

ORDINANCE NO. 1014

AN ORDINANCE AMENDING CHAPTER 17.725 OF THE CITY OF BRENTWOOD MUNICIPAL CODE (“AFFORDABLE HOUSING”).

WHEREAS, the City of Brentwood, California (the “City”) is a general law city, duly organized under the constitution and laws of the State of California; and

WHEREAS, California Government Code Section 65800, *et seq.* authorizes cities to adopt and administer zoning laws, ordinances, rules and regulations as a means of implementing that city’s general plan; and

WHEREAS, on September 9, 2003, the City Council of the City of Brentwood adopted Ordinance 756, establishing the Affordable Housing Program, as recommended by the Planning Commission; and

WHEREAS, the City Council adopted Ordinance No. 790 on January 11, 2005, and amended in its entirety Chapter 17.725 of the City of Brentwood Municipal Code (the “Affordable Housing Ordinance”); and

WHEREAS, the City Council adopted Ordinance No. 842 on April 27, 2007, amending the Affordable Housing Ordinance; and

WHEREAS, the City Council adopted Ordinance No. 874 on July 28, 2009, amending the City’s Affordable Housing Ordinance; and

WHEREAS, the City Council adopted Ordinance No. 909 on November 13, 2012, further amending the City’s Affordable Housing Ordinance; and

WHEREAS, on October 23, 2018, the City Council conducted an affordable housing workshop and appointed an ad hoc Housing Policy Committee; and

WHEREAS, on April 1, 2019, the Housing Policy Committee held a meeting to receive further information from staff on the City’s Regional Housing Needs Allocation (“RHNA”) attainment, the provisions of the City’s Affordable Housing Ordinance, and statewide affordable housing efforts; and

WHEREAS, on May 28, 2019, the City Council heard a presentation from staff on meeting the City’s RHNA and local affordable housing needs and directed staff to begin crafting potential Affordable Housing Ordinance amendments for Council consideration; and

WHEREAS, on June 24, 2019, the City hosted a meeting with local stakeholders regarding potential amendments to the Affordable Housing Ordinance; and

WHEREAS, on July 16, 2019, staff presented information on the City’s RHNA attainment and affordable housing needs to the Planning Commission; and

WHEREAS, on September 10, 2019, the City Council provided further direction to staff on its desired revisions to the Affordable Housing Ordinance; and

WHEREAS, acting on such Council direction, staff prepared the ordinance attached hereto and incorporated herein as Exhibit '1' (the "Ordinance"); and

WHEREAS, at its meeting of March 3, 2020, the Planning Commission conducted a public hearing to consider the Ordinance, and, by adoption of Resolution No. 20-008, recommended the City Council adopt said Ordinance; and

WHEREAS, the Ordinance is appropriate and in the public interest, as required by Brentwood Municipal Code Section 17.870.008. This is demonstrated by its consistency with the General Plan of the City of Brentwood, which consistency may be found with regard to multiple General Plan goals and policies, including, but not limited to:

- a. Policy LU 2.1 Maintain Brentwood's predominant land use of single family residential while providing for a mix of housing types throughout the community, in accordance with the Housing Element, insomuch as the Ordinance will allow for the construction of a variety of affordable housing types in conjunction with market rate developments throughout the City.
- b. Policy LU 2.8 Provide for a variety of residential products through the Zoning Ordinance in order to accommodate the housing needs of all segments of the city's population, in that the Ordinance will require eligible residential developers to construct or otherwise contribute to housing affordable to specified income ranges, thereby increasing the variety of households for which housing will be available within the city.

NOW, THEREFORE, the City Council of the City of Brentwood does ordain as follows:

SECTION 1. The text of Chapter 17.725 of the Brentwood Municipal Code is hereby repealed in its entirety and is replaced as set forth in Exhibit "1" attached hereto and incorporated herein.

SECTION 2. The Ordinance shall be published in accordance with Government Code Section 36933 by either posting or publishing the Ordinance in accordance with that law. Further, the City Clerk is directed to cause the text adopted in Section 1 above to be entered in the City of Brentwood Municipal Code. This Ordinance shall take effect and be in force 30 days following its adoption.

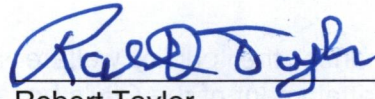
SECTION 3. The Ordinance is exempt from review under the California Environmental Quality Act (Public Resources Code §§21000, *et seq.*, and the Guidelines for CEQA, 14 CCR §§15000, *et seq.*) because it has no potential to result in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment, per 14 CCR §15061(b)(3). Further, the Ordinance is also exempt because it does not apply to any particular housing project at this time and it is thus speculative to evaluate any such future project in the context of consideration of this Ordinance.

