

2021 - 2029
**HOUSING
ELEMENT**
U P D A T E

City Council Meeting

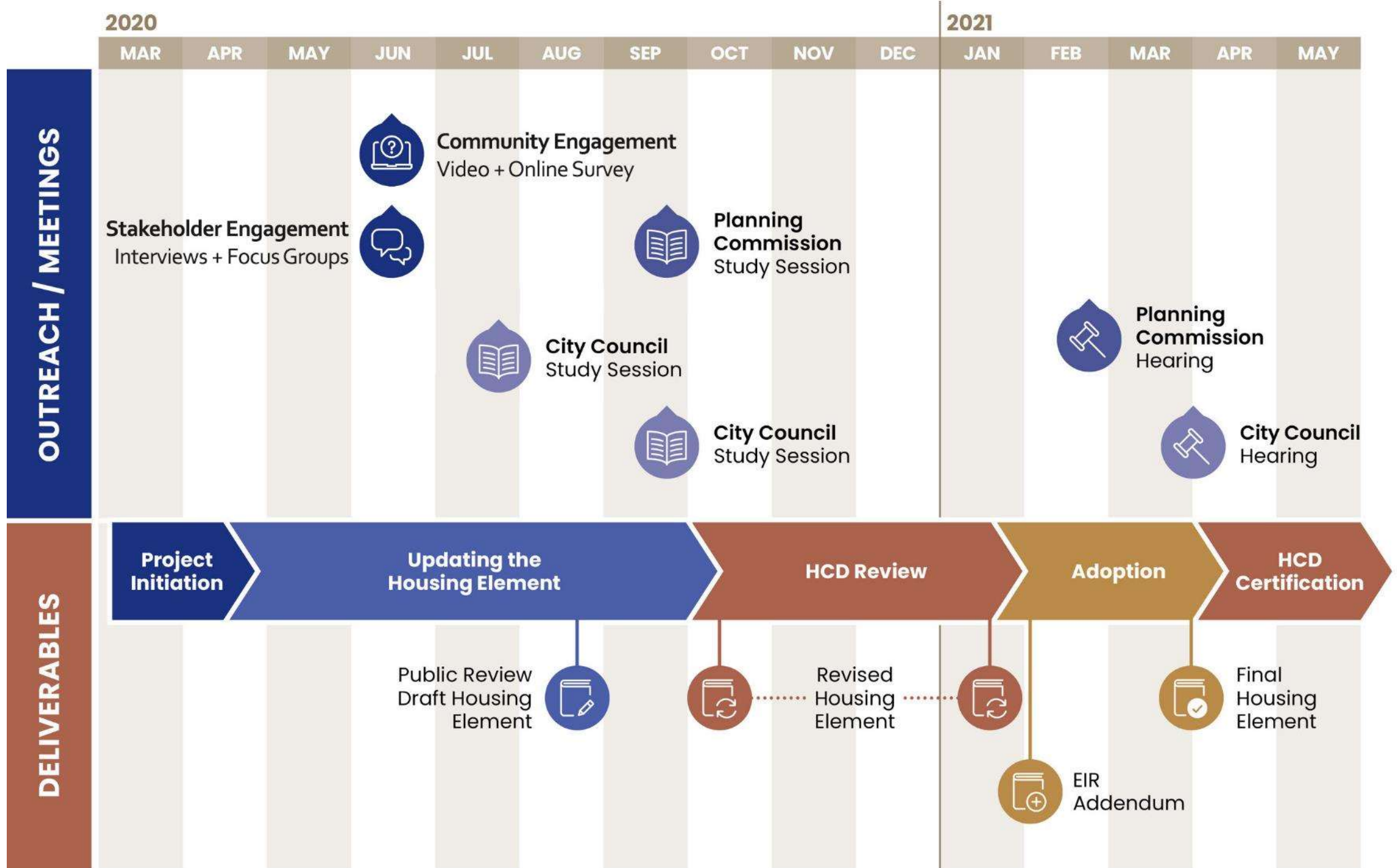
July 28, 2020



Discussion Agenda

- Project Schedule
- Community Outreach
- RHNA Overview
- Lower-Income Capacity
- Strategies to Meet the RHNA
- Questions for the Council

