

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Luke Watson, Director of Community Development

DATE: April 28, 2020

SUBJECT: Adopt Ordinance Amending Title 17 of the Temecula Municipal Code to Conform with the Density Bonus Ordinance Law Under the California Government Code (Long Range Project Number LR19-1597)

PREPARED BY: Dale West, Associate Planner II

RECOMMENDATION: That the City Council introduce and read by title only an ordinance entitled:

ORDINANCE NO. 2020-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
TEMECULA AMENDING TITLE 17 OF THE TEMECULA
MUNICIPAL CODE TO REVISE REGULATIONS TO
CONFORM WITH DENSITY BONUS LAW (CALIFORNIA
GOVERNMENT CODE SECTION 65915) AND FINDING THE
ORDINANCE TO BE EXEMPT FROM THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT

SUMMARY OF

ORDINANCE: An Ordinance amending the Chapter 17.10.020 of the Temecula Municipal Code to conform with Density Bonus Law under the California Government Code.

BACKGROUND: The California State Density Bonus Law (SDBL) was adopted in 1976 to address California's affordable housing needs. The SDBL has been amended multiple times since its adoption in response to evolving housing conditions, provide clarification on the legislation, respond to legal and implementation challenges, and incorporate new or expanded provisions. The SDBL originally 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 is intended 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. Cities are also required to adopt an ordinance specifying how compliance with the law will be implemented.

Previous SDBL allowed for an increase in the amount of additional density over the maximum allowable density as specified in the City's Development Code and General Plan, according to the amount of affordable housing units proposed by an applicant.

Current SDBL specifies regulations allowing for density bonuses and development concessions for senior and affordable housing, reduced parking based on the proximity to transit, streamlined procedures for processing applications, and expansion of housing categories that qualify for a density bonus. The amount of additional density an applicant is entitled to, over the maximum allowable density as specified in the City's Development Code and General Plan, varies according to the amount of affordable housing units proposed by an applicant.

AB 1763 added a new category of housing projects that are now eligible for a density bonus. Developments with 100 percent of units dedicated for lower income households are eligible for a density bonus of at least 80 percent of the number of affordable units. A housing development that qualifies under this new provision may include up to 20 percent of units dedicated for moderate-income households. In other words, a development project consisting of a total of 100 income qualifying units, may receive a density bonus of 80 units. These projects are also entitled to receive up to four incentives/concessions or waivers, as previously allowed in SDBL.

In addition to the density bonus, AB 1763 reduces the parking ratio for special needs housing and qualifying supportive housing projects from 0.3 spaces per unit to zero spaces per unit, if the proposed housing development has either paratransit service or unobstructed access within one-half mile to a fixed route bus service that operates at least eight times per day.

The draft ordinance amends the City's existing Density Bonus Ordinance to clarify that the State standards will apply. In addition, the draft ordinance adds language providing that any development project that is granted a density bonus or other benefit, must construct the affordable units that qualify the project as eligible for a density bonus, concurrently with or prior to the construction of any market rate units. In addition, the affordable units must be integrated with the market rate units so that there is a mix of affordable and market rate units, if any, in each building of the development project. This language is being added to ensure that projects that benefit from a density bonus actually construct the affordable units and that the affordable units are not segregated from the housing project as a whole.

FISCAL IMPACT: None

ATTACHMENTS:

1. Ordinance
2. Planning Commission Agenda Report
3. Notice of Public Hearing