

MOTION

The City continues to experience an affordable housing crisis which has been exacerbated by continuous sky-rocketing prices of rental and for-sale housing. High housing costs coupled with the fact that approximately 60 percent of the City's residents are renters, makes the City one of the most unaffordable places to live in the country. Given this on-going crisis, it is incumbent upon the City's policymakers to explore any and all public policy proposals that hold out the promise of both affordable and market rate housing.

The Council will soon consider amendments to the *Central City West Specific Plan* to update its affordable housing provisions (Council File No. 18-0311). The policy changes follow the enactment of State law clarifying that cities and counties throughout California have the legal authority to adopt inclusionary housing policies. Originally adopted in 1991, the Specific Plan contains inclusionary housing requirements only applicable to the distinct geography defined by the Plan. As a result, the only place in the City with an inclusionary housing policy is the *Central City West Specific Plan* area.

In 2018, the Council instructed the Housing and Community Investment Department (HCID), in conjunction with the Department of City Planning and City Attorney, to present policy options and a framework for a potential inclusionary housing ordinance in the City, in accordance with the Motion (Bonin – Huizar – Koretz – Cedillo) (C.F. No. 18-0315).

In the meantime, policymakers in Sacramento have elevated the housing crisis as a State concern with multiple proposed legislative and funding measures currently under consideration by the Governor and California State Legislature, as well as measures already enacted into law. These include efforts at the State level to hold local jurisdictions accountable for meeting their respective Regional Housing Needs Assessment (RHNA) goals, to enact stricter enforcement of the Housing Element, and potentially withhold transportation funding from jurisdictions that have not built sufficient housing serving all income levels.

City policymakers need to implement a full menu of policy options to promote the equitable distribution of affordable housing on a Citywide basis, whether through incentives or mandates. Certain parts of the City should not be responsible for meeting the entire City's affordable housing goals. An HCID report on permanent supportive housing (PSH) found that Council Districts 8, 9, and 14 currently contain a large percentage of the City's current PSH units and upcoming HHH funded units; Council Districts 8 and 9 have the largest number of the city's motel sites; Council Districts 1, 6, 8, 9, 11, 13, 14, and 15 have a homeless population of over 2,000; and Council Districts 2, 3, 4, 11 and 15 present opportunities for the siting of new PSH and motel conversions that would promote a more equitable share of these resources in areas of the City that have the highest, high, and moderate resource census tracts.

While strides have been made to support housing production with the institution of programs offering land-use incentives, and a Linkage Fee that creates a new source of revenue for affordable housing, more must be done to ensure that affordable housing is actually developed. One strategy which should be considered to promote equitable distribution of affordable housing on a Citywide basis is an inclusionary housing policy. The Council adopted the inclusionary housing requirement in the *Central City West Plan* 28 years ago and has vetted the enactment of a potential citywide inclusionary housing policy for the last 15 years (Council File No. 04-0637). It is time to move this to a Citywide policy.

I THEREFORE MOVE that the Council instruct the Housing and Community Investment Department and Department of City Planning to report with recommendations on policy and programmatic strategies to promote the fair share and equitable distribution of affordable housing on a Citywide basis, with incentives and mandates including but not limited to inclusionary housing requirements with alternative compliance options.



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