Inclusionary Zoning: Input & Feedback

Moraga Comprehensive Advanced Planning Initiative
Developer Roundtable Meeting
October 20, 2022

Today's Meeting

Email comments to:

ahamid@moraga.ca.us

1. Background on Advanced Planning Initiative
2. Proposed Policies
3. Inclusionary Zoning
4. Developer Feedback
5. Next Steps

General Plan Provides Our Foundation

- "We value having a variety of quality housing options available in our community so that our children, seniors, and local workforce can continue to call Moraga home"

- "We value our attractive community and our semi-rural setting and we take pride in our well-maintained homes abundant landscaping, and high design standards"
    - "Create a community focal point in the vicinity of the Moraga Center shopping area and Moraga Commons"
    - "Explore appropriate locations and densities (at Rheem Center) to achieve the Town's fair share of regional housing need....and responds to the needs of lower- and moderate-income households, the local workforce, seniors, and empty nesters"

Regional Housing Needs Allocation

- RHNA is 1,118 additional housing units by 2031.

- The RHNA allocation is broken down into income categories:
  - 318 very low-income units
  - 183 low-income units
  - 172 moderate-income units
  - 445 above moderate-income units

Context

Comprehensive Advanced Planning Initiative

All cities and towns in the Bay Area must update their Housing Elements by January 31, 2023

In September 2021, the Town kicked off the Comprehensive Advanced Planning Initiative:

- 2023-2031 Housing Element

- General Plan Amendments

  - Consistency Amendments

  - Circulation and Safety (State mandates)

- Bollinger Canyon Rezoning

- Program-level EIR covering actions listed above

After January 31, 2022, the Town will adopt:

- Zoning and Objective Standards to implement Housing Element

Context

Inclusionary Zoning

The 2023-2031 Housing Element includes a policy recommendation to adopt an Inclusionary Zoning Ordinance

The Town is seeking feedback from Developers on the framework.

Staff plans to present an ordinance to:

- Planning Commission on 11/7

- Town Council for adoption on 11/16

Constraints Analysis

The Housing Element included an analysis of housing constraints. Constraints are defined as "factors that impede the maintenance, improvement, or development of housing for all income levels"

Governmental Constraints
- General Plan
- Zoning (standards that preclude development)
- Processing delays and lack of clarity
- Constraints for particular housing types
- Site improvement requirements
- Unique local building code requirements
- Fees and developer exactions
- Local ordinances that impact development

Non-Governmental Constraints
- Availability of financing (including tax credits)
- Price of land
- Cost of construction
- Requests to develop housing below allowable densities
- Projects approved but not built
- Infrastructure
- Community opposition

Proposed Policies:
Changes Proposed by Housing Element

PROPOSED DEVELOPMENT REGULATIONS:

1. Re-zone multi-family and mixed use areas from 20 dua to 24 dua.

2. Rezone key parcels in "commercial only" areas to allow Mixed Use and Multi-family residential development.

3. Adopt Objective Design and Development Standards, while retaining ability to convene design review hearings as necessary

4. Allow by right development for projects meeting the standards.

5. Height: proposed at 45 feet (no change)

Proposed Policies: Multi-Family Parking Standards

CURRENTLY:
- **2 spaces per unit, regardless of bedroom count or unit type (except in R-20)**
- **0.5 guest spaces per unit**

PROPOSED:

