REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO		CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY)
TO: CITY COUNCIL	FROM (ORIGINATING DEPARTMENT): Development Services Department	DATE: 3/18/2015
SUBJECT: Amendments to Affordable Housing Density Bonus Regulations		
PRIMARY CONTACT (NAME, PHONE): Dan Normandin,619-446-5388 MS 501	SECONDARY CONTACT (NAME, PHONE): Amanda Lee, 619-446-5367 MS 501	

COMPLETE FOR ACCOUNTING PURPOSES

FUND	700036				
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00
FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00

COST SUMMARY (IF APPLICABLE): Costs associated with implementation of the regulations in the future will be borne by project applicants.

ROUTING AND APPROVALS

CONTRIBUTORS/REVIEWERS:		APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
Environmental Analysis		ORIG DEPT.	Vacchi, Robert	04/10/2015
Liaison Office		CFO		
Financial Management		DEPUTY CHIEF	Graham, David	04/27/2015
		COO		
		CITY ATTORNEY		
		COUNCIL PRESIDENTS OFFICE		

PREPARATION OF: ☐ RESOLUTIONS ☒ ORDINANCE(S) ☐ AGREEMENT(S) ☐ DEED(S)

Adopt an ordinance amending the Affordable Housing Density Bonus Regulations of the Land Development Code and the City's Local Coastal Program to incorporate Assembly Bill 2222, which went into effect on January 1, 2015, to add modifications suggested by the California Coastal Commission staff, and to make clarifications and minor modifications deemed necessary to more accurately reflect state density bonus law.

STAFF RECOMMENDATIONS:
Approve Requested Actions

SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)	
COUNCIL DISTRICT(S):	Citywide
COMMUNITY AREA(S):	Citywide
ENVIRONMENTAL IMPACT:	EIR No.96-0333 was prepared and certified on November 18, 1997 for adoption of the Land Development Code; and Program EIR No. 104495 was prepared and certified on March 10, 2008 for the General Plan Update. The proposed amendments were reviewed for consistency with the above referenced environmental documents and it was determined, in accordance with Public Resources Code 21166 and CEQA Guidelines Section 15162(a), that no subsequent environmental document is needed, as all of the impacts were adequately addressed and disclosed in previously certified EIR No. 96-0333 and Program EIR No.104495.
CITY CLERK INSTRUCTIONS:	- Notify project manager when the Mayor signs the ordinance. - The regulations will not become effective in the Coastal Overlay Zone until the California Coastal Commission unconditionally certifies the ordinance.

COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE: 3/18/2015
ORIGINATING DEPARTMENT: Development Services Department
SUBJECT: Amendments to Affordable Housing Density Bonus Regulations
COUNCIL DISTRICT(S): Citywide
CONTACT/PHONE NUMBER: Dan Normandin/619-446-5388 MS 501

DESCRIPTIVE SUMMARY OF ITEM:
This amendment addresses Assembly Bill 2222 (AB-2222), which went into effect on January 1, 2015. AB-2222 enacted three principal modifications to the state density bonus law. First, it increased of the length of affordability to 55 years. Second, it extended the affordable for-sale housing to low and very low income households. The third, it required replacement of low or very low income units displaced by the project. The amendment also includes modifications suggested by the California Coastal Commission staff to protect coastal resources, and clarifications and minor modifications deemed necessary to more accurately reflect state density bonus law.
STAFF RECOMMENDATION:
Approve Requested Actions

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

The Affordable Housing Density Bonus Regulations incorporate Assembly Bill 2222 (AB-2222), which went into effect on January 1, 2015; modifications suggested by the California Coastal Commission staff; and clarifications and minor modifications deemed necessary to more accurately reflect state density bonus law.

AB-2222 enacted three principal modifications to density bonus law. First, it increased the length of affordability from 30 years to 55 years. Second, for-sale affordable housing has been extended to low and very low income. Third, projects using the density bonus regulations must replace low or very low income units displaced by the project.

Under AB-2222 an applicant is ineligible for a density bonus if in the prior five years the site contained low or very low income households with rentals restricted by law or covenant, or if dwelling units were simply occupied by low or very low income households, unless the applicant replaces the low or very low income units and either provides the required percentage of affordable dwelling units (inclusive of the replaced units) or provides all dwelling units (except the manager's unit) as low or very low income.

In addition to the incorporation of AB2222 the ordinance includes language recommended by the California Coastal Commission staff as well as minor modifications and clarifications. The Coastal Commission staff language adds to the ordinance the ability to deny an applicant's requested incentive if the incentive would have an adverse impact on coastal resources. The

minor modifications and clarifications generally address density calculations, the amount of density bonus provided for moderate income for-sale housing, and parking regulations.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S):

Goal #2: Work in Partnership with all of our communities to achieve safe and livable neighborhoods.
Objective #4: Foster services that improve quality of life.

Goal #3: Create and sustain a resilient and economically prosperous City.
Objective #1: Create dynamic neighborhoods that incorporate mobility, connectivity, and sustainability.

FISCAL CONSIDERATIONS:

Costs associated with implementation of the regulations in the future will be borne by project applicants.

EQUAL OPPORTUNITY CONTRACTING INFORMATION: N/A

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee):

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The Community Planners Committee voted 21-1-1 to recommend to the City Council that the regulations as drafted are consistent with state density bonus law on February 24, 2015 and on February 11, 2015 the Code Monitoring Team voted 8 to1that the ordinance, as drafted, complied with the tenets of the Land Development Code and accurately reflected the requirements of the state density bonus law.

On April 30, 2015 the Planning Commission voted 7-0 to recommend the City Council adopt the ordinance.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stake holders include advocates for affordable housing, neighborhood groups, and developers of affordable and mixed income projects.

Vacchi, Robert
Originating Department

Graham, David
Deputy Chief/Chief Operating Officer

THE CITY OF SAN DIEGO

REPORT TO THE PLANNING COMMISSION

DATE ISSUED: **April 24, 2015** **REPORT NO. PC-15-042**

ATTENTION: Planning Commission, Agenda of April 30, 2015

SUBJECT: AMENDMENTS TO THE LAND DEVELOPMENT CODE AND THE CITY'S LOCAL COASTAL PROGRAM TO IMPLEMENT CURRENT AFFORDABLE HOUSING DENSITY BONUS LAW. (PROCESS 5)

SUMMARY

Issue: Should the Planning Commission recommend to the City Council approval of amendments to the Land Development Code and the City's Local Coastal Program that implement the current state affordable housing density bonus?