PROJECT SCHEDULE



Focus Group Discussions

Affordable Housing

- Lower-income sites included in the inventory are often not developable

Key Recommendations

- Site Size should allow for approx. 100 units (no less than 60 units)
- Site location should meet tax credit funding criteria
- Rezone to allow housing on commercial land
- Community education on affordable housing needed

Missing Middle and Multi-Generational Housing

- Barriers include costs, lower demand, and limited homebuilder experience

Key Recommendations

- Create loan programs for ADU construction
- Allow housing on commercial land
- Allow fourplexes on all residential land
- Ease development standards (lot coverage, FAR, setbacks, parking)

Homelessness and Special Needs Housing

- Homeless population = approx. 70 individuals

Key Recommendations

- Increase services in Folsom
- Secure affordable housing for City's homeless residents
- Reduce barriers for tiny homes
- Conduct public outreach campaign

Online Community Survey

Key Themes

Housing affordability is a top concern (46%)

Too much housing/too many apartments (30%)

High need for large lot single family homes (43%) and housing for seniors and Persons with Disabilities (32%)

Little consensus on affordable housing and supportive housing for homeless

Community Input on Housing Strategies



- Increase housing near employment centers
- Production of Accessory Dwelling Units
- Multifamily development near transit stations
- Replace commercial zoning with residential zoning
- Mixed use development along the East Bidwell Corridor
- Increasing housing densities in the Folsom Plan Area

Regional Housing Needs Allocation (RHNA)

Folsom RHNA, 2013 vs. 2021

Income Category	2013-2021 RHNA (Housing Units)	2021-2029 RHNA (Housing Units)
Very Low Income (<50% of Median Income)	1,218	2,226
Low Income (51-80% of Median Income)	854	1,341
Moderate Income (81-120% of Median Income)	862	829
Above Moderate Income (>120% of Median Income)	1,699	1,967
TOTAL	4,633	6,363

3,567
"Lower-
Income"
(72% increase)

Housing Types and Affordability

Housing Element basic assumption: **Density = Affordability**

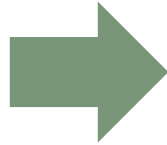
Above Moderate Income

Moderate Income

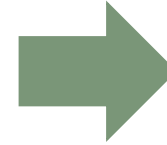
Lower Income



Single Family (2-4 du/ac)



Multifamily Low Density (7-12 du/ac)



Multifamily High Density (20-30 du/ac)



Single Family High Density (4-7 du/ac)



Multifamily Medium Density (12-20 du/ac)



Mixed Use (20-30 du/ac)



No Net Loss Zoning

Govt. Code Sect. 65863

Maintain the sites inventory at all times

- City must maintain adequate sites for lower-income housing throughout the 8-year planning period
- If a development is approved on a housing element site with either *fewer units* or a *different income category* (i.e., market rate), the City must either:
 - Make written “no net loss” finding that other housing element sites are adequate to meet the RHNA for lower-income housing; or
 - Identify and make available **within 180 days** other sites zoned at a density suitable for lower- or moderate-income housing