THE FOREGOING ORDINANCE was introduced with the first reading waived at a regular meeting of the Brentwood City Council on the 14th day of April, 2020, by the following vote:

AYES: Bryant, Rarey, Rodriguez, Staton, Taylor
NOES: None
ABSENT: None
RECUSE: None

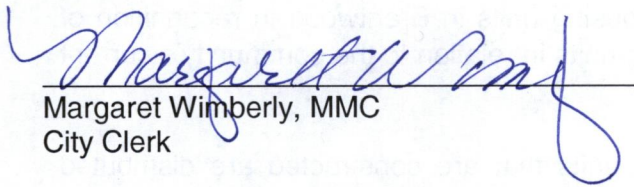
And was adopted at a regular meeting of the Brentwood City Council on the 28th day of April, 2020, by the following vote:

AYES: Bryant, Rarey, Rodriguez, Staton, Taylor
NOES: None
ABSENT: None
RECUSE: None


 Robert Taylor
 Mayor

4/28/2020
 Date

ATTEST:


 Margaret Wimberly, MMC
 City Clerk

**DRAFT/PROPOSED CHANGES TO
CHAPTER 17.725**

Chapter 17.725, as Amended by Proposed Ordinance

Chapter 17.725 AFFORDABLE HOUSING

17.725.001 Title and purpose of provisions.

A. Title. The provisions of this chapter shall be known as the “affordable housing program” of this title.

B. Purpose. The purpose of this affordable housing program is to:

1. Enhance the public welfare and assure that further housing development contributes to the attainment of the City’s housing goals as described in the housing element of the general plan, by creating, preserving, maintaining, and protecting housing affordable for households of Very Low-, Low- and Moderate-Income;

2. Assure that the remaining developable land in the City’s planning area is utilized in a manner consistent with the city’s housing policies and needs.

3. Increase the number of affordable housing units in Brentwood in recognition of the insufficient number of existing affordable housing units in relation to the community’s current and future needs, and

4. Assure that new affordable housing units that are constructed are distributed throughout the city as part of mixed-income developments in order to obtain the benefits that flow from economically diverse communities, increase access to opportunity, and affirmatively further fair housing.

17.725.002 Definitions.

As used in this chapter, each of the following terms shall be defined as follows:

“Affordable Housing Agreement” means a recorded agreement between the City and a residential developer setting forth the residential developer’s compliance with the requirements of this chapter.

“Affordable Housing Cost” means the cost defined in the California Health and Safety Code Sections 50052.5 and 50053 (as may be amended from time to time) for owner-occupied and tenant-occupied units, respectively, and adjusted for Assumed Household Size. The housing manager, on or about July 1 of each calendar year shall publish the maximum Affordable Housing Costs for sales prices and rents as calculated in accordance with the applicable provisions of the California Health and Safety Code.

“Affordable Unit” means an ownership or rental-housing unit, including senior housing, occupied by and available to households of very low-, low- and moderate-incomes at an affordable housing cost, adjusted for Assumed Household Size as defined in this chapter, with deed restrictions as defined in this chapter in favor of the City.

“Assumed Household Size” means the assumed number of persons residing within a dwelling unit. For the purposes of this chapter, Assumed Household Sizes for Affordable Units for a given number of bedrooms are as follows, or as may be amended by the California Health and Safety Code.

| Assumed Household Size | 1 | 2 | 3 | 4 | 5 | 6 or more |
|-------------------------------|----------|-----------|-----------|-----------|-----------|------------------|
| Unit Size | Studio | 1 Bedroom | 2 Bedroom | 3 Bedroom | 4 Bedroom | 5 Bedroom |

“Custom Home Development” means any residential development being subdivided by one party and sold as individual lots or parcels to separate owners for construction and development of dwelling units.

“Divided In-Lieu Fee” means the total amount of the In-Lieu Fees due for the residential development at the time of first building permit issuance divided by the total number of Market Rate Units in the residential development. The Divided In-Lieu Fee shall be adjusted annually in accordance with appropriate factors or indexes as adopted by the Cost Allocation Plan.

“Dwelling Unit” means a dwelling designed and intended for occupancy by one household.

“First Time Homebuyer” means a household which has not owned its principal place of residence within the last three years.

“In-Lieu Fee” means a fee paid to the City by an applicant in lieu of providing the required Affordable Units.

“Low-Income Household” means a household whose annual income does not exceed the qualifying limits set for “lower income households” in Section 50079.5 of the California Health and Safety Code.

“Market-Rate Unit” is defined as a residential unit that is not an Affordable Unit.

“Moderate-Income Household” means a household whose annual income does not exceed the qualifying limits set for “moderate-income households” in Section 50093 of the California Health and Safety Code and does not include a very low- or low-income household.

“Ownership Development” means any Residential Development that includes the creation of one or more additional dwelling units that may be sold individually. An Ownership Development also includes the conversion of a residential rental development to a residential ownership development.

“Refinance and Resale Limitation Agreement and Option to Purchase” means a recorded agreement between the City and an individual homebuyer of an ownership Affordable Unit documenting resale controls and/or rent restrictions.

“Rental Development” means any Residential Development that creates one or more additional dwelling units that cannot be lawfully sold individually in conformance with the Subdivision Map Act.

