



June 14, 2019

Dutton Flats, LP  
c/o Loren Brueggemann and Michelle Olson  
1620 Olivet Rd.  
Santa Rosa, CA 95401

Via email

**NOTICE OF DENSITY BONUS ELIGIBILITY**

FILE NO. DB19-003

Dutton Flats – 206-214 W. 3<sup>rd</sup> St.

**Density Bonus Eligibility**

Thank you for your application seeking a Density Bonus for Dutton Flats, a proposed 41-unit, 100% affordable, multi-family development in Santa Rosa for households earning 30-60% or less of Area Median Income (AMI). Planning staff has reviewed your Density Bonus application and deemed the application complete. In accordance with CA Gov't Code § 65915, subd. (a)(3) (D)(i)(I), you are hereby notified that your project is eligible for a 35% State Density Bonus pursuant to Santa Rosa Zoning Code §20-31.050 and 20-31.060. State Density Bonus eligibility is calculated as follows:

**Project Profile**

Dutton Flats proposes 41 dwelling units for tenants earning 30-60% of Area Median Income.

Project Site Area:	1.03 gross acres
Total Units Proposed:	41 dwelling units (du)
Site Land Use Designation:	Retail and Business Services
Site Zoning District:	Neighborhood Commercial (CN)
Maximum Density per Zoning District:	30 du/acre
Max. Units per Zoning District:	1.03 acres x 30 du/acre = 31 (Base Project)
Density Desired:	41 units / 1.03 acres = 39.8 du/acre

**Calculation of State Density Bonus of 35%**

Base Project, Total Units:	31 du
Market Rate Units:	0
Affordable Units:	31 units at Low-Income Level
Percent Affordable:	31 / 31 = 100%
State Density Bonus:	Minimum 30% at Low-Income Level results in 35% State Density Bonus and maximum 3 Incentives or Concessions
Maximum Density Allowed:	41 du/acre



(p. 2 of 3)

### **Requests for concessions and waivers**

Three (3) concessions and two (2) waivers from current City of Santa Rosa development standards have been requested pursuant to Zoning Code Sections 20-31.060(B), 20-31.090(A and B), and 20-31.100(G). The requested concessions and waivers include:

#### **Concessions**

1. **Building Setback** – Zoning Code Section 20-28.060 (E)(3) requires that “at least 60% of the buildings along the street frontage shall be set back by a minimum of 10 [feet].” The project as proposed includes a 10-foot wide sidewalk along more than 60% of the Dutton Avenue street frontage with an additional landscape area, and an 8-foot wide sidewalk along the W 3<sup>rd</sup> street frontage with additional landscape area and a public bus shelter. Concession from building setback requirements is requested.
2. **Alternative Vision Triangle Calculation** – Zoning Code Section 20-30.070 (E) requires that “the boundaries of a vision triangle are formed by drawing lines from the point of intersection of a lot’s street corner property lines to points 30 feet along the two property lines, and then connecting the two points with a straight line.” The proposed project site’s property lines are located at the rear of existing sidewalks/public rights-of-way, and the site is located at a controlled traffic intersection. A concession to allow the required vision triangle to be calculated by drawing lines from the point of intersection of a lot’s street corner curb lines to points 30 feet along the two curb lines, and then connecting the two points with a straight line, is requested.
3. **General Setback Requirement** – Zoning Code Section 20-30.110 (B) prohibits any portion of any structure, including eaves or roof overhangs, [from extending] beyond a property line, or into a public or private service easement, an access easement, or street right-of-way. The project as proposed includes a building-integrated bus shelter that requires expansion of the public right-of-way into the ground floor of the building and results in floors 2-5 overhanging the bus shelter public right-of-way. A concession to allow the building to overhang the public right-of-way as needed to implement the building-integrated bus shelter is requested.

#### **Waivers**

1. **Building Height** – Zoning Code Section 20-23.040 (Table 2-7) allows a maximum building height of 45 feet in the Neighborhood Commercial (CN) Zoning District, and Section 20-28.060 (Table 2-16) allows a maximum building height of four stories for this project’s applicable Boulevard Street Type development standards. The proposed building would be five stories tall and approximately 63-feet tall at its highest point. A waiver to allow a building height exceeding the maximum allowable building height has been requested.



