

# **Modifications to the Zoning Code Related to Chapter 19.66: Affordable Housing and Single Room Occupancies**

**(Study Issue CDD 09-12C and Non-Routine HO-01)**



**Stakeholder  
Meeting  
May 15, 2012**

# AGENDA

- **Introductions**
- **Origin and Goal of Study**
- **Recommendations**
  1. BMR Ownership Program
  2. Remainder of Ch. 19.66
- **Open Discussion / Questions**
- **Next Steps**

# ORIGIN AND GOAL OF STUDY

- **Revise the BMR Ordinance so that it:**
  - **Is clear and easy to read**
  - **Provides more options**
  - **Contains adequate provisions for enforcement**
  - **Greater consistency with state and federal regulations**

# RECOMMENDATIONS

## 1. Ownership Program

### Current BMR Requirements

- Not required in lowest-density single family zones (R-0, R-1, R-1.5 or R-1.7/PD)

### Proposed BMR Requirements

- Require in all residential zones, but with more options for compliance

# RECOMMENDATIONS

## Current Fractional Unit Requirements

- Requirement rounded up or down to next whole unit

## Proposed Fractional Unit Requirements

- Developer's option: pay fractional in-lieu fee (with approval of approving body), or round up to provide additional BMR unit

# RECOMMENDATIONS

## Current In-Lieu Fee Option

- Allowed for developments of 19 or fewer homes, with Director approval.
- Fee = difference between market rate sales price and BMR sales price, for each BMR unit required.

# RECOMMENDATIONS

## Proposed In-Lieu Fee Option

- Allow in-lieu fees for any development, if approved at entitlement hearing.
- Fee = 7% of each home's sales price.
- Approximately the same fee amount, but expressed as % of sales price, not by formula as in current Ordinance.

# RECOMMENDATIONS

## Current BMR Unit Standards

- BMR units “shall not be distinguished by interior or exterior design, amenities, construction, or materials”

# RECOMMENDATIONS

## Proposed BMR Unit Standards

- Minimum floor area: at least 75% of average size of market rate units with same number of bedrooms
- Interiors: similar to market-rate, with materials of at least standard grade or better
- Exterior finishes: indistinguishable from market-rate units

# RECOMMENDATIONS

## Current Timing Requirement:

- BMR units constructed concurrently with non-BMR units
- Developer to notify City that BMR is ready for sale 60 days before final building inspection (occupancy certificate).

# RECOMMENDATIONS

## Proposed Requirement:

- Proportional completion: every 8<sup>th</sup> unit to receive occupancy certificate must be a BMR
- Director may allow some flexibility for multi-unit buildings or phased projects
- BMR units must be listed for sale upon completion and sold in timely manner

# RECOMMENDATIONS

## Current Maximum Sales Prices

- Affordable to households between 80-120% AMI (wide range)
- Ordinance allows construction cost adjustment upon request to Director, with documentation

# RECOMMENDATIONS

## Proposed BMR Sales Price

- Price set to be affordable to households at 100% AMI, subject to periodic shifts within a range of 80-110% AMI to adjust to market forces, at Director's discretion.
- No administrative construction cost adjustment.

# BMR SALES PRICE EXAMPLE

## Maximum BMR Prices

Number of Bedrooms	Current (80% AMI)	Proposed (100% AMI)
2	\$260,875	\$315,118
3	\$288,674	\$349,124
4	\$316,674	\$380,862

# RECOMMENDATIONS

## **New options for providing BMR units:**

- **Off-site Option (“Transfer of Credits”)**
- **Existing Unit Conversion (Acquisition, Rehabilitation, and/or Preservation)**
- **Alternative Housing Types (duets, etc.)**
- **In-Lieu Fees**

# RECOMMENDATIONS

## Proposed requirements for new options:

- Proposed & approved at time of development approval; included in permit & map conditions
- Off-site options to provide more units and/or greater affordability than on-site BMRs would provide, or comparable public policy benefits

# RECOMMENDATIONS

## **Proposed requirements for new options:**

- Allowed solely at discretion of approving body
- Development in timely manner
- Alternate site identified at time of market-rate project approval

# RECOMMENDATIONS

## 2. Remainder of Chapter 19.66

### Current Density Bonus Section

- Complex local provisions, in addition to state law.

### Proposed Density Bonus Section

- Move to Residential Zoning Districts Chapter
- Refer to state density bonus law, with local provisions if needed to implement state law.

# RECOMMENDATIONS

## Legacy BMR Rental Units

- New chapter with provisions for operation of existing BMR rental units, similar to current operational requirements
- New rental developments not subject to BMR requirements

# RECOMMENDATIONS

## Single Room Occupancy Facilities

### Current SRO Requirements

- Minimum unit sizes, development standards, and management requirements

### Proposed Current SRO Requirements

- No changes to the requirements
- Move section to more appropriate chapter of Zoning Code (Standards for Specific Unit Types)

# DISCUSSION / QUESTIONS

- **Comments**
- **Questions**

## NEXT STEPS

- **May 23, Housing and Human Services Commission - 7 p.m., West Conference Room**
- **June 25, Planning Commission Study Session - 7p.m., West Conference Room**
- **July 9, Planning Commission Public Hearing - 8 p.m., Council Chambers**
- **July 31, City Council - 7 p.m., Council Chambers**

# CONTACT

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