



# Density Bonus #23-01

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NWC of 18<sup>th</sup> & I Streets & SWC of 19<sup>th</sup> & I Streets

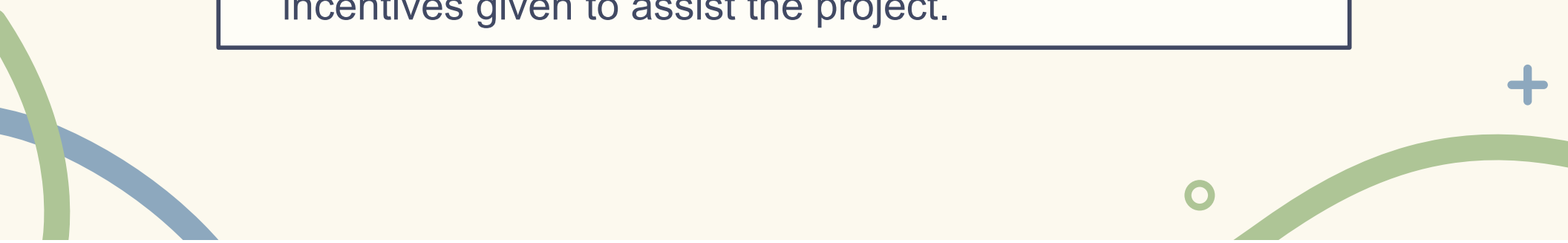
# Density Bonus Law

- ☐ 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 future but relies on the state law to ensure compliance with the Density Bonus Law.





## Density Bonus Law - Continued

- ❖ 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 on-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.
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# Concessions & Incentives

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.

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.

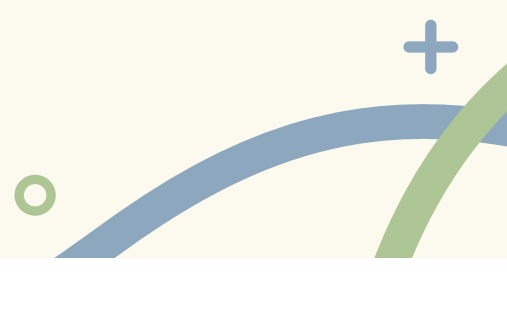


# 100% Affordable Units

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 Maximum Density;
- ☐ A height increase of up to an additional 3 stories or 33 feet;
- ☐ 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.



# 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.

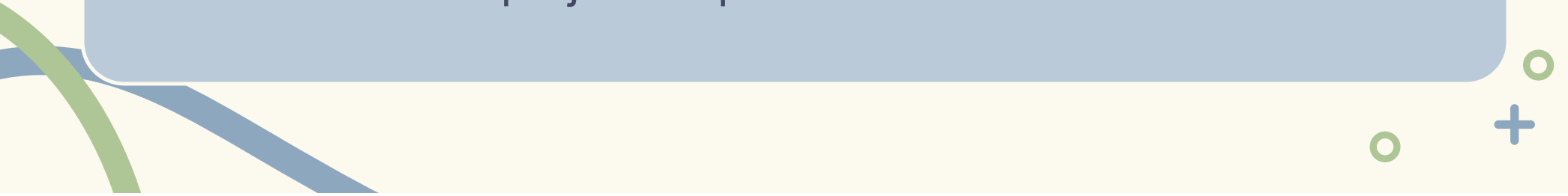


## Waivers & Reductions

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

NWC OF 18<sup>TH</sup> & I STREETS  
SWC OF 19<sup>TH</sup> & I STREETS

0.52 ACRES

4 INDIVIDUAL PARCELS AT  
18<sup>TH</sup> & I STREETS

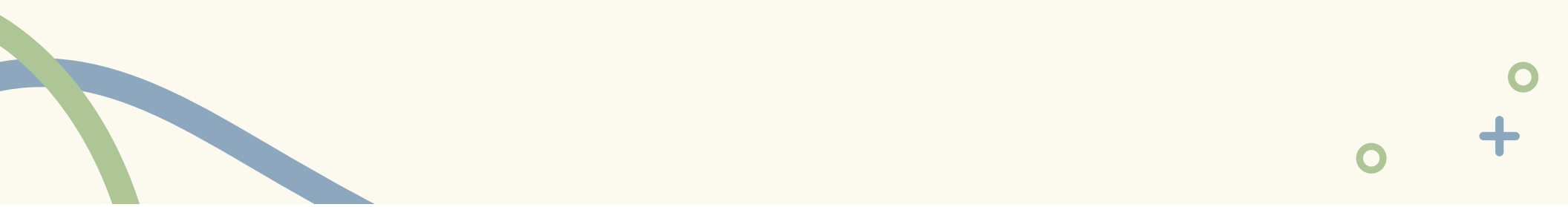
1 PARCEL AT 19<sup>TH</sup> & I  
STREETS

