

POLICY WHITE PAPER:
CITY OF SANTA ROSA

DENSITY BONUS ORDINANCE UPDATE



This document prepared for the City of Santa Rosa

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EXECUTIVE SUMMARY

The California State Density Bonus Law (SDBL) was adopted in 1976 to address California's affordable housing needs. As originally enacted, the SDBL sought to increase the production of affordable housing by requiring local agencies to grant an increase to the maximum allowable residential density for eligible projects, and to support the development of eligible projects at greater residential densities by granting incentives, concessions, waivers, and/or reductions to applicable development regulations.

The City of Santa Rosa has adopted a local Density Bonus Ordinance (included in Zoning Ordinance Chapter 20-31) that complied State law at the time the ordinance was adopted and through to the last amendment in 2012. Several updates to SDBL have occurred since 2012 and Santa Rosa's local Ordinance is currently inconsistent with State law. This report provides an overview of the SDBL to highlight its basic provisions, and the six amendments that have been adopted to the law since 2012 (AB-2222, AB-744, AB-1934, AB-2556, AB-2501, and AB-2442). The report clarifies necessary updates to the Santa Rosa Density Bonus Ordinance to comply with State law.

In addition to ensuring compliance with SDBL, this report assists the City with implementing its Housing Action Plan (2016), which provides clear direction on updating the local Density Bonus Ordinance to increase regulatory incentives that promote affordable housing production. Specifically, Program #1 and Program #4 of the Housing Action Plan direct the City to develop a local density bonus ordinance that allows for density beyond the 35% provided by the SDBL. The Housing Action Plan calls for a supplemental density bonus of up to 100%, as well as a structure for processing supplemental density bonus applications.

In Chapter IV of this White Paper, a series of recommendations are provided for a supplemental density bonus program in Santa Rosa. The recommendations provide for additional density bonuses of up to 60%, 80%, and 100% of base density, depending on site suitability, which is determined by evaluating the following factors:

- **Priority Development Areas (PDAs) and Service Capacity.** Larger bonuses are considered if a property is within a PDA. These sites typically are located in areas with larger-scale development, have access to necessary infrastructure, and are close to major transit service routes.
- **Land Use Designations that allow denser residential development.** Where higher density residential development is already permitted, a greater degree of density bonus is considered to incentivize affordable housing production with future projects.
- **Proximity to single-family neighborhoods.** Sites that border predominantly single-family residential developments are proposed to have a lower supplemental density bonuses to ensure an appropriate scale of development is achieved in transition areas.
- **Existing conditions, infrastructure and development patterns.** Sites adjacent to major infrastructure (predominantly major corridors) are considered to have a better capacity to handle higher density development and therefore greater supplemental density bonuses are proposed in these areas.

- **Redevelopment Impediments.** Properties with existing development that would require increased investment to redevelop are targeted with higher supplemental density bonuses to overcome redevelopment barriers.
- **Access to transit.** Proximity to transit reduces parking demand, which enables higher density development, thus greater supplemental density bonuses are proposed in these areas.
- **Proximity to Schools.** Sites within a ½-mile of schools are considered more appropriate for higher density development. Reduced density bonuses are provided for properties located further from schools.
- **Preservation Districts.** Single-family areas in Santa Rosa’s preservation districts face excessive redevelopment pressure because they are typically located close to the urbanized core of the city. Supplemental density bonuses are targeted to the periphery of preservation districts if other factors align to support supplemental density bonuses.

The structure for the proposed supplemental density bonus program in Santa Rosa is based on a point system. A request for larger density bonuses results in a larger required number of points to qualify for the bonus. Points are generated predominantly through the production of affordable housing across a range of income levels. A smaller share of the required points may also be generated by providing certain community benefits that may include:

- Open space
- Historic or Landmark Preservation
- Family-sized units
- Infrastructure/Capital improvements
- Public art
- Innovative Community Benefits supported by City Council using a predictable model that balances the degree of community benefit with capital invested.

The next step in developing a supplemental density program in Santa Rosa is to evaluate the proposed structure with the community, to gather feedback and reactions to the program, and to revise the recommendations for an improved policy that is appropriate, viable, and effective in Santa Rosa. Following the community outreach and refinement of the proposed amendments to the City’s existing Density Bonus Ordinance, the proposal will be scheduled for review and consideration by the Planning Commission and City Council.

I. INTRODUCTION

The California State Density Bonus Law (SDBL) was adopted in 1976 in recognition of California's acute and growing affordable housing needs. The SDBL has been amended multiple times since adoption in response to evolving housing conditions, to provide clarification on the legislation, to respond to legal and implementation challenges, and to incorporate new or expanded provisions. The SDBL, as originally enacted, sought to address the affordable housing shortage by encouraging development of low- and moderate-income units; over time, the law was expanded to recognize the need for housing for households at a wider range of income levels and with specialized needs.

The SDBL incentivizes affordable and other specialized housing production by requiring local agencies to grant an increase to the maximum allowable residential density for eligible projects, and to support the development of eligible projects at greater residential densities by granting incentives, concessions, waivers, or reductions to applicable development regulations. An example of a concession or incentive is a reduction in the number of parking spaces that may be required for a project, or an increase in the allowable building height that applies to the project. The SDBL applies to projects providing five or more residential units, including mixed-use developments. Density bonuses and associated incentives, concessions, waivers, or reductions are intended to offset the financial burden of constructing affordable or specialized units.

All local governments are required to implement the SDBL or adopt local ordinances that are consistent with State law. Local jurisdictions may adopt an ordinance that allows greater incentives and bonuses than the SDBL. The City of Santa Rosa amended its local density bonus ordinance in 2012; since that time a series of updates were adopted at the state level to amend the SDBL, including three major updates that took effect January 1, 2017.

The purpose of this White Paper is to propose changes to the City's existing Density Bonus Ordinance that will bring it into conformance with SDBL, and to implement the Housing Action Plan.

The Housing Action Plan directs the City to utilize the density bonus program as a key incentive for affordable housing production in Santa Rosa. The Action Plan also directs the City to adopt a supplemental density bonus program that provides for density bonuses of up to 100% where feasible and appropriate in the City.

Based on input from City staff, this White Paper focuses on several key aspects of SDBL for consideration in updating the City's ordinance. These topic areas include:

- Preparing an overview of SDBL
- Identifying updates to the SDBL that are not reflected in local ordinance
- Evaluating SDBL implementation in land use designations with no maximum, base density
- Clarifying density bonus application requirements
- Clarifying the relationship between the City's inclusionary housing ordinance and SDBL
- Understanding opportunities for density bonuses beyond 35% (the SDBL maximum)
- Understanding the bases for denying incentives, concessions, waivers, or reductions
- Clarifying the implementation of SDBL locally with respect to environmental review, preservation districts and landmarks, and neighborhood compatibility.

Density Bonus Basics

This chapter begins with an overview of the current SDBL; it highlights the basic provisions of the SDBL and clarifies those updates that have taken effect since adoption of the City's density bonus ordinance in 2012. The chapter concludes with a review of key considerations relevant to SDBL implementation in Santa Rosa.

Basic Provisions: Sliding Scale (Income-Based) Density Bonus

To better understand recent changes to the SDBL it is helpful to begin with an understanding of the basic tenets of the SDBL prior to this date because the City of Santa Rosa was in substantial conformance with these tenets. Prior to January, 2017 a residential project could qualify for a density bonus on a sliding scale proportionate to the allocation of affordable housing units relative to total units in the base project (i.e. prior to receiving the density bonus) as summarized in Table 1.

As illustrated in the example below, a project in which 13% of the total proposed units were designated as low-income units, would qualify for a density bonus of 20% (for meeting the 10% minimum required low-income allocation) plus an additional 4.5% bonus for exceeding the minimum requirement (the density bonus increases at a rate of 1.5% for every 1% of low-income units provided above the minimum). Projects providing for-sale moderate-income units in common interest developments (e.g. condominium, community apartment, planned development, or stock cooperative projects) are also eligible.

DENSITY BONUS PROJECT EXAMPLE:

Base Project Total Units: 66 rental apartment units

Affordable Units: 8 units (targeted to low-income households)

% Affordable Units: 8 units ÷ 66 units = 12.1% = 13% (after rounding up)

Market-Rate Units: 58 units = 87% of total project units

Eligible Density Bonus: For providing the minimum 10% of total project units at the low-income level: 20%
For exceeding the minimum required % of low-income units: $(13-10) \times 1.5 = 4.5\%$
13% of the project's units are affordable, 3% higher than the required amount
Each 1% of low-income units over the minimum 10% yields an extra 1.5% bonus
Total Density Bonus = 20% + 4.5% = 24.5%

Density Bonus Units: 66 project units x 24.5% = 16.2 units = 17 units

Total Project Units: 83 units (58 market-rate, 8 low-income, 17 density bonus units)

Table 1 - Requirements for Density Bonus Eligibility and Associated Density Bonuses

AFFORDABILITY LEVEL OR HOUSING TYPE	MIN. REQUIRED TO RECEIVE BONUS	BONUS FOR MIN. UNITS	ADDITIONAL BONUS PER 1% INCREMENT OVER MIN.	UNITS NEEDED FOR MAX. BONUS OF 35%
VERY LOW-INCOME	5%	20%	2.5%	11%
LOW-INCOME	10%	20%	1.5%	20%
MODERATE-INCOME ^A	10%	5%	1.0%	40%
SENIOR-CITIZEN HOUSING ^B	35 Units	20% of senior units	N/A	N/A
CONDO CONVERSION <i>Moderate Income</i> ^C <i>Lower Income</i> ^C	33% 15%	25% ^C 25% ^C	N/A	N/A
LAND DONATION ^D	10% of Market Units	15%	1.0% : 1.0%	30%
CHILD CARE FACILITY ^C	N/A	sq. ft.		

^A Moderate-income units in common-interest developments (e.g. condos) and offered to the public for purchase
^B Includes senior mobile home parks; project must limit residency based on age requirements pursuant to Section 798.76 or 799.5 of the Civil Code. A Senior Citizen Housing Development is defined in Civil Code Section 51.3(b)(4) as a residential development for senior citizens that has at least 35 dwelling units.
^C Or 1 concession/incentive of equal value at the City's option.
^D Projects must select one income-based, or specialty housing category as the basis for calculating the density bonus. Bonuses for an income or housing category can be combined with a bonus for land donation, up to a maximum of 35%; a square footage-based density bonus may be granted for child care facilities beyond 35%.

Basic Provisions: Fixed-Rate (Specialized Housing) Density Bonuses

Projects that provide specialized units for senior-citizens may be eligible for flat-rate density bonuses if the minimum qualification criteria are met. A senior-citizen housing project is defined as a development that provides at least 35 units, where 100% of the units are designated for senior-citizens. Qualifying senior-citizen projects are eligible for a fixed density bonus equal to 20% of the number of senior-citizen units provided. For example, a project with 40 such units would receive a bonus of 8 additional units.

In the case of condominium conversion projects, if the project provides at least 33% of total proposed units for low- or moderate-income households, or if 15% of the total proposed units are allocated to very-low income households, the project may be entitled to a fixed 25% density bonus. This density bonus can be exchanged for one concession at the local jurisdiction's or applicant's option.

Basic Provisions: Other Density Bonuses

Projects may also receive a density bonus for donating land for the construction of affordable housing or by providing child care facilities associated with a housing development. To qualify for a bonus through land donation, the land must be of sufficient size to develop at least 40 units, with the appropriate General Plan land use designation and zoning classification for residential development, and must be served by basic utilities.¹ The land must be located within ¼-mile of the boundary of the proposed project within the local jurisdiction. At minimum, the acreage and zoning classification of the donated land must accommodate construction of very-low income units equivalent in number to 10% of the proposed market-rate units. This is determined by examining both the number of market-rate units proposed, and the average square footage of the market units. Affordable units provided on donated land be of equivalent average size to the market rate units in the project.

LAND DONATION PROJECT EXAMPLE:

Project Market-Rate Units: 230 units
Density Bonus Requested: 25%
Base Density for Donated Land: 12 dwelling units/acre

Minimum Land Donation Requirement:

Acres Required for 40 units:	40 units ÷ 12 units/acre = 3.33 acres
10% of Market Rate Units:	230 units x 10% = 23 units
Acres needed for 23 units:	23 units ÷ 12 units/acre = 1.92 acres
Min. Land Donation Requirement:	3.33 acres (larger of 3.33 and 1.92 acres)
Resulting Density Bonus Amount:	15%

Achieving 25% Density Bonus through Land Donation:

Density Bonus Request:	25%
Affordable units for 25% bonus:	10% (for 15% bonus) + 10% for another 10% bonus 20% x 230 units = 46 units
Acres to build 46 units:	46 units ÷ 12 units/acre = 3.83 acres
Min. Land Donation for 25% bonus:	3.83 acres (larger of 3.33 and 3.83 acres)

The eligible density bonus for land donation increases by 1% for each 1% of very-low income units that can be built above 10%. Land donation-based bonuses can be combined with other bonuses up to a maximum of 35%. The land must be transferred to the local government or to an affordable housing developer approved by the jurisdiction. Units constructed on the donated land must be subject to a deed restriction ensuring housing affordability for very low-income households for a period of 55 years. Because of the parcel size requirements for land donation to be eligible under the SDBL, the land donation option is typically only practical for larger (subdivision) developments.

Projects that provide a child care facility may be eligible for a density bonus of equal or greater square footage as the proposed facility. The bonus is a floor area of up to five square feet per square foot in the child care facility in existing buildings (10 square feet per square foot for new construction). To

¹ The General Plan designation and zoning for the land must allow residential densities in compliance with Government Code Section 65583.2(c)(3), which outlines minimum densities that are appropriate to accommodate housing for lower income households in the local context (ranging from jurisdictions in nonmetropolitan to metropolitan counties).

qualify, the distribution of children attending the facility that are from very low-, low-, and moderate-income households must match the income distribution of households in the proposed project; the SDBL is silent on the legal framework that is required to demonstrate this compliance.

Basic Provisions: Affordability Restrictions

Subsection 65915(c) details provisions for ensuring the continued affordability of units that qualify a project for density bonuses pursuant to the SDBL. All affordable rental units shall be subject to a recorded affordability restriction for 55 years or longer as may be dictated by another financial partner involved in the project. Rental affordability is subject to following terms:

- Very low-income units: rents may not exceed 30% of 50% of the area median income (AMI)
- Low-income units: rents may not exceed 30% of 60% of the AMI
- *Area median income* is determined annually by the Department of Housing and Community Development based on federal Department of Housing and Urban Development data.
- Rents must include a reasonable utility allowance
- Household size must be suitable to the affordable unit:
 - ✓ Studio Units: 1-member household
 - ✓ 1-Bedroom Units: 2-member household
 - ✓ 2-Bedroom Units: 3-member household
 - ✓ 3-Bedroom Units: 4-member household, etc.

Affordable units offered for sale are subject to following terms:

- Very low-income units: housing costs may not exceed 30% of 50% of the AMI
- Low-income units: housing costs may not exceed 30% of 70% of the AMI
- Moderate-income units: housing costs may not exceed 30% of 110% of the AMI

In for-sale projects, applicants must enter an equity-sharing agreement with the local government to distribute the value of appreciation, improvements made by the property owner, and any subsidies provided by the local government. Value generated to the local government through appreciation and recuperation of initial subsidies are to be used within five years of the sale to promote home ownership.

Basic Provisions: Incentives and Concessions, Waivers, and Reductions

A project that meets the minimum requirements to qualify for a density bonus is eligible for the bonus as summarized in

Table 1, and a certain number of concessions and incentives subject to a sliding scale proportionate to the number of affordable units provided by the project. A concession or incentive is defined as:

- (1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements that exceed the minimum State building standards, such as reductions in setback, square footage, or vehicular and bicycle parking space requirements. The requested concession or incentive must result in an identifiable and actual cost reduction to provide for affordable housing costs or rents.
- (2) Approval of mixed-use zoning for housing projects if associated commercial, office, industrial, or other land uses will reduce the cost of the housing development and if the non-residential land uses are compatible with the housing project, and existing or planned development in the immediate area.
- (3) Other regulatory incentives or concessions that result in identifiable and actual cost reductions to provide for affordable housing costs, which may include the provision of direct financial incentives or land for the housing development by the City.

Table 2 summarizes the number of incentives/concessions that a project may utilize depending on the proportion of affordable units included in the development. For example, a project containing 22% low-income rental units qualifies for two (2) incentives or concessions per the SDBL. In the case of projects involving qualified child care facilities, the local government may opt to grant the applicable density bonus or forgo the bonus in exchange for one (1) additional concession or incentive that contributes to the cost of constructing the facility. Land donations and senior-citizen projects that qualify for density bonuses are not entitled to any incentives or concessions under the SDBL.

Table 2 - Schedule for Receiving Development Incentives or Concessions Per SDBL Section 65915(d)

TARGET UNITS	PERCENT OF TARGET UNITS PROVIDED IN PROJECT		
VERY LOW-INCOME	5%	10%	15%
LOW-INCOME	10%	20%	30%
MODERATE-INCOME (FOR-SALE)	10%	20%	30%
CONCESSIONS PROVIDED BASED ON PERCENTAGE OF UNITS PROVIDED ABOVE:			
NUMBER OF CONCESSIONS	1	2	3
CONDOMINIUM CONVERSIONS <i>Very Low- or Low/Moderate-Income</i>	1 concession/incentive or the prescribed density bonus, at City's option		
DAY CARE CENTER	1 concession/incentive or the prescribed density bonus, at City's option		

Concessions and *incentives* are differentiated from *waivers* and *reductions* in the SDBL. Projects that are eligible for a density bonus, and that are approved for *concessions* or *incentives*, cannot be subjected to any development standard that will have the effect of physically precluding the construction of the project. If a local development standard is found to have this effect, applicants have the option of requesting a *waiver* or *reduction* of any development standard that may preclude completion of the project; there is no limit on the number of waivers that may be requested. *Waivers* or *reductions* do not take the place of *concessions* or *incentives* that the project is qualified to receive. Legislative updates to the SDBL that took effect on January 1, 2017 introduced several amendments affecting the evaluation and granting of incentives, concessions, waivers, and reductions.

