

Resolution No. 2018-106

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ANAHEIM ADOPTING AN AFFORDABLE HOUSING POLICY AFFIRMING THAT AFFORDABLE HOUSING IS A PRIORITY IN THE CITY OF ANAHEIM

WHEREAS, the State of California has a statewide housing affordability crisis, which also manifests at the regional and local level. Based on data recently produced by the Southern California Association of Governments and California Housing Partnership Corporation, from 2000 to 2015, median rents in California have increased 25%, while median household income has declined 4%. Statewide, more than 60% of very low-income families spend upwards of 50% of household income on housing; and

WHEREAS, Orange County, California is among the top 10 least affordable metropolitan markets in the nation, with 55% of Orange County renters spending more than 30% of income on rent. The most recent Regional Housing Needs Allocation numbers indicate that 37,966 units are needed to meet current housing needs in Orange County; and

WHEREAS, the Regional Housing Needs Allocation (RHNA) for the City of Anaheim for the period of 2014-2021 indicates that the City has a total housing need of 5,702 units. From this allocation, the RHNA designates:

- a) 1,256 units for very low-income families, with incomes at or below 50% of Average Median Income (AMI), or \$52,150 for a family of four;
- b) 907 units for low-income families with an AMI ranging from 51% to 80%, not to exceed \$83,450;
- c) 1,038 units for moderate-income families with an AMI ranging from 81% to 120%, not to exceed \$105,600; and
- d) 2,501 units for above moderate-income families with an AMI above 120%

WHEREAS, the housing needs of very low-income, low-income and moderate-income families as prescribed by the Regional Housing Needs Allocation (RHNA) for the period of 2014-2021 remain to be satisfied. A total of 1,175 units remain to be built for very low-income families, 796 units for low-income families and 993 units for moderate income families; and

WHEREAS, while the City has made substantial progress in certain income categories, the housing needs of very low-income and low-income families as prescribed by the City of Anaheim's Quantified Objective (QO) for the period of 2014-2021 remain to be satisfied. The QO has the following outstanding goals: 2 units for very low-income families and 256 units for low-income families. The City has exceeded the QO for moderate-income families by nine units; and

WHEREAS, the City has exceeded its goals for above moderate-income families, as prescribed by the Regional Housing Needs Allocation (RHNA) and QO, for the 2014-2021 reporting period. A total of 5,240 building permits have been issued for new residential construction since 2014, exceeding the RHNA and QO minimum requirements of 2,501 and 3,872 units, respectively; and

WHEREAS, demand for affordable housing in Anaheim continues to be significant. There are currently over 25,000 families on the waiting list for the Housing Choice Voucher (HCV) program, a rental subsidy program, and 20,000 families on the interest list for referrals for affordable housing in Anaheim, units where families pay their own way but rents are generally lower than those charged in privately owned rental housing; and

WHEREAS, the City and the former Redevelopment Agency, through a variety of programs and incentives, has provided a broad spectrum of housing options for persons who live and/or work in Anaheim. The City and the former Redevelopment Agency's efforts have resulted in the creation of over 6,784 units since 1978, including 4,894 affordable units, to house its residents; and

WHEREAS, in 2005, the City Council adopted the Affordable Housing Strategic Plan (the "Strategy"), which set a goal of constructing 1,200 affordable housing units for very low to moderate-income households. The City met this goal and subsequently adjusted the goal in 2009 through 2014 to 2,700. While the increased production goal was not met due to the loss of Housing Set-aside funds, an outcome directly linked to the elimination of all Redevelopment agencies in California, over 1,370 of rental and homeownership units were completed under the Strategy; and

WHEREAS, the City recognizes the importance of continuing to proactively develop affordable housing in Anaheim to meet the need of families who live and work in the City; and

WHEREAS, at the City Council meeting of October 24, 2017, staff presented options for the Council's consideration for approaches that may be used to increase the City's supply of affordable housing. The options ranged from the adoption of a policy statement declaring affordable housing as a priority in the City and encouraging voluntary actions and/or options which would include mandatory approaches such as an inclusionary housing ordinance; and

WHEREAS, Council Members Kring and Barnes and Mayor Pro Tem Moreno volunteered to work with staff to prepare an affordable housing policy statement for Council consideration and adoption; and

