

State Density Bonus Law

(Government Code Section 65915)

City of Cathedral City



2015 CA Density Bonus Law (DBL)

(Government Code §65915)

DBL Summary

Intended to encourage development of affordable housing through state mandated increased densities and reduction in development standards.

- Requires cities to provide density bonuses of 5% to 35% above what zoning would allow.
- Requires concessions and incentives be applied if requested by project developer. From one to three incentives may be applied to project based on percentage of affordable units.
- Places cap on number of parking spaces a city may require for certain affordable housing projects.

Requires cities to adopt ordinance implementing DBL.

2015 CA DBL

DBL Summary

- Applies to projects with minimum of five units with:
 1. Min. of 10% of total units for low income households
 2. Min. of 5% of total units for very low income households
 3. Senior housing development or age-restricted mobile home park
 4. Min. of 10% of total units common interest development (condos, PUDs, community apartments) for moderate income households
 5. Provision of onsite childcare and land donation
- Continued Affordability
 - Very low and low income rental units must be guaranteed for min. 55 years.
 - Moderate income units must be sold to families meeting income guidelines. Sales of units after first owner can at market rate provided seller retains value of improvements and down payment, and proportionate share of appreciation. City is entitled to initial subsidy and proportionate share of appreciation.

2015 CA DBL

Summary

Concessions and Incentives

- City must grant one or more incentives or concessions for qualified projects at request of developer.
- Concessions and incentives defined as:
 - “A reduction in site development standards or modification of zoning code requirements or architectural design requirements that exceed minimum building standards approved by CA Building Standards Commission ...”
 - Include, but are not limited to:
 - Reduction in setback, square footage requirements, and parking ratio that result in identifiable cost reductions
 - Approval of mixed-use zoning that results in cost reductions
 - Other incentives or concessions that result in identifiable cost reductions
 - Specific percentage or amount of reduction of development standards not specified in state law.

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Density Bonus Percentages and Concessions/Incentives

<u>Income group</u>	<u>target units</u>	<u>density bonus</u>	<u>concessions or incentives</u>
Very low income	5%	20%	1
	10%	33%	2
	15% or above	35%	3
Low income	10%	20%	1
	20%	35%	2
	30% or above	35%	3
Moderate income	10%	5%	1
	20%	15%	2
	30% or above	25%	3
Senior housing	100%	20%	1
Land donation	10% very low income	15-35%	1

2015 CA DBL – Parking Standards

Maximum no. of spaces	No. of bedrooms	Transit requirement	% affordable	Other qualifier
1 space per unit	Studio & 1 bedroom	--	Min. 5% VLI Min. 10% LI Min. 10% mod. Senior project	--
2 spaces per unit	2 & 3 bedrooms	--	"	--
2.5 spaces per unit	4 or more bedrooms	--	"	--
AB 744 2015 changes				
0.5 per bedroom	Any	Within 0.5 mile of major transit stop	Min. 11% VL & 20% L	--
0.5 spaces per unit	--	Within 0.5 mile of major transit stop	100%	100% rental units
0.5 spaces per unit	--	Paratransit service and/or within 0.5 mile of bus service	100%	Senior rental housing
0.3 spaces per unit	--	"	100%	Special needs rental housing

2015 DBL & Cathedral City

Parking & Density Comparison Table

Zone	Unit type	Max. density w/o DBL	Minimum no. of spaces	Max. density with DBL
R1	Single-family	6 units per acre	2 spaces within garage	9 units per acre
R2	Single-family	10 units per acre	2 spaces within garage	14 units per acre
R2	Duplex	12 units per acre	2 spaces one of which is within garage	16 units per acre
R2	MF	12 units per acre (interior lots)	2 spaces (1 garaged) for up to 4 units on a lot	17 units per acre
		18 units per acre (corner lots)	1.5 spaces (1 garaged) for 5 and over units on a lot	25 units per acre
R3	MF	MHD 14 units per acre HD 19 units per acre	1.5 spaces per unit (1 covered)	19 units per acre 26 units per acre
Senior/ Elderly Housing	MF SF	Compatible with surrounding area	Senior – 1 per unit Elderly – 0.75 per unit	Uncertain

2015 CA DBL

Summary

Additional Developer Assistance

1. Waivers or additional reductions of development standards.
 - At developer's request
 - Must physically prevents project from being built
 - After density bonus and incentives/concessions are applied
2. Additional parking reductions:
 - At developer's request
 - Must physically prevent project from being built

2015 State Density Bonus Law

Mandatory state law = limited local authority to deny or condition an affordable housing project.

City may not deny incentives or concessions except when:

1. Not required to provide for affordable rents or affordable sales prices;
2. Would have adverse impact on public health or safety or physical environment or historical property that cannot be mitigated.
3. Conflicts with state law.

