2020-2021 Sustainable Communities Program

Housing and Sustainable Development
Call for Applications
1. SCP Housing and Sustainable Development Overview
   1. Julia Lippe-Klein, Lyle Janicek SCAG

2. Advancing Accessory Dwelling Unit (ADU) Implementation
   1. Helen Leung, LA Más
   2. Dori Ganetsos, UC – Berkeley

3. Housing Sustainability Districts, Workforce Housing Opportunity Zones, and Housing Supportive Tax Increment Financing Districts
   1. Lyle Janicek, SCAG
   2. Kimberly Clark, SCAG

4. Objective Development Standards for Streamlined Housing, Prohousing Designation Program and Parking Innovation
   1. DC Navarrette, California Department of Housing and Community Development
   2. Jing Yeo, City of Santa Monica

5. Question and Answer
Discussion Logistics

1. Please hold your questions for the Q/A session at the very end. If you cannot stay for the whole presentation, please add your question to the chat followed by your email address so we can get back to you.

2. Please take care to Mute your audio/phones when not speaking.
   • When using the phone, to mute and unmute your phone press *6

3. You can ask questions by:
   • Using the “Raise Hand” feature when clicking on “Participants” at the bottom of your screen
     • Press *9 when using the phone
   • Type it into the chat box
   • If preferred, save your questions for the Q&A session at the end

4. The presentation slides will be emailed to those who registered to participate in today’s meeting
Regional Early Action Planning (REAP) Program

Partnerships and Outreach

• Sub-Regional Partnership Program
• Call for Collaboration
• Education
  • Local leadership academy
  • Other outreach
• Stakeholder engagement

Regional Policy Solutions

• Regional Action Plan with SCS Integration
• Policy Analyses and white papers
• Data-based tools and resources for local housing programs

SCS Integration

• Sustainable Communities Program
• TOD analysis with transportation agencies
• Priority growth area capacity analysis
Sustainable Communities Program (SCP)

- **Growth Visioning** (2000 - 2004)
- **Compass Blueprint** Growth Vision (2004)
- **SB375 Target Setting** (2010)
- **Compass Blueprint Call for Proposals** (2010)
- **Sustainability Grants Call for Proposals** (2013)
- **Compass Blueprint Growth Vision** (2016)
- **Sustainability Grants Call for Proposals** (2016)
- **2008 Advisory Regional Growth Plan** (2008)
- **2010 Regional Transportation Plan / Sustainable Communities Strategy (RTP/SCS)** (2010)
- **2012 Regional Transportation Plan / Sustainable Communities Strategy (RTP/SCS)** (2012)
- **2016 RTP/SCS** (2016)
- **Sustainable Communities Call for Applications** (2016)
- **Sustainable Communities Call for Applications** (2018)
- **Active Transportation Call for Proposals** (2017)
- **Active Transportation Call for Proposals** (2020)
2020 Sustainable Communities Program (SCP): Program Goals

- Provide Needed Planning Resources
- Promote & Address Health & Equity
- Reduce VMT & GHG Emissions
- Support the Implementation of Key Strategies and Goals of Connect SoCal's SCS
- Support Connect SoCal's Key Connections
- Support a Resilient Region
- Support the Region's Competitiveness for Federal & State Funds
Supports implementation of 2020 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), *Connect SoCal*

Provides **multiple opportunities** to seek funding and resources to meet the needs of communities, address recovery and resiliency strategies considering COVID-19, and support regional goals.
Housing and Sustainable Development Goals

- To encourage development and preservation of diverse housing types in areas that are supported by multiple transportation options;
- To create dynamic, connected, built environments that support multimodal mobility, reduce reliance on single-occupant vehicles, and reduce VMT;
- To reduce greenhouse gas emissions and improve air quality;
- To support healthy and equitable communities;
- To complement and increase competitiveness for state funding programs, including by increasing the number of cities with “pro-housing local policies” focusing on location efficient development and access to opportunity to receive preference in designated state programs;
- To employ strategies to mitigate negative community impacts associated with gentrification and displacement and achieve equitable outcomes.
Application Submission Process

- Online form application
- Approx. 45-60 mins. to complete, when content has been prepared
- In addition to completing the online form, approx. 8-12 hours of commitment needed
Application Scoring Criteria

