

## Revised Agenda Report Transmittal Sheet

Date: May 23, 2008

To: Mayor and City Council Members  
Planning Commissioners  
City Manager  
Assistant City Manager  
City Attorney  
City Clerk

From: Community Development Department

Subject: Revisions to “Draft Summary and Addendum” Agenda item: 5bi

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As a follow up to comments received from City Attorney’s office, staff has prepared the attached revised City of Folsom Housing Element Update Stakeholders/Community Workshop Draft Summary and Addendum.

The revisions are shown as follows:

language deletions: ~~**Strikeouts, bold and underlined**~~,  
language additions: **Italics, bold and underlined**.

Respectfully submitted:



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Community Development Director

# City of Folsom Housing Element Update

## Stakeholders/Community Workshop

### *Draft Summary and Addendum*

May 22, 2008

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The following is a summary of the discussions at the City of Folsom Housing Element Stakeholders/Community Workshop held on May 14, 2008 and City Staff comments and recommendations.

This summary shows policies and programs from the Public Review Draft Housing Element Policy Document dated May 12, 2008 that City staff and the Housing Element Update consultant identified as the most important to review. For the most part, these consist of policies and programs that were substantially modified from the 2002 Housing Element or are new for this Housing Element Update. In the workshop, several additional policies and programs were discussed by the stakeholders. These are also shown below.

The policy and program language shown below is identical to how it is shown in the Housing Element Update Policy Document. The 2002 City of Folsom Housing Element Policy Document was used as a starting point and changes to goal, policy, and program language from the 2002 document are tracked as follows: deleted goal, policy, and program language is identified using ~~strikeout~~ (e.g., ~~strikeout~~) and new goal, policy, and program language is identified using underline (e.g., underline). The source of each goal, policy, and program along with a description of the basis of the modification, deletion, or addition is listed in italicized brackets.

## New Residential Construction

**Policy 18.2:** Upon expiration of a development agreement, the City shall encourage rezoning the land for higher-density, multi-family residential development as appropriate for the specific neighborhood. [Source: new policy, based on City staff input]

**Summary of discussion:** the only comments from stakeholders were to request a clarification/explanation of the language during the meeting.

**Policy 18.9:** The City shall strive to shorten permit processing and review times to the greatest extent possible by allowing concurrent processing. [Source: new policy, based on stakeholder input]

**Summary of discussion:** no specific comments; see Program 19h (Permit Streamlining below)

**Program 18b – Affordability Monitoring:** The City shall establish and implement a comprehensive annual monitoring program to document the sales price or rental rates for all new units within the City constructed in the previous year and to determine housing affordability levels. City staff shall explore the possibility of documenting the sales price and rental rates for all residential units within the City for purpose of evaluating potential assistance for affordable housing.

**Responsibility:** Community Development Department; Redevelopment and Housing Department

**Timeframe:** annually

*[Source: 2002 Folsom Housing Element, Program 18b amended at the suggestion of staff]*

**Program 18d – Second Units:** The City shall adopt a Second Unit Ordinance that adheres to the requirements of State law by allowing construction of second units by right in all residential zones that allow single-family housing. The Second Unit Ordinance City shall ~~revise its Zoning Code to~~ include provisions that will encourage the creation of second units in single-family neighborhoods in two ways: 1) provide an established process with standards by which interested residents can construct such units; and 2) provide a process by which units created prior to the adoption of the ordinance, without the appropriate permits, can be brought into compliance with City standards. The City shall also consider the feasibility of modifying parking requirements for second units to require only one uncovered off-street parking space in addition to the parking required for the primary dwelling.

**Responsibility:** Community Development Department

**Timeframe:** 2008/2009

**Quantified Objective:** 50 moderate-income units (assumes an average 10 units per year)

*[Source: 2002 Folsom Housing Element, Program 18d; modified by consultants to reflect changes in State law]*

**Summary of discussion:** City staff proposes to modify the language further to delete the second provision providing a process to bring existing units into compliance, since such a provision already exists. Other minor revisions are proposed by City staff as follows:

**Program 18d – Second Units:** The City shall adopt a Second Dwelling Unit Ordinance that adheres to the requirements of State law by allowing construction of second units by right in all single-family residential zones. The Second Dwelling Unit Ordinance City shall revise its Zoning Code to include provisions that will encourage the creation of second units in single-family neighborhoods. ~~in two ways: 1) It will provide an established process with standards by which interested residents can construct such units; and 2) provide a process by which units created prior to the adoption of the ordinance, without the appropriate permits, can be~~

~~brought into compliance with City standards.~~ The City shall also consider the feasibility of modifying parking requirements for second units to require only one uncovered off-street parking space in addition to the parking required for the primary dwelling.

