November 12, 2025

Auxon Lago Fresco LLC
Janver Holly
73 St. James Drive
Santa Rosa, CA 95403

Subject: Approval of Density Bonus Request - Project File No. DB22-004

Dear Mr. Holly,

Thank you for your application seeking a Density Bonus for Lago Fresca Apartments, a proposed 50-unit multi-family development located at 4744 Hoen Avenue and 2445 Summerfield Road. In accordance with the California Government Code, you are hereby notified that your project is eligible for a 32.5% State Density Bonus under California Government Code Section 65915 and Santa Rosa Zoning Code Section 20-31.050 and 20-31.060. State Density Bonus eligibility is calculated as follows:

Project Profile

Lago Fresca Apartments proposes 50 dwelling units, with four units designated for very low-income affordable housing.

Project Site Area:	1.31-acre site (56,531 sf)
Total Units Proposed:	50 dwelling units (du)
Site Land Use Designation:	Office
Site Zoning District:	Office Commercial (CO)
Maximum Density per Zoning District:	30 du/acre
Maximum Units per Zoning District:	1.31 acres x 30 du/acre = 39.3 (Base Project)

Calculation of State Density Bonus

Base Project, Total Units:	39.3 du (This number will be rounded up to 40 – Section 20-31.100)
Affordable Units:	4 Units at Very Low-Income
Percent Affordable provided:	4/40 = 10% Very Low-Income
State Density Bonus:	10% Very Low-Income Level results in a 32.5% State Density Bonus and 2 Incentives or Concessions
Maximum Density units Allowed:	(40 x 32.5%) = 13 Density Bonus Units
Maximum Density units requested:	10 Units
Total number of proposed units:	(40 base units + 10 density units) = 50 total units

Affordable Housing Component

As part of the project's commitment to affordable housing, four (4) units, representing 10% of the total, will be designated for Very Low-Income Households and will remain deed-restricted for affordability, in compliance with state and local regulations, for a minimum period of 55 years.

Approved Incentives or Concessions

California Government Code Section 65915 allows developers to submit a request for specific incentives or concessions for affordable housing projects. These incentives aim to make the affordable housing project economically viable. The City must approve the developer's proposed concession or incentive unless it determines that it does not lead to real cost savings, poses a public health or safety concern, causes environmental issues, damages historical properties, or conflicts with the law. The Density Bonus Law limits the kinds of information and reports a developer must submit to the local authorities to secure the incentive or bonus concession. The project has been granted the following two incentives/concessions to facilitate the provision of affordable housing:

1. **Location of Affordable Housing Units** – Zoning Code Section 20-31.100(H)(2) requires affordable housing units to be dispersed throughout the development as follows:

   a) *No more than 50 percent of the proposed affordable housing units are consolidated into one structure in developments with several multi-unit structures, and*

   b) *No more than 20 percent of affordable housing units in a single multi-unit structure may be consolidated into a distinct section (e.g. in one distinct location within the structure); and*

   c) *No more than 20 percent of the affordable housing units may be consolidated in a distinct and identifiable area within single-family residential subdivisions.*

   Per the zoning code Section 20-31.100(H), the applicant can utilize an available Concession or Incentive to seek relief from the dispersion requirements by providing supporting evidence to the Director that demonstrates that consolidating the units into one structure reduces the project's financing feasibility. The applicant is requesting a Concession or incentive to relocate all the affordable units into a single building and be exempt from the dispersion requirement. The applicant indicated that grants, loans, and tax credits obtained to build the affordable units are monitored separately from the resources used to build the market rate components of inclusionary projects. As a result, locating all four affordable units in one building makes it possible to track the expenditure of affordable housing funding obtained to construct the set-aside units. Additionally, the applicant indicates that placing the affordable units in one building, with a live-in program leader to oversee the residents, works best for the program's goals. The program aims to offer sober living housing, where people benefit from living together in four-bedroom family apartments and supporting each other. Keeping all the affordable units in one building helps with easier management and lowers costs, making the construction and running of the program more affordable.

2. **Parking Reduction** – Zoning Code Section 20-36.040 (Table 3-4) requires each multi-family dwelling unit to propose 1 covered space plus 0.5 visitor spaces for studio and 1-bedroom units and provide 1 covered space plus 1.5 visitor spaces for 2 or more bedroom units. Visitor spaces may be in tandem with spaces for the unit, or on-street abutting the site, except on a street identified by the General Plan as a regional street. The project consists of 50 units, 16 of which are one-bedroom units, 25 of which are two-bedroom units, 4 of which are three-bedroom units, and 5 of which are four-bedroom units. The number of parking spaces required per the zoning code for this project would be 109, see Table 1.

