

Density Bonus #22-01

1808 Parsons Avenue

City Council May 2, 2022



DENSITY BONUS LAW

- ☐ California Density Bonus Law adopted in 1976.
- ☐ Intended to address California's growing affordable housing needs.
- ☐ The law has been amended several times since its adoption.
- ☐ The City originally adopted a Density Bonus Ordinance in 1993.
- ☐ The current version of the City's DB Ordinance was adopted in 2016.
- ☐ The City's ordinance is not completely consistent with state law.
- ☐ The City will be updating its ordinance in the near future.



DENSITY BONUS 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.
- ❖ The City may require an agreement to memorialize the affordability component of the development or any other incentives given to assist the project.
- ❖ A project may apply for Concessions and Waivers without requesting an increase in density.

Concessions & Incentives

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.

The number of Concessions allowed is based on the percentage 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 reductions in setback, square footage, or vehicular and bicycle parking space requirements. The requested concession or incentive must result in an identifiable and actual cost reduction to provide for affordable housing costs or rents.
2. Approval of mixed-use zoning for housing projects 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.

Concessions, Incentives, & Waivers

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.

Waivers & Reductions

Projects that are eligible for a Density Bonus, and are approved for concessions or incentives, cannot be subjected to any development standard that will have the effect of physically precluding the construction of the project.

If a local development standard is found to have this effect, the applicant may request a waiver or reduction of any development standard that may preclude completion of the project.

Waivers or reductions do not take the place of concessions or incentives that the project is qualified to receive.

Proposed Project

1808 Parsons Ave.

4.59 Acres

Proposed General Plan:

HMD

Proposed Zoning:

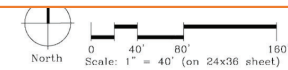
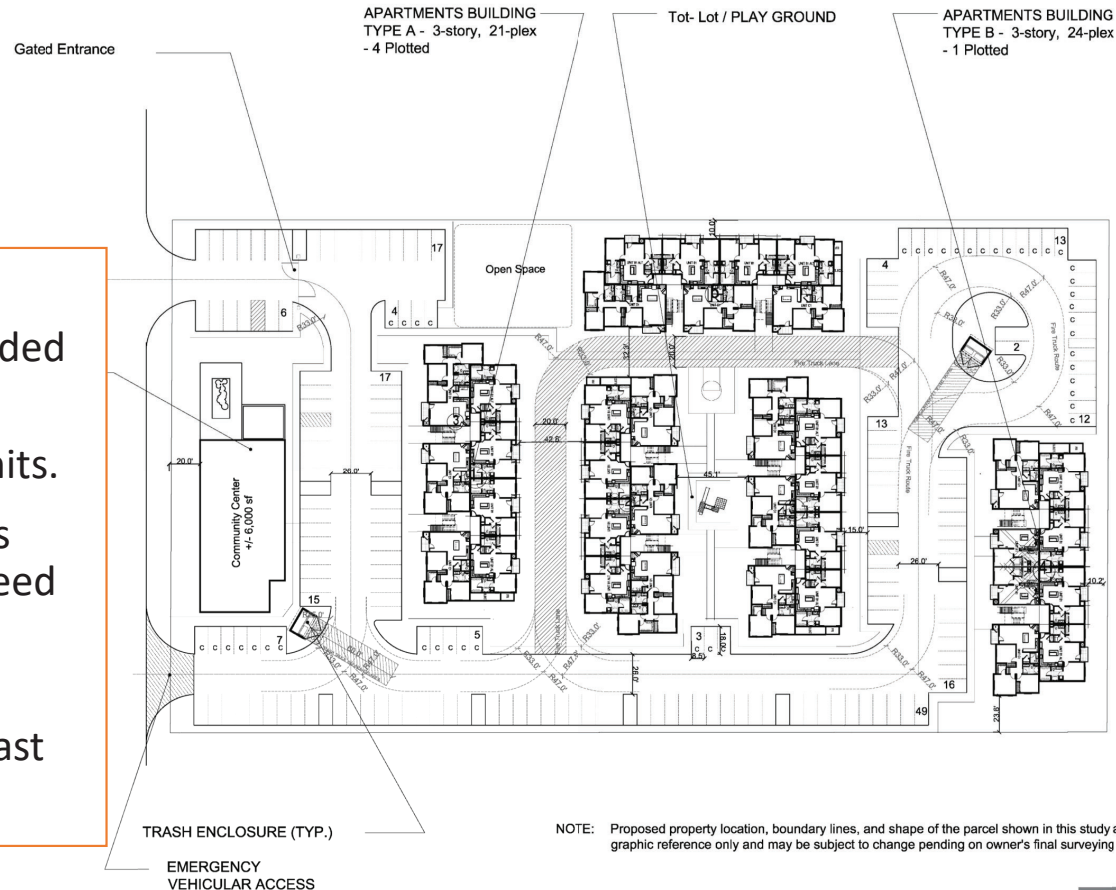
R-3-1.5



PROJECT SUMMARY

Site Data:	
Gross Site Area:	+/- 4.59 ac
Total Apartment Units:	108
Gross Density:	+/-22.88 du/ac
Area Data:	
Residential	
Apartment Type 'A' (21 Plex):	(4 plotted)
Apartment Type 'B' (24 Plex):	(1 plotted)
Community Center:	+/- 6,000 SF
Total Parking	183 Spaces (1.69 ratio)
Full-size	140 spaces

- 108 Apartment Units
- One on-site Manager's Unit (included in total)
- Mixture of 1, 2, 3 & 4 bedroom units.
- Would be affordable to individuals with an income that does not exceed 60% of the Area Median Income (AMI).
- Would remain affordable for at least 55 years.