**Responsibility:** Community Development Department

**Timeframe:** 2008/2009

**Quantified Objective:** 50 moderate-income units (assumes an average 10 units per year)

*[Source: 2002 Folsom Housing Element, Program 18d; modified by consultants to reflect changes in State law and by staff and stakeholder comments to streamline the process]*

**Program 18f – Mixed-Use Overlay Zone:** The City shall create a Mixed-Use Overlay Zone within one-quarter mile of transit stops to allow mixed-use development with a residential component within commercial and industrial zones.

**Responsibility:** Community Development Department

**Timeframe:** 2008/2009

*[Source: new program, based on City staff input]*

**Summary of discussion:** no discussion.

**Program 18g – Parking Requirements:** The City shall evaluate parking needs to determine whether or not current parking standards contained in the Municipal Code and Design Guidelines for Multifamily Development are appropriate for different housing types (i.e., multi-family housing, senior housing, and affordable housing). If necessary, the City shall amend current parking standards to ensure that they are appropriate and do not unreasonably hinder the ability for a residential developer to achieve the maximum allowable density for a site. Additionally, the City shall amend the Municipal Code and/or the Design Guidelines for Multifamily Development to ensure that parking requirements are clear and consistent.

**Responsibility:** Community Development Department

**Timeframe:** 2008/2009

*[Source: new program, based on community/stakeholder and consultant input]*

**Summary of discussion:** no discussion.

**Program 18j – Growth Limitations:** The City shall repeal Resolution No. 2784 which limits population within existing city limits to 69,333.

**Responsibility:** Community Development Department

**Timeframe:** 2008/2009

**Summary:** repealed by resolution 8287 on May 13, 2008. Remove from Background Report “Potential Housing Constraints #2” (pg. 87) and add to # 13 “Local Efforts to Remove Barriers” (pg. 99)

**Program 18j – Street and Infrastructure Development Standards:** The City shall review and revise, as appropriate, its infrastructure and other development standards to ensure that they

allow for a full variety of housing types, and do not unfairly burden residential developers while maintaining appropriate fire, health, and safety standards.

**Responsibility:** Community Development Department; Public Works Department; Fire Department

**Timeframe:** 2008/2009

*[Source: 2002 Folsom Housing Element, Program 19o; modified based on stakeholder input]*

**Summary of discussion:** no discussion.

**Program 18k – Consistent Guidelines for Multifamily Housing:** The City shall review the Design Guidelines for Multifamily Development to ensure consistency between development standards in the Municipal Code and those in the Design Guidelines. Additionally, the City shall create a single document that consolidates all of the development and design standards for multi-family housing.

**Responsibility:** Community Development Department

**Timeframe:** 2008/2009

*[Source: new program, based on stakeholder input]*

**Summary of discussion:** no discussion.

**Program 18l – Architectural Review:** The City shall consider eliminating the Architectural Review Committee and review projects at the staff level (ministerial review), reducing the processing and review time for residential development projects

**Responsibility:** Community Development Department

**Timeframe:** 2008/2009

*[Source: new program, based on City staff input]*

**Summary of discussion:** The City is proposing to eliminate the Architectural Review Committee and review projects at a staff level to help streamline the process. There were comments from stakeholders that if the City eliminates the Architectural Review Committee and moves to ministerial review, it will need to adopt clear and predictable design standards.

