

# AFFORDABLE HOUSING OVERLAY ZONING

## What is Affordable Housing Overlay Zoning ?

Overlay zoning can be an extremely powerful tool in building affordable housing. An ordinance establishing *affordable housing overlay zoning* lists sites on which residential densities will be increased if a given level of affordability is achieved. A map showing these sites is "overlaid" on the existing zoning map. An overlay can apply to all sites within particular zones or only selected sites.

Within the overlay zone, affordable housing developments should be eligible for (a) by-right residential development, (b) multifamily development on commercial sites, (c) waivers of local fees, and (d) subject to overall design review, relaxation of certain development standards (e.g. parking, setbacks, height). All of these benefits reduce the uncertainty and costs faced by developers of affordable housing.

A particularly effective use of overlay zoning is the "exclusive affordable housing zone" (as proposed by the Town of Corte Madera) which requires the development of a substantial percentage of affordable units on affected sites. It ensures that the identified sites are preserved for affordable housing. It also encourages for-profit/non-profit/public partnerships able to access public financing for maximum affordability and quality. Developments would be subject to full design review.

## How Much Affordability Should be Required?

To qualify for the benefits of the overlay zone, proposals should be required to include units for both very low and low income households. Units may be either rental or ownership. A minimum of 20% very low income units (earning up to 50% of area median income or AMI) and 20% low income units (up to 80% of AMI) would be appropriate. Market rate units should comprise no more than half of the units. Moderate-income rentals (up to 120% AMI) should be counted as market rate units in most communities. Both affordable ownership and rental units should be kept affordable via a deed restriction for at least 55 years.

## Will Affordable Housing fit in with the Neighborhood?

It is essential that an overlay zoning ordinance include specific development guidelines for higher-density affordable housing which blends in with the surrounding neighborhood. This should include standards for density, parking, height, and lot coverage. Smaller units may yield more housing density without more building floor area, height, or lot coverage. For this reason, units-per-acre density maximums should be de-emphasized. Floor area ratios may be substituted.

## Can Overlay Zoning Address Environmental Issues?

Yes. When parcels are rezoned, the city can present CEQA analysis specifying housing development density/design standards to avoid or mitigate potential environmental impacts and/or prepare statements of overriding consideration. The CEQA analysis done for the overlay rezoning should be adequate to support development of identified sites without additional analysis. This speeds affordable housing development.

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For more information on ways to address the affordable housing crisis, contact your local non-profit housing organization, or The Non-Profit Housing Association of Northern California (NPH) at (415) 989-8160 ([www.nonprofithousing.org](http://www.nonprofithousing.org)), or Greenbelt Alliance at (415) 398-3730 ([www.greenbelt.org](http://www.greenbelt.org))