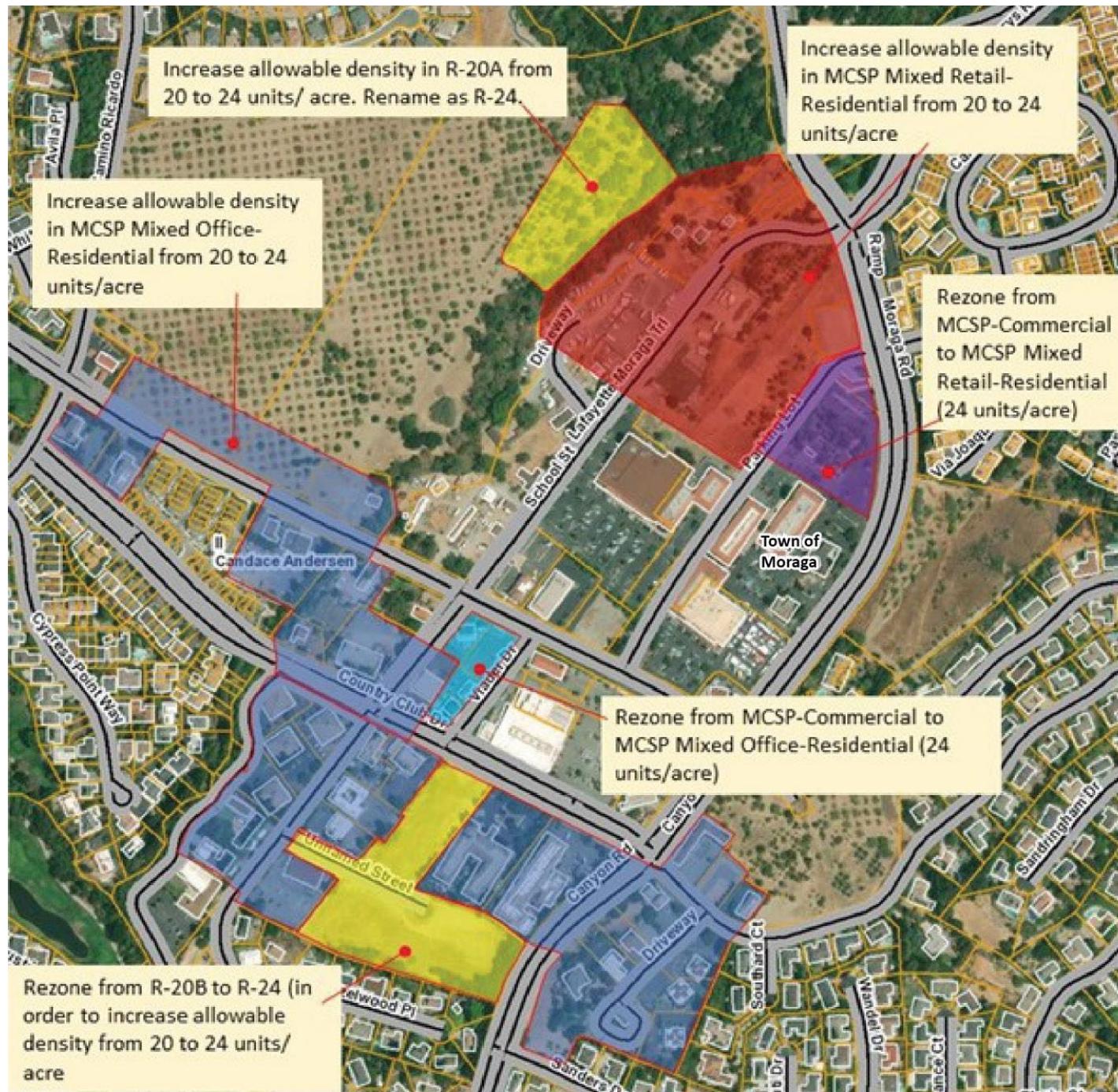Reduce parking standards in the Rheem Park and Moraga Center areas to reflect R-20 standards:

PROPOSED PARKING STANDARDS (without TDM measures)

|	
Studio and 1 bedroom	1 parking space
2 and 3 bedroom	2 parking spaces
4 or more bedroom	2.5 parking spaces
Dependent Senior	0.3 parking spaces
Guest Space	0.25 parking spaces (one space per four units)

Moraga Center Rezoning

Increase allowable density in R-20A from 20 to 24 units/ acre. Rename as R-24.