## Affordable Housing

**Policy 19.5:** The City shall ensure that its site plan and design review procedures maintain community design values without do not adversely impacting affordable housing projects, reducing the density of multi-family projects, or substantially increasing the development costs for affordable housing project while maintaining community design values. *[Source: 2002 Folsom Housing Element, Policy 19.9, combined with Policy 19.14)*

**Summary of discussion:** no discussion.

**Policy 19.8:** The City shall continue to provide fee deferrals or waivers of City controlled certain residential impact development fees to developers of affordable housing consistent with

the provisions of Chapter 16.60 of the Folsom Municipal Code. [Source: new policy, based on consultant input]

**Summary of discussion:** Comments from stakeholders to change “certain residential development fees” to “all residential development fees”. Also comments to add language that the City shall encourage special districts to offer fee deferrals and waivers.

**Policy 19.2:** ~~The City shall work with developers of affordable housing and housing for special needs groups to plan and develop housing projects that will be an asset to the community. Such work may include, but not be limited to, design review workshops, providing site location assistance, and assisting in the procurement of funding. [Source: 2002 Folsom Housing Element, Policy 19.2, deleted based on Consultant input because of overlap with Programs 19.j and 19.1 – provisions added to Policy 19.1]~~

**Summary of discussion:** there was a question about what happened to this deleted policy. The language in italicized brackets should say: “deleted based on Consultant input because of overlap with Programs 19.k and 19.m – provisions added to Policy 19.1.” Housing for persons with special needs is addressed under the “Special Need Housing” section.

**Policy 19.2:** The City shall investigate the feasibility of issuing tax-exempt bonds or mortgage credit certificates to provide low-interest financing for affordable housing. [Source: 2002 Folsom Housing Element, Policy 19.3]

**Summary of discussion:** Comments from stakeholders to strengthen this language (see Program 19e below)

**Program 19e – Tax-Exempt Bond Financing:** Consistent with the City’s debt management policy, the City shall consider pursuing applications for the authority to issue tax-exempt bonds for affordable housing. If the City determines that it would be infeasible to issue bonds, it will consider pursuing the alternative option of mortgage credit certificates that may be issued to qualified borrowers. Mortgage credit certificates provide tax credits to borrowers, and have the equivalent effect of low-interest rate financing. City staff will attend training sessions on financing mechanisms to properly implement the program. City staff shall research the feasibility of providing a tax-exempt bond or mortgage credit certification program and provide its findings to RCAC.

**Responsibility:** Redevelopment and Housing Department

**Timeframe:** Ongoing

[Source: 2002 Folsom Housing Element, Program 19j; modified based on City staff]

**Summary of discussion:** Comments from stakeholders to strengthen this language: the City should commit to do a study during 1<sup>st</sup> year of Housing Element implementation (2008/2009).

**Program 19f – Coordination with SHRA:** The City shall ~~establish~~ continue to maintain a close working relationship with the Sacramento Housing and Redevelopment Agency (SHRA). The City shall continue to cooperate with SHRA on the provision of CDBG funds to assist in the development of affordable housing. The City shall publicize programs, such as

Mortgage Credit Certificates (MCCs), that are available through SHRA for Folsom residents. The City shall consider participating in other programs through SHRA, such as tax-exempt bonds for multifamily housing. The City shall consider contracting with SHRA, or another entity, for technical assistance in carrying out certain functions, such as monitoring the number of affordable units that are have been produced and will be produced-in the City.

**Responsibility:** Redevelopment and Housing Department

**Timeframe:** Ongoing

**Quantified Objective:** 100 very low- and low-income units (assumes 20 units per year)

*[Source: 2002 Folsom Housing Element, Program 19k; modified based on City staff input, and combined with old Program 19r]*

**Summary of discussion:** Comments from stakeholders to modify language in last sentence as follows: “The City shall consider contracting with SHRA for technical assistance in carrying out certain functions, such as monitoring the number of affordable units ~~that are~~ produced under affordable housing agreements or ~~an~~ the inclusionary housing program.”

**Program 19g– Development Impact and Permit Fee Schedule Review and Revision:** The City shall undertake a review of its current development impact and permit fees related to multi-family development, second units, and other affordable housing to reconfirm the relationship between required services and fees paid. As part of this study, the City shall review the financial needs of affordable housing projects, determine whether or not City fees can be reduced to facilitate affordable housing development, and identify options for the City to offset the foregone revenues from other sources.