- Focus Area 1: Project need – 55 points
- Focus Area 2: Desired Project Outcomes – 30 points
- Focus Area 3: Partnerships and Engagement – 15 points
2020 Sustainable Communities Program (SCP): Housing and Sustainable Development Project Types

**Project Type 1:**
Advancing Accessory Dwelling Unit (ADU) Implementation

**Project Type 2:**
Housing Sustainability Districts, Workforce Housing Opportunity Zones, and Housing Supportive Tax Increment Financing Districts

**Project Type 3:**
Objective Development Standards for Streamlined Housing, Prohousing Designation Program and Parking Innovation
Advancing Affordable Accessory Dwelling Units (ADU) Implementation

Projects must:
• Result in planning products or programs that are clearly tied to accelerating housing production
• Engage the local community

Example project include:
• Accessory Dwelling Unit Ordinance
• ADU Accelerator Program
• ADU Handbook or Guide
• ADU Pilot Program
• ADU Incentive Programs
The Backyard Homes Project: An Affordable Housing Initiative
LA Más designs and builds initiatives that promote neighborhood resilience and elevate the agency of working class communities of color.

We envision a Northeast Los Angeles where communities of color have equitable access to the power and resources needed to shape their futures.
Los Angeles has 500,000+ single-family lots.
50% of all developable land in Los Angeles is zoned for single-family homes.
Accessory Dwelling Unit (ADU) Permit Applications*

January 2017 - June 2020

<table>
<thead>
<tr>
<th>Addition</th>
<th>Alteration</th>
<th>New Build</th>
<th>Total ADU Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,412</td>
<td>8,033</td>
<td>3,794</td>
<td>18,239</td>
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</tbody>
</table>

**ADUs by Permit Type**
- New Build 21%
- Alteration 44%
- Addition 35%

**Distribution of ADUs by Plan Area**
- Canoga Park - Winnetka - Woodland Hills - West Hills
- Reseda - West Van Nuys
- Sun Valley - La Tuna Canyon
- Northeast Los Angeles
- Van Nuys - North
- Sherman Oaks
- North Hollywood - Valley Village
- South Los Angeles
- Arleta - Pacoima

**Plan Area**
- Submitted Applications
  - Total: 18,239

**Permit Type**
ADUs can be created through additions or alterations to existing structures, such as garages, or through brand-new construction.

**Project Stage**
Building an ADU requires three steps:
1. Submission of a permit application
2. Issuance of a permit allowing construction to proceed
3. Issuance of a Certificate of Occupancy for habitation

Since State law changed in January 2017, a total of **18,239** ADU applications have been submitted, **13,086** have been issued, and **6,443** have been granted Certificates of Occupancy.

*Data provided by Los Angeles Department of Building and Safety*
City of LA ADU Pilot Project
County of LA
ADU Pilot Program

Free Money + Technical Help

New Home for Formerly Homeless
• 3% of applicants receive a voucher.
• 76% of voucher holders get rejected by a landlord.
• 40% of vouchers get returned.
The Backyard Homes Project

[Diagram showing the relationship between incentive program, homeowner & landlord, new ADU, and low-income tenant.]
5 focus groups

100+ homeowners
HOMEOWNERS who want an ADU, but need help

INCENTIVES
- Program Management
- Design
- Permitting
- Construction Management
- Financing
- Landlord Training
- Tenant Support

NEW ADU: Increased equity and more affordable housing for LA
<table>
<thead>
<tr>
<th>Total Cost</th>
<th>NEW CONSTRUCTION:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Studio: $115K</td>
</tr>
<tr>
<td></td>
<td>• One Bedroom: $150–$165K</td>
</tr>
<tr>
<td></td>
<td>• Two Bedroom: $180–$220K</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GARAGE CONVERSION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Studio: $100K</td>
</tr>
<tr>
<td>• One Bedroom: $120K</td>
</tr>
<tr>
<td>• Two Bedroom: $150K</td>
</tr>
</tbody>
</table>
Garage Conversion (1BR)

- Cost: $120,000
- Size: 381 SF
- Features: 1 Bed, 1 Bath

About the Home
The Garage Conversion creates a charming ADU out of your existing garage. The unit shown here is based on a standard garage, with a compact addition added onto the front, but it can be adapted to work with the dimensions of your specific garage. The 1-bedroom version includes a kitchen, dining area with a built-in table, living area, and a separate bedroom and bathroom.

