

Attachment 19 - Revised

From: [Raval, Meenaxi@HCD](mailto:Raval.Meenaxi@HCD)
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Subject: West Steele Lane Apartments– Letter of Support and Technical Assistance
Date: Monday, May 15, 2023 4:21:00 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[Santa Rosa-TA-LOS-05152023.pdf](#)
Importance: High

Dear Santa Rosa Mayor Rogers, Vice Mayor MacDonald and Councilmembers,

Please see the attached Letter of Support & Technical Assistance for the project at 1650 W. Steele Lane and for the upcoming appeal hearing of the Director of Planning and Economic Development's (Director) approval of the West Steele Lane Apartments.

HCD encourages the City Council to uphold the approval of the Project, Resolution Nos. ZA-2023-005 and ZA-2023-006 (approved on January 19, 2023).

Thank you,
Meenaxi



Meenaxi Raval, AICP

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**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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May 15, 2023

Mayor Natalie Rogers
Vice Mayor Dianna MacDonald
Council Members Eddie Alvarez, Victoria Fleming, Jeff Okrepkie, Chris Rogers, Mark Stapp
City of Santa Rosa
90 Santa Rosa Avenue
City Hall Annex, 1st Floor
Santa Rosa, CA 95404

Mayor Natalie Rogers, Vice Mayor Dianna MacDonald
Council Members Eddie Alvarez, Victoria Fleming, Jeff Okrepkie, Chris Rogers, Mark Stapp:

**RE: City of Santa Rosa, West Steele Lane Apartments– Letter of Support and
Technical Assistance**

The California Department of Housing and Community Development (HCD) understands that the City of Santa Rosa (City) City Council will soon be hearing an appeal of the Director of Planning and Economic Development's (Director) approval of the West Steele Lane Apartments (Project) located at the 1650 W. Steele Lane (APN: 041-042-012), approved on January 19, 2023, via Resolution Numbers ZA-2023-005 and ZA-2023-006. The purpose of this letter is to express HCD's support of the Project's use of State Density Bonus Law and its associated concessions and incentives and to provide notice to the City that denying the Project may result in the violation of one or more of the state housing laws described in this letter.

Background

As described in Resolution No. ZA-2023-006, a minor conditional use permit and minor design review was approved for the construction of a 36-unit multifamily residential development. HCD understands the Project proposes 36 units, including 32 market-rate units and 4 units affordable to very low-income (VLI) households. The Project site (0.98 acre) has a General Plan designation of Medium Density Residential (18 dwelling units per acre) and is zoned R-3-15-SA (North Station Area Specific Plan). The Project site allows for a base density of 18 dwelling units per acre which would result in a maximum of 17.6 units at the site, which is rounded up to 18 units according to Government Code section 65915, subdivision (q). In accordance with the Government Code section 65915, subdivision (f)(2), the Director approved a 35 percent density bonus (6 units) because the project sets aside 15 percent of the base density (4 units) for VLI households (households earning less than 50 percent of Area Median Income). Additionally, the Project site is

located within one-half mile of a school facility and a major transit stop and; therefore, qualifies for a supplemental density bonus of up to 100 percent above the maximum permitted density, inclusive of the approved 35 percent State Density Bonus (City of Santa Rosa Zoning Code section 20-31.070). The Project applies a supplemental bonus density of 12 units, 65 percent above the maximum permitted density.

Based on the SDBL, the Project qualifies for up to three concessions or incentives and a potentially unlimited number of development standard waivers (Gov. Code, § 65915, subd. (d-e).) Accordingly, the Project was approved by the City inclusive of three concessions: (1) a reduction of required parking from 52 spaces to 36 spaces; (2) an increase of maximum building height from 35 feet to 45 feet; and (3) a reduction of required side yard setback from 10 feet to five feet.

The Project has been verified by the City to be consistent with the General Plan, complies with the applicable zoning district and the City Code provisions, including applicable physical development standards (except as lawfully modified via SDBL concessions and waivers), and minor design review. Resolution No. ZA 2023-006 also makes findings that the Project site is within one-half mile of a major transit stop as defined by California Public Resources Code section 21064.3.

The City has determined that, according to the California Environmental Quality Act (CEQA) Guidelines section 15162, the project is statutorily exempt from CEQA because the project is consistent with the City of Santa Rosa General Plan and North Station Area Specific Plan for which an Environmental Impact Report (EIR) was prepared, and no conditions as established by CEQA Guidelines section 15163 that would necessitate the preparation of a new EIR apply to this project. Additionally, the Project also qualifies for a Class 32 categorical exemption for Infill Development pursuant to CEQA Guidelines section 15183 (Resolution Nos. ZA-2023-005 and ZA-2023-006).

State Density Bonus Law (SDBL)

A project that meets the eligibility requirements of the SDBL is entitled to a density bonus, incentives/concessions, and development standard waivers, including but not limited to reduced parking ratios (Gov. Code, § 65915, subd. (b).) The City must grant (i.e., “shall approve”) the specific incentives/concessions requested by the applicant unless the City makes written findings, based on substantial evidence, that the incentive/concession would (1) not result in a cost reduction, (2) have a specific adverse impact on health or safety (as defined), or (3) be contrary to state or federal law (Gov. Code, § 65915, subd. (d)). The City bears the burden of proof for the denial of a requested incentive/concession (Gov. Code, § 65915, subd. (d)(4).)

Housing Accountability Act (HAA)

The Project meets the definition of a “housing development project” under the HAA (Gov. Code, § 65589.5, subd. (h)(2).) A “housing development project” that meets all objective standards (except those lawfully modified via SDBL concessions and waivers) may only be denied or approved if the City makes written findings, supported by a preponderance of evidence on the record, that (1) a specific, adverse impact upon the public health or safety would result, and (2) mitigation of the adverse impact is not possible (Gov. Code, § 65589.5, subd. (j).)

Conclusion

The State of California is in a housing crisis, and the provision of housing is a priority of the highest order. HCD encourages the City Council to uphold the approval of the Project, Resolution Nos. ZA-2023-005 and ZA-2023-006, approved on January 19, 2023. The City Council should remain mindful of the City’s obligations under the SDBL and the HAA as it considers the appeal. HCD would also like to remind the City that HCD has enforcement authority over the SDBL and the HAA, among other state housing laws. Accordingly, HCD may review local government actions and inactions to determine consistency with these laws. If HCD finds that a city’s actions do not comply with state law, HCD may notify the California Office of the Attorney General that the local government is in violation of state law (Gov. Code, § 65585, subd. (j).)

If you have any questions regarding the content of this letter or would like additional technical assistance, please contact Meenaxi Raval at Meenaxi.Raval@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Shannan West". The signature is written in a cursive, flowing style.

Shannan West
Housing Accountability Unit Chief