

LINC STREET APTS LLP

Transfer of Property

Disposition & Development
Agreement

Affordability Covenants

Loan Agreement

Density Bonus



PROPOSED PROJECT LOCATION

NWC of 18th & I Streets
SWC of 19th & I Streets
5 Parcels

1823 "I" Street	031-074-009
1815 "I" Street	031-074-010
205 West 18th St	031-074-011
211 W. 18th Street	031-074-012
202 W. 19 th Street	031-074-008

General Plan: High Density (HD) Residential Zoning: R-4



PROPERTY DISPOSITION

- The City's Redevelopment Agency purchased the parcels in the early 2000's.
- Prior units on the property - demolished between 2009 and 2010.
- Upon the dissolution of the Redevelopment Agency, the property was transferred to the City's Public Financing and Economic Development Authority (PFEDA).
- In 2012, the PFEDA transferred the property back to the City as the Housing Successor Agency to the former Redevelopment Agency.
- In 2020, AB 1486 – Surplus Land Act
- In 2021 – Affordable Housing RFP
- The City has been in negotiations with Linc Housing Corp. to purchase the property for \$1 per parcel
- In 2022 - The City committed Permanent Local Housing Allocation (PLHA) funds to this project.
- 2024 – Public Hearing – 33433 Report



Sample Footer Text

The Project

*100%
AFFORDABLE*



1 - EAST ELEVATION



ELEVATION -





THE PROJECT

- 54 – Apartments (1 Manager's Unit)
- 53 – 1 bedroom/1 bath units
- Affordable for those 30% to 60% of the Area Median Income (AMI)
- Developer to enter into a Regulatory Agreement with the City to ensure affordability for at least 55 years.
- The developer has applied for a Density Bonus - the Planning Commission heard and recommends approving it.



SITE PLAN

Building A

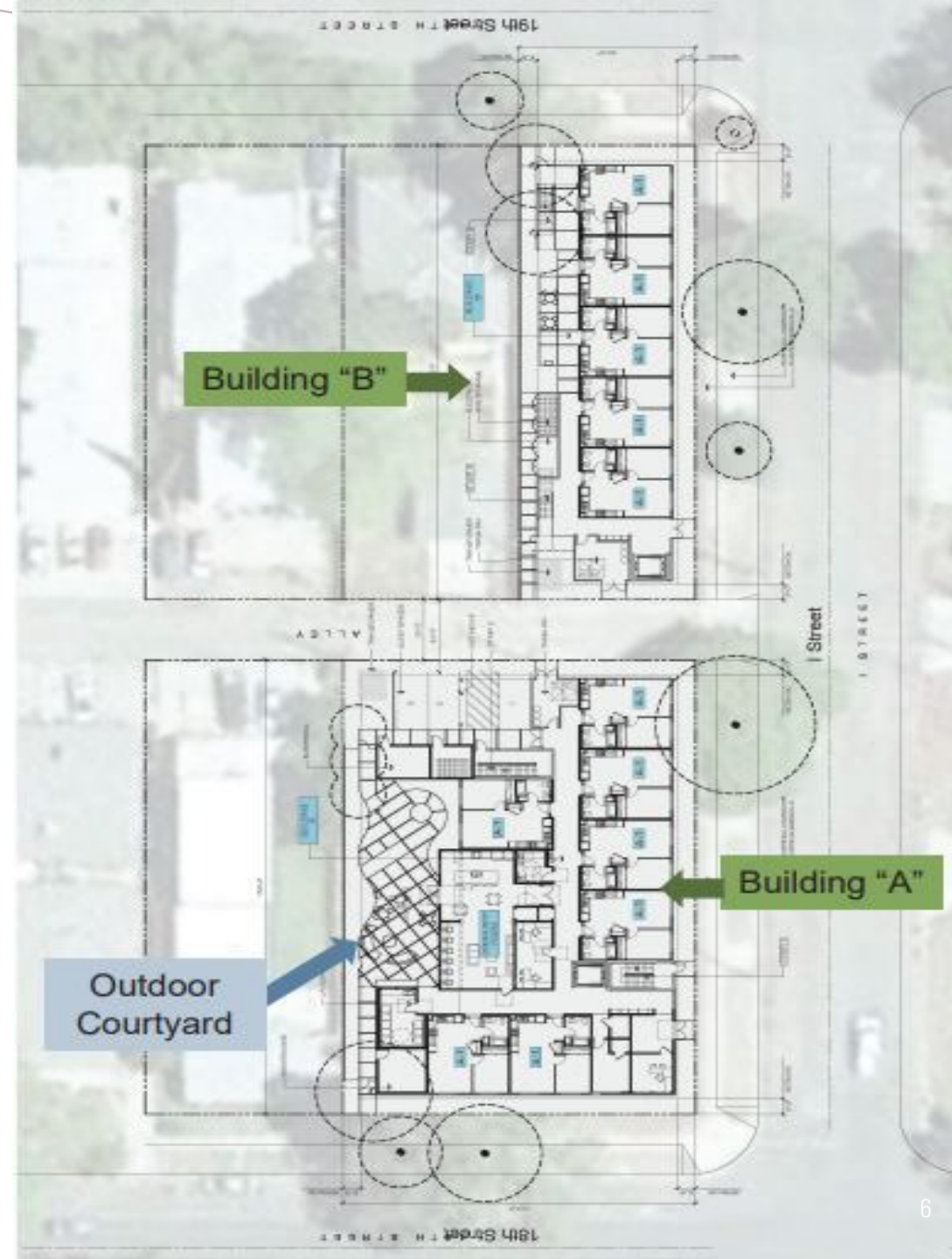
Four Stories

39 units (38 1 bed/1bath & Manager's Unit)