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





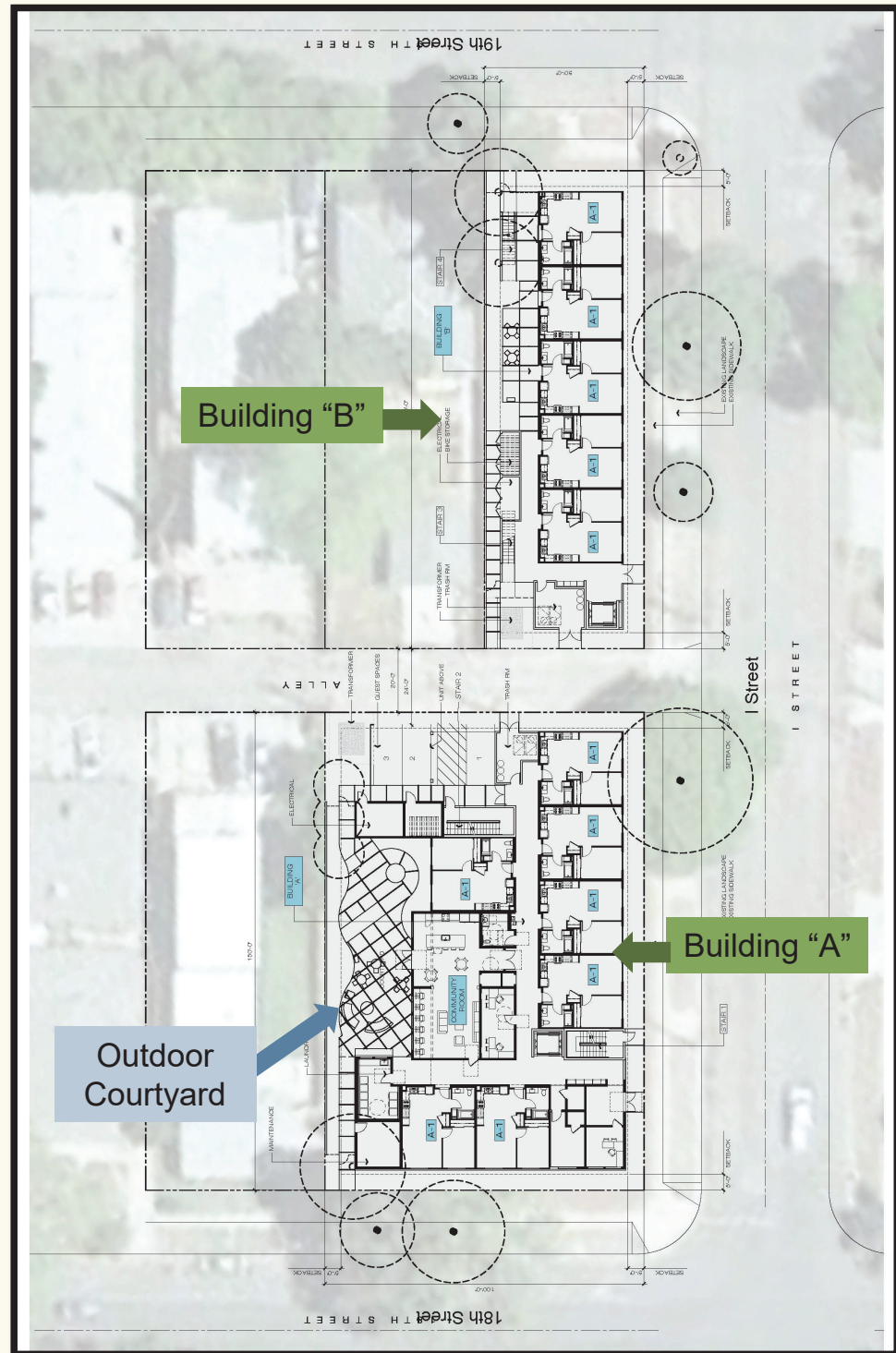
# Background

- The project site is comprised of 5 individual parcels. There was a total of 4 dwellings units previously on the parcels.
  - All the dwellings were demolished between 2009 and 2010.
  - The City's Redevelopment Agency purchased the parcels in the early 2000's.
  - 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.
  - The City has been in negotiations with Linc Housing, Corp. to purchase the property for \$1.
  - The City has committed Permanent Local Housing Allocation (PLHA) funds to this project.
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# Site Plan