Staff Recommendation: Recommend that the City Council approve the proposed amendments.

Community Planners Committee (CPC):
On February 24, 2015 CPC voted to 21-1-1 to recommend to the City Council that the regulations as drafted are consistent with state density bonus law; however, the CPC is against AB-2222 as it applies the replacement requirement to existing housing units that are not regulated by law or covenant.

Code Monitoring Team (CMT):
On February 11, 2015 the CMT voted 8 to1that the ordinance, as drafted, complied with the tenets of the Land Development Code and accurately reflected the requirements of the state density bonus law.

Environmental Review:

An Environmental Impact Report (EIR No. 96-0333) was prepared and certified on November 18, 1997 for the original project, the adoption of the Land Development Code; and a Program EIR (No. 104495) was prepared and certified on March 10, 2008 for the General Plan Update. The proposed amendments to the Land Development Code were reviewed by the Environmental Analysis Section for consistency with the above referenced environmental documents and it was determined that, in accordance with Public Resources Code 21166 and California Environmental Quality Act (CEQA) Guidelines Section 15162(a): (1) no substantial changes are proposed to the project which would require major revisions of the previous EIR; (2) no substantial changes occur with respect to the circumstances under which the project is undertaken that would require any

revisions to the previous EIR; and (3) there is no new information of substantial importance that was not known and could not have been known at the time the previous EIR's were certified. Therefore, no subsequent EIR or other environmental document is needed for the ordinance amending the Affordable Housing Density Bonus Regulations, as all of the impacts were adequately addressed and disclosed in previously certified EIR No. 96-0333 (Land Development Code) and Program EIR No. 104495 (Draft General Plan). For a more detailed analysis, refer to Attachment 2, CEQA 15162 Evaluation, Memorandum dated March 2, 2015.

BACKGROUND

On November 6, 2007 the City Council amended the Affordable Housing Density Bonus Regulations consistent with Senate Bill 1818, certified the Supplement to Environmental Impact Report 96-033 (EIR for the Land Development Code), and adopted the associated Findings and Statement of Overriding Considerations. Generally, the adopted regulations mimicked those of the 2006 state density bonus law with the exception of the bonus for moderate income for-sale housing. The City's regulations provided a more generous for-sale density bonus. A legal challenge was filed, and upheld, that disputed the adequacy of the environmental document. As a result, the City has been implementing only the state mandated affordable housing density bonus and not implementing the City's proposed moderate income density bonus regulations.

DISCUSSION

This amendment addresses Assembly Bill 2222 (AB-2222), which went into effect on January 1, 2015, modifications suggested by the California Coastal Commission staff, and clarifications and minor modifications deemed necessary to more accurately reflect state density bonus law. The draft ordinance is provided in Attachment 1.

AB-2222 enacted three principal modifications to the state density bonus law. The first is an increase of the length of time an affordable dwelling unit must remain affordable from 30 years to 55 years [Section 143.0720(c)(4)]. Second, the ability to provide affordable for-sale housing has been extended to low and very low income households where it was previously limited to moderate income households only [Section 143.0720(d)(2)]. The third is that the density bonus project (rental or condominium) must replace all low or very low income units displaced by the project consistent with the following regulations found in Section 143.0717.

- An applicant is <u>ineligible</u> for a density bonus if, in the prior five years, the site contained low or very low income households with rentals restricted by law or covenant, or if dwelling units were simply occupied by households of low or very low income, <u>unless</u> the applicant replaces the low or very low income units, and either:
    - Provides the required percentage of affordable dwelling units, inclusive of any affordable units replaced, consistent with the density bonus provisions for low income and very low income; or
    - Provides all of the dwelling units in the development (except the manager's unit) as low or very low income.

- The number and income of the replaced dwelling units shall be determined as follows.
    - If the structure is occupied or partially occupied the replacement affordable dwelling units shall be:
        - The same number of affordable dwelling units as the occupied affordable dwelling units;
        - The equivalent size or type of affordable dwelling units;
        - Made affordable to the same income mix of low or very low income or lower; and
        - Any unoccupied dwelling units shall be replaced with dwelling units affordable at the same proportion as the occupied affordable dwelling units.
    - If the structure is wholly vacant or has been demolished within the prior five years the number of replacement affordable dwelling units shall be at least the number of affordable dwelling units that existed when the greatest number of dwelling units were occupied by households of low or very low income and shall be:
        - The equivalent size or type of dwelling unit; and
        - Made affordable to the same mix of low or very low income or lower; however, if the income levels are unknown then at least half of the dwelling units must be very low income.

As previously stated, this draft ordinance contains other modifications that address the recommendations of California Coastal Commission staff, and clarifications and minor modifications. Those modifications are as follows.

- The draft ordinance added language recommended by California Coastal Commission staff to Sections 143.0740(c)(1)(B) through (D)to address requests for incentives that could have the potential to impact resources.
- Clarification that where there is inconsistency between the land use plan and zoning the maximum density of the land use plan applies.
- Clarification that when calculating density for the following applies:
    - If the density of the base zone and land use plan are inconsistent the density of the land use plan applies; and
    - When the calculation of the bonus density results in any fraction, the number is rounded up to the next whole number.
- The definition of affordable housing costs has been deleted. It was only used once in the land development code, and the method for determining the cost is in state law and the calculation is performed by the San Diego Housing Commission (SDHC) consistent with established procedures.

- The criteria for determining eligibility for low and very low income has been deleted as they are required by the state and applied by SDHC consistent with state law and established procedures.

- Density bonus for condominium conversions was added to the ordinance. The existing ordinance did not specifically address it, although it was applied in accordance with state density bonus law.

- The percent of density bonus permitted for moderate for-sale housing in Table 143-07C was modified to mimic state density bonus law.

- The parking requirements were modified to separate out senior housing (non-affordable) from low and very low income to account for the new affordable housing parking regulations.

CONCLUSION

All California cities are required to implement State Density Bonus Law. This ordinance has been drafted to accurately reflect the requirements of the current state law and to provide needed clarifications.

ALTERNATIVES

The Planning Commission may recommend to the City Council that it not adopt the ordinance or that it adopt an ordinance with modifications.

