

# 2021 Affordable Housing Opportunity & Creation Ordinance

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APRIL 5, 2022



# Proposed Action & Recommendation

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- Reintroduction of Zoning Ordinance Amendment No. 2021-03 repealing and reenacting Article XVIII.I. of Chapter 41 of the Santa Ana Municipal Code regarding the Housing Opportunity Ordinance
- Approve the first reading of the Ordinance and adopt



# Background

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- The City Council previously conducted a reading of this Ordinance on November 16, 2021 by a vote of 4:2:1
- Second reading on February 15, 2022 did not receive the necessary majority vote of the members of the City Council
- The vote on the second reading was 3:2:2
- Councilmember Phan participated and voted to adopt the first reading of the Ordinance but abstained on the second reading awaiting a response from the Fair Political Practices Commission
- FPPC was investigating a formal complaint filed in December of 2021 alleging she violated the conflict of interest provisions of the Political Reform Act



# FPPC Decision

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- On March 16, 2022, Councilmember Phan received a notification from the Enforcement Division of the FPPC that the Office will not pursue the matter
- Based on this new information, the Mayor directed staff to place the Ordinance on the Agenda reintroducing the Ordinance for a first adoption reading
- The final Ordinance presented to the City Council on February 15, 2022 is attached as Exhibit 1 to the Staff Report



# Key Policy Enhancements and Changes

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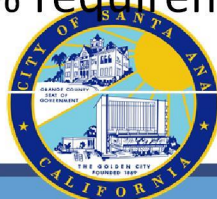
- Applicability thresholds and in-lieu fee options
- Incentivize projects to incorporate skilled & trained workforce
- Incentivize local hire
- Prioritize production of housing for large families
- Prioritize down payment assistance
- Address regulatory applicability & vesting
- Incentivize onsite construction
- Extend period for payment of the in-lieu fee



# Council Refinements for Second Reading

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- Omit new priorities not directly relate to the production of new affordable housing units
- Reduce to 5% inclusionary for for-sale units
- Include a provision to vest entitled projects and make the necessary conforming changes
- Require and phase in the use of a local skilled and trained workforce for projects proposing 20 or more residential lots or units exercising the in-lieu fee option
- Require an affirmative vote by 5 members of the City Council in order to modify the in-lieu fee structure and the local skilled and train workforce provisions
- Incorporate a 1.5 local density bonus multiplier for for-sale units up to 35% for units above the minimum 5% requirement



# Applicability Thresholds

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- Applies to projects of 5 or more units requiring a:
  - Zone change
  - General plan amendment
  - Density increase within the zone
- Includes city initiated zone changes and general plan amendments since November 28, 2011





# Inclusionary Requirements

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- For Sale Units – 5% Moderate
- Rental Units
  - 15% Low
  - 10% Very Low
  - 5% Extremely Low
  - 10% Blended Rate of 5% Low, 3% Very Low & 2% Extremely Low





# In-Lieu Fee Schedule

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Units/Lots	Fee Per Square Foot of Habitable Area
5 – 9	\$6.00
10 – 14	\$9.00
15 – 19	\$12.00
20 or more	\$15.00



# Skill & Trained Workforce and Local Hire Requirements

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Applies to development projects of 20 or More Units

**11/17/2021 – 12/31/2025**

\$15 – No requirements

\$10 – 30% STW + 2 trades & 20% local hire

\$ 5 – 60% STW + 3 trades & 20% local hire

**1/1/2026 thereafter**

\$15 – 30% STW & 35% local hire

\$10 – 60% STW & 35% local hire

\$ 5 – 90% STW & 35% local hire



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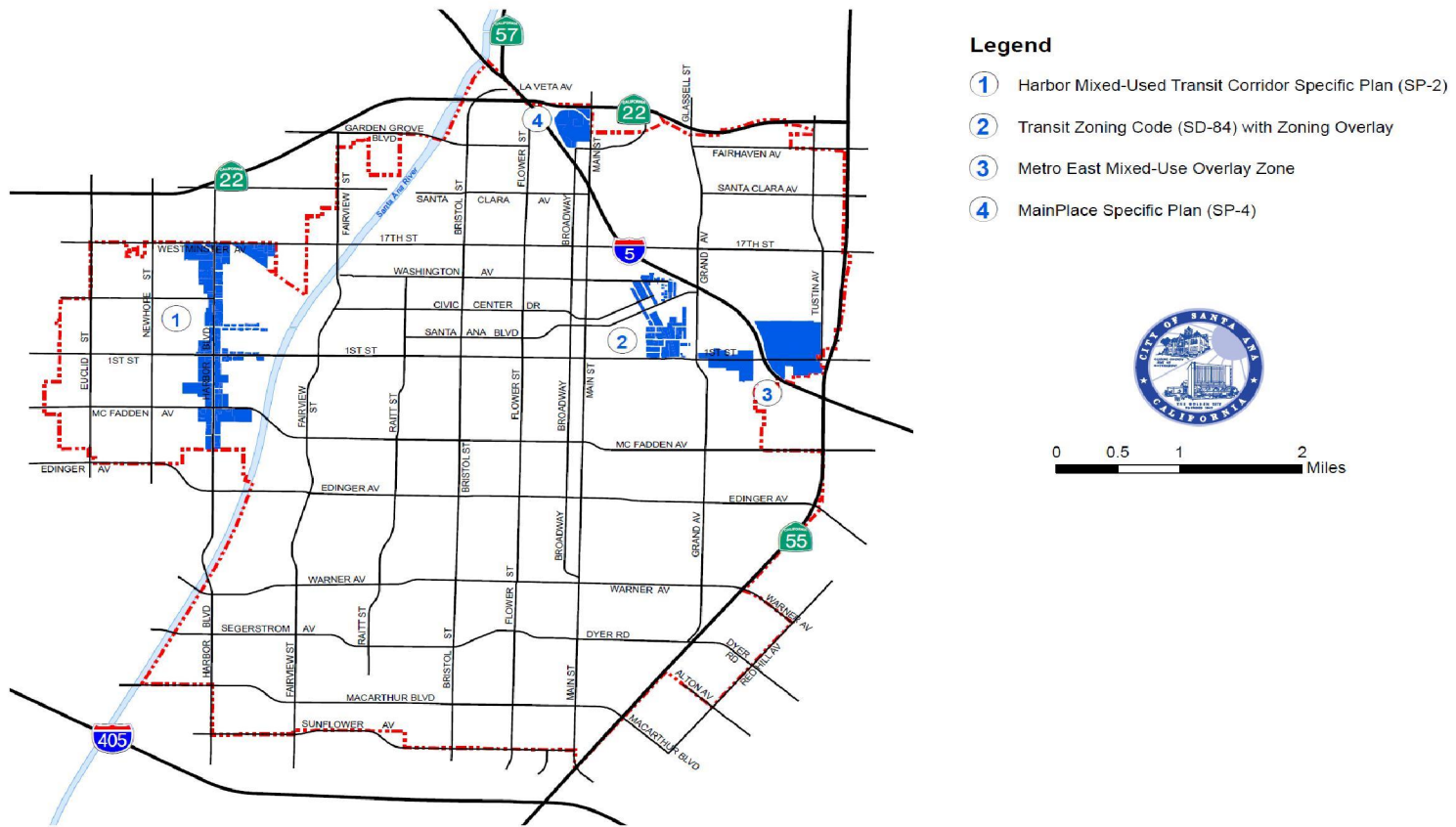
# City Council Discussion

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APRIL 5, 2022



# 2015 HOO Applicable Areas



# Potential HOO Applicable Areas