Exterior Styles
- Craftsman
  - This style is inspired by the Craftsman homes found throughout LA, typically characterized by pitched roofs and wood detailing.
- Modern
  - This style is characterized by minimalist, clean lines, and simple forms.
- Spanish
  - This style is inspired by traditional Spanish architecture. It often features arched windows and doorways.

*Note that for garage conversions, the roof will be dependent upon your existing structure.

Studio (Conversion or New)

- Cost: $100,000
- Size: 374 SF
- Features: Studio, 1 Bath

About the Home
The Studio creates a charming, compact ADU as a new build or out of your existing garage. The unit shown here is based on a standard garage, working only within the existing footprint, but it can be adapted to work with the dimensions of your specific site and budget. The studio includes a combination living/sleeping zone, connected to a living/dining area, along with a separate bathroom.

Exterior Styles
- Craftsman
  - This style is inspired by the Craftsman homes found throughout LA, typically characterized by pitched roofs and wood detailing.
- Modern
  - This style is characterized by minimal, clean lines, and simple forms.
- Spanish
  - This style is inspired by traditional Spanish architecture. It typically features a covered outdoor patio with columns, along with arched openings.

*Note that for garage conversions, garages are upgraded and the roof will be dependent upon your existing structure.
Included Features

In addition to the appliances and features that are included in all units, there is also a group of Special Features that come with your new ADU at no extra cost. These Included Features include Built-in Furniture and your choice of Floor and Wall Treatments.

Built-In Furniture

- Living Room Desk
  - Unit: Micro-Unit
- Bedroom Desk
  - Unit: Naples
- Bedroom Desk
  - Unit: L-Shape
- Window Table
  - Unit: Micro-Unit
- Window Seat
  - Unit: L-Shape
- Kitchen Island Table
  - Unit: L-Shape
- Kitchen Island Table
  - Unit: Garage Conversion

Upgrade Features

In addition to the appliances, features, and furniture that are included in all units, there are also Upgrade Design Features that you can choose to add to your new ADU. These Upgrade Features will incur additional costs. Prices will be quoted on a case-by-case basis.

Cabinets & Built-In Furniture

- IKEA Storage Wall
- Custom Storage Wall

Wall Treatments

- Wallpaper
- Fabric Panels
- Scored & Stained Concrete

Floor Treatments

Outdoor

- Privacy Screen
- Planter
- Site Landscaping
ADU Permanent Mortgage Product Terms

- Fully underwritten first mortgage that includes ADU costs

- Fixed rate, no PMI, 10/15/20/30 yr terms available

- Interest rate based on loan-to-value & credit score

- Mortgage used to repay existing mortgage & fund ADU
HACLA's Role

- To monitor homeowner participation for 5 years
- To streamline property approval process with one point of contact
Reach

2
Co-hosted 2 Open Houses

15
Shared Info with all 15 Council Districts

18
Spoke at 18 Neighb. Council Meetings

25
Presented at 25 Organizations

1000
Engaged ~1000 People in LA

170
170+ Applications
Homeowner Spotlight:
Meet La Juana

“There were so many things I was going to have to do on my own. Your program solved the housing problem and my problem of not having to find all of these people. Just having all of that taken care of with one point person to deal with – to me, it’s extremely valuable.”
Challenges

- Vetting takes **A LOT** of time
- **A new mortgage product is COMPLEX**
- Predatory competitors set **FALSE** expectations
- **Homeowner decision-making is SLOW**
Lessons Learned

- Perfection is not always necessary
- Evaluate processes constantly
- Cash is king
<table>
<thead>
<tr>
<th>Impact</th>
</tr>
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<tbody>
<tr>
<td>- Homeowners build equity!</td>
</tr>
<tr>
<td>- 10+ low income families have a home in 2020</td>
</tr>
<tr>
<td>- New participants in Section 8 program</td>
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<tr>
<td>- Piloting a program not reliant on public subsidy</td>
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<tr>
<td>- Pathway for homeowner to provide affordable housing</td>
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</table>
Program Expansion

- Program expands to unincorporated Los Angeles County
- $1.5M
- Homeowner cash incentives
- Partnership with LA County Development Authority
What’s Next

- Growing the program in partnership with LA County
- Reducing development costs for homeowners
- Expanding the tent of affordable ADU advocates
- Focusing on a place-based strategy
ADU Best Practices

Dori Ganetsos - Graduate Student Researcher
UC Berkeley Center for Community Innovation
Our Research

