

**Chapter 17.90**  
**AFFORDABLE HOUSING INCENTIVES**

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**17.90.010 Purpose.**

The purpose and intent of this chapter is to encourage housing projects which incorporate units affordable to very-low, lower, and moderate income households, and qualifying seniors or the donation of land for affordable housing within the city, and which conform to city development policies and standards, by providing density bonuses, or other equivalent incentives, as required by California Government Code Section 65915 et seq. This chapter is a summary of California Government Code Sections 65915 through 65918. Where there is a conflict between the state density bonus law and the zoning regulations, the state density bonus law shall prevail. (Ord. 1591 § 20 (part), 2013)

**17.90.020 Definitions.**

For the purposes of this chapter, the following words and phrases shall have the meanings set forth below:

A. "Affordable" shall mean residential rent costs or sales prices which conform to the standards issued by the director and updated periodically to reflect state and/or federal housing cost indices.

B. "Common interest development" means any of the following: a community apartment project, a condominium project, a planned development, or a stock cooperative set forth in Civil Code Section 1351.

C. "Density" means residential density as defined in Section 17.16.010. As an example, a two-bedroom dwelling equals 1.00 density unit.

D. "Density bonus" means a density increase over the maximum density otherwise allowable under the zoning regulations and land use element of the general plan.

E. "Director" means the community development director or his or her authorized representative.

F. "Housing development" means a development project for five or more residential units; also includes a subdivision or common interest development.

G. "Lower income households" shall have the meaning set forth in California Health and Safety Code Section 50079.5; provided the income of such persons and families whose incomes exceed fifty percent but are less than or equal to eighty percent of the median income within the county.

H. "Maximum allowable residential density" means the maximum density allowed under the zoning regulations and land use element of the general plan.

I. "Moderate income households" shall have the meaning set forth in California Health and Safety Code Section 50093; provided the income of such persons and families whose incomes exceed eighty percent but are less than or equal to one hundred twenty percent of the median income within the county.

J. "Senior citizen housing development" means a residential development developed, substantially rehabilitated, or substantially renovated for senior citizens (fifty-five years or older) that has at least thirty-five dwelling units.

K. "Very-low income households" shall have the meaning set forth in California Health and Safety Code Section 50105; provided the income of such persons and families whose incomes exceed thirty percent but are less than or equal to fifty percent of the median income within the county. (Ord. 1591 § 20 (part), 2013)

**17.90.030 Application process for incentive.**

A. The developer may submit a preliminary proposal for the development of affordable housing prior to the submittal of any formal requests for general plan amendments, zoning amendments or subdivision map approvals. The city council shall, within ninety days of receiving a written preliminary proposal, notify the housing developer in writing of the procedures under which the city will comply with this chapter.

B. Any request for a density bonus or other incentives shall be in writing, and shall include the

following information, as well as any additional information required by the director:

1. The name of the developer;
2. The location of the proposed project;
3. The density allowed under the zoning regulations, as well as the proposed density;
4. The number and type (bedroom count) of dwellings and identification of those dwellings which are to be affordable to each household income category;
5. Whether the dwellings will be offered for sale or for rent;
6. The proposed sales price, financing terms, rental rates or other factors which will make the dwellings affordable to very-low, lower and moderate income households. (Ord. 1591 § 20 (part), 2013)

**17.90.040 Standard incentives for housing projects.**

A. This section shall apply only to housing projects consisting of five or more dwelling units. Per state law, projects that provide affordable housing are allowed up to a thirty-five percent density bonus based on the tables outlined below for the respective affordability levels. In addition, the city council may approve a density bonus in excess of thirty-five percent at the request of the developer as well as other concessions and incentives outlined in Section [17.90.060](#).

B. All density calculations resulting in fractional units shall be rounded up to the next whole number.

C. For the purpose of this section, “total units” or “total dwelling units” does not include units added by a density bonus awarded pursuant to this section or any local law granting a greater density bonus.

D. Ten Percent Low Income Dedication. When a developer agrees to construct ten percent of the total units of a housing development for persons or families of lower income, the director shall grant the developer, upon the developer’s request, a density bonus; the density bonus shall be calculated as follows:

Percentage Low Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5

17	30.5
18	32
19	33.5
20	35

E. Five Percent Very-Low Income Dedication. When a developer agrees to construct at least five percent of the total units of a housing development for very-low income households, the director shall grant the developer, upon the developer’s request, a density bonus; the density bonus shall be calculated as follows:

<b>Percentage Very-Low Income Units</b>	<b>Percentage Density Bonus</b>
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

F. Twenty Percent Senior Citizen Housing Development Dedication. When a developer agrees to construct a senior citizen housing development, or mobile home park that limits residency based on age requirements for housing for older persons, the director shall grant the developer, upon the developer’s request, a density bonus; the density bonus shall be twenty percent of the number of senior housing units.

