



City of Nevada City

May 4, 2012

To: Robert Upton
Andrew Cassano
Tom Parilo

From: Cindy Siegfried 

Re: **Proposed Affordable Housing Plan for Nevada City Tech Center, LLC, 12.9 acres on 210 Providence Mine Road**

As you know, the City council, at their meeting of April 11, 2012, reviewed the proposed affordable housing plan for Nevada City Tech Center. Attached are the minutes of that meeting and the adopted motion was as follows:

Motion that the City Council accept the applicant's Affordable Housing Plan and provide the following comments: 1) income based deed restrictions are not desired by the City; 2) the final project submittal shall include information demonstrating conformity with Section 16.04.054; 3) the two-acre R3 site shall be developed with 32 units. Vote: 5-0

The approved minutes are attached for your information and files.

NEVADA CITY ENGINEERING, INC.

505 COYOTE STREET, SUITE B • P.O. BOX 1437
NEVADA CITY, CALIFORNIA 95959 • TELEPHONE (530) 265-6911 • FAX (530) 265-8058

Engineering • Surveying • Planning

AFFORDABLE HOUSING PLAN NEVADA CITY TECH CENTER WORKFORCE HOUSING COMPONENT

March 23, 2012

A. INTRODUCTION:

This document is the affordability plan for the Nevada City Tech Center (NCTC) housing component, summarizing all of the major affordability components that have been implemented by City action and property owner initiative. The purpose of the document is to guide final design and development of the housing area, implementing a variety of techniques to assure affordability to a broad range of citizens in the future, with emphasis on meeting the housing needs of the Nevada City Tech Center business owners and workers. The key provisions of this plan have been reviewed and approved by the Nevada City Planning Commission.

B. TECH CENTER HOUSING OVERVIEW:

The NCTC housing component is a planned mixture of single family and multiple family units to be located on the northerly and easterly side of Providence Mine Road just west of, and beyond the turn off to the Tech Center business park area. The location of the housing is ideal since it is distinctly separate from the employment area but definitely a part of the overall development. The housing area location, general plan designation, concept layouts, and zoning are depicted in the graphics in the Appendix to this Plan.

C. AFFORDABILITY BY DESIGN: STATE HOUSING ELEMENT DENSITY STANDARDS:

Up until the currently adopted Nevada City General Plan Housing Element, no City housing element had been approved by the State of California Housing and Community Development Department (HCD) since the mid-1980's. The current Housing Element was adopted by the City after working carefully with HCD to include key components that have been identified by the State to achieve affordability goals.

The key affordability component required by the State was the identification and zoning of sites for a density of 16 units per acre (u.p.a.), the density designated by HCD as "the Default Density" for Nevada City. With this goal in mind, the City went through an exhaustive and collaborative process to identify and so designate approximately three acres of land within the City limits, including two acres in the NCTC housing area.

This process included an early identification of possible sites by City Planner Cindy Siegfried, City Engineer Bill Falconi, and Planning Consultant Tom Parilo. The process included discussions with property owners, field reviews of sites by the Planning Commission and City Council, and multiple noticed public hearings at both the Commission and Council levels.

Finally, the designation of R3 sites (16 u.p.a.) was approved by the City on Searls Avenue and at the NCTC site, and the City went on to implement the zoning of the sites after State certification of the Housing Element.

By zoning three acres (including two acres of the NCTC housing area) at the Default Density, along with the provision of allowing a ministerial (non-discretionary) planning review process for rental housing in the zone, the City meets the State of California's requirements for providing affordable housing. The State does not require any further restrictions although an individual City may impose its additional requirements.

D. AFFORDABILITY BY DESIGN: NEVADA CITY HOUSING ELEMENT IMPLEMENTATION AND MANDATORY DENSITY:

Nevada City's Subdivision Ordinance was amended to implement the Housing Element, with the following provisions (Ordinance 2009-07)

1. 30 percent of single family homes located in new subdivisions shall be 1,500 feet or smaller.
2. An affordable housing plan (this document) shall describe a variety of mechanisms to help make new units affordable to moderate and below income households (defined by State law).

The R3 Zoning District (Ordinance 2009-06) provided for 16 units per acre as discussed above. The set of implementing ordinances also included the following standards to assure relative affordability within new projects:

3. Provide for ministerial approval of rental units.
4. Projects must achieve 16 units per acre unless a conditional use permit is granted by the City to reduce density. (The implication during public hearing discussion is that any reduction in density might require the transfer of the 16 u.p.a. density to other lands at the applicant's expense.)
5. Reduced parking standards from the previous standard of two spaces per unit, based on the number of bedrooms in the unit.
6. Provisions for bicycle and motorcycle parking to encourage more efficient transportation options.
7. Provide for a variety of unit sizes, ranging from studio/one bedroom up to units with three bedrooms or more.