Basic Provisions: Alternative By-Right Parking Standards

Beyond incentives, concessions, waivers, and reductions, projects that qualify for a density bonus because they provide affordable housing or are a qualified senior-citizen housing project are also eligible for reduced parking ratios, as presented in Table 3. These reduced parking ratios are inclusive of accessible and/or guest parking requirements, and apply to both market rate and density bonus units. Applicants have the option to request even lower parking ratios as a concession or incentive.

Table 3 - Parking Requirements Available by Request Under Density Bonus Law

UNIT TYPE	MAXIMUM ON-SITE PARKING REQUIREMENT (TANDEM OR UNCOVERED PERMITTED)
0-1 bedroom	1 space/unit
2-3 bedrooms	2 spaces/unit
4+ bedrooms	2.5 spaces/unit

In 2015, AB 744 was passed to amend SDBL and include additional project criteria that would result in reduced parking requirements. These and other amendments to SDBL which have taken effect since adoption of Santa Rosa's local ordinance in 2012 are summarized in the following section.

Post-2012 Regulatory Updates to the SDBL

Since the last amendment to the local density bonus ordinance in Santa Rosa in 2012, State law has been amended substantively through six Assembly Bills.² The most sweeping changes were signed in September, 2016 by Governor Brown and took effect January 1, 2017. The following section overviews each update and provides a summary of the updated SDBL provisions in Table 5.

AB 2222 (2014). Expands affordability terms to 55 years; requires affordable unit replacement

In September, 2014, Assembly Bill (AB) 2222 was signed into law to amend several aspects of the SDBL. Prior to the bill, affordable units provided to qualify for density bonuses were subject to affordable income restrictions for a period of 30 years; AB 2222 extended the affordability term to 55 years.

Additionally, AB 2222 introduced an affordable-unit replacement requirement in an effort to help address the potential displacement of existing tenants. The bill requires that projects using a density bonus replace each rental unit that that have been occupied by very low- or low-income households within the five-year period preceding the development application. Applicants could elect to either:

- ✓ provide replacement units of equivalent or greater number to units that are occupied by lower income households or subject to a rent or price control, or
- ✓ ensure that units are affordable to very low-, or low-income households.

The replacement provisions contained in AB 2222 were substantially expanded and clarified in the January, 2017 amendments adopted through AB 2556.

² Additional non-substantive technical updates or corrections were adopted through AB 806 (2012) and AB 383 (2013)

AB 744 (2015). Requires local governments to allow reduced parking requirements

Assembly Bill 744 was adopted in 2015. The bill required that local governments, upon request from an applicant developing a rental housing project that is density bonus-eligible, grant further reductions in parking requirements depending on the project’s proximity to transit. Table 4 summarizes the maximum parking requirements established under this bill. The provisions of AB 744 expand the parking reduction options available to developers that were provided in the SDBL.

Table 4 - Summary of Maximum Parking Requirements for DB Projects by Type and Transit Access

PROJECT TYPE:	100% Affordable Rental Project	Mixed Income Project with at least: 20% low-income or 11% v. low income	For Citizens >62yrs	For Special Needs
<i>Unobstructed access within 0.5-miles to major transit stop</i>	•	•		
<i>Project served by Paratransit, or Unobstructed access within 0.5-miles to major bus stop^A</i>			•	•
Maximum Required Parking Ratio	0.5/unit	0.5/unit	0.5/unit	0.3/unit

^A With bus service at least eight times daily
 “Unobstructed access:” a resident can access the stop without meeting natural or constructed impediments.
 “Major transit stops:” a site containing an existing rail transit station, a ferry terminal served by either a bus or rail transit service, or the intersection of two or more major bus routes with a frequency of service of 15 minutes or less during peak commute periods. Major transit stops includes stops shown in the applicable regional transportation plan. For a property or project to qualify, all parcels within the project must have no more than 25% of their area farther than one-half mile from the stop and not more than 10% of the residential units or 100 units, whichever is less, shall be farther than one-half mile from the stop

Jurisdictions may however require higher parking ratios for housing near transit if the city has completed a parking study within the last seven years that supports the need for more parking.

AB 1934 (2016). Includes a density bonus option for commercial projects with affordable housing.

AB 1934 expanded the SDBL to provide incentives for commercial developers to contribute to affordable housing. The bill provided a bonus for commercial developers that enter an agreement with a housing developer to provide affordable units in a mixed-use joint project, or as two separate but related projects. Commercial developers must define how they are contributing to the affordable housing development; three options are recognized by the SDBL:

- The commercial developer may directly build the units.
- The commercial developer may donate a portion of the development site, or property located elsewhere, to the housing developer to build affordable housing.
- The commercial developer may make a cash payment to the housing developer to offset the construction cost for affordable housing.

To qualify for the density bonus, the proposed affordable units must contain a prescribed number of low- or very-low income units: at least 30% of the total units proposed shall be for low-income households, or at least 15% shall be for very low-income households. If the affordable units are to be constructed off-site (separate) from the non-residential development, the units must be located on a site that is:

- within the local jurisdiction;
- near public amenities, including schools and employment centers; and
- located within one-half mile of a major transit stop.

The provisions of AB 1934 do not prevent an affordable housing developer from utilizing the density bonus, concession or incentives, waivers or reductions, that are available through the SDBL. Furthermore, the amendments did not reduce or waive affordable housing impact fees that may apply to commercial projects in the jurisdiction.

The provisions of AB 1934 are subject to a sunset clause of January 1, 2022. Any projects approved under the bill's provisions must be reported to the Department of Housing and Community Development by the city or county in an annual report.

AB 2556 (2017). Provides clarifying language on addressing replacement units.

As described above, AB 2222 amended the SDBL in 2014 to preserve existing affordable housing units by prohibiting an applicant from receiving a density bonus, incentive, concession, waiver or reduction, if a development removed units that—at any time in the five-year period preceding the application—were occupied by lower-income households or subject to a form of rent control. AB 2222 is reflected in the §65915(c), and includes the stipulation that projects may overcome this restriction by replacing affordable units with units of equivalent affordability, size and/or type. AB 2222 failed to clarify how replacement unit requirements should be determined if resident income level were not verifiable. AB 2556 (2017) provides clarifying language to satisfy the replacement unit requirements in the SDBL:

- Projects shall provide at least an equal number of replacement units of equivalent size and affordability. Equivalent size means providing at least the same total number of bedrooms.
- For currently-occupied units that would be removed, if the income level of the household is not known, it shall be presumed that the building is occupied by the same proportion of *lower income* renter households to all renter households as is the case for the jurisdiction as a whole. The lower-income household share for the jurisdiction shall be based on current Comprehensive Housing Affordability Strategy Database (CHAS) statistics reported by the Department of Housing and Urban Development (HUD).
 - ✓ The current proportion of *lower income* renter households (those earning less than 80% of Area Median Income in the 2010-2014 CHAS data cycle) in Santa Rosa is 55.4%.³
- For buildings vacated or demolished within five (5) years of the development application, if the income level of the last occupants in previously existing units is not known it shall be presumed that *very low-* and *low-income* households occupied the units in the same proportion of *very low-* and *low-income* renter households to all renter households in the jurisdiction based on current CHAS statistics report by HUD.
 - ✓ The current proportion of *very low-income* renter households (those earning up to 50% of Area Median Income) and *low-income* households (those earning over 50% but less than 80% of Area Median Income) in the 2010-2014 CHAS data cycle in Santa Rosa are 15.7% and 21.9% respectively.⁴

³ Data is current to May 26, 2017. Source: <https://www.huduser.gov/portal/datasets/cp.html>

⁴ Data is current to May 26, 2017

- AB 2222 did not clarify the required rent level for replacement units when the current occupant of a rent-controlled unit was not lower-income (e.g. due to wage increases). If a project would replace rental units in existence within 5 years of the application that are subject to a form of rent or price control, the local government can choose to require that either:
 - ✓ the units are replaced in compliance with a local rent or price control ordinance, subject to agreement by the developer; or
 - ✓ the replacement units shall be made available at an affordable rent or cost for 55 years and shall be occupied by low-income households.

AB 2501 (2017). Streamlines density bonus processing and clarifies application requirements.

AB 2501 streamlines density bonus application processing in recognition of the financial implications for developers caused by permitting delays. Streamlining changes are described in SDBL Section 65915(a)(3); these changes require that local jurisdictions:

- Adopt procedures and timelines for processing density bonus applications.
- Provide a list of all information required to be submitted with the density bonus application for the density bonus application to be deemed complete.
- Issue completeness determinations on applications within 30 days in compliance with Government Code Section 65943.

AB 2501 includes several additional clarifications and procedural amendments to aid in the application and enforcement of the SDBL:

- Provision 65915(q) and others state that any density calculations resulting in fractional units shall be rounded up to the next whole number. This applies to calculating the:
 - ✓ number of affordable units required to be eligible for the density bonus;
 - ✓ base density (i.e. the number of affordable units in the base project);
 - ✓ eligible bonus units;
 - ✓ number of replacement units required (65915(c)(3)(B)(i)); and
 - ✓ required number of parking spaces (65915(p)(4))
- Local governments are prohibited from conditioning the submission, review, or approval of a density bonus application on additional reports or studies that are not described in the SDBL. Cities can however require "reasonable documentation" to establish eligibility for incentives or concessions, waivers or reductions, or reduced parking ratios.
- Developers can forgo an eligible density increase, and accept only concessions or incentives.
- Density bonuses are defined as an increase over the maximum allowable *gross* residential density at the time of application.
- The burden of proof for denying a requested concession or incentive is placed more directly on local jurisdictions, with clarifying language on determining whether a concession or incentive results in cost reductions in support of affordable housing development. The bill amends Section 65915(d)(1)(A)—the first finding of fact to deny a requested concession or incentive. Local jurisdictions must grant the requested concession or incentive unless it "does not result in identifiable and actual cost reductions," to provide for affordable housing. The revised language eliminates ambiguities about who (the developer or the jurisdiction) should determine whether a concession or incentive is financially sufficient.

AB 2442 (2017). Expands the housing categories that could qualify for a density bonus.

Assembly Bill 2442 amends Section 65915(b) to include additional categories of specialized housing that would qualify a project for a density bonus. If at least 10% of the proposed units in a project are designated for very-low income households for a period of 55 years, and are targeted to the following specialized housing types, they may qualify for a density bonus:

- transitional foster youth as defined in Education Code Section 66025.9
- disabled veterans as defined in Government Code Section 18541
- homeless persons as defined in 42 U.S.C. Sec. 11301 et seq.

The density bonus for these projects is 20% of the provided specialized housing units (like the bonus for senior housing); because the specialized units must be income-restricted, the standard density bonus that is available for projects that provide very-low income level units may also be applied.

AB 2442 SPECIALIZED HOUSING DENSITY BONUS PROJECT EXAMPLE:

Base Project Total Units:	66 rental units
Market-Rate Units:	59
Affordable Units:	7 units (very low-income, restricted for 55 years, for disabled veterans)
% Affordable and Specialized:	$7 \text{ units} \div 66 \text{ total units} = 10.6\% = 11\%$
Eligible Density Bonuses:	Specialized housing bonus: 20% of 7 specialized units Standard bonus: 11% very-low income units = 35%
Total Density Bonus:	Specialized housing: $(20\% \times 7) = 1.4 \text{ units} = 2 \text{ units}$ Standard Bonus: $35\% \times 66 \text{ units} = 23.1 \text{ units} = 22 \text{ units}$
Total Units with Bonus:	90 units (59 market-rate, 7 specialized, 24 density bonus units)

Summary of Density Bonus Law Key Features with Amendments Since 2012:

Table 5 below expands on Table 1 to highlight changes to the SDBL that were adopted since 2012.

Table 5 - Updated Requirements for Density Bonus Eligibility and Associated Density Bonuses

AFFORDABILITY	MIN. REQUIRED TO RECEIVE BONUS	BONUS FOR MIN. UNITS	ADDITIONAL BONUS PER 1% INCREMENT OVER MIN.	UNITS NEEDED FOR MAX. BONUS OF 35%
VERY LOW-INCOME	5%	20%	2.5%	11%
LOW-INCOME	10%	20%	1.5%	20%
MODERATE-INCOME ^A	10%	5%	1.0%	40%
SENIOR-CITIZEN HOUSING ^B	35 Units	20% of senior units	N/A	N/A
CONDO CONVERSION <i>Moderate Income ^C</i> <i>Lower Income ^C</i>	33% 15%	25% 25%	N/A	N/A
LAND DONATION ^D	10% of Market Units	15%	1.0%	30%
CHILD CARE FACILITY ^C	N/A	Equal sq. ft.	N/A	N/A
SPECIAL HOUSING ^E	10%	20%	N/A	N/A

^A Moderate-income units in common-interest developments (e.g. condos) and offered to the public for purchase
^B Includes senior mobile home parks; project must limit residency based on age requirements pursuant to Section 798.76 or 799.5 of the Civil Code. A Senior Citizen Housing Development is defined in Civil Code Section 51.3(b)(4): as a residential development for senior citizens that has at least 35 dwelling units.
^C Or an incentive of equal value, at the city's option.
^D Projects must select one income-based, or specialty housing category as the basis for calculating the density bonus. Bonuses for an income or housing category can be combined with a bonus for land donation, up to a maximum of 35%; a square footage-based density bonus may be granted for child care facilities beyond 35%.
^E Includes housing for transitional foster youth, disabled veterans, or homeless persons. Such units must be subject to an affordability restriction at the very low-income level for 55 years.

Local Considerations for SDBL Implementation

The City of Santa Rosa is a large city with a sophisticated land use planning regulatory framework; the community contains a variety of unique neighborhoods, historic resources, and local development conditions that must be assessed with respect to SDBL. In consultation with staff, several pertinent issues were identified for specific analysis to ensure appropriate and efficient implementation of SDBL in the community. These issues are highlighted in this section.

Density Bonuses in Areas with No Maximum Density

Applicants have full discretion to seek and accept any applicable density bonus for an eligible project.⁵ It is also the applicant's right to opt for no density bonus or a lesser bonus. Many cities—including Santa Rosa—have Zoning Districts and General Plan Land Use designations with no applicable maximum residential density limit. These are typically associated with dense, mixed-use (downtown) areas. Communities regulate development in these areas through controls on physical form: through setback standards, height restrictions, architectural standards, and design guidelines.

Areas not subject to a residential density limit pose a challenge to interpreting and implementing the SDBL. Three approaches are available to address development in these areas:

1. **Density Bonuses through Concessions and Waivers.** Projects in zones without residential density limits can comply with applicable development standards, forgo the redundant density bonuses that may otherwise apply, and simply seek relief from any development standards that may limit the desired density to offset the cost of building affordable housing. In this approach, the onus is on the developer and local jurisdiction to determine how much of a concession to development standards is justified to offset the cost of affordable housing development.
2. **Density Bonuses Implicitly Defined.** The local jurisdiction may require that an "implicit" residential density is calculated based on a project put forward that meets all applicable development standards. In this approach, a project defines the applicable residential density for itself based on meeting applicable development standards. This strategy requires controls to ensure that base projects that define density do not undermine development quality to maximize base density and the resultant density bonus. The City of Berkeley has pursued this approach; details are provided in the following chapter on local ordinance comparisons.
3. **Expand Density Bonus to Development Standards.** A local jurisdiction may adopt a bonus schedule for development standards that replicates the schedule for residential density bonuses. In this strategy, the local jurisdiction may identify the development standard (such as height or floor area ratios) that are the predominant restriction to larger development projects in areas not subject to residential density limits. For example, a floor area ratio bonus may be provided in exchange for affordable units rather than a residential density bonus. This approach has been adopted in Emeryville and is summarized in the following chapter.

⁵ Gov. Code Section 65915(f)

Density Bonus Application Requirements

One of the issues that SDBL proponents identified and sought to address through AB 2501 is that several communities—deliberately or inadvertently—had restricted access to density bonuses through onerous application requirements and costly reports that were designed to substantiate applications for bonuses. While AB 2501 inserted provision 65915(a)(2) into the Density Bonus Law to prevent frivolous application requirements, interviews with jurisdictions conducted for this white paper indicate that confusion remains about what local jurisdictions can and cannot require as part of a density bonus application. Section 65915(a)(2) reads that the SDBL “does not prohibit a local government from requiring an applicant to provide *reasonable documentation*”⁶ (emphasis added) to establish eligibility for a density bonus, incentives, concessions, waivers, reductions, or parking ratios. Some local governments interpret this language to require developers to submit pro formas showing the amount of profit they will make on a project. However, amendments adopted through AB 2501 are intended to presume that incentives and concessions provide cost reductions, and therefore contribute to affordable housing development. A municipality has the burden of proof of demonstrating that a concession or incentive would not generate cost savings.

Inclusionary Housing Policies

Section 65915(b)(1) outlines the eligibility requirements for density bonuses. The section clarifies that a local jurisdiction must grant a density bonus and associated concessions, incentives, waivers, and/or reductions “*when an applicant for a housing development seeks and agrees to construct a housing development, excluding any units permitted by the density bonus awarded pursuant to this section*” that contains affordable units consistent with the schedule outlined in the law. Inclusionary affordable housing units are not units permitted by the density bonus; therefore, inclusionary units have been consistently interpreted as contributing to qualifying a project under SDBL. This interpretation was confirmed in 2013 by the California Court of Appeals in *Latinos Unidos del Valle de Napa y Solano v. County of Napa*.

Density Bonus Beyond 35%

Density Bonus Law Section 65915(n) stipulates that local governments have the option to grant density bonuses in excess of 35% for projects that meet the SDBL, or to grant smaller density bonuses for projects that do not meet minimum qualification thresholds in the SDBL. In other words, projects that either fail to fully meet, or projects that exceed the eligibility requirements of the SDBL may be granted proportionate density bonuses at the discretion of the local government. The City of Santa Rosa Housing Action Plan directs the City to develop a supplemental density bonus program for the City that provides a bonus of up to 100% (see Program #1 in the Action Plan, outlined in the following chapter).