Increase allowable density in MCSP Mixed Retail-Residential from 20 to 24 units/acre

Increase allowable density in MCSP Mixed Office-Residential from 20 to 24 units/acre

Rezone from MCSP-Commercial to MCSP Mixed Retail-Residential (24 units/acre)

Candace Andersen

Town of Moraga

Rezone from MCSP-Commercial to MCSP Mixed Office-Residential (24 units/acre)

Rezone from R-20B to R-24 (in order to increase allowable density from 20 to 24 units/ acre

LEGEND
- R-20A (to be renamed R-24) (increase from 20 to 24 units/acre)
- MCSP Mixed Office-Residential (increase from 20 to 24 units/acre)
- MCSP Mixed Retail-Residential (increase from 20 to 24 units/acre)
- MCSP Mixed Retail-Residential (rezoned from MCSP-Commercial)
- MCSP Mixed Office-Residential (rezoned from MCSP-Commercial)

Rheem Park Rezoning

Rezone from Suburban Office (SO) to Rheem Mixed Office-Residential (24 units/acre)

Rezone from Community Commercial (CC) to Rheem Mixed Commercial-Residential (24 units/acre)

Rezone from Limited Commercial (LC) to Rheem Mixed Commercial-Residential (24 units/acre)

Rezone from Suburban Office (SO) to Rheem Mixed Office-Residential (24 units/acre)

LEGEND

Rheem Mixed Office-Residential (24 units/ac)

MCSP Mixed Commercial-Residential (24 units/ac)
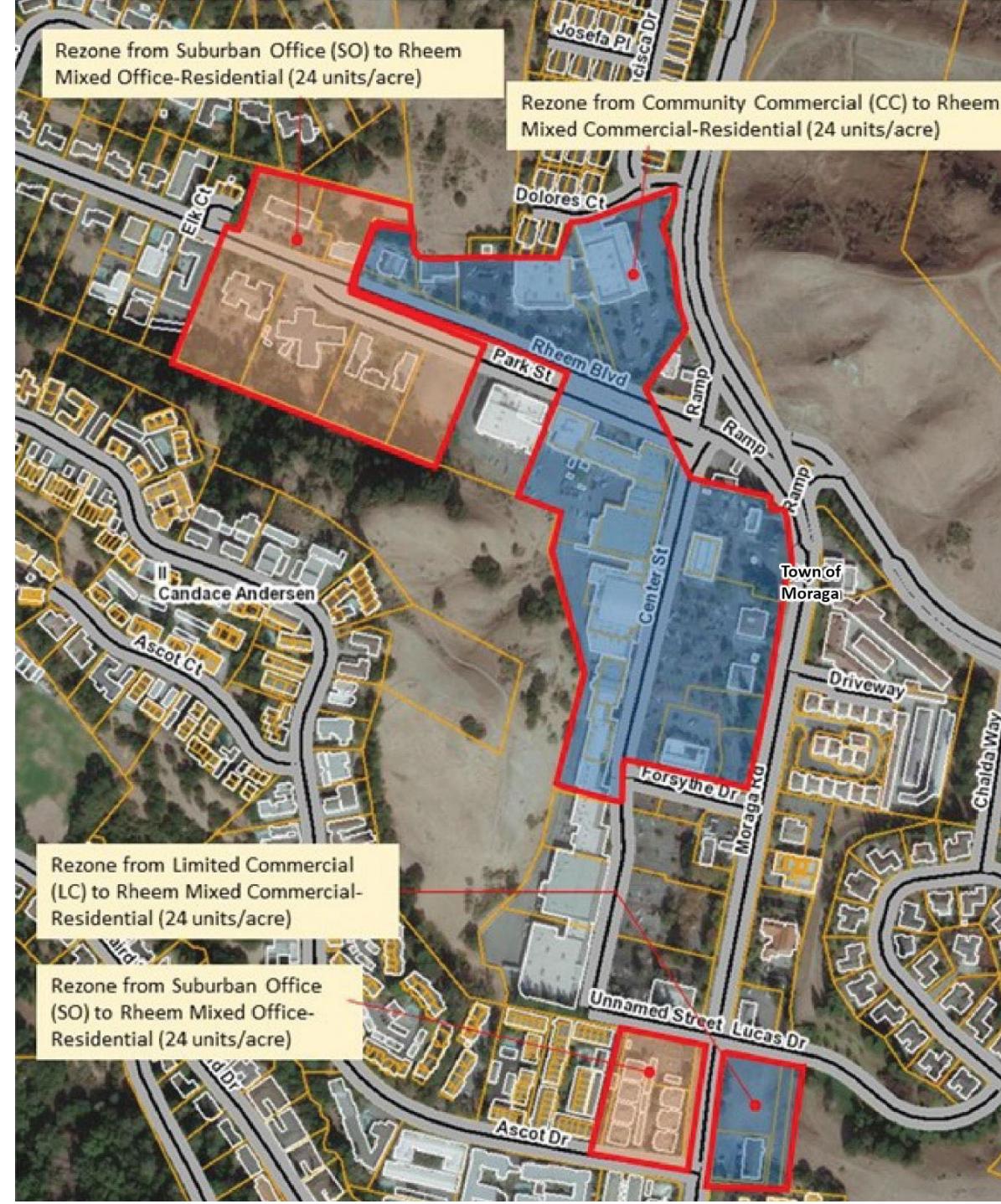
Inclusionary Zoning

