sold in 2014 by Price .....	11
Figure 2: Median County Real Estate Costs vs. Median Family Income .....	11
Figure 3: Regulatory Costs for a Carlsbad, CA New Development .....	18
Figure 4: City of Santa Barbara Average Unit Density Program Map .....	28
Figure 5: Poinsettia Subdivision Yard Easements .....	33
Figure 6: SLO County Ordinance Exterior Subdivision Boundaries.....	34
Figure 7: SLO County Ordinance Interior Lot Lines.....	35
Figure 8: SLO County Ordinance Street Frontage.....	35
Figure 9: Los Angeles Small Lot Subdivision Configurations .....	39
Figure 10: Kirkland Washington Cottage Development Site Map .....	41
Figure 11: Employer Assisted Housing Strategies.....	45
Figure 12: Employer Assisted Housing Benefits.....	46



# 1. Introduction

The purpose of this document is to begin the process of developing a workforce housing ordinance for the City of San Luis Obispo. This document represents the initial outreach, research and guidelines for final ordinance creation and implementation. The workforce housing ordinance will involve the creation of a workforce income level, which will focus on those making 121-160% of the area median income. The idea of 'workforce' is meant to focus on those who are gainfully employed, households who are not typically understood to be the clientele for affordable housing programs. Creating a workforce level is unique since the State of California currently only views 'affordable' housing as those making up to 120% AMI. For this reason, the City is not allowed to use affordable housing funds or the Inclusionary Housing Program to assist with development of workforce housing. This toolkit identified unique opportunities the City can use to provide developers incentives to overcome workforce housing income level barriers.

This toolkit serves as the first step in implementing the 2014 Housing Element high priority Program 2.16, which states:

- The City will evaluate and consider including a workforce level of affordability in its Affordable Housing Standards to increase housing options in the City for those making between 121% and 160% of the San Luis Obispo County median income. This affordability category cannot be used to meet inclusionary housing ordinance requirements and is not eligible for City Affordable Housing Funds.

The lack of sufficient housing opportunities to meet the needs of a jurisdiction's workforce results in a wide range of negative unintended consequences. Workforce housing focuses on providing housing options to those households in a community who have professions making above average income levels yet are still priced out of the City's housing market. Households may range from head-of-household single residents or families with combined working incomes. While the trend of San Luis Obispo being the economic hub of the County continues, the affordability of the City is steadily decreasing.

The goal of providing adequate, affordable and diverse housing options within communities raises concerns about many issues. Whether it is the shortage of affordable housing, the ever increasing fees that contribute to higher costs for housing, the availability of developable land for workforce and low-income housing, or urban verses rural development, these are just a few of the issues that come into focus when we discuss providing shelter within our communities. From a broader perspective, an overwhelming majority of our residents feel that our communities are better places to live when housing is within reach of all local residents. Healthy communities need businesses that employ its residents. Employees need and desire a diversity of housing choices where they work. Cities and counties need revenue to provide the services that promote the health, wellbeing, and economic sustainability of their communities. These principles sound simple enough, but striking the balance between these often competing goals is one of our biggest challenges.

According to the National Association of Homebuilder's "Housing Opportunity Index" in 2014, the San Luis Obispo 'metro' area was the 11<sup>th</sup> least affordable in the Country, seen in Table 1 below.

Table 1: Least Affordable Metropolitan Regions for Housing in the United States, 2014

Rank	Metropolitan	Percent Affordable in 2014
1	San Francisco- San Mateo-Redwood City, CA	11.1
2	Napa, CA	12.0
3	Santa Cruz-Watsonville, CA	15.0
4	Los Angeles-Long Beach-Glendale, CA	16.2
5	Salinas, CA	16.9
6	Santa Ana-Anaheim-Irvine, CA	17.1
7	San Jose-Sunnyvale-Santa Clara, CA	21.8
8	New York-White Plains-Wayne, NJ-NY	24.7
9	Santa Rosa-Petaluma, CA	25.0
10	San Diego-Carlsbad-San Marcos, CA	25.3
<b>11</b>	<b>San Luis Obispo-Paso Robles, CA</b>	<b>26.6</b>
12	Oakland-Fremont-Hayward, CA	31.4
13	Santa Barbara-Santa Maria-Goleta, CA	33.3
14	Oxnard-Thousand Oaks-Ventura, CA	34.8

Of metro markets with populations of 500,000 or less, San Luis Obispo metro ranked third least affordable only behind Santa Cruz-Watsonville and Salinas. With an average family income in the County at approximately \$71,000; less than 29% of the homes in the County are affordable to those households. (Economic Vitality Corporation, 2015).

In addition, the City deals with the significant challenge of housing tenure. As of 2014, over 64% of housing units are renter occupied and less than 36% are owner occupied, this is mainly due to the college town atmosphere and lack of on-campus housing at both Cal Poly and Cuesta College. This can create a challenge since the large majority of lower cost rental housing units are accommodated by students, leaving the workforce to have to live elsewhere or pay higher housing costs to find a unit within the City limits. The City also has an astonishingly low vacancy rate of less than 4%, showing the high levels of housing demand (City of San Luis Obispo, 2015).

Incorporating workforce housing in the City will increase the housing supply and help increase the owner occupied housing stock, as workforce housing provides homes to those residents working and supporting this community. Workforce housing will greatly benefit this community as more new businesses make San Luis Obispo their home base.

## 2. Workforce Housing Income Levels

The City of San Luis Obispo has chosen to define workforce housing as a household who makes between 121 and 160% of the area median income, this definition is consistent with San Luis Obispo County. The area median income (AMI) is a set number provided to each county on an annual basis by the California Department of Housing and Community Development (HCD). The number represents the County's median income for a family of four individuals.

For the calendar year 2014, HCD identified the AMI of the County of San Luis Obispo as \$77,000 (Department of Housing and Community Development, 2014). HCD provides all AMI data only on a county basis, and not individually by jurisdiction. Figure 2 below further identifies income data in relation to workforce housing.

**Table 2: 2014 Income Limits, Rental and Sales Standards for Workforce Households in San Luis Obispo County.**

<b>Income Group</b>	<b>Number of Persons in Household</b>							
	1	2	3	4	5	6	7	8
<i>Area Median Income</i>	\$53,900	\$61,600	\$69,300	\$77,000	\$83,150	\$89,300	\$95,500	\$101,650
<i>Moderate Limit at 120% AMI<sup>3</sup></i>	\$64,700	\$73,900	\$83,150	\$92,400	\$99,800	\$107,200	\$114,600	\$121,950
<i>Workforce Limit at 160% AMI</i>	\$86,240	\$98,560	\$110,880	\$123,200	\$133,040	\$142,880	\$152,800	\$162,640
<i>Maximum Monthly Rent<sup>1</sup></i>	\$1,796	\$2,053	\$2,310	\$2,556	\$2,771	\$2,976	\$3,183	\$3,388
<i>Maximum Purchase Price<sup>2</sup></i>	\$301,750	\$344,975	\$389,000	\$431,550	\$465,650	\$500,075	\$534,800	\$569,125

1. Workforce affordability level, divided by 12 months, multiplied by 25% of monthly income per City of San Luis Obispo moderate income level calculations.

2. Workforce affordability multiplied by 3.5 per City of San Luis Obispo moderate income level calculations.

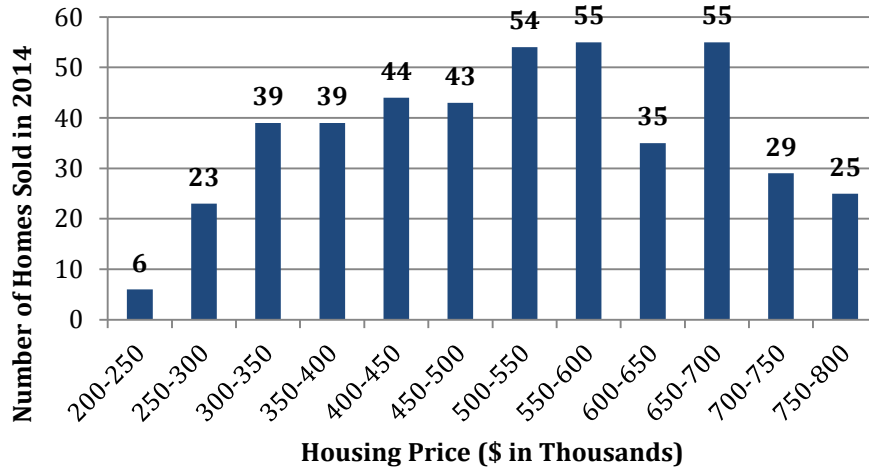
3. Moderate Income Level already set by City of San Luis Obispo as part of Affordable and Inclusionary Housing requirements.

### 2.1 Current Market Trends

While the table above shows past median housing prices for the City and the percent of median income needed to afford, it seems that the current workforce level affordability rate would be ideal for these median housing prices. After further research of the

regional Multiple Listing Service, it is clear prices are on the upswing. Through 2014, the median sales price has risen to over \$630,000 (Chandler, 2014). Finding housing in the workforce range is quickly become a challenge and will only become further out of reach as the market increases. Figure 1 below highlights the lack of supply in the workforce income level range compared to the number of units sold at unaffordable rates. It is important to note that the approximately 90% of home sold below \$450,000 are condominiums, mobile homes or duplexes.

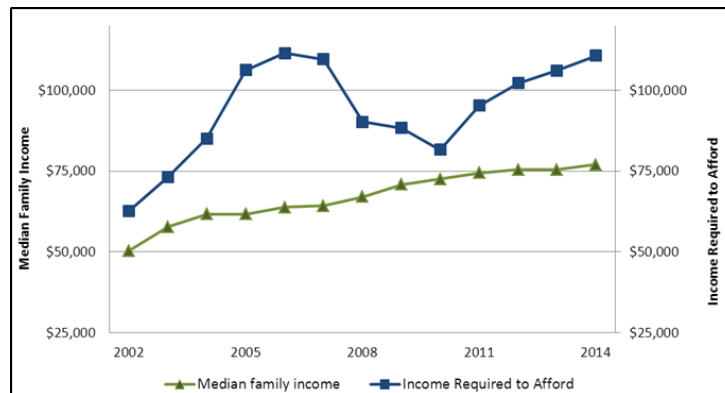
**Figure 1: Housing Units Sold in 2014 by Price**



Source: Central Coast MLS, 2014

In addition, the City’s housing market has successfully recovered since the 2008 recession. The market continues to increase substantially over the past five years. The housing market continues to increase faster than income levels, creating a larger percentage of residents that are shut out from home ownership. Figure 2 below shows the relationship of the household income required to afford the median housing cost in the City compared to household income since 2001.

**Figure 2: Median County Real Estate Costs vs. Median Family Income**



Source: UCSB Economic Forecast, 2008; U.S. Census 2010

### 3. Developing a Workforce Housing Ordinance

The creation of this toolkit shall begin the process of the City of San Luis Obispo developing a workforce housing ordinance which incentivizes housing affordable to households making between 121-160% AMI. The creation of this ordinance and been largely discussed within the community over the past few years and was a key issue coming from all housing element outreach events.

#### 3.1 Major City Goal

In early 2015, the City of San Luis Obispo City Council presented housing as a major city goal for the 2015-2017 Financial Plan. The goal specifically mentions introducing workforce housing and reads as:

*Housing. Implement the Housing Element, facilitating workforce, affordable, supportive and transitional housing options, including support for needed infrastructure within the City's fair share.*

#### 3.2 2014-2019 Housing Element

In addition to workforce housing program 2.16, stated in the introduction, the 2014-2019 Housing Element has developed a wide range of associated programs and policies which should be implemented during the creation of the workforce housing ordinance (City of San Luis Obispo, 2015). These policies and programs are as follows:

##### Policies

- 6.8** Consistent with the City's goal to stimulate higher density infill where appropriate in the Downtown Core, the City shall consider changes to the zoning regulations that would allow for the development of smaller apartments and efficiency units.
- 6.9** Encourage and support employer/employee financing programs and partnerships to increase housing opportunities specifically targeted towards the local workforce.
- 6.10** To help meet the Quantified Objectives, the City will support residential infill development and promote higher residential density where appropriate.

##### Programs

- 6.13** Continue to develop incentives to encourage additional housing in the Downtown Core (C-D Zone), particularly in mixed-use developments. Density based on average unit size in a project should be explored to encourage the development of smaller efficiency units.
- 6.30** Evaluate and consider adopting Subdivision and Zoning Regulations changes to support small lot subdivisions, ownership bungalow court development. Eliminate the one acre minimum lot area for PD overlay zoning, and other alternatives to conventional subdivision design.
- 6.31** Consider scaling development impact fees for residential development based on size, number of bedrooms, and room counts.

A successful workforce housing ordinance shall be created while these programs are being implemented. City staff is prepared to initiate this process with a fee and subdivision review in summer 2015. This toolkit identifies incentives which incorporate these tasks and therefore must be completed alongside the workforce housing ordinance to ensure success.

Throughout the development of the City's ordinance, community and developer outreach should remain a top priority. A successful ordinance should be easily understood and supported by developers, since they are the audience of developing these units affordable to the workforce.

## 4. Key Stakeholder Interviews & Outreach

### 4.1 Introduction

In February and March 2015, outreach was conducted to better understand the community's point of view on the importance of workforce housing. Using the Economic Vitality Corporation's 2013 Housing Survey as a benchmark in understanding employee and employer needs, interviews were prepared with key stakeholders.

Key stakeholders included:

- *Jerry Rioux*, Executive Director of the SLO County Housing Trust Fund
- *Jeff Eckles*, Executive Director of the Home Builders Association of the Central Coast
- *Leonard Grant*, Principal at RRM Design Group and member of the Economic Vitality Corporation
- *Christine Rogers*, Program Manager of the Economic Vitality Corporation
- *Brad Brechwald*, Principal and CEO of the Wallace Group, member of the Economic Vitality Corporation.
- *Steve Delmartini*, Realtor and Broker at San Luis Obispo Realty

### 4.2 Key Stakeholder Interview Questions

Below represents the questions asked to each key stakeholder during interviews. A culminating interview response summary with specific comments can be found in Appendix A.

1. How do you define workforce housing?
2. What does workforce housing look like? (SFH, detached, size?)
3. Should workforce housing include both rental and ownership opportunities?
4. How does the availability of workforce housing affect the City's economy?
5. What are your ideas for increasing the supply of workforce housing in the City?
6. What do you believe are the barriers to developing workforce housing in the City?
7. What incentives should the City consider to facilitate the construction of workforce housing?
8. How could the City's development review process (planning & building permitting) be modified to support the construction of workforce housing?
9. How does housing design, product type and location relate to affordability?
10. Should subsidized workforce housing be deed restricted for affordability? Why or why not?
11. What are your ideas regarding deed restricted affordability? What are the different ways this could be structured? (long-term; equity share)
12. Are you aware of any financing opportunities targeted toward workforce housing?
13. Thoughts on Employer Backed Financing?

### 4.3 Additional Outreach

In March, staff attended the Home Builders Association of the Central Coast's 'Builder Breakfast' where developers come to discuss current projects, understand new items going on in the development world and meet with others working in the industry. Approximately fifty participants attended the breakfast. Three speakers presented regarding: an update of Serra Meadows development, an overview of the County's workforce housing update, and a presentation of a fee study done by the County of San Diego.

Overall, developer concerns mimicked the information received during key stakeholder interview. Jeff Eckles, executive director of the HBA, provided this information during his interview in the form of the three pillars that the ordinance must solve: time, fees, and regulations. The presentation given about the San Diego fee study highlighted specifically on the time pillar, providing key data supporting the unintended consequences of a lengthy development review process and how that can negatively affect developers but also transfer costs to homebuyers. Developers overall were hesitant about increasing policy requirements regarding workforce housing, and turned to attending County officials to ask for assistance and comradery with the regulatory process, time and fee reduction mechanisms in order to increase the housing supply.

A detailed review of the Builder Breakfast comments can be found in Appendix A.

### 4.4 Interview & Outreach Key Findings

For the purpose of the City's workforce housing ordinance, the follow agreements were made, and should be taken into consideration when developing the ordinance. Further details and comments can be found in Appendix A.

- ❖ Workforce housing needs to be in the form of both rental and ownership opportunities.
- ❖ Workforce housing should be a small size unit, less than 1,500 square feet.
- ❖ Incentives are needed to increase developer security
  - *See full recommendations in Chapter 6.*
- ❖ Multiple barriers exist when it comes to developing workforce housing in the City
  - *See full discussion in Chapter 5*
  - Time
    - Emphasized again at Builder Breakfast
  - Cost (fees)
  - Complicated regulations
  - Slim infill opportunities outside of expansion areas
  - Lack of infrastructure
  - Lack of neighborhood support
- ❖ Design will play a large role in creating affordability
  - Flexibility in regulation promotes this
- ❖ Workforce housing should not be deed restricted.
  - *See full discussion in Chapter 7.*



- ❖ Lack of grants or state/ federal funding opportunities exist for workforce income level development
- ❖ Employer backed financing can be a tremendously successful program in the City should employers agree to it.
- ❖ The ordinance could be most successful as a pilot program.
- ❖ Education and outreach is important throughout process.
  - Ensure developers fully understand incentives offered.
  - Promote the program
- ❖ Workforce housing allows our employees an opportunity to live in the community, raise their children here and bring needed economic revenue into the community.
  - Opportunity to increase owner-occupied tenure.

## 5. Barriers to Developing Workforce Housing

### 5.1 Introduction

Following stakeholder interviews and background research, the following chapter discusses identified barriers developers face when developing within the City of San Luis Obispo, and how those play a role in workforce housing development. The initial overarching barrier to workforce housing is how to incentivize and promote this level of development since affordable housing regulations and funding opportunities cannot be used.

### 5.2 Understanding Existing Barriers

During stakeholder interviews, the majority agreed there multiple barriers which developers face when proposing new projects in the City. The majority relate to the City's development review process and fee schedules, while others focus on lack of community support and opportunity.

Three overarching themes were used to understand these barriers:

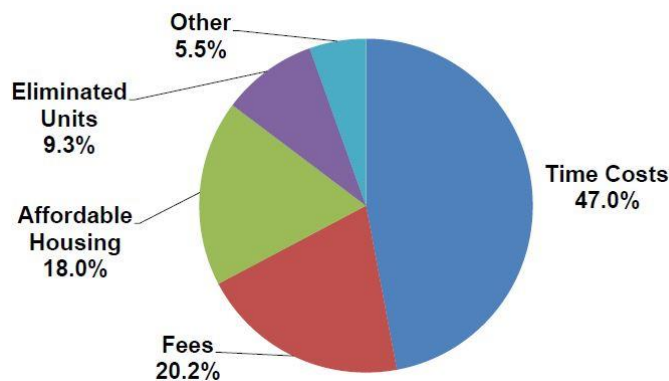
1. Time
2. Cost
3. Regulations.

#### 5.2.1 Time

The first barrier highlights the significant amount of time it takes for a project proposal to go from conceptual to development. Stakeholders stated that development review process lacks efficiency mainly because of complicated hearing schedules and the large amount of neighborhood group appeals which further delay projects. According to a study from the County of San Diego, time can create an increase of over 40% of all development costs. Cost related from excessive time can include: lost units, increase in building supply costs, loss of certain interest rates, additional public hearings, additional regulatory fees and more.

According to a recent study performed in San Diego County, regulatory costs related to a new development are broken down into many parts, seen in Figure 3 below.

Figure 3: Regulatory Costs for a Carlsbad, CA New Development



Source: Dan Lloyd, 2015

While the Carlsbad regulatory cost break down is more extreme than the City of San Diego, it highlights the importance of keeping regulatory costs and the timeline of a project in check at all times and ensuring the City is assisting in the process of moving the development in a timely manner, especially when workforce or affordable housing comes into play.

### 5.2.2 Costs

The second main barrier to developing workforce housing is the cost of development in San Luis Obispo. While stakeholders understand fees for workforce housing are primarily non-negotiable, they stated that developers have no incentive to build smaller units if the City charges a flat rate for all development. Developers will always choose to maximize building potential in order to maximize profits. Stakeholders also stated that the use of a low interest loan or fee deferral or payment plan would be very beneficial to developers as it would reduce developer risk.

Another aspect of cost is infrastructure costs in new expansion areas, regions which have the highest opportunity factor for workforce housing. Should developers look into workforce housing subdivisions in these new regions, developers will be faced with the full brunt of infrastructure costs. Stakeholders identified a significant benefit to affordability would be if they City invested in infrastructure to reduce land costs, and therefore the price of the home would be significantly less.

### 5.2.3 Regulations

The final barrier category encompasses a wide range of barriers that developers in the City face. Stakeholders identified regulations that create barriers mainly include strict zoning limitations, strict setbacks, minimum lot sizes that are too large and difficultly with infill.

The benefit of creating this workforce housing ordinance is that creating incentives to overcome one barrier can have significant positive impacts on the other barriers. Each barrier is connected, as time creates more cost, regulations create more time and costs can create more time.

Additional barriers discussed in stakeholder interview and outreach events included:

- Lack of infill and growth opportunities outside of expansion zones
- Requirement of common spaces and HOA standards by the State of California.
- City of San Luis Obispo Growth Management limitations (1% growth over 5 year period)
- Higher housing costs in San Luis Obispo County.
- Lack of housing supply (creating higher costs)
- Large amount of policy controlling housing
- Lack of neighborhood support/ NIMBYs

*Further detailed comments regarding barriers can be found in the stakeholder notes of Appendix A.*

## 6. Incentives and Recommendations

### 6.1 Introduction

Following stakeholder interviews, outreach, case study research and communication with City staff, the following chapter contains appropriate incentives the City of San Luis Obispo should consider in the development of the workforce housing ordinance. These incentives were created after discussion of current barriers facing developers, which mainly focused on time, costs and regulations. Since the City currently incentivizes affordable housing to those making less than 120% AMI, a careful balance must be developed as not to reduce the development of affordable housing.

### 6.2 Identified Incentives

Incentives were chosen on a practical basis of what the City can control, and what development aspects the City cannot change. The chosen incentives highlight actions the City is currently in the process of reviewing, what the City allows for affordable housing, and what the City identifies as successful options for obtaining workforce housing. The identified incentives include:

- a) Restructuring Impact Fees
- b) Impact Fee Loan/ Deferral
- c) Streamlined Review Process
- d) Density Bonus
- e) Reduce Inclusionary Requirements
- f) Reduction of Planned Development Size
- g) Flexible Setbacks and Development Requirements
- h) Small Lot Size/ Small Lot Subdivisions

The following section uses case studies and example ordinances from across the United States to highlight positive and negative aspects about each incentive. Recommendations regarding these incentives can be found at the end of each section. Further information about the case studies can be found in Appendix B of this toolkit.

## 6.2.1 Restructuring Impact Fees

The City of San Luis Obispo impact fees are comparable with surrounding regions, yet developers still continue to voice that fees based on a flat rate are inefficient and are often put directly onto homeowners, increasing the price of housing. Outreach and interviews saw a majority response towards the need of a sliding fee scale, to further promote the development of small units within the City. *It should be of note that the City will conduct a Fee Study in 2015.*

### 6.2.1.1 Case Study: City of Pasadena

The City of Pasadena most recently updated their Residential Fee Schedule in September of 2014. This included a sliding fee scale in which the residential impact fee is based on the number of bedrooms per unit in a new residential development. There is also a fee for new residential developments without bedrooms, such as studios. This can incentivize developers to build smaller units, and still make a profit, resulting in additional smaller units which can be sold for a workforce level price. In addition, the fee schedule also has a built in fee reduction for affordable housing, as opposed to a code which just states ‘fee reduction’. Table 3 below represents Pasadena’s fee structure.

**Table 3: City of Pasadena Residential Impact Fee Structure**

Development Type	Number of Bedrooms per Unit	Residential Impact Fee Amount per Unit	30% Reduction for Non-Affordable Units if Affordable Housing Built On-site
New Residential	Studio	\$17,544.38	\$12,281.06
New Residential	1	\$18,514.91	\$12,960.43
New Residential	2	\$20,563.04	\$14,394.12
New Residential	3	\$23,646.66	\$16,552.66
New Residential	4	\$28,731.50	\$20,112.05
New Residential	5 or more	\$32,475.38	\$22,732.76
Affordable Housing	Any	\$909.21	
Student Housing	Any	\$909.21	
Skilled Nursing Unit	Any	\$909.21	

Source: City of Pasadena Residential Impact Fee Fact Sheet, 2014

The fee structure then breaks into discussion regarding workforce housing requirements and fee incentives. For the purposes of the fee structure, workforce housing in Pasadena is defined as persons or families who live and work in the Pasadena, and who earn between 121 and 180% of area median income for Los Angeles County (City of Pasadena Department of Public Works, 2014). The city required workforce housing be restricted by a covenant recorded with the County of Los Angeles to remain as workforce housing for a minimum of fifteen years.

The City created a workforce housing rebate which is available to developers for workforce housing units if:

- New residential development projects which offer fifteen percent of its units as workforce housing for rent or sale within 121-150% AMI price range, shall receive a fifty percent rebate on the residential impact fee, after proving to the City that

the units are to the City's satisfaction and that the workforce units are occupied by qualified individuals.

- New residential development projects which offer fifteen percent of its units as workforce housing for rent or sale within 151-180% AMI price range, shall receive a thirty-five percent rebate on the residential impact fee, after proving to the City that the units are to the City's satisfaction and that the workforce units are occupied by qualified individuals (City of Pasadena Department of Public Works, 2014).

**Table 4: Pasadena Workforce Housing Fee Reduction**

Development Type	Number of Bedrooms per Unit	Amount per Unit as of 9/22/14	35% Reduction for Workforce Units	50% Reduction for Workforce Units
New Residential	Studio	\$17,544.38	\$11,403.84	\$8,772.19
New Residential	1	\$18,514.91	\$12,034.69	\$9,257.45
New Residential	2	\$20,563.04	\$13,365.97	\$10,281.52
New Residential	3	\$23,646.66	\$15,370.32	\$11,823.33
New Residential	4	\$28,731.50	\$18,675.47	\$14,365.75
New Residential	5 or more	\$32,475.38	\$21,108.99	\$16,237.69

Source: City of Pasadena Residential Impact Fee Fact Sheet, 2014

After a conversation with the City of Pasadena's Housing Manager, I was informed that while this program was recently created, the program has never been implemented. The Housing Director stated that the program's intention was to provide the rebate to workforce housing and 'backfill' those costs with HOME, old redevelopment money, or bond financing. While the program may be revitalized once the City receives grants or outside funding opportunities, in the meantime the Housing Director stated they would be updating the Fee Schedule to state that the program is currently inactive and not accepting applications for workforce housing fee rebates (Wong, 2015).

While Pasadena's situation may deter the City of San Luis Obispo from considering a similar fee schedule, the program still contains a successful sliding fee scale and a creative rebate program that would in fact be successful should the City be awarded HOME, CDBG or other outside funding opportunities that could make up for the amount rebated.

A reduction in fees can provide significant benefit to developers as it will reduce the amount of fees that the developer will pass to the homeowner, therefor allowing the unit to be sold for less. Decreased fees will decrease developer risk, reduce constraints to developers and promote the development of smaller units and units dedicated to workforce income households.

- ❖ *Recommendation: The City should consider implementing fees on a sliding schedule, based on bedrooms or square footage, to incentivize smaller units that can be sold for workforce income limits. This would benefit smaller units, without deed restricting a workforce unit.*
- ❖ *Recommendation: The City should consider implementing a fee reduction for units that incorporate workforce income dwelling units should outside funding opportunities or grants be awarded to offset reduction of City fees charged.*

## 6.2.2 Impact Fee Loan/Deferred Payment

The City of San Luis Obispo currently offers impact fee loans and deferrals to developments that include extremely low, very low and low income affordable units. The City has the ability to impose certain fees and provide deferred payment plans or low interest loans to developers who comply with development that will meet workforce income level housing sale prices.

Key stakeholders stated that the importance of deferring fees or creating loan opportunities will allow the developer to build the units efficiently and then pay fees off once the housing unit sells. Carrying these costs through a development process is often burdensome and can reduce financing opportunities.

### 6.2.2.1 Case Study: Town of Truckee

Truckee has a chapter of its zoning code focusing directly on workforce housing. Two incentives provided in this chapter are deferral of town impact fees and waiver/reduction of fees for workforce housing. These incentives read as:

- **Deferral of Town Impact Fees.** Town impact fees, including impact fees for the Truckee Fire Protection District and the Truckee Donner Recreation and Parks District, required at the time of issuance of a building permit shall be deferred for all portions of the project, including non-residential floor space, to the issuance of the temporary or final certificate of occupancy, whichever comes first.
- **Waiver or Reduction of Town Impact Fees and Permit Fees.** The review authority may reduce or waive Town impact fees, including impact fees for the Truckee Fire Protection District and the Truckee Donner Recreation and Parks District, and Town permit fees in accordance with Town Council policy adopted by resolution (Town of Truckee, 2013).

Overall, the discussion of fees was a main priority the key stakeholders. With the addition of any fees, the developer will be forced to charge more to ensure profit. While charging no fees is not sustainable for the City, allowing the developer a reduction or allowing for a deferral, loan or payment plan option will put less pressure on the developer and may persuade the developer to choose workforce housing developments instead of market rate.

- ❖ ***Recommendation:** The City should consider a low interest loan, payment plan, or complete fee deferral to developers who can prove their proposal includes a certain amount of workforce housing. To developments with full workforce housing, or a large percent, a fee reduction scale should be implemented.*



### 6.2.3 Streamlined Review Process

Throughout the public outreach process, the majority of key stakeholders made it clear that the current development review process is timely and costly to developers. Improved coordination of the permitting process at the state and local levels could result in lower housing costs. The permitting process often involves dealing with multiple approval boards, all of which require a variety of permits and approval. Often the various levels of governmental authorities do not have effective communication and co-approval systems, which cause unnecessary delays, increases construction costs and ultimately hinder workforce housing development.

The City of San Luis Obispo's 2012 Economic Development Strategic Plan also discusses the need for streamlining. Strategy 1.1 of breaking down barriers to job creation states:

*Identify opportunities for permit streamlining with the goal of reducing permit processing times, seeking opportunities to increase internal coordination, and improving cross department focus on development review.*

While this goal is meant to support the increase in commercial development for job creation, these concepts go hand in hand with the need for increasing workforce housing development to house these workers.

The most effective ways of streamlining or expediting a development/permit process includes ( ULI Orange County Task Force, 2009):

- Creating a one-stop shop for development permits.
- Assigning a staff liaison for specific affordability/workforce projects.
- Holding pre-application conferences for early feedback.
- Creating multi-agency review committees.
- Limiting the number of public hearings.
- Preparing master EIRs and other environmental documents for areas where housing is most encouraged.
- Cross training staff for more efficient reviews
- Creating a flexible review process

#### 6.2.3.1 Case Study: Suffolk County New York

Suffolk County has created a Workforce Housing Commission which seeks to promote the approval and construction of workforce housing units that may not otherwise be built. The Commission has adopted a policy whereby certain projects may win the endorsement of the Commission by following certain procedures. WHC encourages developers interested in our Endorsement Process to submit their proposed development information directly to the Commission before submitting the project into the traditional development review process. (Suffolk County Workforce Housing Commission, 2005).

Should a developer consider that their project qualifies as workforce housing, they will be required to submit a packet of information including (Suffolk County Government, 2013):

- Development timeline
- Total number of units, while specifying the number of workforce housing units
- Total acres of the development
- Status of site acquisition (i.e. in contract, owned, etc.),
- Status of municipal approvals
- Plans for mixed use
- Proposed price/monthly rent of units, the number of units proposed at each price level, the range of incomes necessary to purchase or rent these properties, any provisions for long-term affordability of the housing units,
- Target income levels
- Services or amenities provided
- Marketing Plan, if applicable
- List of major employers within a 15 mile radius of the development,
- Location of nearest rail, bus transit route
- Subsidy providers if any

Once the information has been submitted, the Commission will decide whether or not to “endorse” the development proposal. Should the project be endorsed by the Commission, the development project shall receive permit streamlining opportunities in order to fast track development of workforce housing units.

### 6.2.3.2 Case Study: Town of Truckee, Ca

Truckee has a chapter of its zoning code focusing directly on workforce housing. One incentive provided in this chapter is priority processing of workforce housing. This incentive read as:

- **Priority Processing.** The development project shall be given priority over other types of projects and permits by all Town developments in the processing of land use and development permit applications and building permit applications, and in inspections of the project during the construction process (Town of Truckee, 2013).

Incentivizing workforce housing using a type of permit streamlining process would create additional desire for developers to construct workforce housing. A faster permit process can eventually equate to additional units being built over the same period of time, therefore reducing developer risk and increasing production of these units.

- ❖ *Recommendation: The City should consider a permit streamline process, including a similar endorsement process by the Housing Programs Manager, to allow workforce housing developments an efficient development process.*

## 6.2.4 Density Bonus

The City of San Luis Obispo offers a density bonus for all development which will provide affordable housing units. If a developer agrees to construct 10% of the total number of units for a person of low income, they developer will be granted a 20% density bonus, and increasing per additional unit of affordability. The same scenario is granted if a developer agrees to construct 5% very-low income units. If a developer dedicates 10% of its total for-sale units to moderate income affordability, they will be granted a 5% density bonus (City of San Luis Obispo, Zoning Regulations, 2015).

The City set their density bonuses based on California State Law, and has the ability to increase density bonuses based on units of affordability. The City therefore has the ability to provide a density bonus to a development which agrees to construct units for a person of workforce income levels. While a density bonus would be very beneficial, the City should be cautious to not provide a greater density bonus than that granted for very low, low or moderate income units, as not to detract from the development of affordable dwelling units in the City.

A successful option may be as follows. This example focuses on only giving a density bonus of half of what moderate for-sale units are provided, as not to detract developers from building additional affordable housing.

<b>Percentage Workforce-Income Units</b>	<b>Percentage Density Bonus</b>
20	2
21	3
22	4
23	5
24	6
25	7
26	8
27	9
28	10
29	11
30	12
31	13
32	14
33	15
34	16
35	17
36	18
37	19
38	20
39	21
40	22

#### **6.2.4.1 Case Study: City of St. Petersburg, Florida**

Florida is well known for the creation and implementation of workforce housing policy. The City of St. Petersburg created a workforce housing in 2007 which focuses on a variety of incentives. Their density bonus is set up differently than the current City of San Luis Obispo density bonus.

In St. Petersburg, any development proposing to utilize the density bonus allowed in a zoning district shall enter into a Workforce Housing Bonus Density Agreement which shall irrevocably commit the developer to provide a specific number of workforce housing bonus density dwelling units for a minimum of thirty years (City of St. Petersburg, 2007).

The Workforce Housing Density Program is offered on a sliding scale. An example of a six unit workforce housing development would be required to build the following:

- a) The first unit shall be offered at 80% AMI or below
- b) The second and third units shall be offered at 120% AMI or below
- c) The fourth unit shall be offered at 150% AMI or below
- d) The fifth unit shall be offered at 80% AMI or below
- e) The sixth unit shall be offered at 150% AMI or below

For development constructing a number of units less than a multiple of six (twenty seven units built would be four multiples of the six unit requirements plus three units) a variance can be requested for the additional units required (City of St. Petersburg, 2007).

