2020-2021 Sustainable Communities Program

**Housing and Sustainable Development
Call for Applications**

SCAG

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Agenda

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)

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

2020 Sustainable Communities Program (SCP)

- 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

This application has four sections total:

   A. **Project Information**
   B. **Project Need**
   C. **Desired Outcomes**
   D. **Partnerships & Engagement**

Please click here to view the scoring criteria for each question. There are indicators throughout the application that correspond to the associated scoring table.

It should take approximately 45-60 minutes to complete the application.

You can save your application at any point by clicking the save button an any page of the application. Please note that an account is not required to save your application, just an email address (a link to your application will be sent to you for you to complete your application).

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

Scoring Criteria		
Topic 1	Project Need	55 Points
Topic 2	Scope of Work and Project Outcomes	30 Points
Topic 3	Partnerships and Community 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
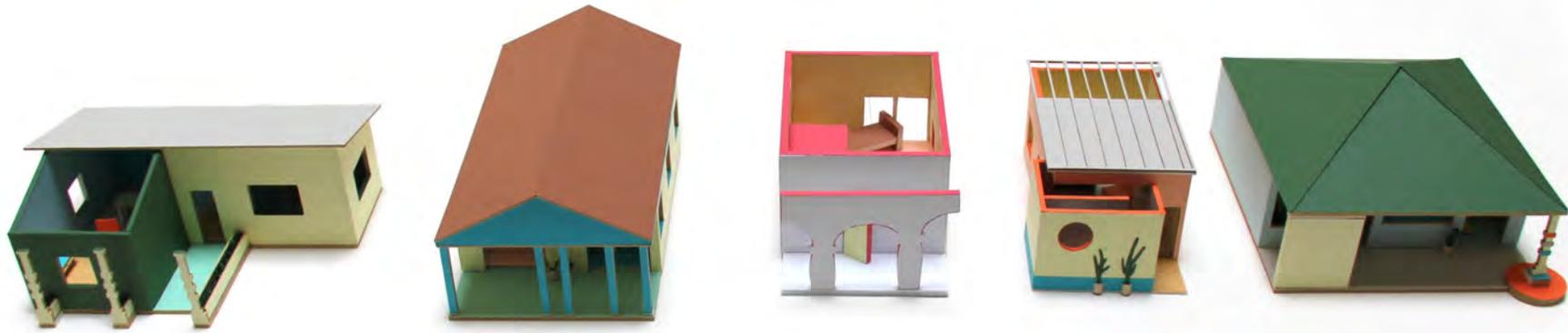
LA-MÁS

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.
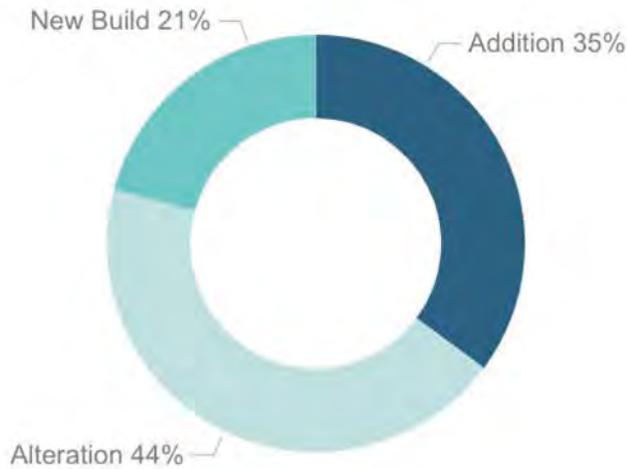
Los Angeles has 500,000+ single-family lots.
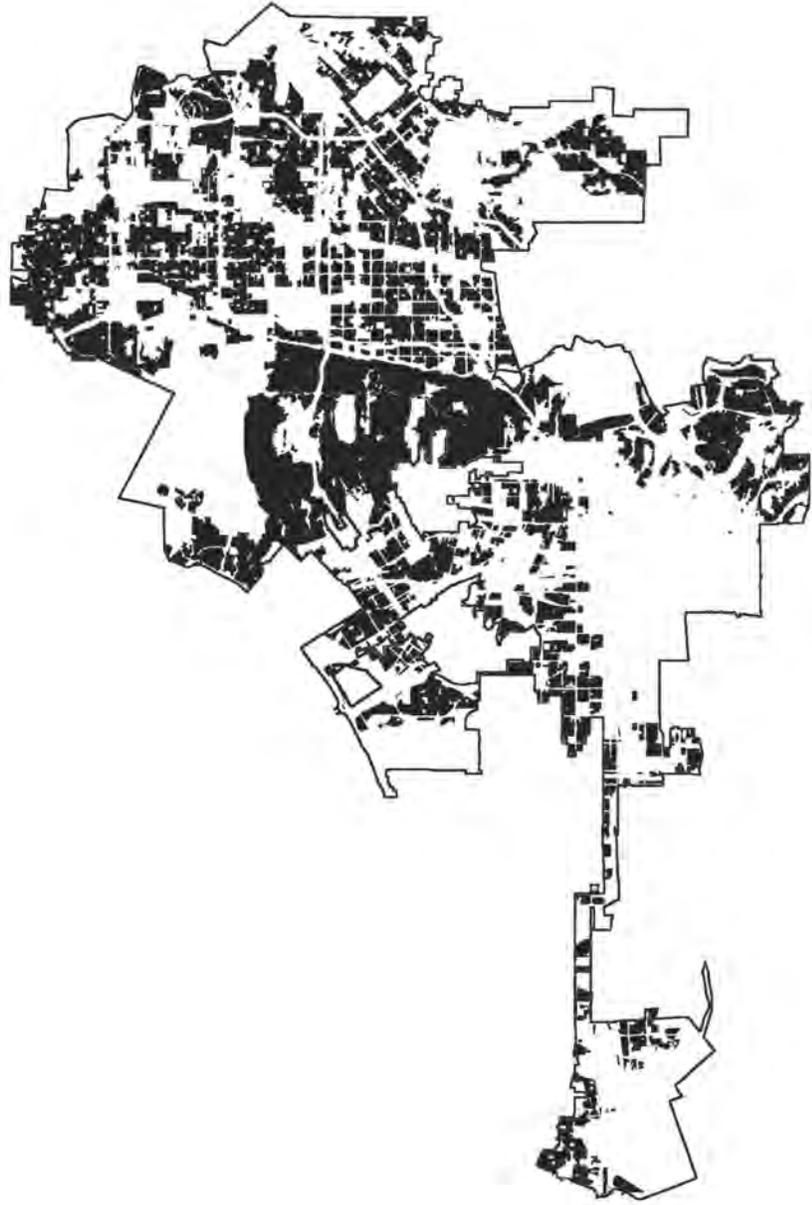
50% of all developable land in Los Angeles is zoned for single-family homes.

