



February 25, 2020

Karen Massey, BRJE Communities
Jay Wallace, North Bay Mendocino Holdings, LLC
790 Sonoma Ave.
Santa Rosa, CA 95404

Via email to KMassey@burbankhousing.org

Re: 3575 Mendocino Avenue ("Project")
3575 Mendocino Avenue, Santa Rosa ("Project Site")
Request for Alternative Compliance Determination – Municipal Code 21-02

Dear Karen and Jay:

Thank you for your letters dated January 23, 2020 and February 7, 2020, in which you request approval of alternative compliance measures so that the proposed 3575 Mendocino Avenue project (the Project) will comply with the City's Inclusionary Housing Ordinance (IHO). The City understands that the Project proposes to construct up to 532 multifamily rental units comprised of a 162-unit affordable senior housing component and an up to 370-unit market rate housing component. Key features of the project are: easy access to multi-modal transportation options including high quality bus transit and dedicated bicycle and pedestrian infrastructure; close proximity to health care and retail services, as well as employment centers; and site amenities including outdoor community recreation spaces and walking paths. The Project would exceed the 8% minimum Inclusionary Housing units required by Zoning Code §21-02.050(A) by ensuring that at least 30% of the total number of new dwelling units are available to low- and very low-income senior households in a transit-oriented neighborhood development.

The proposed project would support City General Plan goals of expanding the supply of housing available to lower and moderate-income households. The City understands that the inclusionary component would be funded by several sources, including but not limited to, Community Development Block Grant Disaster Relief funds and Disaster Relief Tax Credits. Alternative compliance to dispersion and concurrency requirements contained in Sections 21-02.100(B) and 21-02.100(A) of the Inclusionary Housing Ordinance is requested to support development of a project constrained by the regulatory requirements of the funding sources.

Based upon the information provided, the Director determines that the Project as proposed represents an innovative approach to increasing the supply of housing, especially for lower-income households. The Project would exceed inclusionary requirements of the IHO by 22%, and development, including construction, would benefit from alternative compliance with the Inclusionary Housing Ordinance. Consistent with the authority granted to the Director of Planning and Economic Development by the



IHO, dispersion and concurrency requirements established by ordinance are waived to (1) allow the senior housing for low- and very-low income households to be constructed near the southeast corner of the project site, and (2) to allow project construction to proceed based upon funding availability.

In response to additional requests made in the letter dated January 23, 2020, the Director finds that:

- the Project is entitled to receive one (1) incentive or concession, as outlined in §20-31.090 of the City's Density Bonus ordinance in exchange for providing on-site inclusionary units as required by the IHO (§21-02.050(G)), and request for parking reduction is considered to be a concession to development standards;
- the proposed inclusionary housing units satisfy the Project's requirement that it provide at least 8% of the total number of new dwelling units (\pm 532) as affordable to low income households or at least 5% of the total number of new dwelling units as affordable to very low income households in lieu of paying applicable housing impact fees on non-inclusionary units (§21-02.050(A)); and
- the request for future credit of those units exceeding the 8% requirement is hereby denied. The Director finds that credit for inclusionary units funded by any government subsidies including Community Development Block Grant Disaster Relief funds and Disaster Relief Tax Credits would not be allowed in accordance with §21-02.070(F) which states that "Projects which have received a density bonus or which receive a government subsidy in any form, financial or other, shall not be eligible for credits." In addition, inclusionary units in excess of those required is justification for the above-granted concessions and waivers and is support for an alternative compliance and innovative approach determinations. Moving excess inclusionary units to off-site and future uses defeats the ability to use it as justification for this project on this site.

Thank you for submitting such an innovative project that exceeds the requirements of the Inclusionary Housing Ordinance. We look forward to continuing to work with you and your partners as 3575 Mendocino Avenue progresses through the City's review and permitting processes.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Guhin", written over a horizontal line.

David Guhin
Assistant City Manager