



Affordable Housing Overlay Zone (AHOZ)

Background and Links

21 Elements

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Overview of Affordable Housing Overlay Zones

Affordable Housing Overlay Zones (AHOZ) provide a package of incentives to developers who include affordable homes in their development. The AHOZ encourages production of affordable homes rather than requiring it. They are called “overlay” zones because they layer on top of established base zoning regulations, leaving in place opportunities for property owners to develop within these existing rules. Rather than imposing restrictions, an AHOZ presents developers with more choices by offering additional benefits to projects that increase the supply of affordable housing.

- **“Carrot not sticks”** — AHOZs offers incentives for those who opt to provide affordable housing, but does not penalize those who do not.
- **Incentives** — expedited approval & processing, fee waivers, density bonuses, reduction of parking requirements, changes to setback regulations, relaxed height standards etc.
- **Application** — Can be site-specific or encompass a larger area (and can cross a variety of underlying zones).

Links to Material on Affordable Housing Overlay Zones

Menlo Park’s Affordable Housing Overlay, Chapter 16.98 of Municipal Code

Menlo Park adopted their AHOZ in June of 2013 as part of a settlement from a lawsuit (*Peninsula Interfaith Action, et al v. City of Menlo Park*). From the implementation ordinance, “The AHO serves to implement the Housing Element goal of providing new housing that addresses affordable housing needs in the City of Menlo Park by establishing development regulations for designated

housing opportunity sites.” Organizations such as ABAG and Public Advocates point to Menlo Park’s ordinance as a model.

Key features of Menlo Park’s Affordable Housing Overlay:

- Varies percentage of affordable units required with depth of affordability.
- Offers density bonuses and other incentives (fee waivers, diminished parking requirements) for those who meet the requirements

<http://www.codepublishing.com/CA/menlopark/?MenloPark16/MenloPark1698.html>

Public Advocate’s Factsheet on Affordable Housing Overlay Zones

Public Advocates is one of the law firms involved in the settlement leading to the implementation of an Affordable Housing Overlay Zone in Menlo Park. This two-page document covers most of the basics of AHOZs, including the legality and the interaction of AHOZs with other zoning policy. They encourage cities to include valuable incentives in their AHOZ policies in order to increase the efficiency of the program.

Public Advocates breaks down AHOZ policies into four basic components:

- “Geographic scope of applicability”
- “Affordability qualifications”
- Incentives
- “Extent of exemptions from discretionary project-level approvals”

http://www.publicadvocates.org/sites/default/files/library/affordable_housing_overlay_zone_fact_sheet_7-27-10.pdf

ABAG Factsheet on AHOZ

An even more brief (1.25 page) summary of the basics of Affordable Housing Overlay Zones, includes links to model ordinances. Suggests combining AHOZs with PDAs to encourage transit-oriented affordable housing development.

<http://www.abag.ca.gov/files/HousingOverlayZone.pdf>

City of Buellton’s AHOZ Pamphlet

The City of Buellton’s AHOZ policy identifies nine sites in commercial and industrial areas and permits developments in those sites to be exclusively residential. These exclusively residential developments must be 20% affordable. Aside from being exclusively residential, these buildings must conform to other components of Buellton’s code, and are eligible for a density bonus.

<http://www.cityofbuellton.com/files/Project%20Application%20Checklists/B12AC-AHOZ%20Handout-Final.pdf>

Buellton's AHOZ policy: http://qcode.us/codes/buellton/view.php?topic=19-19_16-19_16_013

Los Gatos AHOZ FAQ

Discusses why Los Gatos decided to implement an AHOZ: It was a good alternative to actually rezoning 50-60 acres of land for residential to meet the city's RHNA requirements. Only five properties in the town have the AHOZ designation, but the city argues that these five properties have the capacity to accommodate all of their RHNA requirements. Los Gatos' AHOZ offers density bonuses, priority processing, waivers of certain fees, reduction in parking requirements for certain developments, and flexibility in setbacks for developments

Los Gatos' AHOZ program also allows Los Gatos to circumvent the State Density Bonus Program, which requires a density that would be "incompatible" with parts of Los Gatos, according to the city FAQ. Los Gatos also performed an EIR for their AHOZ.

<http://www.losgatosca.gov/documents/8/12/269/Affordable%20Housing%20Overlay%20Zone%20FAQ%20Final.PDF>

Los Gatos also prepared draft Affordable Housing Overlay Design Guidelines:

http://losgatos.granicus.com/Viewer.php?view_id=2&clip_id=1039&meta_id=112343

Coalition for Sensible Planning (Goleta Valley) fact sheet

The Coalition for Sensible Planning is a citizen's group in Goleta Valley (near Santa Barbara, CA), "concerned that, in the rush to build high-density subsidized housing, the more important issue of ensuring a sustainable community could be lost." The Coalition believes that designating specific sites for affordable housing development will have less deleterious effects on sustainability. The Coalition makes specific suggestions about the levels of affordability (20% low income, and an additional 20% very low income at a minimum), and also recommends deed-restrictions for up to 50 years on these units.

The City of Goleta does have an AHOZ policy, in effect since 1993.

http://www.sbcsp.org/csp_faq.php

Novato City Manager's Ad-Hoc Housing Group (4/20/2011)

Discusses various options for affordable housing policy in Novato, including AHOZs. Reviews the Corte Madera and Tiburon AHOZ (details of both programs below).

http://www.google.com/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=10&ved=0CHQQFjAJ&url=http%3A%2F%2Fci.novato.ca.us%2FModules%2FShowDocument.aspx%3Fdocumentid%3D7095&ei=g9JiU56bM4eEogT5t4DACg&usg=AFQjCNGFFClvU-wkjj3JhqtUbvB-AAdvGw&sig2=SDWe5lv5E1_31hID1w1viw&bvm=bv.65636070,d.cGU

Affordable Housing Regulatory Tools Case Studies, compiled by the Alexandria, VA Office of Housing

This document is a brief summary of Corte Madera's AHOZ programs, and that programs' applicability to Alexandria, VA. Corte Madera has four separate Affordable Housing Overlay Zones- two that require that all housing built be affordable, and two which involved incentives for building affordable housing. The affordable-exclusive zones are both in abandoned industrial and commercial sites, and work to encourage partnerships between developers, non-profits, and public agencies.

<https://www.alexandriava.gov/uploadedFiles/housing/info/AffordableHousingCaseStudies12302010.pdf>

Tiburon's AHOZ

Tiburon has three affordable housing overlay zones. One is for residential districts and uses development incentives to encourage affordable housing. The second is for commercial districts and uses a density bonus to encourage affordable housing. And the third is a Historical Preservation Zone.

<https://library.municode.com/index.aspx?clientId=16657&stateId=5&stateName=California>

APA's definition of AHOZ

APA brings up the issue of inequity and inefficiency in AHOZ policies, as AHOZ policies can apply different standards to different pieces of property.

<http://www.planning.org/divisions/planningandlaw/propertytopics.htm#Overlay>

Simsbury, CT- Workforce Housing Overlay Zone

Simsbury, CT wants to encourage workforce housing without damaging the historic nature and aesthetic of its neighborhoods.

The Simsbury WHOZ consists of six different zones, designed to encourage the desired form of development: mixed use, mixed housing, multi-family, town houses, duplex, and single family homes. Design elements are discussed in great detail, and many design elements are required.

http://www.simsbury-ct.gov/sites/simsburyct/files/file/file/adopted_whoz_regulation_041513.pdf