Accessory Dwelling Unit (ADU) Permit Applications*

January 2017 - June 2020

2017 ⭘━━━━━━━━━━━━━━━━━━⭘ 2020

ADUs by Permit Type

New Build 21%

Addition 35%

Alteration 44%

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.

Addition
6,412

Alteration
8,033

New Build
3,794

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

## Total Submitted ADU Applications

18,239

Distribution of ADUs by Plan Area

■ Higher count of ADUs

☐ Lower Count of ADUs

Plan Area	Submitted Applications
Canoga Park - Winnetka - Woodland Hills - West Hills	1,280
Reseda - West Van Nuys	1,164
Sun Valley - La Tuna Canyon	1,107
Northeast Los Angeles	1,073
Van Nuys - North Sherman Oaks	1,066
North Hollywood - Valley Village	969
South Los Angeles	966
Arleta - Pacoima	947
Total	**18,239**

ADUs by Permit Type & Year

● Addition ● Alteration ● New Build

	2017	2018	2019	2020
	2,416	2,343		1,177
	1,870	1,972	2,091	
	1,304		1,185	793
	622	1,039		516
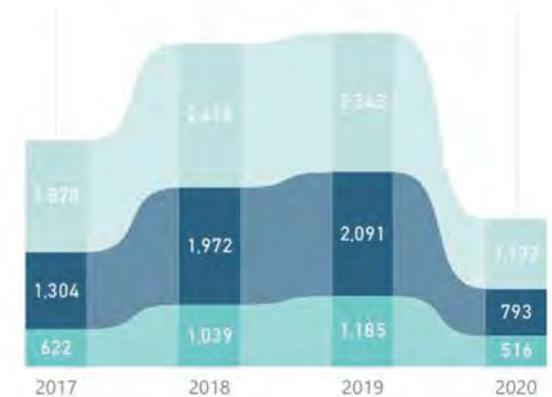
*Data provided by Los Angeles Department of Building and Safety