“Resale Controls and/or Rent Restrictions” means legal restrictions by which Affordable Units shall be restricted to ensure that the unit remains affordable to very low-, low- or moderate-income households, as applicable, for a period of not less than forty-five years for ownership units and not less than fifty-five years for rental units, or longer periods if required by state housing or federal law or a financing assistance program. Resale controls for owner-occupied units shall be in the form of resale restrictions, deeds of trust, and/or other similar documents recorded against the subject property. Rent restrictions for rental units shall be in the form of a regulatory agreement recorded against the subject property.

“Residential Development” means and includes, without limitation, for-sale single-family dwellings, multiple-family dwellings, groups of dwellings, condominium or townhouse developments, condominium conversions, cooperative developments, mixed use developments that include housing units, manufactured housing, mobile homes, and residential land subdivisions intended to be sold, leased or rented to the general public.

“Very Low-income Household” means a household whose annual income does not exceed the qualifying limits set for “very low-income households” in Sections 50093 and 50105 of the California Health and Safety Code. “Very Low Income Households” include “extremely low-income households” as defined in Sections 50093 and 50106 of the California Health and Safety Code.

17.725.003 General requirements.

A. Applicability. This chapter shall apply to all new Residential Developments of five or more lots or Dwelling Units designed and intended for residential occupancy in the city. No Residential Development, other than that exempted in subsection C of this section, shall be undertaken, and no building permits shall be accepted for processing or issued, unless the development has been approved in accordance with this chapter.

B. Affordability Requirement. Developers of Residential Developments of five or more lots or Dwelling Units designed and intended for residential occupancy shall construct or make possible the construction of a minimum of six percent of the total number of Dwelling Units within the Residential Development as Affordable Units, allocated to income levels as set forth in this chapter, or as provided in an Affordable Housing agreement which specifies the means of satisfying this chapter. Commencing on January 1, 2021, the required percentage of Affordable Units shall be increased to ten percent of the total number of Dwelling Units for any Residential Development of five or more lots, unless the application was determined to be complete by December 31, 2020 under Government Code Section 65589.5(o). The foregoing requirement shall be applied prior to the application of a density bonus and no more than once to an

approved Residential Development regardless of changes in its character or ownership, provided that the total number of Dwelling Units does not change.

1. Residential Developments of Five to Nine Dwelling Units. Developers of Residential Developments consisting of five to nine Dwelling Units may either construct one low-income Affordable Unit, pay a fee equal to 50% of the low-income In-Lieu Fee, as established by resolution of the City Council, or provide an "Alternative Equivalent" as established in this chapter. However, if all or any portion of a Residential Development of five to nine Dwelling Units is later re-subdivided into ten or more parcels or Dwelling Units, the City's affordable housing requirement may not be satisfied by payment of an In-Lieu Fee.

2. Application to Residential Development of Ten or More Dwelling Units. In applying this requirement to residential development consisting of ten or more dwelling units, any decimal fraction less than 0.50 dwelling units shall be disregarded and any decimal fraction equal to or greater than 0.50 dwelling units shall be construed as one dwelling unit.

C. Exemptions. The following are exempt from the provisions of this chapter:

1. Residential Development governed by a development agreement expressly precluding compliance with this chapter or an ordinance of this nature. In cases in which the development agreement does not expressly preclude compliance with this chapter, the project shall comply with this chapter;

2. Replacement housing due to natural disaster on a one for one basis (i.e., one dwelling unit replaced for each legally existing Dwelling Unit);

3. Modifications to existing properties or structures that do not increase the number of Dwelling Units;

4. Residential care facilities with Dwelling Units that are nonself-sufficient units; that is, they do not include kitchen facilities (if a project includes both self-sufficient and nonself-sufficient units, only the latter are exempt);

5. Subdivisions consisting of between one and four lots or Dwelling Units.

6. Development of up to four new Dwelling Units on an existing residential lot of record;

7. Development of up to three additional Dwelling Units on a lot zoned to accommodate up to a maximum of four Dwelling Units, and which already contains at least one existing Dwelling Unit, provided that the maximum limit of Dwelling Units is not increased;

8. A residential second unit or accessory dwelling unit (as defined by state law) on an existing residential lot, subject to compliance with the zoning ordinance;

9. Residential Developments whose applications were determined to be complete under Government Code Section 65943 or any successor provision prior to the effective date of

this Ordinance No. 1014, provided that such Residential Developments shall comply with the predecessor ordinance, resolution, or policy in effect immediately prior to the effective date of Ordinance No. 1014;

10. Residential Developments exempted by California Government Code Section 65589.5(o) or successor provision, provided that such Residential Development shall comply with any predecessor ordinance, resolution, or policy in effect on the date a preliminary application for the development containing all of the information required by Government Code Section 65941.1 was submitted to the City.

D. Allocation of Affordable Units to Income Levels. Dwelling units located within the Brentwood city limits for Very Low-, Low and Moderate Income Households as required by this chapter shall be allocated as follows:

Allocation through December 31, 2020 (6% affordability requirement):

| Ownership Development | |
|------------------------------|----|
| Moderate-Income Households | 1% |
| Low-Income Households | 4% |
| Very Low-Income Households | 1% |

| Rental Development | |
|----------------------------|----|
| Low-Income Households | 3% |
| Very Low Income Households | 3% |

Allocation applicable commencing January 1, 2021 (10% affordability requirement):

| Ownership Development | |
|------------------------------|----|
| Moderate-Income Households | 3% |
| Low-Income Households | 4% |
| Very Low-income Households | 3% |

| Rental Development | |
|----------------------------|----|
| Low-Income Households | 5% |
| Very Low-Income Households | 5% |

E.