G. Ten Percent Common Interest Development for Moderate Income Dedication. If a developer agrees to construct ten percent of the total dwelling units in a common interest development for persons or families of moderate income, provided that all units in the development are offered to the public for purchase, the director shall grant the developer, upon the developer’s request, a density bonus; the density bonus shall be calculated as follows:

<b>Percentage Moderate Income Units</b>	<b>Percentage Density Bonus</b>
10	5
11	6
12	7

13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18
24	19
25	20
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31	26
32	27
33	28
34	29
35	30
36	31
37	32
38	33
39	34
40	35

H. Land Donation Dedication. If a developer for a tentative subdivision map, parcel map, or other residential development approval donates land to the city for affordable housing in accordance with this chapter and the provisions set forth in California Government Code Sections 65915 through 65918, the applicant shall be entitled to a fifteen percent increase above the otherwise maximum allowable residential density for the entire development. The director shall grant the applicant, upon the applicant's request, a density bonus; the density bonus shall be calculated as follows:

<b>Percentage Very Low-Income Units</b>	<b>Percentage Density Bonus</b>
10	15
11	16
12	17
13	18
14	19
15	20
16	21
17	22
18	23
19	24
20	25
21	26
22	27
23	28
24	29
25	30
26	31
27	32
28	33
29	34
30	35

I. An applicant may elect to accept a lesser percentage of density bonus.

J. Parking Requirements. Upon the request of the developer, parking ratios of a development meeting the criteria of this section, inclusive of handicapped and guest parking, shall be as follows:

1. Studio to one bedroom: one on-site parking space.
2. Two to three bedrooms: two on-site parking spaces.
3. Four or more bedrooms: two and one-half parking spaces.
  - a. If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number.

b. For purposes of this section, a development may provide on-site parking through tandem or uncovered parking, but not through on-street parking.

c. An applicant may request additional parking incentives or concessions beyond those provided in this section, subject to Section [17.90.060](#). (Ord. 1591 § 20 (part), 2013)

**17.90.050 Standard incentives for conversion of apartments to condominium projects.**

A. For the purposes of this section, “other incentives of equivalent financial value” shall not be construed to require the city to provide cash transfer payments or other monetary compensations but may include the reduction or waiver of requirements which the city might otherwise apply as conditions of conversion approval.

B. For purposes of this section, “density bonus” means an increase in units of twenty-five percent over the number of apartments, to be provided within the existing structure or structures proposed for conversion.

C. When an applicant for approval to convert apartments to condominium units agrees to provide at least thirty-three percent of the total units of the proposed condominium project to persons and families of low or moderate income, or fifteen percent of the total units of the proposed condominium project to lower income households, and agrees to pay for the reasonable, necessary administrative costs incurred by the city pursuant to this section, the director shall grant a density bonus or provide other incentives of equivalent financial value as it finds appropriate.

D. Nothing in this section shall be construed to require the city to approve a proposal to convert apartments to condominiums.

E. An applicant shall not be eligible for a density bonus under this section if the apartments proposed for conversion constitute a housing development for which a density bonus or other incentives were provided under Section [17.90.040](#) or [17.90.060](#).

F. The city shall grant the developer’s request for development incentive(s) unless the city council makes written findings of fact that the additional incentive(s) are not required to achieve affordable housing objectives as defined in Section 50062.5 of the Health and Safety Code, or to ensure that sales prices for the targeted dwelling units will be set and maintained in conformance with city affordable housing standards. (Ord. 1591 § 20 (part), 2013)

**17.90.060 Alternative or additional incentives.**

A. When a developer agrees to construct housing for households of very-low, lower or moderate income households, or for qualifying senior households, and desires an incentive other than a density bonus as provided in Section [17.90.040](#), or when an applicant for approval to convert apartments to a condominium project agrees to provide housing for households of very low, lower, or moderate income, or for qualifying senior households, the developer shall receive the following number of incentives or concessions:

1. One incentive or concession for housing developments that include at least ten percent of the total units for lower income households, at least five percent for very-low income households, or at least ten percent for persons and families of moderate income in a common interest development.
2. Two incentives or concessions for housing developments that include at least twenty percent of the total units for lower income households, at least ten percent for very-low income households, or at least twenty percent for persons and families of moderate income in a common interest development.
3. Three incentives or concessions for housing developments that include at least thirty percent of the total units for lower income households, at least fifteen for very-low income households, or at least thirty percent for persons and families of moderate income in a common interest development.

B. Alternative incentive proposals shall include information set forth in Section [17.90.030](#)(B) as well as a description of the requested incentive, an estimate of the incentive's financial value in comparison with the financial value of the density bonus allowed in Section [17.90.040](#), as well as the basis for the comparison estimate. Alternative incentive proposals shall be considered by the council and may include but are not limited to one or more of the following:

1. A reduction in site development standards or modification of zoning code requirements or architectural design requirements that exceeds the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable, financially sufficient, and actual cost reductions;
2. Approval of mixed use zoning in conjunction with the housing project if commercial, office, industrial, or other land use will reduce the cost of the housing development and if the commercial, office, industrial, or other land uses are compatible with the housing project and the existing or planned development in the area where the proposed housing project will be located;
3. Density bonus in excess of that provided in Section [17.90.040](#);
4. Waiver of application and development review processing fees;
5. Waiver of utility connection or park land in-lieu fees or park land dedication requirement;
6. City funded installation of off-site improvements which may be required for the project, such



as streets or utility lines;

7. Write-down of land costs;

8. Direct subsidy of construction costs or construction financing costs;

9. Other regulatory incentives or concessions proposed by the developer or the city that result in identifiable, financially sufficient, and actual cost reductions shall also include provisions for assuring continued availability of designated units at affordable rents or sales prices for a period of not less than thirty years, or as otherwise required by state law.