- Center for Community Innovation + Terner Center

- [Aducalifornia.org](http://Aducalifornia.org)
  - Includes ADU “Best Practices” page - highlighting best practices across the state

- Reports published:
  - The ADU Scorecard: Grading ADU Ordinances in California
  - Researching California’s ADU Potential: Progress to Date and the Need for ADU Finance
  - ADUs in California: A Revolution in Progress
Models to Follow, and Common Programmatic Pain Points
ADU Ordinances

● Make sure they comply with State Legislation as set forth in HCD’s Technical Assistance Handbook (it’s actually helpful!)
● Contact HCD (adu@hcd.ca.gov) for additional TA assistance
● If possible, consider
  ○ ADU Bonus programs (in exchange for affordability requirements)
    ■ City of Carlsbad, Town of Ross
  ○ Limiting design review standards
  ○ Reducing/eliminating parking standards
  ○ Allowing large ADUs (1,200 sqft)
Permitting and Outreach

- Lack of awareness around potential to build ADUs = 2nd largest barrier to production in the state
- Consider:
  - Creating designated ADU website
  - Having a designated ADU planner (or team) with a public facing email address where homeowners can ask technical ADU questions
    - See: San Jose’s ADU Ally
  - Designated ADU counter, or, designated ADU office hours at (e) planning counter
  - Publishing resources on:
    - All City Code Requirements (in plain language)
    - What the Permitting Process will look like
    - Cost estimates and city fees (see Napa Sonoma Cost Estimator)
    - Resources on how to be a landlord - can be intimidating
Models to Follow

- City of Folsom ADU Design Workbook
- City of San Diego Companion Unit Website
- City of Calabasas ADU Webpage
- San Mateo County ADU Website
- City of Santa Cruz ADU Website
Pre-Approved Plans and Prototypes

- **Highly Recommend** development of pre-approved plans and prototypes
  - Expedited approvals (no surprises in the plans)
  - City/County is guaranteed to be happy with the resulting unit (no back and forth over layout, code-compliance, or design interpretation)
  - Homeowners more likely to start (and complete!) the process
    - Guaranteed approval = mitigates fear over years long processes, expensive revision requests, etc. Homeowner “knows what they are getting in to” and can get better cost estimates up-front
  - Consider modular construction or pre-fab units to lower total construction costs
  - **Can share pre-approved plans across jurisdictions to lower costs**
    - E.g. San Diego County, City of San Diego, and Encinitas all use same pre-approved plans
Models to Follow

- **San Diego County**, City of San Diego, **Encinitas**
- **City of Los Angeles**
- **Humboldt County**
- **City of San Jose**

*Photo sourced from: https://encinitasca.gov/pradu*
ADU Finance + Affordability

- Lack of financing for ADU construction = top barrier to development
  - ADUs are typically added to newly purchased homes, where homeowner was able to get a mortgage payment (and has cash on hand to do renovation + addition work)
  - Other financing option (besides cash savings) = pulling equity out of home (not ideal)

- Work with local banks to issue construction loans for the development of ADUs
  - Ideally, with more lenient lending standards than a conventional mortgage loan to make these loan products accessible to lower income residents, and communities of color who have historically been excluded from - or harmed by - these financial institutions

- Other creative partnerships (nonprofits, multi-jurisdictional)

- Density Bonuses (or other benefits, like City finding a tenant) in exchange for affordability controls
Models to Follow

- LA Más Backyard Homes Project
- LA ADU Accelerator Program
- Clovis Cottage Home Program
- Monterey Bay: My House My Home Program
- San Mateo County: One Stop Shop Program
- Santa Cruz County: ADU Forgivable Loan Program

- Density Bonuses:
  - City of Carlsbad
  - Town of Ross

The LA ADU Accelerator Program
The LA ADU Accelerator Program is a one-stop-shop for homeowners interested in renting their ADUs to older adults as affordable rentals.
Thank you!

dori_ganetsos@berkeley.edu
Aducalifornia.org

4DU Constructed by Lanefab, Photographed by Collin Perry
Projects must:
• Result in planning products or programs that are clearly tied to accelerating housing production
• Engage the local community

Example project include:
• Fair housing analysis,
• Identifying potential areas for affordable housing
• Developing equity-based housing policies and programs.
• Workforce Housing Opportunity Zones
• Implementing Tax increment financing districts
Housing Sustainability Districts – AB73

- Housing Sustainability Districts gives local governments incentives to create housing on infill sites near public transportation.

