

Arroyo Grande, Ca Municipal Code: Affordable and Inclusionary Housing

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Title 16 Development Code

Chapter 16.80 Affordable Housing Requirements

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Title 16 Development Code

Chapter 16.80 Affordable Housing Requirements

16.80.010 Purpose.

The purpose of this chapter is to provide a continuing supply of affordable housing units to meet the needs of existing and future Arroyo Grande residents in all income categories pursuant to the requirements of California state law, and as outlined in the city's adopted housing element. (Prior code § 9-19.010)

16.80.020 Definitions.

The definitions of this section and of Section 16.04.070 shall govern this chapter.

"Affordable housing units" means units governed by a legal covenant or other restriction enforceable by the city restricting the availability of the units to lower income and very low income residents, which units are rented or sold to lower income or very low income households, as defined in this subsection.

"Developer" means an applicant for an approval or a permit required for a residential subdivision or to construct a residential development project.

"Housing unit" means one or more rooms, designed, occupied or intended for occupancy as separate living quarters, with full cooking, sleeping and bathroom facilities for the exclusive use of a single household.

"In-lieu fee" means a fee paid to the city by a developer subject to this chapter in lieu of providing the required affordable housing units.

"Lower income households" means those households defined in Section 50079.5 of the California Health and Safety Code.

"Project" means a residential development or land subdivision proposal for which city permits and approvals are required.

"Very low income household" means those households defined in Section 50105 of the California Health and Safety Code. (Prior code § 9-19.020)

16.80.030 Applicability.

This chapter shall apply to any residential development project or the construction of such project or any portion thereof, and shall also apply to any development that results from the conversion of any square footage from an exempt use to a nonexempt use. (Prior code § 9-19.030)

16.80.040 Provision of housing, in-lieu fee, or dedication of land.

The developer shall meet affordable housing requirements by providing on-site affordable housing units meeting the standards set forth in this chapter, or paying a fee in lieu of providing such housing, or dedicating land to the city to be used for development of affordable housing. Payment of an in-lieu fee or the dedication of land shall be allowed pursuant to this chapter if the city council finds that any of the following circumstances apply:

- A. The provision of the required affordable housing units on the site is impractical for physical reasons, including but not limited to the following: utility infrastructure limitations, traffic safety or traffic capacity limitations, site design constraints which preclude the development of the property to city standards at the density permitted pursuant to the general plan or zoning district in which the property is located;
- B. The city council determines that the payment of in-lieu fees or the dedication of land will provide a superior opportunity to satisfy the goals and policies of the general plan; or
- C. The payment of in-lieu fees or the dedication of land to the city will provide an equivalent level of mitigation to that of on-site production of the required affordable housing units. (Prior code § 9-19.040)

16.80.050 Calculation of housing or in-lieu fee.

Projects must provide for the number of affordable housing units as set forth below.

- A. In all cases where, at the property owner's request, the city council amends the general plan and/or zoning designation of a property, which results in an increase in the allowable residential density above that authorized by the adopted version of the city's general plan and/or zoning map, the requirement shall be as follows:
 - 1. At least twenty-five (25) percent of the units or lots approved for development on the subject property shall be affordable for lower income households;
 - 2. Payment of an in-lieu fee equivalent to two and one-half percent of the value of new construction for each unit within the development as computed for building permit purposes;
 - 3. Projects where fewer than twelve (12) units are allowed after amendment of the general plan and/or rezoning increasing the allowable density of the affected property shall be subject to payment of an in-lieu fee equivalent to two and one-half percent of the value of new construction for each unit within the development as computed for building permit purposes.
- B. In all other cases, the requirement shall be as follows:
 - 1. Projects of less than twenty-five (25) units shall pay an in-lieu fee equivalent to one percent of the value of new construction for each unit within the development as computed for building permit purposes.
 - 2. Projects of twenty-five (25) to forty-nine (49) units:
 - a. Provide at least five percent of the units or lots as affordable to lower income households. In all such cases the developer shall be entitled to a density bonus of five percent of the allowable density for the property; or
 - b. Pay an in-lieu fee equivalent to one of the value of the new construction for each unit within the development as computed for building permit purposes.

3. Projects of fifty (50) or more units:
 - a. Provide at least ten (10) percent of the units or lots as affordable to lower income households. In all such cases the developer shall be entitled to a density bonus of ten (10) percent of the allowable density for the property; or
 - b. Pay an in-lieu fee equivalent to one percent of the value of the new construction for each unit within the development as computed for building permit purposes.
4. Projects subject to subsection (B)(2) and (3) of this section may meet the requirements of this chapter by dedicating land to the city when land dedication is deemed suitable by the city council, pursuant to Section 16.80.040. Such land shall be offered in fee to the city or to another public or non-profit agency approved by the city.
5. Projects of four or fewer units or lots shall be excepted from the provisions of this chapter. (Prior code § 9-19.050)

16.80.060 Implementation.

- A. A written housing development agreement, in a form approved by the city, shall be entered into between the city and the developer prior to final approval of a subdivision map, or issuance of a building permit, as applicable. This agreement will set forth the developer's plan to meet the requirements of this chapter, and the city's approval of that plan.
- B. All affordable housing units in a project and phases of a project shall be constructed concurrently with or prior to the construction of other units, unless the city finds that extenuating circumstances exist.
- C. All affordable housing units shall be sold or rented to lower income or very low income households as certified by the housing authority of the city of San Luis Obispo or such other entity approved by the city council, and shall remain affordable for a term of not less than thirty (30) years.
- D. Unless the city finds compelling reasons to the contrary, the affordable housing units shall be reasonably dispersed throughout the development, shall contain on average the same number of bedrooms as the other units in the development, and shall be compatible with the design of the market rate units in terms of appearance, materials, and finished quality.
- E. The in-lieu fees shall be paid to the city prior to issuance of any grading or building permit. Payment may be made for each phase of a phased project before the issuance of the grading or building permit for such phase, as applicable.
- F. If the number of units required for a project includes a fraction of a unit, the developer shall provide either a whole unit or a pro-rata in-lieu payment on account of such fraction of a unit. (Prior code § 9-19.060)

16.80.070 Affordable housing trust fund--Deposit.

Fees paid pursuant to this chapter shall be deposited in the affordable housing trust fund and used solely to increase the supply of affordable housing units. (Prior code § 9-19.070)

16.80.080 Affordable housing trust fund--Administration.

The affordable housing trust fund shall be administered under the general supervision of the community development director, and pursuant to such rules, regulations, and guidelines as the city council shall adopt and/or amend from time to time. The community development director shall make annual reports to the city council regarding the administration and status of the affordable housing trust fund. (Prior code § 9-19.080)

16.80.090 Project approvals.

No new housing project, residential subdivision, general plan amendment and/or rezoning of land for residential purposes, or other land use authorization related thereto, may be approved unless the requirements of this chapter have been met. (Prior code § 9-19.090)

16.80.100 Guidelines.

The city council shall adopt guidelines for the operation of the affordable housing trust fund. (Prior code § 9-19.100)