The complete St. Petersburg, Florida workforce housing ordinance can be seen in Appendix B

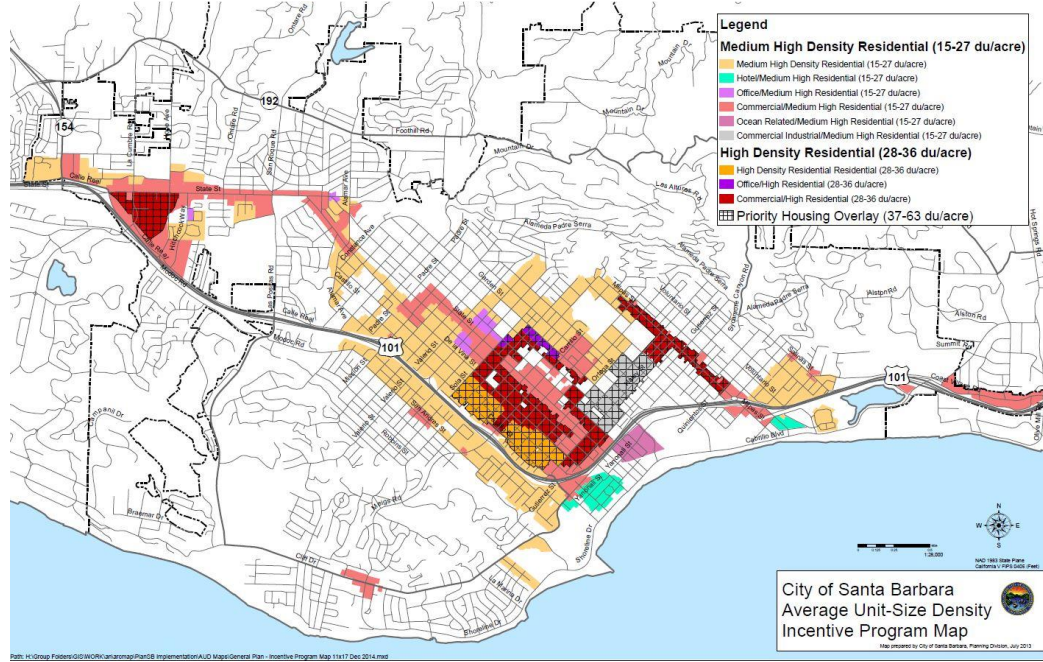
#### **6.2.4.2 Case Study: City of Santa Barbara**

The Average Unit-Size Density (AUD) Incentive Program offers project applicants dwelling unit density incentives as alternatives to the base residential densities specified for the particular City zones in which the program is available. The Average Unit-Size Density Incentive Program consists of three density tiers which may apply based upon the City's General Plan land use designation for the lot and the nature of the development. Housing types that provide housing opportunities to the City's workforce are encouraged and facilitated by the program. The Average Unit-Size Density Incentive Program will be in effect for a trial period of either eight years or until 250 residential units have been constructed in the areas designated for High Density residential as defined in their municipal code or the Priority Housing Overlay. The intent of the program is to support construction of smaller and more affordable residential units near transit and within easy walking distance to commercial services and parks (City of Santa Barbara, 2014).

The AUD program is applicable in the medium high and high density residential zones of the City, these densities range from 15 to 36 density units depending on the zone, seen

in Figure 4 below. The City then created a priority housing overlay which increased the density to 37-63 dwelling units per acre. This program can be seen as a type of “density bonus” as developers are incentivized to develop infill style housing within regions of plentiful transit and employment opportunities (City of Santa Barbara, 2014).

Figure 4: City of Santa Barbara Average Unit Density Program Map



Source: City of Santa Barbara, 2014

Overall, a density bonus for workforce housing income levels would be beneficial as an incentive to developers to construct workforce housing. Ensuring that the bonus does not surpass the affordable housing (less than 120% AMI) bonus is crucial so the development of affordable housing is still seen as ideal.

- ❖ **Recommendation:** The City of San Luis Obispo should incorporate a density bonus, of less than the affordable housing density bonus, as either a set density bonus like the City currently provides for affordable housing or a rotational density bonus seen in the St. Petersburg ordinance.

## 6.2.5 Reduced Inclusionary Requirements

The City currently has an Inclusionary Housing Program which is triggered by new developments of:

- *Commercial*: greater than two thousand five hundred square feet of gross floor area or larger
- *Residential*: new developments consisting of five or more lots or dwelling units.

The requirements state that the purpose and intent of the requirement are to promote the public welfare by increasing the production and availability of affordable housing units. While diminishing the inclusionary requirements for workforce housing would reduce the number of affordable units developed, there will need to be a fine line between successful incentive and unintended negative consequence.

### 6.2.5.1 Case Study: San Luis Obispo County

The County is currently in the process of developing a workforce housing ordinance. As of early March, their draft was released to key stakeholders and local officials. The County includes one incentive of reducing inclusionary requirements for workforce housing subdivisions (SLO County Planning and Building, 2015). The incentive reads as follows:

**Inclusionary housing.** Workforce housing subdivisions are eligible for the following inclusionary housing benefits:

- a. Secondary dwellings as inclusionary housing units. Any secondary dwellings developed as part of a workforce housing subdivision may be counted towards the required inclusionary housing units, pursuant to Section 22.12.080H.2.d.
- b. Reduction in required inclusionary units. Workforce housing subdivisions are eligible for a 25 percent reduction in the number of required inclusionary housing units, pursuant to Section 22.12.080G.7. In addition, one of the following incentives may apply:
  - (1) If all of a project's inclusionary requirements are met on-site, the inclusionary requirement may be further reduced by 25 percent, in accordance with Section 22.12.080G.2.
  - (2) If all of a project's inclusionary requirements are met within the urban limits of an incorporated city, the inclusionary requirement may be further reduced by 25 percent, in accordance with Section 22.12.080G.6 (SLO County Planning and Building, 2015).

The City should consider creating a sliding scale, similar to development fees, for housing proposals which feature housing that will be affordable to workforce income residents. The inclusionary requirements could be modified as follows:

Percent of workforce income level units in development	Percent reduction of Inclusionary Requirements
25-29	10
30-34	15
35-39	20
40-44	25
45-49	30
50-54	35
55-59	40
60-64	45
65+	50

Reducing inclusionary requirements by a percentage seen above would consist of reducing required affordable housing units or the reduction of an in-lieu fee should the developer chose that route.

- ❖ *Recommendation: The City of San Luis Obispo should incorporate an incentive in the form of a reduction of inclusionary requirements to developments which provide workforce housing. Either a flat reduction or sliding scale should be considered.*



## 6.2.6 Reduction of Planned Development Size Requirement

The City is currently in the initial phase of reviewing this matter and updating the Subdivision Regulations. Allowing Planned Developments (PD) to be of smaller size, less than an acre, can be beneficial towards the development of smaller units of lower cost, resulting in workforce housing.

Benefits for residents can include:

- Greater zoning flexibility in specifying lot sizes allows more alternatives in housing types and housing affordability
- Responds more effectively to the diversity in housing needs and preferences that characterizes a community's resident population.
- Supports the ability of older adults and individuals with disabilities to successfully age in place in their own communities.
- Supports the substantial efforts of family caregivers of older adults and younger people with disabilities by providing much greater housing choices from which to organize the living environment that works best for both the caregiver and the individual needing on-going care (Beyer, Unknown).

For communities, benefits include:

- Greater zoning flexibility in specifying residential lot sizes allows much greater development innovation
- Stabilizes the community's residential base by providing residents with greater choices for successfully remaining in the community instead of relocating to other communities or states to find housing choices that better meet their needs.
- Improves the overall wellbeing of the community by promoting the development of alternative housing choices, which is critical element of a livable community (Beyer, Unknown).

On the other hand, concerns regarding decreased planned developments could include the fear of residents among increased density, overcrowding, reduced property values and altered neighborhoods.

During stakeholder interviews, several mentioned that planned developments are easier to finance than condominium developments. Incentivizing workforce housing with a flexible planned development side would not only encourage the development of the units but ease the risk of developers in knowing financing for their project will not be an obstacle.

- ❖ *Recommendation: The City should continue to review the benefits of smaller planned development requirements of less than 1 acre. Creating a city wide standard may be beneficial, however the size reduction could also be considered an incentive only to affordable and workforce income level housing projects, at the discretion of the Housing Programs Manager.*



## 6.2.7 Flexible Setbacks & Development Requirements

Flexible requirements can be very beneficial for developers, and can create an avenue of a wide range of possible incentives. Using these types of reduced/flexible requirements can allow for “flexibility in design” and often a lower construction cost. This incentive category may be one of the main opportunities for the City of San Luis Obispo and incentivizing regulatory standards can reduce costs and time.

### 6.2.7.1 Case Study: City of Santa Barbara

The Average Unit-Size Density (AUD) Incentive Program, explain previously in Incentive D, provides increased density to developers who build housing in medium high and high density regions of the City. In addition to the density “bonus”, the program also offers the following flexible setbacks and requirement incentives to developers (City of Santa Barbara, 2014).

- **Height** - AUD projects developed in the R-3, R-4, HRC-2, R-O, C-P, C-L, C-1, S-D-2, and OC zones may be built with up to four stories so long as such buildings do not exceed a maximum building height of 45 feet. Projects developed with market rate condominium units on lots designated Medium High Density Residential and subject to the S-D-2 overlay zone must comply with the S-D-2 zone building height and building story limitations.
- **Setbacks** – AUD projects shall observe the setback standards described below. However, projects developed with market rate condominium units on lots designated Medium-High Density Residential and subject to the S-D-2 overlay zone shall observe the S-D-2 zone front setback standards.
- **Distance Between Buildings** – AUD projects shall have no main building closer than 10 feet to another main building on the same lot. However, projects developed with market rate condominium units on lots designated Medium-High Density Residential and subject to the S-D-2 overlay zone shall observe the building separation standards required by the applicable base zone (City of Santa Barbara, 2014).

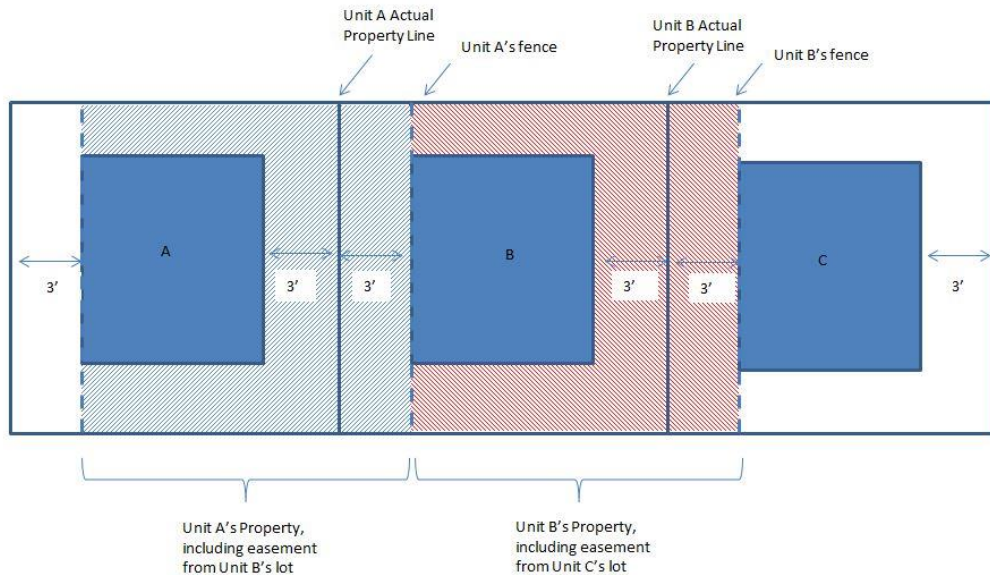
### 6.2.7.2 Case Study: City of San Luis Obispo Poinsettia Subdivision

The City of San Luis Obispo currently has minimum required yard setbacks starting at five feet from the property line, the yard requirement increases largely as the height of the building increases. City Fire Code states that a minimum of three feet is required between the dwelling and property line for firefighting purposes.

The Poinsettia subdivision located behind the Marigold shopping center is unique as it provides a three foot setback, and uses the neighboring property’s three foot setback as

an easement; therefore creating a six foot side yard for each property, seen in Figure 5 below.

**Figure 5: Poinsettia Subdivision Yard Easements**



Source: City of San Luis Obispo Community Development, 2015

The use of an easement as a property line is beneficial towards small unit, higher density housing in the City. This can allow developers additional dwellings, therefore creating more profit and reducing development risk, which we heard as a main barrier towards the development of workforce housing. Developments which are proposed under this method could receive additional incentives as the development would likely sell in the workforce income levels.

### 6.2.7.3 Case Study: Town of Truckee

In the Town of Truckee's Workforce Housing Ordinance, seen in Appendix X, one incentive offered includes regulatory concessions. This incentive reads:

- **Regulatory Concessions.** The review authority, at its own discretion, may reduce regulatory standards of the Development Code and Public Improvement and Engineering Standards (parking spaces, lot coverage) if the review authority finds that any reduction in the regulatory standards is necessary for the project proposal to accommodate the workforce housing units, will not have a substantial, adverse impact on the neighborhood or surrounding area, and will not result in hazards to the public health or safety (Town of Truckee, 2013).

Rigid side yard requirements and extensive parking requirements can result in very little usable space for homeowners. Implementing flexible setbacks can promote denser

development and allow more lots or homes to fit on a street, therefore reducing the cost of the home while not jeopardizing developer profit. Even if homes are not clustered, this may allow for greater economies of scale on smaller development sites (Montgomery County Planning Commission , Unknown).

#### 6.2.7.4 Case Study: San Luis Obispo County

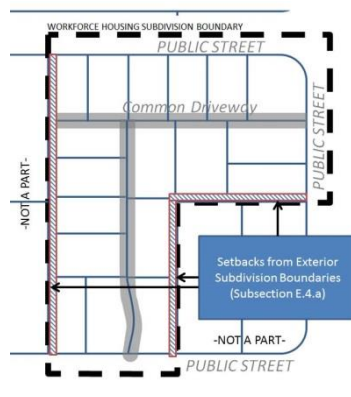
Within the County’s workforce housing ordinance, new regulations are created for development of “workforce housing subdivisions”. These subdivisions are based off the premise of 6,000 minimum square foot subdivisions with minimum 1,000 square foot lots. More about this can be found in the Small Lot incentive section seen further down in this chapter.

Within these workforce subdivisions are setback regulations. The following language regarding flexibility in setbacks is stated below (SLO County Planning and Building, 2015).

**Setbacks.** Notwithstanding the setbacks specified in Section 22.10.140, the following setbacks shall apply within a workforce housing subdivision:

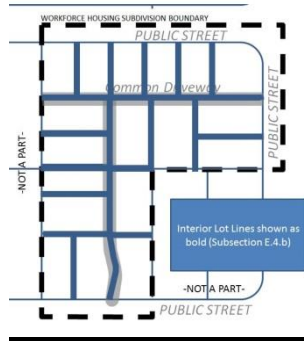
- a. Setbacks from exterior subdivision boundaries. A lot within a workforce housing subdivision shall maintain a minimum setback of 5 feet from any lot outside of the subdivision, as indicated in Figure 30-1.
- b. Interior lot line setbacks. A minimum 3-foot setback shall be established from all lot boundaries adjacent to other lots within the workforce housing subdivision, as indicated in Figure 30-2. This setback may be reduced to 0 feet with an adjustment, pursuant to Section 22.70.030, provided that development on each parcel remains structurally independent (SLO County Planning and Building, 2015).

Figure 6: SLO County Ordinance Exterior Subdivision Boundaries



Source: County of San Luis Obispo, 2015

Figure 7: SLO County Ordinance Interior Lot Lines

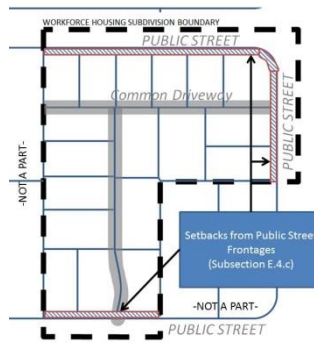


Source: County of San Luis Obispo, 2015

c. Setbacks from lot lines with public street frontages: A minimum setback of 15 feet shall be established from any public road right-of-way, as indicated in Figure 30-3; except in the following circumstances:

- (1) Front porches and/or entryway features shall be set back a minimum of 10 feet.
- (2) Garages fronting and directly accessible from a public road shall be set back a minimum of 18 feet.
- (3) Where a lot created by a workforce housing subdivision has frontage on two public streets, one of the two frontages shall have a minimum set back of 10 feet.
- (4) A reduced structural setback of 10 feet may be approved with an adjustment, pursuant to Section 22.70.030 (SLO County Planning and Building, 2015).

Figure 8: SLO County Ordinance Street Frontage



Source: County of San Luis Obispo, 2015

Overall, this incentive has the potential to increase workforce housing significantly. This incentive would not only reduce costs, it would reduce regulation and time, satisfying all

three pillars of developer barriers. In addition to creating more flexible setbacks, including workforce housing in parking reductions or parking flexibility would also be beneficial. The City currently provides this service to affordable housing and can simply be included in the workforce ordinance.

- ❖ *Recommendation: The City should allow an incentive to workforce housing that reduces yard setbacks from 5' to 3'. In scenarios when a larger yard is preferred, the Poinsettia style easement should be recommended.*
  
- ❖ *Recommendation: The City should allow parking reductions or flexible parking requirements for workforce housing, similarly to the current affordable housing incentive. Requiring parking by square footage may be optimal.*

## 6.2.8 Small Lot Sizes & Small Lot Subdivisions

Large minimum lot sizes often result in large single-family homes and discourage the construction of smaller, affordable homes. Providing developers with flexible requirements can give them the creativity they need to produce lots and homes that are compact, attractive, and affordable (Beyer, Unknown).

In fact, a home on a smaller lot could be appealing to a large amount of residents. This includes first-time homebuyers who can't afford a larger home, small families who don't need the extra space, or older homeowners who are looking to downsize or age in place. Lots can be creatively designed to promote workforce housing construction. In years past, lots in the range of 3,000 - 6,000 square feet were not uncommon. Today, the City requires a minimum 5,000 foot lot size, with a large majority of lots outside of downtown larger than this size.

The easiest way to accommodate small lot sizes is to build smaller homes on narrower lots while keeping a traditional block configuration. Providing for alternative layouts, such as zero lot line, is also possible. Developers of homes on small lots need to pay attention to both parking design, so that garages don't dominate the landscape, and privacy concerns, since homes are placed closer to each other than usual. Some ordinances require walls that are built on zero lot lines to be windowless for this reason.

### 6.2.8.1 Why build small lot developments?

Cities that continuously attract new residents must identify new housing options that will accommodate a financially diverse population. The following are several reasons why small lot developments are beneficial to build in today's economy (U.S. Department of Housing and Urban Development, 2014):

1. **Small lot developments increase homeownership at reduced costs.** Small lot developments are fee-simple units that increase homeownership opportunities while working within existing land use designations. Because these units are fee-simple, homeowners acquire ownership of the housing structure, as well as the land on which it's built. When the amount of land needed for housing construction is decreased, the savings in land costs can be passed on to the homebuyer.
2. **Small lot developments increase housing production.** Although small lot developments do not technically increase zoning density, they are usually built on underutilized lots, thereby increasing the number of units made available to the public.
3. **Small housing developments are not subject to monthly homeowners' association (HOA) fees.** HOAs are corporations with formal bylaws created to maintain common areas within a certain development. Members are charged monthly fees to cover the cost of property management. Small lot developments are constructed without common walls or foundations and therefore do not require HOAs.

4. **Small lot developments are easier to finance than condominium projects.** New housing development in Los Angeles has come to a standstill. Stringent lending practices and insurance liabilities have made condominium projects (which are usually targeted to median-income residents) nonexistent. An increase in construction defect litigation has forced condominium HOAs to require additional insurance that can cost more than \$20,000 a unit. Because small lot developments do not require HOAs, they do not face mandatory additional insurance costs, which makes obtaining bank financing easier.

#### 6.2.8.2 Case Study: City of Los Angeles

The 'Small Lot Subdivision Ordinance' is an amendment to the Los Angeles Municipal Code. Previously, the City's zoning code allowed for only the construction of apartments or condominiums in multifamily residential zones. Single-family homes were also allowed, but the minimum lot size requirement of approximately 5,000 square feet did not make detached housing a viable alternative for housing developers (City of Los Angeles Department of City Planning, 2014).

In 2005, the city passed the proposal into law. The ordinance permits small lot developments in the form of detached townhouses. To accomplish this, the definition of "lots" was amended to specify that the 20-foot street frontage requirement would not apply to an approved small lot subdivision. Parking requirements were also amended; small lot developments are not required to provide parking spaces on the same lot, as is the case with all other residential zones, but are still required to provide two garaged parking spaces per unit. The ordinance also allows one parcel to be subdivided into a single home, a duplex, or a triplex, as long as the subdivision does not exceed the dwelling unit requirement established by the underlying zone.

To allow developers even more flexibility, the city chose to adopt minimum (rather than maximum) development standards. For example, the minimum lot width of a small lot could be 16 feet and the minimum lot area may be as small as 600 square feet. In addition, each lot is not subject to front, side, or rear yard setback requirements between each parcel. When abutting a parcel that is not a small lot subdivision, however, a 5-foot side yard is required. Primarily, the ordinance reduces minimum lot size and side yard requirements to allow for creative townhome developments. This ordinance extends to all multifamily and commercial zones, but does not apply to single-family zones (City of Los Angeles Department of City Planning, 2014).

Overarching goals of the Small Lot Subdivisions include:

1. Create high quality indoor and outdoor living environment for all residents.
2. Enhance the public realm
3. Provide fee simply home ownership opportunities for a greater number of people , at wider range of income levels
4. Provide solutions for infill housing
5. Design and configure housing to be compatible with existing neighborhoods
6. Prioritize the livability and market value of a project over strict density.

Unique aspects about Los Angeles' small lot subdivisions (City of Los Angeles Department of City Planning, 2014):

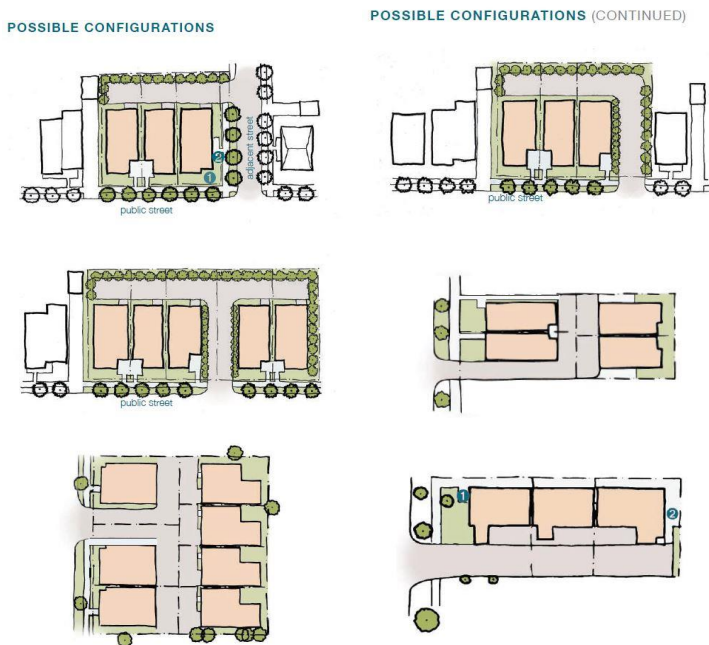
- Small lot subdivision dwellings are not condominiums



- Should only be granted in areas of multi-family zones in order to maximize number of units
- Each unit shall be structurally independent
  - No shared foundations or common walls, reduces overall costs.
- One dwelling per lot.
- Small lot subdivisions reduce minimum lot sizes and side yard requirements as well as eliminates street frontage requirements,
  - A minimum lot are of 600 square feet, and 16 feet wide is required.
- 80% lot coverage allowed.
- Parking can be provided anywhere on site.

Developers creating a small lot subdivision can be creative with a variety of configurations to maximize density and increase profit and aesthetics. Examples of configurations can be seen in Figure 9 below.

**Figure 9: Los Angeles Small Lot Subdivision Configurations**



*Source: Small Lot Design Guidelines, 2014*

Small lot subdivisions do not require an HOA, instead a maintenance association can be formed to maintain areas used in common such as driveways, trash locations and landscaping (City of Los Angeles Department of City Planning, 2014).

The City of Los Angeles' Small Lot Subdivision Design Guidelines can be found in Attachment 1, which holds further information and a variety of successful small lot development case studies.

### 6.2.8.3 Case Study: Kirkland, Washington

In 2002, the city of Kirkland, a suburb of Seattle, began an evaluation of cottage housing under its Innovative Housing Demonstration Project Ordinance. The cottage housing



project included 16 homes ranging in size from 1 to 3 bedrooms; each situated on a private lot with access to common outdoor areas. The development was very well received by focus groups, citizens, and the development community. In 2007, the city's planning commission confirmed that constructing these developments allowed citizens to see the quality of the development and also visualize the potential for future development. As a result of the public's approval, the planning commission adopted a final ordinance in 2007 (City of Kirkland, 2007). The ordinance outlined the following goals:

- To increase the housing supply and housing style choices in ways that are compatible with existing single-family communities;
- To promote housing affordability by encouraging smaller homes;
- To amend codes with language that encourages innovative housing projects; and
- To regulate innovative housing projects through a permanent ordinance.

Because creating new opportunities for housing affordability is one of the main goals of the zoning changes, the ordinance mandates that a certain number of units within a project must be economically accessible to households earning anywhere from 82-100% of the county's median income. The city requires that cottage housing developments of up to 19 units must set aside 1 affordable unit, and developments with 20 to 24 total units (the maximum allowed under the code) must set aside 2 affordable units (City of Kirkland, 2007).

Cottage developments are designed as 1 or 2 story detached housing units. Kirkland encourages a mix of unit sizes within a single development; a larger cottage may have up to 1,500 square feet of total floor area. Cottage houses are often thought of as "cozy" and include an open floor plan and large windows to make the unit appear larger. Kirkland requires that cottages have at least 400 square feet of open space reserved per unit. The open space is often provided in a series of large common areas, of which the units are usually clustered around. There is no minimum lot size requirement per unit, but the density cannot exceed twice the maximum number of units allowed by the underlying zone. Typically, a cottage housing lot may average 3,000 square feet per home (City of Kirkland, 2007).

These modestly-sized homes allow developers to build units on vacant lots within existing single-family neighborhoods. The ordinance identifies a number of existing zones that would be eligible for in-fill cottage housing development. Because the units are smaller and targeted to small households, parking requirements are also reduced, allowing parking spaces to be provided in clusters and concealed from street view, which helps reduce housing costs and allows the creation of more open space and common gardens. Two parking spaces are required only if the unit exceeds 1,000 square feet (City of Kirkland, 2007).

Figure 10: Kirkland Washington Cottage Development Site Map



Source: City of Kirkland Cottage Home Ordinance, 2007

The Cottage development is an ideal example of how small lots can decrease home prices and yet still maintain a welcoming, high demand environment with ample open space. Kirkland's Cottage Ordinance No. 4120 can be found in Appendix B.

#### 6.2.8.4 Case Study: San Luis Obispo County

The County's draft ordinance provides workforce housing subdivisions to have more flexible requirements than those of traditional subdivision. Important to note that proposed workforce subdivisions will not receive a density bonus, density within these subdivisions must still comply with County zoning requirements. See language below regarding small lot sizes requirements (SLO County Planning and Building, 2015).

**Development standards for workforce housing subdivisions.** The following standards apply to projects approved as workforce housing subdivisions:

1. Minimum Site Area. The Minimum Site Area for a workforce housing subdivision is 6,000 gross square feet.
2. Residential Density. Workforce housing subdivisions within the Commercial Retail and Office and Professional land use categories shall comply with the provisions of Section 22.30.490. The maximum residential density for workforce housing subdivisions shall be determined on the basis of the gross area of the subdivision as follows:
  - a. Commercial Retail, Office and Professional, and Residential Multi-Family: As specified in Section 22.10.130; except where a lower maximum density is required by Article 9 (Planning Area Standards) or Article 10 (Community Planning Standards) of this Title.
  - b. Residential Single-Family:

(1) One lot per 6,000 square feet; and

(2) No more than one residential unit per lot, except that secondary residences may be established on parcels with a minimum lot size of 4,000 square feet with a request for exception from the provisions of Section 22.30.470E (Minimum Site Area), consistent with Section 22.30.020D.

3. Lot size and design. Notwithstanding the minimum parcel sizes designated in Chapter 22.22 and the parcel design standards established in Section 21.03.010, the minimum lot dimensions resulting from a workforce housing subdivision shall be as follows:

a. Minimum Lot Size: 1,000 gross square feet

b. Minimum Lot Width: 15 feet.

c. Minimum Private Outdoor Area: A useable private outdoor area shall be provided for each lot. This area may include patios, decks, balconies, or yards. The following requirements apply:

1) The private outdoor area shall include at least one unobstructed rectangular area measuring at least 6 feet by at least 8 feet.

(2) Each lot shall have at least 200 square feet of cumulative private outdoor area (SLO County Planning and Building, 2015).

Along with development standard flexibility with workforce subdivisions, these developments are also not required to have a homeowners association. Language regarding this matter in the ordinance reads as follows:

**Ownership and maintenance.** Facilities that are common to a workforce housing subdivision shall be owned and maintained in common by the owners of the separate interests who have rights to beneficial use and enjoyment through easements and a maintenance agreement (SLO County Planning and Building, 2015).

The San Luis Obispo County's draft Workforce Housing Ordinance can be found in Appendix B.

In addition, the use of a maintenance agreement instead of an HOA can successfully cut down on costs to homeowners. Since HOAs are not regulations of the City, developers should work with the Bureau of Real Estate, and the City to create maintenance agreements and ensure they meet requirements.

❖ *Recommendation: The City of San Luis Obispo should consider allowing minimum lot sizes of less than 5,000 square feet, as long as the developments are developed in such a way that personal space, parking requirements, and privacy are not diminished. The minimum lot size could also be completely removed with emphasis on design and staff review*

*during the development review process. This incentive could be tied in with reducing the requirements of Planned Developments.*

- ❖ *Recommendation: The City should encourage maintenance agreements for developments as opposed to Homeowner Associations, depending on State of California Bureau of Real Estate requirements. This can reduce common space requirements and cut back on fees pushed to homeowners.*

## 7. Employer Assisted Housing

### 7.1 Introduction

The introduction of using employers to assist communities in providing housing, assisting employees with home purchases and education has been increasing. The trend is common with universities or companies competing for the best employees, ensuring they will have housing opportunities and a stress free relocation process. The City of San Luis Obispo has become a prime candidate for this type of program. Not only does Cal Poly find it difficult to attract high caliber faculty, other large employers and small startup businesses claim that acquiring staff can be difficult due to the lack of housing affordable to their employees, our workforce (Letters & Smith, 2013).

#### 7.1.2 What is Employer Assisted Housing?

Employer-assisted housing (EAH) is any housing program—rental or homeownership – that an employer finances or assists in some way. Communities face increasing pressure to provide more housing for local employees. Employers can work in partnership with their communities to help address the affordable housing shortage. The result is a stable local workforce and a healthy local economy (Greater Minnesota Housing Fund, 2014).

### 7.2 Determining the Employers Role

There are a variety of services that the employer can provide for this type of housing assistance program. These services and roles can include (Workforce Housing Committee, 2009):

- *Employer Subsidies:* Ongoing employer contribution toward an employee's housing. Typically, this takes the form of a rental subsidy that covers the gap between a rent that is affordable to the employee and the market rent for a particular apartment.
- *Employer Grants:* One-time employer contribution to employee toward an employee's home purchase. The best examples are the employer paying part or all of closing costs or the employer paying one or more points at closing to buy-down (reduce) the employee's mortgage interest rate.
- *Employer Loans:* One-time employer loan toward an employee's home purchase. Some examples are loans to cover part or all of the down payment or the gap between what is affordable to the employee and the sales price of the home. These loans can be forgivable over a reasonable period (potentially matched to a desirable retention threshold), deferred until the home is resold, or repayable with terms that maintain housing affordability.
- *Education and Counseling:* Ongoing employer program, to provide information resources to aid employees in becoming educated housing consumers. These programs often focus on financial fitness, first-time homebuyer training, and referral to nonprofit housing partners. Often, education and counseling is provided by another organization to employees.

Figure 11: Employer Assisted Housing Strategies



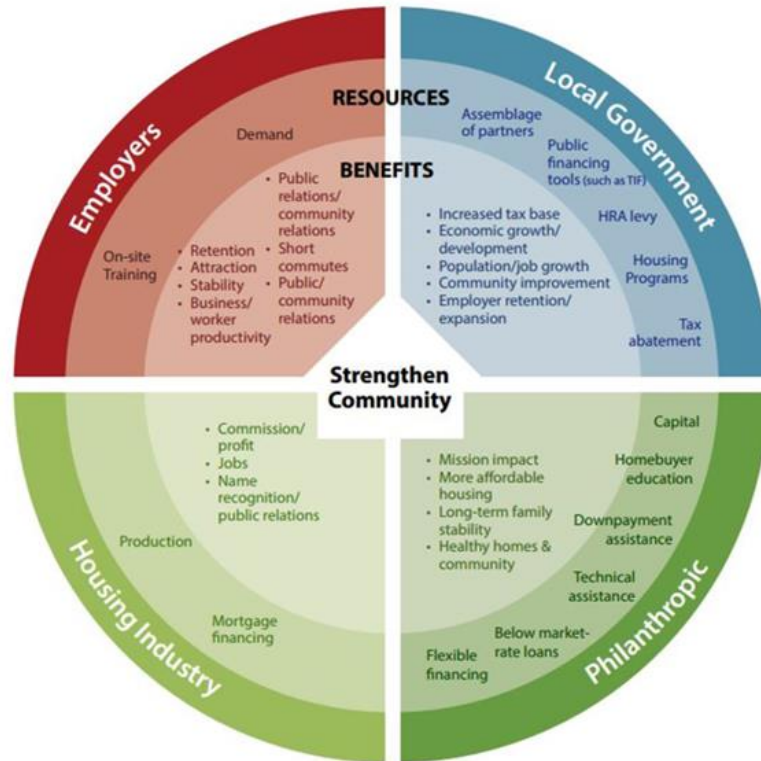
Source: Greater Minnesota Housing Fund, 2014

### 7.3 Benefits of an Employers Assistance Program

The following are key benefits that an employer assisted program could provide for a community.

- Stable Workforce
  - Turnover decreases because people live in decent, affordable housing close to their work rather than commute long distances or live in substandard housing.
- Business Expansion
  - Employee recruitment and retention is made easier due to an adequate supply of housing for employees as well as the employer's understanding of housing options in the community.
- Strong and Stable Community
  - Employers who help to meet the housing needs of the community are encouraging long-term residence and a healthy local economy.
- Productivity Increase
  - Employees who have decent, affordable housing close to where they work have less stress and are less likely to be late to or absent from work (Greater Minnesota Housing Fund, 2014).

Figure 12: Employer Assisted Housing Benefits



Source: Greater Minnesota Housing Fund, 2014

Employer Assisted Financing is seen as an ideal solution to help provide more housing in the community. Throughout stakeholder interview, the majority stated that this technique will provide less risk to developers as additional funding sources may come from the employers, and could promote more workforce housing near employment centers.

#### 7.4 Case Studies of Employer Assisted Housing Programs

The following case studies include examples of employer assisted housing on the Central Coast and an overview of the initial steps those within the City and County of San Luis Obispo are taking to start the conversation between employers and developers.

### 7.4.1 Case Study: Workforce Housing Summit, San Luis Obispo

On February 26, 2015 the local Economic Vitality Corporation held its first Employer/Developer Workshop where local developers and representatives from local businesses met to discuss workforce housing and potential employer assisted housing programs. The summit focused on bringing together these entities which often don't have a chance to work together to discuss:

- Needs and challenges of local housing to the employers
- Housing development
- Housing finance opportunities

The groups then had a chance for a roundtable discussion to identify the next steps that can be taken. The results from the summit included comments broken down by challenges, opportunities, and strategies for creating an employer assisted housing program. Their overall themes included: advocacy, partnership, and policy (Home Builders Association of the Central Coast, 2015).

