PROGRAM	EIGHT-YEAR OBJECTIVE	FUNDING SOURCE	RESPONSIBLE AGENCY	TIMEFRAME
further concentration of affordable units in identified areas of lower-incomes, higher diversity index scores, and larger proportions of renter households. Smaller projects and all ownership projects may opt to pay an in-lieu fee as an alternative. SPMC 36.375 encourages and streamlines use of the State Density Bonus through incentives to comply with objective design standards.				
On an annual basis, in conjunction with the State Annual Progress Report (APR) process, the City will report to Council on the number of units approved and built that provide affordable units. Additionally, the City shall review the effectiveness of the Inclusionary Housing regulations and if revisions are deemed necessary, they will be made when such needs are identified. The review will include consultation with the local development community and shall utilize constraints on development as a criteria, including housing costs and timing, and will ensure revisions do not act as a constraint on development. **Program 2.j - General Plan Affordable Housing Overlay** The City will create and map an Affordable Housing Overlay on the General Plan Land Use Map to be applied to selected sites outside of the Downtown and Mixed-Use districts, particularly in higher-income	Develop at least 400 units of affordable housing during the planning period on sites where the Affordable Housing Overlay is applied to reduce displacement	General Fund, (for staff resources)	Community Development Department	Adopt overlay at the time of General Plan adoption, that will occur with 120 days of adoption of the Housing
areas with lower proportions of renter households and sites with access to transit, commercial, services, higher performing educational facilities and amenities. The overlay will be applied including the specific state law requirements for the rezoning of the sites.	risks for lower-income households due to housing shortages and provide housing, mobility and income-integration opportunities to high resourced areas.			Element.
Program 2.k – Affordable Housing Overlay Zone The City will create an Affordable Housing Overlay in the zoning regulations to be applied to selected sites outside of the Downtown and Mixed Use districts. The overlay will allow up to 30 dwelling units per acre for projects that include deed-restricted affordable units. Program 3.a also addresses the sites where the overlay will be applied including the specific state law requirements for the rezoning of the sites.	Develop at least 30 units/acre of affordable housing during the planning period on sites where the Affordable Housing Overlay is applied to reduce displacement risk for lower-income households due to housing shortages and provide housing mobility opportunities to high resourced areas.	General Fund	Community Development Department	Amend zoning to include overlay by October 15, 2024.

PROGRAM	EIGHT-YEAR OBJECTIVE	FUNDING SOURCE	RESPONSIBLE AGENCY	TIMEFRAME
process and developers will be encouraged to utilize the inclusionary housing ordinance's streamlined architectural incentives, as applicable.				
The City-owned or partially City-owned sites listed in Appendix A and Table VI-50 subject to this program are listed below in addition to the sites discussed in the next paragraph:				
 Site 8: Public works yard site 				
 Site 13: City-Owned Parking Lot site (City owns three of the four parcels) 				
There are no existing uses on these sites that impede additional development and there are no known conditions that preclude development in the planning period. The City is already coordinating with the owner of the other parcel on Site 13. Site 8 is completely Cityowned and would not require coordination with any other owners. In addition, the City owns one of the parcels in Site 12 in Table VI-50 and will coordinate with the owner of the other parcel on Site 12 to encourage development of housing on that sites.				
Additionally, the City will commit to monitoring the continued progress of developing the city-owned sites every other year and will identify alternative sites within 6 months if necessary if sites will not be developed during the planning period.				
Program 2.m – Update Inclusionary Housing Regulations. In order to broaden the feasibility for projects to include on-site inclusionary housing, the City will revise the Zoning Ordinance to reduce the required percentage of inclusionary units from 20% of base units to 15% of base units. Additionally, an exemption to the Ordinance will be added for projects with less than 10 units. Other provisions of the ordinance will also be reviewed, in consultation with the local development community, in the revision process inleuding but not limited to in-lieu fees, cost of a comparable unit and how the inclusionary regulations relate to state density bonus law and other City development standards.	Approve 137 inclusionary units during the planning period (15% inclusionary requirement on the moderate- and above moderate RHNA allocation of 912 units).	General Fund	Community Development Department and City Council	Adopt updates to the Inclusionary Housing Ordinance within 120 days of Housing Element adoption
As part of Program 2.i., the effectiveness of the Inclusionary Housing Ordinance will be <u>reviewed</u> in 2025 and additional changes will be made to the Ordinance if it is deteremined that it is an impediment to housing development.				
Program 2.n – Citywide Height Limit Ballot Initiative Consistent with requirements under state law concerning cities placing measures on the ballot, the City will seek through voter approval in a local election, the repeal of the current height limit of 45 feet as to at	Facilitate proposed densities on residential sites in the Housing Element where the height limit	General Fund	Community Development Department and City Council	Place measure on ballot by December 31, 2024. Within 120 days after the enactment of a ballot

