MEMORANDUM

TO: Planning Commission

FROM: Molly Kron, Senior Planner
       Leelee Thomas, Deputy Director

DATE: August 28, 2023

RE: 2023 Development Code Amendments

At the Planning Commission Workshop on August 14, 2023, Commissioners requested clarifying information and/or changes to a number of proposed amendments related to the inclusionary housing policies. Listed below are the requested changes. All but one have been incorporated into the updated proposed Development Code amendments provided in Attachment 2. In addition, staff received direct communication from a Commissioner with editorial changes which have been incorporated into Attachment 2.

- Add a definition of Affordable Housing Impact Fee.
- Move language describing the mechanism for updating each fee into the definitions (page 2 & 3).
- Clarify that while the Affordable Housing Impact Fee does not apply to projects subject to Inclusionary Housing requirements, other fees may be required, such as In-lieu fees (page 3).
- Consider reinstating “review authority” in place of “Director” in the proposed amendments (page 4).
- Add standards for approving units that are not dispersed throughout the project (page 6).
- Clarify that interior finishes should be similar, but not the same as market rate units to address Commission concern, as this could be a barrier and make housing more expensive (page 6).
- Consider eliminating the term “set aside” from the table headings (pages 8).
- Include who approves the post approval Affordable Housing plan (page 11).
- Clarify what is meant by County or its designee (page 12)
- Consider changing the term “above moderate income” for clarity (page 6 & 8).

The item not included in the update amendments is, “Clarify what is meant by County or its designee (page 12).” After review and further deliberation, staff
recommend maintaining this current language. Sustaining flexibility with this
term and not naming any specific designees or contractual relationships is
best, as this changes over time.

Further, at its workshop, Commissioners also requested additional
information regarding the following items:

- The cost of developing homeownership compared to rental units.
- Information regarding how many units were financed with inclusionary
  fees.

The requested development costs from the Inclusionary Study are included in
Attachment 3. Information on Inclusionary fees collected between 2018 and
2023 and the number of units funded are in Attachment 4.

The recommended amendments and clarifications are included in Attachment
2. A draft Resolution recommending that the Board of Supervisors adopt the
amendments is included as Attachment 1.

Attachments:

1. Recommended Resolution
2. Exhibit A: Revised Development Code amendments
3. Development cost assumptions
4. Inclusionary fees generated and number of units invested
5. Packet from August 14, 2023