Attachment 7

Stakeholder and Community Outreach Meeting
Primary Feedback

November 2021 Workshop #1

- Importance of including affordable units in market-rate developments, to avoid clustering of affordable units in existing low-income areas of the City.
- Some but not unanimous support for consideration of in-lieu fee option, as it can result in more affordable units in the long-run through funding leverage.
- Program should include option for land donation and/or collaboration with nonprofit builders for separate buildings to meet inclusionary requirements – would be relevant for larger projects.
- Encouraging City to explore other tools for developing permanent/long-term, affordable housing, including co-ops and community land trusts, and other funding sources such as transient occupancy tax (TOT).

November 2021 Workshop #2

- Desire for flexibility from City in negotiating on a project-by-project basis, to reflect that every project has unique cost factors.
- Concern that feasibility models may underestimate development costs, in which case financial returns are overestimated and projects may be less able to absorb the cost of inclusionary requirements.
- Interest in having incentives that reduce costs elsewhere in a project, although higher density allowances do not always improve project feasibility because construction costs can increase.
- Combined with other City policies that are adding costs to development, such as VMT reduction and electrification policies, the addition of inclusionary requirements can push many projects into infeasibility.
- Better option to get affordability units is to support the building of 100% affordable housing projects on City-owned land; alternately, City should share in cost of inclusionary requirements somehow.

January 12, 2022 Community Webinar

- Overall support for an inclusionary housing policy
- Preference to require units on-site rather than allow in-lieu fee; fee should be higher than cost of providing on-site units to discourage the fee option.
- Questions about other means of encouraging development of affordable units, such as density bonuses (which the City and State do have)
- Stated need for provision of affordable housing that serves special needs population.