No Net Loss Zoning

Govt. Code Sect. 65863

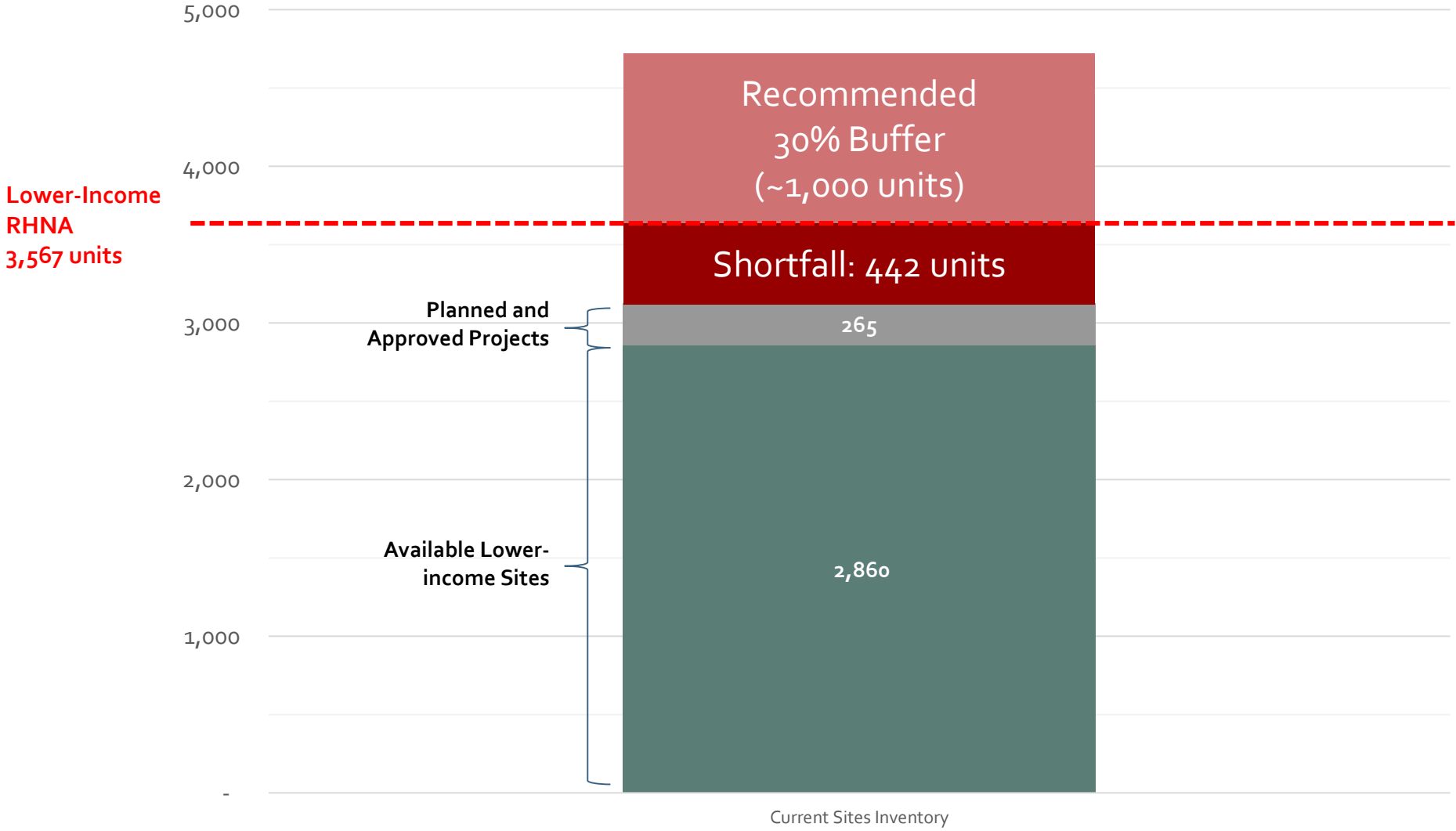
Burden is on the Local Jurisdiction, not the Developer

- Developer has no responsibility for developing a site at the inventoried income level
- Jurisdiction may not deny a housing development because it would require identifying additional sites.
- It is the jurisdiction's responsibility to identify and rezone a replacement site within 180 days (including any required CEQA)