E. Concurrent Construction. All Affordable Units in a Residential Development or phase of a Residential Development shall be constructed prior to or concurrently with Market-Rate Units, as set forth, and in the location specified, in a schedule of construction approved by the City and set forth in the Affordable Housing Agreement. The building permits for the last ten percent of

the Market Rate Units shall not be issued until the last Affordable Unit has been issued a building permit and construction of the last Affordable Unit has begun.

F. Design and Distribution of Affordable Units. All Affordable Units within a Residential Development shall be comparable to the Market-Rate Units in exterior design, quality, materials, architectural elements and overall construction quality, as well as number and proportion of bedroom types. If approved by the Planning Commission in the design review approval process as specified in Section 17.725.006(D), the developer may request an exception to the foregoing in order to reduce the cost of the Affordable Units by permitting reduced front, side and backyard landscaping and smaller square footage for bedrooms. Otherwise, Affordable Units shall be comparable to the approved landscape plans, exterior elevations, and bedroom square footage found in the approved plans for the remainder of the Residential Development. In addition, all Affordable Units shall include the same or similar interior amenities offered for Market Rate Units within a Residential Development. Affordable Units shall be dispersed throughout the Residential Development so as to prevent the concentration of Affordable Units, unless the planning commission has approved an exception to this standard to accommodate senior housing or to reduce Affordable Unit costs as described above, or approval of an off-site location has been granted.

1. Very Low to Medium-Density Zoning. For residential developments with very low-to medium-density zoning designations as defined by the general plan, the Affordable Unit may be smaller in size than other models in the Residential Development. The minimum permissible Affordable Unit size is one thousand six hundred square feet on a three thousand square foot parcel. As a means to provide massing and lot proportions consistent with the Residential Development, a duet unit will satisfy the City's affordable housing requirement. For example, a duet unit can be located on a corner with each duet unit being one thousand six hundred square feet on two separate three thousand square foot parcels.

2. High to Very High-Density Zoning. For Residential Developments with high to very high-density zoning designations as defined by the general plan, the Affordable Units shall be comparable to Market-Rate Units in square footage.

G. Length of Affordability. All Affordable Ownership Units shall remain affordable for a period of at least forty-five years from date of original occupancy and each subsequent ownership, and any Affordable Rental Units provided as an agreed-upon alternative equivalent proposal pursuant to Section 17.725.004 shall remain affordable for a period of at least fifty-five years from the date of the initial rental or leasing period, or longer periods as may be required by state housing law.

H. Concurrently with applicant's submission of a Universal Application to the City with respect to any proposed Residential Development subject to the Chapter, applicant shall also submit a narrative describing how the proposed Residential Development will comply with the requirements of this chapter.

17.725.004 Alternative equivalent proposal.

As an alternative to constructing Affordable Units on-site, a residential developer may propose one of the alternative equivalents set forth below to meet the requirements of Section 17.725.003. Such proposed alternative shall be processed in accordance with Section 17.725.005 of this Chapter. An alternative equivalent proposal may include, but is not limited to, payment of an In-Lieu Fee for Ownership Development, dedication of vacant developable land, dedication of constructed units to the City's Rental Housing Program, construction of Affordable Units on another site, or conversion of existing Market Rate Units (either for-sale or for-rent) within the city to Affordable Units through acquisition and enforcement of required affordability restrictions consistent with this chapter. All alternative equivalent proposals must be submitted in writing, demonstrate that the alternative equivalent will provide as much or more affordable housing in the city as would be achieved through the construction of required on-site Affordable Units required under Sections 17.725.003(D), be consistent with the city's housing element, and not increase residential segregation. Additionally, for Ownership Developments, an alternative equivalent proposal must result in an approximately equal geographic distribution of Affordable Units throughout the city.

A. Approval of Payment of In-Lieu Fees. In-Lieu Fees may be paid for (1) Residential Developments consisting of between five and nine Dwelling Units or (2) the Very Low-Income requirement for a Residential Development consisting of ten or more Dwelling Units. The amount of the In-Lieu Fee shall be adopted by resolution of the City Council, and may be amended from time to time.

1. In-Lieu Fees for Custom Home Developments shall be paid at time of building permit issuance for each custom home. For each permit pulled, the developer shall pay either the divided In-Lieu Fee or in a lump sum with the total fee, as elected by the developer.

2. In-Lieu Fees for all other Residential Developments shall be paid at building permit issuance for each Market Rate Unit constructed within the development. For each permit pulled, the developer shall pay either the Divided In-Lieu Fee or in a lump sum as with the total fee, as elected by the developer.

3. Except as may otherwise be required by law, the amount of the fee shall be as set forth in the In-Lieu Fee resolution in effect at the time of payment. In-Lieu Fees paid to the City shall be deposited into the Affordable Housing In-Lieu Fee Fund in accordance with Section 17.725.007.