Respectfully submitted,

Robert Vacchi
Director
Development Services Department

Dan Normandin
Project Manager
Development Services Department

VACCHI/DPN

Attachments:

1. Draft Strikeout/underline Regulations
2. CEQA 15162 Evaluation Memo dated March 2, 2015

§113.0103 Definitions

Abutting property through *Affiliate* [No change in text.]

~~*Affordable housing cost* shall mean (1) for ownership housing, a housing payment which includes loan principal, loan interest, property taxes, property and mortgage insurance, and homeowners association dues which allows a household with a gross income at not more than one hundred percent (100%) of the area median income to purchase a home and (2) for rental or cooperative housing, a housing payment including a reasonable allowance for utilities, which does not exceed thirty percent (30%) of not more than fifty percent (50%) of the area median income for *very low income* households and thirty percent (30%) of not more than eighty percent (80%) of the area median income for *low income* households.~~

Alley through *Deemed complete* [No change in text.]

Density means the relationship between the number of ~~dwelling units~~ *dwelling units* existing or permitted on a premises and the area of the *premises*. ~~See Section 113.0222 for additional information on calculating density.~~

Designated historical resource through *Yard* [No change in text.]

§113.0222 Calculating Density

(a) Multiple Dwelling Unit Development
For *multiple dwelling unit development*, the maximum number of units that may be permitted on any *premises* is determined by dividing the ~~lot~~ *lot* area of the *premises* by the number of square feet required for each ~~dwelling unit~~ *dwelling unit* (maximum permitted ~~density~~ *density*), as prescribed by the applicable base zone.

(1) If the quotient resulting from this calculation exceeds a whole number by 0.50 or more, the number of ~~dwelling units~~ *dwelling units* ~~may~~ shall be increased to the next whole number.

(2) [No change in text.]

(3) In determining the maximum permitted *density*, the rounding provisions of Section 113.0222(a)(1) may be used only once~~. For example, if multiple calculations are required as with application of the *density* bonus provision, the result of only one calculation may be increased to the next whole number.~~

Example of calculation of *density* for *multiple dwelling unit development*:

Lot Area: 1.5 acres x 43,560 (sq. ft./ac.) = 65,340 sq. ft.

Maximum Permitted *Density*: 1 dwelling unit/2000 sq. ft.

Units Permitted = 65,340 ÷ 2,000 = 32.67 dwelling units

Since the quotient exceeds a whole number by more than 0.50, the maximum number of permitted dwelling units may be rounded up to 33 dwelling units.

(b) [No change in text.]

(c) For purposes of calculating *density* for a *development* proposing a *density* bonus pursuant to Chapter 14, Article 3, Division 7, where the maximum *density* of the base zone and the *land use plan* are inconsistent, the maximum *density* allowed under the *land use plan* shall prevail. Calculations resulting in any fractional number shall be increased to the next whole number.

§143.0710 Purpose of Affordable Housing Density Bonus Regulations

The purpose of these regulations is to provide increased residential density to developers who guarantee that a portion of their residential *development* will be available to *moderate income*~~,~~, low *income*~~,~~, *very low income*~~,~~ or senior households. The regulations are intended to materially assist the housing industry in providing adequate and affordable housing for all economic segments of the community and to provide a balance of housing opportunities for *moderate income*~~,~~, *low income*~~,~~, *very low income*~~,~~, and senior households throughout the City. It is intended that the affordable housing *density* bonus and any additional *development* incentive be available for use in all residential *development* of five or more units, using criteria and standards provided in the ~~Progress Guide and~~ General Plan, ~~as defined by the San Diego Housing Commission;~~ and that requests be processed by the City of San Diego~~,~~ and ~~that they~~ be implemented by the President and Chief Executive Officer of the San Diego Housing Commission. It is also intended that these regulations implement the provisions of California Government Code Sections 65915 through 65918.

§143.0715 When Affordable Housing Density Bonus Regulations Apply

This division applies to any residential *development*~~, located on land~~ where current zoning allows for five or more ~~pre-density bonus~~ *dwelling units*~~,~~, not including *density* bonus units, where an *applicant* proposes *density* beyond that permitted by the ~~applicable~~ base zone and *land use plan* at the time the application is *deemed complete*, in exchange for either of the following ~~as set forth in this division~~:

(a) A portion of the total *dwelling units* in the *development* being reserved for *moderate, low,* or *very low income* households or for senior citizens through a written agreement with the San Diego Housing Commission; or

(b) The donation of land, pursuant to the State Density Bonus Law.

§143.0717 Required Replacement of Affordable Units

(a) An *applicant* is ineligible for a *density* bonus or any incentive under this division if the property on which the *development* is proposed contains, or during the five years preceding the application, contained, rental *dwelling units* that have had the rents restricted by law or covenant to persons and families of *low income* or *very low income*, or have been occupied by persons and families of *low income* or *very low income*, unless the proposed *development* replaces the affordable *dwelling units*, and either:

(1) Provides affordable *dwelling units* at the percentages set forth in Section 143.0725 (inclusive of the replacement *dwelling units*), or

(2) Provides all of the *dwelling units* as affordable to *low income* or *very low income* households, excluding any manager's unit(s).

(b) The number and type of required replacement *dwelling units* shall be determined as follows:

(1) If any of the *dwelling units* are occupied, the replacement *dwelling units* must be at least the same number of *dwelling units* of equivalent size or type, or both, and must be made affordable to and occupied by persons and families in the same or a lower income category as the occupied *dwelling units*. If any *dwelling units* are unoccupied, the replacement *dwelling units* shall be of the same proportion of affordability as those *dwelling units* that are occupied.

(2) If the *dwelling units* in the *development* are vacant or have been demolished within the five year period preceding the application, the replacement *dwelling units* must be of at least the same number of *dwelling units* of equivalent size or type, or both, as existed at the time of the greatest number of occupied affordable *dwelling units* in that *development*, and must be made affordable to and occupied by, persons and families in the same or lower income categories as those in occupancy at that time. If the income categories are unknown for this five year period, then at least one-half of the replacement *dwelling units* shall be made available for rent to or purchase by and occupied by persons and families in the *very low income* category, and one-half of the replacement *dwelling units* shall be made available for rent to and occupied by persons and families in the *very low income* category.

(3) All replacement *dwelling unit* calculations resulting in fractional units shall be rounded up to the next whole number.

(4) All rental replacement *dwelling units* shall be affordable for at least 55 years.