PROGRAM	EIGHT-YEAR OBJECTIVE	FUNDING SOURCE	RESPONSIBLE AGENCY	TIMEFRAME
70 du/ac, except for the Fair Oaks zone within the DTSP, which will be 110 du/ac In addition, comparable Zoning Code revisions outside of the DTSP area will implement this program. The types of standards and processes that will or may need revising include height limits, open space standards, parking requirements and findings for design review. Sites that are planned to receive the Affordable Housing Overlays (see Programs 2.j and 2.k) in the General Plan and Zoning Code are also addressed by this program. Program 3.b - Mixed-Use Developments and Adaptive Re-Use As part of the rezoning and adoption of the DTSP through Program 3.a, the City will create development standards that encourage the	Increased production of housing units on properties located within the City's commercial districts through the mixed-use	General Fund	Community Development Department	Adopt General Plan, Downtown Specific Plan, and other needed zoning changes with
development of high density residential uses. It is anticipated that the base density of the DTSP zones will be either 70 or 110 du/ac, depending on the zone. Both the Mission Street and Fair Oaks zones in the DTSP will contain the following objective development standards:	development provisions of the Zoning Code and on vacant and reused properties in the Downtown Specific Plan area. Reduced time to process permits			objective development and design standards within 120 days of adoption of a compliant Housing Element. See
 Setbacks: 0 feet along the building frontage and sides, and no more than 15 feet in the rear of the building. Floor Area Ratio: FAR will facilitate maximum allowable densities in each DTSP zone.up to 2.5 to 1 Minimum unit size: 450 square feet. Required parking: No required parking for parcels within ½ mile of a high quality transit stop; One space per studio or one-bedroom unit; 1.5 spaces per two-bedroom or larger unit; Development incentive of 0.5 spaces for deed restricted affordable housing units. Private open space: 50 square feet minimum for Liner and Flex Building typologies. These development standards will be updated upon repeal or 	for mixed-use projects that include affordable housing and increased applicant understanding of the streamlined state density bonus, planned development permit and affordable housing incentive provisions of the Zoning Code to maximize the potential for a project to include affordable housing.			also Program 3.a. Modify City website to include revised process for streamlined processing of planned development permits for mixed-use and Downtown Specific Plan applications and post notification and educational materials for objective development and design standards by November 2023. Update handout materials by November 2023; Ongoing at the Planning Counter and as applications are received.
replacement of the existing height limit in accordance with Program 2.n to allow for the construction of buildings that can achieve the densities identified in the Housing Element.				Outreach to affordable housing developers annually (see Program 2.a.)
Additionally, development incentives that would encourage the construction of affordable units within market-rate projects, beyond those required by State Density Bonus law, will be included in the DTSP. These development incentives may include: • Reduced private open space requirements;				Within 120 days after the enactment of a ballot measure repealing or replacing the height