Several communities have adopted local ordinances that support density bonus allowances above 35%. Generally, supplemental density bonuses are permitted for projects that provide additional community benefits or amenities that communities have identified as potentially:

⁶ See Section 65915(a)(2)

- Providing a larger quantity of affordable housing in the base project than required by the SDBL
- Providing affordable housing targeted to extremely low-, or very low-income households
- Providing specialized housing units of relevance or importance in the community, such as workforce housing, family-size units, or other forms of housing.
- Providing a range of public amenities such as:
 - ✓ Donating land or contributing otherwise to enhance or maintain open or public spaces
 - ✓ Providing for public art through fee contributions or in kind
 - ✓ In-lieu payment of fees toward community-benefit projects
 - ✓ Completing or contributing financially towards infrastructure improvements
- Including exemplary design that contribute to enhancing the local neighborhood
- Contributing to climate change adaptation or mitigation
- Improving, maintaining or rehabilitating historical and cultural assets in the community

Denial of Incentives, Concessions, Waivers, or Reductions

The SDBL mandates that local governments provide concessions or waivers for eligible density bonus projects, unless one of the following findings is made based on substantial evidence:⁷

- (A) The concession or incentive does not result in identifiable and actual cost reductions to provide for affordable housing costs.
- (B) The concession or incentive would have a specific, adverse impact upon public health and safety, the physical environment, or on any real property listed in the California Register of Historical Resources, and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households.
- (C) The concession or incentive would be contrary to State or federal law.

For child care facilities, Section 65915(h)(3) provides that a jurisdiction may deny a bonus or concessions for child care facilities if it can determine, with substantial evidence, that the community has adequate child care facilities in the project area.

Ambiguity remains about determining whether a concession or incentive results in identifiable and actual cost reductions, as well as what constitutes a specific, adverse impact; the SDBL refers to a definition provided in Section 65589.5 for the latter: *a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions at the time of application*. Section 65589.5 notes that inconsistency with zoning regulations or a General Plan Land Use designation does not meet this test. Local density bonus ordinances could address these ambiguities by clarifying local issues that constitute adverse public impacts. This is particularly valuable in that AB 2501 placed the burden of proof on local governments to demonstrate that concessions or incentives meet one of the three findings for denial. If a concession or incentive is denied, applicants have the option to initiate legal proceedings. If a court finds in favor of an applicant in such a suit, the local government is responsible for the applicant's attorney fees and costs of suit.⁸

⁷ Gov. Code Section 65915(d)(1)

⁸ Gov. Code Section 65915(d)(3)

Local Integration: CEQA Exemptions, Historical Resources, and Neighborhood Integration

Density bonus projects are not exempt from the California Environmental Quality Act (CEQA). However, two classes of categorical exemption recognized by the Act are often applied to density bonus projects: the *Affordable Housing* exemption (§15194) and the *Residential Infill Projects* exemption (§15195). To qualify for either, the project must be consistent with several threshold criteria established in CEQA §15192, including that the project must be consistent with any applicable General Plan, Specific Plan, or Local Coastal Program (and any related mitigation measures), as well as the local zoning ordinance. Several site-specific conditions must be met to qualify a project for the exemptions; these generally address the presence of ecological and habitat resources on-site, hazardous materials, public health risks associated with excess exposure to hazards such as earthquakes, flooding, wildfires or other hazards. As noted below, properties with historical resources do not qualify for the affordable housing or infill exemptions.

The affordable housing infill exemption is applicable to projects in which 100% of the proposed units are targeted to low-income households. The residential infill exemption is available to projects with mixed income levels, including partial market-rate housing projects.

Properties listed on the California Register of Historical Resources are protected in the SDBL through Section 65915(d)(1)(B), which establishes that a project requesting a density bonus may be denied the bonus and associated concessions or incentives if it would have a specific, adverse impact upon *any real property listed in the California Register of Historical Resources, and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable*. While the SDBL does not explicitly extend the same protection to locally-designated or eligible properties, the protection would occur through CEQA review of the project.

II. CITY OF SANTA ROSA DENSITY BONUS REGULATIONS

General Plan and Housing Element

The Santa Rosa General Plan includes several provisions that support affordable housing development, including policies that seek to improve project processing and predictability, promote appropriate and supportive land use and development standards, and related implementing policies. Table 6 summarizes policies contained within the Santa Rosa General Plan that relate to affordable or specialized housing and density bonuses. The Housing Element recognizes several programs aimed at maintaining and expanding affordable housing. The City’s Housing Authority—established in 1971—is charged with providing decent, safe, and sanitary housing in Santa Rosa. The Authority has four approaches to meet this goal, the first being “develop new units.” The Density Bonus program is a key tool in encouraging greater affordable housing development.

Table 6 - General Plan Policies Related to Affordable and Specialized Housing Density Bonuses

POLICY	DESCRIPTION
FAST TRACK	The City’s <i>Fast Track</i> policy allows quicker processing of development projects that include affordable units. The City’s policy is to process development projects within 90 to 120 days.
OPPORTUNITY SITES	As of the adoption of the General Plan, the City had designated 48 acres of undeveloped land for <i>Medium High Density</i> land use designation and 11 acres of undeveloped land as <i>Transit Village Medium</i> and <i>Transit Village Mixed Use</i> land use designations to provide targeted opportunities for higher-density (affordable) housing development.
LUL-B-1	Promote and participate in cooperative planning efforts with Sonoma County and its cities, especially related to countywide and sub-regional issues such as transportation, waste management, and affordable housing.
LUL-C-9	Preserve and protect the character of older established residential neighborhoods within and adjacent to downtown. Promote the retention of existing housing units when possible, especially those located in structures of architectural or historic interest and significance through a “no net housing loss policy.” Permit developments that will result in net loss of housing units only with findings that such loss would be unavoidable and that new development would provide greater public benefits.
LUL-F-1	Do not allow development at less than the minimum density prescribed by each residential land use classification
LUL-F-4	Allow development on sites with a Medium Density Residential designation to have a maximum density of 24 units per gross acre (and up to 30 units per acre provided at least 20 percent of the housing units are affordable, as defined in the Housing Element)
H-A-2	Pursue the goal of meeting Santa Rosa’s housing needs through increased densities, when compatible with existing neighborhoods. Development of existing and new higher-density sites must be designed in context with existing, surrounding neighborhoods. The number of affordable units permitted each year and the adequacy of higher-density sites shall be reported as part of the General Plan Annual Review report.
H-A-5	Improve community acceptance of higher-density housing through community-based outreach, recognition of existing livable neighborhoods, and assurance of well-designed high-density projects.
H-C-3	Require projects requesting residential General Plan amendments to rezone for General Plan consistency.

POLICY	DESCRIPTION
H-C-6	Facilitate higher-density and affordable housing development in Priority Development Areas (PDA), which include sites located near the rail transit corridor and on regional/arterial streets for convenient access to bus and rail transit. Implement existing PDA specific plans—the Downtown Station Area Specific Plan and the North Santa Rosa Station Area Specific Plan—and develop new plans, such as the Roseland Specific Plan, to encourage the development of homes that have access to services and amenities.
H-C-13	Encourage the development of units with three or more bedrooms in affordable housing projects.
H-C-15	Encourage new affordable housing development to provide amenities for residents, such as on-site recreational facilities, children’s programs (day care or after-school care), and community meeting spaces.
H-C-17	Evaluate reinstatement of zoning code provisions exempting sites designated Medium Density Residential and Medium High Density Residential from rezoning when affordable housing is proposed.
H-D-1	Continue existing programs for persons with special needs, including disabled persons, developmentally disabled persons, elderly, homeless, large families, single parent households, and farmworkers. Programs include the Section 8 Housing Choice Voucher Rental Assistance Program and funding for services and organizations through the use of Community Development Block Grant and HOME funds. When funding is available, serve households with special needs through the Housing High density development projects should include play spaces for children, as shown above at Amorosa Village. Rehabilitation and Conservation Program and the Community Housing Development Organization (CHDO).
H-D-11	Encourage the development of affordable housing for the elderly, particularly for those in need of assisted and skilled nursing care. Continue to provide funding and offer incentives such as density bonuses, reduced parking requirements, design flexibility, and deferred development fees.
H-F-1	Ensure that residential projects are heard by the first decision-making board, within a period not to exceed 120 days of receipt of a complete application for development approval.
H-F-2	Fast track all development projects that fully comprise units affordable to extremely low-, very low-, and low-income households with long-term affordability restrictions. Utilize a fast track schedule mutually acceptable to the project applicant and the City.
H-F-3	Defer payment of development impact fees for affordable units until permanent financing is available.
H-F-4	Continue to implement the City’s Density Bonus Ordinance, consistent with state law.

Housing Action Plan

The Santa Rosa Housing Action Plan, adopted in October, 2016, provides a roadmap to address the City's housing needs and implement the Housing Element. It is presented in five program areas, with 31 program elements that represent specific actions to achieve each program. Several policies in the Housing Action Plan relate to updating and implementing the local density bonus program—these policies are associated with Program #1 (Increase Inclusionary Housing), and Program #4 (Improve Development Readiness of Housing Opportunity Sites):

Program #1: Increase Inclusionary Housing

The City's current inclusionary housing policy allows developers to build units in kind or make payments in-lieu of units. Given the nexus-based maximum fee that can be charged in-lieu, density bonuses and other regulatory tools are essential to incentivizing the construction of affordable housing units. The Housing Action Plan directs the City to amend the density bonus ordinance to:

- Appropriate additional density above state-allowed 35%, with consideration of up to 100%;
- Level of affordability to be achieved through the offering of additional density;
- Incentives for creating smaller units that are less expensive by design.
- Whether the additional density bonus will be allowed in all residential districts or vary by residential density category;
- Neighborhood compatibility (i.e., determining locations where bonuses should be available);
- Whether specific areas of the city should be targeted for density bonus (and other areas excluded) through use of an overlay zone;
- Type of affordable units to be included – rental, ownership or both;
- Consideration of and specification of an expanded list of concessions and incentives (as identified in State Law)
- Potential expansion to the list of available concessions or incentives

Program #4: Improve Development Readiness of Housing Opportunity Sites

Program #4 recommends identifying "opportunity sites" with good physical, regulatory, and market potential for multifamily and mixed use development. Regulatory and financial incentives are directed to these areas to maximize affordable housing development. The density bonus program is recognized as one of the key incentivizing tools.

Municipal Code

The Santa Rosa density bonus program was last substantially amended in 2012. As presented in the prior chapter, several amendments to the SDBL have taken effect since that time. Table 7 provides a line-by-line overview of the City's current density bonus regulations and clarifies discrepancies with the State Law. There are 11 consistency gaps identified; these identified consistency gaps do not reflect recommendations to expand on the SDBL, which are outlined in Section IV of this report.

Appendix A provides an overview of density bonus projects processed in the City since 1999. Sixteen projects were completed resulting in 1,107 housing units, of which 195 were affordable density bonus units. Most concessions granted for these projects were related to reduced setbacks and reduced parking requirements. Other concessions include additional height and lot coverage allowances.

Table 7 - Inconsistencies Between Santa Rosa's Current Density Bonus Ordinance and Density Bonus Law

	CITY OF SANTA ROSA DENSITY BONUS REGULATIONS	STATE OF CALIFORNIA DENSITY BONUS LAW - GOV. CODE SECTION 65915
1	Procedures exist but must be updated to be consistent with the SDBL Processing timelines consistent with Gov. Code 65943 are needed Requirements to submit complete density bonus applications are needed	See 65915(a)(3)
2	Section 20-31.050 Eligibility criteria for density bonus Section does not include new specialized housing categories that qualify for density bonuses consistent with amendments adopted through AB 2442	65915(b)(E) allows density bonuses for qualifying projects where 10% of the total units are for transitional foster youth, disabled veterans, or homeless persons.
3	Section 20-31.050.4 Eligibility criteria for density bonus References units in "condominium or planned unit developments"	65915(b)(D) The SDBL references the broader term "common interest developments" ⁹
4	20-31.60 Project specific density bonus & 20-31.100 Required Density Bonus Agreement and terms of agreement. Affordability terms must be 55 years; they are currently set to 30 years.	See 65915(c)(1)
5	Section 20-31.060.D Project specific density bonus Moderate income density bonus schedule does not include 29% level	See Section 65915(f)(4)
6	Section 20-31.060 Project specific density bonus Land donation density bonus schedule does not include 28% level	See Section 65915(g)(1)
7	Section 20-31.020 Definitions does not include: <ul style="list-style-type: none"> • <i>Development standard</i> • <i>Maximum allowable density</i> 	See Section 65915(o)
8	Santa Rosa ordinance does not include any provisions responding to amendments in AB 2222 and AB 2556 dealing with replacement units	See Section 65915(c)(3)
9	Santa Rosa ordinance does not include provisions responding to amendments in AB 744 dealing with reduced parking standards based on unit income levels and proximity to transit.	See Section 65915(p)
10	Santa Rosa ordinance does not include provisions for commercial development partnered with affordable housing in response to amendments adopted through AB 1934.	See Section 65915.7
11	Santa Rosa ordinance does not include complete provisions related to density bonuses for child care facilities.	See Section 65917.5

⁹ Common interest development is defined as defined in Civil Code Section 4100 means (a) A community apartment project; (b) A condominium project; (c) A planned development; (d) A stock cooperative.

III. LOCAL DENSITY BONUS ORDINANCE COMPARISON

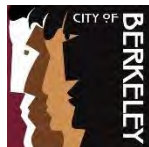
To inform the Santa Rosa density bonus ordinance update, local density bonus programs in several Bay Area jurisdictions were analyzed. Comparable cities were identified by City staff for their relevance to the Santa Rosa context, and their unique approaches to encouraging affordable housing development through density bonuses. Ten cities were selected for in depth review and one-on-one interviews; in addition to the ten staff-selected jurisdictions, local density bonus ordinances for Santa Rosa's official "comparable cities" were also reviewed. The complete list of comparable cities that were reviewed are outlined below:

- Ordinance review with one-on-one interviews (10 jurisdictions):
 - Berkeley
 - Emeryville – density bonus provisions exceed state-mandated 35% maximum
 - Hayward
 - Napa
 - Oakland
 - Richmond
 - Sacramento – density bonus provisions exceed state-mandated 35% maximum
 - San Francisco – density bonus provisions exceed state-mandated 35% maximum
 - Santa Cruz
 - Sonoma County – density bonus provisions exceed state-mandated 35% maximum
- Ordinance review (7 jurisdictions):
 - Antioch – density bonus provisions exceed state-mandated 35% maximum
 - Concord
 - Daly City
 - Fairfield
 - Fremont
 - San Mateo
 - Vallejo

Interviews followed a preliminary review of local ordinances and available public materials on local experiences with density bonuses. Follow-up interviews were designed to clarify provisions in the local ordinance and provide insight into the impact and implementation experience of the local jurisdiction. A list of interview questions is provided in Appendix B.

A summary of ordinance findings is provided at the end of this section in Table 14.

Berkeley



- Number of Density Bonus Applications Received:** Unknown.
- Affordability Levels Targeted for Density Qualification:** Unknown.
- Types of Projects Requesting Density Bonuses:** Multi-family residential.
- Location of Density Bonus Projects:** Unknown.
- Requests for Density Bonus Regulatory Changes from Developers:** Unknown.
- Requests to Update the Local Ordinance to Comply with State Law:** Unknown.
- Is the Community Considering Densities Over 35%:** Unknown.

Berkeley currently enforces the SDBL; a local ordinance that exceeds the 35% density bonus allowance has not been adopted. Berkeley has, however, adopted a detailed approach to address one of the challenges the city faces when implementing the SDBL: evaluating and granting bonuses within zoning districts and General Plan Land Use designations where there is no specified maximum residential density limit. To interpret and implement the SDBL in these areas, the City developed a process to define the *implicit* residential density limit. Applicants are required to prepare project plans that substantially conform to development standards; the number of units achieved in a conforming design establishes the implicit density for the property. Bonuses are granted based on the implicit density. The City's procedure for reviewing density bonus applications includes four broad steps:

1. calculate and define the "Base Project;"
2. calculate the requested density bonus using the base project to define the density maximum;
3. review concessions and assess their fiscal impact on the project;
4. review requested waivers/reductions.

Table 8 - City of Berkeley Procedure for Evaluating Density Bonus Applications

STEP	ITEM	EXAMPLE
1.1	Calculate residential floor area (must substantially comply with standards)	40,000 sq. ft.
1.2	Calculate <i>Average Unit Size</i> (total residential floor area ÷ total number of units)	2,000 sq. ft.
1.3	Calculate number of base project units (step 1.1 ÷ step 1.2), deduct fractions	20 units
2.1	Determine proposed number and income level of <i>below market rate</i> (BMR) units	4, v. <i>low-income</i>
	<i>Determine percentage of BMR units relative to total units in the base project</i>	20%
2.2	Calculate the eligible density increase (%) based on 65915(f)	35%
2.3	Calculate the number of bonus units (step 2.2 X step 1.3)	7 units
3.1	Review written statement describing requested concessions/incentives	9' ceilings
3.2	Verify that the project qualifies for the requested number of concessions	3 concessions
3.3	Applicant submits "pencil out pro forma," using the following scenarios: A. <i>Base Project, 100% market rate</i> (pays City's affordable housing impact fee) B. <i>Base Project, with proposed BMR units</i> C. <i>Density Bonus Project, with BMR units and density bonus units</i> D. <i>Proposed Project, with requested concessions/incentives</i>	
3.4	Pro forma is peer-reviewed by a qualified consultant (at a rate of \$180/hour)	
3.5	Determination whether the concession is necessary pursuant to 65915(d)(1)(A)	
3.6	Review written request for waivers	

Emeryville



Number of Density Bonus Applications Received: Several in the local density bonus program
Affordability Levels Targeted for Density Qualification: Diverse, per local requirements
Types of Projects Requesting Density Bonuses: Multi-family residential.
Location of Density Bonus Projects: In defined overlay zones outlined in the local program.
Requests for Density Bonus Regulatory Changes from Developers: None.
Requests to Update the Local Ordinance to Comply with State Law: None.
Is the Community Considering Densities Over 35%: Already available and highly popular.

The City of Emeryville enforces two, mutually exclusive density bonus programs. One is the State’s Density Bonus Law, the second is a local program (Section 9-4.204 of the local ordinance) designed to allow for bonuses above 35%. Developers choose to apply one or the other. If a project is seeking a bonus of 35% or less, it is less onerous to choose the SDBL. Bonus requests over 35% must use the local program, which allows up to a 100% bonus. The local program also provides for a floor area ratio, and/or height bonus that can be used independently or together with residential density bonuses as needed.

