



## DEFINITION OF HOUSING ELEMENT TERMS

**Affordable Housing:** defined by federal standards as affordable if a household pays no more than 30% of their income on housing costs (rent or mortgage).

**Density:** numbers of housing “units” per acre.

**Eligibility for housing programs:** based on the following income ranges:

Moderate Income 80 – 120% of area median income

Low Income Less than 80% of area median income

Very Low Income Less than 50% of median income

Extremely Low Less than 30% of area median income

**Housing needs:** By law, the housing element must plan for housing for households at all income levels as well as those with special housing needs, such as homeless people, persons with disabilities, and farm workers. A housing needs assessment must quantify the amount of housing needed for each group. According to the Department of Housing and Community Development (HCD), across the Bay Area, at least 39% of new housing is needed for low and very low-income households.

**Identification of sites** (for affordable housing development): Having sufficient land zoned to meet local housing needs is one of the most basic steps that cities can take to address the housing crisis. By law, cities must identify an inventory of land suitable for residential development, including vacant sites and underutilized sites.

**Inclusionary zoning:** These programs require a percentage of low and moderate income housing to be provided in all new market-rate developments. Inclusionary zoning works best when combined with required density bonuses and other optional incentives such as fee waivers, reduced parking requirements, and/or expedited permit review.

**Income levels:** The housing element update process is an opportunity for communities to plan for the housing needs of residents of all income levels.

**Income limits for housing eligibility:** For a family of four, the area median incomes for Bay Area counties for 2008 are as follows:

Alameda	\$86,100
Contra Costa	\$86,100
Marin	\$95,000
Napa	\$79,600
San Francisco	\$95,000
San Mateo	\$95,000
Santa Clara	\$105,500
Solano	\$75,400
Sonoma	\$77,800

(Source: CA Housing & Community Development)

**Increasing density:** Apartments, townhouses, small-lot single-family homes, and second units are typical forms of affordable housing development that increase density. They also help to preserve open space by reducing the amount of land needed for residential development.

**Jobs/Housing linkage programs:** Linkage programs involve fees that local governments place on new industrial, commercial and office developments to offset the impact that new employment has on housing needs within a community.

**Monitoring plan:** The current update is for the period 2007 – 2014. The law requires jurisdictions to monitor progress made towards housing element goals, by reporting to HCD. These annual progress reports should be made publicly available.

**Parking requirements:** Minimum parking requirements have a significant effect on housing affordability as well as on the ability to achieve designated densities. The actual cost of developing structured parking is between \$30,000 – \$60,000 per space. Too often, standards require parking for more cars than a development's intended residents will actually own. Tandem parking and car-sharing can also be considered.

**Public participation:** State law requires local jurisdictions to make “a diligent effort” to include all economic segments of the community and other stakeholders in their housing element drafting process. At each step in the process, the public should be able to review, comment on, and advocate for changes in the Housing Element document.

**Redevelopment funding:** The law requires that at least 20% of property tax increment in any redevelopment area be set aside in a fund for the construction and rehabilitation of housing affordable to people with low and moderate incomes. Given the historic lack of affordable housing development in the Bay Area, it is crucial that cities spend this money effectively, and ideally increase the affordable housing set-aside above 20%. Additionally, 15% of all new construction or substantially rehabbed units must be affordable. 40% must be affordable to very low income households and 60% must be low or moderate income households.

**Removal of constraints to housing:** By law, housing elements must analyze and address constraints to housing production, both building constraints such as parking requirements and set-backs and other governmental constraints such as lengthy permit processing times, as well as non-governmental constraints such as the cost of land and construction.

**Revision of past housing element:** Most cities updated their housing element between 2002 and 2004. During the current update, localities should examine past housing policies to see how effective they were and what changes can be made to improve them.

**Smart growth:** Smart growth refers to strategies that encourage development in existing communities where schools, shops, and transit already exist while conserving open space, farmland, and natural habitat.

**Stabilizing and preserving existing affordable housing:** Most communities also have a supply of publicly assisted housing that is at risk of being converted to market rate. Acquisition by building tenants or a non-profit is often needed to preserve this housing as affordable.

**Zoning:** Regulations adopted by local government restricting the use of property. Typically, zoning regulations prescribe permissible uses in various areas of a community.