- The law prescribes the contents of the ordinance that must be established to create a Housing Sustainability District, including the obligation to require that at least 20 percent of the residential units constructed within the district are affordable.

- The law requires the agency to prepare an EIR when designating a Housing Sustainability District. However, an EIR is not required if, when reviewing a housing project, the agency has certified an EIR within 10 years of the lead agency’s review of a housing project.

- Notably, the law requires that prevailing wages be paid, and a skilled workforce be employed in connection with all projects within the Housing Sustainability District.
Workforce Housing Opportunity Zones – SB540

• Adopt a specific housing development plan that minimizes project level environmental review.
• Requires at least 50 percent of total housing units within that plan to be affordable to persons or families at or below moderate income, with at least 10 percent of total units affordable for lower income households.
• Developments projects must use prevailing wage.
Housing Supportive Tax Increment Financing

Kimberly Clark
Sustainability Department
December 2, 2020
Refresher: What is Tax Increment Financing (TIF)?

Example:

• City X creates TIF District in 2016
• City X receives $1,000,000 in property taxes revenue in 2016 from properties within the TIF district
• Property tax revenue increases each year in the TIF district
• City X receives baseline $1,000,000 (grey) and TIF district captures all increases above the $1,000,000 (yellow)
• TIF district terminated in 2061, all property tax revenue goes to City X
**Potential Funding Sources**

- Property tax revenue
- Vehicle license fee (VLF) prop. tax backfill increment
- Development Agreement / impact fees
- Benefit assessments (e.g. contribution from CFD)
- Local transportation funding (e.g. Measure M/R)
- Private investment

**Federal & State Sources**

- Cap-and-Trade / HCD grant & loan programs (AHSC, IIG, TCC)
- Prop 1 bond funds / Prop 68
- SB 1 Road funds
- SB 2 Transfer Tax funds
- Federal DOT / EPA / EDA funding

**Infrastructure Examples**

- Affordable Housing
- Water and Sewage Infrastructure
- Broadband
- Parking
- Childcare Facilities
- Libraries
- Transit Facilities
- Parks and Open Space
- Brownfield Restoration
- Industrial Uses
- Transit Priority Projects
- Sustainable Communities Strategy Projects
- Waste Disposal Facilities
- Flood Control Infrastructure
- Climate Adaptation infrastructure

Among others…
Enhanced Infrastructure Financing Districts (EIFDs) (SB 628)
  - No affordable housing set-aside, but any units constructed must be affordable

Community Revitalization and Investment Authorities (CRIAs) (AB 2)
  - 25% affordable housing set-aside

Neighborhood Infill Finance and Transit Improvements (NIFTIs) (AB 1568 & SB 961)
  - 20% affordable housing set-aside; 40% for NIFTI-2’s

Affordable Housing Authorities (AHAs) (AB 1598)
  - 95% affordable housing set-aside

Infrastructure and Revitalization Financing Districts (IRFDs) (AB 229)
  - Districts developing housing have a 20% set-aside
Passed in 2014 by Sen. Beall, SB 628 allows cities to create specialized districts that utilize tax increment financing to fund a variety of sustainable infrastructure, transit, and affordable housing projects.

**GOVERNANCE AND BOND ISSUANCE**
- Formed through a Public Financing Authority (PFA)
- The PFA is made up of at least 3 members of the legislative body and two members of the public who live or work in the proposed district.
- The PFA adopts an Infrastructure Financing Plan (IFP) that details the development projects proposed for the district and how they will be funded via TIF
- Bond issuance does not require voter approval

**KEY CHARACTERISTICS**
- EIFDs have geographic flexibility, district boundaries can be drawn anywhere, can even be non-contiguous
- TIF revenues can be spent outside the district if close relationship to projects within the district
- No voter approval for plan adoption for PFA formation
- Can use property tax increment
- 45-Year district lifespan
- No Affordable Housing Set-Aside
Community Revitalization Investment Authority (CRIA)

Passed in 2015 by Sen. Alejo, AB 2 aims to revitalize disadvantaged communities through redevelopment projects. The bill allows cities to use property tax increment financing to fund projects in eligible areas.

