Item 10: Local Density Bonus and Affordable Housing Overlay

Justin Horner, Associate Planner
Planning Commission, July 6, 2022
Outline

1. Introduction and Background
2. Local Density Bonus
3. Affordable Housing Overlay
4. Questions and Discussion
Introduction

Referrals:

1. July 2016: Increase development potential in Telegraph Commercial District

2. May 2017: Pilot Density Bonus Program in the Telegraph Commercial District

3. November 2021: Affordable Housing Overlay
# Existing State Density Bonus Programs

<table>
<thead>
<tr>
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<th>State Density Bonus</th>
<th>AB 1763 (100% Affordable)</th>
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<tbody>
<tr>
<td><strong>Additional Density</strong></td>
<td>Up to 50%</td>
<td>Up to 80%</td>
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<tr>
<td><strong>Incentives/Concessions</strong></td>
<td>Up to 3</td>
<td>Up to 4, even if density bonus not taken</td>
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<td><strong>Waivers</strong></td>
<td></td>
<td>Unlimited</td>
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<tr>
<td><strong>Height Increase</strong></td>
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<td>Within 0.5 miles of transit: 3 stories or 33 feet.</td>
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<td><strong>All affordable units must be on-site</strong></td>
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State Density Bonus in the Southside

- On-site units and student housing in the Southside
- Funding sources for extremely low income and homeless housing and services
- Student density bonus (SB 1227) not used because of requirement for master lease with UC
- **Alternative**: In-lieu fee instead of on-site units, targeted to extremely low income and homeless households
Local Density Bonus in the Southside

Policy Questions

• Setting the fee.

• How to equate on-site affordable units to in-lieu fee?

• How many incentives/concessions should be granted?

• Should a bonus be limited to the C-T or expanded throughout Southside?

• How does fee relate to anticipated upzoning?
Affordable Housing Overlay Referral

1. Exceed the standards set in AB 1763 for additional density and incentives/concessions
2. Increase lot coverage, eliminate FAR in most districts
3. General Plan amendments
4. No streamlining for historical landmarks and lots in fire zones
5. Workforce requirements
6. Special application processing timelines
7. Objective design standards for ministerial review
Affordable Housing Overlay Referral

1. **Exceed** the standards set in AB 1763 for additional density and incentives/concessions

- **Density**: AB 1763 permits up to 80% density bonus.
- **Incentives/concessions**: AB 1763 allows up to 4 incentives/concessions.
- **Height**: AB 1763 allows 3 stories or 33 feet more within 0.5 miles of transit
Affordable Housing Overlay Referral

2. Increase lot coverage to 80%, eliminate FAR in most districts

**R-1, R-1A, R-2, R-2A and MU-R districts (Middle Housing)**
- Multi-unit residential development with a Zoning Certificate
- Increase lot coverage and reduced setbacks
- FAR retained for “affordability by design”

**R-3, R-4 and C districts (Multi-Unit)**
- Work to begin in Fall 2022
Affordable Housing Overlay Referral

3. General Plan Amendments

- Projects are not evaluated for consistency with General Plan densities
- Housing Element is consistent with the General Plan densities
Affordable Housing Overlay Referral

4. No streamlining for historical landmarks and lots in fire zones
5. Workforce requirements for projects 50,000 sf or greater
6. Special administrative timelines

SB 35 streamlining already includes many of these provisions

- **Landmarks and Fire Zones**: Already exempt
- **Workforce requirements**: Included for projects of 10+ units and for most projects receiving State affordable housing funds.
- **Application Processing**: Timelines included
7. Objective design standards for ministerial review

- **Referral**: Ministerial approval for projects that comply with objective design standards for architecture, massing, neighborhood context, open space, color, finishes, public art, and environmental sustainability.

- **Current Objective Development Standards**:
  - Includes ministerial review (ZC);
  - Includes massing, open space and neighborhood context;
  - No new standards for color, finishes or architecture
  - No changes in public art or environmental standards.
Local Density Program

1. Should a local density program be created?

2. For purposes of calculating the fee, what are the thresholds / metrics for affordable units / density bonuses / fees/concessions?

3. What should be the geography of the local density bonus program, i.e. the C-T District or the Southside Plan Area (R-S, R-SMU)?

Affordable Housing Overlay

Are there aspects of the Affordable Housing Overlay that staff should keep in mind moving forward with Housing Element Update?
Questions