Discussion during the housing element adoption and implementing resolutions and ordinances disclosed that the City Planning Commission and City Council did not favor mandatory income restrictions for the initial sale and resale of units within this or any other City housing project. Such restrictions have proven to be ineffective in other jurisdictions based on a number of factors, including discouraging qualified buyers by limiting buyer equity, assigning the cost of housing subsidy to other homeowners within the project, and impacting City staff for monitoring, enforcement, and resale assistance. The property owners seek advance approval of this affordability plan in order to gain assurance that such artificial price controls will not be required.

E. AFFORDABILITY BY DESIGN: CITY DEVELOPMENT PERFORMANCE STANDARDS:

In addition to the performance and development standards applied to all R3 zones, the following site development standards were applied directing to the NCTC housing component to assure affordability by design:

1. The maximum average building height is 40' to allow traditional pitched roofs and loft room and unit opportunities.
2. The standards provide for significant tree removal recognizing in order to achieve the desired density, specifically stating "Tree retention shall not impair the ability to accomplish the maximum 16 unit per acre density. . ."
3. On and off-site trails, 6' wide with soft surface shall be established to connect the project to Providence Mine Road and to include connections to surrounding schools, bus stops, shopping, workplaces and the existing Tech Center trail system.
4. The setback along Providence Mine Road is reduced to 10' to help achieve the mandatory density.
5. Development costs are reduced by using the pathway in lieu of formal curb, gutter, and sidewalk along the project frontage on Providence Mine Road, with road improvements to consist of 18' of paved traveled way plus 2' wide gravel shoulders on each side.

F. AFFORDABILITY BY DESIGN: MIXED USE AND SITE LOCATION:

In designating this site for housing, the City took into consideration the common sense planning principals of smart growth and mixed use, as a strategy for both meeting community needs and minimizing project living expenses. While the cost of a dwelling unit or its monthly rental price is a major factor in considering affordability, an equally important consideration is minimizing other monthly living costs to the occupants.

The location of this housing was very consciously and purposefully placed to be within an easy walking and biking distance to jobs in the Tech Center, Nevada City Elementary Schools (Deer Creek and Seven Hills campuses), shopping in the Seven Hills Business District, and public transportation by public bus along the Zion Street corridor. In addition to these needs, the site has access to the planned Deer Creek Tribute Trail, providing beautiful non-motorized walking and biking routes in addition to the excellent perimeter trail system in the Tech Center.

Allowing alternatives to automotive travel reduces car traffic, enhances air quality, and provides health benefits. All of these aspects also reduce monthly living costs for the Tech Center housing occupants.

G. AFFORDABILITY BY DESIGN: ADDITIONAL PROPERTY OWNER STANDARDS:

In addition to the many affordability standards implemented by the City of Nevada City in selecting this site, as discussed above and as set forth in the implementing ordinances, the property owner has volunteered these additional workforce affordability standards that exceed minimum City requirements:

1. The final project design will include a description of energy/utility conservation and maintenance reduction design and construction features that have the real potential to reduce long term household costs for residents (exceeds City standards).

Energy efficiency has a direct impact on the affordability of the homes, clearly reduced expenditure on energy reduces household expenses each month. As energy costs inevitably rise, the savings from energy efficiency designed into the home will also increase and will continue for the life of the structure.

Using sustainable materials and techniques is clearly 'the right thing to do' for the homeowners and the population at large. Sustainable construction provides a healthier interior environment and reduced impacts on the environment generally creating savings that are difficult to precisely quantify but nevertheless are very real.

Quality of construction and materials is also 'the right thing to do' and will benefit homeowners over the life of the home through reduced maintenance costs

We believe that by investing in additional thought and design analysis at the outset, we can create a superior product that will produce significant benefits to the livability and affordability of ALL the homes in this development over the entire life of the buildings. We believe this is true affordability.

2. 20% of all units (12 units) will be less than 1500 square feet (SF), without the possibility of enlargement.

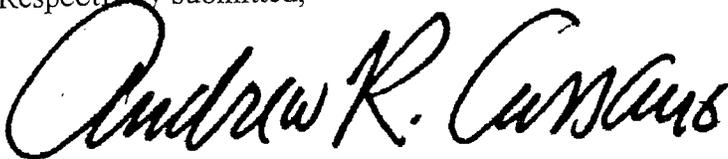
3. An additional 10% (6 units) will be less than 1250 SF, without the possibility of enlargement (exceeds City standard).

4 12 second units will be provided (exceeds City Standard), to provide affordable rental opportunities.

5. If any density bonus units are proposed above and beyond the nominal zoning density, they shall comply with prevailing State laws requiring long term price and household income restrictions.

6. The final project may be required to record deed restrictions prohibiting enlargement of the smaller sized units.

Respectfully submitted,



Andrew R. Cassano
City and Regional Planner