

Updated Alternative Affordable Housing Plan

November 22, 2022

Redwood LIFE Evolve - Updated Alternative Affordable Housing Plan

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Summary

RedwoodLIFE Evolve presents an opportunity to significantly expand Redwood City's affordable housing inventory. Investing in affordable housing is a fundamental part of our development vision. This Alternative Affordable Housing Plan is proposed in furtherance of that vision and in accordance with Redwood City's Affordable Housing Ordinance No. 1130-375 as amended by Ordinance No. 2498 (together, the "Affordable Housing Ordinance"), sections 29.5C-8 and 29.8A. It is a plan to meet and exceed the requirements of the Affordable Housing Ordinance in connection with the multi-phase life science RedwoodLIFE Evolve development project proposed by developer Longfellow Real Estate Partners.

In summary, this Alternative Affordable Housing Plan proposes that Longfellow will invest 85 million dollars— an amount 30 million dollars greater than the City's Affordable Housing Fee—as a community benefit, directly to experienced nonprofit affordable housing producers HIP Housing and Eden Housing or to other qualified affordable housing partners that have a need for investment. Thus, instead of paying into the City's Affordable Housing Fund, where the money may wait years to be applied to actual construction, Longfellow's contribution would immediately support the development of affordable housing projects in the community. Longfellow believes that its investment could generate as many as 850 affordable housing units over the 20-year development horizon of the Project, depending on the level of affordability of the projects that are funded, the size of the units proposed, the timing of development, and the ability of Longfellow's investment to attract additional funding sources.

This structure will create an opportunity to support the production of a variety of affordable housing types—both new development and preservation units, large projects and small, rental and ownership—over the life of the development. Most importantly, however, this structure will ensure that Longfellow's contribution to affordable housing in Redwood City will be promptly leveraged to maximize the production and operation of affordable units by proven leaders in the affordable housing provider community.

1.0 Development Project Description

Longfellow, together with partner PGIM, proposes to redevelop an approximately 84-acre site between Belmont Slough and Marine Parkway currently consisting of an approximately 1 million square foot, 20-building office park. The Project would create a 3.3 million square foot campus with 15 buildings across four reconfigured parcels.

The site would be developed in at least seven phases, over a 20-year period, and would add up to 2.3 million square feet of new state-of-the-art life sciences office and laboratory space. The Project also proposes adding community amenities such as active parks and passive open space, dedicated community gathering space, enhanced waterfront access, and community programming such as farmers markets and food trucks..

2.0 The Case for an Alternative Affordable Housing Plan

The Affordable Housing Ordinance imposes a Housing Impact Fee on all new office and R&D projects of \$23.62/sq. ft. of development (as of February 1, 2022). Alternatively, non-residential developers may propose to mitigate the affordable housing impacts of their development through an alternative mitigation program, approved by the Community Development Director,

which may include the provision of off-site units, the donation of land for the construction of affordable units, or the purchase of existing units for conversion to affordable units. While not required by the Affordable Housing Ordinance, City officials and staff have expressed a strong preference for non-residential developers to pursue alternatives to paying the Housing Impact Fee that result in the delivery of affordable housing units in concert with the commercial development. And the City has determined that 10 affordable units per 100,000 sq. ft. of new office space will mitigate the affordable housing impacts of commercial development in cases where the Housing Impact Fee is not paid.

Longfellow is a leader in the development of state-of-the-art life science space—but is not an expert in the development of housing nor with the complexities and nuances of affordable housing production. Additionally, the Project site is not designated in the General Plan for residential use nor zoned for residential development, is far from supportive services, has limited public transportation service, and is the site of a closed municipal landfill. As a result, the Project is not a good candidate for on-site housing, let alone affordable housing, and Longfellow is not the right developer to produce off-site affordable housing. Longfellow is therefore proposing an alternative plan to meet and exceed its affordable housing obligation that bridges that gap by diverting the Project's Housing Impact Fee directly to proven affordable housing producer partners, who will be able to efficiently and effectively deliver affordable housing units at locations that are well suited to residential development..