Density Bonuses that Exceed 35%

The local density bonus program divides the city into floor area ratio (FAR), height, and residential density area designations. The areas were designated in consultation with property owners and the broader community. Each designation is ascribed a “base” maximum for the applicable standard (FAR, height, or density) as well as a “bonus” maximum. Requests for a bonus in FAR, height, or density within the maximum permitted amount may be granted through a conditional use permit. The base and bonus density limits for each residential density area designation are shown in Table 9. Figure 1 shows a map of the residential density area designations.

Emeryville’s program is based on earning points that reflect the size of the density, height, or floor area bonus that is requested. Points are earned by providing affordable housing and other community benefits (explained in detail below). The larger the density bonus request, the more affordable housing and community benefit that a project must provide to receive the bonus. The required number of points that a project must provide is determined by the following formula:

$$\text{Points Required} = (\text{Bonus Request} \div \text{Bonus Increment}) \times 100$$

Bonus request is the amount of FAR, height, or density requested above the base level for the zoning district

Bonus Increment is difference between the maximum bonus and maximum base amount in the designation.

Emeryville Density Bonus Example:

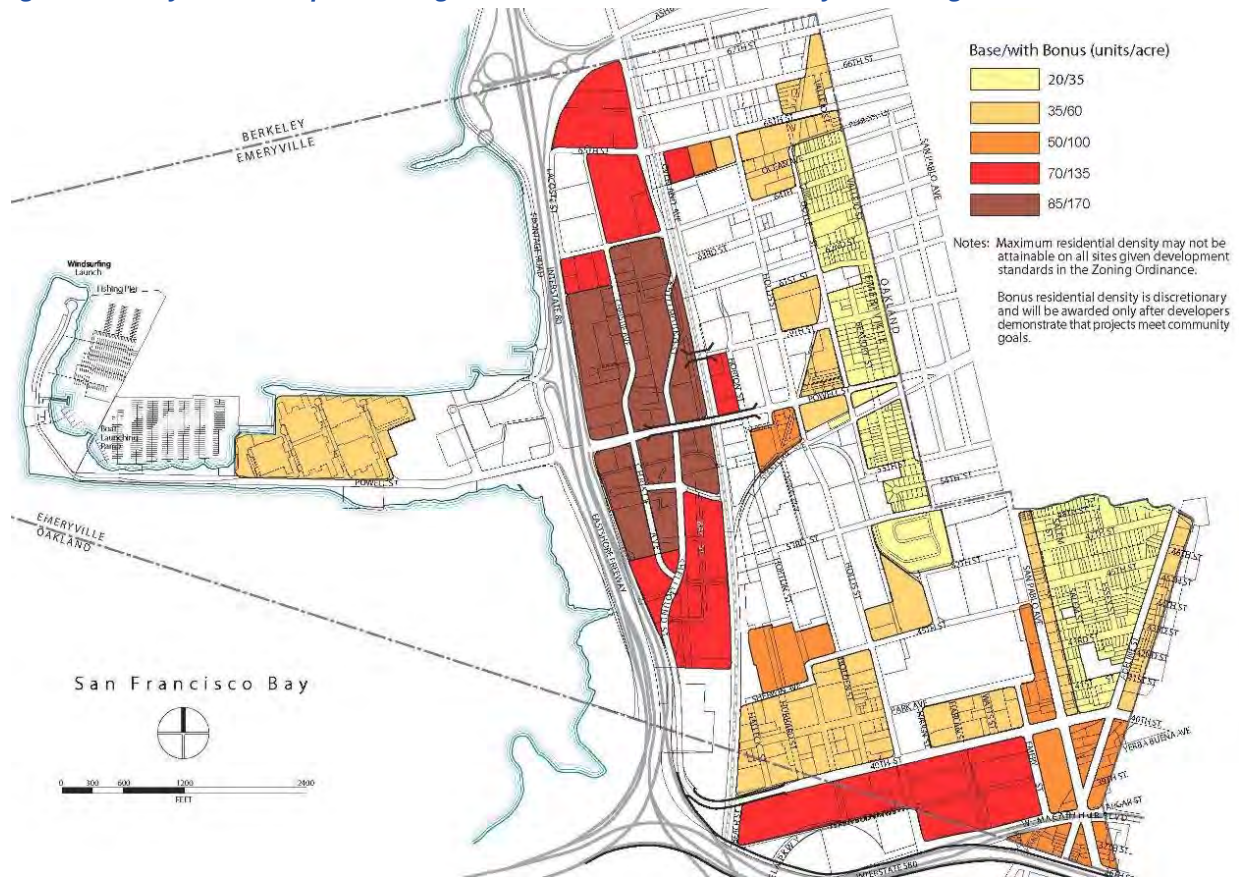
A multi-family project located in the “70/135” residential density area designation proposes to build 87 units on a one acre property, which exceeds the base density maximum of 70 units per acre by 17 units. To grant the density bonus of 17 units, the project would need to generate 26 density bonus points. At least half, or 15 points, must be generated through the provision of affordable housing units, as outlined below:

Base Project: **87** Unit multi-family development
 Area Designation: **“70/135”**
 Bonus “Request”: (Units Requested less “Base” Units in the Area Designation) = 87 – 70 = **17**
 Bonus “Increment”: (Maximum Bonus less Base Density in the Area Designation) = 135 – 70 = **65**
 Points Required: (Bonus Request ÷ Bonus Increment) x 100 = (17 ÷ 65) x 100 = **26**
 Affordable Housing must account for *at least* half of required point total, rounded up to a factor of 5:
 Points through Affordable Housing = 26 ÷ 2 = **13, rounded up to 15**

Table 9 - Emeryville Municipal Code Table 9-4.203(a): Residential Density Area Designations

AREA DESIGNATION	MAX PERMITTED RESIDENTIAL DENSITY (UNITS/ACRE)		MAX BONUS INCREMENT	
	BASE	BONUS	AMOUNT	PERCENT
20/35	20	35	15	75%
35/60	35	60	25	71%
50/100	50	100	50	100%
70/135	70	135	65	93%
85/170	85	170	85	100%

Figure 1 - Emeryville Municipal Code Figure 9-4.203(a): Residential Density Area Designations



At least half of the required number of “points” must be earned by providing affordable units in the project (rounded up to a factor of 5). Points generated through affordable units are gained by providing a defined number of units across multiple affordability levels (Table 10). This ensures that a variety of housing sizes and types are constructed. For example, to secure 15 bonus points, a rental project would need to provide very low-, low-, and moderate-income units at 3.1%, 4.7%, and 5.8% of total project units respectively, for a total of 13.5% of affordable units. In a for-sale project, moderate-income level units would need to represent 21.5% of total base project units to get the same 15 points.

Table 10 - Emeryville Municipal Code Table 9-4.204(d)(1): Bonus Points Schedule for Affordable Units

POINTS AWARDED	RENTAL PROJECTS				FOR-SALE
	TOTAL	VERY LOW INCOME	LOW INCOME	MODERATE INCOME	MODERATE INCOME
5	12.5%	2.8%	4.3%	5.3%	20.5%
10	13.0%	2.9%	4.5%	5.5%	21.0%
15	13.5%	3.1%	4.7%	5.8%	21.5%
20	14.0%	3.2%	4.9%	6.0%	22.0%
25	14.5%	3.3%	5.0%	6.2%	22.5%
30	15.0%	3.4%	5.2%	6.4%	23.0%
35	15.5%	3.5%	5.4%	6.6%	23.5%
40	16.0%	3.6%	5.6%	6.8%	24.0%
45	16.5%	3.7%	5.7%	7.0%	24.5%
50	17.0%	3.9%	5.9%	7.2%	25.0%

Nonresidential projects that seek an FAR or height bonus can earn points by paying an additional affordable housing impact fee on a sliding scale: a 10% incremental increase to the standard housing impact fee for the project generates 5 points up to a maximum of 50 points if the fee is doubled. Commercial projects that are exempt from housing impact fees can pay the increment portion as if a fee was levied (without paying the base fee) and earn points at the same rate.

After providing at least half of the points through affordable housing, any remaining points can be earned by providing a variety of community benefits. The maximum number of points available through community benefits is 50. The point schedule for community benefits is outlined below:

- Between 20 and 50 points can be earned by providing public open space on a sliding scale. 50 points are earned for open space equal to the greater of 15% of site area or 2,000 sq. ft., 20 points are earned for open space equal to the greater of 5% of site area or 1,000 sq. ft.
- 50 points can be earned for buildings that generate zero net energy load
- 10 points can be earned for every 1% of project construction valuation contributed toward:
 - The Citywide Parks Fund to provide and improve open spaces
 - Public improvements, not including required improvements for the project
 - The Citywide Utility Undergrounding fund, not including required undergrounding
 - The Citywide Small, Local-Serving Businesses Fund
 - Unique, exemplary community benefit proposals negotiated directly with City Council
- 5 points can be earned for each 5% of total units that are “Family-Friendly” (contain 2 or more bedrooms), where at least 1% of total project units must have 3 or more bedrooms.

Virtually all density bonus applications processed by the City used the local program to take advantage of bonuses over 35%. The local program has resulted in “significant affordable housing development” according to interviews with staff. The most attractive aspects of the program are its flexibility, and the ability to potentially double base density. Defined community benefits that generate a predictable number of points make the process transparent and predictable. No single benefit is used most often; applicants select benefits that are most desirable to them. Another strength is that bonuses for density, height, and FAR can be combined. If multiple bonuses are requested for a project, the point formula is applied to each of the bonus requests and the highest point total is applied. If a project

required 45 points for density and 49 points for height, the project would need to generate 49 points to receive both bonuses; not a combined or averaged point total.

Hayward



Number of Density Bonus Applications Received: 2.
Affordability Levels Targeted for Density Qualification: Very Low Income.
Types of Projects Requesting Density Bonuses: Multi-family residential.
Location of Density Bonus Projects: Transit-oriented development near major transit.
Requests for Density Bonus Regulatory Changes from Developers: None.
Requests to Update the Local Ordinance to Comply with State Law: None.
Is the Community Considering Densities Over 35%: Yes, for energy efficient construction.

The City of Hayward enforces the SDBL as its local ordinance. No tailored policies are provided beyond state regulations. The SDBL has had extremely limited impact on affordable housing construction in the City. Staff planners suggest that educational campaigns targeted to developers about density bonus options available through the SDBL could increase utilization.

Napa



Number of Density bonus applications received: Very limited, last application in 2005.
Affordability Levels Targeted for Density Qualification: Based on County funding requirement.
Types of Projects Requesting Density Bonuses: Multi-family, 100% affordable housing.
Location of Density Bonus Projects: Infill sites and undeveloped areas.
Requests for Density Bonus Regulatory Changes from Developers: None.
Requests to Update the Local Ordinance to Comply with State Law: None.
Is the Community Considering Densities Over 35%: Already provided.

The City of Napa enforces the State Density Bonus Law with adjustment to reflect the local context. The City also provides for a density bonus exceeding 35%. In the local ordinance, Napa has provided expanded information to clarify application requirements for density bonuses to supplement the State policy. In addition to identifying the basis for the density bonus, and any concessions, incentives, waivers, or reductions with substantiating evidence, Napa requires that density bonus applications:

1. Provide a preliminary sketch plan showing:
 - the context and compatibility of the project within the surrounding area
 - the number, type, size, and location of buildings, and parking
 - the design of affordable units is compatible with market-rate units in the project.
2. Provide information to enable the City to determine whether the SDBL and local code has been satisfied by the applicant. This may include:
 - the cost per unit
 - how requested incentives or concessions make housing economically feasible.
 - summaries of capital costs, equity investment, debt service, projected revenues, operating expenses, and other information deemed necessary by the Director.

Overall, Napa has seen very little market-rate development that utilizes State or local density bonus provisions. Nearly all projects that have utilized the density bonus program in Napa were 100% affordable projects that were predominantly incentivized by County funding. Projects with density bonuses are varied and range from infill development in the developed core, to undeveloped sites

further out of the downtown area. Projects seek a wide range of concessions but parking is the most commonly requested reduction, followed by various waivers for indoor and site improvements (e.g. mandatory laundry facilities in each unit, guest amenities, and carports).

A unique aspect of Napa’s ordinance is their approach to density bonuses in lower-density residential areas and transition areas. Napa is a community defined by an iconic medium-scale urban core, surrounded by residential neighborhoods. The local ordinance provides an avenue for applying density bonuses to projects that are below the threshold of five dwelling units established in the SDBL. Density bonus application review in Napa is divided into two categories: large projects (i.e. traditional SDBL projects involving five or more units) require review and recommendation by staff, with City Council having ultimate decision-making authority. Small projects, those that involve fewer than five units in duplexes or triplexes in a district that allows for duplexes and triplexes (i.e. the R-I, R-T, and R-M districts), require Council review only if needed for a concurrent entitlement. The “small project” designation takes advantage of the SDBL provision 65915(n) to effectively extend the SDBL to projects with less than five dwelling units. While this is a unique approach, it has failed incentivized affordable housing production due to the economies of scale that are achieved with larger development projects.

Density Bonuses that Exceed 35%

Napa also provides a provision for exceeding the State-mandated 35% density bonus allowance. Section 17.52.130.F enables density bonuses to upwards of 100% at the discretion of the decision-making body. The language qualifying how an applicant can achieve a supplemental density bonus is left vague (a strict schedule is not provided). The decision-making body weighs the merits of the application in recognition of the following:

1. the provision of affordable units in excess of the SDBL requirements
2. high quality design that fits within the surrounding neighborhood
3. superior mitigation of potential impacts on neighborhoods
4. provision of on-site underground parking
5. other project amenities or public benefits that contribute to the surrounding neighborhood
6. support of Chapter 15.94 (Affordable Housing Impact Fees)
7. the inclusion of attractive and functional common space areas.

Oakland



- Number of Density Bonus Applications Received:** Unknown.
- Affordability Levels Targeted for Density Qualification:** Unknown.
- Types of Projects Requesting Density Bonuses:** Unknown.
- Location of Density Bonus Projects:** Unknown.
- Requests for Density Bonus Regulatory Changes from Developers:** Unknown.
- Requests to Update the Local Ordinance to Comply with State Law:** Unknown.
- Is the community Considering Densities Over 35%:** Unknown.

Because permitted residential densities are relatively high in Oakland, the City does not consider the development standards in the Planning Code to be a constraint to the production or rehabilitation of housing. The City has adopted a Density Bonus Ordinance that mirrors State law, and has incorporated other tools (such as inclusionary housing policy, and an expedited approach to achieving a 35% density bonus within defined Retail Priority Zones). The City does not currently allow density bonuses above 35%. The expedited 35% density bonus is available in each of the city's 5 Retail Priority Zones outlined in the Broadway Valdez District Specific Plan and implemented through the D-BV Broadway Valdez District Commercial Zones. The program seeks to encourage vibrant mixed-use development by requiring a defined square footage of retail space that is required to receive the right to construct residential units on upper floors of a proposed building. When an appropriate retail square footage threshold is met, and the resultant residential units include 15% affordable housing units targeted to either very low- or low-income households, or moderate-income households in a common interest development, the project is entitled to a 35% density bonus through the issuance of a Conditional Use Permit. The program is "expedited" in that meeting the 15% affordable requirement immediately qualifies the project for a 35% bonus.

The City's version of the SDBL includes minor modifications to reflect local conditions, including:

- An expanded list of qualifying concessions and incentives to reflect local development requirements (required open space, and required courtyards, for example).
- An expanded basis for the City's right to deny a project that includes:
 - The ability to deny a project if the City maintains an up-to-date and certified Housing Element, and the City has met all applicable Regional Housing Need Allocation requirements for affordable housing for the current period.
 - The development project is proposed on land zoned for agriculture or resource preservation and is surrounded on at least two sides by land zoned for the same.
 - The development project is proposed on land which does not have adequate water or wastewater facilities to serve the project.
 - The development is inconsistent with both the zoning ordinance and general plan land use designation, and the City has adopted an up-to-date Housing Element. This provision appears to conflict with the SDBL and Oakland Municipal Code Section 17.107.115(2), which stipulate that inconsistency with the zoning ordinance or general plan land use designation does not constitute a specific, adverse impact.

Richmond



Number of Density bonus applications received: 1-2 annually, virtually all 100% affordable.
Affordability Levels Targeted for Density Qualification: Varies, extremely low-income target.
Types of Projects Requesting Density Bonuses: 100% affordable, multi-unit residential.
Location of Density Bonus Projects: Transit corridors and hubs, Priority Development Areas.
Requests for Density Bonus Regulatory Changes from Developers: Lower Impact Fees.
Requests to Update the Local Ordinance to Comply with State Law: None.
Is the Community Considering Densities Over 35%: Already granted, no density bonus cap.

The local density bonus ordinance in Richmond expands State law considerably. The program seeks to address several local concerns, including: providing housing for extremely low-income households, providing flexibility for affordable housing developers and the City to approve projects with significant community benefits, and addressing the financial challenges faced by affordable housing developers in the absence of Redevelopment Agency funding.

Richmond's local ordinance recognizes that the community has a large share of low-income households with families. As a result, the local density bonus ordinance incorporates a more aggressive bonus schedule for projects that incorporate units at the extremely low-income level, income-restricted senior-citizen housing, as well as income-restricted units with 4 or more bedrooms. Table 11 below summarizes the expanded density bonus schedule in Richmond. In addition to the more aggressive density schedule for extremely low-income, income-restricted senior, and income-restricted family units, the City enables more concessions for projects with these units as outlined in Table 15.04.602.030-D of the Zoning and Subdivision Regulations of the Richmond Municipal Code.

