



City of
**Santa
Monica**

Housing Development Town Hall

October 30, 2023

How to Participate

- “Q&A” Options

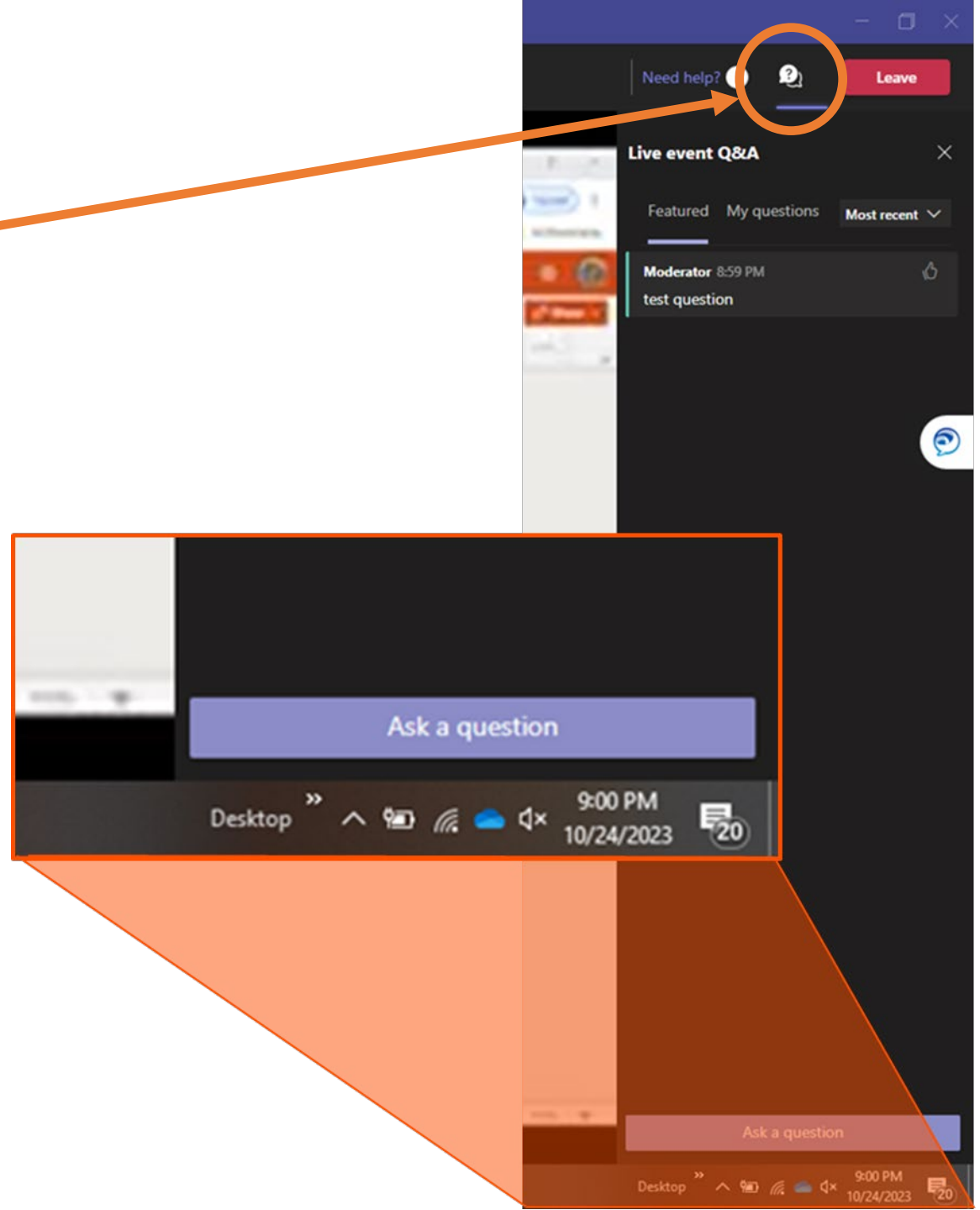
TYPE: Click on question bubble icon at top right and then “Ask a question” box to type your question or comments

OR

CALL into the meeting to speak your question

- **(310) 883-7522**
- **Conference ID: 371 084 430#**

Remember to MUTE your online meeting volume when calling-in!