City of LA
ADU Pilot Project

County of LA
ADU Pilot
Program

Free Money +
Technical Help

New Home
for Formerly
Homeless
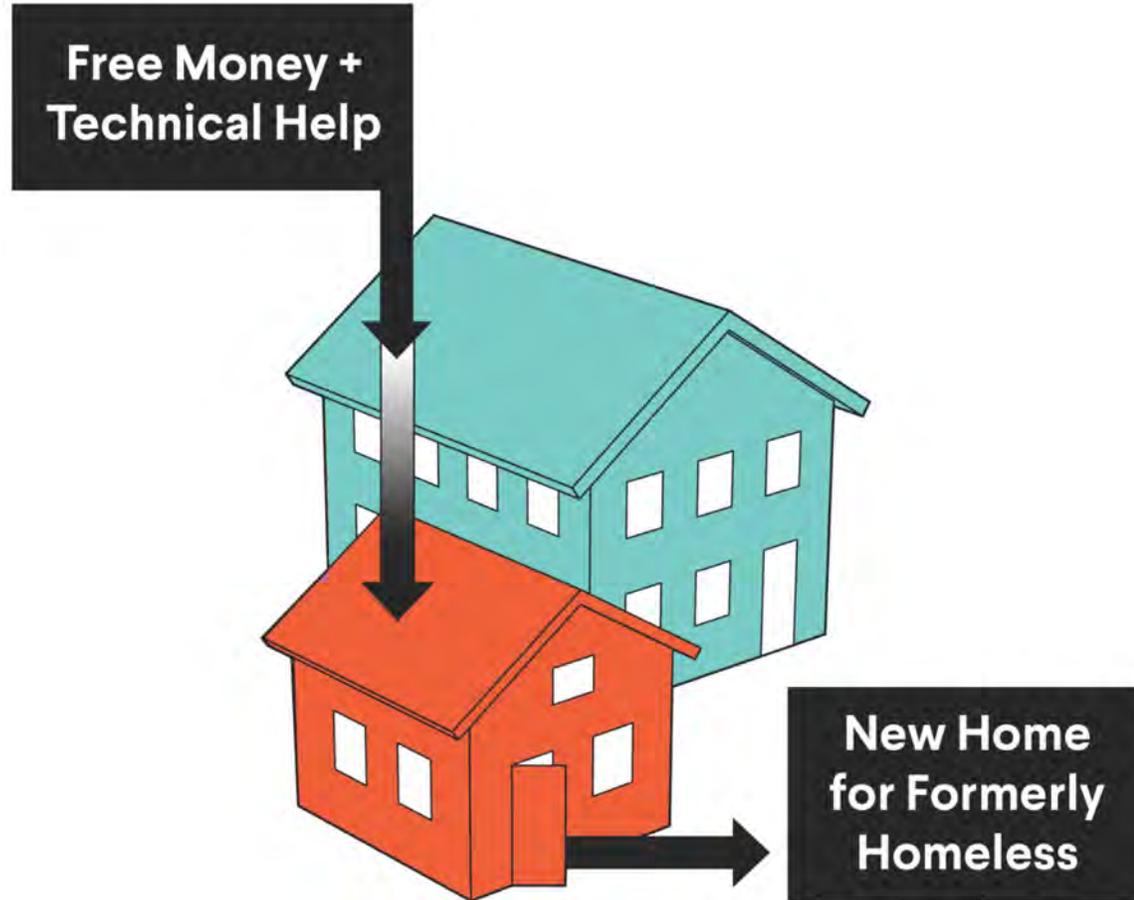
- 3% of applicants receive a voucher.

- 76% of voucher holders get rejected by a landlord.

- 40% of vouchers get returned.

The Backyard Homes Project

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

Program Partners   LA-MÁS   RNLA

STUDIO

GARAGE CONVERSION (1BR)

GARAGE CONVERSION (2BR)

MICRO-UNIT (1BR)

MICRO-UNIT (2BR)

L-SHAPE (1BR)

NEAPOLITAN (2BR)

Total Cost

NEW CONSTRUCTION:
- **Studio: $115K**
- **One Bedroom: $150–$165K**
- **Two Bedroom: $180–$220K**

GARAGE CONVERSION:
- **Studio: $100K**
- **One Bedroom: $120K**
- **Two Bedroom: $150K**

Garage Conversion (1BR)

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 minimal, 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)

Starting at
$ 100,000
for Garage
Conversion

Starting at
$ 115,000
for New
Build

374 SF
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/or garage. The studio includes a combination living/sleeping zone, connected to a living/dining zone, 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 archway openings.

* Note that for Garage Conversions, porches are upgrades and the roof will be dependent upon your existing structure.

Included Features

In addition to the appliances and fixtures 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
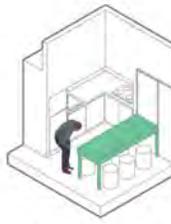

BEDROOM DESK
Unit: Neapolitan

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, fixtures, and features 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.
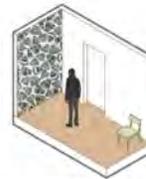
Cabinets & Built-In Furniture

IKEA STORAGE WALL
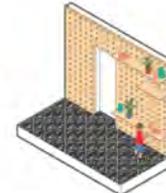
CUSTOM STORAGE WALL

Wall Treatments

WALLPAPER

FABRIC WALL PANELS

Floor Treatments
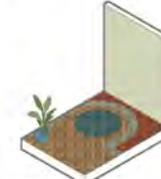
SCORED & STAINED CONCRETE

Outdoor

PRIVACY SCREEN

PLANTER

SITE LANDSCAPING

Program Partners

LA-MÁS

RNLA

Self-Help
Federal Credit Union

GENESISLA
Capital. Capacity. Community.

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

Program Partners

Program Partners

LA-MÁS

RNLA

Self-Help
Federal Credit Union

GENESISLA
Capital. Capacity. Community.