City may increase parking standards over AB 744 maximums based on area-wide parking study prepared within past seven years.

Cathedral City's DB and Related Regulations

- Current Density Bonus Ordinance (Section 9.48)
 - Density Bonus and Affordable Housing Program:
 - Incorporates CA DBL
 - Requires City to adopt procedures for implementation

- Senior Housing (Section 9.98):

Minimum standards, typically less than zone requirements:

- No minimum density but must be compatible with surrounding
- Min. site area, parking and unit size requirements less than zone requirements
- Common activity area standards less than zone requirements
- Lower parking standards

Permitted with CUP in R2, RM, R3, RH and PCC zones

Cathedral City Affordable Housing

Background

- Cathedral City has recently been approached by a developer about constructing affordable single-family housing.
- Staff anticipates additional applications for single-family affordable housing density bonus projects due to lack of government funding.
- Currently the City has 13 affordable housing developments.
- Previously affordable housing projects were approved through the City's Housing Department.

DBL from Other Cities

City	Concessions/ Incentives	Waiver	Application process	Other
Banning	Applicant must demonstrate that “the requested incentive or concessions result in identifiable, financially sufficient, and actual cost reductions.”		Application for density bonus, incentive, concession, waiver or modification processed concurrently with other required applications for project.	Standards for DBL developments to ensure quality and comparability with market rate units.
Moreno Valley	Menu: <ul style="list-style-type: none"> • 50% reduction of development impact fee and parkland mitigation fee for affordable to very low income developments • 25% reduction of impact fees for lower income developments • Additional 75% density bonus for senior housing with affordable to very low income units 	Modification or waiver <ul style="list-style-type: none"> • Applies first to development standard of applicable zone • If density can’t be achieved under the applicable zone, site development standards for next higher density class apply. • Reduction in size or interior amenities. • Parking reduction of 0.5 spaces per unit. 	Preliminary Density Bonus Proposal required with number of affordable units, maps, zoning, etc.	Density bonus housing agreement between city and developer to ensure continued affordability of units.

DBL from Other Cities

City	Concessions/ Incentives	Waiver	Application process	Other
Los Angeles	<p>Menu:</p> <ul style="list-style-type: none"> • Yard/setback: up to 20% decrease in width or depth • Lot coverage: Up to 20% decrease in lot coverage limits • Lot width decrease of up to 20% • Floor area ratio increase of up to 35% • Height increase equal to the density bonus • Open space up to 20% decrease 	No specific menu	<ol style="list-style-type: none"> 1. Ministerial projects: Projects requesting only density bonus without incentives. 2. Requests for a density bonus and up to 3 incentives on menu and no other entitlements: <ul style="list-style-type: none"> • Application and fee required • Director makes decision 3. Requests for a density bonus and incentives with other discretionary actions: <ul style="list-style-type: none"> • Approved by same body as other entitlements 4. Requests for DB with waiver not on menu: <ul style="list-style-type: none"> • Planning Comm. approval 	<p>Requires affordable units to have:</p> <ul style="list-style-type: none"> • Articulated street facades • Building oriented to street • Can't be located on historic overlay zone or in hillside or fire hazard area. <p>Covenant required between Housing Dept. and developer to ensure affordability of units.</p>

Considerations

- City ordinance requires adoption of how the compliance with law will be implemented.
- Incentives and concessions policy / future zoning amendment.
 - No specific development standards or amount of reduction specified in state law.
 - City has limited authority to deny.
- A. Financial analysis:
 - Proving affordability of units can be subjective, and how is the developer's profit requirement taken into account?
- B. Menu of concessions and incentives:
 - Same as those permitted under an administrative variance:
 - 20% decrease in setbacks
 - 10% decrease in parking aisle width
 - 1 foot increase in wall height
 - 10% increase in building coverage or height
 - Other variances similar to those above
 - Other development standards reductions subject to approval by Planning Commission

Considerations

- Include minimum standards that require affordable units to be same quality and comparability with market rate.
- Procedure for review:
 - Preliminary review
 - Separate application and approve concurrent with other applications by same body
 - Approve with Design Review approval if no concessions or incentives are requested.
- Provide guidance on density standards for senior projects.
- Commission parking study to support or deny AB 744 standards (0.3 – 0.5 spaces/unit)
- Provisions for enforcement

Recommendations

- Staff requests that Planning Commission give direction on policy/ future ordinance on the following:
 - Guidance on approval procedures
 - Recommendations on preferred concessions and incentives. Other concessions require additional review.
 - Recommendations on enforcement
 - Include design standards to ensure compatibility with market rate housing
 - Fees for DB project applications