PROGRAM	EIGHT-YEAR OBJECTIVE	FUNDING	RESPONSIBLE	TIMEFRAME
THOOME!	·	SOURCE	AGENCY	
Program 3.1 – Increase and Maintain Planning and Housing Staff Resources The Community Development Department will hire three additional staff members to increase the Planning Division's ability to facilitate processing of housing applications, in particular to process ADUs and applications that include affordable housing. Additionally, a dedicated housing division will be added to the department to focus on implementing the goals and programs of the housing element. These additional staff will allow the City to implement programs to incentivize and promote housing development.	Augment and support staff resources to expedite housing projects and implement housing programs.	General Fund	Community Development Department, City Council	The Housing Division was included in the 2022-2023 budget and new staff was hired by November 2022. Planning unit is operating with 5 FTE and recruiting for one additional person.
The City intends to promote the housing mobility opportunities and increase the supply of affordable units in neighborhoods with higher incomes and resources. This will include the development of streamlined processes for SB9 and an SB10 implementation program with pre-approved building typologies. Specifically, the City will create a "Missing Middle" housing program. This program will establish objective design standards for certain housing types in low density residential zones within high-quality transit areas as defined by the Southern California Association of Governments (SCAG), except where the boundary may overlap with designated high fire hazard areas. Missing Middle housing types contemplated for this program will include duplexes, triplexes, four-plexes, and cottage courts. The baseline density for this program will be 15 du/acre in the RE and RS zones. Staff shall present a specific proposal to the City Council for consideration and adoption, including a finding that the ordinance is consistent with the City's obligation to affirmatively further fair housing. The missing middle housing program proposal will include: Zoning Code Text Amendment to establish a Missing Middle housing program. Appropriate development standards to facilitate program density including but not limited to: identifying lot size requirements, reducing setbacks, increasing FAR and evaluating minimum unit size requirements. A simple waiver system to ensure development standards do not preclude the density of 15 du/acre. An exhibit or definition to clearly demarcate the area that is subject to the ordinance.	Facilitate the development of at least 50 units with the SB10 Missing Middle housing program over the reporting period. Administration of SB 9 ordinance is ongoing; specific administrative process and guidelines for SB 9 to be developed; implement Missing Middle housing types—including duplexes, triplexes, four plexes, and cottage courts—along high quality transit corridors and/or transit stops, expect for in high fire hazard areas.	General Fund; SCAG REAP 2.0 Grant	Community Development Department	The City will work with a technical consultant to develop objective design standards or building typologies related to this program and prepare and present the necessary implementation policy and zoning amendments to effectuate the program within 24 months of the adoption of the Housing Element. By December 2027, analyze Missing Middle housing program and make modifications as necessary. SB-9 implementation began in December 2021, and a revised permanent ordinance and materials will be prepared within 120 days after the adoption of this Housing Element; Development Standards for "Missing Middle" housing will be prepared within 120 days after the adoption of this Housing Element; Development Standards for "Missing Middle" housing will be prepared within 120 days after the adoption of this Housing Element.

PROGRAM	EIGHT-YEAR OBJECTIVE	FUNDING SOURCE	RESPONSIBLE AGENCY	TIMEFRAME
By December 2027, the City will analyze whether it is on track to meet				
the eight-year objective for the Missing Middle housing program. If, at				
that point, the City is not on track to meet the eight-year objective, it				
will increase the allowable maximum density for this program.				
These two 2021 State housing bills, SB 9 and SB 10, were signed in				
September 2021. SB 9 requires the City to permit construction of two				
dwelling units on single-family lots (with some exceptions) and SB 10				
allows local authorities to increase densities for multi-family properties				
and allow up to 10 units with a CEQA exemption to expedite housing				
mobility opportunities and increase the supply of affordable units in				
neighborhoods with higher incomes and resource opportunities.				
negation and ingret incomes and resource opportunities				
The City took action by urgency ordinance to establish objective				
standards in December 2021, and will adopt a permanent ordinance,				
with updates based on more recent State guidance by fall 2023. The				
City will also adopt a user-friendly and objective administrative process				
in compliance with SB 9 within the context of other City development				
requirements. The City will monitor approvals of SB 9 units and				
report on the number of building permits issued every year as part of				
the annual progress report to HCD.				
the annual progress report to 11612.				
Additionally, the City will create a "Missing Middle" housing program.				
This program will establish objective design standards for certain				
housing types in low-density residential zones along high-quality				
transit corridors and/or transit stops, except for in high fire hazard				
areas. Missing Middle housing typescontemplated for this program				
may include duplexes, triplexes, four-plexes, and cottage courts. At the				
time of program development and Ordinance adoption, the				
community, Planning Commission and City Council will determine the				
scope of the program. Eligible property owners within these				
designated areas will be able to opt into this program.				
Program 3.n – Zoning Changes	Update zoning to facilitate the	General Fund	Community	General Plan
	needed housing units.		Development	amendments and
This program will be achieved through inclusion of new or revised	U		Department	rezoning will occur
development standards or updates to processes and procedures to			1	within 120 days after
address constraints identified in this Housing Element and facilitate				adoption of a compliant
increased densities in the updated General Plan and the Downtown				Housing Element.
Specific Plan (DTSP). In addition, comparable Zoning Code revisions				
outside of the DTSP area will further implement this program. The				
types of standards and processes that will be revised to reduce the				
constraints on development including, but not limited to, height limits,				
open space standards, and parking requirements. Additionally,				
subjective approval findings will be removed in compliance with State				
law to facilitate administrative approval of residential developments.				l