4. The In-Lieu Fee paid by the developer of an Ownership Development shall be calculated using a Market Rate median sales price based in-lieu fee. This fee is based on the 12-month median sales price for a 3-bedroom, 1,500 – 1,700 square foot, Market Rate home in Brentwood, minus the current Affordable Housing Cost as defined in the California Health and Safety Code for owner-occupied units for the applicable household income level.

The amount of the In-Lieu Fee for each Affordable Unit shall be the difference between the Market Rate median sales price, calculated as above, and the Affordable Housing Cost for a for-sale 3-bedroom unit.

5. Developers of Rental Developments must construct Affordable Units on-site or satisfy the affordable requirements through an alternative equivalent proposal other than

payment of In-Lieu Fees unless, prior to the last discretionary approval for the development, the applicant requests a waiver under Section 17.725.011, and the City Council approves the In-Lieu Fee based on specific findings demonstrating that the City's goals of increasing affordable housing production are equally met through use of applicant's proposed alternative.

B. Dedication of Vacant Developable Land. An applicant may dedicate vacant developable land to the City or City-approved nonprofit housing developer in-lieu of constructing a portion of the required Affordable Units, if the City Council finds all of the following:

1. The dedication of vacant land in lieu of constructing Affordable Units is consistent with this chapter's goal of creating, preserving, maintaining, and protecting housing for very low-, low- and moderate-income households;

2. The dedicated vacant land is large enough and appropriately zoned to accommodate the number of Affordable Units that the applicant would otherwise be required to construct by Sections 17.725.003(D);

3. The dedicated vacant land is improved with infrastructure and utilities required to serve the property, including, but not limited to, power, telephone, cable, gas, water, sewer and fiber optics, grading, and all applicable fees, taxes, and assessments, including, but not limited to, school and flood control fees, and excluding any affordable housing In-Lieu Fees, have been or will be paid by the applicant;

4. The dedicated vacant land is located inside the city, or the vacant land will be annexed to the city prior to issuance of any building permits to the applicant for his/her related Market Rate Dwelling Unit(s).

5. That the off-site location would not increase segregation; and

6. That the development of Affordable Units on the dedicated land will be financially feasible.

C. Off-Site Construction of For-Sale or For-Rent Affordable Units or Conversion of Market Rate For-Sale or For-Rent Units to Affordable Units. An applicant may construct the required Affordable Units off-site from the proposed Market-Rate development site by causing the construction of new ownership or rental Affordable Units or convert existing Market-Rate ownership or rental Affordable Units with the approval of the City Council and subject to the City Council's approval of each of the following findings and imposition of the following conditions of approval on each tentative map or other entitlement:

1. Required Findings for construction and conversion.

a. The construction of the Affordable Units off-site or conversion of the existing Market-Rate Units, excluding mobile-home units and units within cooperative developments, in lieu of constructing Affordable Units on-site is consistent with this chapter.

b. The developer has submitted documentation to the satisfaction of the City Manager or designee that demonstrates that the construction of the Affordable Units onsite would be impractical or that off-site construction or conversion of Market Rate Units to Affordable Units will significantly benefit the city.

c. The Residential Development will be subject to the conditions of approval set forth in subsection(C)(3) of this section. The conditions of approval for the market rate development shall require that any off-site affordable units be governed by resale controls and/or rent restrictions similar to those required for on-site Affordable Units.

d. The quality and quantity of affordable Units constructed off-site and Market Rate Units converted to Affordable Units shall be equivalent to Affordable Units that would have been constructed on-site to satisfy the city's Affordable Housing requirement.

2. Additional finding required for construction of ownership or rental Affordable Units.

a. The conditions of approval and subdivision guarantee for a residential project, or other security such as a cash deposit, are adequate to provide for the construction of the off-site Affordable Units prior to or concurrently with the completion of the on-site construction of the Market Rate Units.

3. Required Conditions.

a. Affordable Units constructed off-site shall be constructed at the time specified in the Affordable Housing Agreement.

b. Affordable Units converted from Market-Rate Units shall be both converted and inspected at the time specified in the Affordable Housing Agreement. Market-Rate Units converted to Affordable Units shall require inspection by the Community Development Department to ensure that the Affordable Units are in good condition and repair, and conform to all applicable city building and zoning codes.

c. Existing Very Low-, Low, or Moderate -Income-Households that occupy Market-Rate Units being converted to Affordable Units shall not be displaced from those units. If temporary or permanent displacement occurs while the converted units are being repaired or rehabilitated, the developer shall be responsible to pay relocation and moving benefits to the displaced households in accordance with the California Code of Regulations, Title 25, Chapter 6, (California Relocation Assistance Guidelines). The calculation of relocation and moving benefits to be provided by developers to temporarily or permanently displaced households shall be submitted to and approved by the city for verification of compliance with the California relocation assistance guidelines.

