ATTACHMENT 4

Costa Mesa Affordable Housing Coalition

September 23, 2016

SEP26 16 4:15PM

Chair Robert Dickson and Planning Commission Members
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

RE: Include Affordable Homes in the Adoption of the SoBECA Urban Plan Amendment

Dear Chair Dickson and Planning Commission Members:

The Costa Mesa Affordable Housing Coalition (the Coalition) is submitting this letter in support of the Kennedy Commission's letter and recommendations dated September 23, 2016 in regards to the adoption of the SoBECA Urban Plan Amendment. The Coalition would like to reiterate the main points and urges the Planning Commission to take the following actions:

1. **Approve a maximum of 450 units at a density of 40 du/acre at the SoBECA Urban Plan Area <u>ONLY IF</u> new residential developments proposed in the overlay set-aside 20 percent of homes as affordable to lower income working households.** If a property owner chooses to develop residential uses in SoBECA, it is not a given that the new high density residential development will be affordable. Default densities of 30 du/ac and greater do not necessarily produce homes that are affordable to lower income working households. This is quite evident considering the City has approved through upzoning over 2,000 new residential units that are market-rate. Not one of these developments proposed any set-aside of affordable units for lower income working families.

   Of course, zoning that allows high density *can* result in the development of affordable homes; however, that has *not* happened in the City. Given the City's track record, without effective programs and policies that facilitate and encourage the development of affordable housing for lower income families, the creation of affordable homes in SoBECA very likely will **not** happen unless the City requires the 20% set aside we are seeking.

   By increasing the existing base density *without* requiring the inclusion of affordable units for lower income households, the City is effectively circumventing the State Density Bonus Law (SB 1818), which the Legislature adopted in order to encourage and facilitate the development of new affordable homes for lower income households. Rather than utilize the State Density Bonus Law to produce affordable homes, the City has consistently allowed new residential development proposals to *circumvent* the law by spot zoning and increasing density over what is currently allowable. As a result, the City has failed at producing affordable homes through the Density Bonus Law.

The City's proposed development incentives, such as increasing the allowable density, are incredibly valuable and will undoubtedly encourage and facilitate future developments. Rather than simply *giving away* incentives, the City should utilize this opportunity to ask that 20% of homes be affordable to lower income households in return for the proposed increased density.

2. **Collaborate with the Costa Mesa Affordable Housing Coalition and community stakeholders to develop effective housing policies (i.e., inclusionary housing) and residential incentive overlays that will encourage and facilitate the development of affordable home opportunities for lower income working households.**

Sincerely,

Kathy Esfahani

Kathy Esfahani
For The Costa Mesa Affordable Housing Coalition

September 23, 2016

THE Kennedy COMMISSION
www.kennedycommission.org
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Irvine, CA 92614
949 250 0909
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Chair Robert Dickson and Planning Commission Members
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

RE: Include Affordable Homes in the Adoption of the SoBECA Urban Plan Amendment

Dear Chair Dickson and Planning Commission Members:

The Kennedy Commission (the Commission) is a broad based coalition of residents and community organizations that advocates for the production of homes affordable for families earning less than $20,000 annually in Orange County. Formed in 2001, the Commission has been successful in partnering and working with jurisdictions in Orange County to create effective policies that has led to the new construction of homes affordable to lower income working families.

As the City moves forward in adopting the SoBECA Urban Plan Amendment, the Commission urges the City to consider the following:

1. **Approve a maximum of 450 units at a density of 40 du/acre at the SoBECA Urban Plan Area <u>ONLY IF</u> new residential developments proposed in the overlay set-aside 20 percent of homes as affordable to lower income working households.** If a property owner chooses to develop residential uses in SoBECA, it is not a given that the new high density residential development will be affordable. Default densities of 30 du/ac and greater do not necessarily produce homes that are affordable to lower income working households. This is quite evident considering the City has approved through upzoning over 2,000 new residential units that are market-rate. Not one of these developments proposed set-aside affordable units for lower income working families.

   By increasing the existing base density, the City is effectively circumventing the use and implementation of the State Density Bonus Law (SB 1818) for proposed projects, which would have facilitated the development of new affordable homes for lower income households in the City. Incentives such as the State Density Bonus Law is an effective tool for the City to build affordable housing but the City has consistently allowed new residential development proposals to circumvent the law by spot zoning and increasing density that is currently allowable. As a result, the City has not been effective in producing affordable homes through the Density Bonus Law. Zoning that allows high density can result in the development of affordable homes, however, it has not happened in the City. Without effective programs and policies that facilitates and encourages the development of affordable housing for lower income families, it will probably not happen.

The City's proposed development incentives, such as increasing the allowable density, has significant value to it that will undoubtedly encourage and facilitate future developments. By giving away incentives, the City should utilize this opportunity to ask for a community benefit in return such as a set-aside of homes that would be affordable to lower income households in the City.

2. **Collaborate with the Costa Mesa Affordable Housing Coalition and community stakeholders to develop effective housing policies (i.e., inclusionary housing) and residential incentive overlays that will encourage and facilitate the development of affordable home opportunities for lower income working households.**

We look forward to City's responses to our recommendations and if you have any questions, please feel free to contact me at (949) 250-0909 or cesarc@kennedycommission.org.

Sincerely,

Cesar Covarrubias
Executive Director

cc: Kathy Esfahani, Costa Mesa Affordable Housing Coalition

Received
City of Costa Mesa
Development Services Department

SEP 23 2016