- Locally adopted ordinance (not a State mandate)

- Requires a percentage of units in future residential developments to be rented or sold at "below market rates" (BMR)

- Profit loss to developer is mitigated through density bonus and waiver of certain development standards

- Effective tool for affirmatively furthering fair housing and achieving some of the lower-income housing assignment
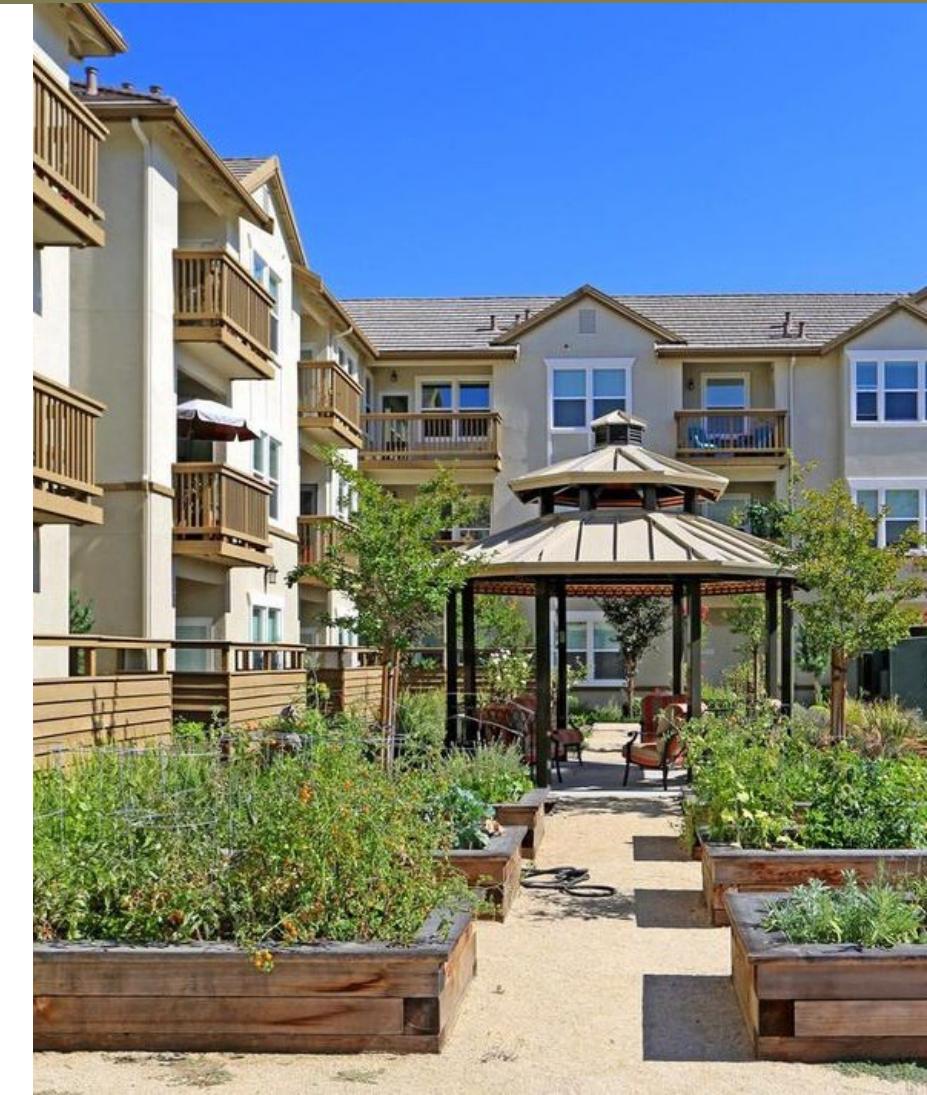
90% of Contra Costa's jurisdictions have adopted I.Z. or are considering it now