Purpose

- Council direction to conduct town hall to explain relationship between the City's Affordable Housing Production Program (AHPP, Chapter 9.64) and State Density Bonus Law (SDBL) resulting in current proposals for larger housing projects

Background

State Mandates

- October 14, 2022 – 6th Cycle Housing Element certified as required by State law
- March 21, 2023 and April 11, 2023 – Council adopted zoning changes as required by State law
 - Became effective June 1, 2023

Prior Discussions

- How the AHPP works and potential amendments
- State Density Bonus Law



City of
**Santa
Monica**

Affordable Housing Production Program

1

What is the Affordable Housing Production Program?

- Established in 1998
- Requires developers of market rate housing in the City to:
 - Provide a certain percentage of the project's units as affordable units ; or
 - Pay in-lieu fee
- In adopted Housing Element, the City commits to maintaining the AHPP



When Does the AHPP apply?

- The construction of 2 or more dwelling units
 - Excludes accessory dwelling units [ADUs] and junior ADUs



What Does the AHPP Require?

Number of Units in the Project	On-Site Requirement	Off-Site Option (in lieu of on-site requirement)
2-5 units	Pay the Affordable Housing Fee. Projects that provide an affordable housing unit in accordance with State Density Bonus Law are not required to pay the Affordable Housing Fee.	--
6-19 units	15% affordable units for up to 80% income households	--
20 units or more	15% affordable units with even distribution across 50% AMI, 80% AMI, and Moderate Income	20% affordable units at 50% or 80% AMI



City of
**Santa
Monica**

State Density Bonus Law

2

What is State Density Bonus Law?

- State-level version of the City's AHPP, except developers can request a bonus
 - Many cities do not have a local affordable housing requirement
- Under SDBL, developers receive a development bonus (i.e. more market-rate housing units) in exchange for providing affordable units in their projects.

Can SDBL's Development Bonus Exceed a City's General Plan and Zoning?

- Yes. SDBL requires that a density bonus be granted, even if it goes beyond a City's General Plan and Zoning maximum limits.

What Projects are Eligible for SDBL?

A project must answer "YES" to all of the following:

1. Does the project have at least 5 base units (before State density bonus is applied)?
2. Does the project meet State Density Bonus Law replacement requirement (no net loss)?
3. Does the project provide on-site affordable units for at least 55 years?

What Other Benefits Does a Developer Receive from SDBL?

- Incentives/Concessions or Waivers
 - Relief from a City's zoning standards in terms of development standards and land use rules (types of allowed uses).
- Requests for incentives/concessions and waivers can only be denied under very limited circumstances as determined in State law.

What is an Incentive/Concession?

- Incentive/Concession allow modifications to local zoning standards in order to reduce the cost of providing the on-site affordable units
- Up to 4 Incentives/Concessions can be requested depending on the percentage of affordable units provided
- Examples:
 - Additional floor area
 - Different land use mix

What is a Waiver?

- Waiver allow modifications to local zoning standards if the applicant can demonstrate that applying the local standard would physically preclude construction of the project.
- Developer can request unlimited waivers
- Example:
 - Additional building height

Can an Incentive/Concession or Waiver be denied?