Building B

Three Stories

15 Units (1 bed/1 bath)





South Elevation (18th Street) – Building A



North Elevation (Alley) – Building A



View from corner of 18th &
I Streets



View from corner of 19th & I Streets

DENSITY BONUS

- CA Density Bonus Law adopted in 1976
- Intended to address CA growing affordable housing needs
- Law amended several times
- The City originally adopted the Density Bonus Ordinance in 1993
- Amended several times, most recently in 2023 to remain in agreement with state law
- A project that meets the requirements of state law for providing affordable housing is allowed an increase in density “by right.”
- The amount of the density bonus is determined based on the percentage of affordable housing units provided at each income level.
- The increase in density may exceed what is allowed by the General Plan and Zoning designations for the project site.
- For projects providing 100% affordable housing, within one-half mile of a major transit stop, there are no restrictions on density.
- The City may require an agreement to memorialize the affordability component of the development, or any other incentives given to assist the project

CONCESSIONS & INCENTIVES

The number of Concessions allowed is based on the % of affordable units. The maximum number of concessions allowed for a project is 4.

A concession or incentive is defined as:

1. A reduction in site development standards or modification of zoning requirements or architectural design requirements that exceed the minimum State building standards, such as reduction in setback, square footage, or vehicular and bike parking space requirements. The requested concession or incentive must result in identifiable and actual cost reduction to provide for affordable housing costs or rents.
2. Approval of mixed-use zoning for housing project if associated commercial, office, industrial or other land uses will reduce the cost of the housing project, and existing or planned development in the immediate area.
3. Other regulatory incentives or concessions that result in identifiable and actual cost reductions to provide for affordable housing costs, which may include the provision of direct financial incentives or land for housing development by the City.

If a project provides low-income housing and meets the requirements of the Density Bonus Law, the City is required to provide one or more "concessions" or "incentives" to a project that qualifies for a Density Bonus.



100% AFFORDABLE UNITS

Projects that provide 100% affordable units (other than the manager's unit) that are restricted to very low-, low- and moderate-income residents and are within one-half mile of a transit stop, are eligible for the following:

- Four Concessions/Incentives
- Unrestricted Max Density
- A height increase of up to an additional 3 stories or 33 ft.
- Relief from parking requirements

If a project uses the unrestricted density option, the project would not be eligible for the waiver or reduction of any development standards which would otherwise be available.

REQUIRED TO GRANT CONCESSIONS & INCENTIVES

The City is required to grant the concession or incentive proposed, unless it finds one of the following:

- That the proposed concession or incentive does not result in identifiable and actual cost reductions; or,
- Would cause a public health or safety problem; or,
- Would cause an environmental problem; or,
- Would harm historical property; or,
- Would be contrary to law

The City has the burden of proof in the event it denies a requested concession. Financial incentives, fee waivers, and reductions in dedication requirements may be, but are not required to be granted by the City

REQUESTED CONCESSIONS



1. Reduction in Exterior Yard Setbacks
2. Relief from Providing Outdoor Private Space
3. Allow Roof-Mounted Mechanical Equipment
4. Reduction in Required On-Site Trees

REDUCTION IN SETBACK

R-4 zone requires 15-foot setbacks for exterior, front yards; a 10-foot setback for exterior side yards on corner lots and other yards may have 5-foot setbacks.

MMC Section 20.46.040 Building construction shall not exceed the plan established by 1:1 height and setback ratio from any exterior property line of a lot or parcel, for more than 50 percent of the allowable building area at any established distance from said exterior property line.

Their requested concession would allow a 5-foot setback on all yards



FINDINGS

- Finding A – State Density Bonus Law
- Finding B – Requested Density

The project is 100% affordable and within one-half mile of a major transit stop. State law prohibits maximum density controls. Project would include 54 units.
- Finding C – Parking

The project is 100% affordable and within one-half mile of a major transit stop. State law prohibits required on-site parking. 3 parking spaces would be provided with Building A.



FINDINGS



- Finding D – Building Height
100% affordable & within ½ mile of a major transit stop.
State law grants a height increase of 3 additional stories or 33 feet. Building A would be 48 feet at highest point and Building B would be 38 feet at highest point.
- Finding E – Required Findings from Merced Municipal Code Section 20.56.080 (C).
- Finding F – Concessions and Waivers
The applicant is seeking 4 concessions. Outlines the requested concessions and provides justification for each request.
- Finding G – Environmental Review – Categorical Exemption



COUNCIL ACTION REQUESTED

- Adopt Resolution – Approving the Disposition & Development Agreement
- Approving the sale of the properties
- Accepting the Summary Report pursuant to section 33433 of the CA Health & Safety Code
- Finding that the Regulatory Agreement is exempt from CEQA
- Approval of Environmental Review #23-19 (Categorical Exemption)
- Approving the Density Bonus #23-01
- Authorizing the PLHA Loan Agreements & allow CM to make minor changes if needed
- Authorizing the CM to execute the agreements subject to CA's approval as to form



Sample Section View