VISIONARY HOME BUILDERS
Sacramento, CA.

The drawings presented are illustrative of character and design intent.

CONCEPTUAL SITE PLAN - 108 Units

PARSON AVENUE SITE

MERCED, CA.

10426.00



108 Units (107 Affordable & 1 Manager's Unit)



45' to
Roof Peak

FRONT ELEVATION



PERSPECTIVE

BUILDING TYPE - A (21PLEX)

VISIONARY HOME BUILDERS
Sacramento, CA.

Scale: 1/8" = 1'-0"
EXTERIOR ELEVATIONS
PARSON AVENUE SITE
MERCED, CA.



The drawings presented are illustrative of character and design intent only, and are subject to change based upon final design considerations (i.e. applicable codes, structural, and MEP design requirements, unit plan / floor plan changes, etc.) © 2021 BSB Design, Inc.

February 14, 2022 | MR210426.00

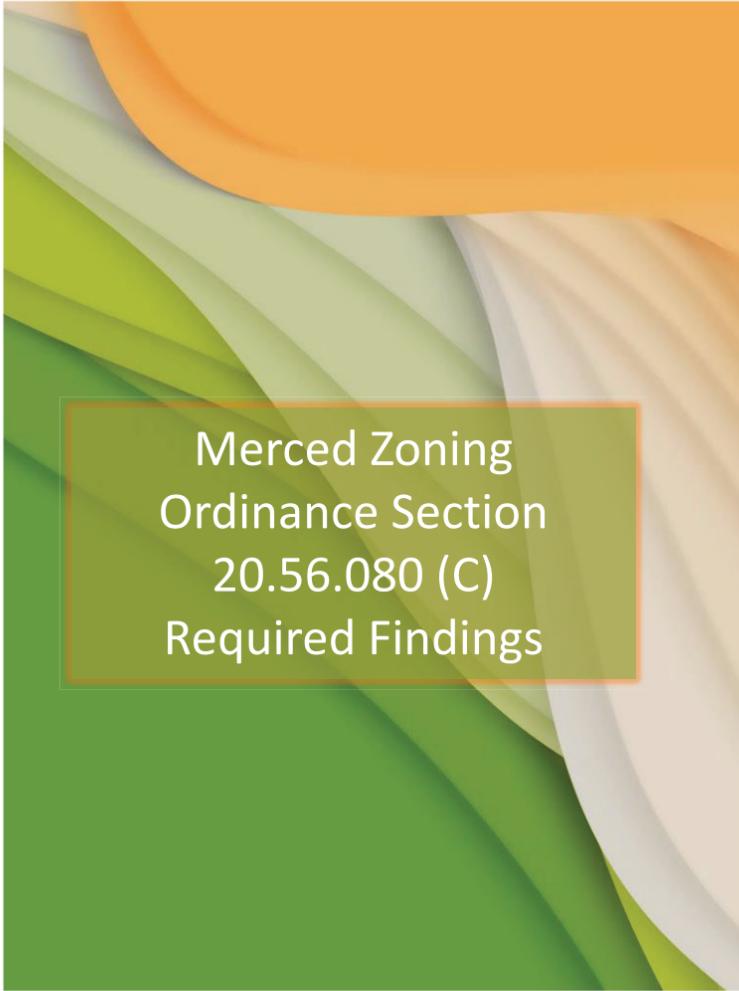
Requested Concessions & Waivers

Concession

Mechanical Equipment – allow roof-mounted mechanical equipment.

Waiver

Height – Increase height from 35' to 45'



Merced Zoning
Ordinance Section
20.56.080 (C)
Required Findings

- ❖ The City's Zoning Ordinance sets forth 4 specific findings that must be made to grant a density bonus.
- ❖ Refer to Finding C of Draft Planning Commission Resolution #4089 at Attachment A of Staff Report #22-204.
- ❖ Three of these Findings do not apply to this project.

Finding #4

If a waiver or modification is requested, the developer has to prove by submitting substantial evidence that the waiver or modification is necessary to make the housing units economically feasible.

The requested concession and waiver are outlined in the staff report along with the applicant's justification as to why the request is needed. Documentation provided by the applicant, including the justification for each request and a pro-forma is provided at Attachment G of Planning Commission Staff Report #22-204.



Environmental Review

- Categorical Exemption
- CEQA Section 15061(b)(3) – Common Sense Exemption



Planning Commission Action

Recommended Approval of:

1. Environmental Review #22-17
(Categorical Exemption)
2. Density Bonus #22-01



City Council Action

Adopt a Motion to Approve or Deny the request.

To approve the project, the motion should include:

- A. Finding that the adoption of the Regulatory Agreement is exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3); and
- B. Approving the Affordable Housing Regulatory Agreement with Visionary Home Builders of California, Inc., for the property located at 1808 Parsons Avenue to construct a 108-unit affordable apartment complex; and,
- C. Authorizing the City Manager or Deputy City Manager to execute the agreement.

Questions...