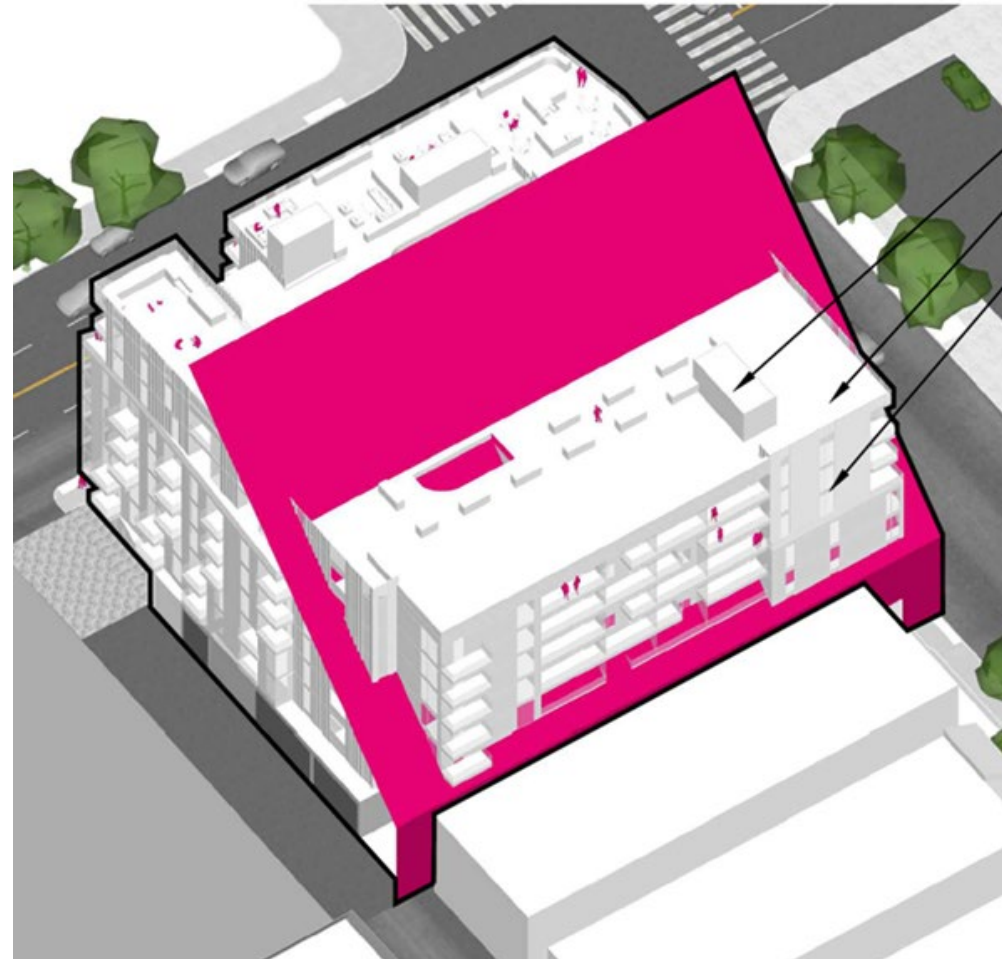
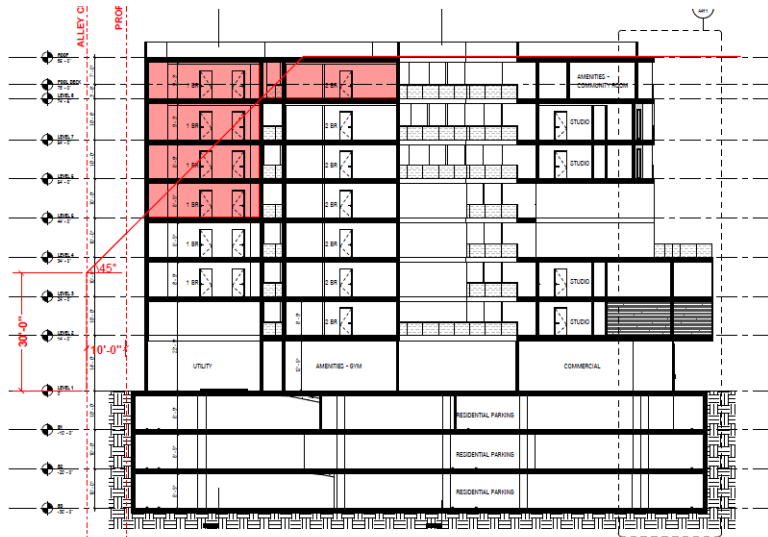
- Yes, however SDBL and recent legal decisions govern this
 - Incentives/Concessions
 - The City must demonstrate that the incentive/concession would not result in cost reductions
 - City may request reasonable documentation but has very limited ability to require what information is submitted by an applicant to support their request
 - Waivers
 - City cannot deny a waiver if the development standard would prevent the construction of a project including any State density bonus and requested incentives/concessions.
- As confirmed by recent legal decisions and HCD guidance, the legal standard is very high and difficult to demonstrate

Example Request

Proposal to waive the transitional height requirement for projects in the LT (East) zone that include on-site affordable housing per DCP 9.1.1.260(A)(1) to accommodate the permitted density bonus.