Directing Funds for Greatest Impact

Impact fees are a tremendous tool for generating funds that help sustain healthy communities, but they can also be challenging for cities to administer and difficult for developers of affordable housing projects to access. This is especially true when applied to affordable housing. Limited windows to apply for funding, complexities in identifying and vetting opportunities, unpredictable design and entitlement processes, challenges tying up access to land, and the coordination of leveraged financing can mean years of waiting before new housing can be brought online using impact fees in the traditional manner.

Meanwhile growth in and around Redwood City has led to an increase in both housing demand and housing cost. It has also contributed to the displacement of longtime residents and lower paid local workers. The need for housing is now, and it cannot wait for the long and labor intensive process of administering impact fees collected by the City.

As an alternative, diverting funds to specific projects in development by local affordable housing developers means that these dollars can be used more quickly and efficiently to bring housing online. In addition, because affordable housing is the sole focus and expertise of our nonprofit partner developers, they are able to produce more units per dollar than the City (or Longfellow) can. Directing funds that would otherwise be payable to the City towards projects spearheaded by affordable housing partners not only turns dollars into more housing more immediately, but it also showcases the kind of private, public, and social sector collaboration that Redwood City has become known for, and which exemplifies great cross-sector problem solving.

By way of example, we are including a generic proforma prepared by Eden, which shows how an approximately \$10 million Longfellow contribution could be leveraged to produce 100 affordable units, with a mix of AMI levels and unit sizes. This proforma can be extrapolated to demonstrate that Longfellow's proposed \$85 million contribution could generate as many as 850 affordable units in Redwood City. Of course, the factors included in this generic proforma will change over time, as costs for land and construction increase and decrease, as funding sources become available or dry up, etc.



RWC Longfellow- Affordable - 4% LIHTC

Financing Summary		
Total Number of Units	100	
AFFORDABILITY MIX		
	Units	Net Rent
Extremely Low Income Units @ 30% AMI- 1 bed	20	\$975
Extremely Low Income Units @ 30% AMI- 2 bed	13	\$1,161
Extremely Low Income Units @ 30% AMI- 3 bed	-	\$1,329
Very Low Income Units @ 45% AMI- 1 bed	16	\$1,489
Very Low Income Units @ 45% AMI- 2 bed	6	\$1,778
Very Low Income Units @ 45% AMI- 3 bed	18	\$2,041
Very Low Income Units @ 50% AMI- 1 bed	12	\$1,661
Very Low Income Units @ 50% AMI- 2 bed	7	\$1,984
Very Low Income Units @ 50% AMI- 3 bed	7	\$2,279
Manager's Unit	1	
Total	100	
Population Targeting		
PSH units	20	20%
Project-based vouchers	10	
Percentage of Project	10%	
UNIT MIX		
OBR/1BA	0	0%
1BR/1BA	48	48%
2BR/1BA	27	27%
3BR/2BA	25	25%
Total	100	
DEVELOPMENT BUDGET		
	Total	Per Unit
Total Land & Improvements	\$7,030,000	\$70,300
Total Design & Consulting	\$2,590,000	\$25,900
Total Construction	\$46,117,585	\$461,176
Total Indirect Costs	\$13,119,349	\$131,193
Total Finance & Carry Costs	\$4,750,513	\$47,505
Total TCAC/Syndication	\$197,252	\$1,973
TOTAL DEVELOPMENT COSTS	\$73,804,699	\$738,047
SOURCES OF FINANCING		
	Total	Per Unit
Land Cost / (Donation by Master Developer)	\$7,000,000	\$70,000
Master Developer Contribution	\$2,832,333	\$28,323
County	\$0	\$0
FHLB - AHP	\$0	\$0
MHP or AHSC	\$14,407,022	\$144,070
NPLH	\$5,961,620	\$59,616
LIH Tax Credit-LP Capital Contribution	\$30,744,146	\$307,441
LIH Tax Credit-GP Capital/Non-Priority Deferred Fee	\$3,373,774	\$33,738
Permanent Financing	\$6,400,559	\$64,006
Permanent Financing - 2nd Mortgage	\$1,608,731	\$16,087
Deferred Developer Fee	\$1,476,514	\$14,765
TOTAL SOURCES OF FUNDS	\$73,804,699	\$738,047

*"Master Developer" in this example would be the equivalent of Longfellow. This demonstrates how a \$10 million contribution from Longfellow could create 100 units of affordable housing with a mix of AMI levels and unit sizes. This can be extrapolated to demonstrate that Longfellow's proposed \$85 million contribution could generate as many as 850 affordable units in Redwood City.