§143.0720 Density Bonus in Exchange for Affordable Housing Units

(a) A *development* shall be entitled to a *density* bonus and incentives as described in this division, for any residential *development* for which a written agreement, and a deed of trust securing the agreement, is entered into by the *applicant* and the President and Chief Executive Officer of the San Diego Housing Commission. The agreement and deed of trust in favor of the San Diego Housing Commission are to be recorded in the Office of the Recorder of the County of San Diego as an encumbrance against the *development*.

(b) The *density* bonus units authorized by this division shall be exempt from the Inclusionary Housing Regulations set forth in Chapter 14, Article 2, Division 13.

(c) A rental affordable housing *density* bonus agreement shall utilize the following qualifying criteria consistent with the procedures established by the San Diego Housing Commission:

~~(1)~~(1) *Low income*- At least 10 percent of the pre-*density* bonus units in the *development* shall be affordable, including an allowance for utilities, to *low income* households at a rent that does not exceed 30 percent of 60 percent of area median income, as adjusted for assumed household size; or

~~(2)~~(2) *Very low income*- At least 5 percent of the pre-*density* bonus units in the *development* shall be affordable, including an allowance for utilities, to *very low income* households at a rent that does not exceed 30 percent of 50 percent of the area median income, as adjusted for household size.

(3) The affordable units shall be designated units, be comparable in bedroom mix and amenities to the market-rate units in the *development,* and be dispersed throughout the *development.*

(4) The *dwelling units* shall remain available and affordable for a period of at least ~~30~~ 55 years or longer, as may be required by other laws or covenants.

(d) A for-sale affordable housing *density* bonus agreement shall utilize the following qualifying criteria consistent with the procedures established by the San Diego Housing Commission:

(1) *Moderate income*- At least 10 percent of the total *dwelling units* in a common interest development, as defined in California Civil Code Section 4100, shall be affordable, provided that all *dwelling units* in the *development* are offered to the public for purchase.

~~(1)~~(2) The initial occupant of all ~~F~~for-sale affordable housing~~*density* bonus~~ units shall be ~~only be available to common interest *development*, as defined by California Civil Code Section 1351, where at least 10 percent of the pre-*density* bonus units in the *development* shall be initially sold and affordable to~~ a *very low income*, *low income*, or *moderate income* households~~ at a price that is affordable to families earning 110 percent of the area median income as adjusted for assumed household size, as determined by the San Diego Housing Commission, and where all the *dwelling units* are offered to the public for purchase~~.

~~(2)~~(3) Prior to, or concurrent with, the sale of each *density* bonus affordable unit, the *applicant* shall require the buyer to execute and deliver a promissory note in favor of the San Diego Housing Commissions so that the payment of any initial subsidy is ensured.

~~(3)~~ (4) Each for-sale unit shall be occupied by the initial owner at all times until the resale of the unit.

~~(4)~~(5) Upon the first resale of a unit the seller shall comply with all conditions regarding the sale of a unit, as applied by the San Diego Housing Commission, and as set forth in California Government Code Section 65915(c)(2).

~~(5)~~(6) The affordable units shall be designated units, be comparable in bedroom mix and amenities to the market-rate units in the *development*, and be dispensed throughout the *development*.

(e) A *density* bonus agreement for housing for senior citizens shall utilize the following qualifying criteria consistent with the procedures established by the San Diego Housing Commission:

(1) The *development* consists of housing for senior citizens or qualifying residents as defined under California Civil Code Section 51.3 and 51.12, where at least 35 *dwelling units* are provided; or a *mobilehome* park that limits residency based on age requirements for housing for older persons pursuant to California Civil Code Section 798.76 or 799.5.

(2) The *dwelling units* shall remain available for a period of at least 30 years or longer as may be required by other laws.

(f) The *density* bonus units shall have recorded against them a Declaration of Covenants, Conditions and Restrictions in favor of the San Diego Housing Commission that shall enjoy first lien position and shall be secured by a deed of trust that may be recorded against the project or unit, as applicable, prior to construction or permanent financing.

(g) Provision shall be made by the San Diego Housing Commission for certification of eligible tenants and purchasers, annual certification of property owner compliance, payment of a monitoring fee to the San Diego Housing Commission, as adjusted from time to time, for monitoring of affordable unit requirements, and any other terms that the San Diego Housing Commission determines are needed to implement the provisions and intent of this division and State law.

(h) A *condominium conversion* that provides at least 33 percent of the total *dwelling units* to *low income* and *moderate income* households, or 15 percent of the total *dwelling units* to *low income* households, shall be entitled to a *density* bonus of 25 percent or other incentives of equivalent financial value in accordance with State Density Bonus Law and this division, unless the *development* previously received a *density* bonus or other incentives.

§143.0725 Density Bonus Provisions

A *development* proposal requesting an affordable housing *density* bonus is subject to the following:

(a) For senior citizen housing meeting the criteria of Section 143.0720(e), the *density* bonus shall be 20 percent.

(b) For *development* meeting the criteria for *low income* in Section 143.0720(c)(1), the *density* bonus shall be calculated as set forth in Table 143-07A. The increased *density* shall be in addition to any other increase in *density* allowed in this division, up to a maximum combined *density* increase of 35 percent. For *development* meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable *floor area ratio* applicable to the *development* consistent with Section 156.0309(e).

(c) For *development* meeting the criteria for *very low income* in Section 143.0720(c)(2), the *density* bonus shall be calculated as set forth in Table 143-07B. The increased *density* shall be in addition to any other increase in *density* allowed in this division, up to a maximum combined *density* increase of 35 percent. For *development* meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable floor area ratio applicable to the *development* consistent with Section 156.0309(e).

(d) For *development* meeting the criteria for *moderate income* in Section 143.0720(d), the *density* bonus shall be calculated as set forth in Table 143-07C. The increased *density* shall be in addition to any other increase in *density* allowed in this division, up to a maximum combined *density* increase of 35 percent. For *development* meeting the same criteria within the Centre City Planned District, the bonus shall apply to the maximum allowable floor area ratio applicable to the *development* consistent with Section 156.0309(e).

(e) If the *premises* is located in two or more zones, the number of *dwelling units* permitted in the *development* is the sum of the *dwelling units* permitted in each of the zones. Within the *development*, the permitted number of *dwelling units* may be distributed without regard to the zone boundaries.