**Table 5: Overview of Employer Assisted Housing Summit**

<b>Challenges</b>	<b>Opportunities</b>	<b>Strategies</b>
<b>Advocacy</b>		
Employers and Developers are not on the same page	Refine the message	Gain consensus on a shared message so that needs can be clearly communicated to elected officials.  Construct workforce housing projects that are good examples of what can be achieved.
NIMBYism is a major barrier of infill	Build awareness around triple-bottom line outcomes	Lobby elected officials to consider the economic and workforce development interests on par with environmental requirements.  Advocating for projects that provide workforce housing and support workforce development. Employers and human resources advocacy groups become the face of need at public hearings.  Engage educational institutions and other large employers.  Rally young would-be homeowners to speak at city



		council and planning meetings.
<b>Partnership</b>		
Predicting employee/employer needs is difficult because of privacy issues	Enhance information exchange	Encourage CEO support for Human Resources engagement at large companies. Share information on employee housing needs and preferences.  Determine an appropriate metric (affordability index), set goals and monitor outcomes.  Evaluate development of a website to communicate workforce housing needs (employers/employees) and highlight available housing units.
Land use, permit and impact fee costs preclude development of smaller units which may be affordable by design	Facilitate public/private and employer/developer partnerships.	Attract equity and debt to projects, employers pooling resources to invest in projects that will get the housing built with guarantee of units allocated to their employees.
<b>Policy</b>		
No consensus on workforce housing priorities	Define “workforce housing”	Define and prioritize workforce housing.  Increase certainty in design requirements so that builders can plan and build to them, expecting projects to be approved.
Land use plans envision units of greater magnitude than decision makers will allow or approve	Align land use plans with discretionary project approval outcomes	Evaluate land use and policy constraints which impede developer’s ability to meet demand.
Need solutions to address impact fees; need for broader fee base.	Evaluate fee structures, density calculations and incentives.	Calculate fees and density based on unit size rather than unit count.  Create incentive or fee mechanism for expediting permit approval. Ex: longer processing times result in lower permit fees.

Source: Home Builders Association of the Central Coast Summit, 2015.

### 7.4.2 Case Study: Coastal Housing Partnership

Coastal Housing Partnership (CHP) is a unique employee housing program in the Santa Barbara region. The Partnership is a nonprofit organization dedicated to serving the community by assisting local employees with their home buying needs. When the area's cost of housing is out of reach of the local workforce, the challenge of attracting and retaining a quality workforce intensifies (Coastal Housing Partnership, 2015).

Since 1987, the CHP has partnered with South Coast employers to help them address the recruitment and retention challenges associated with the high cost of housing in the area. Home prices in the area continue to escalate at a dramatic pace – far beyond increases in employee salaries. Over 10,000 local employees have become homeowners through this partnership program.

Coastal Housing Partnership helps Employer Members address the challenge of attracting and retaining employees in an area with high housing costs, by providing employees of member companies:

- Home buying benefits
- Home buying education seminars
- Resources as employees navigate their way through the home buying process
- Mortgage refinance benefits
- Rental assistance benefits
- A network of service professionals to assist employees in their search for area housing, whether leasing or buying (Coastal Housing Partnership, 2015).

The CHP works only in partnership with employers that are members. Employers pay an annual due depending on the amount of employees; for example an employer with less than 25 employees pays \$800 a year while an employer with over 2,500 employees \$12,600 in annual dues. The CHP states that for most employers, the savings that even 1 or 2 employees achieve using the benefits exceeds the cost of annual dues (Coastal Housing Partnership, 2015).

### 7.5 Conclusion

While the City would have a hard time using the program as an incentive to developing workforce housing, City staff could successfully encourage local employers to provide some assistance to the development of housing in exchange for preferences for affordable housing for their employees within the fair housing law. Incorporating a recommendation or endorsement from the Housing Programs Manager, similar to the recommendation for permit streamlining, could also be beneficial in seeing that these projects go through successfully and in a timely manner to increase confidence of employers that their employees have housing choices that are affordable.

City staff should also focus on this conversation with Cal Poly as the University continues to look for innovative ways to house faculty and staff since the difficult housing market can be seen as a deterrent from prospective faculty accepting positions with the University.

## 8. Preserving Workforce Affordability

### 8.1 Current City Use of Deed Restriction

The City of San Luis Obispo currently uses two methods of sales restriction to preserving affordable units for those making less than 120% AMI. Developers of affordable units specify the type of affordability restrictions to be applied and can choose between: participating in a share equity purchase program (equity share) or to enter into an affordable housing agreement to ensure that affordability is maintained for the longest period allowed or required by state law (long-term deed restriction) (City of San Luis Obispo, Zoning Regulations, 2015).

Currently, the majority of units on the City's inventory of affordable units use a long-term deed restriction program. This ensures that the unit will be affordable for a period of 45 years if consisting of for-sale unit, and 55 years for a rental unit. The City currently offers an Equity Share Program for residents of Moylan Terrace affordable units. This method allows residents to purchase the unit at the affordable price, and gain a percent of equity in the unit for every year of ownership. Should the owner sell the unit within the first two years of purchase, the owner would receive no equity, for every year of ownership after year 2, owners received an additional 25% of the equity from the sale of the unit (City of San Luis Obispo, Zoning Regulations, 2015). This method, however, does not keep affordable units in the City's inventory in perpetuity. Some stakeholders agreed this was a more beneficial method than a traditional deed, they still recommended not having any restrictions on the dwellings.

### 8.2 Non-Deed Restriction Reasoning

Throughout key stakeholder interviews, all participants agreed that workforce housing should not contain any form of deed restriction. A main challenge of developing this ordinance will focus on this topic; how can the City guarantee that developers given workforce housing incentives provide housing affordable to the workforce level?

Deed restricting is a beneficial way to preserve affordability for a long period time, however main hurdles to having a deed restricted property can include:

- Hard to finance/find lenders for homebuyer when deed restricted
- Deed restriction only benefits units which will have large price gap
  - I.e. very low & low income units
- Results in unintended economic consequences
- Existing City deeds are too limiting; a hardship clause should be considered
  - Clause could include:
    - Be able to rent for a few months in event of family death, military leave etc.
- Workforce housing development should be built affordable using new incentives and opportunities.

### 8.3 Alternative Preservation Methods

Case studies and ordinances, seen in Appendix A, focus on the use of an initial agreement with the developer to produce the housing. Some jurisdictions sets restrictions on the initial sale, including that it must be owner occupied and only initially sold to eligible households. This scenario would be ideal for the City of San Luis Obispo in order to reduce deed restriction needs but yet create a supply of new workforce housing that households in that category can afford and have the ability to become homebuyers.

- Workforce Housing Agreements
  - This method is seen throughout multiple ordinances, found in Appendix A.
  - Require developer to provide units, either for sale or rent, to households within the workforce income level.
  
- ❖ *Recommendation: The City should, in most development situations, not require a long-term deed restriction on the price of workforce housing units. A restriction could be used to require the unit always be owner-occupied and sold to a qualified workforce income household on initial sale.*
  
- ❖ *Recommendation: Should the City require deed restrictions for new workforce housing developments, certain clauses should be used for hardships allowing homeowner's small time frames of flexibility.*
  
- ❖ *Recommendation: Workforce housing agreements should be used, previous to development, to ensure development of these units at the workforce level pricing for sale or rental units to the initial buyer or renter.*

## 9. Next Steps

San Luis Obispo has a large challenge ahead in providing adequate workforce housing to members of the community. The City has the opportunity now to assist developers in the region to develop this housing. Recommendations throughout this toolkit provide insight and overview of public outreach and research completed on workforce housing in San Luis Obispo and in other high cost communities across the country.

The City should use these recommendations when developing the workforce housing ordinance over the next year. Public input from the community and other stakeholder would be beneficial during this process to ensure the City provides adequate and efficient incentives to accommodate this development.

The next steps of developing the workforce housing ordinance for the City of San Luis Obispo will include:

<b>Task</b>	<b>Completion Date</b>
Develop a workforce level of affordability, including incentives, to increase housing options for those making between 121-160% of the Area Median Income (HE Program 2.16).	June 2017
Evaluate and consider adopting subdivision and ordinance changes to support small lot subdivisions and ownership bungalow court development (HE Program 6.30).	June 2016
Eliminate or adjust the one acre minimum lot area for PD overlay zoning (HE Program 6.30).	June 2016
Consider scaling development impact fees for residential development based on size, number of bedrooms and room counts (HE Program 6.31).	December 2016
Complete Infrastructure Fee Update, including outreach and Council adoption.	December 2016
Consider incentivizing dwelling units to a minimum size of 150 square feet, consistent with the California Building Code, by reduced impact fees and property development standards (HE Program 9.12 & LUCE 3.5.7.1).	June 2017
Support employer/employee and employer/developer financing programs and partnerships to increase housing opportunities specifically targeted towards the local workforce.	Ongoing

*This page intentionally left blank*

## BIBLIOGRAPHY

- ULI Orange County Task Force. (2009). *Building Workforce Housing in Orange County: A Resource Guide*. ULI Orange County Task Force.
- Beyer, P. (Unknown). *Reduced Minimum Lot Sizes*. Retrieved December 5, 2015, from Livable New York Resource Manual : <http://www.aging.ny.gov/LivableNY/ResourceManual/PlanningZoningAndDevelopment/112k.pdf>
- Chandler, I. (2014, November 7). Realtor. (J. Wiseman, Interviewer)
- City of Kirkland. (2007). *Ordinance No. 4120 - Cottage, Carriage, and Two/Three Unit Homes*. City of Kirkland, Washington.
- City of Los Angeles Department of City Planning. (2014). *Small Lot Design Guidelines*. City of Los Angeles.
- City of Pasadena Department of Public Works. (2014). *City of Pasadena Residential Impact Fee Information Packet*. City of Pasadena.
- City of San Luis Obispo. (2015). *City of San Luis Obispo Housing Element*. City of San Luis Obispo.
- City of San Luis Obispo. (2015). *Zoning Regulations*. City of San Luis Obispo.
- City of Santa Barbara. (2014). *Title 28 Zoning Ordinance Chapter 28.20*. City of Santa Barbara.
- City of St. Petersburg. (2007). *Ordinance No. 854-G - Workforce Housing Density Bonus Program*. City of St. Petersburg.
- Coastal Housing Partnership. (2015). *Education and Resources*. Retrieved January 8, 2015, from Coastal Housing Partnership: <http://www.coastalhousing.org/employees-education.php>
- Department of Housing and Community Development. (2014). *State Income Limits for 2014*. Department of Housing and Community Development.
- Economic Vitality Corporation. (2015). *Developer's Resource Manual - Draft*.
- Greater Minnesota Housing Fund. (2014). *Employer Assited Housing Resource Guide*. Greater Minnesota Housing Fund.
- Home Builders Association of the Central Coast. (2015). *Workforce Housing Summit - Employer Developer Workshop*. Home Builders Association of the Central Coast.
- Letters, R., & Smith, H. (2013). *Workforce Housing Survey*. Economic Vitality Corporation of San Luis Obispo County.

- Montgomery County Planning Commission . (Unknown). *Promoting Workforce Housing - Eliminating Unnecessary Development Costs Report 4*. Montgomery County Planning Commission.
- SLO County Planning and Building. (2015). *Workforce Housing Ordinances Preliminary Draft*. County of San Luis Obispo.
- Suffolk County Government. (2013). *Workforce Housing Commission Endorsement Guidelines*. Retrieved April 2, 2015, from Suffolk County Government: <http://www.suffolkcountyny.gov/Departments/EconomicDevelopmentandPlanning/HousingAffordableandWorkforce/SuffolkCountyWorkforceHousingCommission/EndorsementGuidelines.aspx>
- Suffolk County Workforce Housing Commission. (2005). *Suffolk County Workforce Housing Accomplishments and Recommendations*. Suffolk County.
- Town of Truckee. (2013). *Truckee Municipal Code Article VII*. Town of Truckee.
- U.S. Department of Housing and Urban Development. (2014). *Case Studies: Los Angeles, California*. Retrieved November 19, 2014, from HUD.gov: [http://www.huduser.org/portal/casestudies/study\\_102011\\_1.html](http://www.huduser.org/portal/casestudies/study_102011_1.html)
- Wong, J. (2015, April 10). City of Pasadena Housing Manager. (J. Wiseman, Interviewer)
- Workforce Housing Committee. (2009). *Workforce Housing Toolkit*. Lincoln County, Oregon.



*This page intentionally left blank*

# Appendices

## Appendix A

### Key Stakeholder Interview & Outreach Summaries

Below represents compiled comments from each key stakeholder interview. Duplicate answers have been combined.

#### How do you define workforce housing?

- Majority agree with County definition of 121-160 of AMI
- One person thought anything above 50% AMI
- One person thought it doesn't need a definition – just that it needs to hit all employees – we have a wide range in City

#### What does workforce housing look like? (SFH, detached, size?)

- One thought it may not work with a single family home (SFH), hard to reduce costs
- However according to Economic Vitality Corporation Survey, people want single family homes
  - “Perfect world” = 3 bed 2 bath home with garage and yard.
- Majority agreed that they will be a smaller size
  - 1 to 2 bedrooms max
  - Less than 1,500 sq.ft.
- Small size lots (see LA Small Subdivision Design Guidelines )
- Small SFHs on small lots, not above 2,000 sq ft homes, less than 4000 sq ft lots
- Younger residents often prefer lack of maintenance and want attached units
- Example that is not ideal for workforce:
  - Serra Meadows ~5500 sq ft lots with ~1800 sq ft homes selling for \$600-700,000.
  - Needs to be denser and smaller. Use setbacks to get creative with side yards.

#### Should workforce housing include both rental and ownership opportunities?

- All stakeholders agreed yes
- Rentals should be treated as ‘transitional’, not permanent WFH, for those not decisive about location or job yet.
  - Will continue to house younger residents.
- Rental example that will work:
  - Robins Reed Orcutt Area Specific Plan development of 100 units, all mixed unit type
  - Focusing on amenities designed for working adults
- Some people prefer rentals due to:
  - Flexibility
  - Lack of maintenance required
  - Can sometimes have greater affordability
  - Due to our lack of “large job supply” if employee is unhappy at job, there isn't a lot of flexibility in same city to move around as opposed to big city and therefor would want rental unit until they are sure SLO is right for them.
- Ownership preferred for those more settled, families.

### **How does the availability of workforce housing affect the City's economy?**

- More housing increases ability for people to live here.
  - Improves employee retention when there are housing choices. Increases opportunities for businesses to relocate to City and increase tax base ability
- All of these regulations, fees and neighborhood groups are pushing out developers, they get burnt out. Could harm economy even more if we scare everyone away.
- Main city economies:
  - Industrial
  - Health services
  - Tech.
  - Green energy
- Residents who can afford to live here will:
  - Spend more money within the City
  - Register kids in our school system (we need more kids)
  - Use parks, trails, open space.
- It's hard to sell houses to these families, nothing in their price range. And therefore there is no word of mouth spread from families to friends out of the area to move to the region.
- Increasing head of household jobs has created a great community of residents who care about the community. All those employees down by Tank Farm and Broad area are the type of residents who take care of their surroundings, use transit, and walk.
- Increase owner occupancies in City.

### **What are your ideas for increasing the supply of workforce housing in the City?**

- Smaller planned developments without an HOA requirement.
  - Reduce costs since no common areas
- Create high workforce housing requirements in expansion areas
- All agreed that we need to change impact fee payment options
  - Payment plan
  - Wait to completion or project / sale
  - Assessment districts
  - Small lots/ housing = smaller fee
  - Need to implement HE Policy 6.31 as soon as possible.
    - You won't see any increase in smaller units until you do this.
    - This won't backfire since developers will make profit and will choose to build smaller due to fees, reduce construction of bigger units.
- Need to increase overall housing supply – we have supply demand issue
- Small lot subdivision idea (see Los Angeles example)
  - Majority agreed with this method. County is also doing this
- Majority agreed we will need a straightforward ordinance
  - Better technical guidelines, easier to understand
  - Often staff has to clarify and point out things developers couldn't find
- City look into investing in infrastructure of expansion areas to reduce land costs.
  - Don't make developers pay for this
  - Fair share

- City invest in this instead
- Create LOW RISK for developers
  - Provide them with incentives that will let them see the benefit of creating more, smaller units
- More support needed with staff
  - Tyler & Lee can help projects move along by showing their economic and housing importance to City
    - Can show benefit of project for economy or for housing
    - MindBody was permitted in less than 6 months (very fast) because community saw the benefit. Staff can help highlight these benefits to community members and therefore reduce number of complains/appeals and in return = more confidence for developers
- Education and outreach
  - Staff can help outreach to developers about incentives, make brochure
    - Often are unaware of density bonuses so they go straight for big house
    - First time home buyer programs
- Reduce inclusionary requirements for low and moderate income households with development of WFH in a project (the County is doing this)

**What do you believe are the barriers to developing workforce housing in the City?**

- The majority agreed there are 3 main barriers/pillars: regulations, time and cost.
- Complicated Regulations
  - Strict zoning
    - PD less than 1 acre
  - ARC, CHC, PC, difficult and timely processes.
  - Downtown development/infill is near impossible with neighborhood groups
- Time
  - The increased involvement of neighborhood groups
    - Complaints, appeals, even when project meets all guidelines.
- Cost
  - Impact fees charged
  - infrastructure costs
  - appeals/ meeting costs sky rocket with complaints
- Uncertainty for developers, high risk!
  - Expansion areas less risk.
  - Developers more afraid of infill (neighborhood appeals/complaints)
- Slim opportunities here with growth limitations
  - SLO created this problem themselves. We thought we were better than everyone, reduced growth and created commuter traffic, created 'exclusive' market

**What incentives should the City consider to facilitate the construction of workforce housing?**

- Majority agreed that the incentives need to satisfy all 3 pillars: time, cost, regulations
- Consider floor area coverage as way to reduce fees
- Allow parking reductions when building WFH in transit zones

- Expedited processing
  - Special streamline for WFH
- Fee deferment process
  - Reduced fees
- Don't require PDs to have common area and therefore reduce/eliminate HOA
  - More benefit if near parks and then don't need open space
- Reduced or flexible setbacks
  - Implement side yards to get more housing
- City possible investing in infrastructure to help drive land cost down and encourage WFH
  - If developer has to pay for these, costs go straight to homeowner/renter
- Encourage smaller sized units
  - Smaller PDs <1 acre
    - Easier to finance than condominiums
  - Fees less for smaller units
  - Setback flexibility for side yards. No side yard setbacks.
- Density bonus
- Reduce inclusionary fees
  - County will look into this as well
- Increase developer certainty of what they are going to get. Lower their risk.
  - Can do this through increased incentives

**How could the City's development review process (planning & building permitting) be modified to support the construction of workforce housing?**

- Streamline efficiently
  - Unique streamlines for employer backed housing
  - Unique streamlines for smaller units, smaller lots which will create WFH
- Impact fees
  - Sliding scale
  - Reduce for small buildings = promote small developments
- Increase developer certainty
- Stop getting caught up on little things like trash enclosures

**How does housing design, product type and location relate to affordability?**

- Smaller lot size
- Reduced setbacks
- Smaller house size = lower cost
- More housing = lower cost
- Affordable by design is going to be our only option
  - De Tolosa ranch great example of opportunity of mixed building types.
- Location key aspect
  - We missed the opportunity of providing more housing on corner of tank farm and Broad. There are 3,500 employees over there that need housing.

**Should subsidized workforce housing be deed restricted for affordability? Why or why not?**

- Majority agree no.
  - Hard to finance when deed restricted
  - Only worth time for low and very low

- Results in unintended economic consequences
- Hard to find lenders
- Existing deeds too limiting, need hardship clause (be able to rent for x months in event of family death, military leave etc.)
- We don't need deeds if we can increase supply, market will level itself out
- No public subsidies
  - Prevailing wage issue increases price of development
- Affordable deed units kept falling out of escrow because people didn't know what they were signing up for originally.

**What are your ideas regarding deed restricted affordability? What are the different ways this could be structured? (long-term; equity share)**

- Equity share better option...but still touchy
  - Moylan only uses 1 lender since they are the only ones who will lend on the deed restriction issue
- Increase the supply
- Build affordably, build smaller will drive down cost and reduce need for deed
- Affordable by design

**Are you aware of any financing opportunities targeted toward workforce housing?**

- HTF provides loans to finance affordable and workforce development
- City of Santa Barbara in process of creating program with private investors to offer low rate loans to developers of WFH

**Thoughts on Employer Backed Financing?**

- Main hurdles:
  - We need to get them to participate, buy in
  - Are they willing?
  - Why should the developers be in charge of providing housing/assisting in this process?
- Majority agree great idea for SLO
  - Reduce developer risk
  - Currently in works, meeting in late Feb to bring developers and CEOs together – more to come on that.
- Would probably need a deed stating that they work for company, not necessarily deed restricting price.
  - Ensure only local employees gain access to the housing, not become rental.
- Employers would do some sort of financing incentive
  - Down payment assistance etc..
  - Low interest loans
  - Homeowner education
- Lots of case studies.
  - Common with universities, larger businesses to attract top workers.

**Other key comments made:**

- Simplicity is key.
  - We are making policies to fix old policies
  - Negative unintended economic consequences through Inclusionary, and now creating policy to compensate for the part of the market we lost.

- Need to have study sessions along ordinance way to identify fatal flaws
  - Include developers
- Developer's need to be able to fully understand ordinance or they won't agree to it
- One stated we need to reduce policy
  - Inclusionary housing created high market prices, since other units need to compensate for affordable units.
- One stated that affordable housing often costs 26% more
  - Fear of affordable housing so ARC pushes up design requirements to make sure its not "cheap" looking
  - Averages 4-5 hearings
  - Public against or afraid of it near them – NIMBYs
  - More appeals
- EVC would love to promote more housing program assistance needed at CC meetings
- This ordinance needs to be a "pilot program"
- City of Santa Barbara average density overlay to increase WFH is good example
- Developers can only release so many units as a time to not be their own competition. They can keep increasing the cost of each phase as long as they have willing buyers.
- Compatibility is key.
  - More complaints when trying to build mixed use near residential (Icon @ Taft Street)
- Demand issues
  - Moylan receiving 3-6 offers per unit.
  - Selling over asking price
  - No completion at moment so tons of people buying = can raise prices
  - Laurel Creek will go on market in June creating competition for final phases of Moylan, will be interesting, could drop price.
- Moderate deed units toughest.
  - If market goes down, recession hits, the prices get close to market rate and people will always chose non deed one, need equity!
- Paso is restructuring fees right now. Might set standards for the development fees in City.
  - Resulting from them missing out on huge affordable housing project.

### Additional Outreach

In March, staff attended the Home Builders Association of the Central Coast's 'Builder Breakfast' where developers come to discuss current projects, understand new items going on in the development world and meet with others working in the industry. Approximately fifty participants attended the breakfast. Three speakers presented, an overview of the event is below.

### **Home Builders Association of the Central Coast Builder Breakfast – March 10, 2015**

Agenda Items:



1. Steve Peck – Builder update from Mangano Homes regarding Serra Meadows
2. Brian Pedrotti – SLO County Workforce Housing Ordinance Update
3. Dan Lloyd – NAHB Representative, ‘Fees and Housing Cost’

**Steve Peck:**

- As first subdivision in SLO in over 15 years, Serra Meadow process was tedious and faced many more hurdles than planned.
- Issues regarding HOA, was denied multiple times by BRE. City struggled with concept of master HOA or maintenance agreement, wetland issues.
- Carry costs they have are giant, huge fees and time issues.
  - Took over a year to add a few lots to map etc...
- Sales average 3-4 per month.
- 60 homes by end of 2015
- Build out complete by late 2016.
- Little to no competition in current housing market.
- Selling between \$325-350 per square foot (\$620,000-700,000 per home).

**Brian Pedrotti:**

- Ordinance is seen as “separate tool to sidestep traditional development route”
- County workforce ordinance is a subdivision
- No density bonus, instead use of 2<sup>nd</sup> units to accomplish inclusionary housing requirements
  - Developers concerned by this

**Dan Lloyd:**

- San Diego County Fee Study, recently completed by Lynn Reaser from PLNU
- Regulatory costs count for 40% of new housing development overall
- Time is biggest issue facing developers
  - City of Carlsbad overview of total regulatory costs:
    - 47% time related fees
    - 20% City fees
    - 19% affordable housing requirements
    - 4% units lost over time
- Elasticity of reducing regulation to cost reduction/greater affordability is 1:1
  - A 3% reduction in fees in SD County can result in 6,500 new permits, 1,300 new jobs (VERIFY WHEN HE SENDS DOCUMENT)
- Reduce time effects?
  - Work with city or county, strict deadlines. Sign up for public hearings at time of submittal regardless of completion. Put more pressure on getting the project through faster.
  - One stop permit shop

**General comments and concerns from builders in attendance:**

- Can the city or county provide data on time it takes to get project through?
- Working with developers, say hold a meeting every other month to show updates, can hold jurisdiction responsible, see need and often jurisdiction becomes faster.
- Need public financing of infrastructure.
  - Serra Meadows cost increase largely from this, newly annexed land, no services, huge grading problem
- Will supply and demand even out our County?
  - No (Dan Lloyd)

- Our coastal location is going to remain constrained; our location is not going to allow supply and demand like other places may.
  - Only benefit is that more housing on the market creates greater completion and therefore reduces costs.
- Tiny house idea?
  - County says yes.
  - Workforce subdivision will allow for small, detached units.

*This page intentionally left blank*

## **Appendix B**

**City of Pasadena Workforce Housing Ordinance**

**Town of Truckee Workforce Housing Ordinance**

**County of Maui Workforce Housing Ordinance**

**San Luis Obispo County Workforce Housing Ordinance**

**City of St. Petersburg Workforce Housing Ordinance**

**City of Kirkland Cottage Ordinance**



## City of Pasadena

# Residential Impact Fee Information Packet

### Contents

---

Residential Impact Fee Fact Sheet

Attachment 1 – Residential Impact Fee Structure

Attachment 2 – Workforce Rebate

Attachment 3 – Residential Impact Fee Estimate Worksheet

Prepared by:  
Department of Public Works  
(626) 744-4191

## City of Pasadena Residential Impact Fee Fact Sheet

The Residential Impact Fee was established in 1988 with the adoption of Ordinance 6252 – *the New Residential Impact Fee* (Chapter 4.17 of PMC). This fee was created to provide funds to mitigate the impact of new residential development on City parks and park facilities.

As of December 3, 2005, the Residential Impact Fee structure was amended in the following manner:

- a. From the flat fee of \$10,977 per unit to a variable fee based on the number of bedrooms within a residential unit as outlined in Attachment 1 which ranges from \$17,544<sup>1</sup> for a studio apartment to \$32,475<sup>1</sup> for a five or more bedroom unit;
- b. Affordable housing units, student housing on property owned by and/or developed in conjunction with an accredited post-secondary educational institution, and skilled nursing units shall be assessed a fee of \$909<sup>1</sup> per unit. If the required amount of affordable housing units are built on-site per Title 17.42 of the Pasadena Municipal Code, the non-affordable units shall receive a thirty percent discount on the Residential Impact Fee;
- c. If at least fifteen percent of a development's units are workforce housing units within the price range of 121 to 150 percent of Average Median Income (AMI) for Los Angeles County, the workforce housing units are eligible for a fifty percent rebate on the Residential Impact Fee as outlined in Attachment 2; and
- d. If at least fifteen percent of a development's units are workforce housing units within the price range of 151 to 180 percent of AMI, the workforce housing units are eligible for a thirty-five percent rebate on the Residential Impact Fee as outlined in Attachment 2.

### **1. What type of development is subject to pay the fee?**

This fee applies to all new residential development in the City. "New residential development" means any of the following:

- a. New construction intended to be occupied, in whole or in part, as a residence, including but not limited to, subdivisions, single-family dwelling units, multi-family dwelling units, work/live units, and any other form of residence, regardless of the zoning designation for the property.
- b. Additions of new residences to preexisting construction.
- c. The conversion of a commercial or industrial structure to residences.
- d. This does not apply to remodeling of any residence which does not create an entirely new living unit.

---

<sup>1</sup> The new fees were approved by City Council on September 22, 2014. The fees adopted on December 3, 2005 were \$14,588 for a studio, \$27,003 for a five or more bedroom unit, and \$756 for affordable housing units, student housing, or skilled nursing units.

# **City of Pasadena Residential Impact Fee Fact Sheet**

## **2. How is the fee calculated?**

The method for calculating the residential impact fee is based on the number of bedrooms per unit in a new residential development. There is also a fee for new residential developments without bedrooms, such as studios and lofts.

In addition, the fee is reduced on certain categories of housing, including affordable, student and certain types of senior care housing. A rebate is also available for new residential units that are sold or rented as workforce housing. The fees are outlined in Attachment 1 of this fact sheet.

## **3. What is the definition of a “Bedroom”?**

For the purposes of Ordinance 6252 only, a bedroom is defined as a room appropriate for sleeping that is at least 90 square feet (excluding closet space), with a fixed closet, and at least one window or exterior entry; and excluding all kitchens, hallways, bathrooms, closets, attics/basements, storage areas, laundry areas, living rooms and dining rooms.

## **4. What qualifies as “student housing”?**

For the purposes of Ordinance 6252 only, student housing are residences located on property owned by, and/or developed in conjunction with an accredited post-secondary educational institution.

## **5. What qualifies as a “skilled nursing unit”?**

For the purposes of Ordinance 6252 only, a skilled nursing unit is defined as a residence within a life/care facility which is reserved and equipped to provide 24-hour medical care to residents who cannot take care of themselves because of physical, emotional, or mental conditions. This care must be supervised by a doctor and regulated by the State of California Health Department. A skilled nursing unit differs from an independent living unit within a life/care facility in that it has medical staff available onsite 24 hours per day.

## **6. What qualifies as “Affordable Housing”?**

New residences which are rented or sold to persons and families of low or moderate income (as defined in the Health and Safety Code Section 50093) pursuant to the City’s Inclusionary Housing Regulations. For more information, please call (626) 744-8300.

**City of Pasadena**  
**Residential Impact Fee Fact Sheet**

**7. What is “workforce housing”?**

For the purpose of Ordinance 6252 only, workforce housing is defined as residences offered to persons or families who live or work in the City of Pasadena, and earn between 121 – 180 percent of the average median income (AMI) for Los Angeles County; and are restricted by a covenant recorded with the County of Los Angeles, to remain as workforce housing for a minimum of fifteen years. For more information, please call (626) 744-8300.

**8. What is the workforce housing rebate?**

A rebate is available to developers for workforce housing units as follows:

- a. If a new residential development project offers fifteen percent of its units as workforce housing for rent or sale within the price range of 121 to 150 percent of AMI, the workforce housing units shall receive a fifty percent rebate on the residential impact fee, after proving to the City’s satisfaction that the workforce housing units are occupied by qualified individuals.
- b. If a new residential development project offers fifteen percent of its units as workforce housing for rent or sale within the price range of 151 to 180 percent of AMI, the workforce housing units shall receive a thirty-five percent rebate on the residential impact fee, after proving to the City’s satisfaction that the workforce housing units are occupied by qualified individuals.

For more information, please call (626) 744-8300.

**9. Is credit given for demolished residential units that are replaced by new development?**

Yes, credit is given for demolished residential units that are directly related to the new construction project. Credit is given for like number of units and bedrooms. If the bedroom count is different, the developer will still receive credit for the next like unit (i.e. if a single family home with one bedroom is demolished and a duplex is built with two bedrooms in one unit and three bedrooms in the second unit, credit is given for the two bedroom unit.)



**Attachment 1  
Residential Impact Fee Structure as of 9/22/14**

<b>Development Type</b>	<b>Number of Bedrooms per Unit</b>	<b>Residential Impact Fee Amount per Unit</b>	<b>30% Reduction for Non-Affordable Units if Affordable Housing Built On-site</b>
New Residential	Studio	\$17,544.38	\$12,281.06
New Residential	1	\$18,514.91	\$12,960.43
New Residential	2	\$20,563.04	\$14,394.12
New Residential	3	\$23,646.66	\$16,552.66
New Residential	4	\$28,731.50	\$20,112.05
New Residential	5 or more	\$32,475.38	\$22,732.76
Affordable Housing	Any	\$909.21	
Student Housing	Any	\$909.21	
Skilled Nursing Unit	Any	\$909.21	

**Attachment 2  
Workforce Rebate**

Workforce Housing Incentive: If the development includes at least 15 percent workforce housing units, the workforce housing units are eligible for the following rebate after the housing units have been sold and/or rented:

- 1) if the unit is sold/rented at a price between 121 to 150 of the AMI, the unit is eligible for a 50 percent rebate of the Residential Impact Fees.
- 2) if the unit is sold/rented at a price between 151 to 180 of the AMI, the unit is eligible for a 35 percent rebate of the Residential Impact Fees.

Development Type	Number of Bedrooms per Unit	Amount per Unit as of 9/22/14	35% Reduction for Workforce Units	50% Reduction for Workforce Units
New Residential	Studio	\$17,544.38	\$11,403.84	\$8,772.19
New Residential	1	\$18,514.91	\$12,034.69	\$9,257.45
New Residential	2	\$20,563.04	\$13,365.97	\$10,281.52
New Residential	3	\$23,646.66	\$15,370.32	\$11,823.33
New Residential	4	\$28,731.50	\$18,675.47	\$14,365.75
New Residential	5 or more	\$32,475.38	\$21,108.99	\$16,237.69

Workforce housing is restricted by a covenant recorded with the County of Los Angeles to remain as workforce housing for a minimum of fifteen years.

**Attachment 3**

**City of Pasadena  
Residential Impact Fee Worksheet**

Instructions: To calculate the fee per unit type, indicate how many units with each bedroom count are in the development. If at least fifteen percent of the development is affordable housing, use the thirty percent reduction column to calculate the fee for the remaining units.

# of Bedrooms	Rate as of 9/22/14	# of Units	30% Reduction for Non-Affordable Units if Affordable Housing Built On-site	# of Units	Total Fee per Unit Type
Studio	\$17,544.38		\$12,281.06		
1 Bedroom	\$18,514.91		\$12,960.43		
2 Bedrooms	\$20,563.04		\$14,394.12		
3 Bedrooms	\$23,646.66		\$16,552.66		
4 Bedrooms	\$28,731.50		\$20,112.05		
5 or more Bedrooms	\$32,475.38		\$22,732.76		
<b>Other Housing Options</b>		<b># of Units</b>			
Affordable Housing	\$909.21				
Student Housing	\$909.21				
Skilled Nursing Units	\$909.21				
				<b>TOTAL FEE ESTIMATE</b>	

Will the development include workforce housing?  No  Yes  
 If yes, number of units: \_\_\_\_\_

(See Workforce Housing Rebate sheet – Attachment 2 - for rebate structure)

## **CHAPTER 18.216 - WORKFORCE HOUSING**

---

### **Sections:**

- 18.216.010 – Purpose and Intent
- 18.216.020 – Administrative Guidelines and Procedures
- 18.216.030 – Administrative Fees
- 18.216.040 – Workforce Housing Requirements
- 18.216.050 – Development Requirements
- 18.216.060 – Bonuses, Incentives, and Concessions
- 18.216.070 – Affordability Controls
- 18.216.080 – Workforce Housing Plan
- 18.216.090 – Adjustments and Waivers

### **18.216.010 – Purpose and Intent**

- A. The purpose of this chapter is to establish a workforce housing requirement and an in-lieu fee for commercial, industrial, and other non-residential development projects to mitigate the impacts caused by these development projects on the additional demand for more affordable housing.
- B. It is intended to implement the Housing Element of the General Plan to ensure an adequate supply of housing to meet the housing needs of all segments of the community and provide a permanent supply of affordable housing to meet the needs of very-low, low-, and moderate-income workers generated by new commercial, industrial, institutional, recreational, and residential resort projects.
- C. It is intended to implement Housing Program 1.3.4 of the Housing Element of the General Plan to balance the need for workforce housing for commercial, industrial, and other non-residential development with the other goals and policies of the General Plan including the goals and policies of the Economic Development Element.
- D. It is intended for the Town Council to conduct an annual review of this Chapter and its implementation to consider whether amendments are needed.