Table 11 - Affordability-Based Sliding Scale Density Bonus Schedule in Richmond

AFFORDABILITY LEVEL OR HOUSING TYPE	MIN. REQUIRED TO RECEIVE BONUS	BONUS FOR MIN. UNITS	ADDITIONAL BONUS PER 1% INCREMENT OVER MIN.	UNITS NEEDED FOR MAX. BONUS
EXTREMELY LOW-INCOME	5%	30%	1.0% up to 40%	15%
VERY LOW-INCOME	5%	20%	2.5% up to 35%	11%
LOW-INCOME	10%	20%	1.5% up to 35%	20%
MODERATE-INCOME ^A	10%	5%	1.0% up to 35%	40%
SENIOR HOUSING ^B	100%	20%		All senior units with:
<i>Extremely Low-income</i>	10%	40%	N/A	10%
<i>Very Low-Income</i>	15%	40%		15%
<i>Low-Income</i>	20%	40%		20%
FAMILY UNITS (4BR+)				
<i>Extremely Low-income</i>	5%	35%	N/A	5%
<i>Very Low-Income</i>	10%	35%		10%
<i>Low-Income</i>	15%	35%		15%

The City of Richmond also establishes standards for incorporating below market rate units within mixed-income developments to protect against segregation. The local ordinance requires that affordable housing units are integrated with market-rate units in housing developments; units granted through a density bonus, however, may be concentrated in one area.¹⁰

¹⁰ See Section 15.04.602.030.F.4

Density Bonuses that Exceed 35%

Subdivision 15.04.602.030.E effectively establishes Richmond as one of the most liberal density bonus jurisdictions of the cities reviewed. The provision establishes that the City has the authority to grant a density bonus and number of incentives or concessions of any amount above what is described in the local density bonus ordinance for a development that meets the requirements of the ordinance. In practice, this provision allows the City complete latitude to consider unique or creative proposals that are in the community's best interests. Unlike the provisions for bonuses over 35% in other jurisdictions, Richmond does not establish criteria or findings that must be made to grant the additional bonus.

Sacramento



- Number of Density bonus applications received:** None.
- Affordability Levels Targeted for Density Qualification:** Virtually no projects processed.
- Types of Projects Requesting Density Bonuses:** 1 multi-unit 100% affordable project.
- Location of Density Bonus Projects:** No projects processed.
- Requests for Density Bonus Regulatory Changes from Developers:** None.
- Requests to Update the Local Ordinance to Comply with State Law:** None.
- Is the Community Considering Densities Over 35%:** No. Available for energy efficiency.

The City of Sacramento has received and processed no density bonus projects since the adoption of the SDBL. According to City staff, the primary reason is that the City maintains a growth-friendly zoning ordinance, with development standards that achieve many of the goals that the SDBL sought to achieve through density bonusing, concessions, incentives, waivers, reductions, or parking requirement reductions. The City has eliminated minimum parking standards in several zoning districts, and promoted higher density development generally. The city recently also revised its variance review process, replacing variances with "deviations" that can be reviewed administratively if they involve a modification that is equal to less than 50% of the standard; the Planning Commission reviews deviations of greater than 50%. The findings to grant a deviation are also less onerous than typical variance review findings.

Density Bonuses that Exceed 35%

The City currently permits a density bonus above the state-mandated 35% for projects that meet the SDBL requirements and a local green building standard. The green building standard was incorporated into the density bonus program to avoid undermining the affordable housing density bonus incentive by granting density bonuses for energy-efficient construction when no affordable units are included in the project. To date, no projects have utilized the green building density bonus incentive.

San Francisco



- Number of Density bonus applications received:** Limited density bonus utilization.
- Affordability Levels Targeted for Density Qualification:** Limited density bonus utilization.
- Types of Projects Requesting Density Bonuses:** Limited density bonus utilization.
- Location of Density Bonus Projects:** N/A.
- Requests for Density Bonus Regulatory Changes from Developers:** Increased density bonus.
- Requests to Update the Local Ordinance to Comply with State Law:** New ordinance adopted in July, 2017 that buildings on State law.
- Is the Community Considering Densities Over 35%:** July, 2017 establishes an unlimited bonus.

Until recently, the City of San Francisco neglected to adopt a local density program compliant with State law for several reasons. Chiefly, the City has sought to address affordable housing through an aggressive and expanded inclusionary housing policy. One of the key concerns for the City was that local decision-makers felt the State law fails to adequately address the middle-income housing gap.

In July, 2017 the City adopted its first local density bonus program, which builds substantially on State law. The local program provides applicants requesting a density bonus with one of three options, depending on what zoning district their project is located in:

- In all zoning districts except RH-1 or RH-2:
 - “State Density Bonus: Individually Requested” (Sec. 206.6)
- In zoning districts where density is controlled by a ratio of units to lot area and the RH-3 zone:
 - *Housing Opportunities Mean Equity-SF* (HOME-SF) (Sec. 206.3)
 - “State Density Bonus: Analyzed” (Sec. 206.5)

The “State Density Bonus: Individually Requested” (henceforth “Individualized”) program is essentially the SDBL. It is designed for projects that meet State requirements but are not consistent with the pre-vetted concessions and waivers approved for the HOME-SF and “Analyzed” program as described below.

Like other highly urbanized areas, San Francisco’s experience is that most development is occurring in areas where no residential density limits apply. In these instances, the City has adopted Berkeley’s approach of calculating *implicit* density based on a project design that substantially conforms to applicable development standards for the site.

Density Bonuses that Exceed 35%

The HOME-SF and “State Density Bonus: Analyzed” (henceforth “Analyzed”) programs provide for density bonuses over 35%. HOME-SF is designed for new construction projects of three or more units that request a density bonus greater than 35% (with no density bonus limit). 30% of total proposed units in the project must be affordable across a prescribed income categories:

- 12% of units at 55% of AMI (rental) or 80% of AMI (owner);
- 9% of units at 80% of AMI (rental) or 105% of AMI (owner); and
- 9% of units at 110% of AMI (rental) or 130% of AMI (owner).

In addition, the projects must meet the following unit size criteria:

- At least 40% of the units must be two and three bedroom units, with at least 10% as three bedroom units; or any unit size mix that includes three bedroom or larger units such that 50% of all bedrooms within the project are provided in units with more than one bedroom.
- Units sizes shall be at least 200 sq. ft. for studios, 500 sq. ft. for 1-bedroom units, and 750 sq. ft. for 2 bedroom units.

The HOME-SF program provides three options for the type of bonus that an applicant can receive:

1. Form-Based Bonus – applies no residential density limit but restricts a development to height, bulk, unit mix, and other development standards established in the Planning Code.
2. Height Bonus – up to 20 feet above the height limit (equal to two 10-foot stories).
3. Ground Floor Ceiling Bonus – up to 5 feet for 14-foot ceilings or walk-up dwellings units.

The “Analyzed” program adopts the same eligibility, affordability, and unit design requirements as the HOME-SF program except that projects must include five or more units (to match State law) and request no more than 35% density bonus (except for senior-citizen housing, which allows up to 50%). The “Analyzed” program density bonus matches State law except for the following:

- senior-citizen housing projects are eligible to receive a bonus of 50% instead of 20%.
- Applicants may combine bonuses from different affordability levels, up to a maximum of 35%. State law requires that projects select one income-based category to define the bonus.

The HOME-SF and “Analyzed” programs include a pre-vetted menu of concessions, incentives or waivers for applicants to select. The menu was developed through an independent study commissioned by the City; each pre-vetted item was deemed consistent with the SDBL, recognized as being generally required to provide for affordable housing costs, and assessed by the City to not have a specific, adverse impact. The menu of concessions and waivers for the HOME-SF and “Analyzed” program is provided in Table 12:

Table 12 - Pre-Approved Concessions and Waivers in San Francisco

CONCESSION	AMOUNT
Rear Yard Setback	Reduced to greater of 20% of lot depth or 15 feet
Dwelling Unit Exposure	Exposure requirements may be met with windows facing an open area within 25ft
Off-street Loading	Requirement can be waived
Automobile Parking	Up to 50% reduction (up to 75% in the HOME-SF program)
Open Space	Up to a 5% reduction in common open space requirements
Open Space 2	A second 5% reduction in common open space requirements
Inner Court Open Space	HOME-SF Only: a space at least 25ft. x 25ft. can qualify as common open space

Santa Cruz



- Number of Density bonus applications received:** Limited density bonus utilization.
- Affordability Levels Targeted for Density Qualification:** Limited density bonus utilization.
- Types of Projects Requesting Density Bonuses:** Limited density bonus utilization.
- Location of Density Bonus Projects:** N/A.
- Requests for Density Bonus Regulatory Changes from Developers:** None, low familiarity.
- Requests to Update the Local Ordinance to Comply with State Law:** Exploring an update.
- Is the Community Considering Densities Over 35%:** Considered as part of pending update.

The City of Santa Cruz is currently working on an update to the local density bonus ordinance as the current ordinance, which mirrors State law, is out of date. The City has processed only one density bonus project (in 2016) that was a 100% affordable housing project. The economic downturn, and density bonus impediments incorporated into the local density bonus ordinance in 2006 have resulted in limited use of density bonus in the city. Staff have indicated that developers generally are not familiar with the SDBL and how it may be applied to their projects. City-led efforts to broaden understanding of the law and encourage its implementation have been positive, however developers continue to struggle to identify ways to apply the law.

The City's 2006 ordinance was adopted reluctantly as density bonus was perceived to undermine the local zoning ordinance and its provisions to ensure compatibility with existing neighborhoods. To limit excessive deviations from design review standards established in local code, the City applied a tiered process to review concessions that made it onerous for applicants and limited predictability in the process. Concessions that were deemed to have heightened sensitivity were subject to Planning Commission or Council review (e.g. increases in height, bulk, and floor area), which stalled project processing and effectively deterred applicants. The City also required developers to submit detailed pro formas to justify requested incentives, concessions, waivers, or reductions.

Density Bonuses that Exceed 35%

Density bonuses over 35% are being contemplated in the current update to the local density bonus ordinance, however the City is also considering implementing these bonuses through an update to the local inclusionary housing policy (also currently underway). The City is also seeking to achieve the intent of the SDBL by revising base zoning standards in targeted areas that have a greater capacity to support development, such as along primary corridors.

Sonoma County



Number of Density bonus applications received: 11 applications, 492 units.

Affordability Levels Targeted for Density Qualification: Very Low- and Low-Income.

Types of Projects Requesting Density Bonuses: Multi-family, some subdivisions.

Location of Density Bonus Projects: Within urban service areas.

Requests for Density Bonus Regulatory Changes from Developers: Fee reductions.

Requests to Update the Local Ordinance to Comply with State Law: No, in County workplan.

Is the Community Considering Densities Over 35%: 80% apply through the local program versus State law to take advantage of extra density bonuses.

Sonoma County provides four density bonus programs for applicants, although not all can be correlated to the State Density Bonus Law:

1. State law, granting bonuses up to 35%
2. *County Supplemental* Density Bonus, augmenting SDBL for bonuses up to 50%
3. Type A or *Rental*, granting bonuses up to 100% by right (not related to SDBL), but not exceeding 30 dwelling units per acre.
4. Type C or *Small-Lot Conversion*, grants density bonus in low-density areas, allowing development of up to 11 units per acre (not related to SDBL)

Most density bonus applications processed by the County take advantage of density bonuses beyond State law. Most applicants choose the Type A or *Rental* program, which provides a 100% density bonus by right when 40% of total proposed units are designated as affordable units. Projects that are eligible under any of the four density bonus programs are entitled to guaranteed and additional discretionary incentives as follows:

- Guaranteed Incentives:
 - Fast-track permit processing; rental projects take precedence over for-sale projects;
 - Concurrent processing when projects require multiple permits
 - Preference to affordable housing developments in priority development areas.
- One of the following discretionary incentives per project:
 - Elimination of covered parking requirements;
 - A 20% reduction of any open space requirements;
 - 20% reduction in the minimum parcel size or minimum parcel width;
 - A 5-foot reduction in side setbacks, and a 10-foot reduction in front setbacks
 - Another incentive that results in identifiable cost reductions for the construction of affordable housing.

Up to two additional incentives are available in compliance with the concession table outlined in the SDBL for projects that provide more than the minimum required number of affordable units (see Table 2). The County is also authorized to grant two or more additional incentives for projects that meet other Housing Element goals (e.g., provision of housing for seniors or individuals special housing needs, including the provision of housing meeting Universal Design standards), provide greater or longer-term affordability, or projects that provide a greater number of affordable units than are otherwise required. Additional incentives that may be granted are proportional in number to the additional affordable and/or special needs housing that is provided.

Density Bonuses that Exceed 35%

The *County Supplemental* program augments the SDBL by allowing bonuses of up to 50% for projects that provide a certain number of affordable units and other specialized housing units as summarized in Table 13. For example, a project providing 30% low-income units, where 10% of the units in the project overall are “family units,” would qualify for a density bonus of up to 50%.

Table 13 – Features of Housing Projects that Qualify Projects for Supplemental Density Bonuses

Project Housing Income Level and Type:	% of Project Units	Accessible Units	Family Units (3Br+ & 5persons+)	Energy Efficiency ^A	3 tenets of Universal Design
Extremely low-income	10%				
Very low-income	20%				
Low-income, senior	30%				
Low-income	30%	10%			
Low-income	30%		10%		
Low-income	40%				
SDBL-eligible				•	
Low-income	30%				100%

A: 33% or more of total units are powered by on-site renewable energy that generates at least 70% of the projected electrical energy demand of the units or results in an equivalent reduction in utility costs

The Type A or *Rental* program is design for projects with two or more rental units that are located within the Type A overlay zones (areas that correspond to the R-2 (Medium Density Residential) and R-3 (High Density Residential) zoning districts that allow up to 12 and 20 dwelling units per acre, respectively). The *Rental* program provides a 100% density bonus by right so long as the resultant density does not exceed 30 units per acre. A significant benefit cited by County staff is that rental applicants have consistently chosen to utilize the Type A density bonus in-lieu of paying the County’s inclusionary housing rental impact fee. This program has served as a tool for the County to achieve on-site affordable rental units within the parameters of the Costa-Hawkins Rental Housing Act.

The Type C or *Small-Lot Conversion* program is designed for projects of four or more base dwelling units, located areas designated in the General Plan as Urban Residential with a density of two to six dwelling units per acre, and that are zoned R-1 or R-2. Eligibility for the Type C program is established by providing a minimum of 20% of the for-sale units for very low- or low-income households, with remaining units reserved for sale to low- and moderate-income households.

The Type C *Small-Lot Conversion* program is available only in low- and medium-density residential areas (where the permitted densities range from four to six dwelling units per acre). The Type C program allows for small-lot subdivisions at a density of up to 11 units per acre in these areas. Depending on the base density of the site, the Type C program could translate into a density bonus of between 183% (in areas zoned for six dwelling units per acre) and 275% (in areas zoned for 4 dwelling units per acre). To qualify under the program, projects must comply with site development standards that regulate minimum parcel sizes and parcel orientation.

Applicants may also choose incentives that the Planning Commission bases on the level of affordability provided. The applicant is always allowed two incentives; however, if the project provides more than the minimum number or level of affordability, additional incentives are available. Applicants typically provide family-size units, over other amenities, to qualify for the additional incentives.

Summary of Findings

Table 14 below provides a summary table of the density bonus ordinance review conducted with interviewed jurisdictions and other comparable cities. For planning purposes in Santa Rosa, the table also includes a basic overview of the maximum density bonus permitted in jurisdictions in the immediate vicinity of the City: Novato, Petaluma, Rohnert Park, Cotati, Windsor, and Healdsburg. Table 15 provides an overview of application requirements for density bonus projects across the ten interviewed cities.

It is important to note that few jurisdictions have adopted updates to their ordinances to reflect the most recent changes in SDBL which took effect January 2017.

Table 14 - Summary Table of Density Bonus Regulations for Comparable Cities to Santa Rosa

JURISDICTION	Pop. 2015 Est. ¹	RHNA ²	Date DB Adopted	Max Density (Max DB %)	Area Subject to DB >35%	Affordable Units Built (Anecdotal Impression from Staff if "High/Low")		Ordinance Reference	Comments
						2007-14 ³	Due to DB:		
Antioch	107,501	768	2016	35 du/acre (Add 70% w/ DB)	SH, R-6, R-10, R-20, R-25, R-35	862	N/A	9-5.35	• DB >35% tied to housing type
Berkeley	117,384	1,558	2017	100 du/acre (Add 35% w/ DB)	N/A	193	N/A	23C.12	
Concord	126,268	1,801	2015	85 du/acre (Add 35% w/ DB)	N/A	10	N/A	18.185.050	
Daly City	104,930	809	2014	145 du/acre (Add 35% w/ DB)	N/A	170	N/A	17.52	
Emeryville	10,830	746	2015	85 du/acre (Add 100% w/DB)	Overlay Districts	141	High	9-4.204	• DB >35% with CUP, unless part of PUD • Point-based system
Fairfield	109,468	1,639		22 du/acre (Add 35% w/ DB)	N/A	33	N/A	25.38	
Fremont	225,221	3,618		70 du/acre (gross) (Add 35% w/ DB)	N/A	492	N/A	18.165.100	
Hayward	152,401	1,766	2005	55 du/acre (net) (Add 35% w/ DB)	N/A	296	Low	10-19.100-280	
Napa	79,113	432	2011	60 du/acre (Add 100% w/ DB)	Discretionary	276	Low	17.52.130	• DB >35% with CUP, tied to affordability, design, public benefits, or amenities
Oakland	408,073	6,949	unknown	103 du/ac (Add 35% w/DB)	Retail Priority	1,689	N/A	17.107	
Richmond	107,597	1,153	2016	120 du/acre (No DB Max.)	Discretionary	470	High	15.04.602	• DB >35% with CUP and PC review
Sacramento	480,566	12,893	unknown	175 du/acre (net) (Add 50% w/ DB)	Discretionary	N/A	Low	17.704	• DB >35% for "green" building standard • DB >35% with CUP review
San Francisco	840,763	16,333	2017	218 du/acre (No DB Max.)	Density controlled by units:lot area and the RH-3 zone	6,635	N/A	206.3, 26.5, 206.6	• DB >35% with CUP and PC review
San Mateo	101,335	1,858	2008	50 du/acre (Add 35% w/ DB)	N/A	324	N/A	27.16.060	
Santa Cruz	62,752	434	2006 ⁴	27.5 du/acre (Add 35% w/ DB)	N/A	N/A	Low	24.16	
Sonoma (County)	495,078	936	2014	20 du/acre (Add 100% w/ DB)	Urban-Residential Zones	417	492	26-89-050	

JURISDICTION	Pop. 2015 Est. ¹	RHNA ²	Date DB Adopted	Max Density (Max DB %)	Area Subject to DB >35%	Affordable Units Built (Anecdotal Impression from Staff if "High/Low")		Ordinance Reference	Comments
						2007-14 ³	Due to DB:		
Vallejo	118,995	672	2015	27 du/acre (defers to SDBL)	N/A	29	N/A	N/A	Density bonus permitted for PUD, however this is not compliant with SDBL
Santa Rosa	172,066	2,287	2012	40 du/acre (Add 35% w/ DB)	N/A	1,450	195	20-31	See notes above
<i>Maximum Density Bonus Available in Communities near Santa Rosa that may constitute the City's competitive housing development market (as identified with City Staff)</i>									
Novato	54,133			SDBL	19.25.040: The City shall grant a local Senior Density Bonus to 30 dwelling units per acre (may exceed 35% SDBL maximum) for a senior housing development located in and compliant with the Affordable Housing Opportunity Overlay District pursuant to Section 19.16.070.				
Petaluma	59,340			SDBL	Implementing Zoning Ordinance Chapter 27: No provisions provided for supplemental density bonuses.				
Rohnert Park	41,651			SDBL	Zoning Ordinance Section 17.07.020: No provisions provided for supplemental density bonuses.				
Cotati	7,376			SDBL	Zoning Ordinance Chapter 17.32: The city may choose to grant a density bonus greater than SDBL for a development that meets the requirements of this section. No clarification is provided on supplemental bonuses				
Windsor	27,205			SDBL	Zoning Ordinance Section 27.22.030: Density bonuses of up to 50% may be granted for projects that are 100% affordable to low and/or very low income.				
Healdsburg	11,539			SDBL	Zoning Ordinance Section 20.20.035: Additional unspecified density bonus percentages may be granted for projects that meet SDBL and all units are at least affordable to moderate-income households				

1. Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates
2. Sources: Association of Bay Area Governments, Regional Housing Need Plan San Francisco Bay Area 2014-2022; Sacramento Area Council of Governments, Regional Housing Needs Plan 2013-2021; Association of Monterey Bay Area Governments, Regional Housing Needs Allocation Plan: 2014 - 2023; Units represent Regional Housing Needs Allocation for Very Low, Low, and Moderate Income levels only. Above Moderate income level units are not included.
3. Source: Association of Bay Area Governments (2015) San Francisco Bay Area Progress in Meeting 2007-2014 Regional Housing Need Allocation (RHNA)
4. Density bonus ordinance update currently underway.