Number of Bedrooms	Number of Required Parking Spaces	Total Required Parking Spaces
16 one-bedroom units	1 covered space plus 0.5 visitor spaces per unit for 0 to 1 bedroom	24 Spaces
25 two-bedroom units 4 three-bedroom units 5 four-bedroom units	1 covered space plus 1.5 visitor spaces per unit for 2 or more bedrooms	85 Spaces
		109 Spaces

Table 1: Zoning Code Parking Ratio

Per California Government Code Section 65915(p)(1), and Zoning Code Section 20-31.100, upon request by the applicant, the City shall not require a Housing Development eligible for a Density Bonus to provide more than the specified parking ratios as follows: (A) Zero to one bedroom—one onsite parking space; (B) Two to three bedrooms—one and one-half onsite parking spaces; (C) Four or more bedrooms—two and one-half onsite parking spaces. The parking reduction requirements in accordance with Section 65915(p)(1) shall not be counted as a concession or incentive under the State Density Bonus Law.

Number of Bedrooms	Number of Parking Spaces	Total Required Parking Spaces
16 one-bedroom units	1 parking space per unit for 0 to 1 bedroom	16 Spaces
25 two-bedroom units 4 three-bedroom units	1.5 parking spaces per unit for 2 to 3 bedrooms	43.5 Spaces
5 four-bedroom units	2.5 parking spaces per unit for 4 or more bedrooms	12.5 Spaces
		72 Spaces

Table 2: Government Code Parking Ratio

As per state regulations Section 65915(p)(1), and Zoning Code Section 20-31.100, the project may provide a total of 72 parking spaces, see Table 2. However, the applicant requests a concession/incentive to reduce the on-site parking spaces to 63. The applicant indicates that the cost to build 9 additional parking stalls, or a total of 72 stalls, covered and uncovered, makes it economically infeasible to construct the proposed housing project. The land value of the project site is an asset, and the undeveloped property value of each surface parking stall is worth at least $10,000.00, without accounting for the additional cost of planning, permitting, construction, and maintenance of the parking stall. The project requires a yield of 50 units to be economically

feasible to build 6 affordable units. An incentive or concession is needed to reduce the number of parking stalls in order to fund the construction of affordable dwelling units for this project. The applicant has developed a Parking Management Plan to ensure residents have reliable, fair access to parking while maintaining harmony with the surrounding neighborhood and complying with City regulations. Each tenant is offered up to two parking permits, based on the unit type and availability. Parking is leased separately from the apartment units, and all vehicles must display a provided placard to avoid enforcement actions such as towing. Designated parking stalls, including tandem and covered spaces, are available for some residents, especially those in larger units, but tenants may not exceed two on-site vehicles. Tenants are also responsible for ensuring their guests adhere to parking policies, which may include parking offsite or using a temporary placard.

Recognizing evolving transportation needs, the applicant includes a variety of vehicle alternatives in the project, including secure bicycle storage for most units, and on-site bike racks. A designated on-site stall will host a car-share vehicle, such as through Getaround, and more can be added if demand rises. Residents also can benefit from direct access to Santa Rosa CityBus Route 8, with service throughout the week, and the applicant provides an option for discounted transit passes upon the tenant's request.

To address concerns about parking shortages, the applicant has provided a professional study prepared by W-Trans, dated December 28, 2023. The study found that ample public street parking is available within a short walk (0.25 miles) of the property, 58 unoccupied spots in the morning and 67 in the evening, making it a viable option for overflow or guest parking.

Approved Waivers

Waivers or reductions of development standards are permitted when applying those standards would have the effect of physically precluding the construction of a proposed Housing Development. California Government Code Section 65915 allows unlimited waivers from development standards to develop affordable housing. These waivers are intended to make it possible to build affordable housing. The City is not allowed to impose any development standard that would physically prevent the construction of a project at its allowed density or with the concessions and incentives that have been granted. In other words, the City's regulations cannot create barriers that would make it impossible for the project to be built as it is proposed. However, the City is not obligated to waive or reduce development standards that are necessary to address public health and safety concerns, environmental protections, or the preservation of historical properties. The project has been granted the following five waivers to facilitate the provision of affordable housing:

1. **Building Height** – A waiver request to increase the maximum allowable height from 35 to 45 feet. The applicant is requesting a waiver to raise the height of building D from 35 feet to 45 feet (See Figure 1 for the location of Building D). Complying with the current height limitations of the zoning code would reduce the number of units from 50 to 43. This decrease would prevent the project from utilizing the proposed density bonus units, which are essential for making the construction of affordable units feasible.

2. **Front Setback** – A waiver request to decrease the Front Yard Setback at Summerfield Road from the minimum allowed of 15 feet to 7 feet is proposed. The applicant requests this waiver because compliance with the zoning code for 15 15-foot front yard setback at Summerfield Road would reduce the area of Building C (See Figure 1 for the location of Building C). Without the requested setback reductions, the project would be limited to only 2 four-bedroom units instead of the intended 5 large family units. Granting this waiver would allow for the efficient design of a total of 5 standardized and replicated four-bedroom units in Building C. Without the waiver for a

reduction in the front yard setback, the affordable units would not fit into the project as designed; therefore, it would preclude the construction of the project at the proposed density.