3.0 Affordable Housing Partners

Redwood LIFE Evolve has a multi-phased development plan over a 20+/- year period. As a result, Longfellow has crafted a long-term vision for its contribution to affordable housing, which will be triggered at each development phase. Longfellow's vision embodies and supports these elements of the Redwood City Strategic Plan goals:

- Preserve existing affordable housing
- Protect housing options for low- and middle-income residents
- Produce housing to meet the City's Regional Housing Needs Allocation (RHNA)
- Partner with nonprofits and other qualified organizations serving unique populations
- Provide housing at moderate, low, and very low-income level

To deliver its long-term vision, Longfellow knew it needed to partner with successful, well-established affordable housing producers. Longfellow solicited interested nonprofit partners in an RFQ process, which resulted in nine responses and interviews with six nonprofit organizations. Each responding team had remarkable strengths, but the winning proposal was a combined effort by HIP Housing and Eden Housing.

Both HIP and Eden are celebrating 50+ years of affordable housing successes, have extensive glowing references, and have long histories of providing creative local affordable housing solutions. They also share a history of partnership which beautifully complement each other's strength

- Eden Housing, Inc. is one of the oldest and most experienced affordable housing nonprofit organizations in California. Since its inception in 1968, Eden has developed, acquired, or rehabilitated more than 11,400 affordable units and currently provides homes to more than 24,000 lower-income residents. As a mission-driven nonprofit, they serve low and moderate income families, seniors, people with special needs, and people experiencing homelessness. Incomes of their residents typically range from 20% to 60% of the area median income. Eden works in 15 counties, including San Mateo County, with two properties in East Palo Alto. Eden also has two projects under development in Redwood City: The Sequoia Station affordable component in partnership with LOWE will provide approximately 234 units of affordable housing and a partnership with Lane Partners to help deliver approximately 80 units as part of their 1900 Broadway development. Eden has large scale capacity to successfully tie up land, public dispositions, and off-market opportunities to build new ground-up construction for 100% affordable homes and communities with deep affordability targeting.
- HIP Housing, Inc., is a private, nonprofit organization that has served San Mateo County since 1972. What started as a small social service agency has grown into a five affiliate network that includes HIP Housing Development Corporation ("HHDC"), a Community Housing Development Organization.

HHDC is a local leader in preservation housing and owns 19 preservation properties. HHDC's properties reflect the organization's commitment to increasing the affordable housing inventory in San Mateo County by identifying and securing funding for the acquisition and rehabilitation of existing properties that can be deed restricted as affordable. Six of their 19 preservation properties are located in Redwood City. Their Rolison property in Redwood City was one of the first in the County to be a recipient of a deferred housing impact fee from a commercial developer. HIP Housing has deep connections in Redwood City and San Mateo County and has a creative approach to the acquisition and preservation of smaller-scale naturally-occurring affordable housing by leveraging their network and using specialized financing strategies like impact fees.

HIP's focus on preservation properties allows for Longfellow's contributions to be quickly leveraged into protecting existing affordable housing and preventing displacement, while Eden's experience with ground-up new construction and capacity to maintain a robust, pipeline lends itself particularly well to a long-term relationship with Longfellow and the approval over time of significant projects corresponding to the Project's later phases. A combined Eden and HIP Housing approach will help provide the wide breadth of present and future affordable housing opportunities that can help to stop economic displacement in the short-term while delivering new affordable homes in the longer-term.

In addition to partnering closely with Eden and HIP, Longfellow will also look for and explore opportunities to partner with other agencies that have a need for affordable housing but lack the resources to bring housing to market. For example, Longfellow has initiated discussions with the San Mateo Community College District and Cañada College about potential opportunities for investing in new student or staff housing on the Cañada College campus in Redwood City.