Table 15 - Summary of Application Requirements for Density Bonus Projects

Application Requirements	Santa Rosa	Berkeley	Emeryville	Hayward	Napa	Oakland	Richmond	Sacramento	San Francisco	Santa Cruz	Sonoma County
<i>Project description</i>	X		X	X		X	X				X
<i>Requested concession/incentive</i>	X	X	X	X		X	X			X	X
<i>Requested waivers/modifications</i>		X								X	X
<i>Additional incentives/concessions & rationale</i>		X		X				X			X
<i>Justification</i>	X	X	X	X	X		X				X
<i>Core project Info (e.g. bedrooms/unit, tenure, parking spaces, type of unit)</i>	X										
<i>Density Bonus Application Type (e.g. affordable, senior, land donation, etc.)</i>	X	X		X	X	X	X	X	X	X	X
<i>Number of affordable units (and affordability level)</i>	X	X		X					X	X	X
<i>Location of existing utilities/facilities</i>	X										
<i>Number of base units</i>		X								X	
<i>Financial pro forma statement</i>		X				X				X	
<i>Percent density bonus requested</i>		X	X		X	X		X		X	
<i>Schematic plans of 'base project' that complies with zoning requirements</i>		X									
<i>Maps (vicinity, context, bonus units and affordable units)</i>	X			X							
<i>Environmental Assessment</i>	X										
<i>Indemnification Agreement</i>	X										
<i>Site Plan</i>	X			X	X		X		X		X
<i>Documentation that applicant has given written notification to affected existing commercial tenants</i>									X		
<i>Density bonus/concession for child care facility must show location and square footage</i>										X	
<i>Density bonus/concession for land donation must show location of land to be dedicated</i>										X	
<i>City's may waive development fees to support affordable housing aspect of the development</i>			X			X			X	X	
<i>Applications for Density Bonuses are processes concurrently with related entitlements</i>			X	X		X	X	X		X	X
<i>Provides a Bonus Over 35%</i>			X		X		X	X	X		X
<i>Conditional Use Permit Required for Bonuses over 35%</i>			X		X		X	X	X		

IV. RECOMMENDATIONS FOR THE SANTA ROSA DENSITY BONUS ORDINANCE

The following recommendations are provided for the update to the Santa Rosa density bonus program based on the research outlined above and feedback received from peer jurisdictions. Reference tables and figures are provided with each item, and supplemental material is provided in Appendix C (mapping of key factors that contributed to the Area Designation where supplemental density bonuses are recommended in Santa Rosa), and Appendix C (renderings of hypothetical density bonus projects, with supplemental density bonuses for illustrative purposes).

1. **Consistency.** Update the local density bonus ordinance to comply with state law (Table 7).
2. **Areas with No Density Limits.** Develop a structure, modelled after Berkeley’s methodology to assess density bonus applications in areas with no residential density maximum, and:
 - eliminate the requirement for scenario-based pro formas as these additional studies undermine recent amendments to State law pertaining to application requirements.

Table 16 summarizes the recommended process in areas with no density maximum:

Table 16 - Proposed Santa Rosa Worksheet for Density Bonus Projects in Areas without Density Limits

STEP	ITEM	EXAMPLE
	Applications must submit a project designs that illustrates the base project, and density bonus components. The base project design shall: <ul style="list-style-type: none"> • substantially conform to Santa Rosa development standards and design guidelines • comply with building and fire codes The density bonus component shall: <ul style="list-style-type: none"> • be substantially consistent with the footprint, setbacks, and ceiling heights of the base project (not including concessions/incentives/waivers/reductions). The design shall clearly identify residential and non-residential floor area. Residential floor area shall include living spaces and related utility, circulation, and amenity areas.	
A	Identify the floor area dedicated to residential uses	<i>15,000 sq. ft.</i>
B	Identify the proposed number of dwelling units in the base project	<i>17 units</i>
C	Calculate <i>Average Unit Size</i> (B ÷ A), round down to whole number <i>As a condition of approval for the project, the average unit size must be maintained in the project unless a concession is granted that allows otherwise.</i>	<i>882 sq. ft.</i>
D	Calculate average number of project units (A ÷ C), round down to whole number	<i>17 units</i>
E	Define the number and income level of <i>below market rate</i> (BMR) units, round up	<i>3 (low income)</i>
F	Determine percentage of BMR units relative to total units (E ÷ D), round up	<i>17%</i>
G	Calculate the eligible density increase (%) based on F using SDBL tables <i>e.g. 17% low-income BMR units = 20% density bonus + (1.5% x 7) = 30.5%</i>	<i>30.5%</i>
H	Calculate the number of bonus units granted for the project (G X D), round up	<i>6 units</i>
I	Determine the eligible number of concession based on F and SDBL §65915(d)	<i>1 concession</i>
J	Review written request for concession(s)/incentive(s), determine if it may be denied per SDBL 65915(d)(1)	
K	Review written request for waivers and determine whether it may be denied per SDBL 65915(d)(1)	

3. The Santa Rosa Housing Action Plan directs the City to adopt supplemental density bonuses that exceed the State-mandated 35% with consideration of bonuses up to 100% (see Program #1, and page 22). The following recommendations are provided for structuring the supplemental density bonus program (i.e. bonuses above the SBLD's 35% maximum):
 - **Location.** Supplemental density bonuses should be targeted to neighborhoods in compliance with Santa Rosa General Plan objectives, notably the Priority Development Areas (Policy H-C-6). Supplemental density bonuses should be reduced in neighborhoods identified for preservation or those that may be subject to excessive development pressure (Policy LUL-C-9).

The City should pursue a three-tiered program that establishes Supplemental Density Bonus Area Designations allowing bonuses of up to 60%, 80%, and 100% in appropriate areas reflecting local development patterns. Several factors—taken together—should determine the boundaries of the Area Designations within city limits. Appendix C provides a detailed review of each of the factors highlighted below (including maps) that have been identified as relevant to defining the boundaries for the supplemental density bonus Area Designations in Santa Rosa:

- Priority Development Areas (PDAs) and Service Capacity
- Land Use Designations that allow denser residential development
- Proximity to single-family neighborhoods
- Existing conditions, infrastructure and development patterns
- Redevelopment Impediments
- Access to transit that enables reduced parking per AB 744 updates to SDBL
- Proximity to Schools
- Preservation Districts

Table 17 provides a summary of the structure of the Area Designations for Santa Rosa based on these factors and Map 4 shows the boundaries of the Area Designations within the city. Community input is needed to refine these boundaries.

Table 17 - Recommended Supplemental Density Bonus Area Designations Based on Locational Factors

General Plan Land Use Designation <i>Color Code Matches Map 1, Appendix C</i>	Base General Plan Density (du/acre)	In Relation to Adopted Priority Development Areas:		Property Located within an -H Overlay	Relevant Adjustment Factors ³		
		Inside	Beyond		Properties Located within 0.5 miles of a Major:		Located >0.5miles from a School
					Bus Route ¹	Transit Stop ²	
<i>Residential Land Use Designations</i>							
Med.-Low Density Residential	8-13	60%	35%	35%			
Med. Residential	8-18	80%	60%	35%		+20%	
Med.-High Residential	18-30	100%	80%	35%		+20%	-20%
<i>Mixed-Use Land Use Designations</i>							
Retail/Med. Residential	8-18	100%	80%	35%		+20%	
Office/Med. residential	8-18	100%	80%	35%		+20%	
Office/High Residential	18-30	100%	80%	35%		+20%	
Public Institutional/Med. Residential	8-18	100%	80%	35%		+20%	
Light Industrial/Med. Residential	8-18	100%	80%	35%		+20%	
<i>Non-Residential Land Use Designations that Allow Residential Development</i>							
Transit Village Med.	25-40	100%	100%	100%			
Transit Village Mixed Use	40 min.	100%	100%	100%			
Retail & Business Services	-	100%	100%	60%			





Note: 0% designations indicate the property is not eligible for a supplemental density bonus; standard bonuses (up to 35%) still apply

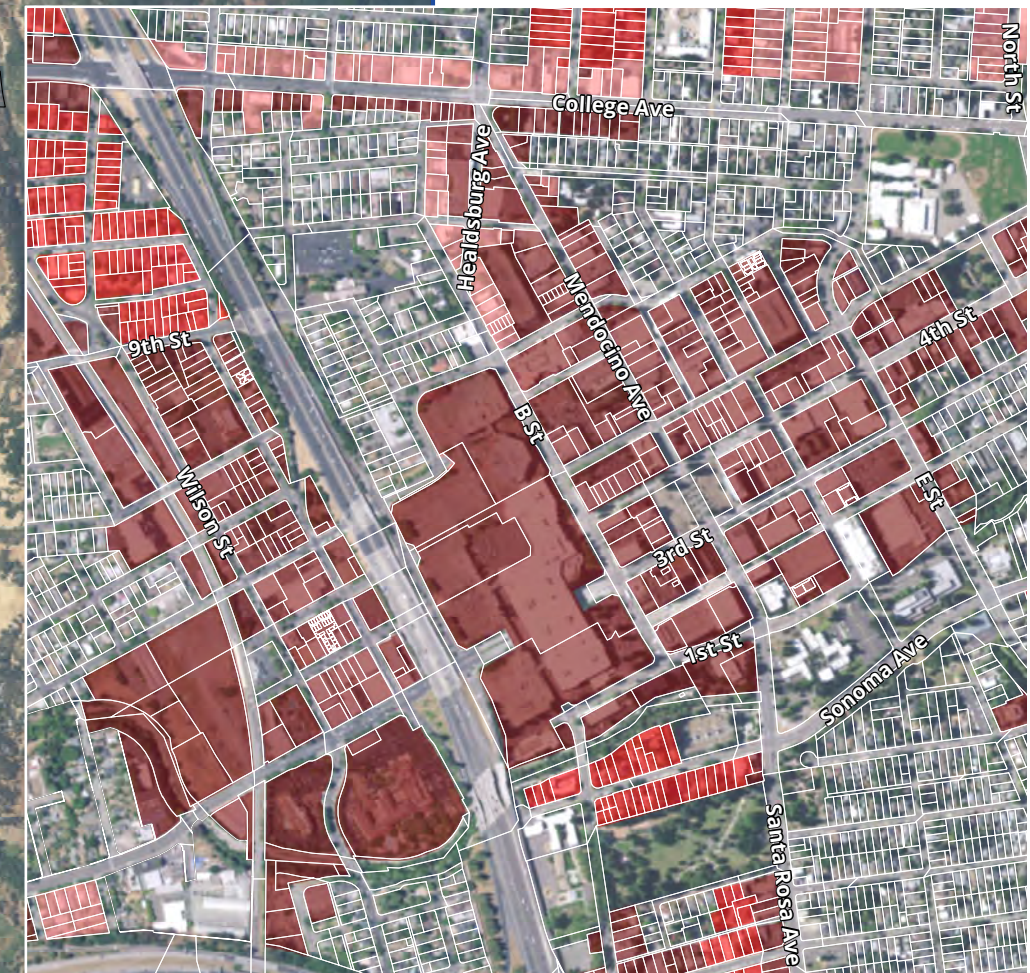
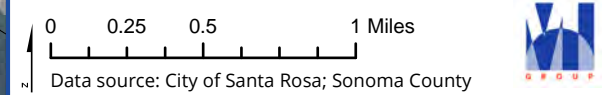
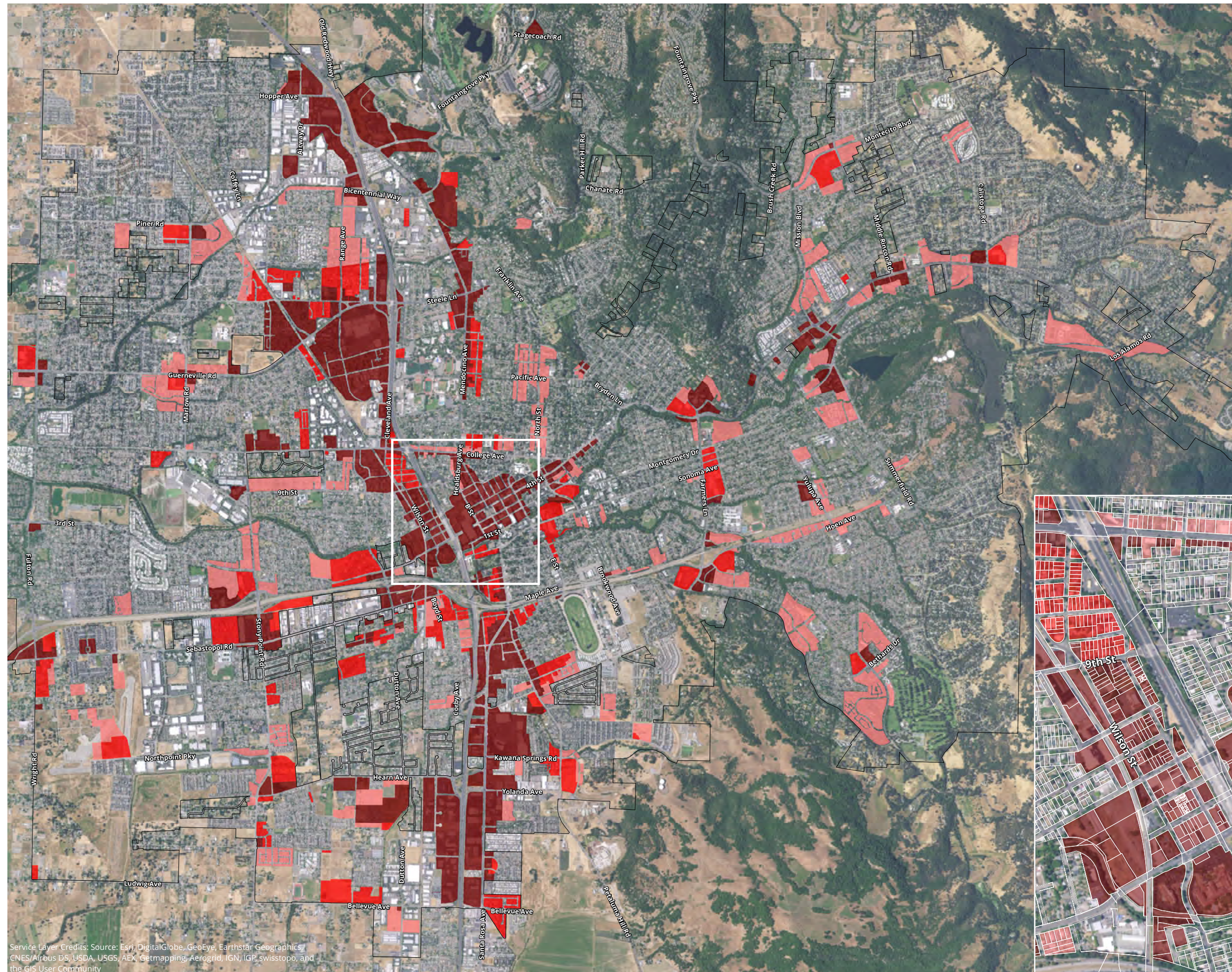
1: Bus Route (Major) includes bus routes in Santa Rosa that provide service at least eight (8) times per day.

2: Transit Stop (Major) includes SMART stations and intersections of bus routes providing 15-minute service (i.e. routes 1, 3, and 5)

3: The relevant adjustment factors in the final three columns augment the supplemental density designations derived from location within PDAs and preservation districts. For example, A property in a Med.-High Residential Land Use Designation located outside of PDA, but within ½-miles of a major transit stop would be placed in the 100% Area Designation. If the property is located further than ½ -mile from a school, the property is placed in a lower, moving from the 80% to the 60% area designation. Only the relevant land use designations that are affected by these adjustment factors are listed (i.e. blank cells indicate the occurrence doesn't exist in Santa Rosa. For example, there is no case where a property is in the Transit Village Med. Land use designation and not located near a major transit stop.)

MAP 4 - SUPPLEMENTAL DENSITY BONUS AREA DESIGNATIONS

-  City of Santa Rosa
-  Max Bonus Permitted: 60%
-  Max Bonus Permitted: 80%
-  Max Bonus Permitted: 100%



Service Layer Credits: Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

- **Processing.** Applications for supplemental density bonuses (exceeding the SDBL provisions) should be reviewed through a Conditional Use Permit process to evaluate compliance with the supplemental density bonus provisions outlined below.
- **Points-Based Eligibility System.** Once a project has met the requirements of the SDBL (by meeting affordable and or specialized housing criteria and other standard SDBL requirements), a point-based system modelled on Emeryville's approach should be used. The following formula should be used to calculate the number of points that are required to be eligible for a requested supplemental density bonus within the Area Designations shown in Map 4:

Points Required = (Supplemental Bonus Request ÷ Bonus Increment) x 100
Results must be rounded up to the next whole number factor of 5.