3. **Front Setback** – A waiver request to decrease the Front Yard Setback at Hoen Avenue from the minimum allowed of 15 feet to 10 feet is proposed. The waiver results in design efficiency by standardizing and replicating 4 two-bedroom and 4 three-bedroom townhome unit types in Buildings A and B. Application of a 15-foot setback standard would preclude the construction of Buildings A and B as proposed (See Figure 1 for the location of Buildings A and B).

4. **Covered Parking** – The applicant requests a waiver to reduce the required covered parking spaces from 50 to 38. Per the zoning code, multifamily developments must provide one covered space per unit. The applicant states that meeting the full requirement would render the proposed project infeasible in its current design.

5. **Parking Width** – The applicant is requesting a waiver to reduce the minimum width of a covered parking space from 9.5 feet to 9 feet. Per the zoning code, parking spaces within garages and carports must have minimum clear dimensions of 9.5 feet in width and 19 feet in length, free of any obstructions. The applicant explains that the widths of the structured parking stalls are dictated by the dimensions of the townhome units directly above them and the alignment of structural walls. Specifically, the width of each townhome unit determines the width of the corresponding parking stall below. Additionally, the placement and dimensions of the exterior walls in Buildings A and B are influenced by fire code requirements for separation from actual and assumed property lines (See Figure 1 for the location of Buildings A and B). As such, meeting the full requirement would prevent the proposed project from being in its current design and would necessitate a significant redesign of the building layout or unit dimensions to comply.

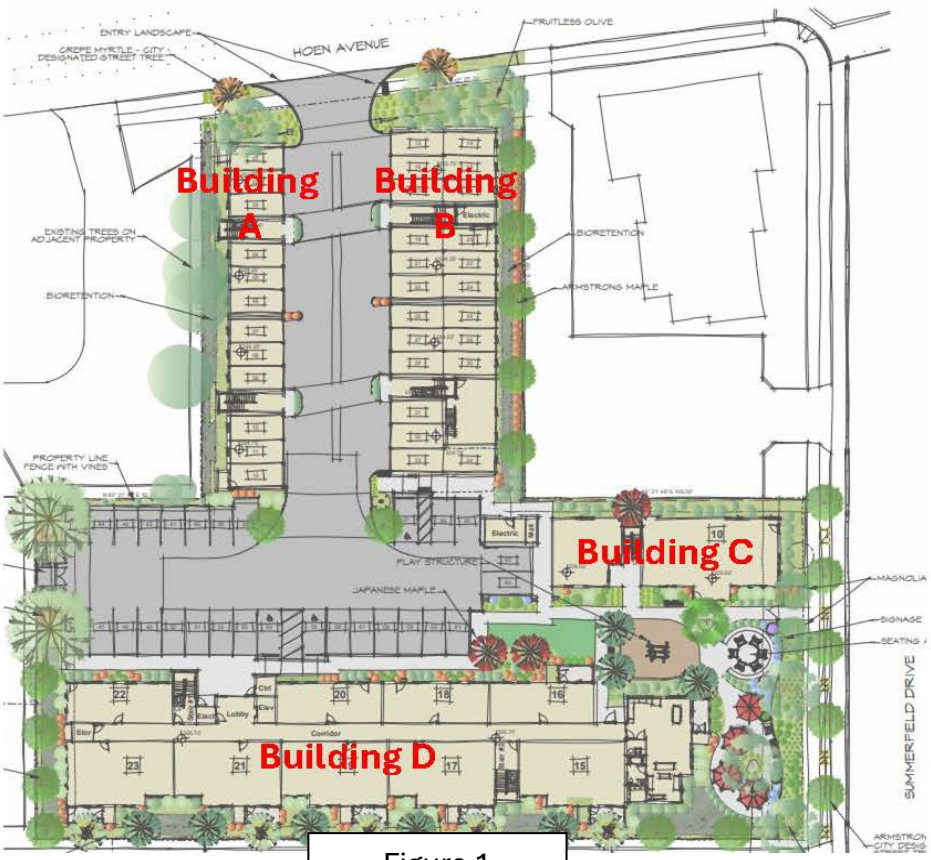

Figure 1

Density Bonus Agreement and Terms

In accordance with Santa Rosa Zoning Code Section 20-31.110, a Density Bonus Housing Agreement must be executed prior to recording any final map for the underlying property or prior to the issuance of any building permit for the Housing Development, whichever comes first. The Density Bonus Housing Agreement shall be binding on all future owners and successors of interests of the Housing Development.

Approval of the density bonus remains contingent upon strict adherence to all applicable building codes, zoning regulations, and affordability requirements. These incentives and waivers are being granted in accordance with local and state density bonus laws to support the feasibility of the proposed affordable housing components. Should you require further information or clarification, please do not hesitate to contact me at (707) 543-3853 or GOsburn@srcity.org.

Sincerely,

Gabe Osburn
Director of Planning and Economic Development

Attachment: Density Bonus Letter