4.0 Qualifying Affordable Housing Opportunities

Longfellow will work with HIP and Eden, and other qualified partners if opportunities arise, to identify specific affordable housing project opportunities that will be in a position to leverage an influx of funding at the time of each phase of the Project's development and will therefore maximize the potential for Longfellow's dollars to be transformed into housing in lock step with the Project.

Eden and HIP Housing's different but complementary expertise opens up the opportunity to explore project types that typically have dramatically different lead times—the relatively quick acquisition of existing housing for preservation and the longer-term development of ground-up new construction. HIP Housing's specialization in preserving and operating smaller-scale existing housing lends itself well to near-term opportunities, while Eden's large-scale new construction experience would enable the team to nurture significant new development opportunities that require years to come to fruition. Having this variety in the pipeline of opportunities complements the phasing plan for the Project, which requests near-term approval for the first phases and anticipates returning for design-level approval of later phases in future years.

Sourcing Near-Term Opportunities

In order to identify projects with a shorter development timeline, the team would lean on HIP's resources and experience:

- HIP Housing has existing affordable projects and partnerships that could be expanded with an influx of funding. For example, in July of 2020, HIP Housing worked with Redwood City and Premia Capital to acquire an existing 10-unit property on Rolison Road, preserving its long-term affordability. There is now a potential opportunity to acquire a neighboring parcel, combine the lots and build a more efficiently scaled, larger 100% affordable housing project. This presents the opportunity to turn a modest affordable housing project into something much more notable and to leverage Redwood City's original commitment into many more affordable units. Also exciting about this project is that the greater the contribution, the deeper the affordability level possibilities for the newly created units. In this type of scenario, HIP Housing and Eden would partner together – with HIP leveraging their existing property and relationships and Eden leveraging their extensive new construction development experience.
- HIP Housing has long-standing relationships with several large scale owners of market-rate apartment buildings located throughout San Mateo County, including in Redwood City. Through these partnerships, HIP Housing is exploring opportunities to acquire additional properties and commit them to long-term affordability – helping combat displacement in Redwood City. In an exciting move by the State with the passage of

AB787, a newly preserved unit may now count towards RHNA which would also assist the City in their goals. In this scenario, HIP Housing would act as the sole developer.

Sourcing Longer-Term Opportunities

- Off-market land transactions – Eden and HIP Housing have worked with trusted partners interested in disposing of land and furthering the mission of affordable housing to purchase sites off market. This strategy has proven fruitful with local churches and other nonprofits that are aligned with their mission driven work.
- Broker relationships - Eden and HIP Housing have long standing relationships with key brokers in the land acquisition space that help bring us to the top of the list of potential buyers. In addition, HIP Housing’s relationship with local brokers like Sequoia Realty Group would help source additional local opportunities.
- Transitional properties – Longfellow has extensive relationships with landowners and brokers that can assist in identifying commercial properties that may be available for redevelopment as affordable housing or mixed use projects.
- Creative partnerships - Longfellow has already reached out to, and will continue to engage, various local agencies and organizations to explore opportunities that could source underutilized property or ultimately serve specific populations with a distinct need for affordable housing – including the San Mateo County Community College District and Cañada College, SamTrans, local school districts, and churches.

5.0 Implementation

Longfellow understands that this Alternative Affordable Housing Plan will require further refinement to establish an implementation framework and process that complies with the City’s statutory requirements and policy objectives. In connection with the Project, Longfellow is requesting that the City enter into a Development Agreement, which will articulate additional community benefits that Longfellow will provide in connection with the Project and is an appropriate vehicle for the further refinements to this Alternative Affordable Housing Plan.

As such, we expect that the City and Longfellow would work together to develop the following implementation elements of Longfellow’s affordable housing plan in connection with the Project:

A. How Longfellow’s total contribution will be spread over time based on Project phasing:

Longfellow’s contribution for affordable housing of \$85M is +/- \$30M in excess of the \$55 million that would be required pursuant to the City’s Affordable Housing Ordinance alone. To ensure a financially viable Project, the cost of community benefits, including the affordable housing contribution, will need to be spread across the Project’s phases. Therefore, the Development Agreement should articulate how Longfellow’s payments will be credited or allocated to each phase of development, with the expectation that some flexibility be built in so that some phases may bear proportionally more of the overall contribution than other phases.