ST. JOSEPH CENTER
PLANTING HOPE or GROWING LIVES

LA FAMILY
HOUSING

HRC
HOUSING RIGHTS CENTER
WORKING FOR JUSTICE AND EQUALITY IN HOUSING

WELLS
FARGO

Wells Fargo
Foundation

HOUSING AUTHORITY
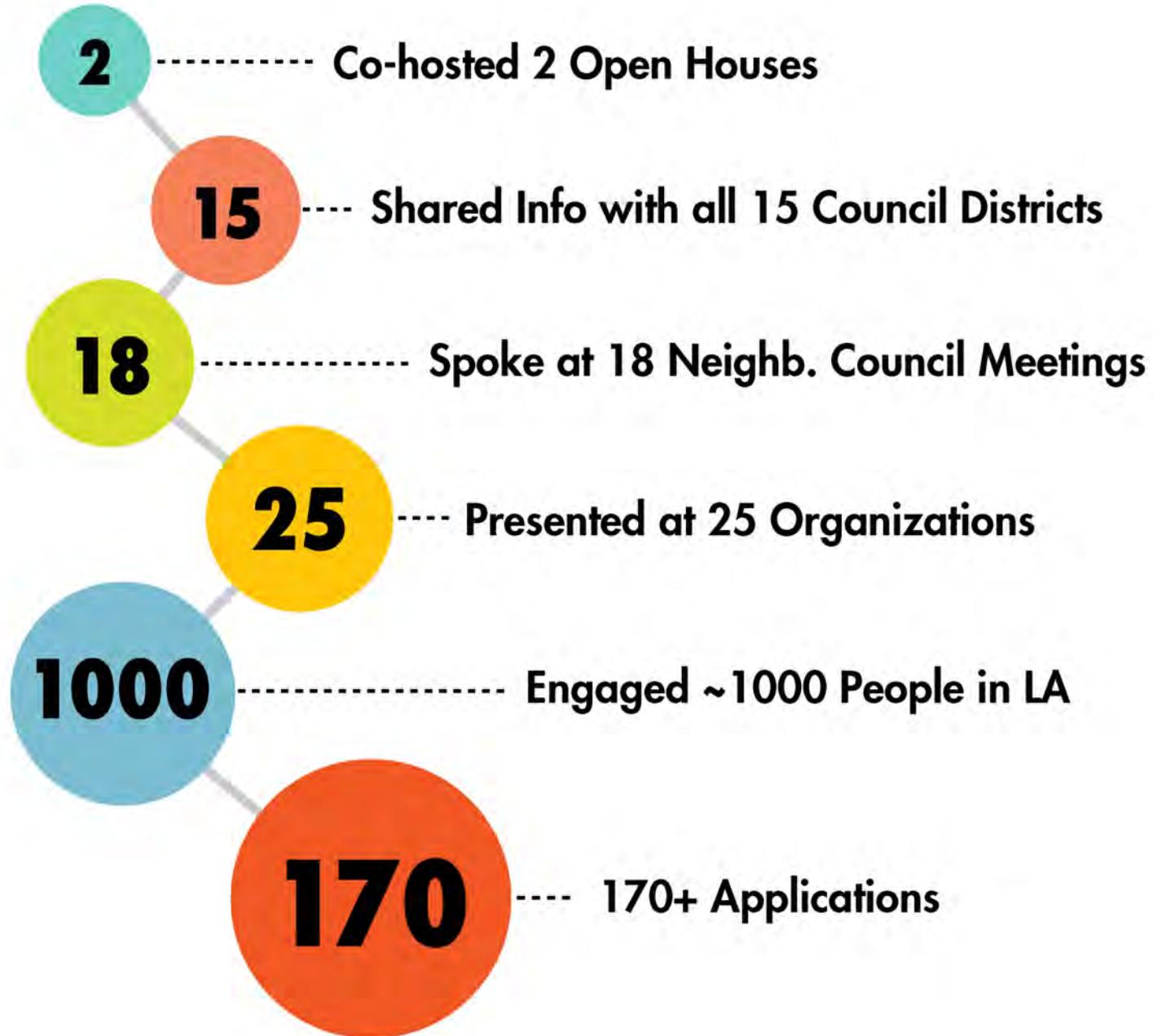CITY OF LOS ANGELES

LISC
Los Angeles

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."
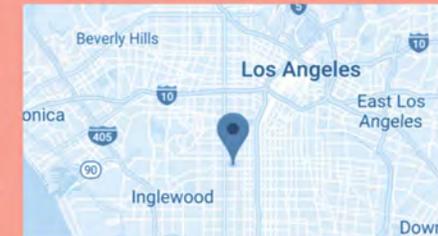
Challenges