Bonus Request: the percentage amount of density requested above the SDBL maximum

Bonus Increment: the difference between the maximum supplemental bonus amount available in the area designation (60%, 80%, or 100%) and the SDB maximum of 35%.

Proposed Supplemental Density Bonus Example:

A project located in the 80% Supplemental Density Area Designation has established eligibility under SDBL by meeting the low-income housing requirements to achieve a 35% density bonus (i.e. 20% of the total units proposed are designated for low-income households). The project would like to receive a total density bonus of 75% (i.e. add a supplemental density bonus of 40% to the 35% bonus from SDBL). The number of points that the project will need to generate under the proposed supplemental density bonus program in Santa Rosa would be:

$$\text{Points} = (40\% \div (80\% - 35\%)) \times 100 = (40\% \div 45\%) \times 100 = 88.89 \text{ points}$$

88.89 rounds up to **90 points**.

- **Generating Points.** Applicants must meet the required point total established by the formula above by providing affordable housing; a portion of the point total may be met by providing certain community benefits consistent with community needs and the General Plan, as defined below.
 - i. **Points through Affordable Housing.** A minimum of 60% of the required number of points must be met through affordable housing using the schedule outlined in Table 18. The schedule ensures that affordable housing provided to generate points toward a supplemental density bonus are provided across a spectrum of affordability levels for rental units. Specialized housing that is restricted for very low-income households generate points more effectively in order to incentivize the production of those units pursuant to General Plan Housing Element Policy H-D-1.

Table 18 - Supplemental Density Bonus Point Generation Schedule for Affordable Housing

POINTS AWARDED	TOTAL	RENTAL PROJECTS: INCOME LEVEL			SPECIALIZED V. LOW INCOME	FOR-SALE MODERATE INCOME
		VERY LOW	LOW	MODERATE		
5	12.5%	2.8%	4.3%	5.3%	5.5%	20.5%
10	13.0%	2.9%	4.5%	5.5%	6.0%	21.0%
15	13.5%	3.1%	4.7%	5.8%	6.5%	21.5%
20	14.0%	3.2%	4.9%	6.0%	7.0%	22.0%
25	14.5%	3.3%	5.0%	6.2%	7.5%	22.5%
30	15.0%	3.4%	5.2%	6.4%	8.0%	23.0%
35	15.5%	3.5%	5.4%	6.6%	8.5%	23.5%
40	16.0%	3.6%	5.6%	6.8%	9.0%	24.0%
45	16.5%	3.7%	5.7%	7.0%	9.5%	24.5%
50	17.0%	3.9%	5.9%	7.2%	10.0%	25.0%
55	17.5%	4.1%	6.2%	7.7%	10.5%	25.5%
60	18.0%	4.2%	6.5%	7.9%	11.0%	26.0%
65	18.5%	4.3%	6.6%	8.1%	11.5%	26.5%
70	19.0%	4.4%	6.8%	8.3%	12.0%	27.0%
75	19.5%	4.6%	6.9%	8.6%	12.5%	27.5%
80	20.0%	4.6%	7.1%	8.7%	13.0%	28.0%
85	20.5%	4.7%	7.3%	8.9%	13.5%	28.5%
90	21.0%	4.8%	7.5%	9.1%	14.0%	29.0%
95	21.5%	5.0%	7.6%	9.4%	14.5%	29.5%
100	22.0%	5.2%	7.8%	9.5%	15.0%	30.0%

- iii. **Point-Generation Alternatives to Affordable Housing.** Once at least 70% of the required points are generated through affordable housing, the remaining 30% can be met through additional affordable housing per Table 18, or through community benefits outlined in Table 19 at the applicant’s discretion. The community benefits outlined in Table 19 are consistent with community goals as expressed in the General Plan

Table 19 Affordable Housing Alternative: Point Generation Schedule

Community Benefit	Point Calculation	Notes
Public Open Space ¹	Greater of 5% of site area or 1,000 s.f.: 20 points	Must be in addition to open space requirements necessary for Design Review approval, other entitlement approvals, and standard impact fees.
	Greater of 10% of site area or 1,000 s.f.: 30 points	
	Greater of 15% of site area or 1,000 s.f.: 40 points	
	1% of project construction valuation to Park Impact Fee: 10 points per 1%	
Historic or Landmark Preservation	1% of project construction valuation toward rehabilitating or improving a landmark property: 10 points per 1%	If property is not owned, joint rehabilitation-improvement agreement must be submitted with landmark property owner.
Infrastructure/ Capital Improvement	1% of project construction valuation to Capital Facilities/Utilities Impact Fees: 10 points per 1%	Must be in addition to improvements required for Design Review or other entitlement approvals.
Providing family-sized rental units (Housing Policy H-C-13).	10% of the number of affordable units supplied to generate the points for the supplemental density bonus: 5 points for each 10% increment	To meet the 10% provision, the required units must be rounded up to a whole number.
Innovative Community Benefit	The City Council may determine the number of points to grant for a proposed, innovative community benefit based on schedule of 10 points per 1% of project construction valuation	The benefit must be significant and substantially beyond normal requirements.

1: Design must comply with applicable provisions of the Santa Rosa Design Guidelines and be approved as part of design review for the project. Open space must be accessible to the public at all times. Provision must be made for ongoing operation and maintenance in perpetuity.

4. **Concession or Incentive Vetting.** A clear system for vetting concessions and incentives is crucial to avoid legal challenges and costs, and to avoid inadvertently undermining the density bonus program. Clear vetting procedures and standards provide transparency for developers, the City, and the community. Pre-vetted concessions are, as is provided in San Francisco’s HOME-SF and “Analyzed” programs, provide ultimate clarity and allow the community more control over how density bonus projects are integrated architecturally into neighborhoods.

However, relying solely on pre-vetted concessions and preventing other modifications to development standards can be exceedingly restrictive. Therefore, a hybrid approach is recommended for Santa Rosa. Pre-approved concessions in Santa Rosa provide transparency and predictability; but applicants should have the option to request other concessions or incentives and submit the requests for review. Table 20 outlines four concessions that Santa Rosa could consider as pre-approved; these concessions or incentives are based on requests granted for completed density bonus projects (Appendix A), as well as an analysis of Santa Rosa design guidelines and development standards.

Table 20 - Recommended Pre-Approved Concessions for Supplemental Density Bonus Projects

CONCESSION	AMOUNT
Setback Areas	Reduction of up to 25%, but not to be less than 20% below the average of the developed lots on the same block face.
Automobile Parking	Up to 50% reduction where SDBL reduced parking ratios are not already applied; does not apply on rights-of-way with narrow travel lane widths where on-street parking could impair emergency access at the determination of the Planning and Economic Development Director in consultation with emergency services providers.
Coverage	Increase in allowable lot coverage by up to 10% of lot area
Height	Increase of the larger of up to 12 feet or 10% beyond current maximum permitted; all floors above two stories shall be stepped back a minimum of 6 feet.

5. Adopt expanded definitions or procedural clarifications to ambiguous or narrowly-defined policy language in the SDBL, including:
 - Clarifying what constitutes a significant, adverse impact when reviewing concession and waiver requests. Recommendations include:
 - The development project is proposed within a Preservation District and the proposed concession would irreparably alter a historic resource, either individual or district, in a manner that is inconsistent with the *Secretary of The Interior's Standards for the Treatment of Historic Properties with Guidelines for Preserving, Rehabilitating, Restoring & Reconstructing Historic Buildings*.
 - The development project is proposed on land which does not currently have adequate water or wastewater facilities to service the development, or the provision of such services infeasible at the level of residential density proposed in the development.
 - Pursuant to the SDBL amendments adopted in SB-2501, the City is prohibited from conditioning the submission, review, or approval of a density bonus application on additional reports or studies not described in the SDBL. Santa Rosa may require "reasonable documentation" to **establish eligibility** for incentives or concessions, waivers or reductions, or reduced parking ratios. To clarify application requirements, the City of Santa Rosa should not require a pro forma in conjunction with applications for concessions and incentives unless the City furnishes—in writing—a rationale for questioning the financial support that the concession or incentive will provide toward the production of affordable housing.

APPENDICES

Appendix A – Summary of Density Bonus Projects and Applicable Concessions in Santa Rosa

Project #	Application Name	Bonus Units	Total Units	No.	Street Name	Opened
PRJ16-018	Farmers Lane Senior Housing	5	26	201	FARMERS LANE	07/19/2016
PRJ16-003	Oak Park Village	1	7	1550	RIDLEY AVENUE	07/13/2016
PRJ16-015	The Farmstead	3	20	1315	LIA LANE	06/13/2016
PRJ16-012	DeTurk Winery Village	48	185	8	W 9 TH STREET	05/24/2016
PRJ15-004	Benton Veteran's Village	2	7	1055	BENTON STREET	09/08/2015
MNP10-001	Kawana Springs Family Apts	6	42	786	KAWANA SPRINGS RD	01/06/2010
MNP09-019	Acacia Lane Senior Apts	4	43	657	ACACIA LANE	07/20/2009
MJP08-065	Lantana Place	28	96	2975	DUTTON MEADOW	06/27/2008
MJP06-017	DeTurk Winery Village	19	73	806	DONAHUE STREET	04/04/2006
MNP05-054	Colgan Meadows	13	84	3000	DUTTON MEADOW	12/08/2005
MJP04-028	Jennings Avenue Burbank Housing	2	162	1080	JENNINGS AVENUE	06/28/2004
MJP03-031	Olive Grove	47	128	1789	MARLOW ROAD	11/04/2003
MNP02-014	Transitional Housing	3	10	623	ASTON AVENUE	03/01/2002
MJP00-020	McBride Apartments	NA	80	2350	MCBRIDE LANE	07/11/2000
MNP99-046	Rossi Apartments	6	24	1503	RANGE AVENUE	08/04/1999
MJP99-022	La Esplanada	8	120	275	COLGAN AVENUE	06/03/1999

Issues or concessions identified for each project:

- **Farmers Lane Senior Housing:** Includes rezoning to Senior Housing and tentative map
 - Concessions for parking reduction.
- **Oak Park Village:** Approved with a small lot subdivision
 - Concessions for setbacks, site coverage, lot size, building height requirements.
- **DeTurk Winery Village:** Concession for reduced setback to 0 feet to match adjacent historic building.
- **Benton Veteran's Village at Firehouse 2:** Concessions for parking and setback reductions.
- **Kawana Springs Family Apartments:** Concessions for setback and parking reductions.
 - Issues identified included noise and aesthetic impacts.
- **Acacia Lane Senior Apartments:** Concession for parking reduction.
- **Lantana Place:** Concessions for setback, parking reductions, and density increase of 39%.
- **DeTurk Winery Village:** Included a rezoning to Residential. Concessions for setbacks.
- **Colgan Meadows:** Concessions for parking and setbacks.
- **Jennings Avenue Burbank Housing:** Concessions for setbacks and parking.
- **Olive Grove:** Concessions for setbacks, height limit, lot coverage, and parking.
- **Transitional Housing:** Included rezoning to PD district. Concessions for parking
 - Health risk study required to address soil contamination.
- **McBride Apartments:** Required annexation and a rezone to PD. Concessions for parking.
- **Rossi Apartments:** Included rezone to PD district with reduced setbacks.
- **La Esplanada:** No issues or concessions identified.

Appendix B – Interview Questions for Comparable Cities

Interviews conducted with local jurisdictions on their density bonus programs were discussion-based. Beyond confirming basic information about local ordinances and policies the interviews addressed the following specific questions:

1. Provide feedback on the local density bonus program:
 - a. How many density bonus applications have been received since the density bonus provisions were adopted in your jurisdiction?
 - b. How many affordable units have been created through the density bonus program?
 - c. What affordability levels are typically provided in base projects to qualify for density bonuses in your jurisdiction?
 - d. What types of development applications are taking advantage of density bonuses (i.e. subdivisions, multi-family residential, mixed-use, etc.)?
 - e. Where are density bonus projects typically locating? Are the majority in areas where base density is highest?
 - f. What revisions to the density bonus program are developers seeking?
 - g. If your ordinance has not been updated to comply with January 1, 2017 changes, has the jurisdiction received requests from developers to do so?
2. If the ordinance does not allow a bonus above the state-mandated 35%:
 - h. Has the community started exploring policies that allow more than 35% density bonus? Under what conditions is the extra bonus being considered?
 - i. Under what conditions is the extra bonus considered?
3. If the ordinance allows a bonus above the state-mandated 35%:
 - j. Have projects been taking advantage of the additional bonus provisions?
 - k. How have projects been qualifying for the additional bonus if there is more than one option to do so?
4. What improvements or modifications to your local density bonus program has the jurisdiction considered to address local needs or concerns?

Appendix C – Basis for Establishing Supplemental Density Bonus Area Designations

- **Priority Development Areas (PDAs) and Service Capacity:** The City has adopted six PDAs where increased residential development is expected around existing or planned transit infrastructure. All else being equal, properties within PDA boundaries should include greater supplemental density bonus opportunities. PDAs also signify areas where municipal services can accommodate increase demand. See **Map 1**
- **Land Use Designations.** The Santa General Plans includes a variety of land use designations. Supplemental density bonussing should be concentrated in areas with land use designations that support multi-family and mixed-use development. This includes the following designations:
 - Medium-Low Density Residential
 - Medium Density Residential
 - Medium-High Density Residential
 - Transit Village Medium
 - Transit Village Mixed-Use
 - Retail/Medium Density Residential
 - Office/High Residential
 - Office/Medium Residential
 - Public Institutional/Medium Residential
 - Light Industrial/Medium Residential
 - Retail and Business Services

See **Map 1**

Proximity to single-family neighborhoods. Supplemental density bonuses should be scaled down in closer proximity to predominantly single-family neighborhoods. See **Map 1**

- **Existing conditions, infrastructure and development patterns.** Areas in the city that provide natural or man-made buffers between high-density development and single-family residential areas can typically support greater density bonuses because of the buffering effects of physical features in the area (wide separation, screening, etc.). For this reason, Santa Rosa properties along major corridors are more suitable for greater density bonuses; these are reflected in mixed land use and higher density residential land use designations in the City's General Plan. See **Map 1**
- **Redevelopment Impediments.** Areas that are otherwise appropriate for increased residential density but that would require greater investment to be redeveloped into attractive residential or mixed-use environments should be provided with greater supplemental density bonuses to incentivize investment. Areas within the City's PDAs as well as properties in mixed-use and Retail and Business Service land use designations outside of PDAs, are allocated higher supplemental density bonus potential. See **Map 1**
- **Access to Transit:** Based on past density bonus projects (see Appendix A) in the City, parking is a common impediment to development and a frequently-requested concession. AB 744 (2015) introduced reduced parking standards for eligible density bonus projects by-right. Higher density bonuses should be available in areas that are within transit service areas as outlined in AB 744 and Density Bonus Law §65915(p). This reinforces the City's goal of focusing development near transit infrastructure. There are two broad distinctions that can be made regarding transit access:















- Proximity to bus routes with service at least 8 times daily. This is relevant to density bonus projects targeted to seniors or specialized housing (see Table 4).
- Proximity to major transit stations (SMART stations, and intersections of bus routes providing at least 15-minute service). This is relevant to projects with 100% affordable units and that are eligible for the maximum density bonus per the SDBL for providing very low- and low-income housing. If properties are located outside of PDAs, but within ½-mile of a major transit stations, the supplemental density bonus could be increased.