**Responsibilities:** Community Development Department

**Timeframe:** 2008/2009

*[Source: 2002 Folsom Housing Element, Program 19l]*

**Summary of discussion:** no discussion.

**Program 19h – Permit Streamlining:** The City shall revise development review procedures in its Zoning Code to provide fast-track permitting to encourage affordable housing projects.

**Responsibility:** Community Development Department

**Timeframe:** 2008/2009

*[Source: 2002 Folsom Housing Element, Program 19n]*

**Summary of discussion:** Comments from City staff that it is not a Zoning Code issue but a problem with the type of submittal. The City has already implemented programs to expedite processing including using the same project management tools that the private sector uses to track and monitor projects as they move through the pipeline and make sure that the City is not the roadblock. The City guarantees a 24-hour turnaround on TI’s that qualify. The problem is generally with incomplete plans submitted by the applicant in the plan check process, not the entitlement phase.

City staff proposes deleting the program and adding a policy to read as follows: “The City shall encourage affordable housing projects to meet with the City early in the design process to assure that plan review can proceed as expeditiously as possible.”

**Program 19i – Inclusionary Zoning Ordinance.** ~~The City shall consider amending the adopting an Inclusionary Zoning Ordinance that would to be consistent with State Redevelopment law, requiring 10.6 percent of housing units in new subdivisions or multi-family housing projects to be affordable to very low-income households, and 5.9 percent to be affordable to low-income households. The City shall also consider amending the affordability restriction requirements to 45 years for owner-occupied units and 55 years for renter-occupied units. Additionally, Tthe City shall consider including in such an ordinance an option for developers to pay an affordable housing in-lieu fee or dedicate land as an alternative to building required affordable housing units. Finally, since it is often difficult for low-income homebuyers to qualify to purchase a home, the City shall consider allowing developers of for-sale housing to meet the inclusionary requirements by working with non-profit or for-profit affordable housing developers to provide affordable rental housing.~~

**Responsibility:** \_\_\_\_\_ Redevelopment and Housing Department

**Timeframe:** \_\_\_\_\_ 2008/2009

**Quantified Objective:** 270 very low-, and 135 low-income units

**Program 19i – Inclusionary Zoning Ordinance.** The City adopted an Inclusionary Housing Ordinance (Chapter 17.104 of the Folsom Municipal Code) in 2002 to provide policies, incentives, assistance, and alternative methods for production of rental and owner-occupied housing that are affordable to low income and very low income households. The City shall consider reviewing said Ordinance during the 2008-2009 planning year ~~for possible adjustment, if any, to~~ focusing on areas that could potentially assist or affect housing production in the City.

*[The following language should be added to footnote #3, pg. 25 of the Policy Document: “The estimated number may be adjusted following review of the Ordinance under Program 19i”]*

**Responsibility:** \_\_\_\_\_ Redevelopment and Housing Department

**Timeframe:** \_\_\_\_\_ 2008/2009

**Quantified Objective:** 400 very low- and low-income units

*[Source: 2002 Folsom Housing Element, Program 19p, modified based on City staff and community/stakeholder input]*

**Summary of discussion:** Comments from stakeholders to modify program language to remove specificity and make it clear that the possible changes will be studied but that the list is not binding nor inclusive. Also, there were concerns about changing the percentages between very low- and low-income units – there were comments that the City should retain and build upon a productive standard. There was consensus among both supporters and detractors of the inclusionary ordinance that these questions should be addressed outside of the Housing Element Update process.

Diverse comments were received from various entities including, but not limited to Sacramento Housing Alliance (SHA), Building Industry Association (BIA), and Legal Services of Northern California.



It should be noted that the determination that the City of Folsom has adequate sites available to address its fair share of the regional housing need as expressed in the RHNA (see Section II.A of the Public Review Draft Background Report) is not dependent on the inclusionary housing ordinance. The adequate sites determination is based on housing built since the start of the current Housing Element planning period, planned projects, and vacant land. There are built and planned affordable units required by the inclusionary ordinance that are included in the inventory.

Based on stakeholder input, City staff proposes modifying the program to read as shown above. It is important to note that the modified program states that the City shall review the inclusionary ordinance within the next year for possible changes.