Longfellow is committing a total of \$85 million dollars to support affordable housing in Redwood City pursuant to this Affordable Housing Plan. Based on the City’s current Housing Impact Fee (of \$23.62/ sq. ft. of new office and R&D space and \$5.91/sq. ft. of new hotel or retail, restaurant, and services space), \$55M of the total contribution is attributable to compliance with the City’s Housing Impact Fee. We expect that as the Housing Impact Fee rate escalates over time, the portion attributable to compliance will increase. The remainder of the \$85 million contribution is offered as a community benefit.

Initially, Longfellow proposes that its contribution pursuant to this Affordable Housing Plan be tied to each phase proportionally by square footage of new office and R&D space proposed in the phase.

Office/R&D Impact Fee (\$/SF)	23.62
Retail, Restaurant & Services Impact Fee (\$/SF)	5.91
Hotel Impact Fee (\$/SF)	5.91

ESTIMATED AREAS

	Net New Office/R&D Area	Net New Retail, Restaurant & Services Area	Net New Hotel Area	Net New Building Area	Impact Fee Contribution	Community Benefit Contribution	Total Investment by Longfellow
Phase 1*	475,650	37,810	-	513,460	\$ 11,458,310	\$ 5,729,156	\$ 17,187,466
Phase 2	450,900	-	-	450,900	\$ 10,650,258	\$ 5,325,129	\$ 15,975,387
Phase 3	208,356	-	-	208,356	\$ 4,921,369	\$ 2,460,685	\$ 7,382,054
Phase 4	524,230	-	-	524,230	\$ 12,382,313	\$ 6,191,157	\$ 18,573,470
Phase 5	475,866	-	-	475,866	\$ 11,239,955	\$ 5,619,978	\$ 16,859,933
Phase 6	170,626	-	-	170,626	\$ 4,030,186	\$ 2,015,094	\$ 6,045,280
Phase 7	-	-	5,852	5,852	\$ 34,585	\$ 2,941,825	\$ 2,976,411
Total	2,305,628	37,810	5,852	2,349,290	\$ 54,716,976	\$ 30,283,024	\$ 85,000,000

*The Fitness Center is included as an accessory use to Office/R&D. Remainder of Amenities are considered Retail, Restaurant, & Services Area.

**All areas are estimates only.

***Net new area is new building area less demolished building area.

B. Characteristics of qualifying projects:

The impact of the investment will vary depending on the number of units and the levels of affordability that can be achieved by the projects that are supported by Longfellow’s contributions. Together with Eden, HIP and other qualified organizations, Longfellow expects to explore many affordable housing opportunities. We would like to further refine those qualities that best align with the City’s affordable housing goals so that the right projects can be fully vetted, brought forth for consideration, and included in the pipeline of viable opportunities. This will mean articulating what qualities and characteristics will satisfy the City—these could be location, access to transit and other public resources, partnerships with other public or private organizations, targeted tenant groups (e.g., seniors, students), rental vs. ownership opportunities, income levels, unit sizes, etc.

Initially, Eden and HIP are interested in focusing on affordable rental housing exclusively, with no market rate housing component. They will target projects with units in the range of 30-60% area median income (AMI), with an overall average AMI between 40-50% AMI. For new construction opportunities, Eden and HIP will target large family (with at least 25% 2- and 3-bedroom units) and senior (with mostly 1-bedroom units) projects

C. Timing for identifying qualifying projects:

Identifying, permitting, financing, and executing affordable housing projects is a complex and often winding path with a very different timeline and process than a large commercial development like RedwoodLIFE Evolve. Viable affordable projects cannot be identified until an appropriately zoned property in a location suited to serve the needs of residents is identified or comes to market and a patchwork of time sensitive funding sources converge. Once identified, however, affordable housing projects are often able to capitalize on streamlined permitting and environmental review in order to move quickly toward construction. Because of this, it would be impossible to identify a complete stable of qualifying projects to satisfy Longfellow’s total obligation at the time the City considers the RedwoodLIFE Precise Plan, and it would be challenging even to identify qualifying projects at the same time as the Project (or a phase) application is submitted. Instead, Longfellow, together with Eden and HIP, and other qualified partners, will work to identify a pipeline of affordable housing projects from which one or more specific affordable housing projects would be brought to the City when the City considers the Planned Community Permit for each Phase.