D. Dedication of Affordable Units to the City of Brentwood. An applicant may dedicate constructed or converted on-site or off-site Affordable Units to the City's rental housing Program to satisfy the requirements of this Chapter. Mobile homes and units within cooperative developments are excluded from dedication. Each unit dedicated to the City shall equate to the

construction of 2 Affordable Units that would otherwise be required pursuant to Section 17.725.003 (D). Any units dedicated to the City's rental housing program shall be from the rental stream from these affordable rental units shall be deposited into a Brentwood Rental Housing Trust Fund administered by the City's Finance Director in accordance with Section 17.725.008.

All units dedicated to the City pursuant to this Chapter shall meet the following requirements prior to acceptance by the City:

1. All applicable fees (including development impact fees), Capital Improvement Financing Program assessments, and bond interest payments shall have been prepaid by the developer.
2. The units shall be less than 20 years old and in good condition and repair, as verified by an inspection conducted by the Community Development Department. A second such inspection may need to be performed to confirm that any repair punchlist generated by the initial inspection is completed prior to the City's acceptance of the unit into the Rental Housing Program.
3. The developer shall have installed any front yard, sideyard, any backyard landscaping and the unit's interior shall meet the City's minimum interior finish and appliance requirements.
4. The sprinkler system, window coverings, and all appliances shall have been installed in the unit in accordance with the list of required items maintained by the City Manager or designee.
5. Each unit must be on a subdivided parcel in accordance with Government Code sections 66426, 66427, or 66428.
6. The developer shall pay all recording, escrow and title fees involved in the transfer of title to the City, including the costs of a title policy insuring City's title in a form and with exceptions approved by the City.

E. Other Means of Fulfilling Affordable Housing Requirements. Subject to City Manager or designee approval, any developer may fulfill its affordable housing requirement through additional alternative equivalent methods not specifically mentioned in this chapter, including through the provision of rental Affordable Units by developers of Ownership Development projects (in accordance with Government Code Section 65589.8), provided that the City Council determines such alternative results in the same number of Affordable Units that would have

been provided with on-site construction of Affordable Units and that the Affordable Units otherwise meet all requirements of subsections F through G of Section 17.725.003.

17.725.005 Implementation procedures.

A. Satisfaction of Affordable Housing Requirement. Each proposal for satisfying the city's affordable housing requirement, together with a proposed affordable housing agreement per subsection B of this section, shall be reviewed by the City Manager or designee, considered for recommendation by the City Council Committee having jurisdiction, and forwarded to the City Council for approval on its consent calendar agenda. The requirements of this chapter shall be satisfied by all Ownership and Rental Developments subject to this chapter, the applicant receives a waiver under Section 17.725.011.

B. Agreements. Prior to the approval of a final map for any Residential Development, or issuance of a building permit for a unit within a Residential Development, to which this chapter applies, whichever comes first, the City and the residential developer shall enter into an Affordable Housing Agreement in a form approved by the City Attorney. For those Residential Developments for which Affordable Units will be constructed or converted on- or off-site, the Affordable Housing Agreement shall include appropriate resale controls and/or rent restrictions. For ownership Affordable Units, the City and the individual homebuyer shall be required to enter into a recorded refinance and resale limitation agreement in a form approved by the City Attorney. The City Manager or his or her designee is authorized to execute Affordable Housing Agreements, resale controls and/or rent restrictions and any other documents necessary to effectuate the implementation of this chapter, provided such agreements and documents are consistent with the requirements of this chapter.

C. Annual Monitoring and Transfer Fees. Agreements involving rental units provided off-site or by conversion of market rate units as specified in 17.725.004(C) shall require the owner of the Affordable Rental Units to submit an annual monitoring report to the Housing Division, in a format approved by the City Manager. For each Affordable Rental unit provided hereunder, the current owner may be required to pay an annual monitoring fee for the term of required affordability in the amount set forth in the Affordable Housing Agreement. For each owner-occupied Affordable Unit provided under this chapter, the current owner may be required to pay a transfer fee for any change of ownership as adopted from time to time by the City Council during the term of required affordability in the amount set forth in the Refinance and Resale Limitation Agreement.

D. Resale Prices for Affordable Ownership Units. The maximum resale price for an Affordable Ownership Unit and terms of resale to an eligible household shall be set by the Community Development Director pursuant to the Affordable Housing Cost as defined in Section 17.725.002(A) and as set forth in a Refinance and Resale Limitation Agreement.

E. City's Right of Option to Purchase Affordable Ownership Units. The Resale Restrictions as set forth in the Refinance and Resale Limitation Agreement shall provide that in the event the owner cannot in good faith and despite his/her best reasonable efforts, locate an eligible household to purchase an Affordable Ownership Unit at an Affordable Housing Cost, the owner shall give written notice of such circumstances, and an option to purchase, to the City. The City

shall also have an option to purchase the Affordable Unit at the maximum resale price, as limited by any applicable affordability restrictions, if the owner defaults on the terms of the Refinance and Resale Limitation Agreement.