## Rehabilitation/Conservation

**Policy 20.8:** The City shall require at least two years notice prior to the conversion of any deed-restricted affordable units to market rate in any of the following circumstances:

- The units were constructed with the aid of government funding;
- The units were required by the Inclusionary Housing Ordinance;
- The project was granted a density bonus; and/or
- The project received other incentives.

Such notice will be given, at a minimum, to the California Department of Housing and Community Development (HCD), the City of Folsom Redevelopment Agency, and the residents of at-risk units. [Source: new policy, based on stakeholder input]

**Summary of discussion:** There was some concern about the two year provision. Stakeholder comment to delete the third bullet and to make the fourth bullet more specific.

**Program 21b – Emergency Shelter Facility Zoning:** The City shall revise its Emergency Shelter Ordinance ~~Zoning Code~~ to allow for the development of emergency shelter facilities as an accessory use to any church, synagogue, temple or similar place of worship with a Conditional Use Permit and allow for development of emergency shelter facilities in the M-1, M-2, and M-L districts with a use permit and in R-3 and R-4 districts as an allowed use with a Conditional Use Permit, subject to standards regarding location, size, hours of operation, and occupancy. The Conditional Use Permit process shall not be used to unduly restrict the ability of emergency shelters to be located on suitable sites in Folsom.

**Responsibility:** Community Development Department

**Timeframe:** 2008/2009

*[Source: 2002 Folsom Housing Element, Program 18i, modified by consultants to be consistent with State law]*

**Summary of discussion:** stakeholder comment to switch order of use permit and allowed use.

**Program 21c – Emergency Shelter Facility Development:** The City shall continue to work with provide financial and technical assistance to local organizations and ~~other~~ community groups to help develop emergency shelter facilities in Folsom.

**Responsibility:** Community Development Department; Redevelopment and Housing Department

**Timeframe:** Ongoing

**Summary of discussion:** staff comments to remove possible church/state conflicts.

**Program 21f – Barrier-Free Housing:** The City shall consider adopting a Universal Design Ordinance modeled after the California Department of Housing and Community Development “Model Universal Design Local Ordinance” ~~examine measures~~ to encourage developers to use barrier-free and/or universal design in new housing developments. ~~Such measures could include density bonuses, fee reductions or other incentives.~~

**Responsibility:** Community Development Department

**Timeframe:** 2009/2010

*[Source: 2002 Folsom Housing Element, Program 19f, modified based on City staff and consultant input]*

**Summary of discussion:** only comments from stakeholders were to request a clarification/explanation of the language during the meeting.

**Program 22b – Group Homes:** The City shall add provisions to its Zoning Code regarding group homes of six or fewer persons to ensure consistency with State law requirements to allow group homes in single-family residential neighborhoods. The City shall also amend the definition of “family” in the Zoning Code to include groups of six or fewer persons living together as a single housekeeping unit..

**Responsibility:** Community Development Department

**Timeframe:** 2008/2009

*[Source: new program, based on Consultant input]*

**Summary of discussion:** no discussion.

**Policy 23.3:** The City shall provide weatherization assistance and incentives to upgrade energy-inefficient appliances to low-income households. *[Source: 2002 Folsom Housing Element, Policy 22.3]*

**Summary of discussion:** Comments from stakeholders to strengthen this language to address energy conservation for existing housing. Would like incentives from the City, PG&E and SMUD to upgrade energy efficiency for existing housing.

**Program 23b – Increased Energy Standards:** Energy conservation standards for new residential construction, as contained in Title 24 of the California Code of Regulations, shall be periodically reviewed to identify opportunities for adopting standards which more closely respond to local conditions, especially in the area of passive design to reduce cooling. The City ~~should~~ shall study the feasibility of providing incentives for new developments

that exceed California Energy Standards (Title 24). Incentives could include expediting project permit processing, plan check fast-tracking, and reduced fees. ~~The City should also study the feasibility of requiring new residential development to consider opportunities for passive heating and cooling.~~

**Responsibility:** Community Development Department

**Timeframe:** 2009/2010

*[Source: 2002 Folsom Housing Element, Program 22b]*

**Summary of discussion:** Comments from stakeholders to change sentence as follows: “Incentives could include, but are not limited to, expediting project permit processing, plan check fast-tracking, and reduced fees.” Comment to delete the last sentence because it is premature to put this in place before AB32 requirements are in effect.