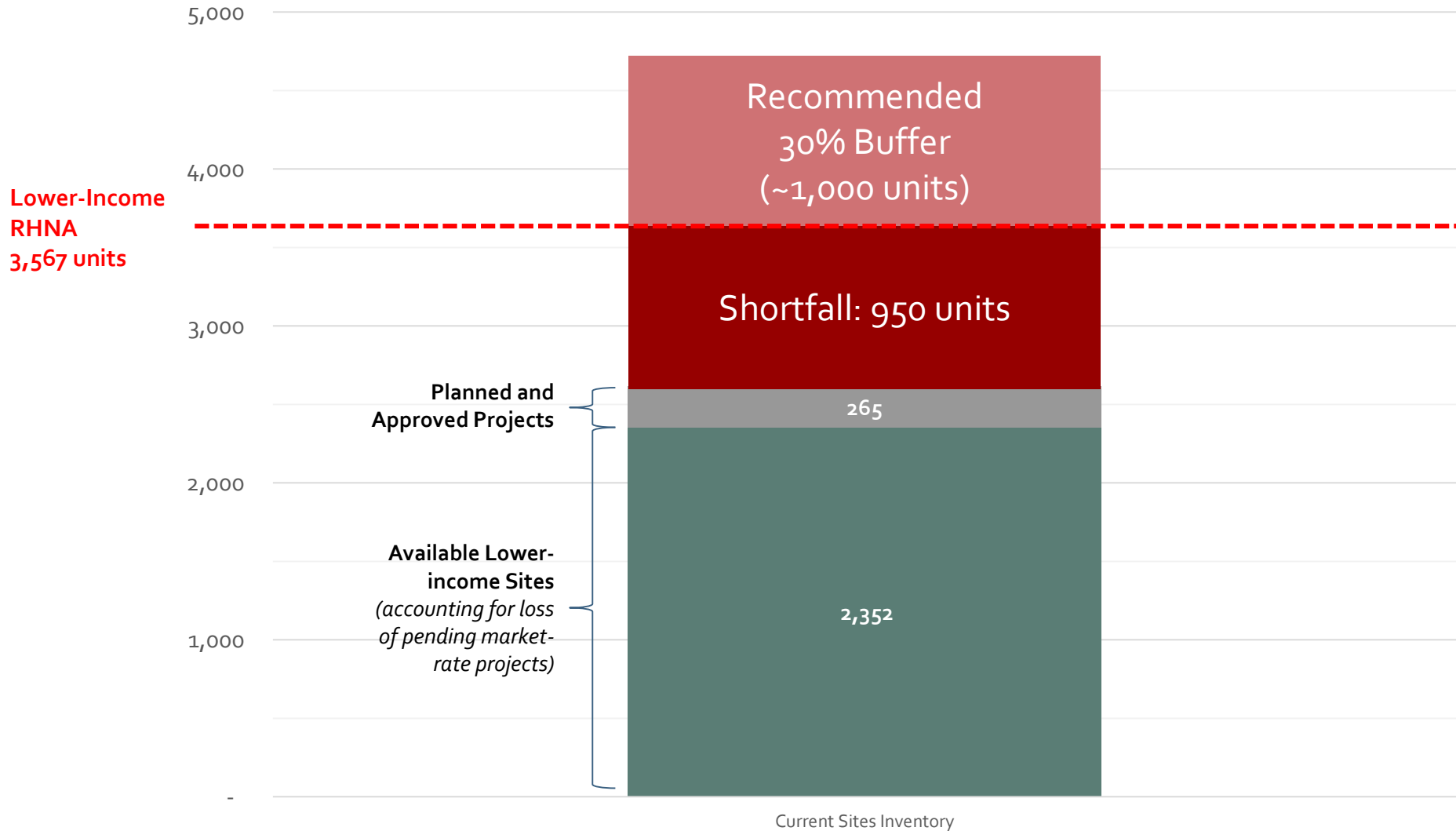
- Rezoning sites in 180 days is a major challenge
- Be prepared in advance....**Build in a buffer!**




Lower-Income RHNA Sites Inventory, July 2020



Lower-Income RHNA Sites Inventory, May 2021





**How can we
make up the
shortfall and
provide a
buffer?**

Strategies for Meeting the RHNA

- Aggressively promote accessory dwelling units
- Rezone/upzone sites throughout the city
- Increase densities in key areas
- Explore changes to inclusionary housing ordinance

Accessory Dwelling Units (ADUs)

Average ADU construction 2016-2020 = 8 ADUs/year



Projected Five-fold increase in ADU construction = 40 ADUs/year



Approximately 50% of ADUs are assumed affordable to lower-income households

Note: Housing Element will need to include programs to incentivize and aggressively promote ADUs