### **18.216.020 – Administrative Guidelines and Procedures**

The Council shall by resolution adopt guidelines and procedures consistent with the terms contained in this Chapter, as the Council determines to be necessary or convenient for the implementation and administration of this Chapter.

### **18.216.030 – Administrative Fees**

The Council may by resolution establish reasonable fees for the administration of this Chapter.

**18.216.040 – Workforce Housing Requirements**

- A. Workforce Housing Required.** All commercial, industrial, institutional, recreational, residential resort, and other non-residential projects not exempt under Subsection G shall include or provide workforce housing as set forth in this Chapter.
- B. Number of Workforce Housing Units.**
1. A development project shall construct and complete workforce housing unit(s) for employees calculated for the project as set forth in Paragraphs 2 and 3 below. For fractions of workforce housing units, the developer may elect, at his or her option, to construct the next higher whole number of affordable units, perform an equivalent alternative which has received the approval of the review authority pursuant to Subsection E, or pay the in-lieu fee specified in Subsection F for such fraction.
  2. The number of workforce housing units to be constructed and completed for a development project, by which employees are calculated as full-time equivalent employees in accordance with Sections C.1, shall be as follows:
    - i. For development projects that generate less than seven FTEE, the development project shall be exempt from the requirements of this Chapter;
    - ii. For development projects that generate seven or more but less than 20 FTEE, the development project shall pay a fraction of an in-lieu affordable housing fee equivalent to the number of FTEE divided by 28.
    - iii. For development projects that generate 20 or more but less than 40 FTEE, the development project shall construct and complete one workforce housing unit for each 14 FTEE.
    - iv. For development projects that generate 40 or more FTEE, the development project shall construct and complete one workforce housing unit for each seven FTEE.
  3. The number of workforce housing units to be constructed and completed for a development project, by which employees are calculated by income levels in accordance with Section C.2, shall be as follows:
    - i. For development projects that generate less than 3.5 very low, low, and moderate income category employees, the development project shall be exempt from the requirements of this Chapter.
    - ii. For development projects that generate 3.5 or more but less than ten very low, low, and moderate income category employees, the development project shall pay a fraction of an in-lieu affordable housing fee equivalent to the number of very low, low, and moderate income category employees divided by 14.
    - iii. For development projects that generate 10 or more but less than 20 very low, low, and moderate income category employees, the development project shall

construct and complete one workforce housing unit for each seven very low, low, and moderate income category employees.

- iv. For development projects that generate 20 or more very low, low, and moderate income category employees, the development project shall construct and complete one workforce housing unit for each 3.5 very low, low, and moderate income category employees.
- 4. All workforce housing units shall have at least one bedroom, and 50% or more of the workforce housing units shall have two or more bedrooms.
- 5. The review authority, at its discretion, may reduce the number of required workforce housing units if the units have more than two bedrooms and/or are specialized dwellings (e.g., dormitories) and the review authority finds that the units will accommodate an equal or greater number of employees than compliance with the express requirements of Subsection 4.

**C. Employee Generation.** For the purposes of this Chapter, employees generated by a development project shall be calculated as follows:

- 1. The standard number of full-time equivalent employees (FTEE) generated by a land use type shall be:

<u>Land Use</u>	<u>FTEE</u>
Commercial including retail, service, office, and restaurant	1 FTEE per 500 s.f. of gross floor space
Industrial, not including uses with substantial outdoor work or activity areas	1 FTEE per 1,000 s.f. of gross floor space
Visitor Lodging	As determined by review authority based upon comparison with similar businesses
Uses Not Listed	As determined by review authority based upon comparison with similar businesses

- 2. A developer of a development project may submit a calculation of the number of employees generated by the proposed development by the income level of the employees. The developer shall provide all information required by the administrative procedures and guidelines including, but not limited to, the number and types of employees and their jobs, the beginning annual salary of the employees and their jobs, and the income category of the employees (very low, low, moderate, above moderate) as defined by the administrative procedures and guidelines. Approval of the resulting calculation shall be at the discretion of the review authority and may incorporate conditions to address future changes of uses in the project.

3. A developer of a development project may submit an independent calculation of the number of employees generated by the proposed development to be used in place of the employee generation rates. Approval of the resulting calculation shall be at the discretion of the review authority. Seasonal full-time employees will be counted as 0.50 of a full-time equivalent employee. Part-time employees will be counted based on the number of hours worked per hour for a 40-hour work week (e.g., a part-time worker who works 30 hours per week would be counted as a 0.75 FTEE).

**D. Affordability of Workforce Housing Units.**

1. The workforce housing units may be available for sale or for rent. The workforce housing units shall be available at affordable rents or affordable sales price as follows:
  - a. For ownership units, 100% of the units shall be affordable to moderate income households, or one-third of the units shall be affordable to low income households, one-third shall be affordable to moderate income households, and one-third shall be affordable to above moderate income households.
  - b. For rental units, 100% of the units shall be affordable to low income households, or one-third of the units shall be affordable to very low income households, one-third shall be affordable to low income households, and one-third shall be affordable to moderate income households.
2. These requirements are minimum requirements and will not preclude a development project from providing additional affordable units or affordable units with lowers rents or sales prices than required by this Chapter. The income targets for determining the rent or sale price may be modified through an alternative equivalent action.

**E. Alternative Equivalent Proposal.**

1. A developer of a development project may propose to meet the requirements of this Chapter by an alternative equivalent action, subject to review and approval by the review authority of the project. A proposal for an alternative equivalent action may include, but is not limited to, the construction of workforce housing units on another site within the Truckee region; the dedication and conveyance of land to the Town or its designee; purchase of workforce housing credits from other development projects with excess affordable units; and acquisition and enforcement of required rental and/or sales price restrictions on existing standard market-rate dwelling units. A proposal for an alternative equivalent action may also address, but is not limited to, tenure of units, higher or lower rents or sales prices, and a lesser or greater number of affordable units.
2. An alternative equivalent proposal shall be considered on a case by case basis by the review authority and may be approved at the review authority's sole discretion, if the review authority finds that such alternative will further affordable housing opportunities in the Truckee region to an equal or greater extent than compliance with the express requirements of Subsections B and D. For dedications of land, the review authority shall find that the land is suitable for the construction of affordable housing and is of equivalent or greater value than is produced by applying the express requirements of Subsections B and D. In making these findings, the review authority

may consider the type of non-residential use(s) being proposed in the development project and whether workforce housing constructed within or adjacent to the development project would be compatible with such uses.

**F. In-Lieu Affordable Housing Fee.**

1. A developer of a development project may propose to meet the requirements of Subsections B and D by submitting at the time of application for a discretionary or building permit, whichever comes first, a request to pay the in-lieu fee.
2. Such proposals for payment of an in-lieu affordable housing fee shall be considered on a case by case basis by the review authority and may be approved at the review authority's sole discretion, if the review authority finds that the payment of the in-lieu fee will further affordable housing opportunities in the Truckee region to an equal or greater extent than compliance with the express requirements of Subsections B and D.
3. Notwithstanding the requirements of Subsection 2, the payment of an in-lieu affordable housing fee for a development project which generates less than 20 full-time equivalent employees or 10 very low, low, and moderate income category employees shall be at the discretion of the developer.
4. The amounts, calculation, and timing of payment of the affordable housing in-lieu fee shall be established by resolution of the Town Council.

**G. Exemptions.** The following development projects shall be exempt from the requirements of this Chapter:

1. Residential development projects which do not include a resort, commercial, or community amenity use that will generate employees.
2. Development projects that generate less than seven full-time equivalent employees as determined in accordance with Subsection C.
3. The conversion of non-residential floor space from one use to another use whereby the new use generates the same or less number of full-time equivalent employees than the previous use.
4. Development projects that are the subject of a development agreement currently in effect with the Town and approved prior to the effective date of this Chapter where such agreement expressly precludes the Town from requiring compliance with this Chapter.
5. Development projects which have received approval of the land use and development permit application prior to the effective date of this Chapter, except the development project shall comply with any conditions regarding affordable housing that were imposed at the time of approval of the land use and development permit.



**18.216.050 – Development Requirements**

- A. Location of Workforce Housing Units.** Workforce housing units shall be built on site within or adjacent to the development project, or offsite in close proximity to the development project, along or near a major transportation corridor with public transit, and/or near a major service center.
- B. Timing of Development.** Workforce housing units shall generally be constructed and offered for sale or rent in accordance with this Chapter concurrently with or prior to completion of the development project or phase thereof. As used in this Chapter, “concurrently” means that a proportionate share of workforce housing units, including a proportionate share of units by income affordability, must be substantially completed by the time 50% of the development project is occupied. The review authority at its own discretion may approve an alternative timing plan if the review authority finds the alternative timing plan will further affordable housing opportunities in the Town to an equal or greater extent and the completion of the workforce housing units is secured by a performance bond or other similar security.
- C. Building Types and Exterior Appearance.** Workforce housing units shall have exteriors that are visually and architecturally consistent with and similar to market rate units in the neighborhood. Exterior building materials and finishes for workforce housing units shall be of the same type and quality as for market rate units. The building types for workforce housing units shall be compatible with the design and character of the development and neighborhood.
- D. Interior Quality.** Workforce units may have different interior finishes, amenities, and features than the market rate units provided the interior finishes, amenities, and features are durable, of good quality, and consistent with contractor grade for new housing.

**18.216.060 – Bonuses, Incentives, and Concessions**

The following bonuses, incentives, and concessions shall be made available to development projects constructing all of their workforce housing on site and/or offsite.

- A. Floor Area Ratio.** The development project shall receive an increase in floor area ratio of 0.05, or 2,200 square feet per acre, above that normally allowed by the zoning district applicable to the parcel. Residential floor space shall not be counted toward the maximum allowed floor area ratio.
- B. Priority Processing.** The development project shall be given priority over other types of projects and permits by all Town departments in the processing of land use and development permit applications and building permit applications, and in inspections of the project during the construction process.
- C. Regulatory Concessions.** The review authority, at its own discretion, may reduce regulatory standards of the Development Code and Public Improvement and Engineering Standards (e.g., parking spaces, lot coverage) if the review authority finds that any reduction in the regulatory standards is necessary for the project proposal to accommodate the workforce housing units, will not have an substantial, adverse impact on the neighborhood or surrounding area, and will not result in hazards to the public health or safety.

- D. Deferral of Town Impact Fees.** Town impact fees, including impact fees for the Truckee Fire Protection District and the Truckee Donner Recreation and Parks District, required at the time of issuance of a building permit shall be deferred for all portions of the project, including non-residential floor space, to the issuance of the temporary or final certificate of occupancy, whichever occurs first.
- E. Waiver or Reduction of Town Impact Fees and Permit Fees.** The review authority may reduce or waive Town impact fees, including impact fees for the Truckee Fire Protection District and the Truckee Donner Recreation and Parks District, and Town permit fees in accordance with Town Council policy adopted by resolution.

### 18.216.070 – Affordability Controls

Workforce housing units shall be restricted in accordance with Chapter 18.210 (Affordable Housing Controls).

### 18.216.080 – Workforce Housing Plan

- A. Plan Required.** A workforce housing plan shall be submitted with the land use and development permit application for development projects. The workforce housing plan shall be reviewed as part of the land use and development permit application and shall be approved prior to or concurrently with the approval of the land use and development permit application.
- B. Request for Evaluation.** A developer of a development project may submit a “Request for Evaluation of Complying with Workforce Housing Requirements” prior to submittal of a land use and development permit application. The request shall include all information required for a Workforce Housing Plan and any other information deemed necessary by the Community Development Director. The review authority may consider the request and provide comments to the developer on whether the request complies with this Chapter, may comply if revisions are made, or does not comply. Any comments provided by the review authority on the request shall not bind the review authority on any future actions on the Workforce Housing Plan and/or land use and development permit application.
- C. Plan Information.** The Workforce Housing Plan shall include, but not be limited to, the following information in addition to information otherwise required by the Development Code:
1. A site plan and typical floor plans depicting the location, size, structure, proposed use(s), and story and floor layout of the proposed non-residential development;
  2. A site plan and typical floor plans depicting the location, structure, proposed tenure (rental or ownership), story and floor layout, and size of the proposed workforce housing units;
  3. The calculations used to determine the number of required workforce housing units, including floor space of non-residential development, employee generation rates, and employees credited for each workforce housing unit;
  4. The income level targets for each workforce housing unit;
  5. The mechanisms that will be used to assure that the workforce housing units will remain affordable;
  6. A phasing plan for the construction and completion of the non-residential development and the workforce housing units;

7. A description of any requested bonuses, incentives, and/or concessions;
  8. A marketing plan for the process by which qualified households will be reviewed and selected to either purchase or rent workforce housing units;
  9. A description of any provisions providing preference for employees employed by the project to the proposed workforce housing units.
  10. A description of private and public transit services available to the workforce housing residents and a description of the residents' access to transit facilities and services including walking distance and pedestrian improvements between the workforce housing and transit facilities;
  11. Any information necessary to properly describe the alternative equivalent action, if proposed;
  12. Any other pertinent information requested by the Community Development Director.
- D. Plan Approval.** The Workforce Housing Plan shall be approved by the review authority of the land use and development permit application and included as part of the development project as a condition of approval of the land use and development permit.
- E. Plan Modifications.** Any request for a modification to an approved Workforce Housing Plan shall be processed, reviewed, and acted upon in accordance with Section 18.84.070 of the Development Code.
- F. Workforce Housing Agreement.** An agreement implementing the provisions of the approved workforce housing plan shall be prepared, approved, and recorded in accordance with Section 18.210.090.

#### 18.216.090 – Adjustments and Waivers

- A. Developer Request.** A developer for a development project subject to the requirements of this chapter may request of the review authority a reduction, adjustment, or waiver of the requirements based upon a showing of substantial evidence that there is no economically feasible way to comply with the requirements or that compliance with the requirements will not reasonably achieve the purposes for which the ordinance was enacted. For example, the requirements for an existing, established business within the Town of Truckee that is relocating to a new building may be reduced, adjusted, or waived in accordance with the Administrative Guidelines and Procedures if the business will not generate new employees. Any decision of the review authority must be supported by findings in the administrative record which articulate the reasons for the granting of the waiver, reduction, or adjustment and the evidence in the administrative record supporting the decision to do so.
- B. Developer Burden.** The developer in the request shall set forth in detail the factual and legal basis for the claim of reduction, adjustment, or waiver. The developer shall bear the burden of presenting substantial evidence to support the request including comparable technical information to support the developer's position.
- C. Timing.** To receive an adjustment or waiver, the developer shall submit the request prior to or concurrently with the submittal of the land use and development permit application for the development project. The review authority shall consider and take action on the request prior to or concurrently with taking action on the land use and development permit application for the development project.

Workforce Housing

18.216

ORDINANCE NO. 3438

BILL NO. 3 (2007)

A BILL FOR AN ORDINANCE AMENDING SECTION 2.96.040, MAUI COUNTY CODE,  
RELATING TO RESIDENTIAL WORKFORCE HOUSING REQUIREMENTS

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Section 2.96.040, Maui County Code, is amended to read as follows:

**“2.96.040 Residential workforce housing requirements.** A. Prior to final subdivision approval or issuance of a building permit for a development subject to this chapter, the department shall require the developer to enter into a residential workforce housing agreement that requires the following:

1. When more than fifty percent of the dwelling units and/or new lots in the development are offered for sale for less than \$600,000, forty percent of the total number of units and/or lots shall be sold or rented to residents within the income-qualified groups established by this ordinance;

2. When fifty percent or more of the dwelling units and/or new lots in the development are offered for sale for \$600,000 or more, fifty percent of the total number of units and/or lots shall be sold or rented to residents within the income-qualified groups established by this ordinance; or

3. When three or more new lodging, dwelling, or time share units in a hotel are created[;], when there is a conversion of one or more hotel units to dwelling units or time share units[;], when any hotel redevelopment or renovation project increases the number of lodging or dwelling units in the hotel[;], or when five or more new dwelling units for rental purposes are created, then forty percent of the total number of new, additional and/or converted units shall be sold or rented to residents within the income-qualified groups established by this ordinance.

B. The requirement may be satisfied by one or a combination of the following, which shall be determined by the director and stated in the residential workforce housing agreement:

1. Offer for sale, single-family dwelling units, two-family dwelling units, or multi-family dwelling units as residential workforce housing within the community plan area;

2. Offer for rent, multi-family dwelling units within the community plan area. A developer may partner with a non-profit organization or community land trust on a specific affordable project to

either construct new multi-family dwelling units or renovate existing non-habitable multi-family dwelling units, paying an amount that represents the difference in unit costs for a family of four at one hundred percent and one hundred forty percent of median income pursuant to HUD affordable sales price guidelines as adjusted by the department by wait list area. The developer's requirement shall be deemed satisfied upon receipt of payment. Moneys shall be deposited into the affordable housing fund;

3. In lieu of directly selling or renting units pursuant to sections 2.96.040(B)(1) or (B)(2), the developer may convey such units to a qualified housing provider subject to department approval pursuant to section 2.96.150; or

4. In lieu of providing residential workforce housing units, the residential workforce housing requirement may be satisfied by payment of a fee, by providing improved land, or by providing unimproved land. Any fee must be approved by council resolution. Any donation of land must be approved by the council pursuant to chapter 3.44.015 of this code.

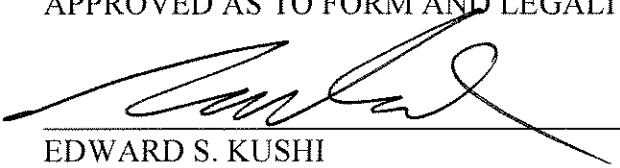
a. The in-lieu fee per unit for sale/ownership units shall be equal to thirty percent of the average projected sales price of the market rate dwelling units and/or new lots in the development. The in-lieu fee per unit for hotel, time share, converted or rental units shall be an amount that represents the difference in unit costs for a family of four at one hundred percent and one hundred sixty percent of median income pursuant to HUD affordable sales price guidelines, or as adjusted by the department, for Hana, Lanai, and Molokai. The in-lieu fee shall be designated in the residential workforce housing agreement, and be secured by a lien on [market rate dwelling] the units if not paid before the [dwelling] units are constructed or converted. The in-lieu fee shall accrue to the affordable housing fund, which shall be established in the County budget for the purpose of enhancing and supporting housing needs and programs of income-qualified households and special housing target groups; and

b. The value of the improved land shall not be less than the in-lieu fee that would otherwise have been required under this chapter. The value of the unimproved land shall be at least equal to twice the value of the improved land. The in-lieu land shall be used to address the housing needs of income-qualified households and special housing target groups. Such land shall have a minimum lot size of six thousand square feet or the minimum lot size allowed by the applicable zoning, whichever is greater. Such land must be acceptable to the department and may be used by the County or others approved by the County to develop residential workforce housing, resource centers for the homeless, day care centers for seniors, or other public use projects that address the housing needs of income-qualified households and special housing target groups.”

SECTION 2. Material to be repealed is bracketed. New material is underscored. In printing this bill, the County Clerk need not include the brackets, bracketed material, or the underscoring.

SECTION 3. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:

A handwritten signature in black ink, appearing to read 'Edward S. Kushi', is written over a horizontal line.

EDWARD S. KUSHI  
Department of the Corporation Counsel  
County of Maui  
S:\ALL\ESK\Ords\residential workforce housing policy amendment 4.doc

WE HEREBY CERTIFY that the foregoing BILL NO. 3 (2007)


1. Passed FINAL READING at the meeting of the Council of the County of Maui, State of Hawaii, held on the 2nd day of March, 2007, by the following vote:


G. Riki HOKAMA Chair	Dennis A. MATEO Vice-Chair	Michelle ANDERSON	Gladys C. BAISA	Jo Anne JOHNSON	William J. MEDEIROS	Michael J. MOLINA	Joseph PONTANILLA	Michael P. VICTORINO
Excused	Aye	Aye	Aye	Aye	Excused	Aye	Aye	Aye

2. Was transmitted to the Mayor of the County of Maui, State of Hawaii, on the 2nd day of March, 2007.

DATED AT WAILUKU, MAUI, HAWAII, this 2nd day of March, 2007.

RECEIVED  
2007 MAR -2 PM 1:33  
OFFICE OF THE MAYOR

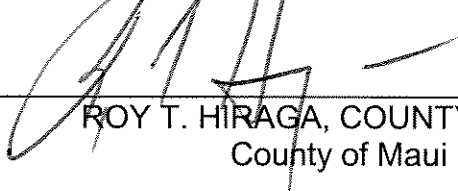
  
DENNIS A. MATEO, VICE-CHAIR  
Council of the County of Maui

  
ROY T. HIRAGA, COUNTY CLERK  
County of Maui

THE FOREGOING BILL IS HEREBY APPROVED THIS 2nd DAY OF March, 2007.

  
CHARMAINE TAVARES, MAYOR  
County of Maui

I HEREBY CERTIFY that upon approval of the foregoing BILL by the Mayor of the County of Maui, the said BILL was designated as ORDINANCE NO. 3438 of the County of Maui, State of Hawaii.

  
ROY T. HIRAGA, COUNTY CLERK  
County of Maui

Passed First Reading on February 16, 2007.  
Effective date of Ordinance March 2, 2007.

I HEREBY CERTIFY that the foregoing is a true and correct copy of Ordinance No. 3438, the original of which is on file in the Office of the County Clerk, County of Maui, State of Hawaii.

Dated at Wailuku, Hawaii, on

\_\_\_\_\_  
County Clerk, County of Maui

RECEIVED  
2007 MAR -5 AM 9:13  
COUNTY CLERK



CITY OF SAN LUIS OBISPO

# Workforce Housing Ordinances

---

Preliminary Draft

DRAFT

A series of amendments to Title 21 (Real Property Division Ordinance) and Title 22 (Land Use Ordinance) of the San Luis Obispo County Code

# Introduction

The Problem: Market conditions in San Luis Obispo County tend to incentivize the construction of large single-family residential homes on residential lots of around 6,000 square feet. These homes are not affordable to the typical workforce in San Luis Obispo County. New construction of smaller, more affordable homes is rare.

A Potential Solution: The County could seek to create incentives for developers that build new workforce housing subdivisions. If successful, this pilot program could be extended to the Coastal Zone or modified to fit the municipal code of incorporated cities.

## Background

In November 2013, while discussing the implementation of the Inclusionary Housing Ordinance, the Board of Supervisors formed an ad-hoc committee to consider ordinance amendments to incentivize the development of workforce housing. Ordinance amendments were then authorized in July 2014.

Since that time, County staff has been working closely with the Economic Vitality Corporation (EVC) to scope potential ordinance amendments. The scope has been focused on two programs:

- 1) **Workforce Housing Subdivisions** – Relaxing the standard requirements for new subdivisions that involve development of workforce housing.
- 2) **Mixed Use Developments** – Allowing interim residential uses to occur in commercial mixed-use developments.

The obligations and benefits for these programs are summarized in the following table:

# Section 1

*Add new Section 22.30.477 (Residential – Workforce Housing Subdivision)*

PURPOSE
To set out the requirements and benefits of workforce housing subdivisions.
PRESENT CONDITIONS
At present, “workforce housing subdivisions” are not defined in the ordinance. Land may be divided using either a conventional subdivision or a common interest subdivision, such as a planned development.
DESIRED EFFECT
This section creates another option for subdivision. It would allow conventional subdivisions to occur with reduced parcel size standards (resembling a planned development) if they qualify as a “workforce housing subdivision.”

## 22.30.477 – Residential – Workforce Housing Subdivision

**A. Purpose and intent.** The purpose of this Section is to create a program that incentivizes development of new housing that is affordable to San Luis Obispo County’s workforce. The ordinance provides a means to reduce the standard subdivision requirements in exchange for a commitment to construct workforce housing.

A workforce housing subdivision is meant to facilitate the creation of small fee-simple lots to accommodate infill housing within existing communities. A workforce housing subdivision differs from a planned development (see Section 22.22.145), in that there is no requirement for common space and lots. Lots are individually owned and structurally independent of one another, as in a conventional subdivision.

*The purpose and intent of this ordinance is to encourage the development of workforce housing.*

**B. Workforce housing subdivision requirements.** To qualify as a workforce housing subdivision, a subdivision of land or adjustment of lot lines shall meet the following standards:

**1. Location and land use category.** Workforce housing subdivisions shall be located within an Urban or Village Reserve Line and within the Residential Single Family, Residential Multi-Family, Office and Professional, and Commercial Retail land use category.

**2. Services.** Workforce housing subdivisions shall be served by community water and sewer service.

**3. Restriction on first conveyance.** The first conveyance of a developed workforce housing lot shall be subject to the following restrictions:

**a.** The initial sales price shall be limited to the maximum affordable sales price for workforce households, as set forth in Subsection C of Section 22.10.170 (Housing Affordability Standards), except in the following communities:

**(1) Oceano:** The initial sales price shall be limited to 75 percent of the maximum affordable sales price for workforce households.

**(2) San Miguel:** The initial sales price shall be limited to 71 percent of the maximum affordable sales price for workforce households.

**b.** The grantee of the first conveyance shall occupy the parcel as their primary residence.

**C. Permit level.** A workforce housing subdivision may be approved as part of a tentative parcel map or tentative tract map. A lot line adjustment may be approved in compliance with this Section, if processed concurrently with a Minor Use Permit.

**D. Application content.** In addition to the application materials required by Chapter 21.02 of the Real Property Division Ordinance, the following shall be submitted with any application for a workforce housing subdivision:

**1. Lot design.** For each lot, the tentative map shall identify the following features:

**a.** Designation of a front property line. The front entrance for the primary residence will be required to align with the front property line.

**b.** The setbacks proposed from the front, rear, and side property lines.

**c.** The location of required parking spaces.

*Workforce housing subdivisions must:*

- *Be inside a URL or VRL.*
- *Have both community water and sewer service.*

*The first sale of a workforce housing lot is restricted:*

- *Owner-occupied.*
- *Sales price limited to be affordable at 160% median income.*

*Oceano and San Miguel are two communities that have a lower median income than the County (75 percent and 71 percent, respectively). As such, the sales prices in these communities are adjusted to reflect this.*

*Workforce housing subdivisions are permitted through the standard parcel map or tract map process.*

*Additional application contents apply. This is needed due to design implications of allowing smaller lots.*

2. Floor plans and elevations. Conceptual-level floor plans and elevations demonstrating how a workforce residence may be located on each lot.

3. Draft maintenance agreement. A draft agreement identifying how subdivision infrastructure will be maintained.

4. Preliminary grading and drainage plans. Preliminary grading and drainage plans for all lots and subdivision improvements. Such plans shall be compliance with Section 22.10.155 and Chapter 22.52.

5. Preliminary landscaping and fencing plans. Preliminary landscaping and fencing plans in compliance with Chapter 22.16.

E. Development standards for workforce housing subdivisions. The following standards apply to projects approved as workforce housing subdivisions:

1. Minimum Site Area. The Minimum Site Area for a workforce housing subdivision is 6,000 gross square feet.

2. Residential Density. Workforce housing subdivisions within the Commercial Retail and Office and Professional land use categories shall comply with the provisions of Section 22.30.490. The maximum residential density for workforce housing subdivisions shall be determined on the basis of the gross area of the subdivision as follows:

a. Commerical Retail, Office and Professional, and Residential Multi-Family: As specified in Section 22.10.130; except where a lower maximum density is required by Article 9 (Planning Area Standards) or Article 10 (Community Planning Standards) of this Title.

b. Residential Single-Family:

(1) One lot per 6,000 square feet; and

(2) No more than one residential unit per lot, except that secondary residences may be established on parcels with a minimum lot size of 4,000 square feet with a request for exception from the provisions of Section 22.30.470E (Minimum Site Area), consistent with Section 22.30.020D.

*Standards affecting density, minimum site area, lot size and design, setbacks, parking, etc. are addressed here. These standards override the countywide standards elsewhere in the ordinance.*

*Multi-family residential density is not affected, except that a 6,000 sqft minimum parcel size is not required for more than one unit.*

*RSF-zoned land receives the same density bonus as a cluster subdivision.*

*As in planned developments, second units would be allowed on lots of at least 4,000 sqft.*

**3. Lot size and design.** Notwithstanding the minimum parcel sizes designated in Chapter 22.22 and the parcel design standards established in Section 21.03.010, the minimum lot dimensions resulting from a workforce housing subdivision shall be as follows:

*Smaller lot sizes are allowable, but density still must comply with RSF or RMF zoning requirements.*

a. **Minimum Lot Size:** 1,000 gross square feet

b. **Minimum Lot Width:** 15 feet.

c. **Minimum Private Outdoor Area:** A useable private outdoor area shall be provided for each lot. This area may include patios, decks, balconies, or yards. The following requirements apply:

(1) The private outdoor area shall include at least one unobstructed rectangular area measuring at least 6 feet by at least 8 feet.

(2) Each lot shall have at least 200 square feet of cumulative private outdoor area.

*Development must be set back 5 feet from exterior subdivision boundaries.*

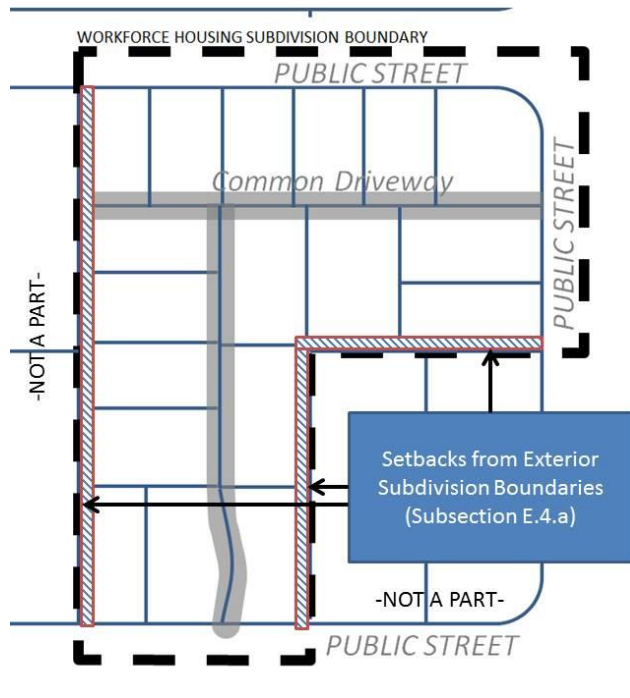
**4. Setbacks.** Notwithstanding the setbacks specified in Section 22.10.140, the following setbacks shall apply within a workforce housing subdivision:

a. **Setbacks from exterior subdivision boundaries.** A lot within a workforce housing subdivision shall maintain a minimum setback of 5 feet from any lot outside of the subdivision, as indicated in Figure 30-1.

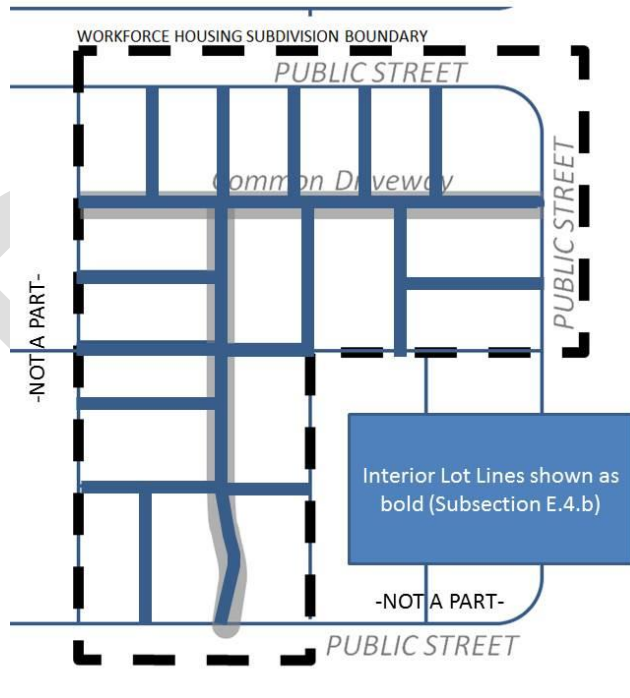
*Interior to the subdivision, setbacks must be 3 feet. The Review Authority may also approve an adjustment to allow 0-foot interior setbacks.*

b. **Interior lot line setbacks.** A minimum 3-foot setback shall be established from all lot boundaries adjacent to other lots within the workforce housing subdivision, as indicated in Figure 30-2. This setback may be reduced to 0 feet with an adjustment, pursuant to Section 22.70.030, provided that development on each parcel remains structurally independent.

**Figure 30-1 – Exterior Subdivision Boundaries**



**Figure 30-2 – Interior Lot Lines**

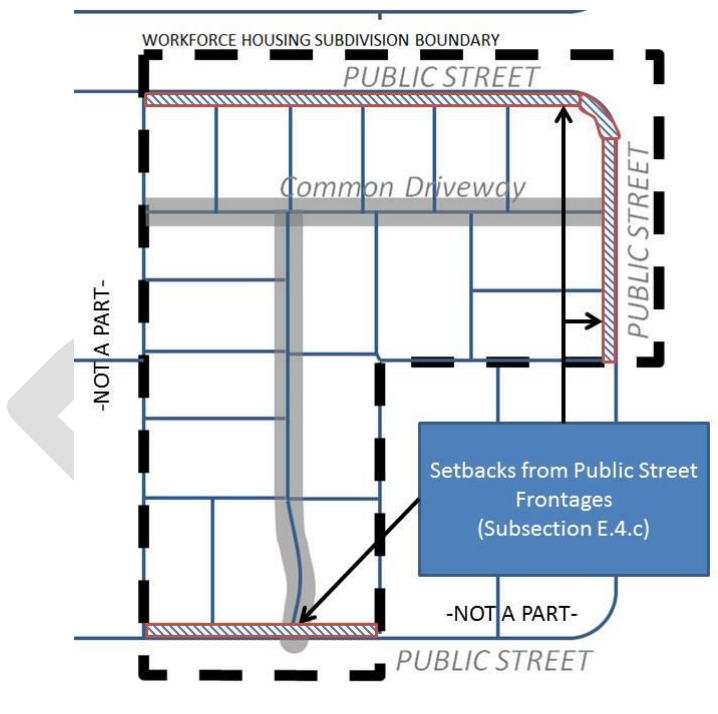


**c. Setbacks from lot lines with public street frontages:** A minimum setback of 15 feet shall be established from any public road right-of-way, as indicated in Figure 30-3; except in the following circumstances:

*Setbacks from a public street frontage is 15 feet, except in certain circumstances.*

- (1) Front porches and/or entryway features shall be set back a minimum of 10 feet.
- (2) Garages fronting and directly accessible from a public road shall be set back a minimum of 18 feet.
- (3) Where a lot created by a workforce housing subdivision has frontage on two public streets, one of the two frontages shall have a minimum set back of 10 feet.
- (4) A reduced structural setback of 10 feet may be approved with an adjustment, pursuant to Section 22.70.030.

**Figure 30-3 – Public Street Frontages**



*Parking requirements are equivalent to the Small Lot Single Family standard (22.30.475).*

**5. Parking.**

**a. Number of spaces.** Parking shall be provided on-site or in a consolidated location within the workforce housing subdivision, as follows:



<u>Size of Unit</u>	<u>Number of Parking Spaces</u>
<u>Units 800 square feet or less in size</u>	<u>1 space</u>
<u>Units 801 to 1,000 square feet in size</u>	<u>1.5 spaces</u>
<u>Units over 1,000 square feet in size</u>	<u>2 spaces</u>

**b. Consolidated parking.** If parking within the workforce housing subdivision is proposed to be consolidated, the standards in Section 22.22.145.B.1.b shall apply.