F. Selection Criteria for Rental or Ownership Units. No household at the time of move-in shall be permitted to rent, purchase or occupy an Affordable Unit that is required under this chapter unless its qualifications are consistent with this chapter and the housing manager has approved the household's eligibility. Eligible potential occupants of ownership Affordable Units must be first-time homebuyers and will be qualified on the basis of household income as defined in this chapter, including all sources of income and assets, the relationship between household size and the size of the available units, and any further criteria required by law and/or established by the City Council. The affordable housing developer shall use an equitable selection method established in conformance with the terms of this chapter and in compliance with state and federal law. Selection of qualified households shall be based on the affordable housing priorities established below:

Priority 1. Eligible applicants for an Affordable Unit that live or work within Brentwood city limits. Preference will not be allowed if not permitted by state or federal law or other fair housing restrictions.

Priority 2. Other Qualified Applicants that do not live or work within Brentwood's City Limits.

The Community Development Director shall establish and maintain eligibility selection contact lists for qualified households based on the two housing priority groups mentioned in subsection F of this section. Proof of qualification for a priority group shall be provided by a household before placement on one of the selection contact lists. The lists shall be updated as needed.

By virtue of their position or relationship, City senior management employees and officials and their children, or members of the city's agencies, authorities, or commissions who have, by the authority of their position, policy making authority or influence affecting city housing programs, are ineligible to occupy an Affordable Unit.

17.725.006 Affordable unit concessions and construction incentives.

For any Residential Development meeting the requirements specified in Section 17.725.003 of this chapter, the city may offer incentives or financial assistance to encourage compliance with this chapter to the extent resources for this purpose are available and approved for such use by the City. In order to provide flexibility in the application of these concessions and incentives, and to ensure that they fit the variety of circumstances and different development projects regularly processed by the City, such incentives may include, but shall not be limited to any of the following items, applied alone or in any combination upon the City Council's finding that a developer has proven that the incentive is necessary to the financial feasibility of the residential development.

A. Development Processing Fee Deferral. The City Manager or designee may approve deferring payment of City processing and plan check fees applicable to the review and

processing of the project. The terms and payment schedule of the deferred processing fees shall be subject to the approval of the City Manager or designee. In no case shall deferred development processing fees be paid later than occupancy of any of the units in the Residential Development. In no case shall fees be waived.

B. **Development Impact Fee Deferral.** The City Manager or designee may authorize the deferred payment of development impact fees applicable to the Affordable Units. Approval of this incentive requires demonstration by the applicant that the deferral increases the project's feasibility. The applicant must provide appropriate security to ensure future payment of applicable development impact fees. In no case shall deferred development impact fees be paid later than occupancy of any of the units in the Residential Development. In no case shall fees be waived.

C. **Density Bonus.** Concurrently with consideration of an application for a residential growth management program allocation, the city may award a density bonus for developments that comply with the very low-, low or moderate income affordability provisions of this chapter by constructing units on-site, paying the appropriate in lieu fee, providing an acceptable alternative equivalent proposal, or a combination of the above, in accordance with this chapter. In the event that a development is also eligible for a density bonus pursuant to Government Code Section 65915, the density bonus authorized pursuant to this chapter shall be included in any density bonus obtained pursuant to state law and shall not increase the amount of the density bonus above that afforded by state law. An application for a density bonus must be received concurrently with an application for residential growth management program allotments. The density bonus provided shall initially be set at nine percent above the midpoint of the density range established in the general plan and zoning code. Fractional density bonus units shall be rounded in the manner set forth in Section 17.725.003(B)(2) of this chapter. The density bonus amount shall be periodically reviewed by the city engineer, the community development director, and the housing manager, who will recommend that adjustments, as appropriate, be adopted by resolution of the city council. Density bonus units authorized under this chapter shall be excluded from the affordability requirements specified in Section 17.725.003 of this code.

D. **Flexible Design Standards.** The approving body may modify city standards, including design guidelines, for Affordable Units that reduce the costs of and are necessary to result in identifiable and actual cost reductions to provide for affordable housing, including but not limited to, the following:

1. Reduced lot sizes;
2. Reduced setback requirements;
3. Reduced open space requirements;
4. Construction of duets, duplexes, triplexes or fourplexes on corner lots within single-family areas;
5. Reduced landscaping requirements;

6. Reduced parking requirements;
7. Height restriction waivers.

The applicant shall be responsible for documenting to the satisfaction of City Manager or designee, that the modification is necessary for the financial or other feasibility of the Residential Development. Except for any standards modified by the planning commission, the Residential Development must otherwise be consistent with all required general plan, zoning code, Uniform Building Code, and other applicable city regulations and policies.

E. Fast Track Processing. The City Manager or designee may authorize prioritized application review and project processing including environmental review, report preparation, entitlement meetings, plan checks and project inspections.

F. Direct Financial Assistance. The City Council may authorize provision of direct financial assistance in the form of a loan or grant from collected affordable housing trust funds as described in Section 17.725.007 of this code for developments which include Dwellings Units affordable to Very Low-, Low, or Moderate-Income-Households that exceed minimum Affordable Unit counts required under Section 17.725.003 of this code.

G. Additional Concessions and Incentives. The City Council may consider, on a case-by-case basis, at its sole discretion, the provision of additional concessions or incentives consistent with state law and the housing element of the City of Brentwood general plan for residential development projects that exceed the requirements of this chapter.