Longfellow will work with the City to determine a deadline by which qualifying affordable housing projects must be identified in order for the City to move forward with its consideration of any phase of the Project, so that by the time the City considers each phase of the Project, the City will have had an adequate opportunity to ensure the suitability and viability of the affordable housing project(s) to which Longfellow's contribution for that phase will be directed.

As projects are identified, Longfellow's housing partners will provide detailed information about each project, including:

- How the proposed units conform to the requirements of the Affordable Housing Ordinance and City and State Density Bonus law, as applicable;
- The location, structure (attached or detached), proposed tenure (for-sale or rental), and size of the proposed market-rate (as applicable) and affordable units and the basis for calculating the number of affordable units provided;
- Floor and site plans depicting the location of affordable units;
- A phasing plan that provides for the timely development of the number of affordable units in accordance with Section 29.6 (standards for Affordable Housing);
- A financing plan; and
- If a project is seeking a density bonus, concessions, or waivers as allowed under State Density Bonus Law, a State Density Bonus Request Letter.
- If a project is a preservation project, information regarding existing rents, condition of the property, plan for existing tenants including displacement mitigation measures, and if the project includes existing market rate tenants, a projection of the time to fully occupy the preserved units with income eligible tenants.

D. Accountability:

Longfellow will work with the City to identify the appropriate vehicle for payment—which could be into a trust or escrow account from which HIP or Eden can draw funds for the affordable project(s) as needed, a structured donation of deed restricted land to a housing partner, or another vehicle appropriate to the particular project identified. However, it will be important for the City to see that Longfellow's investment is supporting the creation of affordable units, not just sitting in an account. Therefore, Longfellow proposes the following procedural safeguards:

- Longfellow's payment satisfying the requirements for each phase of RedwoodLIFE Evolve's Affordable Housing Plan shall be required as a condition of Longfellow obtaining building permits for that phase.
- All funds contributed for affordable housing must be held in an interest-bearing account until utilized by a qualified project for the purchase of real estate or commencement of construction, with a limited amount of each contribution available for predevelopment activities (i.e., architectural plans and third-party consultant reports). All predevelopment work product shall be assignable to the City.
- A qualified project that utilizes Longfellow's contribution to purchase real estate or commence construction shall be subject to an affordable covenant and shall enter into a Regulatory Agreement with the City. The Regulatory Agreement will provide the City an option to purchase the affordable project at a nominal rate if the affordable developer is unable to meet reasonable construction milestones or complete the project.

6.0 Conclusion

In developing state of the art life science facilities, Longfellow is committed to serving the needs of the community. RedwoodLIFE: Evolve presents an opportunity to invest unprecedented levels of funding in badly needed affordable housing to prevent displacement, so workers and families of all income levels can remain a vital part of the Redwood City community.

The process of selecting HIP and Eden as Longfellow's housing partners was a thoughtful and deliberate one. It was meant to identify the best partners for creating a robust pipeline of housing opportunities over the 20+/- year development period of the RedwoodLIFE Evolve Project. Longfellow is confident that the combination of Eden's robust and varied development experience and HIP Housing's deep local roots, coupled with Longfellow funding commitment, will make any proposed affordable housing projects highly competitive for additional leveraged financing sources.

However, Longfellow understands that creating affordable housing is challenging and complicated and that timing is critical. It also recognizes that the City of Redwood City will need to be intimately involved in the selection of the qualifying projects subsidized with each phase of the Project to ensure compatibility with the City's affordable housing goals and policies. Consequently, while Longfellow requests approval of this Alternative Affordable Housing Plan in connection with the approval of the RedwoodLIFE Precise Plan, it also expects that elements of this plan, including an implementation strategy and steps for additional coordination with the City, would be documented and further refined in a Development Agreement to be recorded against the Project site.