**GOVERNANCE AND BOND ISSUANCE**

- Formed through a Joint Powers Agreement (JPA)
- The JPA is made up of at least 3 members of the legislative body and two members of the public who live or work in the proposed district.
- The PFA adopts a community revitalization and investment plan that details the development projects proposed for the district and how they will be funded via TIF.
- Adoption of the plan is subject to majority protest by property owners and residents in the district.

**KEY CHARACTERISTICS**

- The policy is modeled after the Community Redevelopment Law.
- 80% of the land in a CRIA must be "eligible census tracts".
- Bond issuance does not require voter approval.
- 45-year district lifespan.
- 25% affordable housing set-aside.
- 12 years of eminent domain.
- 10-year public hearing protest vote with property owners and residents.

**POTENTIAL USES**

- Low and Moderate Income Housing
- Various Infrastructure Projects
- Hazardous Substance Remedy or Removal
- Seismic Retrofits
NIFTI

Neighborhood Infill Finance and Transit Improvements
AB 1568

Passed in 2017 by Sen. Bloom, AB 1568 builds off of EIFD legislation by authorizing a city, county, or city and county to allocate local sales and use tax revenue or transaction and use tax revenue to an enhanced infrastructure financing district to fund projects in infill sites.

GOVERNANCE AND BOND ISSUANCE
- Formed through a Public Financing Authority (PFA)
- The PFA is made up of at least 3 members of the legislative body and two members of the public who live or work in the proposed district.
- The PFA adopts an Infrastructure Financing Plan (IFP) that details the development projects proposed for the district and how they will be funded via TIF.
- Bond issuance does not require voter approval

KEY CHARACTERISTICS
- District boundaries must be coterminous with the city boundaries
- TIF revenue can only be spent on an infill site defined by Section 21061.3 of PRC
- Can use sales and use tax and transaction and use tax increment in addition to property tax increment
- 45-Year district lifespan
- 20% affordable housing set-aside

POTENTIAL USES
- AFFORDABLE HOUSING
- CHILD CARE FACILITIES
- LIBRARIES
- TRANSIT FACILITIES
- PARKS AND OPEN SPACE
- BROWNFIELD RESTORATION
- INDUSTRIAL USES
- TRANSIT PRIORITY PROJECTS
- SUSTAINABLE COMMUNITIES STRATEGY PROJECTS
- WATER AND SEWAGE INFRASTRUCTURE
- WASTE DISPOSAL FACILITIES
- FLOOD CONTROL INFRASTRUCTURE
**NIFTI #2**

**Neighborhood Infill Finance and Transit Improvements #2**

**SB 961**

Passed in 2018 by Rep. Allen, SB 961 builds off of EIFD legislation by authorizing a city, county, or city and county to allocate local sales and use tax revenue or transaction and use tax revenue to an enhanced infrastructure financing district to fund projects near transit.

**GOVERNANCE AND BOND ISSUANCE**

- Formed through a Public Financing Authority (PFA).
- The PFA is made up of at least 3 members of the legislative body and two members of the public who live or work in the proposed district.
- The PFA adopts an Infrastructure Financing Plan (IFP) that details the development projects proposed for the district and how they will be funded via TIF.
- Bond issuance does not require voter approval but district subject to protest vote every 10 years.

**KEY CHARACTERISTICS**

- District boundaries must be coterminous with the city boundaries.
- TIF revenue can only be spent on projects within a ½ mile radius of a major transit stop (Sec. 20164.3 PRC).
- Can use sales and use tax and transaction and use tax increment in addition to property tax increment.
- 45-Year district lifespan.
- 40% affordable housing set-aside.
- 10% Park/Public Space set-aside.

**POTENTIAL USES**

- Affordable Housing
- Transit Capital Projects
- Transit-Oriented Development Projects
- Complete Streets
- Capital Projects
- Parking
- Programs to Reduce GHG Emissions by Reducing VMT and Automobile Trips
- Parks/Open Space/Urban Forestry/Greening Improvements
- Active Transportation Projects
POTENTIAL USES

LOW- TO MODERATE-INCOME HOUSING • AFFORDABLE WORKFORCE HOUSING • REMEDY OR REMOVAL OF HAZARDOUS SUBSTANCES

GOVERNANCE AND BOND ISSUANCE

- The AHA must be made up of an odd number of members (at least 5). At least 3 members from a legislative body and one member of the public who live or work in the proposed district.
- The AHA adopts an Affordable Housing Investment Plan that details the development projects proposed for the district and how they will be funded via TIF.
- Bond issuance does not require voter approval.