(p. 3 of 3)

2. **Driveway Clearance from Obstruction** – Zoning Code Section 20-36.080(E) requires that the “nearest edge of a driveway apron or curb return shall be at least five feet from the nearest property line.” The project proposes a 20-foot wide entry/exit drive aisle for two-way traffic to be located within 5 feet of the property line, which would place the driveway apron within 5 feet of the property line. A waiver to allow a driveway within 5 feet of the property line has been requested.

In accordance with CA Gov’t Code § 65915, subd. (a)(3) (D)(i)(III) and Santa Rosa Zoning Code §20-31.030(D), you are hereby notified that adequate information in the form of a clear statement of how the requested concessions or incentives are necessary to make the proposed housing development economically feasible, and result in identifiable, financially sufficient and actual cost reductions, and that the information is sufficiently detailed to enable City staff to examine the conclusions reached by the developer, has been provided for the City to make a determination as to granting the requested concessions and waivers of development standards. However, this Notice of Density Bonus Eligibility should not be construed as a granting of those requested concessions or waivers.

Compliance with Zoning Code §20-31.110 – Density Bonus Agreement and Terms is required.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew Trippel".

Andrew Trippel  
City Planner

Attachment: Requested Concessions and Waivers

Cc: File  
Loren Brueggerman, applicant

APR 15 2019

Planning & Economic  
Development Department

Dutton Flats  
Dutton Ave and 3<sup>rd</sup> Street  
Santa Rosa, CA

Dutton Flats will be a 41-unit, 100% affordable housing project consisting of 11 one-bedroom units, 15 two-bedroom units and 15 three-bedroom units serving families and the area's workforce. The units will be available for tenants that demonstrate income of 30% to 60% or less of the area's median income. One unit will be designated for a non-restricted manager's unit.

With over 35 years of experience, Phoenix Development Company and Integrity Housing are extremely well qualified partners with a long-standing record of successfully implementing affordable housing. Please see the included resume and company profile for a list of completed projects and references. While Phoenix Development's history focuses on affordable housing projects, Integrity Housing has specific experience in providing housing dedicated to the homeless, veterans, seniors and other target demographics.

Dutton Flats is planned to be in census tract 1530.03, which has a poverty rate of 17.9%, as determined in the most recent American Community Survey 5- Year Estimate. Located at the corner of Dutton Avenue and West Third Street, Dutton Flats encompasses 206, 208, and 214 West Third Street in Santa Rosa. It is 0.5 miles away from the SMART train in Railroad Square and less than 400 feet from Exit 6 on Highway 12. The project is approximately 300 feet from Santa Rosa City Bus stops 6 and 9. The City of Santa Rosa has requested a new stop be placed directly in front of the building on Third Street.

The project will pursue long-term affordable housing financing through a competitive process in 2019 via application for the California Tax Credit Allocation Committee's Low-Income Housing Tax Credit program. The project is financially feasible with 25% or fewer units under a Project Based Voucher contract. We have provided a 30-year proforma of project operations to demonstrate the long-term feasibility of this project.

The project consists of one 5-story building in the shape of an 'L' on the intersection of West Third Street and Dutton Avenue. The entrance to the site will be located at the corner of the Dutton/West Third Street intersection. The parking entrance will come from Decoe Street, with 41 off street parking places inside the 'L' configuration. The project will have a community room, management office, a resident mail room, a large fully equipped fitness center, bike storage for (80) bicycles, laundry facility, and a rooftop patio on the 3<sup>rd</sup> level above the entrance. Attached you will find the design information for reference.

Levels 1-2 **each** include, one, 1-bedroom and three, 3-bedroom units, with leasing amenities. Levels 3-5 are accessible via stairs or an elevator, **each** consisting of three, 3 bedroom, five, 2-bedroom units and three, 1-bedroom units. The total unit configuration for the project consists of 11, 1-bedroom units, 15, 2-bedroom units and 15, 3-bedroom units. Attached you will find the conceptual designs provided by KTG Architecture and Planning.

Dutton Flats will be a new construction project with units ready for occupancy in early 2021. The location is prime for residents working within the downtown area or commuting via Highway 12. It is

City of Santa Rosa

APR 15 2019

Planning & Economic  
Development Department

Dutton Flats

Application for Density Bonus

Requested Concessions

We are currently requesting 2 of the 3 allowed concessions for our 100% affordable project located on West 3<sup>rd</sup> Street and Dutton Avenue.