(f) Where the *development* consists of two or more specifically identified parcels, whether contiguous or noncontiguous, the maximum number of *dwelling units* permitted on each parcel is calculated based on the area of that parcel.

(g) Where the *development* consists of two or more noncontiguous parcels lying within two or more community planning areas, the *dwelling units* reserved at levels affordable by *moderate income*, *low income* or *very low income* households shall be distributed among community planning areas in the same proportion as the total number of *dwelling units* constructed within the *development.*

§143.0730 Density Bonus in Exchange for Donation of Land

An *applicant* for a *tentative map*, *parcel map*, or residential *development* permit, may donate and transfer land to the City for *development* with affordable housing units, in exchange for a *density* bonus, in accordance with this division and pursuant to State Density Bonus Law.

§143.0740 Development Incentives for Affordable Housing Density Bonus Projects
The City shall process an incentive requested by an *applicant*, consistent with State Density Bonus Law and as set forth in this Section.

~~(a) The *applicant* shall demonstrate that the incentive is necessary to make the housing units economically feasible.~~

(~~b~~a) An incentive means any of the following:

(1) A deviation to a *development* regulation;

(2) Approval of mixed use zoning in conjunction with a residential *development* provided that the commercial, office, or industrial uses:

(A) Reduce the cost of the residential *development*; and

(B) Are compatible with the proposed residential *development*; and

(C) Are compatible with existing or planned *development* in the area where the proposed residential *development* will be located.

(3) Any other incentive proposed by the *applicant*, other than those identified is Section 143.0740(c), that results in identifiable, financially sufficient, actual cost reductions.

(~~e~~b) Items not considered incentives by the City of San Diego include, but are not limited to the following:

(1) A waiver of a required permit;

(2) A deviation from the requirements of the Coastal Height Limit Overlay Zone (Chapter 13, Article 2, Division 5);

(3) A waiver of fees or dedication requirements;

(4) A direct financial incentive;

(5) A deviation from the requirements of the City of San Diego Building Regulations;

(6) For projects required to notice the Federal Aviation Administration, an increase in height that has not received a determination of No Hazard to Air Navigation.

(~~d~~c) An incentive requested as part of a *development* meeting the requirements of Sections 143.0720~~(c) or 143.0720(d)~~ shall be processed according to the following:

(1) Upon an *applicant's* request, ~~development meeting~~ *development* that meets the applicable requirements of Sections 143.0720 and 143.0725 shall be entitled to incentives pursuant to Section 143.0740 unless the City makes a written finding of denial based upon substantial evidence, of ~~either~~ any of the following:

(A) The incentive is not required in order to provide for affordable housing costs as defined in California Health and Safety Code Section 50052.5, or for rents for affordable housing *dwelling units* in accordance with Section 143.0720(c);

(B) The incentive would have a specific adverse impact upon public health and safety as defined in Government Code section 65589.5, the physical environment, including *environmentally sensitive lands*, or on any real property that is listed in the California Register of Historical Resources~~,~~ and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the *development* unaffordable to *low income* and *moderate income* households~~.~~ ;

(C) The incentive would be contrary to state or federal law. Requested incentives shall be analyzed in compliance with the California Environmental Quality Act as set forth in Chapter 12, Article 8, and no incentive shall be granted without such compliance; or

(D) Within the Coastal Overlay Zone, the incentive would be inconsistent with the resource protection standards of the City's Local Coastal Program and the *environmentally sensitive lands* regulations, with the exception of *density*.

(2) Granting an incentive shall not require a General Plan amendment, zoning change, or other discretionary approval.

(3) The decision process for a *development* requesting an incentive shall be the same decision process that would be required if the incentive were not a part of the *development* proposal.

(4) The *development permit* requirement for a *development* requesting an incentive shall be the same *development permit* that would be required if the incentive were not a part of the *development* proposal.

(5) Notwithstanding Sections 143.0740(~~d~~c)(3) and (4), when a *development permit* is required, the decision to deny a requested incentive shall be made by the decision maker for the *development permit*.

(~~e~~d) The number of incentives available are identified in Table 143-07A for *low income*, Table 143-07B for *very low income*, and Table 143-07C for *moderate income* households consistent with the percentage of pre-*density* bonus units identified in column one of each table.

Table 143-07A
Low Income Density Bonus
~~Rental Housing~~Households

Percent *Low Income* units	Percent *Density* Bonus	Number of Incentives
10	20	1
11	21.5	1
12	23	1
13	24.5	1
14	26	1
15	27.5	1
16	29	1
17	30.5	1
18	32	1
19	33.5	1
20 – 29	35	2
≥ 30	35	3

Table 143-07B
Very Low Income Density Bonus
~~Rental Housing~~Households

Percent *Very Low Income* Units	Percent *Density* Bonus	Number of Incentives
5	20	1
6	22.5	1
7	25	1
8	27.5	1
9	30	1
10	32.5	2
11 – 14	35	2
≥ 15	35	3

Table 143-07C
Moderate Income Density Bonus
~~For-Sale Housing~~Households

Percent *Moderate Income* Units	Percent *Density* Bonus	Number of Incentives
10	~~20~~ 5	1
11	~~21~~ 6	1
12	~~22~~ 7	1
13	~~23~~ 8	1
14	~~24~~ 9	1
15	~~25~~ 10	1

16	~~26~~ 11	1
17	~~27~~ 12	1
18	~~28~~ 13	1
19	~~29~~ 14	1
20	~~30~~ 15	2
21	~~31~~ 16	2
22	~~32~~ 17	2
23	~~33~~ 18	2
24	~~34~~ 19	2
25 ~~29~~	~~35~~ 20	2
~~>30~~ 26	~~35~~ 21	~~3~~ 2
27	22	2
28	23	2
29	24	2
30	25	3
31	26	3
32	27	3
33	28	3
34	29	3
35	30	3
36	31	3
37	32	3
38	33	3
39	34	3
40	35	3

(~~f~~e) Child Care Center: *Development* that meets the criteria in Section 143.0720 and includes a child care center as defined in Section 141.0606(a)(2) as part of, or adjacent to, such *development* shall be entitled to an additional *density* bonus or incentive provided that:

(1) The child care center remains in operation for the greater of 30 years, or the period of time established by Section 143.0720(c)(4);

(2) The percentage of children from *low*, *very low*, or *moderate income* households attending the child care center is equal to or greater than the percentage of those same households required in the residential *development*;

(3) The additional *density* bonus or incentive requested is either:

(A) An additional *density* bonus in an amount equal to the amount of square feet in the child care center up to a maximum combined *density* increase of 35 percent; or

(B) An additional incentive that contributes significantly to the economic feasibility of the construction of the child care center; and

(4) The City finds, based upon substantial evidence, that the community is inadequately served by child care centers.