WHEREAS, the City of Anaheim met and consulted with various stakeholders to solicit input, including market-rate and affordable housing developers, affordable housing advocates other real estate professionals; and

WHEREAS, housing developers have stated that their ability to provide affordable housing would be positively affected by potential incentives, such as expedited processing, additional flexibility on certain development standards, and potential fee deferrals and/or waivers, to facilitate affordable units and mitigate the costs of doing so.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ANAHEIM DOES HEREBY RESOLVE AS FOLLOWS:

August 14, 2018

Section 1. The City Council, by this resolution, affirms that affordable housing is a priority in the City of Anaheim and is adopting a policy statement that encourages a dialogue between City staff and all developers of upcoming rental and for-sale housing proposed in Anaheim to consider options and approaches for addressing the City's affordable housing needs, as set forth in the Housing Element of the City's General Plan, and other documents that guide the City's affordable housing goals.

The policy statement is not an absolute requirement to produce affordable housing units; however, it is the expectation of City leaders that developers will engage earnestly and objectively in discussions with City staff as projects are contemplated and proposed that result in the consideration of viable options for the creation of affordable housing to the extent feasible.

By way of examples, this may include setting aside or designating a certain number of affordable housing units within proposed housing projects, offering buyer or rental incentive or assistance programs; down payment assistance programs to assist income-qualified first-time homebuyers; partnering with and assisting a non-profit organization(s) pursuing affordable housing projects in the City, including the provision of "in-kind" services; and/or other options that City deems in furtherance of its affordable needs, goals, and objectives.

The City recognizes that there can be financial implications associated with the delivery of affordable housing. As such, the City is committed to being a partner in the production of affordable housing that is responsive to market conditions through the creation of the Anaheim Affordable Housing Action Plan (AHAP) that would be subject to the review and approval of the City Council. The AHAP is attached hereto as Exhibit "A" and is incorporated herein by this reference. The objectives of the AHAP are as follows:

Regulatory Relief

Continue the City's commitment to reducing bureaucracy by providing relief from regulations that create barriers to the development of affordable housing. Efforts to reduce regulations could include:

- a) Ensuring that the City's ordinances and programs are consistent with State laws that facilitate the production of affordable housing;
- b) Allowing for the development of all housing product-types, including creative housing solutions for all income levels; and
- c) Encourage the State to further streamline the requirements of the California Environmental Quality Act (CEQA) and its processes to alleviate challenges and impediments to affordable housing production, including broadening exemptions for affordable housing projects that meet certain criteria.

Process Incentives

Work with stakeholders to develop an affordable housing incentive program that reduces costs and/or development time during the permitting process. Such incentives could include deferment and/or waiver of certain development impact fees for developers who provide affordable units or otherwise make provisions for assisting the City in addressing its affordable housing needs.

Middle-Income Housing

Work with stakeholders to develop a middle-income housing program that promotes and incentivizes entry-level rental and for-sale affordable housing for individuals earning middle-class incomes. The vast majority of new market-rate housing units produced are at prices at the top of the market. In addition, state and federal funding for the development of new housing typically target very low and low-income families and individuals. As a result, this middle-income group, which includes professionals such as schoolteachers, healthcare workers, public safety personnel, engineers, etc., is quickly losing the ability to afford housing. The program would not compete with other housing tools that target very low and low-income individuals, but rather create another available option to increase housing supply and improve affordability.

Affordable Housing Ambassador Program

Develop an affordable housing ambassador program in which where the City would designate a staff person(s) to promote and facilitate the development of affordable housing in Anaheim. The program could include the following:

- First point of contact on any affordable housing projects
- Meet with market-rate developers to promote affordable housing
- Usher housing projects through the entitlement and permitting process
- Foster relationships with housing stakeholders
- Help educate residents on the need and value of well-designed affordable housing projects
- Develop conceptual site design and massing illustrations on potential development sites and promote them to developers
- Create an affordable housing marketing program

Affordable Housing Development Funding

Ensure that the City remains competitive to receive State and Federal funding, leverages the Anaheim Housing Authority's remaining resources and assets to maximize the production of affordable housing, and encourages the State to adopt and pursue funding sources for affordable housing that can replace those lost through the elimination of redevelopment agencies.