The first concession request is to allow for 5 stories versus 4, this concession will allow the project to come to fruition and to fully utilize the current site, (1.03 acres) as efficiently as possible while adding 41 affordable units to Santa Rosa's limited housing stock. To work within the 4-story requirement, we would need an additional 4,300 square feet of land to provide the same amount of housing, which is not obtainable adjacent to this site.

The second concession we are requesting is to have the current calculation of the vision triangle reviewed due to the loss of square footage the building will incur pursuant to the major redesign required to meet the vision triangle threshold. Such redesign will result in loss of units and parking spaces making the project infeasible.

We are requesting an alternative approach to calculating the vision triangle for the following reasons:

- 1) The existing property line/right of way on the project frontage of both streets is currently located at the back of the existing 10' and 8' wide sidewalks. A 30- foot vision triangle measured from the property line/right of way, based on section 20-30.070.E.2, would require a significant building redesign and loss of square footage at the corner of North Dutton Avenue/West 3<sup>rd</sup> Street.
- 2) The intersection in question is a controlled signalized intersection with controlled crosswalk access.
- 3) The vision triangle calculation required by the Zoning Code is more appropriate for low density residential development with uncontrolled intersections.

If the alternate vision triangle calculation is deemed acceptable by the city, we will be seeking a concession from the Zoning Code's required vision triangle calculation.

available for Section 8 voucher holders and households with income between 30% to 60% of the area's median income. The unit mix targets individuals and families by offering 1, 2 and 3-bedroom options along with providing residents with a fitness studio, bike storage; all within proximity to the Historic Railroad Square area.

In closing, we all are aware of the lack of affordable housing in Sonoma County, which has been further reduced since the wildfires of 2017. Given the city and state's current housing crisis, we believe this development is timely and a direct response to the need for safe and stabilized affordable housing.

**For Density Bonus Application:**

Current density is 30 units per acre, site is 1.01 acres, we are looking for a 35% increase which will allow for an additional 11 units. All units are 100% affordable.



COST STUDY  
Of  
IMPACT ON DENSITY BONUS  
On  
DUTTON FLATS

1. Acquisition cost of property is \$1,300,000.00 plus soil correction of \$250,000 for a total cost of \$1,550,000 or \$51,666.67 per unit, which is the higher end of acquisition cost per unit in Santa Rosa.
  - a. With the Density Bonus of 11 units, the cost per unit for acquisition is \$37,804.87 per unit a reduction of \$13,861.83 per unit.
  
2. Other fixed costs of the property development are as follows;
  - a. Architecture \$500,000
  - b. Engineering 350,000
  - c. Legal 170,000
  - d. Tax credit fees 65,000
  - e. Financing 255,610

Total \$1,340,610

Cost per unit at 30 units..... \$44,687

Cost per unit at 41 units.....\$ 32,697

A savings of \$11,990 per unit
  
3. As the cost per unit is reduced, the amount of subsidy required per unit reduces proportionately. This cost reduction per unit makes the Project feasible for financing and construction.



May 28, 2019

Andrew Trippel  
City Planner  
100 Santa Rosa Avenue, Room 3  
Santa Rosa, CA 95404

Re: Dutton Flats Density Bonus Application Modification Request

Dear Andrew:

I would like to request a revision to our Density Bonus application's project description in order to seek an additional concession for the proposed Dutton Flats project.

The requested concession would be to reduce the 10-foot minimum building setback required by the Downtown Station Area Plan Boulevard Street Type development standard to those shown on the proposed site plan. The project as proposed includes a 10-foot wide sidewalk along more than 60% of the Dutton Avenue frontage with additional landscape area, and an 8-foot wide sidewalk along W 3<sup>rd</sup> Street with additional landscape area and a public transit shelter.

This concession would prevent a considerable amount of hardship on the project. Redesign costs alone would be approximately \$70,000. In doing so, we would also stand to lose 2-4 parking spaces, in turn losing the same number of units, as our parking would not be compliant. A loss of 4 units would equate to the loss of \$450,000 in mortgage proceeds and thus would require somewhere near that amount in gap financing. Furthermore, a delay in the project timeline would potentially affect the project, including but not limited to changes in building codes (resulting in further redesign necessity) and financial repercussions due to missed deadlines. The extent of time and financial expense involved to essentially redesign the project would prove detrimental to our ability to provide affordable housing in Santa Rosa. With affordable housing in such short supply it would seem beneficial to all parties for the concession to be granted.

Thank you for your consideration of this request.