KEY CHARACTERISTICS

- A minimum of 95% of TIF revenue must be used on affordable housing development.
- District boundaries must be coterminous with the city boundaries to use sales and use or transaction and use tax increment.
- Can use property, sales and use, and transaction and use tax increment.
- 45-Year district lifespan.
• City / County joint EIFD
• Over $8 Million in infrastructure
• Will fund sewer & water improvements that help support new housing units near the upcoming Metrolink Station in Old Town Placentia
• Other improvements include transit supportive infrastructure, streetscape improvements, among others
EXAMPLE: City of La Verne / County of Los Angeles EIFD

- City / County joint EIFD
- Over $30 Million in Improvements anticipated
- Includes sewer and water infrastructure to expand housing supply near the upcoming Foothill Gold Line Station
- Will support 1,700 market rate and affordable housing units
Objective Development Standards for Streamlined Housing, Prohousing Designation Program and Parking Innovation

Projects must:
• Result in planning products or programs that are clearly tied to accelerating housing production
• Engage the local community

Example project include:
• Objective Development Standards for Streamlined Housing
  • Ordinance revisions, Policy amendments, Fee reductions
  • Other programs that focus on accelerating housing production
• Prohousing Designation Program
  • Implementing streamlined & objective development standards
  • Reducing development impact fees
• Parking Innovation
  • Parking strategies that significantly reduce parking
  • Parking Pricing Programs
  • Parking policies or programs that significantly reduce the cost of producing new housing
SCAG Housing Workshop
December 3, 2020

Prohousing Designation Program

DC Navarrette
CA Department of Housing and Community Development
Discussion Topics

• Program overview
• Prohousing regulations
• Next steps
Program Overview

- 2019-2020 Budget Act (AB 101)
- Program development process
  - Framework paper
  - Webinar
  - Feedback
- Collaborative development
Regulation Overview

- Regulation design
- Scoring
- Principles
- Benefits
Regulation Design

• Designed for flexibility
• Adaptable
• Address broader state goals
• Achievable but effective goals
Building on Consensus

- Reflects previously legislated policies
- Prohousing builds on these polices
- Rewards exceeding the legal requirements
Scoring Requirements

• 30 point minimum
• 1 item required per category
  • Favorable zoning and land use
  • Accelerating production timeframes
  • Reducing construction and development costs
  • Providing financial subsidies
Principles of Prohousing

- Increase development capacity, variety, streamlining
- Planning consistent with state priorities
- Promote equitable communities
- Collaborate to align policies and programs
- Implementation of relevant housing statutes
Principles of Prohousing

• Enhanced scoring
  • Demonstrate policies align with Principles
  • 1 additional point per scoring item

• Enforce compliance
  • Actions inconsistent with Principles
Designation Benefits

• Prohousing points in funding programs
  • AHSC
  • IIG
  • TCC
  • Could expand to other housing and non-housing sources
Funding Sources

• Adaptability

• Program can determine the use of a designation
  • Threshold
  • Binary for points
  • Break down to categories
  • Focus on enhancement factors
Next Steps

• Regulation and application publishing
• Outreach
• Review applications
• Publish list of designees
• Ongoing program development
Summary

• Questions and comments?
  • DC Navarrette
  • david.navarrette@hcd.ca.gov
Background

- Santa Monica is 8 square miles
- Has approx. 52,000 existing units; greater than 77% multifamily
- Approx. 27,000 rent control units

![Housing Type Chart](chart.png)
What Is the Program?

- Code-compliant housing projects in Santa Monica are approved administratively.
- Enacted through Interim Zoning Ordinance as initial action to support Housing Element Update.
Why Was the Program Pursued?

• Santa Monica has always provided incentives for housing development
• Core value of supporting affordable housing
• Recognize that production of affordable housing requires all tools
  • Private & Public Investment
  • Maximize inclusionary units in new housing projects + publicly-assisted housing

Much of Santa Monica is transit-accessible
Why Was the Program Pursued?

