

- Housing Element Program 11.1: Continue to provide incentives such as reduced development fees, assistance in public improvements, priority in permit processing, increased density, altered site-development standards, mortgage revenue bonds, affordable-housing competition, and other creative incentives to encourage the development of housing affordable to moderate-, low-, extremely low-, and very low-income households and households with special needs. A priority will be placed on projects that provide the largest number of units at the greatest level of affordability. The availability of incentives will be incorporated in the City's Inclusionary Zoning Ordinance, to be consistent with State law and recent court decisions, but for specific projects, will also be promoted through the City's web site, in local newspapers, and through posting at public places subject to normal procedures. The objective of this program is to assure that incentives are made available and known to the development community.

- Policy 14: Preserve for the longest term feasible, restricted units affordable to extremely low-, low- and very low-income households which are at risk of changing to market-rate housing.
Program 14.2: Structure future rent-restriction contract agreements to allow the City the opportunity to purchase or subsidize assisted units at the conclusion of the rent-restriction period.
Program 14.4: Provide rehabilitation funds or other incentives such as a density bonus where appropriate for apartment complexes in exchange for extended or perpetual assisted-housing time periods.
Program 14.5: Issue bonds or provide other funding where appropriate to reduce apartment complex mortgage rates in exchange for extended or perpetual assisted-housing time periods.

- Policy 15: Make appropriate modifications to the Land Use Element of the General Plan, Zoning Ordinance, and other City ordinances, programs, and policies to facilitate the provision of housing, especially housing for those with disabilities (including developmental disabilities), and housing affordable to moderate-, low-, and very low-income households.
Program 15.2: Waive City fees for housing developments that provide a minimum of 15 percent affordable to extremely low-, low- and very low-income households.

- Policy 17: Ensure compliance with the Inclusionary Zoning Ordinance by requiring each for-sale residential and non-residential development to which the Ordinance applies to include its pro-rata share of housing needs for low- and very low-income households or, if the Ordinance criteria are met, to contribute to the lower-income housing fund to facilitate the construction of housing affordable to extremely low-, low-, very low-, and moderate-income households. Review and modify policies for rental housing to conform with State law and recent court decisions. It is strongly encouraged that the Inclusionary Zoning Ordinance requirements be met by building housing affordable to extremely-low, low- and very low-income households.

- Policy 18: Use the lower-income-housing fee to generate funds for the provision of housing affordable to extremely low-, low- and very low-income households. The low-income housing fund should be used primarily to leverage State and Federal funds in the development of housing affordable to low- and very low-income households and in-house loan programs, so that the fund may be used most efficiently and maintained over time. When considering allocation of these funds, priority will be given to non-profit housing developers with a project including three bedroom units affordable to large extremely low, low- and very low-income households.
 - Program 18.1*: Review and modify the lower-income-housing fee annually in conformance with AB 1600, and consider changing the basis of the fee to reflect the true cost of providing housing.
 - Program 18.2*: Continue to exempt all housing units affordable to low- and very low-income households from the low-income housing fee.
 - Program 18.3*: Use the Lower-Income Housing Fund to help build housing affordable to low- and very low-income households on City-owned land.
 - Program 18.4*: Use the Lower-Income Housing Fund to extend rent restriction agreements, purchase land, write down mortgage costs, rehabilitate units, subsidize rents, issue tax-exempt bonds, post loan collateral, pay pre-development costs, and otherwise help produce housing units affordable to lower-income households. The objective of this is to utilize the Lower Income Housing Fund in a manner consistent with City ordinance and to support affordable housing, particularly developments proposed by non-profit developers that include units for large families at very low incomes.
 - Program 18.5*: When considering how to utilize the City’s Lower-Income Housing Fund, consider whether a proposal with a non-profit housing developer and a for-profit housing developer partnership should be a higher priority project due to its ability to potentially secure better funding and be developed.

- Policy 24: Use the City’s lower-income housing fund as seed money for Federal and State tax credits to promote the construction of housing affordable to extremely low-, low- and very low-income households.