What separates Longfellow from its competitor life-science developers is its long-term investment in the communities where its campuses are located. RedwoodLIFE Evolve is no exception. In particular in the housing space, Longfellow proposes to go well above the City's requirements—to create a community benefits package that includes a meaningful and long-term investment in the City's affordable housing supply.

Exhibit A

General Plan Housing Element Goals, Policies, and Programs Furthered by the Proposed Affordable Housing Plan

Policy H-2.2: Support collaborative partnerships with nonprofit organizations, developers, neighborhoods, and State and federal agencies to develop, rehabilitate, preserve, and retain affordable housing.

Policy H-2.4: Facilitate a variety of housing choices so that people can both live and work in Redwood City.

Policy H-2.5: Consider various avenues to ensure the provision or construction of affordable housing and other community benefits.

Policy H-3.3: Encourage and provide opportunities for housing for special needs groups, including large families, single-parent headed households, the elderly, the disabled, and those in need of emergency shelter and supportive and transitional housing.

GOAL H-4: Remove potential constraints to housing production and affordability.

Policy H-4.3: Promote innovative solutions to increase housing affordability, such as the HIP Housing Home Sharing Program, reduced parking standards, and streamlined permitting processes.

Policy H-5.2: Support organizations that provide fair housing services to Redwood City residents and seek to eliminate housing discrimination.

Objectives:

- Annually monitor the affordability status.
- Maintain and update the City's list of nonprofit and community-based organizations to contact regarding possible ownership and management of the units at Redwood City Commons if they are in imminent risk of conversion.
- In the event a project becomes at risk of converting to market-rate housing, work with property owners or other interested non-profit housing providers to preserve the units as affordable housing. Timeframe: Ongoing Responsible Party: Community Development; City Manager Office/Economic Development Funding Sources: General Fund, CDBG, HOME

Program H-16: Affordable Housing Development. The development of new affordable housing generally requires subsidies from federal, State, and local sources. The demand for affordable housing throughout the Bay Area is steadily increasing, as housing costs have accelerated beyond the capacity of many households. Land write-downs and financial incentives can be significant contributions to meet this demand and create new affordable housing. Redwood City (especially through the now dissolved Redevelopment Authority) has an active history of providing land write-downs for the acquisition and disposition of housing sites and/or surplus properties for the construction or rehabilitation of affordable housing units. However, the dissolution of Redevelopment in California has significantly hindered the City's ability to support land write-downs or provide financial incentives. However, some funding remains available through CDBG and HOME grants. As opportunities become available, the City will continue to endeavor to acquire sites for affordable housing. The City's Consolidated Plan prioritizes the expansion and preservation of affordable housing and commits to spending the majority of CDBG funds and HOME funds toward this purpose.

Objectives:

- Continue to provide subsidies, as funds are available, to assist in the development of affordable housing units.
- Continue to allocate funds for site acquisition to directly facilitate the development and continuation of affordable housing opportunities, including CDBG and HOME funds. Prioritize resources toward affordable residential development in Downtown and along major corridors.
- Seek opportunities to assist in the acquisition of land for the construction of new affordable rental and ownership housing.
- Consider dedicating future “boomerang” redevelopment funds for affordable housing.
- Update the City’s tax point map, which scores various opportunity areas in the City for Low Income Housing Tax Credit (LIHTC) eligibility, with the new sites identified in the Housing Element. Make the map available on the City’s online Community GIS.

Program H-18: Alternative Housing Models. There are a variety of alternative housing models that help support affordable housing choice. Efficiency units provide an affordable option for singles and seniors and should be encouraged. In addition, Redwood City has bayfront areas that may accommodate floating communities.

Objectives:

- Facilitate the development of alternative housing models suited to the community through the provision of flexible zoning regulations.
- Encourage efficiency units in rental housing to accommodate seniors and individuals who work in Redwood City.
- Consult with stakeholders regarding existing floating communities in Redwood City. Through the Inner Harbor Specific Plan process, continue to evaluate ways to facilitate floating homes.
- Proactively update the Zoning Ordinance to accommodate emerging housing types as new innovative projects are proposed.