



Non-Profit Housing Association of Northern California

## KEY HOUSING ELEMENT STRATEGIES FOR BAY AREA COMMUNITIES

**Greenbelt Alliance and the Non-Profit Housing Association of Northern California (NPH) suggest that the following strategies can strengthen local housing elements and create affordable, greenbelt-friendly housing in nearly every Bay Area community:**

### **Summary of Key Strategies**

- ◆ Identify Sufficient Land for Compact Affordable Housing Development
- ◆ Increase Densities & Adopt Appropriate Parking Requirements
- ◆ Zone for Smart Growth
- ◆ Create or Increase Local Funding for Affordable Housing
- ◆ Inclusionary Housing Zoning
- ◆ Stabilize and Preserve Existing Affordable Housing

### **Strategy #1: Identify Sufficient Land for Compact Affordable Housing**

**Development** Through the housing element, cities are required to identify an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment. Re-zoning and re-using underutilized land and buildings is an effective way to create affordable housing while rejuvenating neighborhoods and reducing sprawl. Communities can re-zone surplus public, industrial, institutional and commercial land for residential use, or for mixed-use development options. Many communities have a more than adequate supply of employment-generating land uses, and thus could rezone some surplus industrial and commercial land for residential use.

Communities *must* zone for “by right” multi-family housing development if the inventory of sites indicates that there are insufficient sites to meet the regional housing needs allocation. Communities should consider going even further by establishing affordable housing overlay zoning that permits, by right, the development of affordable housing on medium and high-density residential properties that are covered by the overlay.

**Strategy #2: Increase Densities & Adopt Appropriate Parking Requirements** Increasing general plan and zoning densities to allow for higher density

residential development is the most basic technique for increasing the potential supply of housing and providing housing choices. For example, Medium Density Residential zoning should allow at least 20 units to the acre, while High Density Residential zoning should allow at least 30 units to the acre. At a minimum, sufficient land should be zoned for multi-family development -- at densities that will make feasible the development of various types of housing -- to accommodate the unmet need for very low, low, and moderate income households identified in the Housing Element. Higher densities allow for more housing choices, by encouraging housing styles such as townhomes, condos, apartments and single-room-occupancy developments.

Jurisdictions should also make sure parking requirements are not excessive for the type and location of development. Senior, affordable, and transit-oriented housing have been shown to have lower parking needs. Parking standards can have a significant effect on affordability because the cost of developing structured parking is between \$20,000 and \$35,000 per space. Excessive parking requirements reduce the number of units that can be provided, add to the per-unit costs, encourage auto use, and reduce the potential for other amenities. For more information see [www.nonprofithousing.org](http://www.nonprofithousing.org)

**Strategy #3: Zoning for Smart Growth** Jurisdictions should proactively re-zone for infill development, transit-oriented development and mixed-use zones in order to encourage “Smart Growth.” Smart Growth refers to efforts and strategies that encourage infill development in existing communities where schools, shops, and transit already exist while conserving open space, farm land, and natural habitat. Jurisdictions should encourage higher density and mixed-use development along future and current transit corridors as well as downtown areas. For example, a mixed-use neighborhood zone might allow a mix of moderate density residential and neighborhood-serving commercial uses *as a matter of right*. In establishing such mixed use and higher density zones, reduced parking requirements should be incorporated and neighborhood design issues addressed. Putting housing close to transit and shops is especially important for lower income workers, seniors and others who can’t drive or don’t own a car, and increasing densities means transit systems will be better utilized.

#### **Strategy #4: Create or Increase Local Funding for Affordable Housing**

**A) Increasing Redevelopment Funds Targeted for Affordable Housing** is a very effective way to provide more support for affordable housing. California law requires that at least 20% of all redevelopment funds be set aside in a special fund to subsidize the construction and rehabilitation of low and moderate income housing. Many communities have increased this percentage to higher rates such as 30% or even 50%. Another important step is to target a large percentage of redevelopment funds to very-low income households (people at or below 50% of median income).

**B) Jobs/Housing Linkage Fees:** Jurisdictions can establish a job/housing linkage program that requires new industrial, commercial, and office development (i.e. any nonresidential development) to aid in the development of new housing affordable to very low, low, and moderate income households. In a linkage program, the city

establishes in-lieu fees, or allows the developer to provide (or cause to be provided) a certain number of affordable housing units. The amount of housing or in-lieu fees provided is usually related to the size of the new non-residential development project. Some of the cities and counties with linkage programs include: San Francisco; Livermore; Cupertino; Pleasanton; Sunnyvale; and Napa. Fees range from relatively low amounts (50 cents/sq. ft. in Pleasanton) to higher amounts (\$7.14 in Sunnyvale).

**C) Other local sources include municipal bonds, local taxes, and revenues** Many jurisdictions have established Housing Trust Funds with a dedicated source of on-going public revenue such as the real estate transfer tax or jobs-housing linkage fees. This can be done by raising special taxes or redirecting the revenues of existing taxes. It is also common to receive additional funds such as appropriations or contributions from a community's general fund. Communities can also use General Obligation (GO) Bonds, Mortgage Revenue Bonds (MRBs) and/or Tax-Exempt Revenue Bonds.

**Strategy #5: Inclusionary Housing Zoning** Jurisdictions should establish an inclusionary housing zoning ordinance, if the jurisdiction does not currently have one, or strengthen the existing ordinance, to provide for a minimum of 15% of the units in new developments to be targeted to lower and moderate-income housing. Inclusionary zoning works best when combined with density bonuses and other incentives such as fee waivers, reduced parking requirements, and/or expedited permit review. Ownership inclusionary units should be targeted to no more than 80-100% of median income and rental units should be targeted to 60-80% of median income and below. "In lieu fees" should not be encouraged; much more preferable is the transfer of land and the creation of deed-restricted units. Over 80 California cities and counties have adopted inclusionary programs that have resulted in the production of more than 25,000 affordable units. It works in such diverse jurisdictions as East Palo Alto, Emeryville, Half Moon Bay, Livermore, Mountain View, Napa, Pleasanton, San Francisco, San Rafael, and Sunnyvale.

**Strategy #6: Stabilize and Preserve Existing Affordable Housing** With housing costs rising rapidly, stabilizing the existing supply of affordable housing is often the first priority. Most communities also have a supply of publicly assisted housing that is at risk of being converted to market rate. Acquisition by building tenants or a non-profit is often needed to preserve this housing as affordable.

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**August, 2001**