Building A  
Four Stories  
39 Units  
38 1 bed/1bath units  
1 3 bed/2 bath unit  
(Manager's Unit)

Building B  
Three Stories  
15 Units  
15 1 bed/1bath units





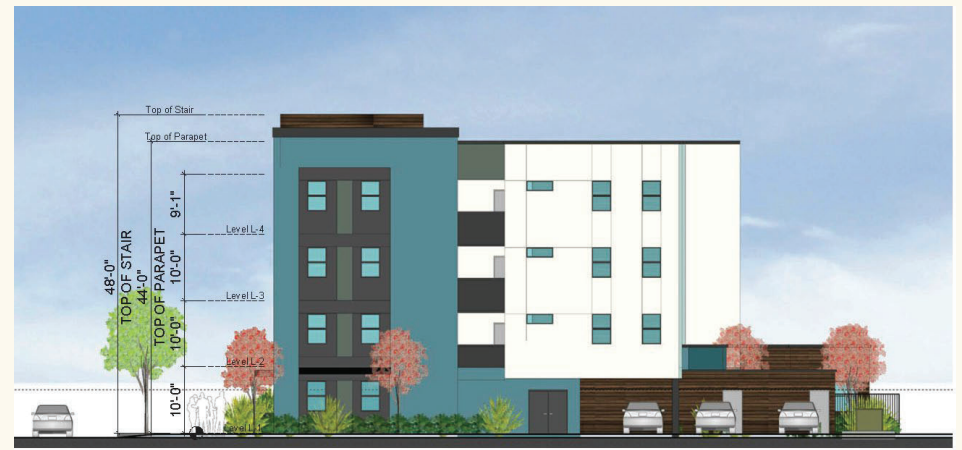
East Elevation (I Street) – Buildings A & B



South Elevation (18th Street) – Building A



North Elevation (Alley) – Building A



West Elevation (I Street) – Buildings A & B



North Elevation (19th Street) – Building B



South Elevation (Alley) – Building B





View from corner  
of 18<sup>th</sup> & I Streets



View from corner  
of 19<sup>th</sup> & I Streets

# Project Details

54 – Apartment Units, including 1 manager's unit.

53 - 1 bed/1 bath units

Manager's Unit 3 bed/2 bath

Affordable to individuals with an income that does not exceed 30% to 60% of the Area Median Income (AMI).

Developer would enter into a Regulatory Agreement with the City to ensure the project remains affordable for at least 55 least years.





# Requested Concessions

Reduction in Exterior Yard Setbacks

Relief from Providing Outdoor Private Space

Allow Roof-Mounted Mechanical Equipment



Reduction in Required On-Site Trees

# Reduction in Setback

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

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.



Concession would allow a 5-foot setback for all yards.



# Findings

## Finding A – State Density Bonus Law

## Finding B – Requested Density

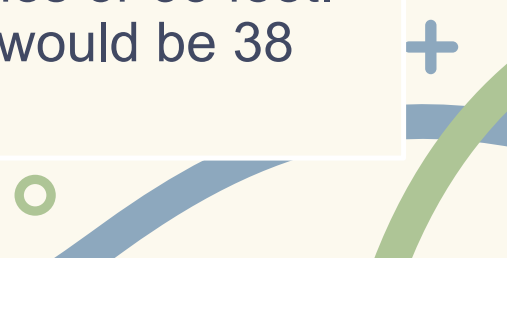
The project is 100% affordable and within one-half mile of a major transit stop. State law prohibits maximum density controls. Project would include 54 units.

## 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.

## Finding D – Building Height

The project is 100% affordable and within one-half 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.





# Findings

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





# Planning Commission Action

Recommend to City Council  
Approval/Denial of:

1. Environmental Review #23-19 (Categorical Exemption)
2. Density Bonus #23-01

Questions...