(~~g~~f) Parking: In addition to any other incentive, and upon the request of an *applicant*~~, that proposes a *development* meeting the criteria of Section 143.0720(c), (d), or (e)~~ the City shall apply the following ~~vehicular parking ratio, inclusive of handicapped and guest parking~~ regulations:

(1) For a *development* that meets the criteria of Section 143.0720(d), the following vehicular parking ratios inclusive of handicapped and guest parking shall apply:

(~~1~~A) Zero to one bedroom: one onsite parking space

(~~2~~B) Two to three bedrooms: two onsite parking spaces

(~~3~~C) Four and more bedrooms: two and one-~~quarter~~ half parking spaces

(~~4~~D) Additional reductions ~~to the parking ratios~~ of 0.25 spaces per *dwelling unit* shall be granted for ~~projects~~ *development* that is at least partially within a *transit area*~~, and for *very low income* households as follows~~ as described in Chapter 13, Article 2, Division 10 (Transit Area Overlay Zone), or that is subject to Chapter 13, Article 2, Division 11 (Urban Village Overlay Zone).

(2) For a *development* that meets the criteria of Sections 142.0720(c) or (e), the following vehicular parking ratios inclusive of handicapped and guest parking shall apply:

(A) ~~*Development* that is at least partially within a *transit area* as described in Chapter 13, Article 2, Division 10 (Transit Area Overlay Zone) or that is subject to Chapter 13, Article 2, Division 11 (Urban Village Overlay Zone), shall receive a 0.25 space per *dwelling unit* reduction in the parking ratio for the entire *development*.~~ The parking regulations set forth in Section 142.0527 shall apply for *dwelling units* that meet the criteria of Section142.0527(a)(3). If these parking ratios are greater than the parking ratios set forth in Section 143.0740(f)(1), then the parking ratios in Section 143.0740(f)(1) shall apply.

(B) ~~*Development* that includes *dwelling units* limited to occupancy by *very low income* households shall receive a 0.25 space reduction in the parking ratio for each *dwelling unit* that is limited to occupancy by a *very low income* household.~~ The parking requirements for all other *dwelling units* within a *development* that do not meet the requirements of Section 142.0527(a)(3) shall be determined in accordance with Section 143.0740(f)(l).

~~(C) *Development* that includes *dwelling units* limited to occupancy by *very low income* households, and is at least partially within a *transit area*, shall receive the combined reductions in sections 143.0740(g)(4)(A) and (B).~~

(~~5~~3) For purposes of this division, a *development* may provide onsite parking through tandem parking or uncovered parking, but not through on-street parking or parking within a required front yard setback.

ATTACHMENT 2

THE CITY OF SAN DIEGO

MEMORANDUM

DATE: March 2, 2015

TO: Dan Normandin, Project Manager, Development Services Department

FROM: Anne B. Jarque, Senior Planner, Development Services Department

SUBJECT: Amendments to Land Development Code Chapter 11, Article 3, Division 3, Definitions; Chapter 11, Article 3, Division 2, Calculating Density; and Chapter 14, Article 3, Division 7, Affordable Housing Density Bonus Regulations; California Environmental Quality Act – Section 15162 Evaluation

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The Development Services Department (DSD) has completed a California Environmental Quality Act (CEQA) Section 15162 – Subsequent EIRs and Negative Declaration consistency evaluation in compliance with Public Resources Code 21166 for the proposed amendments to Land Development Code (LDC) Chapter 11, Article 3, Division 3, Section 113.0103 Definitions; Chapter 11, Article 3, Division 2, Section 113.0222 Calculating Density; and Chapter 14, Article 3, Division 7, Affordable Housing Density Bonus Regulations (or Density Bonus Regulations).

This evaluation was performed to determine if conditions specified in CEQA Guidelines Sections 15162 would require preparation of additional CEQA review for the proposed amendments. As outlined in the evaluation matrix attached, DSD has determined that the proposed amendments are consistent with the original LDC Environmental Impact Report (EIR) No. 96-0333/SCH No. 96081056, certified by City Council on November 18, 1997, Resolution No. 98-288; as well as the City of San Diego General Plan Program EIR No. 104495/SCH No. 20006091032, certified by City Council on March 10, 2008, Resolution No. 2008-685; and would not result in new impacts.

PROJECT SCOPE AND DESCRIPTION

In accordance with California Government Code Section 65915, a city or county shall adopt an ordinance that specifies compliance with the implementation of the State's Density Bonus Law which grants a density bonus, concessions and incentives, prescribed parking requirements, as well as waivers of development standards when the development includes a certain percentage of affordable housing.

The proposed amendments to the Density Bonus Regulations (Chapter 14, Article 3, Division 7) would reflect the modifications to State Density Bonus Law State Assembly Bill (AB) 2222,

passed on September 27, 2014 and went into effect January 1, 2015. In summary, the major provisions under AB 2222 that have been incorporated into the City's Density Bonus Ordinance would include:

- Increasing the length of time an affordable dwelling unit must remain affordable from 30 years to 55 years;
- Extending the ability to provide affordable for-sale housing to low and very low income households where it was previously limited to only moderate income households; and
- Making an applicant ineligible for a density bonus if in the prior five years the site contained low or very low income residents with rentals restricted by law or covenant, or if dwelling units were simply occupied by households of low or very low income, unless the applicant replaces the low or very low income units displaced by the project.

The draft ordinance would also contain other clarifications and minor modifications, including those recommended by California Coastal Commission staff, as follows:

- Addressing requests for incentives that could have the potential to impact resources;
- Clarifying that when the base zone and land use plan are inconsistent, the density of the land use plan applies;
- Clarifying that when a density bonus calculation results in a fractional number it is increased to the next whole number;
- Deleting the defined term "affordable housing cost" in Chapter 11 Definitions;
- Adding density bonus for condominium conversions;
- Modifying Table 143-07C to mimic State Density Bonus Law related to percent of density bonus permitted for moderate for-sale housing; and
- Modifying the parking requirements to separate out senior housing (non-affordable) from low and very low income households.