As the density bonus units are in addition to/about the number of units that fit within the transitional height limit, the project is in compliance with the transitional height requirement. However, the addition of the proposed density bonus units, as proposed, the additional units, a waiver from the transitional height requirement is proposed for the Project. See the AA Submittal and the section on this Exhibit. A reduction in building envelope would result in 39 fewer residential units.

39 units shown in red exceed the transitional height limit.



How Much Bonus Can a Housing Project Receive?

- State Density Bonus requires the City to grant a density bonus based on the percentage of on-site affordable units

Excerpt from State Density Bonus table (Gov Code 65915)	
Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35
12	38.75
13	42.5
14	46.25
15	50

How is the Density Bonus Calculated?

- Density bonus calculated from the “base density” of the project
 - “Base density” means the maximum allowable density that is allowed under the Zoning Ordinance (i.e. how many units can fit in a building envelope) before adding State density bonus units
- The percentage of required on-site affordable housing is calculated on the base density and not the total project



City of
**Santa
Monica**

AHPP & SDBL

3

AHPP + State Density Bonus Work Together

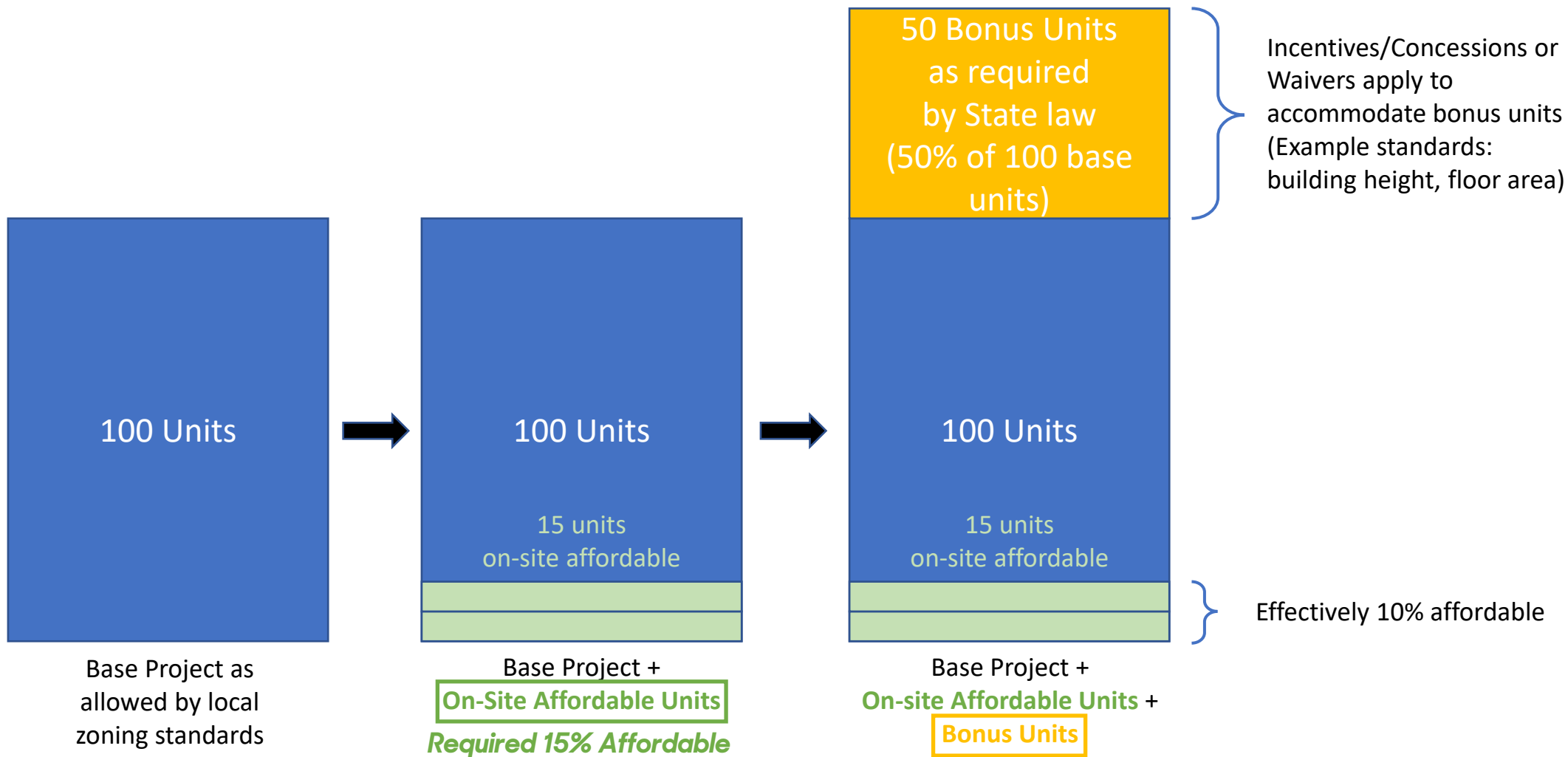
By providing on-site affordable units as required by the City's AHPP, market-rate housing projects receive:

- Up to 50% density bonus

and may request:

- Up to 3 incentives/concessions
- Unlimited waivers

AHPP + State Density Bonus Work Together



THANK YOU!

- Questions ?

ONLINE RESOURCES

City of Santa Monica Planning Resources

<https://www.santamonica.gov/planning-resources>

❖ AHPP Guide

❖ Density Bonus Guide

❖ AA Process

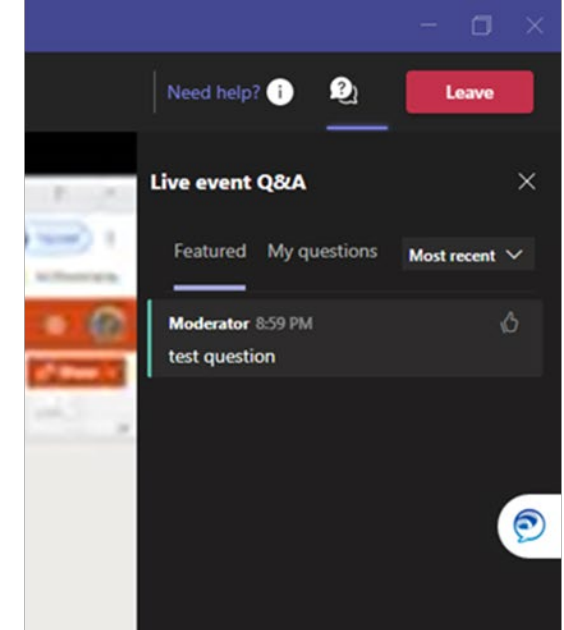
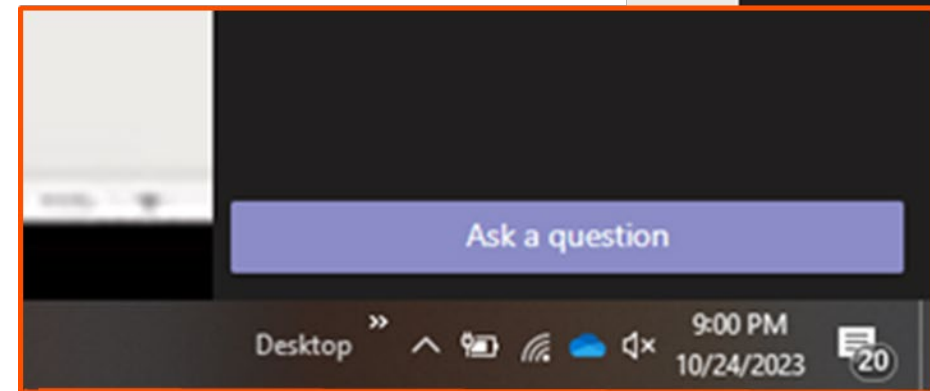
❖ HCD Technical Assistance Letters

<https://www.hcd.ca.gov/planning-and-community-development/accountability-and-enforcement>

QUESTION & ANSWER

If you would like to call in with a question please dial-in at the number below and wait for your phone number to be called:

- **(310) 883-7522**
- **Conference ID: 371 084 430#**



Review Process for Housing Projects

- State mandates for certainty in housing project approvals
- Applicant-led community meeting
- 1 acre threshold for projects filed after January 25, 2022 require public hearing