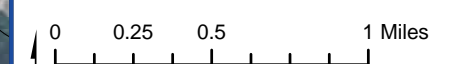
See **Map 2**

Proximity to Schools. Supplemental density bonuses should be encouraged in areas located within a half-mile distance of the city's schools. See **Map 2**

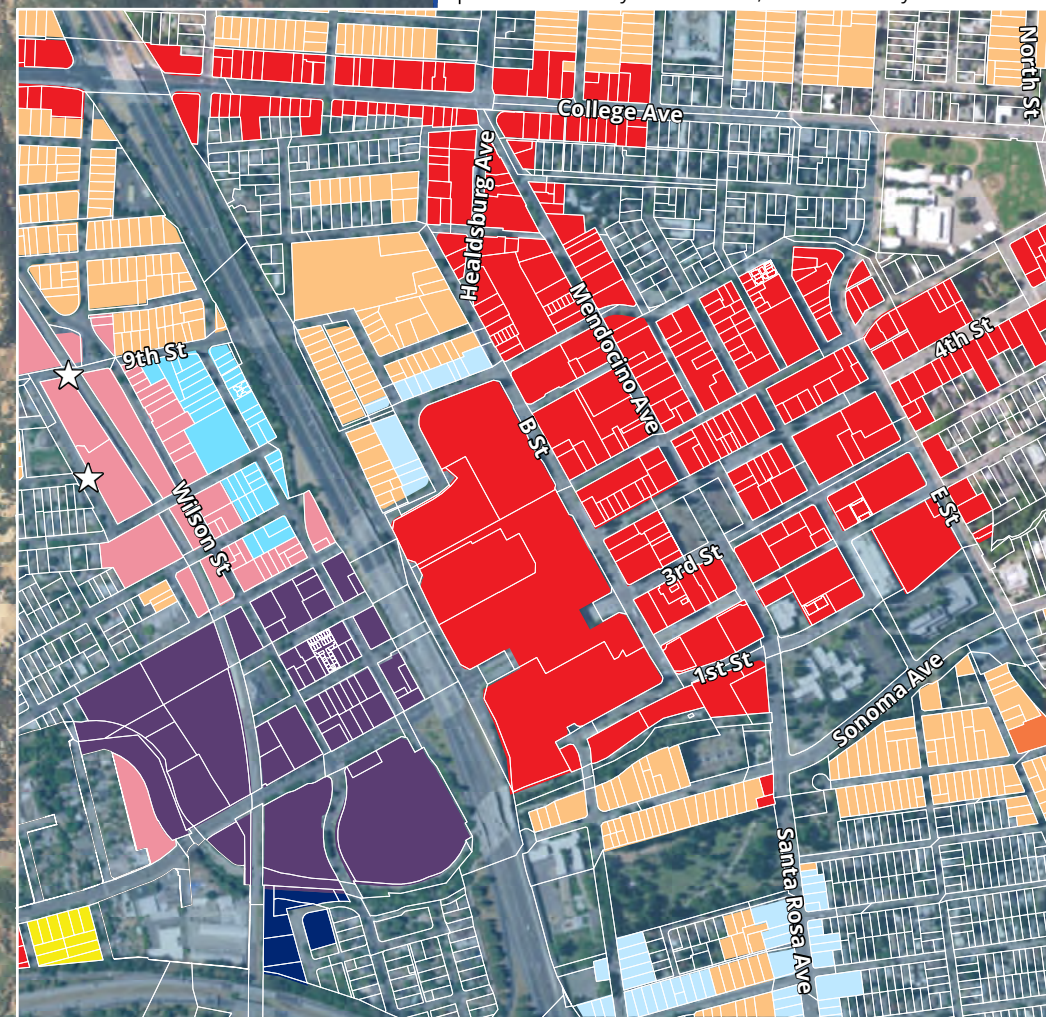
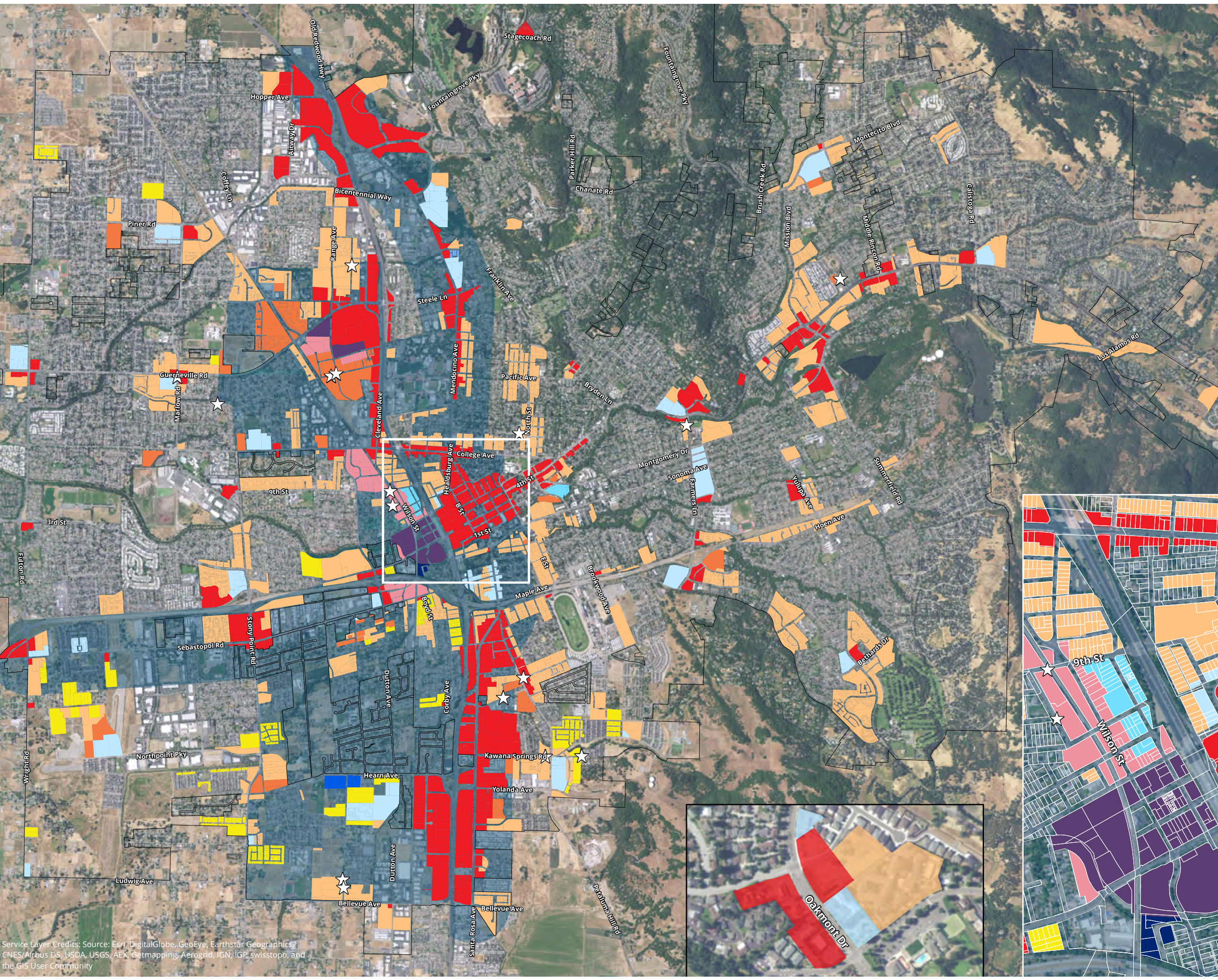
- **Preservation Districts.** The character and prevailing development pattern in Santa Rosa's preservation districts, which are clustered near the city's densest areas, should be protected. A comfortable transition from higher-density development (through reduced supplemental density bonuses) should be encouraged to limit out of scale development near predominantly single-family residential sections of the City's preservation districts. Properties on the peripheries of preservation districts, that front on major rights-of-way, or that abut larger development could be appropriate for modest supplemental density bonuses. See **Map 3**

MAP 1 - GENERAL PLAN LAND USE

-  City of Santa Rosa
-  Density Bonus Projects
-  Priority Development Areas
-  Med-Low Residential
-  Med Residential
-  Med-High Residential
-  Retail/Med Residential
-  Office/Med Residential
-  Office/High Residential
-  Public Institutional/Med Residential
-  Light Industrial/Med Residential
-  Transit Village Medium
-  Transit Village Mixed Use
-  Retail and Business Service








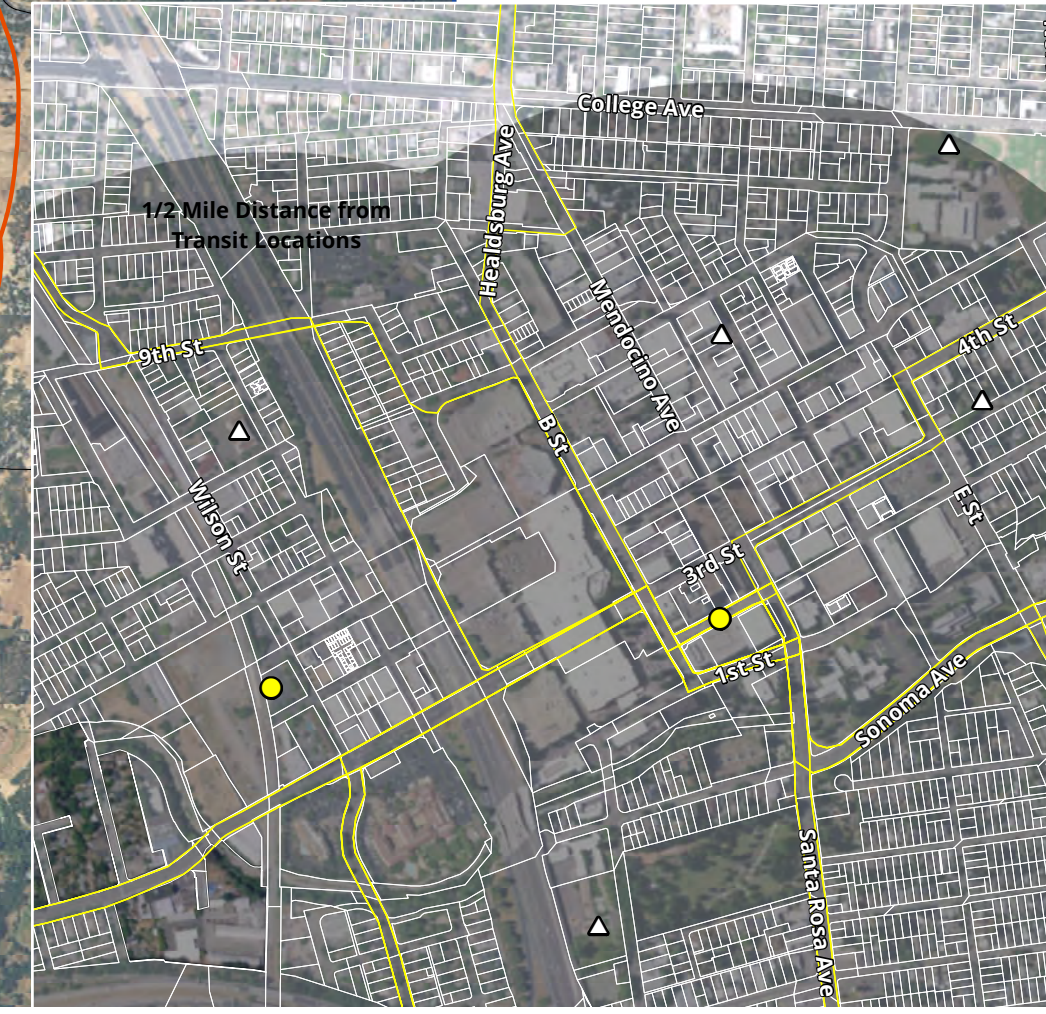
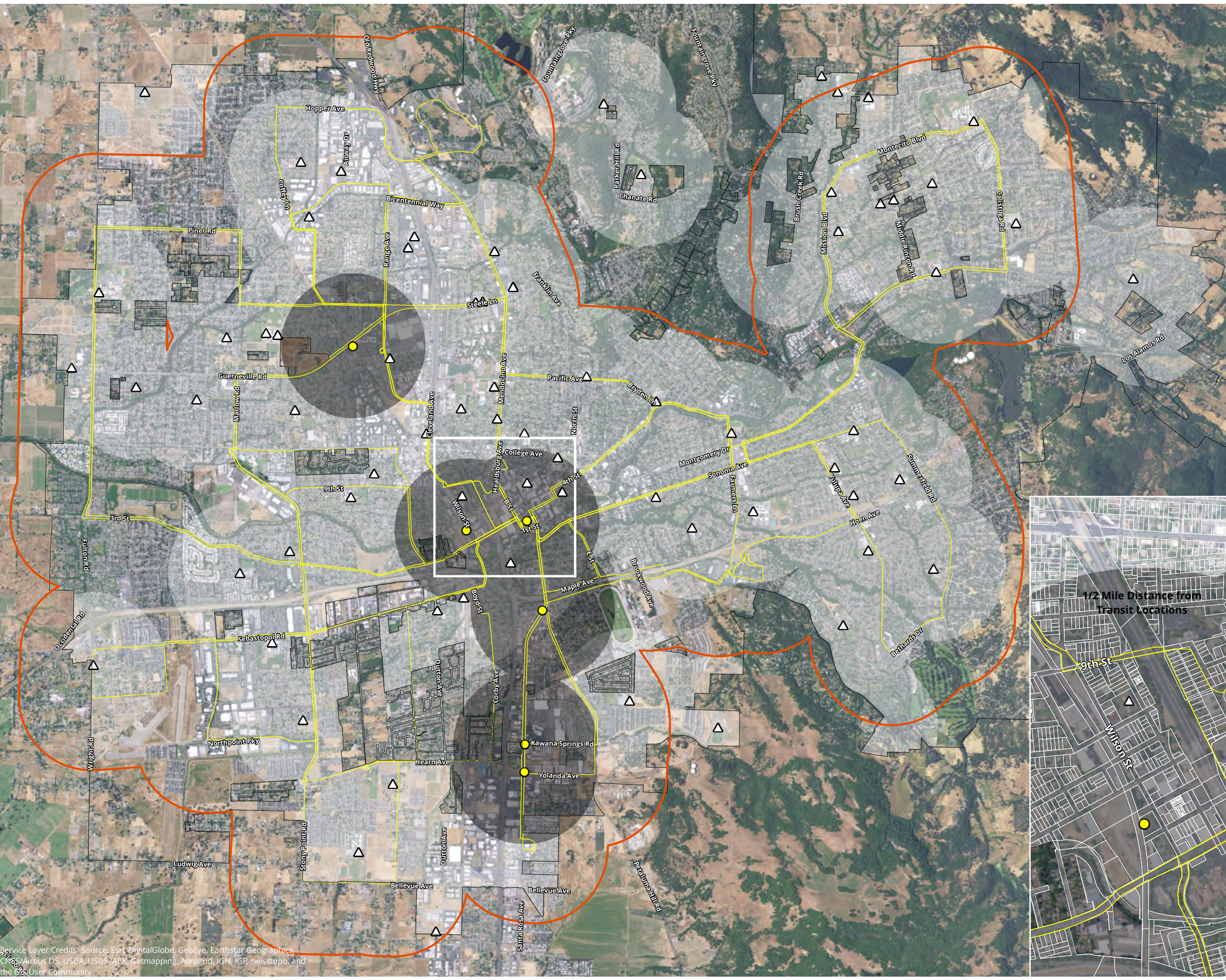
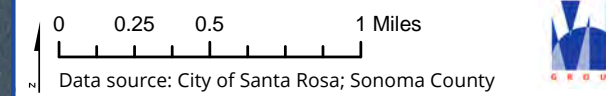
Data source: City of Santa Rosa; Sonoma County



Service Layer Credits: Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

MAP 2 - TRANSIT AND SCHOOL LOCATIONS

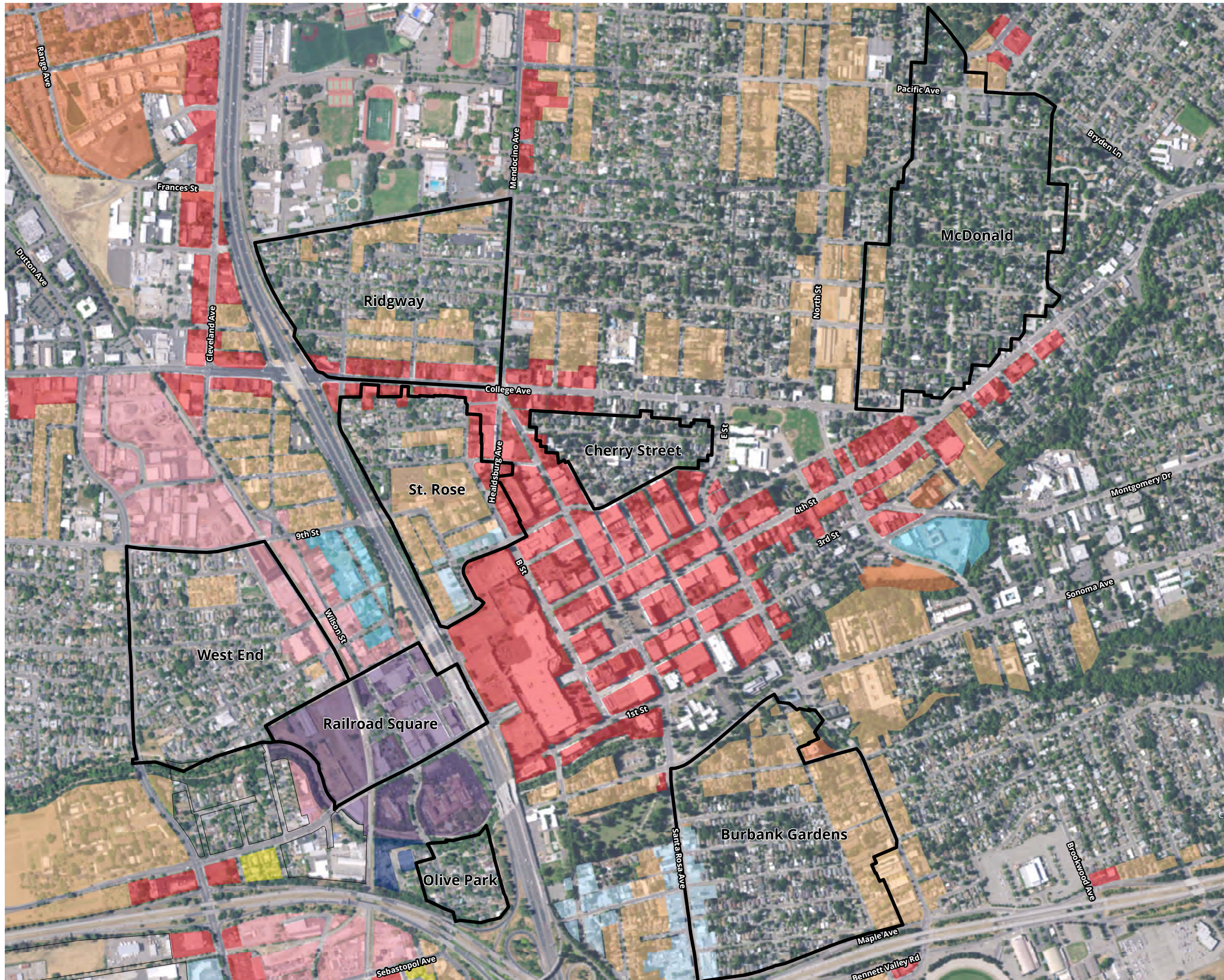
-  City of Santa Rosa
-  Major Transit Locations
-  Major Bus Routes
-  Schools
-  1/2 Mile Distance: Major Transit Locations
-  1/2 Mile Distance: Major Bus Routes
-  1/2 Mile Distance: Schools



Service Layer Credits: Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNR/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

MAP 3 - HISTORIC DISTRICTS

- City of Santa Rosa
- General Plan Land Use Designation
 - Med-Low Residential
 - Med Residential
 - Med-High Residential
 - Retail/Med Residential
 - Office/Med Residential
 - Office/High Residential
 - Public Institutional/Med Residential
 - Light Industrial/Med Residential
 - Transit Village Medium
 - Transit Village Mixed Use
 - Retail and Business Service
- ▭ Historic Districts:
 - Ridgeway Historic District*
 - McDonald Historic District*
 - St. Rose Historic District*
 - Cherry Street Historic District*
 - West End Historic District*
 - Railroad Square Historic District*
 - Olive Park Historic District*
 - Burbank Gardens Historic District*



0 0.075 0.15 0.3 Miles

Data source: City of Santa Rosa; Sonoma County