- **Vetting takes A LOT of time**

- **A new mortgage product is COMPLEX**

- **Predatory competitors set FALSE expectations**

- **Homeowner decision-making is SLOW**

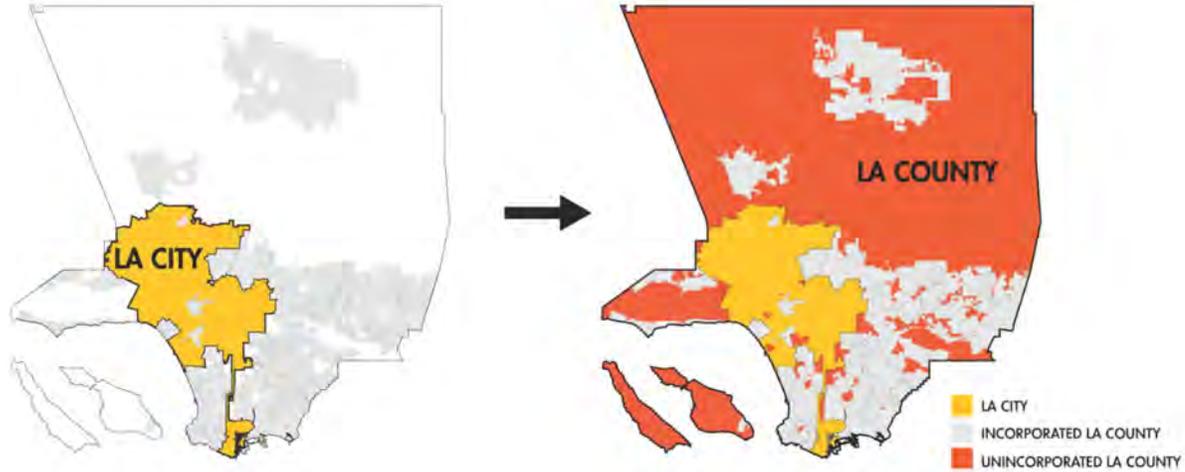**Lessons Learned**

- Perfection is not always necessary

- Evaluate processes constantly

- Cash is king

Impact

- Homeowners build equity!

- 10+ low income families have a home in 2020

- New participants in Section 8 program

- Piloting a program not reliant on public subsidy

- Pathway for homeowner to provide affordable housing

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

LA-MÁS

www.mas.la

helen@mas.la

@mas4LA

ADU Best Practices

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

Our Research

- Center for Community Innovation + Terner Center

- 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)
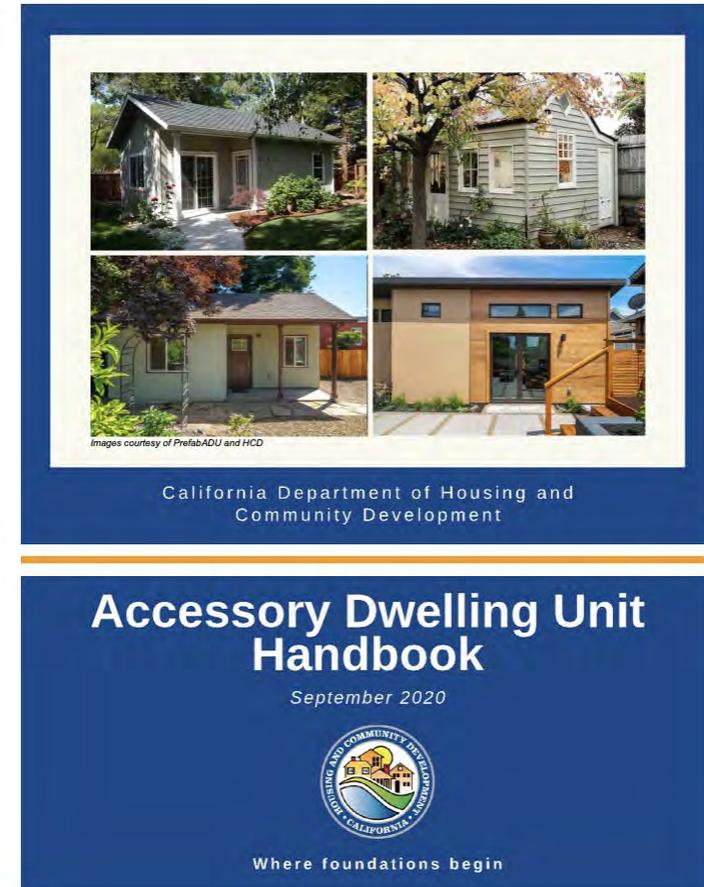
Permitting and Outreach

- 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 W...**

- **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
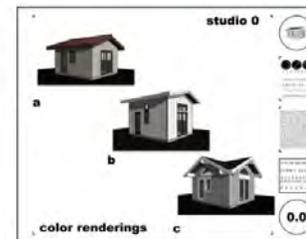

Design Path Studios - Studio |

Design Path Studios - 1 Bedroom | 1 Bath

Design Path Studios - 2 Bedrooms | 2 Baths

Design Path Studios - 3 Bedrooms | 3 Baths

DZN Partners - Studio |

DZN Partners - 1 Bedroom | 1 Bath

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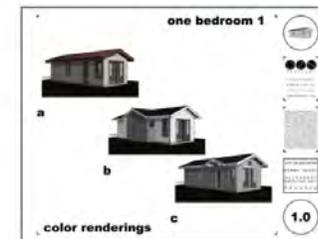
ADU Finance + Affordability

- 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!

ADU Constructed by Lanefab, Photographed by Collin Perry

dori_ganetsos@berkeley.edu

Aducalifornia.org

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.