BACKGROUND

The LDC was created to consolidate development regulations into a sequence of chapters of the Municipal Code (Chapters 11-15) to simplify the City's land development regulations; make the land development regulations more objective; make the code more adaptable; eliminate redundancies and contradictions; standardize the code framework; and increase predictability in the application of land development regulations. The certified LDC EIR anticipated that regular updates of the LDC would occur to maintain the code consistent with the goals described above.

The associated EIR analyzed the environmental effects associated with adoption and implementation of the proposed LDC, related regulations, amendments and appeals. The LDC EIR identified significant unmitigated impacts in the following issue areas: Land Use, Biological Resources, Landform Alteration, Historical Resources, Paleontological Resources, and Human Health and Public Safety. Cumulative impacts were also identified to Soils/Erosion Hazard, Air Quality, Hydrology/Water Quality, Biological Resources, Land Use, Transportation/Circulation, Landform Alteration, Historical Resources, and Paleontological Resources. A Mitigation Monitoring and Reporting Program was adopted with LDC EIR to reduce potentially significant impacts to Land Use, Biological Resources, Historical Resources, Landform Alteration/Neighborhood Character, Paleontological Resources, Natural Resources, and Human Health and Safety. The proposed amendments would not result in new significant environmental effects or substantially increase the severity of previously identified significant effects in any of

these issue areas or mitigation requirements; therefore, no further documentation is required for the proposed project.

With the adoption of the LDC and certification of this EIR, the Density Bonus Regulations were codified and City Council has adopted by ordinance subsequent amendments to these regulations in 1999 and 2007. A Negative Declaration (LDR No. 98-1218/SCH No 9921005) was prepared for the 1999 amendments and a Supplement to EIR (SEIR) No. 96-0633 (Project No. 63422/SCH No. 96081056) was prepared for the 2007 amendments. A legal challenge that disputed the adequacy of the SEIR was upheld that invalidated the environmental document.

In addition, the City of San Diego General Plan (General Plan) is a citywide comprehensive policy-level document that anticipated future actions, including community plan updates, land development code amendments and applicable ordinances to be required as a result of its implementation. The General Plan's City of Villages strategy implements policies that encourage mixed-use development that are pedestrian-friendly, centers of community, and linked to regional transit system. The associated Program EIR (PEIR) analyzed the environmental effects associated with its adoption and implementation The General Plan PEIR identified significant unmitigated impacts in the following issue areas: Air Quality, Biological Resources, Geologic Conditions, Health and Safety, Historical Resources, Hydrology, Land Use, Mineral Resources, Noise, Paleontological Resources, Population and Housing, Public Facilities, Public Utilities, Transportation/Traffic/Circulation/Parking, Visual Effects and Neighborhood Character, and Water Quality. The General Plan PEIR included a Mitigation Framework to identify means by which potentially significant impacts could be reduced or avoided in cases where the PEIR analysis determined such impacts to be potentially significant. Standard existing regulations requirements, programs and procedures that are applied to all similar projects were taken into account in identifying additional project specific mitigation that may be needed to reduce identified significant impacts. The proposed amendments would not result in new significant environmental effects or substantially increase the severity of previously identified significant effects in any of these issue areas or mitigation requirements; therefore, no further documentation is required for the proposed project.

Subsequently, an Addendum to the City's General Plan PEIR (Project No. 270400) was prepared and certified on March 4, 2013 which addressed the General Plan Housing Element Update, Year 2013-2020. The Housing Element, which is mandated by State law to be updated every eight years, contains objectives, policies, and programs that address regional housing needs for all income groups. As such, incentive programs such as inclusionary housing and density bonus for low to moderate income households support meeting the Housing Element's goals by:

- Streamlining the entitlement and permitting process for new residential development by minimizing governmental constraints in the development, improvement, and maintenance of housing without compromising the quality of governmental review or the City's responsibility to ensure development takes place in a sustainable manner; and
- Providing affordable housing opportunities consistent with a land use pattern which promotes infill development and socioeconomic equity; and facilitate compliance with all applicable federal, state, and local laws and regulations.

Thus the proposed amendments are also covered by the City's General Plan and Housing Element goals, policies and objectives.

CEQA 15162 CONSISTENCY EVALUATION

DSD reviewed the proposed amendments and conducted an 15162 consistency evaluation in compliance with Public Resources Code Section 21166 with the previously certified LDC EIR No. 96-0333/SCH No. 96081056 and the General Plan PEIR No. 104495/SCH No. 2006091032. The evaluation matrix (Attachment 1) substantiates the conclusion that supports a determination that no subsequent document is required.

CONCLUSION

Overall, it is not anticipated that the implementation of the proposed amendments would result in any significant direct, indirect or cumulative impacts over and above those disclosed in the previously certified LDC EIR No. 96-0333/SCH No. 96081056 and the General Plan EIR No. 104495/SCH No. 2006091032. The project would not result in new impacts or changed circumstances that would require a new environmental document.

Section 15162 of the CEQA Guidelines states:

When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

(3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:

   (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;

   (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;

   (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

   (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

DSD finds that none of the three criteria listed above has occurred. In addition, this evaluation supports the use of the LDC EIR No. 96-0333/SCH No. 96081056 and the 2008 General Plan

PEIR No. 104495/SCH No. 2006091032 for the proposed amendments pursuant to Public Resources Code 21166 and CEQA Guidelines Section 15162.

Therefore, the certified EIR No. 96-0333/SCH No. 96081056 and General Plan PEIR No. 104495/SCH No. 2006091032 adequately covers the modifications to LDC Chapter 11, Article 3, Division 3, Definitions; Chapter 11, Article 3, Division 2, Calculating Density; and Chapter 14, Article 3, Division 7, Affordable Housing Density Bonus Regulations being proposed.

Anne B. Jarque
Senior Planner

Attachment: 1. CEQA Guidelines Section 15162 Consistency Evaluation Matrix

CEQA Guidelines Section 15162 Consistency Evaluation Matrix
Affordable Housing Density Bonus

Following is analysis of each amendment in the Affordable Housing Density Bonus project in accordance with CEQA Guidelines Section 15162.