• Post-2015 housing projects coming forward for discretionary review requiring Planning Commission approval
  • HAA significantly reduces ability to deny housing projects
  • 100% affordable housing projects pursuing tax credits caught in process crunch due to set deadlines
  • Planning Commission questioned utility of public hearing process, particularly 100% affordable housing
<table>
<thead>
<tr>
<th>TIME PERIOD</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990s</td>
<td><strong>Administrative process for housing projects</strong>&lt;br&gt;With on-site inclusionary units in Downtown</td>
</tr>
<tr>
<td>2010</td>
<td><strong>Adopted Land Use and Circulation Element</strong>&lt;br&gt;Growth strategy emphasizing housing around Expo stations and commercial boulevards</td>
</tr>
<tr>
<td>2015</td>
<td><strong>Updated Zoning Ordinance</strong>&lt;br&gt;Established concept of an administrative process to incentivize housing</td>
</tr>
<tr>
<td>2017</td>
<td><strong>Adopted Downtown Community Plan</strong>&lt;br&gt;Development and process incentives for housing projects</td>
</tr>
<tr>
<td>2020</td>
<td><strong>Interim Zoning Ordinance</strong>&lt;br&gt;Creating administrative process for housing projects</td>
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</tbody>
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What Were Challenges?

• Concern about eliminating all public input
  • Typical objection usually regarding circulation design
  • Design review process became proxy for “public input” but process is not designed for that purpose

• How to include public input in administrative process
  • Require applicants to demonstrate meaningful attempts to incorporate feedback BEFORE an application is submitted
What Have Been Outcomes?

• Interest particularly from 100% affordable housing developers
  • Combined with AB1763 density bonus incentives

• Projects previously entitled or mid-stream on discretionary process have expressed interest in administrative process
How Will This Facilitate Housing?

- Creates certainty in the timeline of the process and guarantee of approval
- Administrative process means that clear rules must be established and are known to all
• Revise parking standards that result in the production of new housing
• Planning assistance to help jurisdictions implement new parking regulations that support housing production, reduce housing costs and reduce VMT
• Revise parking standards as part of adoption of SB743 VMT impact mitigation strategies
  • Reduce vehicle miles traveled between housing and job centers
  • Increase average vehicle ridership
• Units over 550 square feet shall provide a minimum of 1.5 spaces per unit to a maximum of 1.75 spaces per unit.

• Units of 550 square feet or less shall provide a minimum of 1 space per unit to a maximum of 1.25 spaces per unit.

• The parking requirement may be further reduced through a parking demand study and approval of a minor conditional use permit.
### Housing and Sustainable Development: Schedule

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>Call for Applications Opens</td>
<td>November 9, 2020</td>
</tr>
<tr>
<td>Application Workshop</td>
<td>December 2, 2020</td>
</tr>
<tr>
<td>Application Deadline</td>
<td>January 15, 2021</td>
</tr>
<tr>
<td>Regional Council Approval of 2020 SCP Projects</td>
<td>March 4, 2021</td>
</tr>
<tr>
<td>Projects Begin</td>
<td>2021-2022</td>
</tr>
<tr>
<td>Final Work and Invoices Submitted</td>
<td>June 30, 2023</td>
</tr>
</tbody>
</table>
Additional Resources

- Program Fact Sheet
- One-to-One Application Coaching

Application Resources

- Housing and Sustainable Development (HSD) Fact Sheet
- Frequently Asked Questions (FAQ) – Coming Soon
- Best Practice Examples
  - City of La Verne – EIFD
  - City of Placentia – EIFD
  - Ojai – ADU Ordinance
  - City of Santa Monica – Streamlining
  - Los Angeles – ADU Ordinance
  - ADU Guide of Los Angeles County

For questions regarding the Sustainable Communities Program, please contact Hannah Brunelle at (213) 236-1907 or brunelle@scag.ca.gov
Discussion Logistics

1. Please take care to Mute your audio/phones when not speaking.
   • When using the phone, to mute and unmute your phone press *6

2. You can ask questions by:
   • Using the “Raise Hand” feature when clicking on “Participants” at the bottom of your screen
     • Press *9 when using the phone
   • Type it into the chat box
   • If preferred, save your questions for the Q&A session at the end

3. The presentation slides will be emailed to those who registered to participate in today’s meeting
Question & Answer Session

• SCAG Staff
  • Lyle Janicek
  • Grieg Asher
  • Julia Lippe-Klein
  • Hannah Brunelle
  • Kimberly Clark

• Guest Panelists
  • Helen Leung, LA Más
  • DC Navarrette, California Department of Housing and Community Development
  • Jing Yeo, City of Santa Monica
Thank You

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