Photo Credit: Mitch Diamond/Getty Images

Housing Supportive Tax Increment Financing

Kimberly Clark

Sustainability Department

December 2, 2020

www.scag.ca.gov

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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
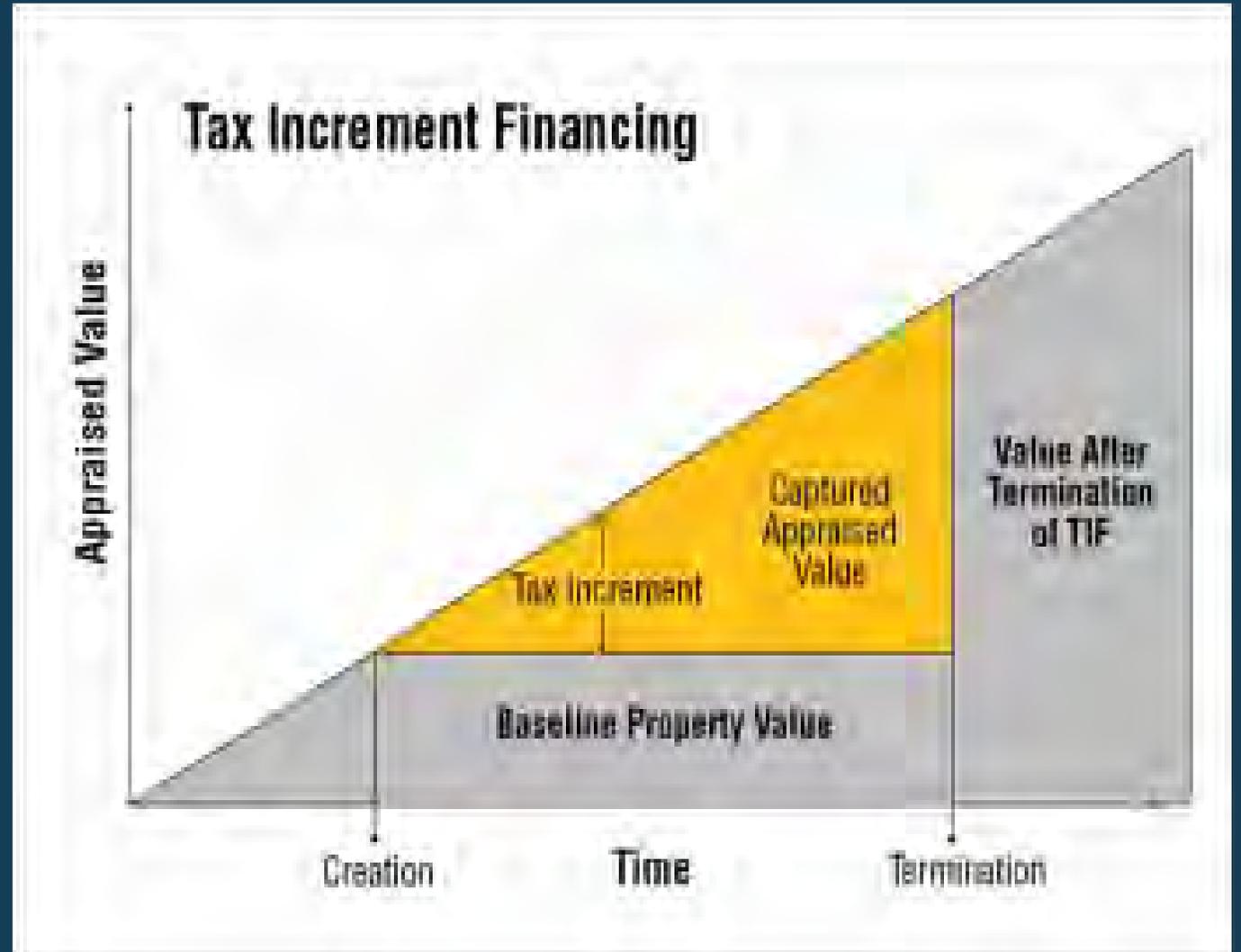
Community Redevelopment Act Passes

1945

27 Project Areas Established

1966

594 Project Areas Established

RDAs received 6 percent of total state-wide property taxes

1988

California Supreme Court upholds ABXI 26

Allows the State to dissolve redevelopment

2011

New TIF Tools Introduced

2014-2018

1952

Prop 18

Establishes tax increment financing

1972

SB 90

State assumes responsibility for funding school districts if local property tax revenue falls short giving RDAs more power

1978

Prop 13

Caps general-purpose property tax rate at 1%, limiting the amount of money local governments had to spend. Prop 13 incentivized the use of redevelopment to access more funds

1980-2011

State efforts to reduce RDA power

AB 1290
ERAF
Prop 22
SB 77
ABXI 26
ABXI 27

2012

State dissolves all RDAs

Eliminates the use of tax increment financing and large funding source for affordable housing development

2016

SCAG's Pilot Program Begins

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…

Tax Increment Financing District Types

- **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

EIFD

Enhanced Infrastructure Financing District
SB 628

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**

POTENTIAL USES

AFFORDABLE HOUSING • CHILDCARE 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

CRIA

Community Revitalization Investment Authority

AB 2

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 CHARACTERISTCS

- 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 • CHILDCARE 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

AHA

Affordable Housing Authority
AB 1598

Passed in 2017 by Sen. Mullin, AB 1598 allows cities to create specialized districts that utilize property, sales and use, and transaction and use tax increment financing to fund a affordable and workforce housing development.