Potential Rezone for Multifamily

- Voluntary rezones
- Property owner outreach
- Received interest to rezone from commercial and business park to mixed use or high density residential



Note: Some property owners stated their desire to rezone for multifamily would be contingent upon inclusionary ordinance decision



Consider Increasing Density

- Current maximum density is **30 units** per acre
- Consider increasing density in key locations
 - East Bidwell Mixed Use
 - Transit Priority Areas
 - Folsom Plan Area Town Center
 - Folsom Plan Area Transit Corridor



High Density Residential Developments



El Dorado Hills Town Center - 47 units per acre



Livermore – 55 units per acre



Mountain View – 82 units per acre



Mountain View – 90 units per acre



East Bidwell Mixed Use Overlay

- General Plan allows 20-30 du/ac
- Recent affordable developments have exceeded 30 du/ac
 - Bidwell Place (36 du/ac)
 - Bidwell Pointe (33 du/ac)
- Consider density increase to allow up to 50 units per acre



? Question for City Council

Would the City Council support increasing densities within the East Bidwell Mixed Use Overlay to allow up to 50 units per acre?

Transit Priority Areas

- SACOG Analysis found housing development at Glenn Station is not feasible under current zoning (30 du/ac)
- Historic Folsom Station – Granite House approved project at 62.5 du/ac



Question for City Council

Would the City Council support increasing densities within Transit Priority Areas?

Folsom Plan Area

- Increase density in Town Center to 30-40 du/ac
- Increase density in Transit Corridor to 30-55 du/ac
- Rezone Commercial sites to Mixed Use or Multifamily High Density



Question for City Council

Would the City Council support increasing density and rezoning sites in the Folsom Plan Area to increase multifamily units?

Folsom Plan Area Specific Plan Maximum Unit Count

- Specific Plan currently allows for 11,461 units
- Development Agreements anticipated amendments to address RHNA shortfall
- Landowners proposed rezones and density increases would increase unit count by 509 units (excluding the 300 units proposed as Accessory Dwelling Units)
- Alternative to increasing unit count is to downzone other areas



? Question for City Council

Would the City Council support increasing the Folsom Plan Area maximum unit count to accommodate an increase in multifamily units needed to meet the RHNA?



Folsom Inclusionary Housing Ordinance Background

2002

Folsom Ordinance Adopted

- 10% very low + 5% low-income
- Applied to for-sale and rental

2009

Palmer vs. City of LA

- Invalidated inclusionary requirements on rental units

2013

Folsom Ordinance Amended

- Removed requirement for rental housing
- 3% very low + 7% low-income
- In lieu fee option added

2018

State Enacts AB 1505

- Authorizes rental inclusionary
- If more than 15% low-income units required, State may request economic feasibility study

2020

Conducting nexus study

- Establish nexus
- Determine appropriate fee



Inclusionary Housing Ordinance

Jurisdiction	Folsom	Davis	El Dorado County	Elk Grove	Rocklin	Roseville	Sacramento	Sacramento County	West Sacramento		
Inclusionary Housing Ordinance	✓	✓	None		None	None			✓		
In-Lieu Fee Accepted	✓	✓ ²									✓
Affordable Housing Fee				✓					✓	✓	
Applies to Rental Units	✓ ¹	✓		✓					✓	✓	✓

¹ Inclusionary housing requirements for rental housing in Folsom are limited to projects receiving financial assistance

² In-Lieu Fees in Davis are only allowed in certain cases and only for a portion of the proposed project



Question for City Council

Would the City Council like to consider adding an inclusionary requirement to rental housing?

? Questions for City Council

1. Would the City Council support **increasing densities** in key locations?
 - East Bidwell Mixed Use Overlay (up to 50 du/ac)
 - Transit Priority Areas (up to 60 or 80 du/ac – more analysis required)
 - Folsom Plan Area Transit Corridor (30 – 55 du/ac)
 - Folsom Plan Area Town Center (30 – 40 du/ac)
2. Would the City Council support increasing the **Folsom Plan Area maximum unit count** to accommodate an increase in multifamily units?
3. Would the City Council support adding an **inclusionary requirement to rental housing**?



Thank You!

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