

LEGISLATIVE DIGEST
(Substituted 1/12/2016)

[Planning Code – Affordable Housing Bonus Programs]

Ordinance amending the Planning Code to create the Affordable Housing Bonus Programs, consisting of the Local Affordable Housing Bonus Program, the 100 Percent Affordable Housing Bonus Program, the Analyzed State Density Bonus Program, and the Individually Requested State Density Bonus Program, to provide for development bonuses and zoning modifications for affordable housing, in compliance with, and above those required by the State Density Bonus Law, Government Code, Section 65915, et seq.; to establish the procedures in which the Local Affordable Housing Bonus Program and the 100 Percent Affordable Housing Bonus Program shall be reviewed and approved; adding a fee for applications under the Program; and amending the Planning Code to exempt projects from the height limits specified in the Planning Code and the Zoning Maps; and affirming the Planning Department’s determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

In 1979, the State of California adopted the State Density Bonus Law, which requires all cities and counties to offer a density bonus and other incentives to housing developments that include a certain percentage of units available to very low, low, or moderate-income households. The Planning Code encourages increased density where project sponsors provide affordable housing through various mechanisms including through Special Use Districts, exceptions to the calculation of residential density, and the provision of additional Floor Area Ratio (FAR) in certain circumstances.

Amendments to Current Law

The Proposed Legislation creates a new program in the Planning Code by establishing the Affordable Housing Bonus Programs (“AHBP”), consisting of four separate programs to incentivize the construction of housing affordable to very low, low, moderate, and middle-income households by granting a range of development bonuses. The first two programs operate independently from State law; the second two programs, taken together, implement the State Density Bonus Law

- (1) The Local Affordable Housing Bonus Program: a local density bonus program that provides up to two additional floors and other zoning incentives to a project sponsor who provides a total of 30 percent of its units as affordable units – generally by

restricting 12 percent of units under the Inclusionary Affordable Housing Program (“Inclusionary Units”) and 18 percent of units restricted to middle income households, defined as households earning not more than 140 percent of Area Median Income (“AMI”). It applies to projects of three units or more and only in certain enumerated zoning districts.

- (2) The 100 Percent Affordable Housing Project Bonus Program (the “100 Percent Program”): a local density bonus program that applies in all zoning districts that allow residential uses except for RH-1 and RH-2, and provides up to three additional floors and other incentives to projects of three units or more containing units affordable units to low, very low, or moderate incomes.
- (3) The Analyzed State Density Bonus Program: a density bonus program under State law, which provides up to a 35 percent density bonus for projects that provide 12 percent or more on-site Inclusionary Units and meet other criteria above and beyond State law requirements. Projects receive process improvements and must choose from a menu of specific incentives It applies to projects of five units or more units and only in certain enumerated zoning districts.
- (4) The Individually Requested State Density Bonus Program: a program that provides a density bonus under State law of up to 35 percent and other incentives requested by the project sponsor for projects consistent with all of the State’s requirements. It applies in all zoning districts to projects of five units or more.

The Proposed Legislation creates a new Planning Commission review process for the two Local Programs and amends the Code to allow for increased heights permitted under the Programs. the Proposed Legislation also creates a new fee for applications for projects under the Program.

Background Information

This proposed Program is one of the tools put forward by the City to address its affordable housing goals. The local components of the AHBP were developed to go above and beyond the State Law affordability requirements. The proposed AHBP implements the 2014 Housing Element, builds on the City’s Inclusionary Housing Ordinance, and helps the City meet the housing goals mandated in Proposition K.

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