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

POTENTIAL USES

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

- 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

- 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?
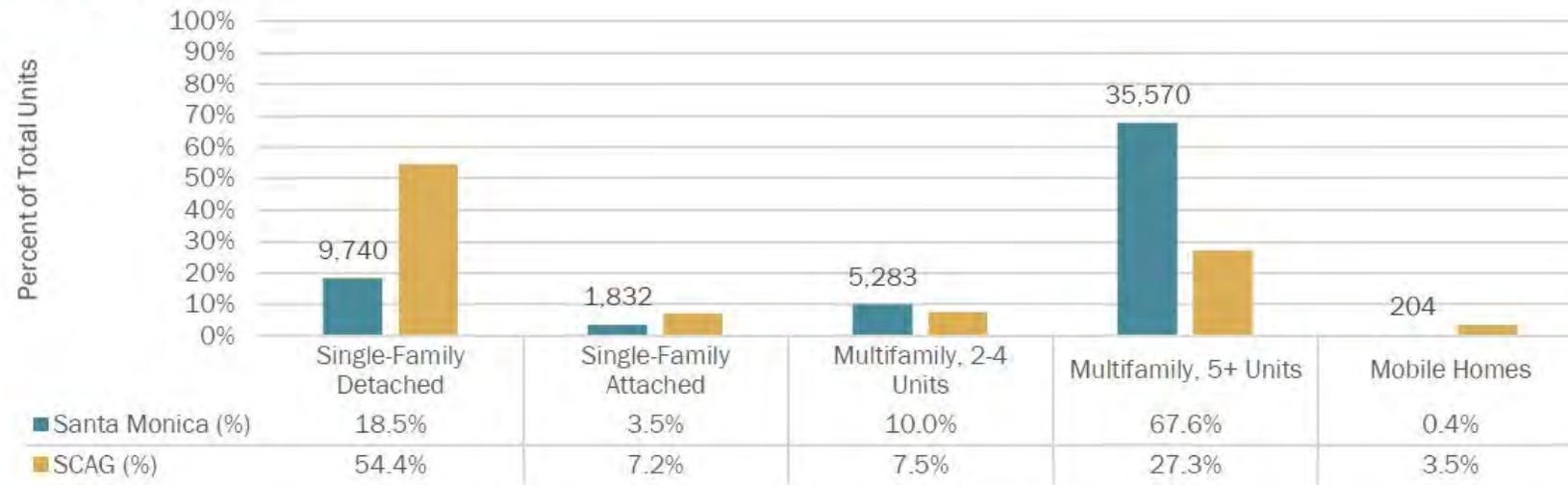 - DC Navarrette
  - david.navarrette@hcd.ca.gov

SCAG Workshop
Housing Projects Process Streamlining

December 2, 2020

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

	Single-Family Detached	Single-Family Attached	Multifamily, 2-4 Units	Multifamily, 5+ Units	Mobile Homes
Santa Monica (%)	18.5%	3.5%	10.0%	67.6%	0.4%
SCAG (%)	54.4%	7.2%	7.5%	27.3%	3.5%

Values shown on bars: 9,740 (Single-Family Detached); 1,832 (Single-Family Attached); 5,283 (Multifamily, 2-4 Units); 35,570 (Multifamily, 5+ Units); 204 (Mobile Homes)

