STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY GAVIN NEWSOM, *Governor*

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

December 22, 2021

Jeff Kolin
City of Santa Rosa
Interim City Manager
100 Santa Rosa Avenue
Room 10
Santa Rosa, CA 95404

Dear Jeff Kolin:

RE: City of Santa Rosa Density Bonus Law – Letter of Technical Assistance

The purpose of this letter is to provide additional technical assistance on the application of State Density Bonus Law (SDBL) (Gov. Code, § 65915). In June 2021, HCD provided a Letter of Technical Assistance to the City of Santa Rosa (City) regarding the applicability of subdivision (s) of Government Code section 65915. Subdivision (s) pertains to an exemption to certain changes to the SDBL made by Assembly Bill (AB) 2345. In the letter, HCD confirmed that the City did not qualify for the exemption.

In the summer of 2021, the City moved forward with a text amendment to amend its zoning code to reflect the changes necessitated by the passing of AB 2345. The draft ordinance was recommended for approval by the Planning Commission at the August 12, 2021 Planning Commission meeting. The draft ordinance was then introduced at the November 9, 2021 City Council meeting. Following the publication of the agenda for the that City Council meeting, HCD received a complaint expressing concerns that the draft ordinance and associated staff report inaccurately addressed SDBL incentives, concessions, and development standard waivers. Upon receiving the complaint, HCD met with City staff on November 30, 2021 to discuss the draft ordinance. City staff expressed a general lack of understanding of incentives, concessions, and development standards and HCD provided verbal technical assistance. HCD initially reviewed the portion of the draft ordinance pertaining to development standard waivers, which was the focus of the complaint letter, but did not notice any inconsistencies with state law. However, upon further review, HCD noted multiple instances regarding other issues where the draft ordinance did not accurately reflect current state law (as amended by AB 2345). This situation was particularly unusual because the City staff report, to a large extent, accurately explains the changes made by AB 2345.

This follow-up Technical Assistance letter is intended to provide highlights of the changes made by AB 2345. It does not represent an exhaustive accounting of all

changes made by the recent legislative nor does it represent a formal review of the City's draft ordinance. It is the responsibility of the City to verify that its local SDBL-implementing ordinance is consistent with state law.

Maximum Density Bonus Increase

AB 2345 increased the maximum density bonus from 35 percent to 50 percent, as described in subdivision (f) of Government Code section 65915. While the staff report correctly identifies this change on page 1 and page 4, the draft ordinance does not appear to reflect this change in the newly created Table 3.1.

Number of Incentives/Concessions

AB 2345 lowers the threshold for a project to achieve incentives and concessions, as described in subdivision (d) of Government Code section 65915. While the staff report correctly identifies that the threshold to achieve two and three incentives/concessions has been reduced from 20 percent to 17 percent affordable units and from 30 percent to 24 percent affordable units (page 5), the draft ordinance's Table 3.5 appears to continue to show the thresholds at 20 percent and 30 percent.

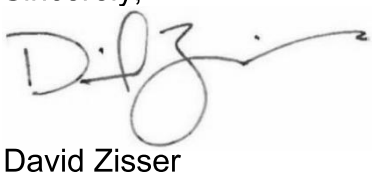
Parking

AB 2345 reduces the amount of required on-site parking, as described in subdivision (p) of Government Code section 65915. There appear to be multiple inaccuracies in Table 3.6 of the draft ordinance, which contains parking standards. One example is the parking standard for 2–3-bedroom units; the draft ordinance appears to require two spaces per unit whereas Government Code section 65915, subdivision (p)(1)(B) would require only 1.5 spaces per unit.

Conclusion

Thank you for your attention to this matter. HCD recommends that the City conduct a comprehensive review of the SDBL and update its implementing ordinance accordingly. If you have questions or need additional information, please contact Brian Heaton, of our staff, at Brian.Heaton@hcd.ca.gov.

Sincerely,



David Zisser
Assistant Deputy Director
Local Government Relations and Accountability

cc: Sue A. Gallagher, City Attorney
Amy Lyle, Supervising Planner – Advance Planning