Effective Housing Planning
Key to Meeting Climate Change Objectives

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Today’s Discussion

- Continuing Housing Needs
- SB 375 New Paradigm: Building on H.E. and Regional Blueprint Objectives
- Housing Strategies Key to Success
Contributing Factors to Continuing Housing and Affordability Problems

- Continuing economic uncertainty and high unemployment
- Steady and diverse population growth
- Aging population with evolving housing needs
- Chronic deficit in housing supply before crisis
- Record lows in housing construction during crisis
- Housing deficit not supplanted by foreclosed units
- Mismatch between housing stock and demand
- Ownership affordability improved, but out of reach
- Large unmet need for affordable rental housing
Despite the current market crisis, Californians continue to have babies, expand their families and live longer (a good thing!)

These demographic trends play a central role in fueling steady future housing demand
Trends in age composition of population

Aging Baby Boomers (age 55+)

- Will dominate the housing market to 2030
- Highest housing demand per 1,000 people
- Survey: 75% want to live in mixed-use, urban setting
- Strong demand for active living, near transit/services

Baby-Bust Generation (age 25-34)

- More diverse, entering household formation years
- Survey: 77% want to live in urban core, smaller spaces
- Strong demand for rentals, smaller starter homes
Demographic trends affect housing demand

Likely to fuel stronger demand for:

- Variety of housing products for all life stages, for all incomes
- Assortment of rentals and owner units
- Housing for one-person households, empty-nesters, non-family households
- Housing located in denser, more urban settings
- Closer to services and amenities
Continued Population Growth—Construction Plunged

<table>
<thead>
<tr>
<th>Year</th>
<th>Permits</th>
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<tbody>
<tr>
<td>2000</td>
<td>148,500</td>
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<tr>
<td>2004</td>
<td>212,900</td>
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<tr>
<td>2009</td>
<td>36,400</td>
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<tr>
<td>2010</td>
<td>44,800</td>
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<tr>
<td>2011</td>
<td>46,000 (projected)</td>
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Source: Construction Industry Research Board, California Construction Review, Burbank, November 22, 2011
SB 375: Housing & Transportation Planning

- Builds on Housing Element and Regional Blueprint Planning
- Recognizes critical role of housing in meeting transportation and climate change objectives
- Amended housing element law:
  - Link timing of updates to RTP
  - Strengthen rezoning requirements
  - Strengthen program implementation
  - Establishes variable planning period lengths
SB 375 RHNA & SCS

- RHNA Plan
  - Planning requirement to address projected housing need in general plan
  - Must be consistent with SCS development pattern

- SCS
  - Identifies development pattern integrated with transportation measures to meet GHG targets
  - Identifies areas sufficient to allow accommodating RHNA
  - Does not require change to general plans
  - Must consider State Housing Goals
Key Housing Element Strategies to Promote Sustainable, Affordable Homes

To meet Climate Change and SB 375 Objectives
Build Support for Infill and TOD

• Communicate Potential Benefits:
  • To Move “down or In” Buyers
  • Enhanced Retail
  • Target Infrastructure and Amenity Improvements
  • Identify Potential Public Policy Conflicts in Advance (Housing Siting and Air Quality)
  • Engage Business leaders, Health advocates, Environmental Groups
  • Discourage Displacement
Support Existing Neighborhoods and Housing

- Ensure local bus service not diminished to support new transit
- Target CDBG resources to rehabilitate existing housing and other infrastructure improvements
- Effectively enforce building codes
- Discourage Displacement
Make Sure Regulations Promote Vision

- Shared parking to promote mixed uses
- Reduced parking for TODs, senior, affordable
- Review LOS and Noise Standards
- Consider parking alternatives and caps
- Building Codes/zoning allow/promote adaptive reuse
- Increase Height Limits
- Flexible setbacks and lot coverage requirements
Promote Housing Choices

- Higher density multifamily
- SROs
- Supportive housing
- Manufactured housing
- Second Units
- Duplexes
- Fourplexes
Process Should Reward Infill, Affordable and TODs

- Dedicate Project Managers
- Adequately train dedicated Staff
- Ensure Interdepartmental Cooperation
- Engage critical outside players (Fire, Schools, etc.)
- Provide pre-application consultation
- Develop Pre-Approved Plans
  - Second Units: Santa Cruz
  - Infill Housing: Sacramento
- Most Funding Sources Score Applications based on Project Readiness
Support Existing and Expand Non-Traditional Housing Funding

- Coordinate with and use Transportation Funds to reward infill and higher density housing along transit corridors (MTC, San Mateo County)
- Allocate Portion of Transit Occupancy Tax (TOT) for housing for low wage workers
- Work with Business and Industry Groups to explore Employer Assisted Housing programs
  - Sonoma County Employee Housing Assistance Program
Help Make Infill Housing Pencil

- Incentivize land assemblage
- Infrastructure Incentives (Tiered Regional Sanitation District fees)
- Establish Sliding Scale for impact fees depending on size and affordability of units
- Reduce or Waive Fees
- Allow payment of fees at certificate of completion or occupancy
  - Sacramento County just expanded deferral from 15-24 months
Zoning, Processing Should Support Local Competitiveness for Funding

Project Readiness/Certainty:

- Zone land for multifamily without CUP
- Relegate more permitting to administrative decisions
- Develop written, objective design standards
- Update master CEQA documents at plan level to facilitate negative declarations
- Promote use of CEQA infill exemption

Location

- Scoring Advantage for Infill and housing near transit, amenities, jobs.
Maximize Private Sector Pipeline of Capital

Partner with private lenders to expand housing finance products: LEM, EEM, Credit Enhancement Programs

Establish Linked Deposit or Responsible Banking Ordinances. (San Diego, Sacramento County, Oakland, California Reinvestment Corporation)
Promoting Affordability and Accessibility is Key

- Include affordable and/or assisted housing in TODs
- Consider Use of Public Surplus Lands
- Adopt and support local Housing Trust Funds
- Support Innovative Housing Funding Models
  - Bay Area TOAH
- Work with Developers to incentivize transit use
  - VTA- Eco Pass Program
Promote Green Building and Energy Efficiency

- Orient homes to maximize natural day lighting and promote use of photovoltaic systems
- Promote use of light-colored “cool roofs”
- Promote water-efficient landscapes, efficient irrigation, and use of permeable paving materials
- Partner with Utility Companies to promote energy rebate programs
- Streamline processing for approved green building
Use Housing Element Update to Implement these Strategies

Make the **Right** thing to do...

the **Easy** thing to do