Y-axis: Percent of Total Units

CA DOF E-5 Population and Housing Unit Estimates

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
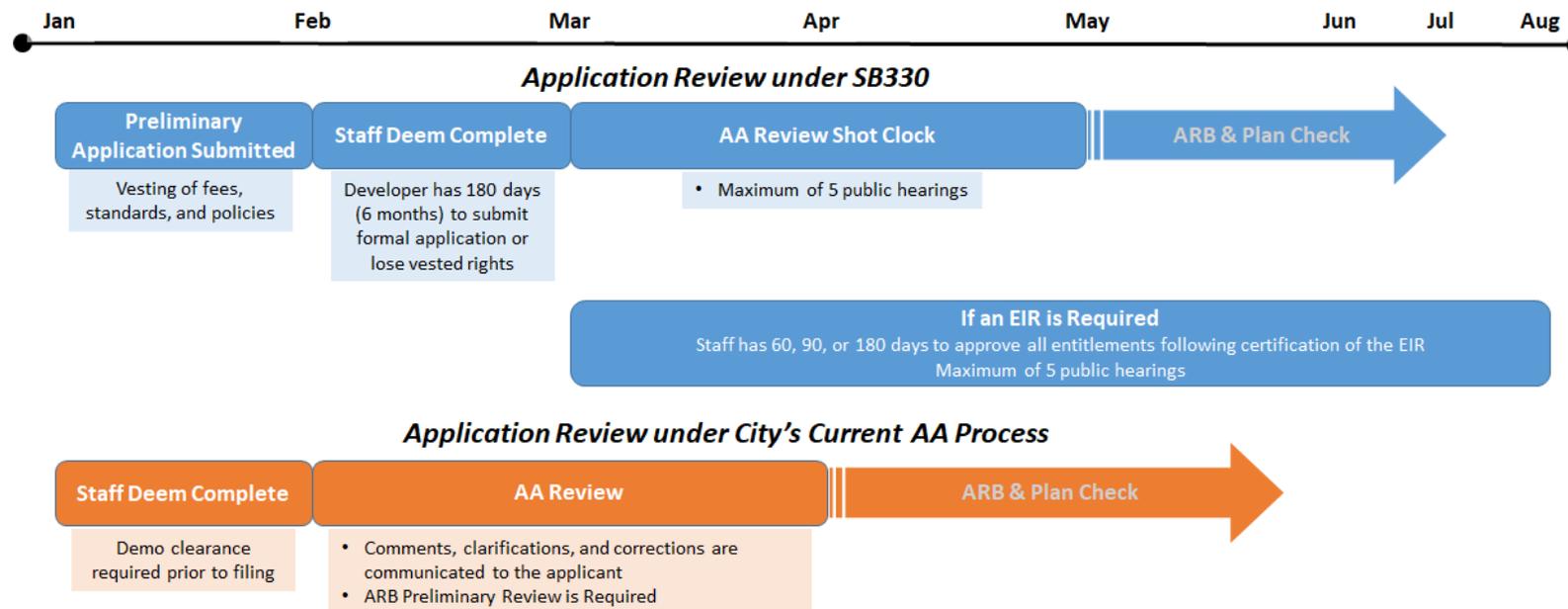
Why Was the Program Pursued?

- 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
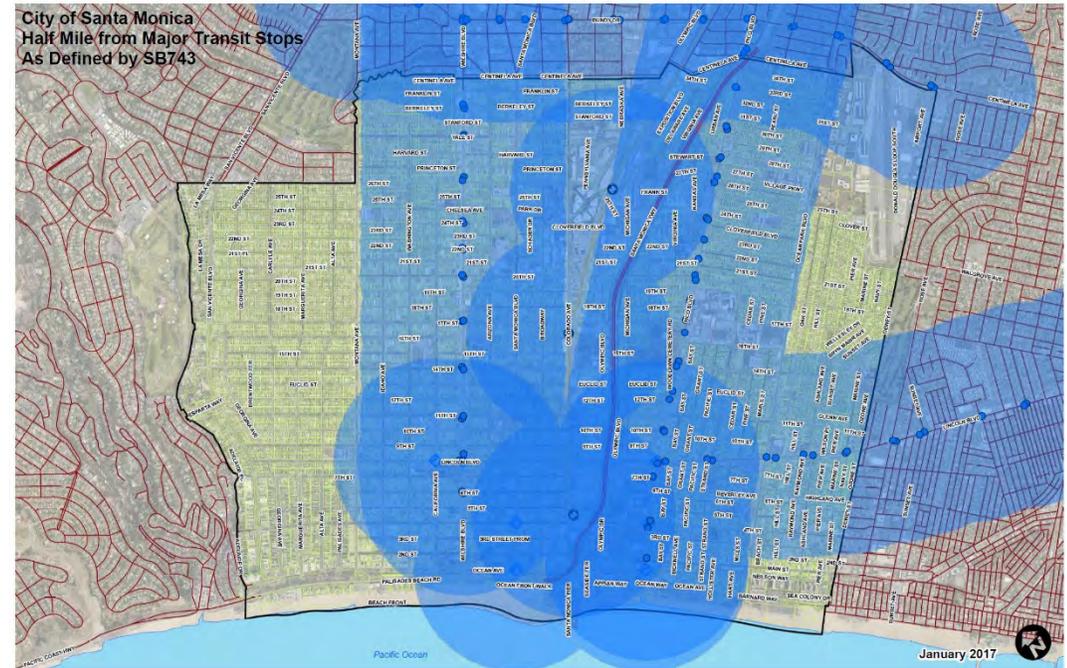
Why Was the Program Pursued?

- 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

How Did We Get Here?

TIME PERIOD	ACTION
1990s	**Administrative process for housing projects** With on-site inclusionary units in Downtown
2010	**Adopted Land Use and Circulation Element** Growth strategy emphasizing housing around Expo stations and commercial boulevards
2015	**Updated Zoning Ordinance** Established concept of an administrative process to incentivize housing
2017	**Adopted Downtown Community Plan** Development and process incentives for housing projects
2020	**Interim Zoning Ordinance** Creating administrative process for housing projects

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

Parking Innovation

- 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

Parking Innovation – Pasadena Case Study

- 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.

Photo: Downtown Pasadena; Ken Lund

Housing and Sustainable Development Timeline

Housing and Sustainable Development: Schedule	
Call for Applications Opens	November 9, 2020
Application Workshop	December 2, 2020
Application Deadline	**January 15, 2021**
Regional Council Approval of 2020 SCP Projects	March 4, 2021
Projects Begin	2021-2022
Final Work and Invoices Submitted	June 30, 2023

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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