



Memorandum

TO: CITY COUNCIL

FROM: Councilmember Sylvia Arenas

**SUBJECT: INCLUSIONARY HOUSING
ORDINANCE PROPOSED REVISIONS**

DATE: November, 5, 2019

Approved

Date

11.5.19

RECOMMENDATION

Remove staff's recommendation (a) 1. from any motion on the Inclusionary Housing Ordinance revisions; resulting in the IHO continuing to apply to projects of 20 units or more, not the suggested 5 or more.

OR

Replace staff's recommendation (a) 1. with language to make the ordinance apply on developments of 15 or more

OR

Add to staff's language "except in infill developments that have been identified in the planning process to have special circumstances, such as significant environmental mitigation required, additional substantial environmental or traffic fee requirements, significant exceptional site infrastructure needs, or other significant development obstacles.

BACKGROUND

I appreciate staff's interest in bringing more development into the pool that support affordable housing, I do not believe that the smallest developments are the correct place to look for this funding due to the unique challenges these projects face and the strong community interest in their successfully improvement.

Infill development projects make up the vast majority of the small projects that would be affected. These properties are mostly remnant properties, that are often blighted, vacant, and environmentally damaged. The city and our neighborhoods have a vested interest in these small

parcels being successfully cleaned up, improved, and put to good use. These small projects often have the strong support of neighbors because they're improve the neighborhoods as long as they conform to the general plan and look and feel of the neighborhood.

Additionally, there are communities – like mine in Evergreen – where the only available development capacity is for small projects. For the areas in D5, D7, and D8 under the Evergreen East Hills Development Policy, small projects are the only projects allowed and they already face substantial impact fee obligations.

Last, I have real concerns about making this change at the same time we are easing the requirements for large developers. This creates both the appearance and fact of shifting the cost of our city's affordable housing from large corporations to small local businesses – and ones specifically trying to improve our neighborhoods.

Realistically, this change would simply end the occurrence of small infill projects that require environmental mitigation. I suspect that these are among the reasons that even San Francisco's Inclusionary Housing Ordinance and LA's proposed ordinance only apply to projects of 10 or more units.

I've proposed multiple solutions that I believe would address this issue, and look forward to their consideration by my colleagues. I would also suggest that we can continue to look at this issue over time, and see what the impact of the IHO is on the smallest projects that it applies to – and then apply those lessons to revising the limit (either up or down).