*All parcels must have vehicular access from the designated parking area to a public road.*

**6. Road Access.**

**a.** All lots shall have vehicular access (either direct or by private easement) to a publicly maintained road; except that an adjustment may be granted pursuant to Section 21.03.020 for subdivisions where the following standards are met:

*Alternatively, if parking is consolidated, each lot may only need a 10-foot wide pedestrian passageway for access.*

(1) Designated parking for multiple lots is consolidated in a location that has vehicular access from a publicly maintained road.

(2) Lots with no vehicular access to a publicly maintained road shall, at a minimum, have pedestrian access by way of a passageway of at least 10 feet in width, extending from a publicly maintained road to one entrance of each dwelling unit.

*Private easements may be used for road access.*

**b.** Notwithstanding the provisions of Section 21.03.010(d)(7), a private easement may be used to provide vehicular access within a workforce housing subdivision, regardless of the number of lots.

*35 percent open space required.*

**7. Site planning and residential design.**

**a. Minimum open area.** The minimum open area, including setbacks and all areas of the site except buildings and parking spaces shall be at least 35 percent of the gross lot area.

*Community design plans and planning area standards must be followed.*

**b. Compliance with Countywide and Community Design Plans.** Residences in workforce housing subdivisions shall be consistent with the Countywide Design Plan and any relevant local design plans.

*Projects must be designed to be consistent with new workforce housing design guidelines.*

**c. Compliance with Workforce Housing Design Guidelines.** Residences in workforce housing subdivisions shall be consistent with the Workforce Housing Design Guidelines.

**d. Front entrances.**

(1) Each primary residence shall be provided with a decorative entry feature, consistent with the Workforce Housing Design Guidelines.

(2) Lots abutting a publicly maintained road shall have their primary residence's front entrance oriented towards that road. The location of primary residence's front entrance shall be designated for each lot within the subdivision.

**e. Storage.** For units with no dedicated enclosed parking, a storage area of a minimum of 100 cubic feet shall be provided for each unit. The storage may be attached to the dwellings or may be attached to a carport structure.

**f. Street trees.** A minimum of one street tree per 25 feet of public road frontage shall be provided. Street trees shall be located within the road right-of-way or the front or street side setback of the subdivision.

**g. Fencing.** Fencing within designated street frontage setbacks shall not exceed four feet in height.

**8. Inclusionary housing.** Workforce housing subdivisions are eligible for the following inclusionary housing benefits:

**a. Secondary dwellings as inclusionary housing units.** Any secondary dwellings developed as part of a workforce housing subdivision may be counted towards the required inclusionary housing units, pursuant to Section 22.12.080H.2.d.

**b. Reduction in required inclusionary units.** Workforce housing subdivisions are eligible for a 25 percent reduction in the number of required inclusionary housing units, pursuant to Section 22.12.080G.7. In addition, one of the following incentives may apply:

(1) If all of a project's inclusionary requirements are met on-site, the inclusionary requirement may be further reduced by 25 percent, in accordance with Section 22.12.080G.2.

(2) If all of a project's inclusionary requirements are met within the urban limits of an incorporated city, the inclusionary requirement may be further reduced by 25 percent, in accordance with Section 22.12.080G.6.

*Front entrances should face the street in order to integrate with the surrounding development.*

*For developments with no garage, storage space is required.*

*Secondary units may satisfy half of the required inclusionary housing units.*

*Workforce housing subdivisions automatically qualify for 25% reduction in the number of inclusionary.*

*This can increase to 50% if all inclusionary units are constructed on-site or within an incorporated city.*

**F. Ownership and maintenance.** Facilities that are common to a workforce housing subdivision shall be owned and maintained in common by the owners of the separate interests who have rights to beneficial use and enjoyment through easements and a maintenance agreement.

*A homeowner's association is not automatically required, but there must be some mechanism for maintenance of common facilities.*

**G. Additional map sheet.** An additional map sheet shall be concurrently recorded with the final tract map, parcel map, or certificates of compliance effectuating a lot line adjustment, including, at a minimum, the following items:

*Requirements and limitations on the subdivision will be shown on an additional map sheet.*

**1. Graphic exhibit.** A graphic exhibit, consistent with plans approved by the Reviewing Authority showing the following features in relation to the lot and subdivision boundaries:

- a. Identification of the location of the front property line for each parcel.
- b. Building setback lines. Alternatively, a setback table indicating the approved setbacks for each lot may be provided.
- c. Conceptual floor plans and elevations.
- d. Restricted open areas where structural development is precluded, such as the designated useable yard area.
- e. Identification of common facilities, such as driveways, utilities, drainage systems, garbage collection, and guest parking.
- f. Location of any infrastructure referenced in the maintenance agreement.

**2. Notification of Maintenance Agreement.** Notification that a maintenance agreement for common subdivision infrastructure is recorded.

**3. Conditions of approval.** A copy of the conditions of approval affecting the workforce housing subdivision shall be included with the additional map sheet.

*The ordinance will be limited to creating 100 lots per community and will expire in 2021.*

**H. Timing.**

**1. Eligibility.** An application for subdivision pursuant to this Section shall only be accepted for processing when the following timing eligibility criteria have been satisfied:

- a. Cap on number of lots in each community. No more than 100 cumulative lots have been approved pursuant to this Section as part of one or more workforce housing subdivisions within the project site's Urban or Village Reserve Line.
- b. Sunset. The date of acceptance is prior to January 1, 2021.

**2. Expiration.** Timeframes and time extensions for workforce housing subdivisions are prescribed by those timeframes associated with the approved tentative map or lot line adjustment.

DRAFT

ORDINANCE NO. 854-G

AN ORDINANCE CREATING A WORKFORCE HOUSING DENSITY BONUS PROGRAM TO IMPLEMENT THE HOUSING DENSITY BONUS ALLOWED IN CERTAIN ZONING DISTRICTS; PROVIDING FOR PURPOSES; PROVIDING FOR DEFINITIONS; PROVIDING THAT WORKFORCE HOUSING DENSITY BONUS UNITS SHALL BE AFFORDABLE FOR AT LEAST THIRTY YEARS; REQUIRING PURCHASERS AND LESSEES OF UNITS TO MEET CERTAIN MEDIAN INCOME LEVELS; PROVIDING FOR APPLICATION REQUIREMENTS; REQUIRING AN AGREEMENT TO ASSIST IN ENFORCING THE AFFORDABILITY REQUIREMENTS; PROVIDING FOR VIOLATIONS; AND PROVIDING AN EFFECTIVE DATE

THE CITY OF ST. PETERSBURG DOES ORDAIN:

Section 1. The St. Petersburg City Code is hereby amended by adding a new Article IV in Chapter 17.5, Sections 17.5-51 through 17.5-58, to read as follows:

CHAPTER 17.5 ARTICLE IV. WORKFORCE HOUSING DENSITY BONUS PROGRAM

17.5-51. Purpose

The purpose of this Article is to:

1. Create incentives for developers and property owners to provide workforce housing as a part of new development within the City;
2. Assist in implementing the affordable housing goals, policies, and objectives contained in the Comprehensive Plan of the City of St. Petersburg;
3. Assist in making affordable housing available for employees of businesses that are or will be located in the City;
4. Maintain balanced housing opportunities in the City to provide housing for people of all income levels;
5. Assist in implementing planning for affordable housing as required by Ch. 420.907 F.S.;

6. Implement the Workforce Housing Density Bonus opportunity established in the Land Development Regulations adopted by the City.

17.5-52. Definitions

Words and terms shall have the meanings set forth in Article II or as otherwise specified herein.

“Affordable” means that monthly rents or monthly mortgage payments including taxes and insurance and condominium and homeowner association fees do not exceed 30 percent of the median annual gross income for a low, moderate, or middle income household. However, if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of 30 percent, then such payments, including revolving and installment debt, shall not exceed 41 percent of the median annual gross income.

“Area Median Income” (AMI) means the median income for the Tampa/St. Petersburg/Clearwater metropolitan statistical area (MSA) which is adjusted for the household size as calculated and published annually by the United States Department of Housing and Urban Development.

“Development Review Commission” (DRC) means the City’s Development Review Commission.

“Workforce Housing” means, for the purposes of this Article, housing with monthly rents or monthly mortgage payments including taxes, insurance, and condominium or association fees, if any, that are Affordable.

“Workforce Housing Bonus Density Agreement” means a written agreement between an applicant for a development and the City containing specific requirements to ensure the continuing affordability of housing included in a development.

“Workforce Housing Bonus Density Dwelling Unit” means any housing subject to the covenants or restrictions of this Article.

“Density Bonus” means an increase in the number of units on a site to provide an incentive for the construction of workforce housing pursuant to this Article and which may be allowed by a zoning district either as additional units or additional FAR (Floor Area Ratio, see Ch. 16.60.010).

“Development” means a project which includes one or more Workforce Housing Bonus Density Dwelling Units on a property utilizing the Bonus Density allowed by the zoning district;

“Median Gross Household Income” means the median income level for the Tampa, St. Petersburg, Clearwater MSA, as established and defined in the annual schedule published by the Secretary of the U.S. Department of Housing and Urban Development, adjusted for household size.

17.5-53. Scope of Application; Density Bonus

A. Any development proposing to utilize the density bonus allowed in a zoning district, as set forth in Chapter 16 (see informational table in D.), shall enter into a Workforce Housing Bonus Density Agreement which shall irrevocably commit the developer and/or property owner to provide a specific number of Workforce Housing Bonus Density Dwelling Units for a minimum of thirty years on the property subject to the Development Agreement. The Agreement shall provide such protections as the City shall require insuring that such units meet the requirements of this Article.

B. Workforce Housing Bonus Density Dwelling Units shall be offered for sale or rent at a price which is affordable to income eligible households as set forth in this section. For each multiple of six Workforce Housing Bonus Density Dwelling Units approved:

1. The first unit shall be offered at 80% AMI or below.
2. The second and third units shall be offered at 120% AMI or below.
3. The fourth unit shall be offered at 150% AMI or below.
4. The fifth unit shall be offered at 80% AMI or below.
5. The sixth unit shall be offered at 150% AMI or below.

C. Developments constructing multiples of six Workforce Housing Bonus Density Dwelling Units shall comply with the foregoing requirements. For a development constructing a number of Workforce Housing Bonus Density Dwelling Units less than a multiple of six [e.g. five units, twenty seven units (four multiples of six plus three units), thirty one units (five multiples of six plus one unit), etc.], a variance to the foregoing requirements may be requested for that portion of the units less than a multiple of six. Variances may be requested from the Development Review Commission at the time the development is approved; however, the first unit shall always be offered at 80% AMI or below. For each set less than six, the Units shall be offered in the order set forth above unless a variance to that order is approved.

D. This informational table does not supercede the zoning district requirements in Chapter 16.

<b>ZONING DISTRICTS ALLOWING WORKFORCE HOUSING BONUS (INFORMATION ONLY)</b>			
<b>Zoning District</b>	<b>Compatible Future Land Use Category</b>	<b>Max. Density Permitted by Right (upa / FAR)</b>	<b>Workforce Housing Bonus (upa / FAR)</b>
NSM-1	Residential Medium (RM)	15/.50	6
NSM-2	Residential High (RH)	24/.60	6
NPUD-1	Residential Urban (RU)	7.5/.30	6
NPUD-2	Residential Low Medium (RLM)	10/.30	6
CRT-1	Planned Redevelopment-Mixed Use (PR-MU)	24/1.0	6/.20
CRT-2	Community Redevelopment District (CRD)	40/1.5	6/.20
CRS-1	Residential/Office General (R/OG)	15/.50	6
CRS-2	Planned Redevelopment-Mixed Use (PR-MU)	30/.65	6/.20
CRS-2 (in activity center)	Planned Redevelopment-Mixed Use (PR-MU)	30/.70	6/.20
CCT-1	Planned Redevelopment-Mixed Use (PR-MU)	24/1.0	6/.20
CCT-2	Community Redevelopment District (CRD)	40/1.5	6/.20
CCS-1	Planned Redevelopment-Mixed Use (PR-MU)	15/.55	6/.20
CCS-1 (in activity center)	Planned Redevelopment-Mixed Use (PR-MU)	22/.82	6/.20
CCS-2	Planned Redevelopment-Commercial (PR-C)	40/.75	6/.20
CCS-2 (in activity center)	Planned Redevelopment-Commercial (PR-C)	60/1.12	10/.50
DC-Core	Central Business District (CBD)	See Section 16.20.120.6 of the Land Development Regulations	
DC-1	Central Business District (CBD)		
DC-2	Central Business District (CBD)		
DC-3	Central Business District (CBD)		
IC (I)	Institutional (I)	12.5/.55	6
IC (R/OG)	Residential/Office General (R/OG)	15/.50	6
IC (CRD, activity center)	Community Redevelopment District (CRD)	24/1.37	6/.20
RC-1	Planned Redevelopment - Commercial (PR-C)	30/.75	10/.25
RC-1 (in activity center)	Planned Redevelopment - Commercial (PR-C)	45/1.12	15/.50
RC-2	Planned Redevelopment - Commercial (PR-C)	55/1.0	10/.25
RC-2 (in activity center)	Planned Redevelopment - Commercial (PR-C)	82/1.5	15/.50



17.5-54. Application for Workforce Housing Bonus Density Dwelling Units

A. Any development proposing to utilize the density bonus allowed in a zoning district shall include in the zoning application such information as is required by the POD to insure compliance with this Article, the Land Development Regulations, and the Application and Procedures Section 16.70.040 for Workforce Housing and Site Plan Review.

B. At a minimum, the application shall include:

1. A general description of the development, including whether the development will contain units for rent or for sale;

2. The total number of market-rate units and Workforce Housing Bonus Density Dwelling Units;

3. The number of bedrooms in each unit;

4. The square footage of each unit measured from the interior walls of the unit and including heated and unheated areas;

5. The location in the development of each Workforce Housing Bonus Density Dwelling Unit;

6. If the construction of dwelling units is to be phased, a phasing plan identifying the number of Workforce Housing Bonus Density Dwelling Units in each phase;

7. The estimated initial sale price or monthly rent of each unit;

8. Documentation and plans regarding the interior and exterior appearances, materials, and finishes of the Workforce Housing Bonus Density Dwelling Units if not exactly the same as the other units;

9. The marketing plan the applicant proposes to implement to promote the sale or rental of the Workforce Housing Bonus Density Dwelling Units within the development to eligible households;

10. An accurate legal description of the property, which may require a copy of the title insurance policy or deed for the property;

11. Such other information as may reasonably be required by the POD.

17.5-55. Criteria for Location, Integration, Character of Workforce Housing Bonus Density Dwelling Units

A Development shall comply with the following:

1. Workforce Housing Bonus Density Dwelling Units shall be mixed with, and not clustered together or segregated in any way, from the market-rate units;
2. The number of efficiency, one, two, and three or more bedroom Workforce Housing Bonus Density Dwelling Units shall be proportional to the number of one, two, and three or more bedroom market rate units (e.g. if 50% of the market rate units are two bedroom, then at least 50% of the workforce units shall be two bedroom or larger);
3. If the development is phased, the phasing plan shall provide for the development of Workforce Housing Bonus Density Dwelling Units proportionately and concurrently with the market-rate units;
4. The exterior appearance of Workforce Housing Bonus Density Dwelling Units shall be similar to the market-rate units and shall provide exterior building materials and finishes of substantially the same type and quality;
5. The interior building materials and finishes of the Workforce Housing Bonus Density Dwelling Units shall be of substantially the same type and quality as market-rate.
6. All Workforce Housing Bonus Density Dwelling Units shall comply with the building and construction requirements of Article III (the City's Visitability Ordinance).
7. The minimum size for Workforce Housing Bonus Density Dwelling Units shall be 375 sf for efficiency units, 500 sf for one bedroom units, 750 sf for two bedroom units and 200 additional sf for each additional bedroom;
8. Variances to the foregoing requirements may be requested from the Development Review Commission at the time the development is approved. A request for a variance to a site plan with Workforce Housing Bonus Density Units may be made to the Development Review Commission.

17.5-56. Workforce Housing Bonus Density Agreement;

- A. Prior to the approval of any development order or permit (including the issuance of a building permit or the public hearing for any approval) for any development in which a Density Bonus is requested, the applicant shall enter into a Workforce Housing Bonus Density Agreement with the City. The Agreement shall set forth the commitments and obligations of the applicant to insure compliance with this Article.
- B. The applicant shall execute any and all documents deemed necessary by the City in a form to be established by the City, including, without limitation, restrictive covenants, protective covenants, deed restrictions, and related instruments (including requirements for income qualification for tenants of rental units) to ensure the continued compliance with this Article.

C. Restrictive covenants or deed restrictions and other required documents shall specify that the title to any Workforce Housing Bonus Density Dwelling Units shall only be transferred with prior written approval by the City. The sole purpose of this approval shall be to insure that any transfer complies with the requirements of this Article and other City Codes and development orders or permits and conditions thereof. Such written approval shall be executed by the City Administrator and approved as to form by the City Attorney or designee before it is effective.

#### 17.5-57. Affordability Controls

A. The POD shall promulgate such forms and rules as are necessary to implement this Article. On an annual basis, the POD shall make available copies of the U.S. Department of Housing and Urban Development household income limits and rental limits applicable to Workforce Housing Bonus Density Dwelling Units.

B. The owner of a Development consisting of rental Workforce Housing Bonus Density Dwelling Units shall submit an annual report before June 1 of each year, for the preceding calendar year, to the City identifying which units are Workforce Housing Bonus Density Dwelling Units, the monthly rent for each unit, vacancy information for each month for the prior year, monthly income for tenants of each units, and other information as required by the City. The annual report shall contain information sufficient to determine whether tenants met the requirements of this Article.

C. For any sale of Workforce Housing Bonus Density Dwelling Units, the purchaser shall execute and record such documentation as required by the Workforce Housing Bonus Density Agreement and this Article. Such documentation shall include, at a minimum, each of the following:

1. A Workforce Housing Bonus Density Agreement for renter occupied Workforce Housing Bonus Density Dwelling Units. Such units shall be occupied by income eligible households for a period of 30 years from the date of the initial certificate of occupancy.

2. A Workforce Housing Bonus Density Agreement for owner occupied Workforce Housing Bonus Density Dwelling Units. Such units shall be conveyed subject to restrictions that shall insure compliance with this Article and the Workforce Housing Bonus Density Agreement for income eligible households for a period of 30 years from the date of the first sale of each unit.

D. The owner of Workforce Housing Bonus Density Dwelling Units which are for lease shall execute and record such documents as are required by the Workforce Housing Bonus Density Agreement and this Article. No lease shall be executed until the household income has been verified in writing by the City. Such documentation shall include, at a minimum, the following information:

1. The Workforce Housing Bonus Density Dwelling Units shall be leased to and occupied by income eligible households.

2. The Workforce Housing Bonus Density Dwelling Units shall be leased at rent levels Affordable to income eligible households for a period of 30 years from the date of the initial certificate of occupancy.

3. Subleasing of Workforce Housing Bonus Density Dwelling Units is not allowed without the express written consent of the POD which shall not be unreasonably withheld if the sublessee and lease meet the requirements of this Article.

#### 17.5-58 Enforcement; Violations

A. It is a violation of this Article to fail to file an annual report on or before June 1 of each year. Any violaton shall be subject to daily fines by the Code Enforcement Board.

B. It is a violation of this Article to rent, sell or initially occupy any Workforce Housing Bonus Density Dwelling Unit if the household is not income eligible as required by this Article.

C. It is a violation of this Article to knowingly give false or misleading information relating to this program to any the City employee.

D. It is a violation of this Article for any person to participate, in any way, in any sale of a unit(s) or lease of a unit(s) which violates any provision of this Article or the Workforce Housing Bonus Density Agreement. The term 'participation' shall include any act, or failure to act, of the buyer, seller, lender, realtor, title insurer, surveyor, or any other person which allows a violation of this Article or the Workforce Housing Bonus Density Agreement to occur. The fine for each violation of this Article shall be five hundred dollars (\$500.00). Each day shall be a separate violation.

E. The City may enforce this Article and the terms of a Workforce Housing Bonus Density Agreement by request for injunction. If the City obtains an injunction, the defendant shall pay all costs incurred by the City in obtaining the injunction, including but not limited to attorney's fees.

F. Notwithstanding the foregoing, the City may use any lawful method to enforce this Article and the terms of a Workforce Housing Bonus Density Agreement including those specifically identified in Section 1-7.

Section 2. Severability. The provisions of this ordinance shall be deemed to be severable. If any provision of this ordinance is deemed unconstitutional or otherwise invalid, such determination shall not affect the validity of any other provision of this ordinance.


Section 3. Effective Date. In the event this ordinance is not vetoed by the Mayor in accordance with the City Charter, it shall become effective on January 1, 2008. In the event this ordinance is vetoed by the Mayor in accordance with the City Charter, it shall not become effective unless and until the City Council overrides the veto in accordance with the City Charter, in which case it shall become effective immediately upon a successful vote to override the veto or January 1, 2008, whichever is later.

First reading conducted on the 18th day of October, 2007.

Adopted by St. Petersburg City Council on second and final reading on the 29th day of November, 2007.



James S. Bennett Chair-Councilmember  
Presiding Officer of the City Council

ATTEST:   
Eva Andujar City Clerk

Title Published: Times 1-t 11/19/2007



**Not vetoed. Effective date Thursday, December 7, 2007 at 5:00 p.m.**

ORDINANCE NO. 4120

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, PLANNING, AND LAND USE AND AMENDING ORDINANCE 3719 AS AMENDED, THE KIRKLAND ZONING ORDINANCE AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION, FILE NO. ZON07-00005 FOR COTTAGE, CARRIAGE AND TWO/THREE-UNIT HOMES.

WHEREAS, the City Council has received a recommendation from the Kirkland Planning Commission to amend certain sections of the text of the Kirkland Zoning Code, Ordinance 3719 as amended, all as set forth in that certain report and recommendation of the Planning Commission dated November 7, 2007, and bearing Kirkland Department of Planning and Community Development File No. ZON07-00005; and

WHEREAS, prior to making said recommendation, the Kirkland Planning Commission, following notice thereof as required by RCW 35A.63.070, on October 11, 2007, held a public hearing, on the amendment proposals and considered the comments received at said hearing; and

WHEREAS, prior to making said recommendation, the Houghton Community Council, following notice thereof as required by RCW 35A.63.070, on September 24, 2007, held a courtesy hearing, on the amendment proposals and considered the comments received at said hearing; and

WHEREAS, pursuant to the State Environmental Policy Act (SEPA), there has accompanied the legislative proposal and recommendation through the entire consideration process, a SEPA Addendum to Existing Environmental Documents issued by the responsible official pursuant to WAC 197-11-600; and

WHEREAS, in an open public meeting the City Council considered the environmental documents received from the responsible official, together with the report and recommendation of the Planning Commission.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Kirkland as follows:

Section 1. Zoning text amended: The following specified sections of the text of Ordinance 3719 as amended, the Kirkland Zoning Ordinance, be and they hereby are amended to read as follows:

As set forth in Attachment A attached to this ordinance and incorporated by reference.

Section 2. If any section, subsection, sentence, clause, phrase, part or portion of this ordinance, including those parts adopted by reference, is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 3. To the extent the subject matter of this ordinance, pursuant to Ordinance 2001, is subject to the disapproval jurisdiction of the Houghton Community Council, this ordinance shall become effective within the

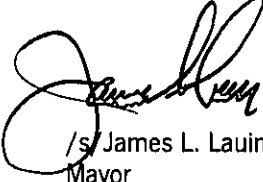
Houghton Community Municipal Corporation only upon approval of the Houghton Community Council or the failure of said Community Council to disapprove this ordinance within 60 days of the date of the passage of this ordinance.

Section 4. Except as provided in Section 3, this ordinance shall be in full force and effect on January 28, 2008, after its passage by the Kirkland City Council and publication, (pursuant to Kirkland Municipal Code 1.08.017, in the summary form attached to the original of this ordinance and by this reference approved by the City Council), as required by law.

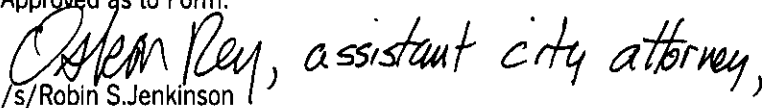
Section 5. A complete copy of this ordinance shall be certified by the City Clerk, who shall then forward the certified copy to the King County Department of Assessments.

PASSED by majority vote of the Kirkland City Council in open meeting this 11th day of December, 2007.

SIGNED IN AUTHENTICATION thereof this 11th day of December, 2007.

  
/s/ James L. Lauinger  
Mayor

Attest:  
  
/s/ Kathi Anderson  
City Clerk

Approved as to Form:  
  
For /s/ Robin S. Jenkinson  
City Attorney

PUBLICATION SUMMARY  
OF ORDINANCE NO. 4120

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, PLANNING, AND LAND USE AND AMENDING ORDINANCE 3719 AS AMENDED, THE KIRKLAND ZONING ORDINANCE AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION, FILE NO. ZON07-00005 FOR COTTAGE, CARRIAGE AND TWO/THREE-UNIT HOMES.

SECTION 1. Amends the following specific sections of the text of Ordinance 3719 as amended, the Kirkland Zoning Ordinance:

- A. Amends text in the Table of Contents
- B. Amends text in Chapter 5, Definitions
- C. Amends text in Chapter 90, Drainage Basins
- D. Adds new Chapter 113, Cottage, Carriage and Two/Three Unit Homes
- E. Amends text in Chapter 115, Miscellaneous Use Development and Performance Standards

SECTION 2. Provides a severability clause for the ordinance.

SECTION 3. Provides that the effective date of the ordinance is affected by the disapproval jurisdiction of the Houghton Community Council.

SECTION 4. Authorizes publication of the ordinance by summary, which summary is approved by the City Council pursuant to Kirkland Municipal Code 1.08.017 and establishes the effective date as January 28, 2008.

SECTION 5. Establishes certification by City Clerk and notification of King County Department of Assessments.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the 11th day of December, 2007.

I certify that the foregoing is a summary of Ordinance No. 4120 approved by the Kirkland City Council for summary publication.

  
\_\_\_\_\_  
City Clerk



## **Chapter 113 – COTTAGE, CARRIAGE AND TWO/THREE-UNIT HOMES**

### Sections:

113.05 User Guide

113.10 Voluntary Provisions and Intent

113.15 Housing Types Defined

113.20 Applicable Use Zones

113.25 Parameters for Cottages, Carriage Units and Two/Three-Unit Homes

113.30 Community Buildings and Community Space in Cottage Developments

113.35 Design Standards and Guidelines

113.40 Median Income Housing

113.45 Review Process

113.50 Additional Standards

### **113.05 User Guide**

This chapter provides standards for alternative types of housing in Single-Family zones. If you are interested in proposing cottage, carriage or two/three-unit homes or you wish to participate in the City's decision on a project including these types of housing units, you should read this chapter.

### **113.10 Voluntary Provisions and Intent**

The provisions of this chapter are available as alternatives to the development of typical detached single family homes. These standards are intended to address the changing composition of households, and the need for smaller, more diverse, and often, more affordable housing choices. Providing for a variety of housing types also encourages innovation and diversity in housing design and site development, while ensuring compatibility with surrounding single family residential development.

### **113.15 Housing Types Defined**

The following definitions apply to the housing types allowed through the provisions in this Chapter:

1. Cottage – A detached, single-family dwelling unit containing 1,500 square feet or less of gross floor area.
2. Carriage Unit – A single-family dwelling unit, not to exceed 800 square feet in gross floor area, located above a garage structure.
3. Two/Three-Unit Home – A structure containing two dwelling units or three dwelling units, designed to look like a detached single-family home.

### 113.20 Applicable Use Zones

The housing types described in this chapter may be used only in the following low density zones: RS 7.2, RSX 7.2, RS 8.5, RSX 8.5, RS 12.5 and RSX 12.5 (see Section 113.25 for further standards regarding location of these housing types).

### 113.25 Parameters for Cottages, Carriage Units and Two/Three-Unit Homes

Please refer to Sections 113.30, 113.35 and 113.40 for additional requirements related to these standards.

	Cottage	Carriage	Two/Three-Unit Home <sup>1</sup>
Max Unit Size <sup>2</sup>	1,500 square feet <sup>3</sup>	800 square feet	1,000 square feet average unit size  Structure total <sup>4</sup> : Two-Unit: 2,000 s.f. Three-Unit: 3,000 s.f.
Density	2 times the maximum number of detached dwelling units allowed in the underlying zone <sup>5 &amp; 6</sup>		
Max Floor Area Ratio (FAR), <sup>7, 8</sup>	.35		

<sup>1</sup> Within the jurisdiction of the Houghton Community Council, this housing type is only allowed where it is included in a cottage project.

<sup>2</sup> A covenant restricting any increases in unit size after initial construction shall be recorded against the property. Vaulted space may not be converted to habitable space.

<sup>3</sup> Maximum size for a cottage is 1,500 square feet. A cottage may include an attached garage, not to exceed 250 square feet.

<sup>4</sup> Maximum size for a two-unit home is 2,000 square feet. A two-unit home may include an attached garage, not to exceed 500 square feet. The maximum size for a three-unit home is 3,000 square feet. A three-unit home may include an attached garage, not to exceed 750 square feet.

<sup>5</sup> Existing detached dwelling units may remain on the subject property and will be counted as units.

<sup>6</sup> When the conversion from detached dwelling units to equivalent units results in a fraction, the equivalent units shall be limited to the whole number below the fraction.

<sup>7</sup> FAR regulations are calculated using the entire development site. FAR for individual lots may vary.

<sup>8</sup> Median income units, and any attached garages for the median income units provided under Section 113.40 shall not be included in the FAR calculation for the development.

	Cottage	Carriage	Two/Three-Unit Home
Development Size	Min. 4 units Max 24 units	Must be included in a cottage project.	Must be limited to either one two-unit home or one three-unit home, or be part of a cottage development, unless approved through Process IIA, Chapter 150.
	Maximum cluster <sup>9</sup> : 12 units		
Review Process	Process I		Single two-unit home or single three-unit home: Process I <sup>10</sup>  Development containing more than one two-unit or one three-unit home (other than a cottage project): Process IIA <sup>11</sup>
Location	Developments containing cottage, carriage and/or two/three-unit homes may not be located closer than the distance noted below to another development approved under the provisions of this Chapter:  1 to 9 Units: 500' 10-19 Units: 1,000' 20-24 Units: 1,500'		
Parking Requirements	Units under 700 square feet: 1 space per unit Units between 700-1,000 square feet: 1.5 spaces per unit Units over 1,000 square feet: 2 spaces per unit.  Must be provided on the subject property.		
Minimum Required Yards (from exterior property lines of subject property)	Front: 20' Other: 10'	Must be included in a cottage project	Front: 20' Other: 10'

<sup>9</sup> Cluster size is intended to encourage a sense of community among residents. A development site may contain more than one cluster, with a clear separation between clusters.

<sup>10</sup> Stand-alone two/three-unit homes are not allowed within the jurisdiction of the Houghton Community Council.

<sup>11</sup> See Section 113.45. Carriage units and two/three-unit homes may be included within a cottage housing proposal to be reviewed through Process 1 provided that the number of two/three-unit homes and carriage units does not exceed 20% of the total number of units in the project.

	<b>Cottage</b>	<b>Carriage</b>	<b>Two/Three-Unit Home</b>
Lot coverage (all impervious surfaces) <sup>12</sup>	50%	Must be included in a cottage project.	50%
Height Dwelling Units	25' (RS Zones) and 27' (RSX Zones) maximum above A.B.E., (where minimum roof slope of 6:12 for all parts of the roof above 18' are provided). Otherwise, 18' above A.B.E.		
Accessory Structures	One story, not to exceed 18' above A.B.E.		
Tree Retention	Standards contained in Section 95.35 for Tree Plan III shall apply to development approved under this Chapter.		

---

<sup>12</sup> Lot coverage is calculated using the entire development site. Lot coverage for individual lots may vary.

	Cottage	Carriage	Two/Three-Unit Home
Common Open Space	400 square feet per unit. Private open space is also encouraged (See Section 113.35)		
Community Buildings	Community buildings are encouraged. See Section 113.30 for further regulations.		
Attached Covered Porches <sup>13</sup>	Each unit must have a covered porch with a minimum area of 64 square feet per unit and a minimum dimension of 7' on all sides.		
Development Options	Subdivision Binding Site Plan Condominium Rental or Ownership		
Accessory Dwelling Units (ADUs)	Not permitted as part of a cottage, carriage or two/three-unit home development.		

### **113.30 Community Buildings and Community Space in Cottage Developments**

Community buildings and community space are encouraged in cottage developments.

1. Community buildings or space shall be clearly incidental in use and size to the dwelling units.
2. Building height for community buildings shall be no more than one story. Where the community space is located above another common structure, such as a detached garage or storage building, standard building heights apply.

---

<sup>13</sup> Requirements for porches do not apply to carriage or two/three-unit homes.

3. Community buildings must be located on the same site as the cottage housing development, and be commonly owned by the residents.

### **113.35 Design Standards and Guidelines**

1. Cottage Projects

- a. Orientation of Dwelling Units

Dwellings within a cottage housing development should be oriented to promote a sense of community, both within the development, and with respect to the larger community, outside of the cottage project. A cottage development should not be designed to "turn its back" on the surrounding neighborhood.

1. Where feasible, each dwelling unit that abuts a common open space shall have a primary entry and/or covered porch oriented to the common open space.
    2. Each dwelling unit abutting a public right-of-way (not including alleys) shall have an inviting façade, such as a primary or secondary entrance or porch, oriented to the public right-of-way. If a dwelling unit abuts more than one public right-of-way, the City shall determine to which right-of-way the inviting façade shall be oriented.

- b. Required Common Open Space

Common open space should provide a sense of openness, visual relief, and community for cottage developments. The space must be outside of wetlands, streams and their buffers, and developed and maintained to provide for passive and/or active recreational activities for the residents of the development.

1. Each area of common open space shall be in one contiguous and useable piece with a minimum dimension of 20 feet on all sides.
    2. Required common open space may be divided into no more than two separate areas per cluster of dwelling units.
    3. Common open space shall be located in a centrally located area and be easily accessible to all dwellings within the development.
    4. Fences may not be located within required open space areas.
    5. Landscaping located in common open space areas shall be designed to allow for easy access and use of the space by all residents, and to facilitate maintenance needs. Where feasible, existing mature trees should be retained.

6. Unless the shape or topography of the site precludes the ability to locate units adjacent to the common open space, the following standards must be met:
  - a. The open space shall be located so that it will be surrounded by cottages or two/three-unit homes on at least two sides;
  - b. At least 50% of the units in the development shall abut a common open space. A cottage is considered to "abut" an area of open space if there is no structure between the unit and the open space.
7. Surface water management facilities shall be limited within common open space areas. Low Impact Development (LID) features are permitted, provided they do not adversely impact access to or use of the common open space for a variety of activities. Conventional stormwater collection and conveyance tools, such as flow control and/or water quality vaults are permitted if located underground.

c. Shared Detached Garages and Surface Parking Design

Parking areas should be located so their visual presence is minimized, and associated noise or other impacts do not intrude into public spaces. These areas should also maintain the single family character along public streets.