Responsible Agency: Community Development Department, City Council

Timeframe: Prepare reasonable accommodation procedure handout and application form and post on website by December 2023; Train staff to process reasonable accommodations by December 2023; Seek funding opportunities beginning in 2023 and annually thereafter; all implementation action components are ongoing. Amend the Zoning Code to comply with the Employee Housing Act within 120 days after the adoption of the Housing Element.

Program 2.i – Inclusionary Housing Regulations – Monitor for Effectiveness

To ensure that affordable housing is included in all mixed-use and residential districts throughout the city that permit multifamily housing, the City adopted an Inclusionary Housing ordinance that added inclusionary requirements to the zoning code (SPMC 36.375) in May 2021. Due to economic conditions, the Council has directed an amendment to revise the requirement (See Program 2m). The requirements emphasize developing on-site inclusionary units as part of all projects with three or more residential units. The City will encourage projects that meet this threshold to locate within higher-income neighborhoods and neighborhoods with lower proportions of rental households to facilitate income integration and housing mobility opportunities for lower-income and renter households, and reduce further concentration of affordable units in identified areas of lower-incomes, higher diversity index scores, and larger proportions of renter households. Smaller projects and all ownership projects may opt to pay an in-lieu fee as an alternative. SPMC 36.375 encourages and streamlines use of the State Density Bonus through incentives to comply with objective design standards.

On an annual basis, in conjunction with the State Annual Progress Report (APR) process, the City will report to Council on the number of units approved and built that provide affordable units. Additionally, the City shall review the effectiveness of the Inclusionary Housing regulations and if revisions are deemed necessary, they will be made when such needs are identified. The review will include consultation with the local development community and shall utilize constraints on development as criteria, including housing costs and timing, and will ensure revisions do not act as a constraint on development.

Eight-year Objective: Produce affordable units as part of residential and mixed-use projects with three or more market-rate residential units.

Funding Source: General Fund (Code development); developer obligation (implementation)

Responsible Agency: Community Development Department

Timeframe: No later than June 30, 2025, review effectiveness of the Inclusionary Housing ordinance at producing affordable housing units and its impacts on the viability of housing production. Make adjustments as necessary to the Inclusionary Housing Ordinance based on the review findings no later than December 31, 2025.

Program 2.j – General Plan Affordable Housing Overlay

The City will create and map an Affordable Housing Overlay on the General Plan Land Use Map to be applied to selected sites, outside of the Downtown and Mixed-Use districts, particularly in higher-income areas with lower proportions of renter households and sites with access to transit, commercial, services, higher performing educational facilities and amenities. The overlay will allow up to 30

Timeframe: Create City-owned affordable housing site property list by June 30, 2023. Start outreach to developers by December 2023. Issue first RFP by 2024 and remaining three RFPs in 2026. Building Permit issuance for first project by 2025; two additional building permits issued by 2029.

Bi-annually, review progress towards developing city-owned sites and identify alternative sites within 6 months if sites will not be developed within the planning period.

Program 2.m - Update Inclusionary Housing Regulations.

In order to broaden the feasibility for projects to include on-site inclusionary housing, the City will revise the Zoning Ordinance to reduce the required percentage of inclusionary units from 20% of base units to 15% of base units. Additionally, an exemption to the Ordinance will be added for projects with less than 10 units. Other provisions of the ordinance will also be reviewed, in consultation with the local development community, in the revision process including but not limited to in-lieu fees, cost of a comparable unit and how the inclusionary regulations relate to state density bonus law and other City development standards.

As part of Program 2.i., the effectiveness of the Inclusionary Housing Ordinance will be <u>reviewed</u> in 2025 and additional changes will be made to the Ordinance if it is determined that it is an impediment to housing development.

