



# Administrative Report

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N.5., File # 20-1734

Meeting Date: 1/12/2021

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**To: MAYOR AND CITY COUNCIL**

**From: BRANDY FORBES, COMMUNITY DEVELOPMENT DIRECTOR**

## **TITLE**

DISCUSSION AND POSSIBLE ACTION REGARDING INCLUSIONARY HOUSING ORDINANCE TO DETERMINE PARAMETERS

## **EXECUTIVE SUMMARY**

The City Council has expressed interest in having an Inclusionary Housing Ordinance prepared. City Council approved the contract with Veronica Tam and Associates, Inc. for the preparation of the Housing Element Update and Inclusionary Housing Ordinance at the October 20, 2020 meeting and the contract has since been executed. The contract scope includes subconsultant services by Keyser Marston Associates (KMA) to conduct a financial feasibility analysis for inclusionary housing parameters.

The housing consultant Veronica Tam attended the November 10, 2020 City Council meeting to provide an introduction on the inclusionary housing concept, where she described inclusionary housing program basics, including process and parameters for consideration, and the relationship with the Housing Element and RHNA.

As explained at that November 10<sup>th</sup> meeting, the next step in the process is to set the parameters to be considered in the ordinance. The consultant and subconsultant will provide a presentation on the parameter setting to guide the discussion with the City Council.

## **BACKGROUND**

The City of Redondo Beach is preparing to update its current Housing Element for the 2021-2029 planning period, as mandated by State law. Additionally, the City Council has expressed interest in having an Inclusionary Housing Ordinance prepared. Although this type of ordinance is expected to be eligible for a CEQA exemption, there is typically a financial feasibility analysis that accompanies an Inclusionary Housing Ordinance to ensure that the requirements established in the ordinance are justifiable and in accordance with State housing laws. City Council approved the contract with Veronica Tam and Associates, Inc. for the preparation of the Housing Element Update and Inclusionary Housing Ordinance at the October 20, 2020 meeting and the contract has since been executed.

The first step with the consultant was the introductory meeting, which was done at the November 10, 2020 City Council meeting. At that meeting, the housing consultant described inclusionary housing program basics, including process and parameters for consideration, and the relationship with the

Housing Element and RHNA. A copy of the presentation from that discussion item is included in the agenda packet, however, the minutes from that meeting are not yet available.

An additional meeting is being held to establish the basic parameters for the subconsultant to evaluate for feasibility. The full scope of work is included in the attached proposal that was approved with the contract at the October 20, 2020 City Council meeting.

Kathe Head from the subconsultant KMA will present the parameters to be set, such as percentage affordable, level of affordability, in lieu fee amounts, etc. and describe the various ranges and implications for those parameters. A survey of other municipalities that have inclusionary ordinances is included in the agenda packet to demonstrate what the different parameters and ranges are currently being implemented throughout the State, and this information will be discussed during the presentation. The goal of the discussion is for City Council to provide the preferred parameters for KMA to evaluate in order to test the feasibility of those levels.

#### **COORDINATION**

The Community Development Department collaborated with Veronica Tam and Associates, Inc and Keyser Marston Associates to prepare for this agenda item.

#### **FISCAL IMPACT**

The cost associated with the preparation of the Inclusionary Housing Ordinance is included in the current contract for this service with Veronica Tam and Associates, Inc. that was approved by the City Council on October 20, 2020. The funding sources for the preparation of the Inclusionary Housing Ordinance is \$55,250 funded through the General Plan Maintenance Fund.

#### **APPROVED BY:**

*Joe Hoefgen, City Manager*

#### **ATTACHMENTS**

Executed Contract with Veronica Tam and Associates, Inc. Approved by City Council October 20, 2020

Inclusionary Housing Presentation from November 10, 2020 City Council Meeting

Inclusionary Housing Survey prepared by KMA