Jurisdiction	Has Inclusionary Zoning	Recommended in Draft Housing Element	No Ordinance or plan to develop
Contra Costa Co	X		
Antioch		X	
Brentwood	X		
Clayton	X		
Concord	X		
Danville	X		
El Cerrito	X		
Hercules	X		
Lafayette	X		
Martinez			X

Jurisdiction	Has Inclusionary Zoning	Recommended in Draft Housing Element	No Ordinance or plan to develop
Moraga		X	
Oakley			X
Orinda		X	
Pinole	X		
Pittsburg	X		
Pleasant Hill	X		
Richmond	X		
San Pablo		X	
San Ramon	X		
Walnut Creek	X		

Meeting an inclusionary housing requirement on-site usually qualifies the applicant for a State density bonus

DENSITY BONUS CHART*

AFFORDABLE UNIT PERCENTAGE**	VERY LOW INCOME DENSITY BONUS	LOW INCOME DENSITY BONUS	MODERATE INCOME DENSITY BONUS***	LAND DONATION DENSITY BONUS	SENIOR****	FOSTER YOUTH/ DISABLED VETS/ HOMELESS	COLLEGE STUDENTS
5%	20%	-	-	-	20%	-	-
6%	22.5%	-	-	-	20%	-	-
7%	25%	-	-	-	20%	-	-
8%	27.5%	-	-	-	20%	-	-
9%	30%	-	-	-	20%	-	-
10%	32.5%	20%	5%	15%	20%	20%	-
11%	35%	21.5%	6%	16%	20%	20%	-
12%	38.75%	23%	7%	17%	20%	20%	-
13%	42.5%	24.5%	8%	18%	20%	20%	-
14%	46.25%	26%	9%	19%	20%	20%	-
15%	50%	27.5%	10%	20%	20%	20%	-
16%	50%	29%	11%	21%	20%	20%	-
17%	50%	30.5%	12%	22%	20%	20%	-
18%	50%	32%	13%	23%	20%	20%	-
19%	50%	33.5%	14%	24%	20%	20%	-
20%	50%	35%	15%	25%	20%	20%	35%
21%	50%	38.75%	16%	26%	20%	20%	35%
22%	50%	42.5%	17%	27%	20%	20%	35%
23%	50%	46.25%	18%	28%	20%	20%	35%
24%	50%	50%	19%	29%	20%	20%	35%
25%	50%	50%	20%	30%	20%	20%	35%
26%	50%	50%	21%	31%	20%	20%	35%
27%	50%	50%	22%	32%	20%	20%	35%
28%	50%	50%	23%	33%	20%	20%	35%
29%	50%	50%	24%	34%	20%	20%	35%
30%	50%	50%	25%	35%	20%	20%	35%
31%	50%	50%	26%	35%	20%	20%	35%
32%	50%	50%	27%	35%	20%	20%	35%
33%	50%	50%	28%	35%	20%	20%	35%
34%	50%	50%	29%	35%	20%	20%	35%

Inclusionary Zoning
Summary of Policy Recommendations

	Policy Issue	Staff Recommendation
1	Percentage required	10 %
	Income group targeted	For Sale: Moderate Income (with option for low at lower percentage) For Rent: Low Income (with option for very low at lower percentage)
	Allowance for ADUs in lieu of for sale units in SF areas	Allow, but require 25% for developers choosing this option
2	Exemptions	Projects with less than 5 units
	Fractional Units	Projects with 5-9 units pay fractional fee Projects with 10+ units provide the required number of units, and pay fractional fee for "remainder"

Summary of Policy Recommendations

	Policy Issue	Recommendation
3	Alternate means of compliance	Structure to incentivize providing the unit(s) on-site Allow off-site at 1.5 X units Allow acquisition/rehab at 2X units Allow land donation to non-profit affordable housing developer
4	Design	Reduced unit size allowed Same design as market rate units, unless ADUs are used
5	Length of Affordability	55 yrs for for-rent 45 yrs for for-sale
6	Townwide vs Commercial areas only?	Townwide, but provide the option of non-restricted ADUs in single family areas
7	Incentives	Rely on State Density Bonus Specify potential waivers and concessions proactively of possible

Questions

For Non-Profit Developers

- What would it take to do a 100% affordable housing project in Moraga?