Eight-year Objective: Approve 137 inclusionary units during the planning period (15% inclusionary requirements on the moderate- and above moderate RHNA allocation of 912 units).

Funding Source: General Fund

Responsible Agency: Community Development Department and City Council

Timeframe: Adopt updates to the Inclusionary Housing Ordinance within 120 days of Housing

Element adoption.

Program 2.n – Citywide Height Limit Ballot Initiative

Consistent with requirements under state law concerning cities placing measures on the ballot, the City will seek through voter approval in a local election, the repeal of the current height limit of 45 feet as to at least any residential or mixed-use (including residential) project on which the housing element anticipates a base density in excess of 50 units/acre. Such measure will be brought to the City Council for consideration prior to being placed on the ballot. The measure may either eliminate the height limit for these parcels entirely, or be replaced by a new height limit. If the height limit is replaced, the new limit will be no less than 84 feet to achieve the densities identified in the DTSP. In addition, the City will facilitate residential projects that may exceed 45 feet by utilizing the existing options for exceptions to the citywide height limit, including state Density Bonus law. (See also Program 3.n.) If the ballot measure is approved, the City will update development standards throughout the DTSP and zoning code to allow for buildings that can achieve the densities identified in the Housing Element. If the ballot measure is not approved by the voters, the City will complete a mid-cycle revision to the housing element, reducing sites for which the housing element anticipates a base density in excess of 50 units/acre; City will conduct additional rezoning to address the remaining RHNA on sites allowing densities greater than 50 dwelling units per acre. This will include preparing a mid-cycle Housing Element.

Allocation (RHNA) once their General Plan land use and zoning is amended. As part of this rezoning, to improve housing mobility and increase new housing choices and affordability in higher resource or relatively higher income areas, the City will increase the allowable zoning within the Medium Density Residential zone to at least 30 dwelling units per acre (du/ac) and to at least 45 du/ac within the High Density Residential zone. Per California Government Code Section 65583.2(c), the City will also amend the zoning code to allow approval of projects that have at least 15-percent lower-income units in compliance with the inclusionary housing ordinance without discretionary review or "by right." Additional zoning capacity will be achieved through the adoption of the Downtown Specific Plan (DTSP) and the expansion of mixed-use areas along the City's arterial corridors either through inclusion within the DTSP or through a zoning overlay district. Allowable densities withing these mixed-use areas will be 70 du/ac, expect for the Fair Oaks zone within the DTSP, which will be 110 du/ac. In addition, comparable Zoning Code revisions outside of the DTSP area will implement this program. The types of standards and processes that will or may need revising include height limits, open space standards, parking requirements and findings for design review. Sites that are planned to receive the Affordable Housing Overlays (see Programs 2.j and 2.k) in the General Plan and Zoning Code are also addressed by this program.

Eight-year Objective: Rezone sufficient sites to accommodate the City's RHNA targets.

Funding Source: General Fund

Responsible Agency: Community Development Department

Timeframe: General Plan amendments and rezoning: will occur within 120 days of adoption of a compliant housing element.

Program 3.b - Mixed-Use Developments and Adaptive Re-Use

As part of the rezoning and adoption of the DTSP done as part of Program 3.a, the City will create development standards that encourage the development of high-density residential uses._It is anticipated that the base density of the DTSP zones will be either 70 or 110 du/ac, depending on the zone.

Both the Mission Street and Fair Oaks zones in the DTSP <u>will</u> contain the following objective development standards:

- Setbacks: 0 feet along the building frontage and sides, and no more than 15 feet in the rear of the building.
- Floor Area Ratio: <u>FAR will facilitate maximum allowable densities in each DTSP zone.up to 2.5 to 1</u>
- Minimum unit size: 450 square feet.
- Required parking:
 - O No required parking for parcels within ½ mile of a high quality transit stop;
 - One space per studio or one-bedroom unit;
 - o 1.5 spaces per two-bedroom or larger unit;
 - O Development incentive of 0.5 spaces for deed restricted affordable housing units.
- Private open space: 50 square feet minimum for Liner and Flex Building typologies.

Program 3.m – Implement SB 9 and SB 10

The City intends to promote the housing mobility opportunities and increase the supply of affordable units in neighborhoods with higher incomes and resources. This will include the development of streamlined processes for SB9 and an SB10 implementation program with pre-approved building typologies.

