

Mayor
John Murray
Mayor Pro Tem
John Grego
Councilmember
Mary Hornsby
Ed Martin
Willard Rodarmel



**Redevelopment
Division**

119 Fox Street
Lemoore • CA 93245
Phone • (559) 924-6701
FAX • (559) 924-9003

Staff Report

ITEM NO. 8

To: Lemoore City Council
From: Brooke Austin, Housing Specialist
Date: February 27, 2008
Subject: Proposed Inclusionary Housing Ordinance

Discussion:

Staff has been researching the concept of Inclusionary Housing for nearly two years and provided Council with several Staff Reports on the subject. At the November 6, 2007 City Council Meeting, staff was directed to bring back the framework of a possible ordinance for Council action.

Proposed Inclusionary Program:

- All single family residential developments that propose to build more than 20 units should be required to provide 10% of the total units at a price affordable to low-income families. Developers could be required to construct at least 5% of the units themselves and have the option of deeding to the RDA the land necessary to construct the remaining 5% of the units.
- Condominium developments should be required to provide 15% of the total units to affordable families with 10% sold at a price affordable to low-income families and 5% sold at a price affordable to very-low income families.
- Multi-family residential rental developments should be required to provide 20% of the total units to affordable families with 10% at rents affordable to low-income families and 10% at rents affordable to very-low income families.
- Affordable housing units shall architecturally complement the proposed or existing subdivision's housing stock. In addition, the maximum allowable sales price will be determined based on the California Community Redevelopment Law definition of affordable for the targeted income household.

Proposed Developer Incentives:

- City/RDA will handle the administration of the affordable for sale units by assisting with buyer eligibility, maintaining a list of eligible families, monitoring on-going homeownership and assisting in the resale of the affordable units.
- City/RDA will assist in the administration of rental units by verifying eligibility and providing updates to the owner/manager of income limits and affordable rents.
- Developers can request City/RDA assistance for land acquisition when more than 50% of the project is affordable.

- Developers can request regulatory incentives or concessions, which result in identifiable cost reductions. Council can advise which types of items they would like available, such as waiver or deferral of some permit fees, density bonuses, subsidization of infrastructure, waivers of other zoning requirements and expedited processing.

The previous time this item was discussed, Council was given scenarios of what the cost of an Inclusionary Housing Ordinance would be to developers based on construction costs provided by Bob Keenan of the Home Builders Association. These items are attached for your review. In addition, Mr. Keenan has provided new scenarios from a local builder of what they anticipate the cost would be and Self-Help Enterprises estimated affordable housing cost for families of low to moderate income. Mr. Keenan mentioned that they believe that there already exist residential units in Lemoore that fit the price range of these categories. I have provided a list of the units available for sale on February 27, 2008. There are currently 15 units for sale under the maximum purchase price of \$237,360. None of these units are considered affordable to very-low or low-income families. These units may be affordable to moderate-income families; however, even if homebuyers were assisted to purchase these units, they would not be countable towards our Redevelopment Housing Production Requirement unless they were new or substantially rehabilitated units and had covenants requiring affordability for 45 years.

An updated memorandum dated November 15, 2007 from Special Counsel Hilda Cantú Montoy, an Independent Policy Report provided by Mr. Keenan and an Affordable by Choice booklet provided by the California Coalition for Rural Housing are also attached. Previous Staff Reports and related information are available on our website at www.lemoore.com under City Council Meetings, June 19, 2007, Item 17 and November 6, 2007, Study Session, Item 6.

Budget Impact:

None.

Recommendation:

That the Council by motion and vote, direct staff to proceed with drafting an Inclusionary Housing Ordinance to bring back to Council for adoption.