

BURBANK REDEVELOPMENT AGENCY
MARCH 18, 2003

A regular meeting of the Burbank Redevelopment Agency was held in the City of Burbank Council Chamber, 275 East Olive Avenue, on the above date. The meeting was called to order at 6:36 p.m. by Mr. Laurell, Chairman.

CLOSED SESSION

Present- - - - - Members Golonski, Murphy, Ramos, Vander Borght and Laurell.
Absent - - - - - Members None.
Also Present - Ms. Alvord, Interim City Manager; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and, Mrs. Campos, Secretary.

Invocation The invocation was given by Reverend Roby Correa, Magnolia Park United Methodist.

Flag The pledge of allegiance to the flag was led by Lt. Janice Lowers.
Salute

ROLL CALL

Present- - - - - Members Golonski, Murphy, Ramos, Vander Borght and Laurell.
Absent - - - - - Members None.
Also Present - - Ms. Alvord, Interim City Manager; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and, Mrs. Campos, Secretary.

8:05 P.M. Following a report and the combined oral communications, the
Meeting Council meeting was recessed to allow the Agency and the Council
Continued to hold a joint meeting.

8:05 P.M. Mr. Solomon, Housing Development Manager, reported in February
Jt Mtg w/Council 2003, the Blue Ribbon Task Force on Affordable Housing (Task
RA 41 Force) presented recommendations intended to expand the stock of
Suggested affordable housing in Burbank. He added at the close of the
Guidelines for presentation, the Council authorized implementation of the Task
Inclusionary Force's recommendations and instructed staff to bring back a report
Housing Ord. providing background information about inclusionary housing to
provide the Council with further guidance in drafting an ordinance
for future consideration to ensure that a portion of residential units
in a market rate development were affordable to lower and
moderate-income households. He noted, sensitive to market
conditions, inclusionary housing ordinances were most productive
in a strong housing market such as Burbank's, by capitalizing on
market demand when market rate development is focused primarily
on upper-income households. Also, the Ordinance would spur
economic integration within a community by requiring affordable
units to be dispersed throughout new developments generating a
mix of income levels and a means for lower-income paid workers to

find housing close to employment. He then gave a historical background on inclusionary housing ordinances in the State of California.

Karen Warner, representing Karen Warner and Associates, provided an overview of the common characteristics which make up inclusionary housing ordinances. She also discussed the results of a statewide survey of 75 State jurisdictions and noted inclusionary housing ordinances should not impede development but provide affordable housing.

Mr. Solomon discussed the issues associated with inclusionary housing as well as staff's recommendations pertaining to each issue. He stated staff recommended that 15 percent of all newly constructed for-sale units be affordable to low and moderate-income households and 15 percent of all newly constructed rental units be affordable to lower-income households, with one-half affordable to very low-income households.

With regard to how long the inclusionary units would be required to be affordable, he stated staff recommended the period of affordability extend in perpetuity, with resale provisions tied to the for-sale units as well as requiring that affordable units be constructed consistently with market rate units and not at a later stage of construction.

On the issue of exemptions, he stated staff proposed that projects comprising of less than 10 units be exempted from the ordinance to avoid a heavy financial impact on developers.

Regarding the developer's options to meet the inclusionary housing obligation off-site, he stated staff suggested a developer be allowed to pay an in-lieu fee to opt out of developing affordable units on-site. He informed the Council that an in-lieu fee study would be undertaken to determine that the amount of the affordability gap is consistent with what would be required of the developer if he had to build an affordable unit on-site, to construct affordable units off-site, or donate land at another location and would also consider credit transfers whereby a developer could reduce the number of required affordable units in exchange for meeting some other housing policy purpose. He concluded with staff's request that the Council approve the recommendations and direct staff to return with a draft inclusionary housing ordinance and authorize staff to initiate an in-lieu fee study.

Mrs. Ramos clarified the Task Force discussions did not include specific thresholds for the number of units or the off-site

construction option and inquired of the method of enforcing off-site development of affordable housing units. Mrs. Georgino responded that units would have to be developed concurrently or first.

Ms. Murphy inquired of the effects of the inclusionary housing ordinances in the cities surveyed by staff and Mr. Solomon replied that response to inclusionary housing ordinances was market driven with popularity in a strong market as opposed to a down market and noted the growing number of jurisdictions adopting such ordinances. He stated in the short term, some property owners may hold property off the market anticipating that developers would pay the market rate, with the situation correcting itself in the long term.

Ms. Murphy cautioned on the trend of developers offering land for low and moderate income housing in other locations to avoid having those units in specific areas and Mr. Solomon clarified the exclusion of this option from the ordinance. She expressed support of the affordability term being in perpetuity.

Mr. Golonski was supportive of the direction to continue with drafting the proposed ordinance and developing an in-lieu fee structure, but expressed concern with the exemption for developments comprising of less than 10 units, stating he would prefer that the exemption be based on density.

Mr. Vander Borght concurred with Mr. Golonski with regard to the proposed threshold, cautioning that design standards should not be modified to the detriment of R-1 zoned areas.

Mayor Laurell expressed support for staff's recommendations and inquired about Keyser Marston and Associates' process of soliciting public input regarding the in-lieu fee study, and inquired if initiating the in-lieu fee study should be a part of the ordinance or if it required a public hearing.

Motion It was moved by Ms. Murphy and seconded by Mrs. Ramos that "the Agency approve the recommended guidelines described above and instruct staff to return with a draft Inclusionary Housing Ordinance."

Carried The motion was carried by the following vote:

Ayes: Members Golonski, Murphy, Ramos, Vander Borght and Laurell.

Noes: Members None.

Absent: Members None.

Motion It was moved by Ms. Murphy and seconded by Mrs. Ramos that "the following items on the consent calendar be approved as recommended:"