C. Proposals for approval to convert apartments to a condominium project shall include those relevant items set forth in Section [17.90.030\(B\)](#), plus the requested incentive, an estimate of the incentive's financial value in comparison with the financial value of the density bonus as set forth in Section [17.90.050](#), and the basis for the comparison estimate. Nothing in this section shall be construed to require the city to provide cash transfer payments or other monetary compensation. The city may reduce or waive requirements which the city might otherwise apply as conditions of conversion approval.

D. Nothing in this section shall be construed to require the council to approve any alternative incentive or concession. The council shall approve the requisite number of incentives or concessions afforded by this section. However, the details surrounding the incentives or concessions shall be at the discretion of the council.

E. The council action on any alternative incentive proposal shall be by resolution. Any such resolution shall include findings relating to the information required in subsection B or C of this section. (Ord. 1591 § 20 (part), 2013)

**17.90.070 Relationship to other city procedures.**

A. Projects incorporating affordable housing and receiving density bonuses, incentives, or alternative incentives as provided in this chapter shall receive high priority processing, to the extent allowed by law. Operation of Section [17.90.040](#) or [17.90.050](#), or approval of alternative incentives as provided in Section [17.90.060](#), shall not be construed as a waiver of standard development review procedures or an exemption of the project from city development standards other than those explicitly listed in the approving resolution. Should a project fail to receive any required city approval, the density bonus or alternative incentive granted under this chapter shall be null and void.

B. Applications of Sections [17.90.040](#) and [17.90.050](#) to projects shall be ministerial acts for purposes of environmental review. Environmental documents need not be filed solely for recordation of agreements concerning the density bonus and provision of affordable housing. Normal environmental review procedures shall apply to the project applications.

C. If the council approves an alternative incentive as provided in Section [17.90.060](#), such approval shall be subject to and conditioned upon an environmental determination being made for the project in the usual manner. The community development department shall outline for the council any probable, significant environmental effects which would result from the proposed incentive. (Ord. 1591 § 20 (part), 2013)

**17.90.080 Agreements for affordable housing.**

Prior to the issuance of construction permits for any project incorporating a density bonus or other incentive as provided in this chapter, the city and the project owner(s) shall enter into an agreement in a form acceptable to the city attorney, to be recorded in the office of the county recorder. The agreement shall specify mechanisms or procedures to assure the continued affordability and availability of the specified number of dwelling units to very-low, lower, and moderate income households and/or qualifying seniors. The agreement shall also set forth those items required by Section [17.90.030](#)(B) or any alternative incentives granted pursuant to Section [17.90.060](#). The agreement shall run with the land and shall be binding upon all heirs, successors or assigns of the project or property owner, and shall ensure affordability for a period of not less than thirty years, or as otherwise required by state law. (Ord. 1591 § 20 (part), 2013)

**17.90.090 Fees.**

A. No fee in addition to normal project application fees shall be charged for a request for a density bonus pursuant to the provisions of Section [17.90.040](#) or [17.90.050](#), except for reasonable, necessary administrative costs incurred by the city pursuant to Section [17.90.050](#).

B. A fee not to exceed the amount charge for “preapplication concept review” may be charged for proposals submitted pursuant to the provisions of Section [17.90.060](#). (Ord. 1591 § 20 (part), 2013)

**17.90.100 Affordability standards.**

A. The community development department shall publish and revise as needed a schedule of rental rates and sales prices for dwellings which will be affordable to households with incomes as provided in this chapter. The schedule shall substantially conform with the affordability standards as established by state or federal law.

B. The maximum rental rates and sales prices as revised, generally on an annual basis, shall remain in effect for projects receiving density bonuses or additional incentives under this chapter as provided in the affordable housing agreement, but in no case less than the minimum term required by state law. (Ord. 1591 § 20 (part), 2013)

**17.90.110 Occupant screening.**

A. The affordable dwellings developed pursuant to this chapter shall be available to qualified occupants without regard to race, religion, national origin, sex, occupation or other affiliation. Occupants may be screened on the basis of age only to qualify those occupants seeking housing designed for the elderly.

B. The city housing authority or other third party acceptable to the community development director shall screen prospective occupants so that dwellings developed pursuant to this chapter shall be occupied by households with the appropriate qualifying incomes or ages. Owners of projects shall enter into agreements with the housing authority for such screening services.

C. Preference in occupant screening shall be given to those employed within or residing within the city or the immediately surrounding area, to the extent that this provision does not conflict with state or federally funded housing assistance programs which may apply to a particular project, or other applicable law. This section is to insure that those households having the greatest difficulty obtaining housing at market rates within the city shall be able to occupy affordable housing made available pursuant to this chapter. (Ord. 1591 § 20 (part), 2013)