17.725.007 Affordable housing in lieu fee fund.

A. Creation. In-Lieu Fees shall be deposited into the Affordable Housing In-Lieu Fee fund, which is part of the housing enterprise.

B. Use. The Finance Director shall administer all monies in this fund including any interest earnings. Funds shall be disbursed at the discretion of the City Council for the purpose of assisting in the construction of Very Low-, Low or Moderate-Income Dwelling Units, or helping with other affordable housing opportunities. Use of this fund may include the provision of loans to help fund rental housing projects. The Finance Director is authorized to utilize the City Council approved budget to annually fund the city housing operating costs. In addition, the Finance Director is authorized to make budget adjustments as required to forgive the interfund receivable that has accumulated prior to the adoption of this Ordinance codified in this chapter.

17.725.008 Brentwood rental housing trust fund.

A. Creation. Net rental income from all rental units dedicated to the City's previous rental housing program shall be deposited into a Brentwood rental housing trust fund, which is part of the housing enterprise.

B. Use. The Finance Director shall administer all monies in this fund including any interest earnings. All funds other than those specified in subsection C of this section shall be utilized

to purchase, construct or repair single- or multi-family rental unit inside the city limits. One-half of the rental income may be utilized from time to time at the City Council's discretion to further the provision of affordable housing in the city of Brentwood so long as sufficient funds remain to pay for the maintenance and operation of existing affordable housing in the city's rental housing program.

C. Withholding. The Finance Director is authorized to utilize the City Council approved budget to annually fund the City housing operating costs from the rental stream of these affordable rental units to fund City housing personnel and administrative costs directly related to management and administration of the Brentwood rental housing trust fund and program. The Finance Director is further authorized to withhold up to an additional fifteen percent of net proceeds from the rental stream to reimburse city development fees and agricultural mitigation fees for these units until the City development fee accounts are whole.

17.725.009 First time homebuyer fund.

A. Creation. Contributions to the city's first time homebuyer program in accordance with Section 17.725.004(D) shall be deposited into the first time homebuyer fund, which is part of the housing enterprise.

B. Use. The Finance Director shall administer all monies in this fund, including any interest earnings. All monies in the fund, other than those specified in Section 17.725.009(C) shall be loaned to first time homebuyers that qualify as a Moderate Income, Low-Income or Very Low-Income Household, in accordance with terms and provisions of the approved first time homebuyer program approved by the City Council.

C. Withholding. The Finance Director is authorized to utilize the City Council approved budget to annually fund the City housing personnel and administrative costs directly related to the management and administration of the first time homebuyer fund and program.

17.725.010 Enforcement.

A. General. The City shall enforce this chapter, and its provisions shall be binding on all agents, successors, and assigns of an applicant. The City may suspend or revoke any building permit or approval upon finding a violation of any provision of this chapter. No land use approval, building permit, or occupancy approval shall be granted for any residential development unless it is in compliance herewith, including but not limited to, actions to revoke, deny, or suspend any permit or development approval.

B. Excessive Sales Price and Rents/Legal Action. It is unlawful, a public nuisance and a misdemeanor for any person to sell or rent an Affordable Unit at a price or rent exceeding the maximum allowed under this chapter or to a household not qualified under this chapter, and such person shall be subject to a five hundred dollar fine per month from the date of original noncompliance until the Affordable Unit is in compliance with this chapter. If the City determines that the sales price or rents in excess of those allowed by operation of this chapter have been charged to a household residing in an Affordable Unit, the City may take appropriate legal action.

C. Violation Abatement. The City of Brentwood City Attorney or the Contra Costa County District Attorney, as appropriate, shall be authorized to abate violations of this chapter and to enforce the provisions of this chapter and all implementing regulatory agreements and affordability controls placed on Affordable Units by civil action, injunctive relief, and any other proceeding or method permitted by law. Remedies provided for in this chapter shall not preclude the city from any other remedy or relief to which it otherwise would be entitled under law or equity.

17.725.011 Waiver.

A. A developer of any project subject to the requirements of this chapter may request that the requirements of this section be waived or modified by the City Council, based upon a showing that applying the requirements of this section would result in an unconstitutional taking of property or would result in any other unconstitutional result.

B. Any such request for a waiver shall be made in writing to the City Council, submitted to the City concurrently with applicant's submission of a Universal Application for any proposed Residential Development subject to this chapter.

C. The request for waiver shall set forth in detail the factual and legal basis for the claim of waiver or modification. The City Council shall consider the request at the public hearing on the permit application. The applicant shall bear the burden of presenting substantial evidence to support the waiver request, including comparable technical information to support applicant's position.

D. A waiver of an affordable housing requirement may only be approved by the City Council to the extent necessary to avoid an unconstitutional result, based upon legal advice provided by or at the behest of the City Attorney, after adoption of written findings, based on legal analysis and substantial evidence. The decision of the City Council shall be final. If a modification or waiver is granted, any change in use within the project shall invalidate the waiver or modification of the affordable housing requirement, and a new application shall be required for any waiver or modification under this section.