No.	AMENDMENT DESCRIPTION and CEQA 15162 EVALUATION
1	**Section 113.0103 Definitions** Strikes "Affordable housing cost" from definitions. **CEQA 15162 Evaluation:** The term "affordable housing cost" is not a commonly cited or referenced term used in the LDC that needs to be defined. The San Diego Housing Commission publishes guidelines and procedures to calculate affordable housing cost so that it is consistent with State law. As stated in the LDC EIR, many of the definition changes would have no effect on the implementation of regulations. Some changes in definitions and some newly defined terms, however, could have an effect on what is regulated in the sense that a regulation may apply more broadly or narrowly depending on how the issue that is being regulated is defined. The proposed removal of this definition in the LDC would not result in a physical impact that results in new significant environmental effects or substantially increase in the severity of previously identified significant effects in any of these issue areas or mitigation requirements beyond those identified in the previously certified LDC EIR No. 96-0333/SCH No. 96081056; therefore, no further documentation or environmental analysis is required.
2	**Section 113.0222 Calculating Density** Clarifies density bonus calculations as follows: • If the maximum density between the base zone and the land use plan are inconsistent, the maximum density under the land use plan prevails; and • A density bonus calculation that results in a fractional number is increased to the next whole number. **CEQA 15162 Evaluation:** The proposed clarification would be consistent with AB 2222 which states: "[w]here the density allowed under the zoning ordinance is inconsistent with the density allowed under the land use element of the general plan, the general plan density shall prevail." Furthermore, AB 2222 also states: "…all density calculations resulting in fractional units shall be rounded up to the next whole number." As defined in the LDC, "density" means the relationship between the number of dwelling units existing or permitted on a premises and the area of the premises. AB 2222 provides guidance in such situations where the calculations for density either results in a fractional number and/or in circumstances when the density allowed per the underlying zone is in consistent with the density allowed under the general plan. When evaluating a project's land use impacts related to density, including incentives afforded under the

No.	AMENDMENT DESCRIPTION and CEQA 15162 EVALUATION
	density bonus regulations, it should be assessed for consistency with any of the adopted plans and regulations such as the LDC and General Plan or community plans which govern the region and the particular site. Therefore, this clarifying amendment would make density conflicts consistent with the general plan and eliminate potential zoning and land use inconsistencies. As such, the City's General Plan PEIR and subsequent Housing Element Addendum took into account the Density Bonus Regulations in its project description and environmental analysis. In support of the City of Villages concept, these policies largely direct housing growth and affordable housing to already developed areas of the City through infill and redevelopment. Furthermore, individual community plans and anticipated updates to these plans would also analyze the existing and future development of a site within their community based on the anticipated residential density, zoning, and land use. Therefore the mitigation framework outlined in the General PEIR ensures the City's process for evaluation of discretionary projects includes environmental review and documentation pursuant to CEQA, as well as an analysis of those projects for consistency with the goals, policies and recommendations of the General Plan and the applicable community plans. And although adherence to the regulations and programs may not adequately address land use or population and housing impacts, site specific measures could be indentified on a project-level that reduce significant impacts to less than significant or the project-level impact may remain significant and unavoidable where no feasible mitigation exists consistent with the conclusions of the General Plan PEIR. The proposed amendment would not result in new significant environmental effects or substantially increase in the severity of previously identified significant effects in any of the issue areas or mitigation requirements beyond those identified in the previously certified LDC EIR No. 96-0333/SCH No. 96081056; therefore, no further documentation or environmental analysis is required. Implementation of the proposed amendment related to the Density Bonus Regulations was adequately addressed in the 2008 General Plan PEIR No. 104495/SCH No. 2006091032 and, therefore, would not result in additional environmental impacts beyond those previously identified.
3	**Chapter 14, Article 3, Division 3 Affordable Housing Density Bonus Regulations** Amends the Density Bonus Regulations to be consistent with the provisions of AB 2222, Coastal Commission staff recommendations, clarifications and minor modifications which include the following: • Requires replacement, as defined by State Bonus Density Law, of existing, vacant, and/or demolished affordable dwelling units; • Restricts affordable dwelling units to remain available and affordable for 55 years or longer; • Extends the ability to provide for-sale affordable housing to very low and low income households, not just moderate income households; • Affords condominium conversions a certain percentage of affordable housing to low income and moderate income household incentives; • Modifies requirements related to incentives, such as percentages for density

No.	AMENDMENT DESCRIPTION and CEQA 15162 EVALUATION
	bonus, parking, and potential impacts to resources. **CEQA 15162 Evaluation:** As previously analyzed in the LDC EIR, the code includes regulations that address a variety of treatments, options, exceptions and bonuses for development projects. Consistent with this analysis, the Density Bonus Regulations under Chapter 14, Article 3, Division 7 and the proposed amendments would comply with the provisions already afforded under State law. The LDC EIR also addressed growth-inducing impacts when a project, such as the proposed regulations, would directly or indirectly fosters economic growth, population growth, or additional housing; when it removes obstacles to growth; when it overburdens public facilities and services; or when it encourages or facilitates other activities that could significantly affect the environment. As such, some of the changes that would likely induce growth could include: 1) the change in applicability of the regulations and 2) the reduction in level of decision making process for many types of development. Since the intent of the Density Bonus Regulations would allow incentives, bonuses and exceptions from the development standards to encourage affordable dwelling units for very low, low, and moderate income households, the project would be consistent with the LDC EIR conclusions. Furthermore, the City's General Plan PEIR and subsequent Housing Element Addendum took into account the Density Bonus Regulations in its project description and environmental analysis. The PEIR anticipated the implementation of City programs and policies, such as the Affordable Housing Density Bonus Regulations, that could result in development, redevelop, or infrastructure expansion which could displace substantial numbers of people or housing necessitating the construction of replacement housing. Therefore, the General Plan PEIR concluded that population and housing impacts may result in significant CEQA impact and the potential for a significant and unavoidable impact remains. Note, on a project-level basis, the proposed ordinance would require requested incentives to be analyzed in compliance with CEQA to ensure compliance with State or federal law, including the California Coastal Act and the City's Environmentally Sensitive Lands regulations. The proposed amendment would not result in new significant environmental effects or substantially increase in the severity of previously identified significant effects in any of the issue areas or mitigation requirements beyond those identified in the previously certified LDC EIR No. 96-0333/SCH No. 96081056; therefore, no further documentation or environmental analysis is required. Implementation of the proposed amendments to the Density Bonus Regulations was adequately addressed in the 2008 General Plan PEIR No. 104495/SCH No. 2006091032 and, therefore, would not result in additional environmental impacts beyond those previously identified.