1. Shared detached garage structures may not exceed four garage doors per building, and a total of 1,200 square feet.
2. For shared detached garages, the design of the structure must be similar and compatible to that of the dwelling units within the development.
3. Shared detached garage structures and surface parking areas must be screened from public streets and adjacent residential uses by landscaping or architectural screening.
4. Shared detached garage structures shall be reserved for the parking of vehicles owned by the residents of the development. Storage of items which preclude the use of the parking spaces for vehicles is prohibited.
5. Surface parking areas may not be located in clusters of more than 4 spaces. Clusters must be separated by a distance of at least 20 feet.
6. The design of carports must include roof lines similar and compatible to that of the dwelling units within the development.

d. Low Impact Development

The proposed site design shall incorporate the use of low impact development (LID) strategies to meet stormwater management standards. LID is a set of techniques that mimic natural watershed hydrology by slowing, evaporating/transpiring, and filtering water, which allows water to soak into the ground closer to its source. The design should seek to meet the following objectives:

1. Preservation of natural hydrology.
2. Reduced impervious surfaces.
3. Treatment of stormwater in numerous small, decentralized structures.
4. Use of natural topography for drainageways and storage areas.
5. Preservation of portions of the site in undisturbed, natural conditions.
6. Reduction of the use of piped systems. Whenever possible, site design should use multifunctional open drainage systems such as vegetated swales or filter strips which also help to fulfill landscaping and open space requirements.

e. Two/Three-Unit Homes and Carriage Units within Cottage Projects

Two/three-unit homes and carriage units may be included within a cottage housing development. Design of these units should be compatible with that of the cottages included in the project.

f. Variation in Unit Sizes, Building and Site Design

Cottage projects should establish building and site design that promotes variety and visual interest that is compatible with the character of the surrounding neighborhood.

1. Projects should include a mix of unit sizes within a single development.
2. Proposals are encouraged to provide a variety of building styles, features and site design elements within cottage housing communities. Dwellings with the same combination of features and treatments should not be located adjacent to each other.



g. Private Open Space

Open space around individual dwellings should be provided to contribute to the visual appearance of the development, and to promote diversity in landscape design.

h. Pedestrian Flow through Development

Pedestrian connections should link all buildings to the public right of way, common open space and parking areas.

2. Two/Three-Unit Homes not included in Cottage Developments

Two and three-unit homes are an allowed use on individual lots in the zones listed in Section 113.20. These homes should be consistent in height, bulk, scale and style with surrounding single-family residential uses.

a. Entries

Two and three-unit homes shall maintain the traditional character and quality of detached single-family dwelling units by using design elements such as the appearance of single points of entry addressing the street, pitched roofs, substantial trim around windows, porches and chimneys. Ideally, the multiple-unit home will have no more than one entry on each side of the structure.

b. Low Impact Development (LID)

Projects containing two or more two/three-unit homes shall follow the LID standards set forth in Section 113.35 of this Chapter.

c. Garages and Surface Parking Design

1. Garages and driveways for two/three-unit homes shall meet the standards established in Sections 115.43 and 115.115.5 of this Zoning Code. In addition, no more than three garage doors may be visible on any façade of the structure.
2. Surface parking shall be limited to groups of no more than three stalls. Parking areas with more than two stalls must be visually separated from the street, perimeter property lines and common areas through site planning, landscaping or natural screening.

**113.40 Median Income Housing**

1. Requirement to Provide Median Income Housing – Projects including 10 or more housing units shall be required to provide 10% of the units as affordable to median income households. The level of affordability shall be determined according to the following schedule:
  - 10 unit project: 1 unit affordable to households earning 100% of King County Median Income

- 11 unit project: 1 unit affordable to households earning 98% of King County Median Income
- 12 unit project: 1 unit affordable to households earning 96% of King County Median Income
- 13 unit project: 1 unit affordable to households earning 94% of King County Median Income
- 14 unit project: 1 unit affordable to households earning 92% of King County Median Income
- 15 unit project: 1 unit affordable to households earning 90% of King County Median Income
- 16 unit project: 1 unit affordable to households earning 88% of King County Median Income
- 17 unit project: 1 unit affordable to households earning 86% of King County Median Income
- 18 unit project: 1 unit affordable to households earning 84% of King County Median Income
- 19 unit project: 1 unit affordable to households earning 82% of King County Median Income

For projects with 20 units or more, the following schedule will apply:

- 20 unit project: 2 units affordable to households earning 100% of King County Median Income
- 21 unit project: 2 units affordable to households earning 98% of King County Median Income
- 22 unit project: 2 units affordable to households earning 96% of King County Median Income
- 23 unit project: 2 units affordable to households earning 94% of King County Median Income
- 24 unit project: 2 units affordable to households earning 92% of King County Median Income

Median Income dwelling units shall have the same general appearance and use the same exterior materials as the market rate dwelling units, and shall be dispersed throughout the development.

The type of ownership of the median income housing units shall be the same as the type of ownership for the rest of the housing units in the development.

As noted in Section 113.25, any median income units, and any attached garages for the median income units, provided under this section shall not be included in the Floor Area Ratio (FAR) calculation for the development.

2. Agreement for Median Income Housing Units– Prior to issuance of a certificate of occupancy, an agreement in a form acceptable to the City Attorney shall be recorded with King County Department of Records and Elections. The agreement shall address price restrictions, homebuyer or tenant qualifications, long-term affordability, and any other applicable topics of the median income housing units. The agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the applicant.

Median income housing units that are provided under this section shall remain as median income housing for a minimum of 50 years from the date of initial owner occupancy for ownership median income housing units and for the life of the project for rental median income housing units.

### **113.45 Review Process**

1. Approval Process – Cottage Housing Development
  - a. The City will process an application for cottage development through Process I, Chapter 145.
  - b. Public notice for developments proposed through this Section shall be as set forth under the provisions of Chapter 150 (Process IIA).
2. Approval Process – Carriage Unit and Two/Three-Unit Home Development
  - a. Two/Three-Unit Homes and carriage units that are part of a cottage project shall be reviewed through Process I provided that the number of two/three-unit homes and carriage units does not exceed 20% of the total number of units in the project. Noticing requirements shall be as described in paragraph 1.b, above.
  - b. All other developments containing carriage and two/three-unit homes shall be reviewed using Process IIA.
3. Approval Process – Requests for Modifications to Standards
  - a. Minor Modifications: Applicants may request minor modifications to the general parameters and design standards set forth in this Chapter. The Planning Director or Hearing Examiner may modify the requirements if all of the following criteria are met:

- i. The site is constrained due to unusual shape, topography, easements or sensitive areas.
- ii. The modification is consistent with the objectives of this Chapter.
- iii. The modification will not result in a development that is less compatible with neighboring land uses

#### 4. Review Criteria

- a. In addition to the criteria established for review of development proposals in Chapter 145 and 150, the applicant must demonstrate that:
  - i. The proposal is compatible with and is not larger in scale than surrounding development with respect to size of units, building heights, roof forms, setbacks between adjacent buildings and between buildings and perimeter property lines, number of parking spaces, parking location and screening, access and lot coverage.
  - ii. Any proposed modifications to provisions of this Chapter are important to the success of the proposal as an alternative housing project and are necessary to meet the intent of these regulations.

#### **113.50 Additional Standards**

1. Application fees for the Process I or IIA review of the proposed project shall be based on the number of single-family units that would be allowed by the underlying zoning, regardless of the number of units proposed under this Chapter.
2. Impact fees under Kirkland Municipal Code Chapters 27.04 and 27.06 for the proposed project shall be assessed at the rates for multifamily dwelling units, as identified in Appendix A of Kirkland Municipal Code Chapters 27.04 and 27.06.
3. The City's approval of a cottage housing or two/three-unit home development does not constitute approval of a subdivision, a short plat, or a binding site plan. A lot that has cottage, carriage or two/three-unit homes may not be subdivided unless all of the requirements of the Zoning Code and Title 22 of the Kirkland

Municipal Code are met. A lot containing a two/three-unit home may not be subdivided in a manner that results in the dwelling units being located on separate lots.

## Title 23 ZONING

### TABLE OF CONTENTS

<u>Chapter 110</u>	–	Required Public Improvements
<u>Chapter 112</u>	–	Affordable Housing Incentives – Multifamily
<u>Chapter 113</u>	–	Cottage, Carriage and Two/Three-Unit Homes
<u>Chapter 115</u>	–	Miscellaneous Use Development and Performance Standards
<u>Chapter 117</u>	–	Personal Wireless Service Facilities
<u>Chapter 120</u>	–	Variances
<u>Chapter 125</u>	–	Planned Unit Development
<u>Chapter 127</u>	–	Temporary Use
<u>Chapter 130</u>	–	Rezone
<u>Chapter 135</u>	–	Amendments to the Text of the Zoning Code
<u>Chapter 140</u>	–	Amendments to the Comprehensive Plan
<u>Chapter 142</u>	–	Design Review
<u>Chapter 145</u>	–	Process I
<u>Chapter 150</u>	–	Process IIA
<u>Chapter 152</u>	–	Process IIB
<u>Chapter 155</u>	–	Process III
<u>Chapter 160</u>	–	Process IV
<u>Chapter 161</u>	–	Process IVA
<u>Chapter 162</u>	–	Nonconformance
<u>Chapter 165</u>	–	Authority
<u>Chapter 170</u>	–	Code Enforcement
<u>Chapter 175</u>	–	Bonds
<u>Chapter 180</u>	–	Plates
<u>Ordinance Table</u>		

## Revision to Chapter 5

*(Definitions would be incorporated alphabetically into the current set of definitions in the Zoning Code)*

### Chapter 5 – DEFINITIONS

Sections:

5.05 User Guide

5.10 Definitions

#### **5.05 User Guide**

The definitions in this chapter apply for this code.

#### **5.10 Definitions**

The following definitions apply throughout this code unless, from the context, another meaning is clearly intended:

1. Cottage – A detached, single-family dwelling unit containing 1,500 square feet or less of gross floor area.
2. Carriage Unit – A single-family dwelling unit, not to exceed 800 square feet in gross floor area, located above a garage structure.
3. Two/Three-Unit Home – A structure containing two dwelling units or three dwelling units, designed to look like a detached single-family home.

### 90.135 Maximum Development Potential

1. Dwelling Units – The maximum potential number of dwelling units for a site which contains a wetland, stream, minor lake, or their buffers shall be the buildable area in square feet divided by the minimum lot area per unit as specified by Chapters 15 through 60 KZC, plus the area of the required sensitive area buffer in square feet divided by the minimum lot area per unit as specified by Chapters 15 through 60 KZC, multiplied by the development factor derived from subsection (2) of this section:

$$\text{MAXIMUM DWELLING UNIT POTENTIAL} = (\text{BUILDABLE AREA/THE PRESCRIBED MINIMUM LOT AREA PER UNIT}) + [(\text{BUFFER AREA/THE PRESCRIBED MINIMUM LOT AREA PER UNIT}) \times (\text{DEVELOPMENT FACTOR})]$$

For purposes of this subsection only, "buildable area" means the total area of the subject property minus sensitive areas and their buffers.

For developments providing affordable housing units pursuant to Chapter 112 KZC, or cottage, carriage or two/three-unit homes pursuant to Chapter 113, the density bonus and resulting maximum density shall be calculated using the maximum dwelling unit potential of this section as the base to which the bonus units will be added.

For multifamily development, if application of the maximum development potential formula results in a fraction, the number of permitted dwelling units shall be rounded up to the next whole number (unit) if the fraction of the whole number is at least 0.66. For single-family development, if application of the maximum development potential formula results in a fraction, the number of permitted dwelling units (lots) shall not be rounded up, regardless of the fraction. This provision shall not be construed to preclude application of Chapter 22.28 KMC.

Lot size and/or density may be limited by or through other provisions of this code or other applicable law, and the application of the provisions of this chapter may result in the necessity for larger lot sizes or lower density due to inadequate buildable area.

3. Development Factor – The development factor, consisting of a "percent credit," to be used in computing the maximum potential number of dwelling units for a site which contains a sensitive area buffer is derived from the following table:



Percentage of Site in Sensitive Area Buffer			Counted at
< 1	to	10%	100%
> 10	to	20%	90%
> 20	to	30%	80%
> 30	to	40%	70%
> 40	to	50%	60%
> 50	to	60%	50%
> 60	to	70%	40%
> 70	to	80%	30%
> 80	to	90%	20%
> 90	to	100%	10%

## **Revision to Section 115.115.5**

5. Driveways and Parking Areas – Driveways and parking areas are not allowed in required yards except as follows:

a. Detached Dwelling Units, Two-Unit Homes and Three-Unit Homes, approved under Chapter 113

1) General – Vehicles may be parked in the required front, rear, and north property line yards if parked on a driveway and/or parking area. For the purpose of this section, vehicles are limited to those devices or contrivances which can carry or convey persons or objects and which are equipped as required by federal or state law for operation on public roads. A driveway and/or parking area shall not exceed 20 feet in width in any required front yard, and shall be separated from other hard-surfaced areas located in the required front yard by a landscape strip at least five feet in width. This landscape strip may be interrupted by a walkway or pavers providing a connection from the driveway to other hard-surfaced areas, as long as such walkway or pavers cover no more than 20 percent of the landscape strip. A driveway and/or parking area located in a required front yard shall not be closer than five feet to any side property line (see Plate 14); provided:

a) That where access to a legally established lot is provided by a panhandle or vehicle access easement measuring less than 20 feet in width, a driveway not exceeding 10 feet in width, generally centered in the panhandle or access easement, shall be permitted (see Plate 14A); and

b) That any driveway which generally parallels a right-of-way or easement road shall be set back at least five feet from the right-of-way or easement, except for a 20-foot-wide section where the driveway connects with the right-of-way or easement. Such driveway shall not have a width of more than 10 feet within the front or rear yard (see Plate 14B) and shall be separated from other hard-surfaced areas located in the front or rear yard by a landscape strip at least five feet in width. Where more than one driveway is permitted within a front or rear yard, those driveways shall be separated by a landscape strip at least five feet in width.

2) Exception – Driveways and/or parking areas may exceed 20 feet in width if:

a) The driveway/parking area serves a three-car garage; and

b) The subject property is at least 60 feet in width; and

c) The garage(s) is (are) located no more than 40 feet from the front property line; and

d) The driveway/parking area flares from 20 feet at the property line to a maximum of 30 feet in width.

3) The Planning Official may approve a modification to the driveway and/or setback requirements in KZC 115.115(5)(a)(1) if:

- a) The existing topography of the subject property or the abutting property decreases or eliminates the need for the setback; or
- b) The location of pre-existing improvements or vegetation on the abutting site eliminates the need for or benefit of a setback; and
- c) The modification will not have any substantial detrimental effect on abutting properties or the City as a whole.

## **Attachment 1 – City of Los Angeles Small Lot Subdivision Design Guidelines**

S  
M  
A  
L  
L



L  
O  
T



# DESIGN GUIDELINES



---

This handbook provides recommendations for addressing the complexities of designing small lot developments to be within conformance of the General Plan. Each guideline should be considered in a proposed project. However, because of the unique nature of each small lot development, not all will be appropriate in every case.

The guidelines are intended to help guide architects, developers, and residents in designing for a more livable city. Incorporating these guidelines into a project's design will encourage more compatible architecture, attractive multi-family residential districts, context-sensitive design, and sustainable environments, and will also contribute to pedestrian activity and place-making.

Tentative tract and parcel maps for small lot subdivisions must be consistent with the City's General Plan and Community Plans in order to be approved. It is important to review all relevant city documents for policies that may affect your small lot design and layout.

---

*Published January 2014*

*Cover photos: Artis, Cullen Street Art District Homes, Rock Row*

*Document is designed to be printed double-sided.*

# Table of Contents

1	Introduction .....	4
2	About Small Lot Subdivisions .....	7
3	Site Planning.....	8
4	Building.....	21
5	Landscaping.....	29
6	Sustainability.....	33
7	Case Studies.....	36
8	Appendices	
	A. Venice Specific Plan Verification	
	B. Pre-Filing Preparation List and Meeting Form	
	C. Sample Subdivision Layout	

# 1 Introduction



The Small Lot Ordinance allows for subdivisions in areas zoned for multi-family or commercial uses, permitting the development of this small lot in Echo Park.

The City of Los Angeles has enacted the Small Lot Ordinance (No. 176354) to allow the construction of fee-simple, infill housing on small lots in multi-family and commercial zones. While home ownership options have traditionally been limited to single-family homes on 5,000 square foot lots or condominiums, the passage of the Small Lot Ordinance extends these options to include townhomes, row houses, and other types of infill housing typically only available for rent.

The Ordinance provides a more space-efficient and economically attractive alternative for sites zoned for apartment or condominium uses. In short, the Small Lot Ordinance simplifies the land subdivision process, making it easier for developers to construct creative new fee-simple homes in urban areas.



Small lot homes must be structurally independent with no shared foundations or common walls.

It was envisioned to allow the subdivision of underutilized land in multi-family and commercial areas for the creation of up to 15 lots with detached single-family homes. It was not intended to generate a request for a General Plan amendment and zone change to permit the development. Generally, these homes have smaller lot areas, compact building footprints, and minimal streetfront and setback requirements. They are distinct from condominiums in that the tenants of these compact homes have complete ownership of that lot.

While the Ordinance provides a smart-growth alternative to the suburban single-family home, generally reduces density, and creates new options for home ownership, it also brings a new set of spatial complexities. For instance, challenges brought on by neighborhood context and the proximity of adjacent structures require thoughtful considerations about massing, height, and transitional areas from adjacent properties. *These spatial constraints require innovative design solutions.*



## Small Lot Design Guidelines

This handbook provides design guidelines issued by the advisory agency to address these complexities while also promoting the design and creation of small lot housing with neighborhood compatibility for consistency with applicable General and Specific Plans. The Guidelines outline recommendations for site organization and urban form, setbacks and building transitions, parking and driveways, building design and materials, and landscaping and access. The recommendations are not mandatory, but help to guide decision-makers to ensure that a project is compatible with its surroundings. Projects that are not in compliance with the Guidelines may be subject to delays, redesign, and community appeals.

## Applying the Guidelines

The Guidelines outlined in this document identify the level of design quality expected for small lot developments. They provide guidance and direction for applying policies contained within the General Plan Framework and the Community Plans. Incorporating these Guidelines into a project's design will encourage more compatible architecture, attractive residential projects, context-sensitive design, opportunities for pedestrian activity, and overall contribute to an enhanced sense of place.

Interested property owners, developers, and designers should first review the zoning of the property before proceeding with the project. The Small Lot Ordinance and Guidelines are only applicable to developments within multi-family and commercial zones. They are also only applicable to modestly-scaled well-designed projects with 47 or less dwelling units. Projects with a greater number of units will need further review prior to accepting the applications for filing.

The Guidelines are intended for use by the Planning Department, as well as other City agencies and department staff, developers, architects, engineers, and community members in evaluating project applications. The Guidelines should also be used in conjunction with relevant policies from the General Plan Framework and Community Plans. In order to ensure the creation of well-designed and context-sensitive small lot homes, the Guidelines listed here will apply to all new small lot applications.

Small lot projects must substantially comply with the Small Lot Design Guidelines in order to receive project approval. However, some leniency and creativity is permitted in implementing these Guidelines. For instance, in cases where special circumstances make complete compliance infeasible or impossible, the project must nonetheless substantially conform to the overarching goals of the Guidelines. Development applications must then demonstrate clear alternatives that achieve the same goals and objectives, and describe to what extent these Guidelines are incorporated into the project design.

In short, the Small Lot Design Guidelines will only be used to condition approved projects, and may not serve as the basis for a project approval or denial. Conditions imposed by the initial decision-maker may be appealed.

## OVERARCHING GOALS

To ensure the creation of well-designed and compatible developments that improve the context of the built environment, the Small Lot Design Guidelines promote the following goals:

- 1 Create high-quality indoor and outdoor living environments for all residents.
- 2 Enhance the public realm.
- 3 Provide fee-simple home ownership opportunities for a greater number of people, at a wider range of income levels.
- 4 Provide solutions for infill housing.
- 5 Design and configure housing to be compatible with the existing neighborhood context, especially in sensitive areas. This includes areas contained within Specific Plans, Community Design Overlays (CDOs), and Historic Preservation Overlay Zones (HPOZs).
- 6 Prioritize the livability and market value of a project over strict density.



The Auburn Street small lot development in the Silverlake neighborhood demonstrates the Guideline's overarching goals.

## 2 About Small Lot Subdivisions

- 1 Small lot subdivisions are not condominiums. Properties are titled in fee simple, meaning they can be bought and sold just like conventional single-family homes.
- 2 Subdivisions are only permitted in areas zoned for multi-family housing or commercial uses for projects with up to 47 dwelling units. Projects with a greater number of units will need further review prior to accepting the applications for filing.
- 3 Small lot homes must be structurally independent, with no shared foundations or common walls. This also applies to the conversion of existing buildings into small lot homes, which are permitted by the Small Lot Ordinance.
- 4 Generally, the subdivisions will only have one dwelling unit per lot, although duplexes and triplexes are permitted.
- 5 The Ordinance reduces the minimum lot size and side yard requirements and eliminates requirements for conventional street frontage, allowing for flexibility to be compatible with the existing neighborhood context. This allows for the creation of more space-efficient compact homes. Small lots may be irregularly shaped, a minimum area of 600 square feet, and at least 16 feet wide.
- 6 A 5-foot setback is required between the subdivision and adjoining properties. There are no yard or setback requirements along alleys, streets, or between lots within the approved subdivision.
- 7 All structures on a lot which includes one or more dwelling units, may, taken together, occupy no more than 80 percent of the lot area, unless the tract or parcel map provides common open space equivalent to 20 percent of the lot area of each lot not meeting this provision.
- 8 Parking may be provided anywhere on the site, either on individual or shared lots or a separate parking garage. Communal parking areas must be accessible via the community driveway, street, or alley, and have clear pathways connecting to residential units. Tandem parking is also allowed.
- 9 Small lot subdivisions must be filed as a Vesting Tentative Track Map or as an illustrated Parcel Map. Both will require supplemental site plans, building elevations, and other illustrative information.
- 10 Each proposed small lot subdivision must be reviewed and approved by City Staff, and is subject to public hearing and appeals.

## 3 Site Planning



The Rock Row development in Eagle Rock features a central driveway with alternative paving.

Constructing infill housing offers a unique set of design challenges not only on the parcel level, but also on the neighborhood level and within the public realm. Developers and architects must therefore consider the design elements of each small lot home and how they will enhance the overall neighborhood character and vitality of the larger public realm.

### Parcel

Small lot design is fundamentally a site planning challenge. It requires addressing practical spatial requirements while simultaneously creating high-quality living environments. These spatial requirements include: small lot sizes and awkward configurations; parking and automobile access; pedestrian circulation; adequate access to air, light, and ventilation; outdoor space and privacy; and refuse bin placement and utilities location. Developers must address these issues in ways that ultimately enhance the living environment of each dwelling unit.

Additionally, each home must exhibit a high level of design quality, including: well-articulated entries and facades to each dwelling unit, proportionate windows, quality building materials, connections to a pedestrian circulation system, and context-sensitive elements.

### Neighborhood

By its very nature, infill development occurs in neighborhoods with preexisting development and characteristics, and should therefore supplement to and enhance the overall quality of the neighborhood. At this

scale, developers and architects must consider the three-dimensional nature of the entire development, including height, massing, siting, and orientation. These characteristics must relate to the surrounding built form, respecting the overall neighborhood character and existing topography.

Other considerations include building patterns, streetscape characteristics, orientation to the street, pedestrian routes, transit stops, parking arrangements, and opportunities for defensible space considerations, each of which impact a development's integration into the neighborhood context.

### Public Realm

Each infill project, however small, must contribute to a vital and coherent public realm through an improved network of streets and sidewalks that is pleasant, interesting, and comfortable for pedestrian activity. To do so, each project should focus on the relationship between the proposed small lot subdivision and the public environment, with emphasis on: building siting and orientation, height and massing, articulation of facades and entry ways, building fenestration, pedestrian circulation, type and placement of street trees, landscaping and transitional spaces, and location of driveways and garages.

---

**Objective:** Design and configure housing to be consistent with applicable General and Specific Plans, be compatible with the existing neighborhood, while also striking a balance between parking, adequate common areas, and the public realm.

---



Through the use of courtyards and grasscrete paving, the Perlita Mews development in Atwater Village strives for livable shared spaces.





Sufficient space should be provided for an entry, landing and transitional landscaping between the sidewalk and private entryway.

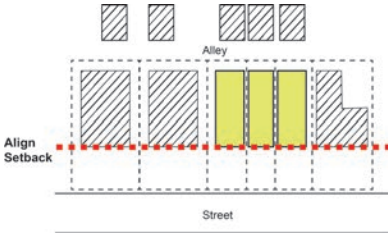
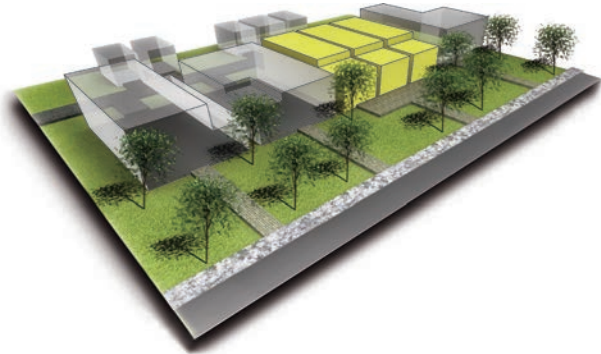
## RELATIONSHIP TO THE STREET GUIDELINES

When designed well, small lot developments can enhance the preexisting character of a good street or improve a fragmented one. Therefore, small lot developments should embrace, rather than ignore, the street. Although there are no requirements for front setbacks, neighborhood context shall provide direction for setting buildings back from the street.

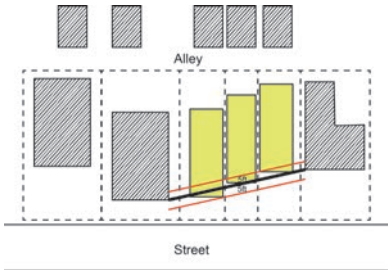
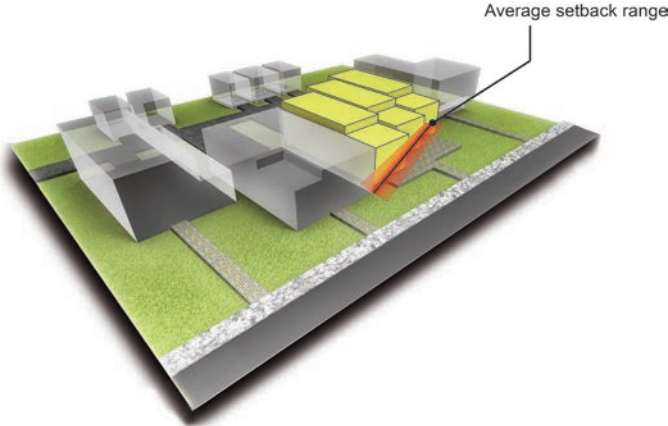
Minimal setbacks are appropriate for small lots on commercial streets. Similarly, setbacks are not required for dwelling units with ground-floor retail. On residential streets, preexisting front setbacks should guide the distance that a development is set back from the street. Moreover, a 5 foot side setback is required of any property adjacent to the perimeter of the small lot project and development.

- 1 In areas with an existing prevailing street setback, align the small lot development to be consistent with this setback and provide continuity along the street edge. Slight deviations from the setback are acceptable.
- 2 On residential streets with varying setbacks, the front yard setback should be within 5 feet of the average setback of adjacent properties.
- 3 On commercial streets with a range of setbacks, small lot developments should nearly abut the sidewalk, allowing sufficient room for entry, front stoop, and some transitional landscaping. However, this is not required for dwellings with ground floor retail.

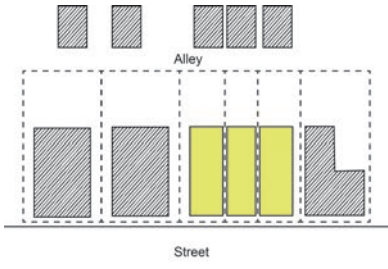
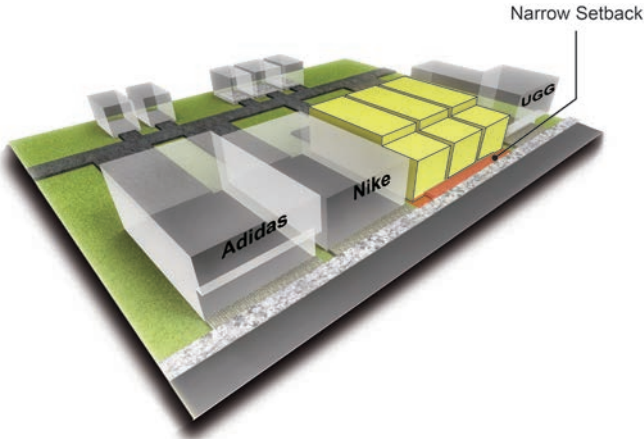
RELATIONSHIP TO THE STREET ILLUSTRATIONS



Where applicable, proposed small lot developments should align with the prevailing setback of the street.



Where applicable, the setbacks of proposed small lot developments should be within the range of setbacks of existing properties.



Where applicable, proposed small lot developments along commercial streets should nearly about the sidewalk.



Enhanced paving denotes the entryway to the Vesper Village development in Van Nuys.

## SITE LAYOUT AND CIRCULATION GUIDELINES

Small lot developments are presented with numerous spatial challenges that require innovative design solutions. Regardless of spatial constraints, developments must strive for neighborhood compatibility and be able to fit all aspects, such as parking and driveways, adequate trash and utility locations, adequate indoor and outdoor living space, within the project site.

Builders and designers should consider all possible configurations that take advantage of the site topography in providing sufficient open space, and consider how characteristics of the street and adjacent structures affect the overall form and orientation of the proposed development.

- 1 Configure homes to front public streets, primary entryway, circulation walkways, and open spaces, rather than driveways.
- 2 For homes not adjacent to the public street, provide pedestrian circulation in the form of private walkways or clearly delineated paths of travel from the sidewalk to their entryway.
- 3 Maximize green space while minimizing the total amount of driveway space.
- 4 Where possible, utilize alleyways for vehicular access.
- 5 Take advantage of existing topography and natural features (i.e. existing trees) to maintain appropriate grade levels consistent with surrounding structures.
- 6 Homes fronting a public street should have the primary entrance and main windows facing the street.
- 7 Enhanced paving should mark the pedestrian and vehicular entries of complexes to provide a sense of arrival.



**SITE LAYOUT AND CIRCULATION** GUIDELINES  
(CONTINUED)

- 8 Design floor plan layouts in relation to lot shape, width, and depth to maximize usable outdoor spaces.
- 9 Provide space for entry, front landing, and transitional landscaping between the public sidewalk and private entryway.
- 10 Provide direct paths of travel for pedestrian destinations within the development. Whenever relevant, create primary entrances for pedestrians that are safe, easily accessible, and a short distance from transit stops.
- 11 When multiple units share a common driveway that is lined with individual garages, provide distinguishable pedestrian paths to connect parking areas to articulated individual entries.
- 12 Vary building placement to increase variation in facades and more articulated building edges.

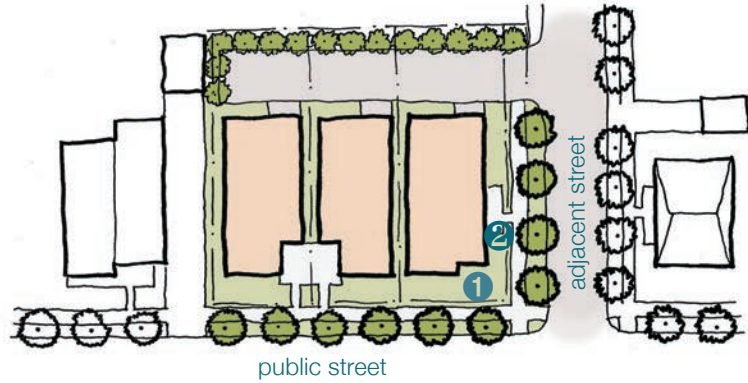


The Cullen Street development demonstrates a side access driveway with the front unit having a strong relationship to the street.

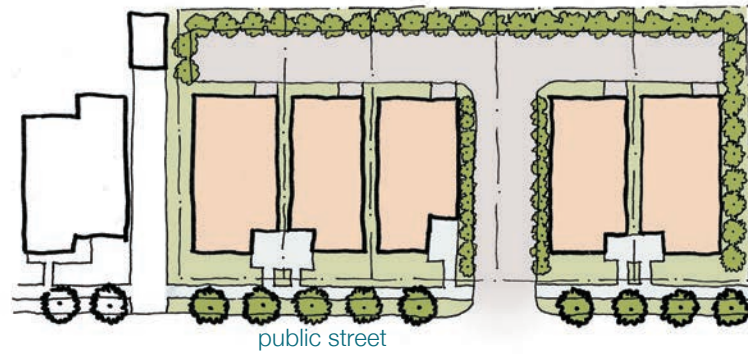
## POSSIBLE CONFIGURATIONS

When rear driveways are used:

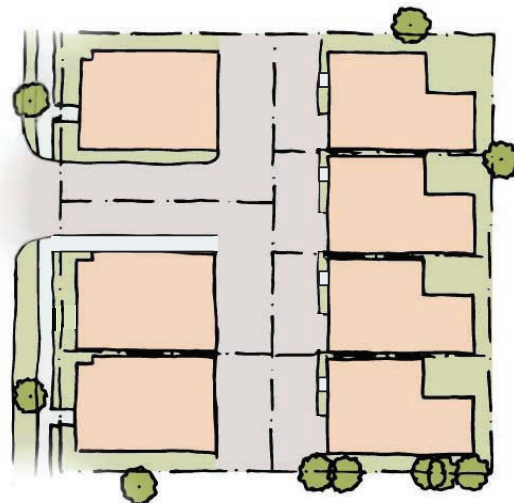
- 1 The streetfront should still give the appearance of an entry.
- 2 Pedestrian entrances should closely align with the entrances of adjacent dwelling units.



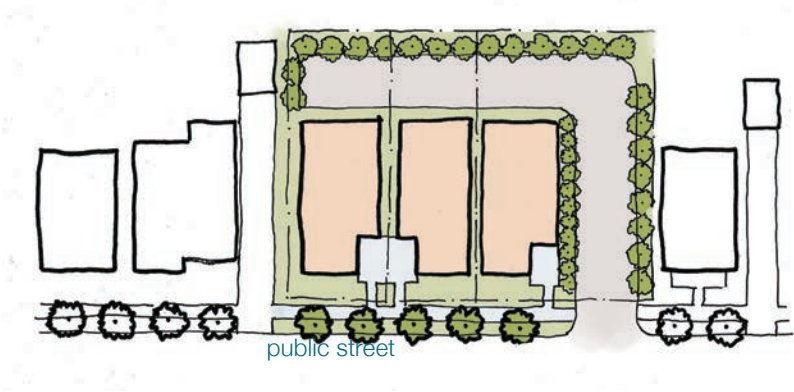
When rear T-driveways are used, all units should have direct access to the public sidewalk.



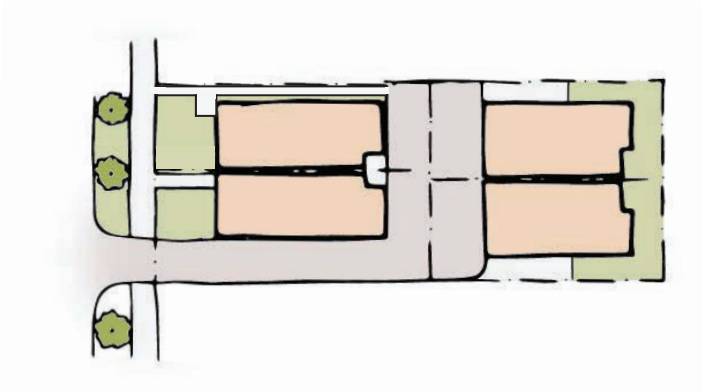
This alternative T-driveway configuration separates rear units from the public street and sidewalk.



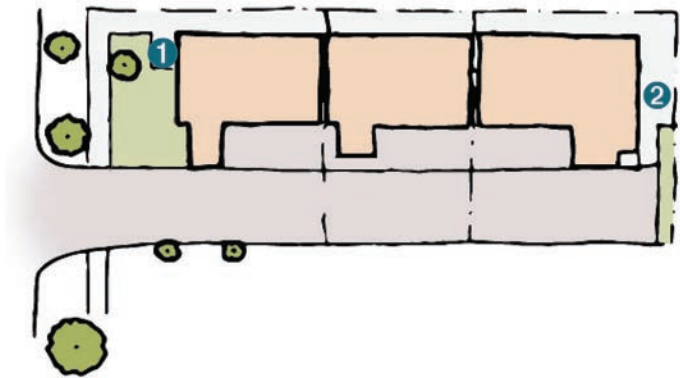
POSSIBLE CONFIGURATIONS (CONTINUED)



When rear L- driveways are used, all units front onto the public sidewalk.