- Policy 26: Encourage non-profit and joint for-profit housing developments by offering incentives. Non-profit and joint for-profit housing developers of housing affordable to moderate-, low- , extremely low-, and very low-income households shall have the highest City priority for approval. Specific City incentives to encourage such housing developments are the following:
 - Priority for the Growth Management affordable-housing sub allocation;
 - Expedited permit processing;
 - Fee waivers;
 - Contributions from the lower-income housing fund;
 - Use of available City-owned land;
 - Density bonuses;
 - City assistance in obtaining financing or funding;
 - Assistance in providing public improvements;

- Consideration of reduced development standards, such as reducing the number of parking spaces
- (this consideration does not include reducing the number of required on-site parking spaces in the Downtown Specific Plan Area); and
- Consideration of mortgage revenue bonds.

Program 26.1: Actively assist owners of property zoned or designated High-Density-Residential in soliciting non-profit housing organizations for proposals to develop housing affordable to extremely low-, moderate-, low-, and very low-income households on available sites using lower-income-housing fees. The objective of this program is to assure that owners of HDR properties are informed of City affordable housing programs. The City will notify all property owners of HDR sites of available City housing programs within 6 months of Housing Element adoption.

- Policy 27: Housing developments with at least 25 percent of all units affordable to extremely low-, very low- and/or low-income households in perpetuity shall be considered to have the second highest priority in terms of City approval. Incentives shall include the following:
 - Priority for the Growth Management affordable-housing sub-allocation for the affordable-housing component;
 - Expedited permit processing;
 - Fee waivers;
 - Contributions from the lower-income housing fund;
 - Density bonuses;
 - Assistance in obtaining financing;
 - Assistance in obtaining Federal and State tax credits through use of City resources as seed money when significant numbers of housing units affordable to low- and very low-income households are provided;
 - Assistance in providing public improvements; and
 - Consideration of reduced development standards, such as reducing the number of required parking spaces; and
 - Mortgage revenue bonds.
- Policy 35: Eliminate all substandard housing conditions within the community.

Program 35.3: Supplement CDBG funds with the City's Lower-Income Housing Fund for rehabilitation of housing units affordable to extremely low-, low- and very low-income households.
- Policy 40: Reserve suitable sites for subsidized housing affordable to low- and very low-income households.
- Goal 17: Identify and make special provisions for the community's special-housing needs.

Program 43.1: Continue to provide housing opportunities for households with special needs such as studio and one-bedroom apartments for the elderly and single-person households, three-bedroom apartments for large households, specially designed units for persons with disabilities, SROs, emergency shelter and

transitional housing for the homeless, and units affordable to extremely low-, low- and very low-income households with single-parent heads of households or those with disabilities (including developmental disabilities). The City will continue to make available funding from sources such as the City's Lower-Income Housing Fund, and the City's Federal HOME and CDBG grants to assist local non-profit agencies and housing developers. The City will also provide technical support to agencies to seek other sources of funding and to plan and develop housing for persons with special needs.

Program 43.4: Set aside a portion of the City's Lower-Income Housing Fund for housing projects which accommodate the needs of special housing groups such as for persons with physical, mental, and/or developmental disabilities, and persons with extremely low-incomes.

- Policy 46: Preserve and enhance environmental quality in conjunction with the development of housing, including additions and remodels.

Program 46.2: Utilize the City's Lower-Income Housing Fund for low-interest loans to support alternative energy usage and/or significant water conservation systems in exchange for securing new and/or existing rental housing units affordable to low- and very low-income households.

- Policy 47: Implement Resolution 10-390, requiring enhancements to existing non-discrimination housing policies.

Program 47.2: Survey older multi-family residential complexes and consider utilizing the City's Lower-Income Housing Fund, Federal funds, and/or other funds to provide low-interest loans to retrofit existing residential units for the purpose of developing three bedroom rental units affordable to large low- and very low-income households.

Program 47.3: The City will coordinate a workshop with non-profit housing developers and owners of sites rezoned to accommodate housing affordable to low- and very low-income households for the purpose of facilitating discussion regarding potential opportunities, programs, financial support, etc. The City will utilize its Lower-Income Housing Fund, Federal funds, and/or other funds/financial support to assist with the acquisition of a site or to assist with development of a project with three bedroom units affordable to large low- and very low-income households by a non-profit housing developer. The City will work cooperatively with developers to identify any funding gap in project financing and will make contributions from its Lower Income Housing Fund to help close this gap. A minimum of \$1 million will be made available for this purpose.