Specifically, the City will create a "Missing Middle" housing program. This program will establish objective design standards for certain housing types in low density residential zones within high-quality transit areas as defined by the Southern California Association of Governments (SCAG), except where the boundary may overlap with designated high fire hazard areas. Missing Middle housing types contemplated for this program will include duplexes, triplexes, four-plexes, and cottage courts.

The baseline density for this program will be 15 du/acre in the RE and RS zones. Staff shall present a specific proposal to the City Council for consideration and adoption, including a finding that the ordinance is consistent with the City's obligation to affirmatively further fair housing. The missing middle housing program proposal will include:

- Zoning Code Text Amendment to establish a Missing Middle housing program.
- Appropriate development standards to facilitate program density including but not limited to: identifying lot size requirements, reducing setbacks, increasing FAR and evaluating minimum unit size requirements.
- A simple waiver system to ensure development standards do not preclude the density of 15 du/acre.
- An exhibit or definition to clearly demarcate the area that is subject to the ordinance.

By December 2027, the City will analyze whether it is on track to meet the eight-year objective for the Missing Middle housing program. If, at that point, the City is not on track to meet the eight-year objective, it will increase the allowable maximum density for this program. These two 2021 State housing bills, SB 9 and SB 10, were signed in September 2021. SB 9 requires the City to permit construction of two dwelling units on single-family lots (with some exceptions) and SB 10 allows local authorities to increase densities for multi-family properties and allow up to 10 units with a CEQA exemption to expedite housing mobility opportunities and increase the supply of affordable units in neighborhoods with higher incomes and resource opportunities.

The City took action by urgency ordinance to establish objective standards in December 2021, and will adopt a permanent ordinance, with updates based on more recent State guidance by fall 2023. The City will also adopt a user-friendly and objective administrative process in compliance with SB 9 within the context of other City development requirements. The City will monitor approvals of SB 9 units and report on the number of building permits issued every year as part of the annual progress report to HCD.

Additionally, the City will create a "Missing Middle" housing program. This program will establish objective design standards for certain housing types in low density residential zones along high-quality

transit corridors and/or transit stops, except for in high fire hazard areas. Missing Middle housing types contemplated for this program may include duplexes, triplexes, four-plexes, and cottage courts. At the time of program development and Ordinance adoption, the community, Planning Commission and City Council will determine the scope of the program. Eligible property owners within these designated areas will be able to opt into this program.

Eight-year Objective: Facilitate the development of at least 50 units with the SB10 Missing Middle housing program over the reporting period. Administration of SB 9 ordinance is ongoing; specific administrative process and guidelines for SB 9 to be developed; implement Missing Middle housing types — including duplexes, triplexes, four-plexes, and cottage courts —along high-quality transit corridors and/or transit stops, except for in high fire hazard areas.

Funding Source: General Fund; SCAG REAP 2.0 Grant

Responsible Agency: Community Development Department

Timeframe: The City will work with a technical consultant to develop objective design standards or building typologies related to this program and prepare and present the necessary implementation policy and zoning amendments to effectuate the program within 24 months of the adoption of the Housing Element.

By December 2027, analyze Missing Middle housing program and make modifications as necessary. SB 9 implementation began in December 2021, and a revised permanent ordinance and materials will be prepared within 120 days after the adoption of this Housing Element; Development Standards for "Missing Middle" housing will be prepared within 120 days after the adoption of this Housing Element.

Program 3.n – Zoning Changes

This program will be achieved through inclusion of new or revised development standards or updates to processes and procedures to address constraints identified in this Housing Element and facilitate increased densities in the updated General Plan and the Downtown Specific Plan (DTSP) currently undergoing public review. In addition, comparable Zoning Code revisions outside of the DTSP area will further implement this program. The types of standards and processes that will be revised to reduce the constraints on development including, but not limited to, height limits, open space standards, and parking requirements. Additionally, subjective approval findings will be removed in compliance with State law to facilitate administrative approval of residential developments.

Eight-year Objective: Update zoning to facilitate the needed housing units.

Funding Source: General Fund

Responsible Agency: Community Development Department

Timeframe: General Plan amendments and rezoning will occur within 120 days after adoption of a compliant Housing Element.