When an alternative L-driveway is used, all rear units that do not front on the public sidewalk should still have a separate pedestrian path.

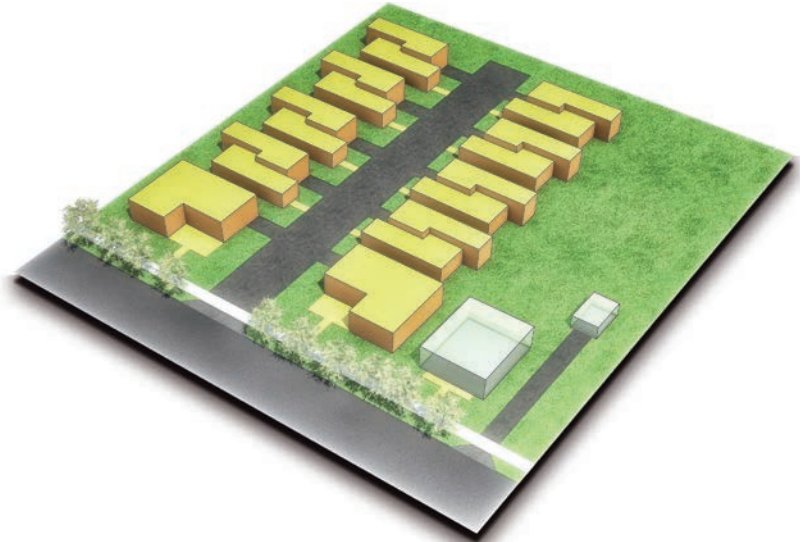


When side access driveways are used:

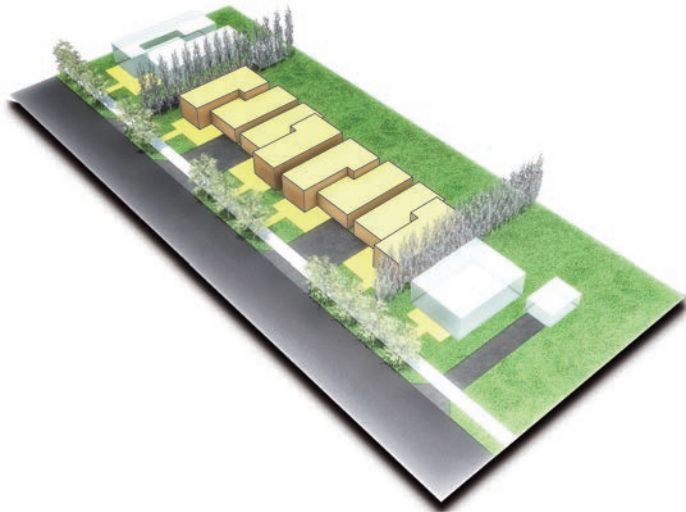
- 1 Small lot developments with a side access driveway should configure front homes to be accessible from the sidewalk.
- 2 Interior homes should be accessible from both the driveway and a private walkway at the front of the homes.

## POSSIBLE CONFIGURATIONS (CONTINUED)

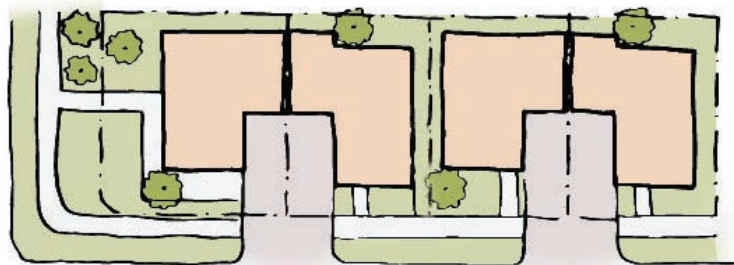
Townhouses with a central access driveway can enhance the public realm when front homes are accessible from the sidewalk.



Row houses with shared driveways enhance the streetfront by reducing the number of driveway cuts and vehicle/pedestrian conflicts. This results in enhanced and more opportunities for pedestrian entries.



The combination of tandem parking and deep garage setbacks can minimize the amount of streetfront dedicated to driveways.





## BUILDING-TO-STREET PROPORTION GUIDELINES

Building-to-street proportion refers to the relationship between the height of buildings on either side of a street and the width between those buildings. An ideal proportion between these two creates a pleasant and visually interesting public realm. The public realm, therefore, may be considered as an “outdoor room” that is shaped by the “walls” of the building heights and the “floors” of the roadway. Through proper setbacks, appropriate building heights, and lush landscaping, small lot developments can help contribute to the creation of these outdoor rooms.

Outdoor rooms with excessively wide roadways or short building heights tend to eliminate any sense of enclosure for the pedestrian. Therefore, building heights should be constructed at a minimum of one-quarter of the width of the roadway.

In cases where neighborhood context may preclude increased building heights, trees may be planted along the street or front yard to help increase the sense of enclosure.

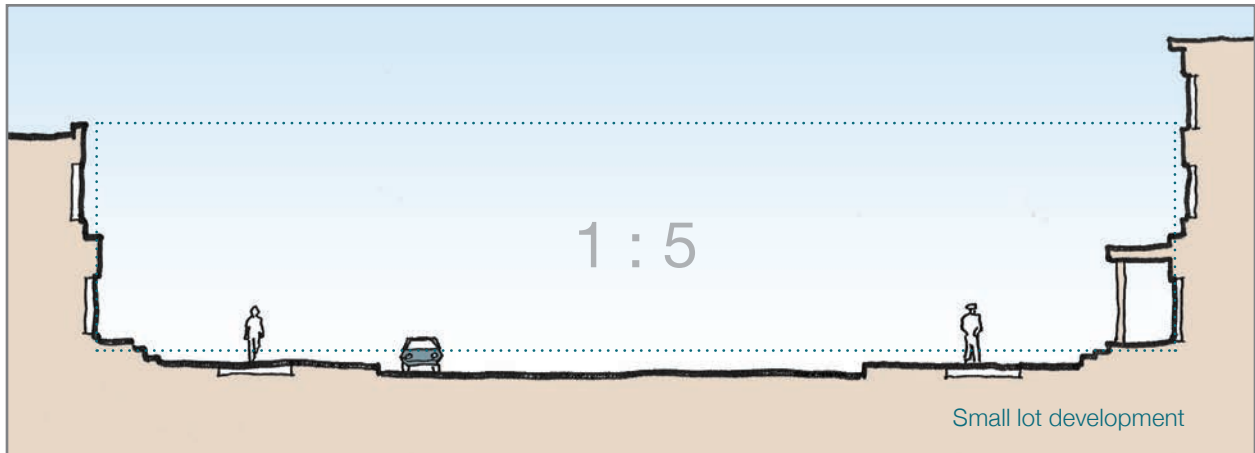
- 1 Small lots should be constructed with a building-to-height ratio of 1-to-4. In other words, buildings should have a height of at least one-quarter of the width of the roadway. For example, on a 100 foot wide street, an appropriate building height would be 25 feet.
- 2 Define the proper proportion of the public right of way through the planting of shade trees and low-growing vegetation (see Landscaping Section for further information).
- 3 Plant shade trees and ornamental plants to define the edge and increase visual interest to both the public and private realms. Avoid placing 4-foot-tall or higher shrubs immediately adjacent to the sidewalk.



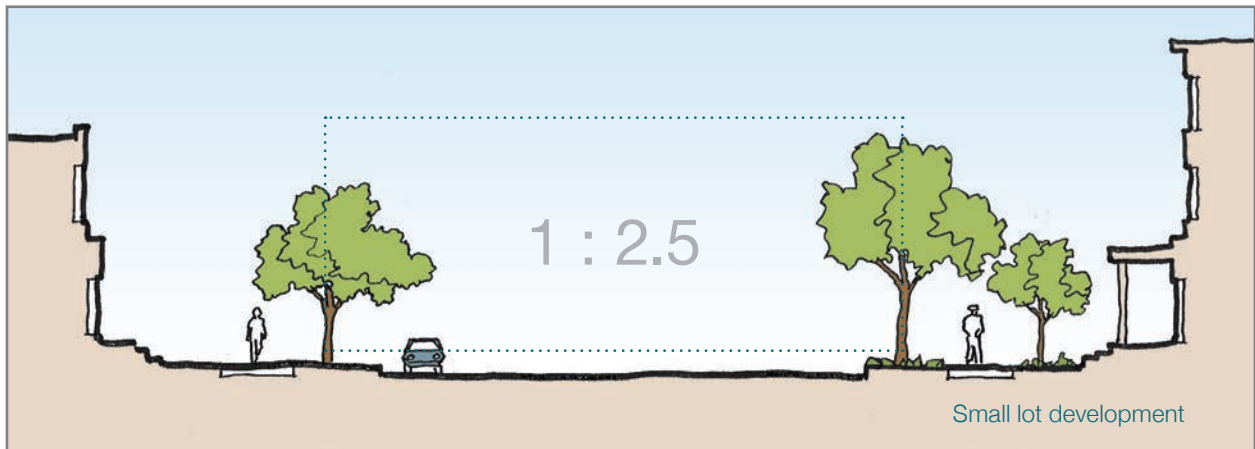
Many Los Angeles streets have undesirable height-width ratios with: low-rise buildings, narrow sidewalks, and extremely wide streets.



Abbot Kinney Blvd. in Venice is an example of a more appropriate building-to-street proportion.



This small lot development creates a height-width ratio of approximately 1:5, and provides little sense of enclosure to the pedestrian. Although it may not be possible to alter the building heights, a series of landscaping interventions can enhance the semblance of an outdoor room.



Landscaping within the public, transitional, and private realms heightens the semblance of an outdoor room. Here, canopy-creating shade trees have been added to effectively reduce the width between buildings, and bringing the height-width ratio to approximately 1:2.5.

## PARKING AND DRIVEWAY GUIDELINES

The design of small lot developments must strike a particular spatial balance: it must simultaneously maintain high-quality public and private living environments while also accommodating for the automobile. In poor design layouts, small lot configurations allow parking, driveways, and garages to dominate the landscape, creating conflicts for pedestrians and decreasing the overall aesthetic quality of the development. Improperly placed parking at the front of townhouses can have unsightly effects onto the streetfront. Frequent curb cuts and driveways jeopardize pedestrian safety and eliminate space for street trees and on-street parking. Ideally, designs should locate parking to be behind dwellings and accessible from alleys where present. If driveways are necessary, designs should minimize their width, number, and visual impact.

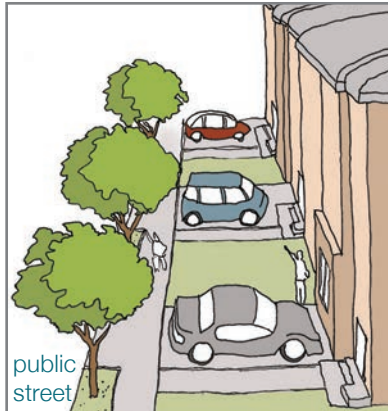
- 1 Locate parking to the rear of dwellings where homes front the public street.
- 2 Where available, use alleyways as access to off-street parking.
- 3 If individual front driveways must be used, the setback of the building should allow for an ample amount of landscaping space and a front entryway, porch, or landing.
- 4 Allow for a pedestrian access path separate from driveway whenever possible. When the driveway provides pedestrian access to individual dwellings, a distinguishable path should be provided.
- 5 Access driveways should be designed to be no wider than circulation and backup requirements, while still allowing for landscaping and a pedestrian access path on-site.
- 6 Space permitting, design the driveway area for multi-functional uses.
- 7 Structures should limit encroachment over the driveway area to not restrict the movement of trucks.



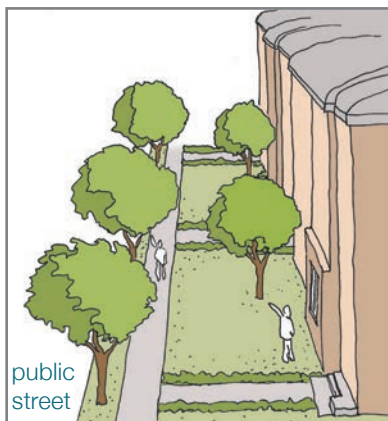
These homes have garages located in the rear of the buildings.



Rock Row uses permeable paving to provide a more hospitable pedestrian path along the driveway.



The placement of individual driveways along the streetfront can disrupt the continuity of the sidewalk and public realm, and eliminate space for street trees and on-street parking.



However, when driveways are located to the rear of dwellings, the streetscape can become a comfortable outdoor space for residents and passers-by.

### Number of spaces

The Los Angeles Municipal Code lists requirements for the provision of parking spaces for residential developments.

Single-family homes are required to provide:

- 2 spaces for each home

Tandem parking is also acceptable, space permitting. One space can be dedicated for a compact car.

Duplex and triplex developments are required to provide:

- 1 space for each unit with less than 3 habitable rooms
- 1.5 spaces for each unit with 3 habitable rooms
- 2 spaces for units with more than 3 habitable rooms

Small lot developments are also required to provide guest parking based on site layout and circulation. Small lots are subject to the following guest parking requirements:

- Developments with less than 10 units: 0 spaces
- Developments with 10-100 units: 0.25 spaces per unit
- Developments with over 100 units: 0.5 spaces per unit

Locally adopted Specific Plans may require more parking. In these cases, the locally adopted plans supercede these parking requirements.

### Dimensions

The Municipal Code requires the following dimensions for parking spaces:

- 8'6" x 18' for standard-size cars;
- 7'6" x 15' for compact cars.

Driveway widths depend on lot depth and building configuration. Individual front driveways should be 10 feet wide. In these instances, the building width should adequately allow for integral front parking plus some yard and porch or landing space. Access driveways will vary in width depending on lot size, depth, and building height, and are required to meet Code requirements for stall dimensions and access aisle. Please consult the Fire Department for further information.



# 4 Building

In order to make townhouse construction more feasible, the Small Lot Ordinance minimizes the required sizes of side, rear, and front yards. As a result, small lots are ultimately shaped by building configuration. Designers should consider how the arrangement of interior space affects exterior massing and how the configuration of building elements respond to adjacent buildings. Design strategies incorporating neighborhood context include considerations of: building height transitions, arrangement of buildings and open space, landscape elements, vehicular driveways and pedestrian paths, and architectural details and scaling devices that breakdown the massing of the development.

With reduced setback requirements and small lot areas, providing access to air, light, and ventilation is more challenging for small lot developments than typical single-family designs. Thus, architects and builders must take full advantage of the unique design opportunities presented to them to create livable environments.

---

**Objective:** Develop the overall form and relationship of the buildings by focusing on neighborhood compatibility and high-quality design of the following elements: entry, height and massing, building facade, roof lines, and materials.

---



Sensitive window and balcony placement in the Rock Row development are key to enhancing the light and ventilation of the home's interior.



The Buzz Court development demonstrates how the front unit of the development is designed to engage the public street and sidewalk.



Entryways, porches and stoops clearly delineate public and private realms while maintaining a comfortable relationship between these realms and their users.



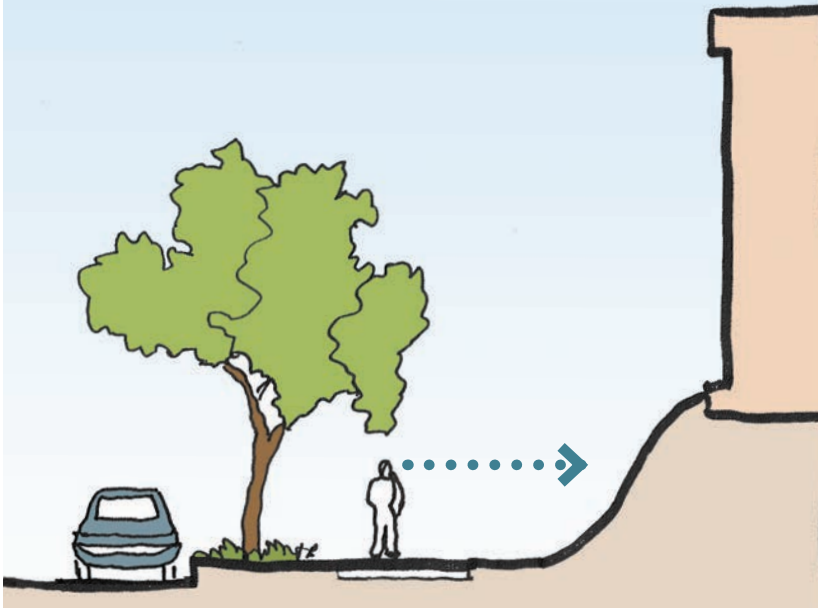
These home entrances sit a few steps above the sidewalk. A small landscaped area provides a buffer between the sidewalk and building edge.

## ENTRY GUIDELINES

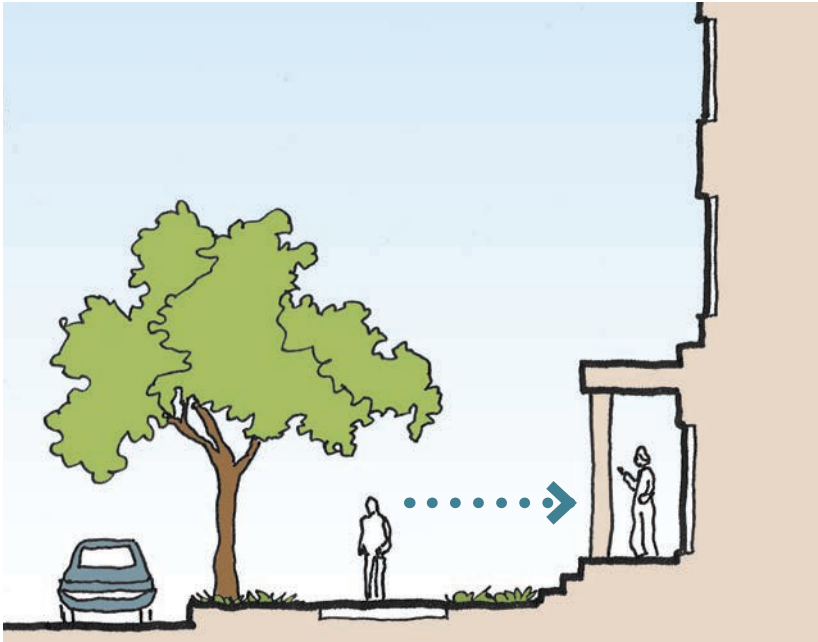
When entries are well articulated and easy to find, they function as gateways— simultaneously welcoming visitors, allowing for seasonal decorations, and clearly delineating the boundaries of the private realm. They may also offer habitable outdoor space in the form of a small front porch or patio.

- 1 Primary entryways should be clearly identifiable and connected to the public street by a walkway. Individual residences should incorporate transitions such as landscaping, paving, porches, stoops, and canopies.
- 2 Homes that front a public street should have their primary entryway accessible from the street. Garages should not take the place of the main entryway.
- 3 Entryways should sit at a grade comparable to those of the surrounding structures, and should never tower above the street.
- 4 Use ornamental low-level lighting to highlight and provide security for pedestrian paths and entrances. Ensure all parking areas and walkways are illuminated.
- 5 Sole entrances should be at grade level. Homes with multiple entrances may include a secondary entrance at three to five steps above grade or consistent with the average grade of existing structures.
- 6 Entrances that front commercial boulevards should allow room for a stoop and entryway and ideally some landscaped area.
- 7 Ground-floor commercial arrangements fronting on the street in a commercial district do not require a separation between the entry and the street. See Special Guidelines for Ground-Floor Commercial Uses (p. 28) for further information.
- 8 Incorporate transitions such as landscaping, paving material, porches, stoops, and canopies at the primary entrance to each residence, and at the main pedestrian entrance to the development from the sidewalk.

ENTRY (CONTINUED)



Small lot homes with excessive grading tend to tower awkwardly above the neighborhood and sidewalk. This creates a physical and visual barrier between the public and private realms.



A better interaction between a small lot development and the street is achieved when buildings are only a few steps above street level. This creates a clear sight line between the sidewalk and the front entry.

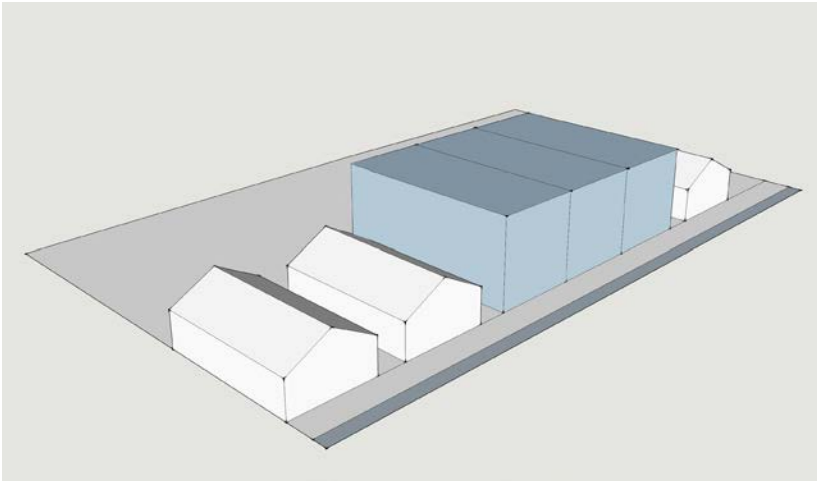


Varied building heights and massing creates a more interesting and walkable streetfront.

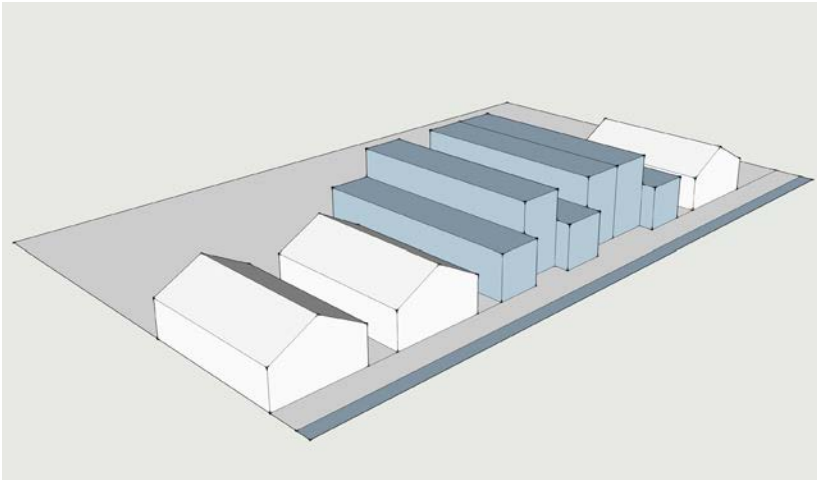
## HEIGHT AND MASSING GUIDELINES

While building height is often criticized for a project's incompatibility with the neighborhood, it is more often the building's massing--the overall volume of the building--that can cause the new structure to seem out of context. Well-designed buildings do not "max out" the allowable building massing permitted by the code --height limits, yard, setbacks--but employ variations in height, massing, rhythm, and texture to reduce the perceivable massing of the building. These variations serve dual functions: they help small developments mesh with their surroundings, while also enhancing the overall quality of the street by providing visual interest and a pedestrian scale.

- 1 Use the surrounding built environment to inform decisions about variations in height and massing.
- 2 Avoid excessive differences in height between the proposed development and adjacent buildings.
- 3 Provide sufficient space between buildings, articulation along the street frontage, and visual breaks to diminish the scale and massing.
- 4 Small lot developments should be appropriately designed and scaled to transition from single-family properties using methods such as step backs, building placement, driveway location, variations in height, and landscape screening elements.



This small lot development maxes out the building envelope and does not respond to surrounding context.



By breaking down the height, massing, and facade of the buildings, this small lot development becomes more compatible with the surrounding neighborhood.



The use of unique building materials and accent colors helps to articulate the facade and entrance of this corner building.





The Buzz Court development alternates texture, color, and materials on the front facade.



Small overhangs above the doors at Maltman Bungalows provide shade and shelter, as well as adding articulation to the entryway.

## BUILDING FACADE GUIDELINES

The building facade is a crucial element in relating the building to the street and neighborhood. Design elements such as porches and stoops can be used to orient the housing towards the street and promote active and interesting neighborhoods. Effectively placed and articulated doors, windows, and balconies can enhance the overall quality of the project.

- 1 Employ architectural details to enhance scale and interest by breaking the facade up into distinct planes that are offset from the main building facade.
- 2 The placement of windows should follow a consistent rhythm to create visual clarity and character-defining features while avoiding the creation of blank walls.
- 3 Provide windows on building facades that front on public streets, private driveways, and internal pedestrian pathways within the development.
- 4 Layer architectural features to emphasize elements such as entries, corners, windows, and organization of units.
- 5 Alternate different textures, colors, materials, and distinctive architectural treatments to add visual interest while avoiding blank facades.
- 6 Treat all facades of the building with an equal level of detail, articulation, and architectural rigor.
- 7 Include overhead architectural features at entrances and windows that provide shade and passive cooling.
- 8 Design balconies so that their size and location maximize their intended use for open space. Avoid “tacked on” balconies with limited purpose or function.
- 9 Reduce the monotony of undifferentiated facades through landscape screening elements, entry enhancements, and building/garage facades.

**BUILDING MATERIALS** GUIDELINES

Los Angeles architecture varies in style often within neighborhoods. Therefore, context and surrounding structures should inform the choice of materials for small lot developments.

- 1 Select building materials, such as architectural details and finishes, that convey a sense of permanence. Quality materials should be used to withstand weather and wear regardless of architectural style.
- 2 Apply trim, metal and woodwork, lighting, and other details in a harmonious manner that is consistent with the proportions and scale of the buildings.
- 3 Materials should appropriately respond to the neighborhood context.
- 4 Apply changes in material purposefully and in a manner corresponding to variations in building mass.



The Gatsby Homes in Hollywood demonstrates how to use different materials in response to building mass.

**ROOF** GUIDELINES

While townhouses should exhibit some individuality, excessively varied, multi-pitched and gabled roofs tend to create visual chaos that is undesirable and unnecessary.

- 1 Integrate varied roof lines into the upper floors of residences through the use of sloping roofs, modulated building heights, gables, dormers, and innovative architectural techniques.
- 2 Avoid excessive use of multi-pitched and gabled roofs
- 3 Where appropriate, consider enhancing roof areas with usable open space.
- 4 Consider the design and placement of ridge locations as well as direction in relation to side yards and atriums



Excessively varied and multi-pitched roofs risk create visual chaos.

## SPECIAL GUIDELINES for **GROUND-FLOOR COMMERCIAL USES**

Small lot developments along commercial corridors may be required to provide ground-floor commercial uses along the streetfront. Similar to standard commercial projects, these mixed-use small lots must employ high-quality architecture to define the character of the proposed development. Storefronts must be vibrant, transparent, and protected, and most importantly, be compatible with the form and character of the existing commercial district.



Ground-floor commercial spaces in the Eagle Rock small lot development feature recessed entrances, protective awnings, and wide windows for a pleasant pedestrian experience.



The Evo and Luma residential towers in Downtown Los Angeles features live-work units with ground-floor commercial and attached upper-level residences.

- 1 Ensure that storefronts convey an individual expression of each tenant's identity while adhering to a common architectural theme and rhythm.
- 2 Design storefronts with a focus on window design to create a visual connection between the interior and exterior.
- 3 Incorporate traditional storefront elements by including a solid base for storefront windows. Use high quality durable materials such as smooth stucco or concrete, ceramic tile, or stone for the window base.
- 4 Provide shelter from the sun and rain for pedestrians along the public right-of-way where the buildings meet the street. Extend overhead cover across driveways or provide architecturally integrated awnings, arcades, and canopies.
- 5 Align awnings with others on the block, particularly the bottom edge of the awning. Coordinate the awning color with the color scheme of the entire building front.
- 6 Ensure that store entrances are recessed, not flush, with the edge of the building facade to articulate the storefront and provide shelter for persons entering and exiting.



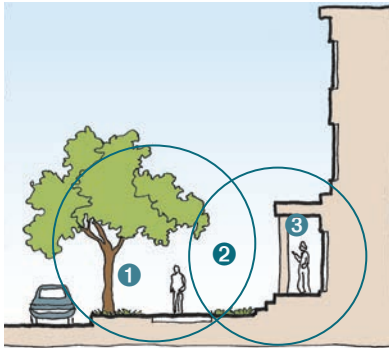
This small lot development in Eagle Rock is the first to feature ground-floor retail. Individual commercial tenants occupy the ground floor of the single-family homes along a commercial corridor.



# 5 Landscaping

The landscape of a small lot project can be divided into three areas. This provides a helpful framework for designing a cohesive landscape plan. The public area consists of the street, parkway, sidewalk, and driveway; the private area incorporates spaces not within a common area or driveway; and the transitional area is comprised of the spaces in between. It is important to strike a balance between privacy, transparency, visual interest, and order when landscaping for these areas.

This approach clearly delineates public, private and transitional zones without creating walls and yet maintains visual interest through variations in plant materials, grades, and limited hardscape. This also minimizes water consumption and maximizes contributions to local flora and fauna while also enhancing the living environment of both the public, private, and transitional areas.



1 Public, 2 transitional, and 3 private areas.

---

**Objective:** Design landscaping that delineates the public, private, and transitional areas; enhances visual interest; and utilizes native and drought tolerant plants.

---

## FRONT AND COMMON AREA GUIDELINES



Excessive use of turf grass is visually bland, requires extensive irrigation, and fails to enhance or define both the public and private outdoor spaces.

Front yards and common areas serve a dual function, and therefore deserve particular attention. They act as both habitable outdoor space for its owners and as shared areas within the proposed development and the neighborhood. The yard is a visual amenity to the development, neighborhood, and passers-by. Additionally, it serves as a semi-transparent bridge between the private interior of the home and common areas.

Landscaping should be visually interesting, sustainable, and relatively easy to maintain. Turf grass should be used sparingly. Use water-conserving plant materials and irrigation systems. Utilize trees along the parkway and shorter shrubs in the transitional zone.



However, subtle variations in grade and drought-tolerant plant materials helps to gracefully define transitions in the landscape.

- 1 Use a range of low-water and drought-tolerant plant materials and ground cover to provide visual interest in place of turf grass.
- 2 Use fences and shrubbery less than 3'6" tall in areas adjacent to the sidewalk (within 5' of front lot line), and common public areas.
- 3 Plant shade trees within public areas, ideally spaced between 15' and 20' apart, to screen blank building facades and shade the driveway and parking areas.
- 4 Whenever possible, use subtle variations in grade.
- 5 Plant parkways separating the curb from the sidewalk with trees, ground cover, low-growing vegetation, or permeable materials that accommodate both pedestrian movement and clearance for car doors.
- 6 Design the landscape to be integrated with the building and for the intended use of the space.

## PRIVATE OUTDOOR SPACES GUIDELINES

Private outdoor spaces can take the form of small interior yards, balconies, and roof decks. For these spaces, the emphasis should be placed on flexibility. For yard space, plant materials need not be too varied, so that residents may easily modify them to make them their own.

- 1 Designate fully private outdoor space whenever possible.
- 2 Utilize plants that can be easily modified/maintained by residents.
- 3 Provide balconies to enhance rather than substitute for actively used common open spaces. Balconies and roof decks should be generous enough in size to create usable spaces.



The use of raised beds in varying heights provides for a flexible outdoor space by serving as both landscaping and seating options.

## PLANT MATERIALS GUIDELINES

Ultimately the landscape should enhance the natural environment of the neighborhood and should be relatively low-maintenance. Drought-tolerant and native species satisfy both of these criteria by creating visually appealing and sustainable landscapes.

- 1 Apply mulch in between and around plants to conserve moisture and eliminate bare earth, which can look unsightly.
- 2 Use water-conserving ground cover instead of turf grass.
- 3 Avoid invasive plant materials.
- 4 Plant in groupings according to water needs.
- 5 Incorporate existing natural features and topography.

For more information, visit: [http://www.bewaterwise.com/Gardensoft/garden\\_types.aspx?listType=types](http://www.bewaterwise.com/Gardensoft/garden_types.aspx?listType=types)



This side yard is wide enough to allow for layers of planting and decorative paving.

## PRIVACY GUIDELINES

With small lot developments come issues of privacy – not only for residents, but also for those of neighboring properties. For instance, improperly designed developments result in balconies overlooking neighboring yards or other balconies, and windows facing directly into adjacent residences.

Small lot designs should maximize access to private outdoor space, light, and views, while ensuring an adequate level of privacy for all residents. This will require particular attention to the orientation and spatial configuration of the development, distances between walls, and the location of windows and balconies.

Whenever possible, small lot designs should designate some fully private outdoor space for each dwelling. This can take the form of small interior yards, balconies, and roof decks. For these spaces, emphasis should be placed on flexibility.

- 1 Windows and balconies from separate dwellings should not face or overlook each other.
- 2 Minimize the number of windows overlooking neighboring interior private yards.
- 3 Use translucent glass, landscaping, and screens to create privacy.
- 4 Provide functional distances between building walls and vary height to maximize private outdoor space, light and views.
- 5 Plant trees, shrubs, and vines to screen walls between property lines. Use variations in color, material, and texture.
- 6 Rooftop open space should be located away from the building edge to enhance privacy.

## 6 Sustainability

Proposed small lot projects present a unique opportunity for innovative sustainable approaches. These sites allow for environmentally-sound principles to be applied on a smaller scale, helping to mitigate the development's impact on the surrounding neighborhood. They also provide the opportunity to employ strategies that might be cost prohibitive on a larger scale such as solar roof materials, semi-permeable paving materials, and energy and water efficiency. All development is required to meet Los Angeles Standard Urban Stormwater Mitigation Plan (SUSMP) requirements and Low Impact Development (LID) strategies (Ord. 181899).



A permeable driveway (concrete grid filled with grass) increases storm water infiltration on the small lot.

**Objective:** Achieve low-impact development through design that focuses on environmental sensitivity in site planning, building, landscaping, and construction.

### SITE PLANNING GUIDELINES

- 1 Incorporate renewable energy technologies (such as photovoltaic panels) on-site.
- 2 Use permeable paving materials (such as porous asphalt, porous concrete, permeable concrete pavers and grid systems filled with gravel or grass) where allowed by the Alternative Paving Material Ordinance (No. 182431).
- 3 Utilize adequate, uniform, and glare-free lighting such as dark-sky compliant fixtures, to avoid uneven light distribution, harsh shadows, and light spillage.
- 4 Reduce pollution by controlling soil erosion, waterway sedimentation and airborne dust generation.
- 5 Seamlessly integrate the SUSMP and LID elements into the project design.





The Gatsby Homes integrate photovoltaic panels into its roof for enhanced energy efficiency.



Mature trees should be preserved during small lot construction.

## BUILDING GUIDELINES

- 1 Use passive cooling systems like operable windows for ventilation.
- 2 Provide controllable systems such as localized thermostat control, task lighting, or localized lighting controls.
- 3 Provide connection between indoor and outdoor spaces to take advantage of natural light and ventilation.
- 4 Maximize water efficiency and minimize water waste within buildings.
- 5 Use energy efficient equipment to increase the energy efficiency of the buildings.
- 6 Use renewable, recycled, and regional materials.
- 7 Use certified wood provided from environmentally responsible forest management.
- 8 Use or redirect demolition material to recyclable or reusable centers (Ord. 181519).