Sincerely,

Michelle J. Olson  
Vice President  
Phoenix Development Company

**RECEIVED**

*By Andrew Trippel at 10:52 am, May 30, 2019*





June 6, 2019

Andrew Trippel  
City Planner  
100 Santa Rosa Avenue, Room 3  
Santa Rosa, CA 95404

Re: Dutton Flats Density Bonus Application Modification Request and Waiver Request

Dear Andrew:

I would like to request a revision to our Density Bonus application's project description in order to seek additional concessions for the proposed Dutton Flats project.

The first requested concession would be to reduce the 10-foot minimum building setback required by the Downtown Station Area Plan Boulevard Street Type development standard to those shown on the proposed site plan. The project as proposed includes a 10-foot wide sidewalk along more than 60% of the Dutton Avenue frontage with additional landscape area, and an 8-foot wide sidewalk along W 3<sup>rd</sup> Street with additional landscape area and a public transit shelter.

For the second concession we are requesting that the floors 2 through 5 be allowed to encroach the public right of way to allow the bus shelter to be recessed into the face of the building. This encroachment will only affect the area of the bus shelter.

These two concession requests would prevent a considerable amount of hardship on the project. Redesign costs alone would be approximately \$70,000. In doing so, we would also stand to lose 2-4 parking spaces, in turn losing the same number of units, as our parking would not be compliant. A loss of 4 units would equate to the loss of \$450,000 in mortgage proceeds and thus would require somewhere near that amount in gap financing. Furthermore, a delay in the project timeline would potentially affect the project, including but not limited to changes in building codes (resulting in further redesign necessity) and financial repercussions due to missed deadlines. The extent of time and financial expense involved to essentially redesign the project would prove detrimental to our ability to provide affordable housing in Santa Rosa. With affordable housing in such short supply it would seem beneficial to all parties for the concession to be granted.

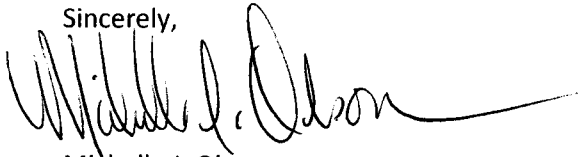
For our third concession we are requesting an alternative approach to calculating the vision triangle for the following reasons:

1. The existing property line/right of way on the project frontage of both streets is currently located at the back of the existing 10' and 8' wide sidewalks. A 30-foot vision triangle measured from the property line/right of way, based on Section 20-30.070.E.2, would require a significant building redesign and loss of square footage at the corner of North Dutton Avenue/West 3<sup>rd</sup> Street.
2. The intersection in question is a controlled signalized intersection with controlled crosswalk access.
3. The vision triangle calculation required by the Zoning Code is more appropriate for low density residential development with uncontrolled intersections.

In addition to the concession request we are also requesting a waiver of the development standard regarding building height. Currently the standard allows for 4 stories and our project is designed for 5 stories. For this project to receive the full density bonus, of 11 additional units, the building will need to be a full 5 stories in height. Per the General Provisions for Density Bonuses & Incentives/Concession, 20-31-100 item G, states "The City shall not apply any development standard that would have the effect of precluding the construction of a proposed Housing Development meeting the requirements of Section 20.31.060 at the densities or with the Incentives permitted by this Chapter. An applicant may submit with its application to the City a proposal for the waiver or reduction of development standards. A waiver or reduction of development standards, the application of which would physically preclude the development, shall not reduce nor increase the number of Incentives or Concessions being requested."

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle J. Olson", with a long horizontal flourish extending to the right.

Michelle J. Olson  
Vice President  
Phoenix Development Company



Attachment: Requested Concessions and Waivers

6-13-19

Andrew Trippel  
City Planner  
Planning & Economic Development  
100 Santa Rosa Ave, Rm 3  
Santa Rosa, CA 95404

RE: Dutton Flats, waiver request

Dear Andrew,

We are requesting a waiver to allow a reduction in the physical development standard of Section 20-36.080 (E), Requires that the "nearest edge of a driveway apron or curb return shall be at least five feet from the nearest property line." The project proposes a 20-foot wide entry/exit drive aisle for two-way traffic to be located within 5 feet of the property line, which would place the driveway apron within 5 feet of the property line.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Michelle Olson", with a long horizontal flourish extending to the right.

Michelle Olson  
Vice President  
[michelleb@phoenixdevco.com](mailto:michelleb@phoenixdevco.com)  
707-528-3631

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