For Everyone

- Have you used State Density Bonus Law in your projects in other communities? What "take-aways" can you share about what works well or what doesn't? What incentives or concessions were most helpful?

Questions

Do you have any specific feedback or suggestions for the Town and its planners regarding the following:

a. Densities
b. Parking standards
c. Height limits
d. Setbacks
e. Open Space Requirements
f. Lot coverage/ FAR limits
g. Objective design standards (specific requirements for facades, roofs, windows, lighting, etc.)
h. Other development standards or specific requirements

Questions

- Have you done projects in other cities/towns with **Inclusionary Housing** requirements ? What advice would you give Moraga as it develops its ordinance?

- What policies do you think would make it **easier** to incorporate affordable housing as part of a market rate development ? For example, streamlined project timelines, upzoning of sites, different development standards, lower parking and other incentives?

Thank you!

Inclusionary Zoning: Feedback

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Extra slides

Density Bonuses:
How does it work with inclusionary zoning?

EXAMPLE 1:
RENTAL APARTMENT BUILDING SUBJECT TO 10% LOW-INCOME INCLUSIONARY REQUIREMENT

- Developer owns 5-acre site

- Zoning allows 24 DUA

- Developer proposes 120 units

- 12 must be affordable to lower income

- State law allows a 20% density bonus if developer provides the units on-site

- Developer can now build 144 units

- Developers may request additional height, reduced parking, etc. to make project work

- Developer could voluntarily propose to make the 12 units affordable to <u>very low </u>income instead of <u>low</u> income. They would then be eligible for a 32.5% density bonus (159 units in the project)

Density Bonuses:
How does it work with inclusionary zoning?

- Developer owns 5-acre site

- Zoning allows 24 DUA

- Developer proposes 80 units

- 8 units must be affordable to moderate income

- State law allows a 5% density bonus (moderate income units are eligible for smaller bonus than low income)

- Developer doesn't need the bonus because their preferred housing product is below the maximum density

- State Density Bonus Law still allows developer to request a concession (setbacks, lot coverage, parking, etc.) to make the project more profitable

Inclusionary Zoning Economics

- Inclusionary ordinance affects project value

- If I.Z. percentage is too high, projects will not be feasible and will not proceed

- Incentives can offset the effect of inclusionary requirements by impacting development costs, project value, or both

- Upzoning can also offset the effect of inclusionary requirements

- Not all developers are seeking additional density, but they can still benefit from waivers from development standards such as height limit, parking, setbacks

Components of an Inclusionary Zoning Ordinance

1. Purpose

2. Definitions

3. Basic Provisions/ Scope

   a) Affordability Requirements and Allocation by Income

   b) Exemptions and Fractional Units

   c) Design of BMR units and Timing

4. Alternative Means of Compliance

5. Operations and Reporting (Agreements and Length of Affordability)

6. Incentives

State Density Bonus Guides Incentives

- State law requires that projects with affordable units are eligible for "bonuses" (the right to build additional units)

- Amount of the bonus depends on the number of affordable units and level of affordability

- Developers also may request concessions (relaxed standards) to make their projects more viable
  - 10% mod, 10% low, or 5% very low = 1 concession
  - 20% mod or 17% low or 10% very low = 2 concessions

- Concessions could include reduced setback, increased height, etc.

- Additional waivers may be requested if needed to make the project viable

State Density Bonuses for selected project types

Project Type	Density Bonus
100% Affordable	80%
Senior Housing	20%
85% Market Rate 15% Very Low	50%
85% Market Rate 15% Low	27.5%
90% Market Rate 10% Low	20%
85% Market Rate for sale 15% Moderate for sale	10%

Inclusionary Zoning Next Steps

- Staff to develop draft ordinance with feedback from developers

- November 7, 2022 – Planning Commission review and make recommendation on draft IZ Ordinance

- November 16– Council consider adoption of IZ Ordinance