**LANDSCAPE** GUIDELINES

- 1 Plant trees to shade buildings to reduce the heat island effect.
- 2 Facilitate storm water capture, retention and infiltration, and prevent runoff by using permeable or porous paving materials in lieu of concrete or asphalt. Collect, store, and reuse storm water for landscape irrigation as per SUSMP and LID requirements.
- 3 Los Angeles Low-Impact Development (LID) and Standard Urban Stormwater Mitigation Plan (SUSMP) requirements mandate stormwater to be managed through filtration or reuse for all development projects, including small lot developments. There are various ways to incorporate storm water techniques while also using thoughtful design. The City offers different storm water management techniques that don't overwhelming the design of the project.

Some of the small scale Best Management Practices include:

- 1. Rain Barrels & Small Cisterns
- 2. Permeable or Porous Pavement Systems
- 3. Planter Boxes
- 4. Rain Gardens
- 5. Dry Wells

For more information, refer to the City of Los Angeles Low Impact Development Best Management Practices Handbook.



The Auburn 7 development provides enhanced landscaping along a DWP easement as a unique amenity for its residents.

## 7 Case Studies

Since the City of Los Angeles passed the Small Lot Subdivision Ordinance in 2005, small lot projects have been under development in neighborhoods across Los Angeles. As of November 2013, over 160 subdivision cases have been filed, resulting in the approval of over 1,500 individual lots. 39 subdivisions were recorded, creating approximately 330 new lots on the County Assessment Roll.

This section of the handbook looks at model small lot subdivision developments built between 2006 and 2010 and highlights some outstanding features.

As these model projects demonstrate, the Small Lot Ordinance is not only increasing the quantity of housing available to the market, but also the variety. The Small Lot Ordinance helps developers provide housing to meet the demands of an increasingly disparate set of Angeleno needs and lifestyles.



ROCK ROW,  
EAGLE ROCK  
Heyday Partnership  
1546 Yosemite Drive

15 homes  
(16 condos allowable)  
Zoning: RD1.5-1  
Zoning Adjustments: 5

1st LEED Certified Small Lot Subdivision.

Each townhouse has a series of decks and balconies.

Simple maintenance organization for driveway, trash areas, and landscape.

Neighborhood council and Southern California Edison supported Heyday Partnership in being exempted from street widening.

Sustainable Features:  
Permeable driveway, instant hot water heaters, indoor air quality control, green roofs, solar arrays.



Site Plan.



Architectural rendering highlighting roof gardens, entry ways and grasscrete driveway. Also note the visual interest created by the use of materials and varied window orientation.



Low water plants minimize water consumption and enhance the transition between the front sidewalk and building facade. Permeable paving material reduces the perceived width of a double-loaded driveway, while providing for a more comfortable pedestrian path of travel and reducing the amount of visible paving material.



The development contains landscaping along the project's public edge to create a pleasant pedestrian environment



A green roof helps absorb runoff, reduces the heat island effect, and provides an attractive amenity for residents.



The front two homes are configured with their main entrance close to the sidewalk. This, in addition to a small front landscape section and the Grasscrete paving material provides a good transition from the public to the private realm.



**AUBURN 7,  
SILVER LAKE**  
Mass Architects  
2748 Auburn Street

7 homes built  
Zoning: RD 1.5-1XL

2 levels of habitable flooring.

Only a 5" air gap between units requires more engineering for earthquake protection than a typical single family home.

Floor to ceiling windows.

Each unit has an option for solar electricity.

Informal agreement with the Department of Water and Power to use the front easement as garden space.

With no walls separating the front yard space the easement becomes a community amenity while still retaining the feel of a private yard



Variations in massing, window orientation and materials distinguish the dwellings.



Interior spaces have a good relationship with the exterior as all units have front garden space in the easement. There is a pedestrian path that runs between the landscaping and the homes which helps define the edge.



The front easement features a mix of fruit trees, vegetables and low-water ornamental plants.



Permeable paving (decomposed granite) allows the infiltration of storm water. Homes feature private patios.



Site furnishings make the development's public areas usable.



Community garden built on space leased from DWP



### CULLEN STREET ART DISTRICT HOMES, Modative 2624 Cullen Street

3 homes built (4 allowed)  
(2 single-family and 1 duplex)  
Zoning: RD 1.5

Adjacent Culver City Arts District served as inspiration

Rear unit has mother-in-law unit with separate entrance

All units have second story private deck/balcony

Front home has primary entrance oriented to the street with generous front landscaping to transition between public and private

Interior spaces as well as doors & windows were configured to provide privacy between homes and adjacent property.

Single-pitched roof has southern orientation to accommodate future solar panel installation



Site plan shows linear configuration with a shared driveway and a pedestrian path separate from driveway.



Front unit designed to have excellent orientation to the street with front entrance and pedestrian path connected to the public sidewalk, and lush front landscaping buffer. Although the second story deck extends away from the home, the rest of the massing is pulled away from the street which creates a nice transition between public and private space.



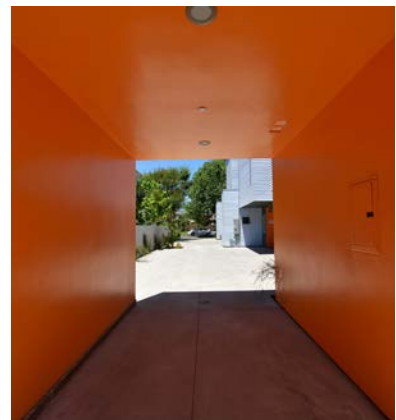
The homes are designed to each have second story private deck space that is pulled away from the property line and located above the driveway. This activates the access path while orienting the private spaces away from adjacent residential



Rear unit features a double car garage for primary home, and a single car garage for mother-in-law unit with private deck above parking.



Example of how private balcony space on the second floor can still activate the front of the property near the property edge



A striking color on the interior of the covered parking provides a strong visual link from the sidewalk to the rear of the development, creates character, and provides a connection with the other units



# MALTMAN BUNGALOWS, ECHO PARK

Civic Enterprise Associates  
918 Maltman, Echo Park

17 Homes  
(18 units allowable)  
Zoning: RD2-1VL  
Zoning Variances: 5  
Zoning Adjustments: 3

Historic bungalows provide small compact units.

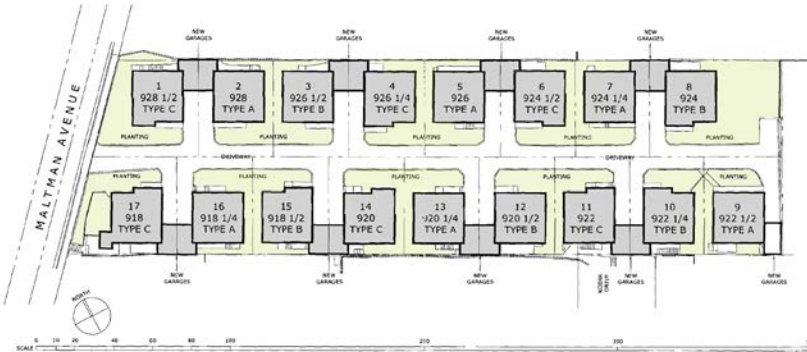
Porches, visibility, and close proximity provide a safe environment for residents.

A smaller truck from a private trash company can navigate a smaller driveway for trash collection.

The utilities are on a mutual easement. Units have a one car garage; no guest parking is provided.

Sustainable Features:  
An adapted reuse and/or an historic preservation project is inherently more sustainable than new construction.

Selected by Architectural Record magazine as one of their 2008 Record Houses.



Site Plan.



Aerial.



Restoration preserved the charm of original units.



Narrow drive preserved front yard space and each unit boasts 1 shade + citrus tree. (Photo Credit: A. Marshburn)



Pedestrians share central driveway with autos.



Orientation and function of front door provides transparency and bolsters sense of community.



Attached garage with compact tandem parking.



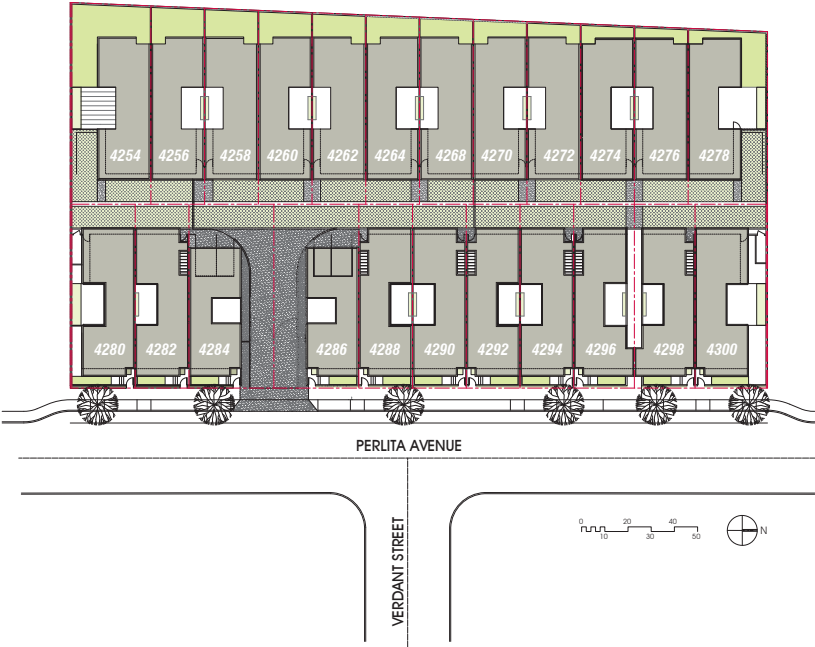
**PERLITA MEWS,  
ATWATER VILLAGE**  
Corsini + Stark Architects  
4254 Perlita Avenue

23 Homes

Indoor/Outdoor homes are organized around interior courtyards and designed in a Modernist style.

**Sustainable Features:**  
Grasscrete paving allows water to reach the water table and reduces pollution from runoff.  
Clerestory windows provide natural ventilation; heat rises through the top of the townhouse, cooling the units.  
Fewer exterior walls limit the places where heat and energy can seep out.

**Adaptable units:** Units can be combined and expanded around the interior courtyards. More affordable than buying one very large house. Rear units can be separated since they have a rear staircase.



Site Plan shows the arrangement of the 23 units, each with a courtyard space.



This home on one of the edges of the project shows the interior courtyard space connected to a side yard, providing additional usable open space.



The development features 23 homes with double-loaded garages on a center access driveway and internal courtyards



The interior courtyard spaces create an outdoor room that also provides access to light and air for the second story.



Rendering of how the garage, driveway, and primary entrance interact



Rendering of a courtyard created by two adjacent buildings. While each side is a private patio, joining these spaces provides the perception of a larger volume of space.

PREUSS FOUR,  
CIENEGA HEIGHTS  
Danny Cerezo, Architect  
2008 Preuss Road

4 homes built (5 allowed)

Zoning: RD 1.5-1

Average lot size: 1,780-2,560 s.f.

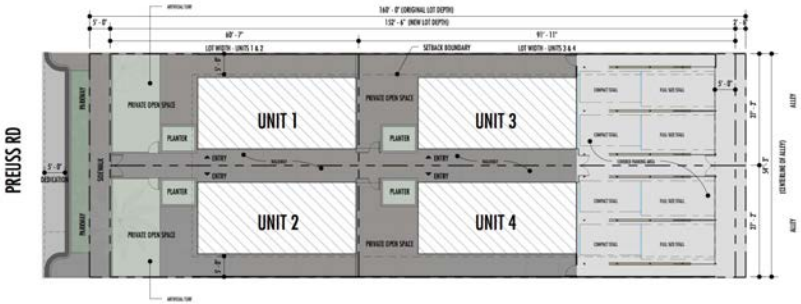
Each unit is 2 stories with a 3 bedroom/3 bathroom configuration

All homes feature over 400 s.f. of private open space off of the main living level.

Each home also features a 2.8Kw solar panel system as a standard feature.

All hardwood flooring has been reclaimed from a barn in Tennessee that was slated for demolition.

Sustainable features include exterior fiber cement siding installed as a rain screen system, electric vehicle chargers, bio-filtration planters, and a central heating and air is multi-zoned to maximize comfort.



Site Plan shows the arrangement of the units with parking accessed via an alley and a 6 foot wide pedestrian passageway in the center. Parking for all homes is accomplished with a tandem configuration to the rear of the site.



Front elevation shows good height and massing relationship with surrounding structures and balconies facing the public sidewalk.

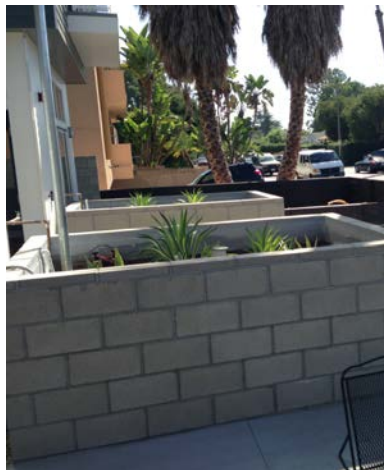




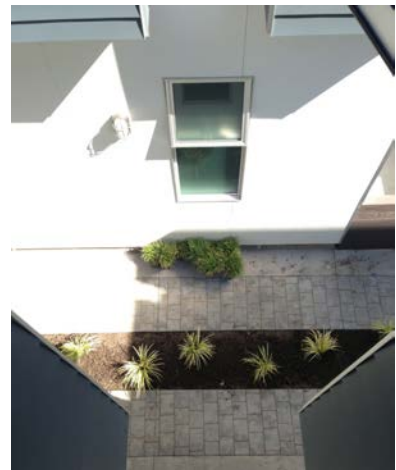
The front two homes are designed to have an almost typical front yard configuration with a patio and green space adjacent to the public sidewalk.



A 6 foot wide pedestrian path through the center of the project provides both access from the parking and common amenity space.



Planters in the front yard allow opportunities for landscaping to buffer common spaces from private spaces.



The pedestrian access path is open to the sky providing ample access to light and air for each home.

**BUZZ COURT,  
SILVER LAKE**  
Heyday Partnership  
Buzz Court, Los Angeles,  
90039

6 homes built (6 allowed)  
Zoning: (Q)C2-1VL  
Average lot size: 1,720 s.f.

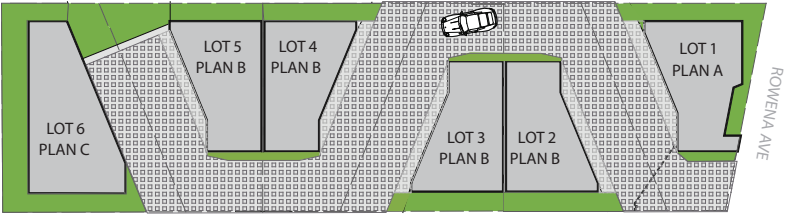
Variances/adjustments: 6

Each home is 3 stories with a rooftop deck as amenity space

The zigzag pattern allows for greater separation between units and creates an added sense of privacy for rear units

Common maintenance agreement for driveway, access gate, trash area, and landscape

Additional notes: Certified LEED Platinum, Permeable Driveway, Solar Arrays, Instant Hot Water Heaters, Indoor Air Quality Controls, Exceed Title-24 by >30%, Green Roofs.



SITE PLAN

Site Plan shows the arrangement of the units in a unique zigzag pattern that staggers the home placement on either side of the narrow lot.



The primary entry of the front home is clearly delineated by landscape planters and the massing of the facade. A second floor balcony brings an element of private space into the public environment, activating both the front facade and the sidewalk of this more urban streetscape.





The Buzz Court project is located along a more urban streetscape than other small lot development. As a result, the architects design a facade that looks more commercial than residential while still placing residential elements like a balcony on the front facade.



The unique spatial arrangement of the development causes the homes to have a staggered effect, making the spaces between buildings seem more open.



The facade treatment provides for a visually interesting and appealing display at night. The shading element provides privacy for the residents while still allowing light to be displayed along the sidewalk. The front entrance is clearly illuminated for safety and delineation.



While the homes are configured to provide adequate access to the garages for cars, the interior spaces are arranged so that windows and balconies do not directly face each other. This creates a better sense of privacy for homes that are closely spaced.

**EDGECLIFFE TERRACE,  
SILVER LAKE**  
Green City Building Company  
1372 Edgecliffe Drive, Los Angeles

4 homes built (4 allowed)

Zoning: RD1.5-1VL

Average lot size: 1,840 s.f.

Variations/adjustments: only an “early start” variance

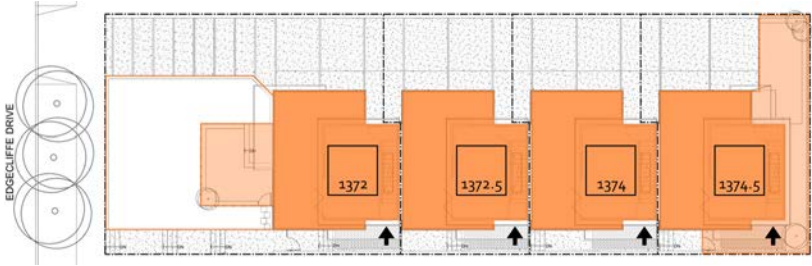
Key design elements include corner glass, natural cedar siding, and metal exterior accents.

The front and rear houses have ground level open garden space, while all units have rooftop terraces.

The project was designed to be neighborhood appropriate, with deferential massing by cutting the garages into the up-slope and providing a significant third floor setback.

A 35’ front yard building line setback was provided and landscaped.

Three existing decades-old street trees were preserved as part of the project.



Site Plan shows the arrangement of the units on the narrow lot with ample front yard landscaping and a large balcony/deck for the rear unit



The slightly sloping site resulted in the units having a “stacked” configuration and the garages being cut into the slope. A 35 foot front setback was provided





The site has a two story building on one side and a single story residence on the other. As a result, the mass and height of the buildings are located on the side adjacent to the two story building.



The entries for each individual home are separated from the driveway and have a direct connection to the public sidewalk.



The view from the rear deck shows how the units are “stacked” to follow the slope of the site. All homes also have window orientation over the driveway to help activate the space.



Interior spaces are organized around access to light and air with large windows and a balcony (front unit)



### VESPER VILLAGE, VAN NUYS

Ken Stockton, Architects  
Silverberg Development Corp.  
14550 West Kittridge Street

16 Homes  
(51 units allowable)  
Zoning: CR-1VL-CDO  
Zoning Variances: 3  
Zoning Adjustments: 4

Built prior to the Small Lot Ordinance, this development provided the framework for the passage of the Ordinance.

Was a result of community opposition to new apartment complexes. Individual owner-occupied homes were preferable. Small Lot subdivision was a compromise.

The utilities are on a mutual easement. Units have a one car garage; no guest parking is provided.

Has a 3-foot separation between homes.

Uses a very modest annual maintenance fund for the driveway and mail boxes. No home owners association.



Site Plan.



Three-foot-deep front yards soften the transition from stucco facade to hard-scape drive.



The 26-foot width between homes is syncopated with a 32' distance occurring at the garage/parking. This articulates the massing of the buildings and prevent the pedestrian from feeling "boxed in".



Two-foot separation between homes.



Pedestrian environment along the edge of the development features pleasant landscaping and trees.



Open sight lines to front doors.

## APPENDIX A

### VENICE SPECIFIC PLAN VERIFICATION

The community of Venice has a refined set of small lot guidelines that are based on the Venice Coastal Specific Plan. A summary follows. Architects and developers proposing a small lot project for Venice should consult the Specific Plan, and where it is not explicit, refer to the Los Angeles Municipal Code, including the Small Lot Ordinance.

1. **Parking:** Required parking for subdivision projects shall be based on the parking requirements pursuant to the Venice Coastal Specific Plan—2 or 3 spaces, depending on lot width. Each new lot resulting from a small lot subdivision that contains one unit will fall under the “single family dwelling” category in the Specific Plan. For purposes of parking calculations, small lot subdivisions shall be considered “less than 40 feet in width, or less than 35 feet in width if adjacent to an alley.” Where new lots resulting from a small lot subdivision include multiple units on a lot, they shall provide 2.25 parking spaces for each dwelling unit.
2. **Driveways:** All driveways and vehicular access shall be from the alleys, when present. When projects abut an alley, each newly resulting subdivided lot shall be accessible from the alley and not the street. Exceptions may be made for existing structures where alley access is infeasible.
3. **Setbacks:** Front, rear and side yard setbacks abutting an area outside of the subdivision shall be consistent with the Specific Plan, where it sets limitations. This includes locations in which new lots abut a lot that is not created pursuant to the Small Lot Subdivision Ordinance and not part of the project, or where the lots abut a waterway or street.
4. **Multiple Lots:** Existing lots may be subdivided into multiple lots so long as the averaged newly resulting lot size is equivalent to the minimum requirement for “lot area per dwelling unit” established for each residential zone in the LAMC, pursuant to the Small Lot Subdivision Ordinance.
5. **Multiple Units:** Lots subdivided pursuant to the Small Lot Subdivision Ordinance shall be limited to one unit per resultant lot, unless the lot size is large enough to permit additional units based on the “lot area per dwelling unit” calculation established for each residential zone. In no case may a newly resultant lot contain more than three units. Generally, the combined density of the newly resulting lots shall not exceed the permitted density of the original lot, pre-subdivision. For Subareas of Venice that restrict density by limiting the number of units on a lot by a defined number, the resulting density from multiple lots may increase the originally permitted density on one original lot. Unit restrictions prescribed for Subareas shall still apply to individual resulting lots, but not over the entire pre-subdivided area.

## VENICE SPECIFIC PLAN VERIFICATION (CONTINUED)

6. **Affordable Replacement Units:** Projects in some Subareas of Venice are required to provide “Replacement Affordable Unit(s)” as defined in Section 5(T) of the Specific Plan when there are any units in excess of two units on newly resulting single lots. The requirement to replace an affordable unit will increase the number of units that would otherwise be permitted under the Small Lot Subdivision Ordinance only when the development includes three units on a lot. Mello Act requirements to replace affordable units still apply in all circumstances, and consistent with the Specific Plan, any affordable replacement units shall be replaced on the small lot subdivision project site.
7. **Density:** Density shall not exceed the density permitted by zoning of the original lot, which is the “lot area per dwelling unit” restriction for each zone as determined by the Venice Coastal Specific Plan, or when not explicit in the Specific Plan, the Los Angeles Municipal Code.

## APPENDIX B PRE-FILING PREPARATION LIST AND MEETING FORM

### Small Lot Meeting Request:

#### Prior to Meeting:

Our goal is to ensure that your meeting goes as smoothly as possible. In preparation for your time with the Planning Department staff, please carefully read through, complete, and return (electronically) two (2) business days prior to your appointment day, the required information contained in this checklist to ensure that items that need attention are addressed during the course of the meeting.

1. Read through Small Lot Ordinance No. 176354. You can find it on:
  - <http://cityplanning.lacity.org/>
  - click on Policy Initiatives
  - click on Housing
  - click on Small Lot Subdivision (Townhome) Ordinanceor
  - Full address:  
(<http://cityplanning.lacity.org/PolicyInitiatives/Housing/Small%20Lot/SmallLot-DesignGuide.pdf>)
  
2. Also, read through:
  - Small Lot Guidelines
  - FAQ sheet
  - Notes
  
3. Bring 3 copies each of the following:
  - Small Lot Meeting form (pages 2 and 3)
  - Full ZIMAS property report with map (<http://zimas.lacity.org/>)
  - Site or Plot plans with dimensions, lot areas, driveways, etc.

**PART 1: GENERAL INFORMATION**

Fill in the following information and return this form to the at least two (2) business days prior to your scheduled meeting date.

Case Number: (if applicable)	
Address / Location / Neighborhood:	
Case Planner: (if applicable)	
Project Description:	
Objective from meeting with UDS, Subdivision or Expedited:	

**PART 2: SUPPLEMENTAL DOCUMENTATION**

Provide the following materials (if available) in electronic/digital format. (Email is preferred)

1. Entitlement Application
2. Project Architectural Plans (Floors/Elevations/ Sections)
3. Site Plan
4. Site Photos, and Adjacent Property Photos
5. Aerial Photos
6. Landscape Plans
7. Radius Map
8. Zoning Map

**PART 3: PROJECT DESCRIPTION**

Name(s)/relationship of people presenting the proposed project:

Name: _____	Name: _____
Company: _____	Company: _____
Phone: _____	Phone: _____
Email: _____	Email: _____
Owner__Engineer__Developer__Architect__	Owner__Engineer__Developer__Architect__
Other: _____	Other: _____

Existing Zoning: \_\_\_\_\_ Proposed Zoning: \_\_\_\_\_

Applicable uses on adjacent properties

Single family	Apartments	Commercial	Condos
Industrial	School	Park	Other: _____

Proposed number of lots and units: \_\_\_\_\_

Proposed number of guest parking spaces on-site: (if applicable) \_\_\_\_\_

Front yard setbacks on adjacent and nearby properties: \_\_\_\_\_

Proposed lots range in area from: \_\_\_\_\_ sq. ft. to: \_\_\_\_\_ sq. ft.



## FREQUENTLY ASKED QUESTIONS

### **Does the Small Lot Ordinance require a home owners association?**

No, you do not need a home owners association (you can have one if you like). Instead, you can use a maintenance association formed to maintain the areas used in common, e.g. driveways, landscape, trash location, etc.

### **Do you have to identify each proposed lot?**

Yes. You need to show the lot lines on the tract map or parcel map for all proposed lots and must indicate the front yards of each.

### **What do I do with common areas such as parking and landscape?**

You can record reciprocal easement in these common areas.

### **Can parking spaces be separate from dwellings?**

Yes. Parking spaces may be grouped together on a separate lot within the boundaries of the tract or parcel map. You may not place grouped parking under the development – the lots must remain fee simple.

### **What is the minimum size a lot can be?**

Small lots must be at least 600 s.f.

### **Does this Ordinance apply to R2 Zoning?**

This Ordinance almost never applies to R2 Zoning. Please consult the Department of City Planning Geoteam if you are considering an R2 lot.

### **What about setbacks required for the Small Lot Ordinance?**

No front yard setbacks are required within an approved small lot subdivision. However, a five foot setback is required from any property adjacent to the perimeter of the small lot tract or parcel map.



### **What about fences and walls?**

Fences and walls within 5 feet of the front lot line (see FAQ above) shall be no more than 42 inches in height. Fences and walls within five feet of the side and rear lot lines shall be no more than 6 feet in height.

### **Why are you asking for all of the setback dimensions during the tract or parcel map approval process?**

If you wish to begin construction before the final map records, then you must also file a Zoning Administrator Case for all setbacks that deviate from the Los Angeles Municipal Code as if the Lots have not recorded.

### **What are the requirements for tract/parcel map filings?**

1. Tract maps must be filed as Vesting Tentative Tract Maps with accompanying site plan layout, elevations and other illustrative information. Site plan layout is to be superimposed on proposed lot lines.
2. Parcel Maps must be filed with accompanying site plan layout, elevations and other illustrative information. Site plan layout is to be superimposed on proposed lot lines.
3. Entitle tentative map or preliminary parcel map:  
“Vesting Tentative Tract Map No. \_\_\_\_\_ (or “Preliminary Parcel Map No. \_\_\_\_\_”) for Small Lot Subdivision Purposes”
4. Each Tentative tract or Preliminary parcel map must include:

“NOTE: Small Lot Single Family Subdivision in the \_\_\_\_\_Zone, per Ordinance No. 176,354.”

### **What are requirements for the maps?**

1. Reciprocal easements: Easement(s) outside of the building envelopes shall be identified for any underground utilities – water, sewer, gas, irrigation etc. – that serve all homes and must cross over other lots to serve those homes.
2. Easement(s) outside of building envelopes must be identified for electrical, cable, satellite, telephone or similar lines for the same reason.
3. Easement(s) outside the building envelope must be identified for vehicular, pedestrian access across lot lines; and drainage across property lines.

**When can I submit construction drawings to the Department of Building and Safety for Plan Check?**

The Department of Building and Safety will ONLY accept construction drawings for Plan Check after the effective date of the Advisory Agency approval under the Small Lot Ordinance of a subdivision for the division of land (Tract or Parcel Map). The early submittal must be accompanied by an effective Zoning Administrator determination specifically permitting deviations from the Zone Code for setbacks/separation between buildings as if the map has not recorded.

**How long will it take to get my plans approved?**

We advise that you check with the Department of Building and Safety for their Plan Check procedures (including expediting review); with the relevant Geoteam in the Planning Department for the subdivision approval times. Projects may pay an extra fee for expedited review through the Planning Department's Expedite Section – the procedure takes approximately 90 days.

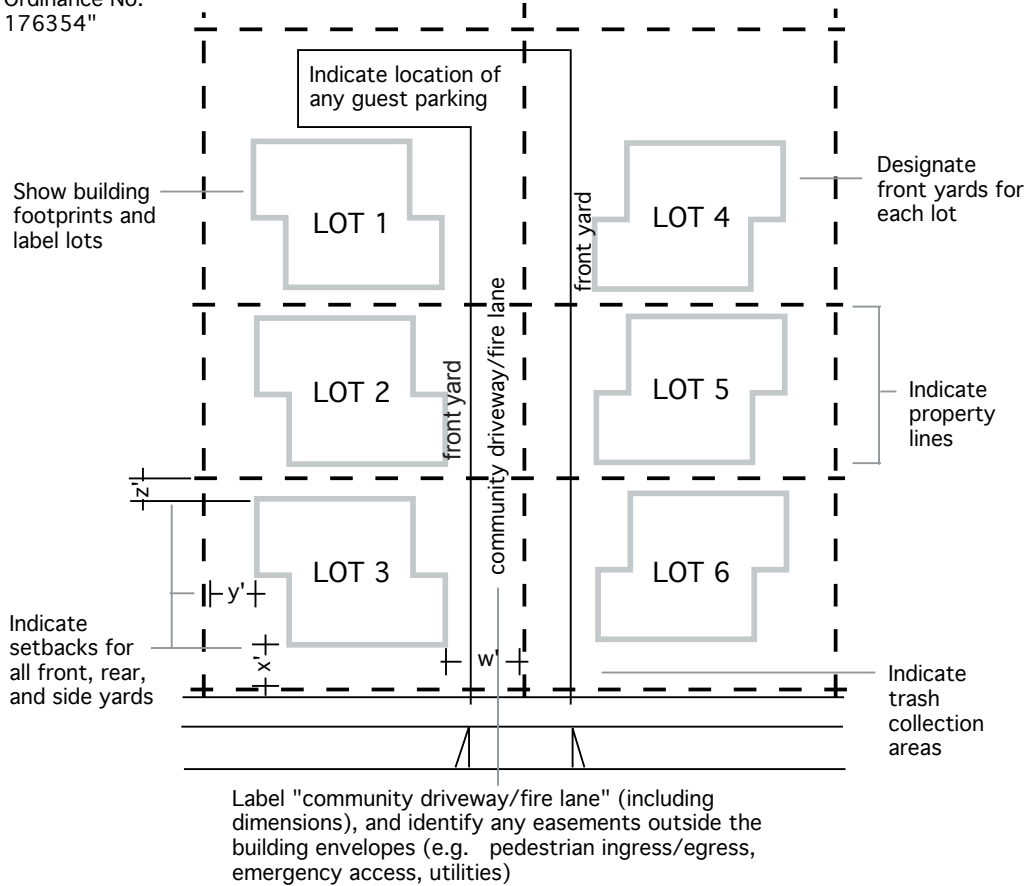
APPENDIX C  
SAMPLE SUBDIVISION LAYOUT

SETBACK CHART

LOT #	Front Yard	Rear Yard	Side	Side
1	x'	x'	x'	x'
2	x'	x'	x'	x'
3	x'	x'	x'	x'
4	x'	x'	x'	x'
5	x'	x'	x'	x'

VESTING TENTATIVE  
TRACT MAP for SMALL LOT  
SUBDIVISION PURPOSES<sup>1</sup>

Include in Notes Section:  
"Note: Small Lot Single Family Subdivision in the \_\_\_ Zone, pursuant to Ordinance No. 176354"



1. All other information required by Sec. 17.00 for filing is also required but is not shown in this example.

For more information about the City of Los Angeles Small Lot Subdivision Ordinance, Small Lot Design Guidelines, and additional resources, visit the following:

Small Lot Subdivision Ordinance:

[http://clkrep.lacity.org/onlinedocs/2004/04-1546\\_ORD\\_176354\\_01-31-2005.pdf](http://clkrep.lacity.org/onlinedocs/2004/04-1546_ORD_176354_01-31-2005.pdf)

Small Lot Design Guidelines:

<http://urbandesignla.com/resources/SmallLotDesignGuidelines.php>

California Green Building Standards Code (Cal Green):

[http://www.documents.dgs.ca.gov/bsc/CALGreen/2010\\_CA\\_Green\\_Bldg.pdf](http://www.documents.dgs.ca.gov/bsc/CALGreen/2010_CA_Green_Bldg.pdf)

City of Los Angeles Low Impact Development Best Management Practices Handbook:

[http://www.lastormwater.org/wp-content/files\\_mf/lidhandbookfinal62212.pdf](http://www.lastormwater.org/wp-content/files_mf/lidhandbookfinal62212.pdf)

Standard Urban Stormwater Mitigation Plan (SUSMP) and Low-Impact Development (LID) Ordinance (No. 181899):

[http://clkrep.lacity.org/onlinedocs/2009/09-1554\\_ord\\_181899.pdf](http://clkrep.lacity.org/onlinedocs/2009/09-1554_ord_181899.pdf)

Storm Water Pollution Control Ordinance (No. 173494):

[http://clkrep.lacity.org/onlinedocs/1999/99-2420\\_ORD\\_173494\\_09-14-2000.pdf](http://clkrep.lacity.org/onlinedocs/1999/99-2420_ORD_173494_09-14-2000.pdf)

Landscape Ordinance (No. 170978):

[http://clkrep.lacity.org/onlinedocs/1992/92-0043\\_ORD\\_170978\\_04-03-1996.pdf](http://clkrep.lacity.org/onlinedocs/1992/92-0043_ORD_170978_04-03-1996.pdf)

Alternative Paving Material Ordinance (No. 182431):

[http://clkrep.lacity.org/onlinedocs/2011/11-1331\\_ord\\_182431.pdf](http://clkrep.lacity.org/onlinedocs/2011/11-1331_ord_182431.pdf)

## ACKNOWLEDGEMENTS

### **MAYOR**

Eric Garcetti

### **CITY COUNCIL**

District 1: Gilbert Cedillo

District 2: Paul Krekorian

District 3: Bob Blumenfield

District 4: Tom LaBonge

District 5: Paul Koretz

District 6: Nury Martinez

District 7: Felipe Fuentes

District 8: Bernard Parks

District 9: Curren D. Price, Jr.

District 10: Herb J. Wesson, Jr.

District 11: Mike Bonin

District 12: Mitchell Englander

District 13: Mitch O'Farrell

District 14: Jose Huizar

District 15: Joe Buscaino

### **CITY PLANNING COMMISSION**

Renee Dake Wilson, FAIA, President

Dana Perlman, Vice President

Robert L. Ahn, Commissioner

David H. Ambroz, Commissioner

Maria Cabildo, Commissioner

Caroline Chloe, Commissioner

Richard Katz, Commissioner

John W. Mack, Commissioner

Marta Segura, Commissioner

### **PLANNING DEPARTMENT**

#### **EXECUTIVE OFFICE**

Michael J. LoGrande, Director

Alan Bell, Deputy Director

Lisa Webber, AICP, Deputy Director

Eva Yuan-McDaniel, Deputy Director

### **DEPARTMENT STAFF**

Simon Pastucha

Head of the Urban Design Studio

### **INTERNS**

Connie Chauv

Alan Como

Elizabeth Ene

Brian Garcia

June Scott

Special thanks to all the designers, consultants, and developers who assisted in the creation of this document.

---

**URBAN DESIGN STUDIO**

LOS ANGELES DEPARTMENT OF CITY PLANNING

200 N. Spring Street, Room 705

Los Angeles, CA 90012

---