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THE FOREGOING RESOLUTION IS PASSED, APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF ANAHEIM THIS 14 (14th) DAY OF August, 2018, BY THE FOLLOWING ROLL CALL VOTE:

AYES: Mayor Tait and Council Members Moreno, Murray, Vanderbilt, Barnes, Kring, and Faessel

NOES: None

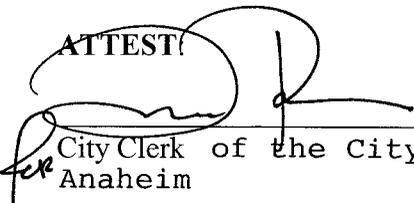
ABSTAIN: None

ABSENT: None

CITY OF ANAHEIM

By: 

Mayor

ATTEST


City Clerk of the City of
Anaheim

August 14, 2018

AFFORDABLE HOUSING ACTION PLAN

SPECIFIC ACTIONS	TIMEFRAME	PRIMARY RESPONSIBILITY
1. Regulatory Relief		
1.1 Analyze and process amendments to the Zoning Code to ensure that the City’s ordinances and programs are consistent with State laws that facilitate the production of affordable housing.	6-12 months	Planning & Building
1.2 Analyze and process amendments to the Zoning Code to allow the development of all housing product-types, including creative housing solutions for all income levels.	6-12 months	Planning & Building
1.3 Encourage the State to adopt meaningful reforms to the California Environmental Quality Act (CEQA) and its processes to alleviate challenges and impediments to affordable housing production.	6-12 months	Planning & Building; City Manager’s Office
2. Process Incentives		
2.1 Review the City’s impact fee and fee deferment program to look for additional opportunities to incentivize affordable housing, including the possibility of waiving up to 10% of development impact fees, depending on the level of affordability provided.	12-18 months	Planning & Building
3. Middle-Income Housing		
3.1 Develop a middle-income housing program that promotes and incentivizes entry-level affordable housing for individuals earning middle-class incomes.	6-12 months	Planning & Building; Community & Economic Development
4. Affordable Housing Ambassador		
4.1 Develop an affordable housing ambassador program to promote and facilitate the development of affordable housing in Anaheim.	6-12 months	Planning & Building; Community & Economic Development
4.2 Collaborate with the community and other key stakeholders to provide public information and education on the need for and value of well-designed affordable and workforce housing projects.	6-12 months	Planning & Building; Community & Economic Development

EXHIBIT “A”

<p>4.3 Partner with the business and development community to find and explore programs and tools that increase the production of affordable housing in Anaheim.</p>	<p>6-12 months</p>	<p>Planning & Building; Community & Economic Development</p>
<p>5. Affordable Housing Development Funding</p>		
<p>5.1 Encourage Federal and State lawmakers to create new viable funding sources for affordable housing and work to ensure that the City remains competitive to receive existing and new State and Federal funding sources that can replace the affordable housing funds lost through the elimination of redevelopment agencies.</p>	<p>12-18 months</p>	<p>Planning & Building; Community & Economic Development</p>
<p>5.2 Capitalize on the existence of the Anaheim Housing Authority by leveraging its remaining resources and assets to maximize the production of affordable housing.</p>	<p>12-18 months</p>	<p>Planning & Building; Community & Economic Development</p>
<p>5.3 Ensure the Housing Authority pursues additional funding, when available, for the Housing Choice Voucher Program as the funds are often used to support affordable housing development.</p>	<p>12-18 months</p>	<p>Planning & Building; Community & Economic Development</p>

EXHIBIT "A"

CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF ANAHEIM)

I, LINDA ANDAL, City Clerk of the City of Anaheim, do hereby certify that the foregoing is the original Resolution No. 2018-106 adopted at a regular meeting provided by law, of the Anaheim City Council held on the 14th day of August 2018 by the following vote of the members thereof:

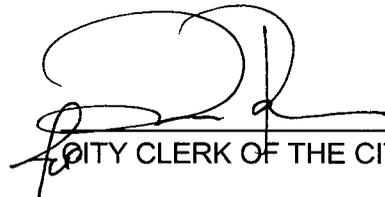
AYES: Mayor Tait and Council Members Moreno, Vanderbilt, Murray, Barnes, Kring, and Faessel

NOES: None

ABSTAIN: None

ABSENT: None

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of August, 2018.



CITY CLERK OF THE CITY OF ANAHEIM

(SEAL)