

February 4, 2004

**Honorable Chairman and Members of the  
Hermosa Beach Planning Commission**

**Regular Meeting of  
February 10, 2004**

SUBJECT: TEXT AMENDMENT TO THE ZONING ORDINANCE ADDING  
DENSITY BONUS PROVISIONS

**Recommendation:**

That the City Council approve the attached ordinance amending Chapter 17.42 of the Zoning Ordinance (*General Provisions, Conditions and Exceptional Uses*), adding provisions for residential density bonuses.

**Background:**

Pursuant to statutory requirements established by the State, each local jurisdiction is required to encourage development of affordable housing by adopting an ordinance that specifies developer incentives to construct affordable housing units. When a developer proposes a housing development that qualifies as affordable as defined under Section 65915 of the Government Code, the local jurisdiction must approve the additional units allowed under the law. Section 65915 requires the granting of density bonuses of 25 percent for 5 or more units over the base density otherwise allowed on a parcel, plus “additional incentives”, for development projects that include a percentage of dwelling units which are affordable to lower income households. The City’s Zoning Ordinance presently has no provisions for such density bonuses. This discrepancy was recently highlighted in the Coastal Commission staff review of the City’s Local Coastal Program (LCP). The purpose of this code amendment is to add such provisions in order to bring the City’s Zoning Ordinance into conformity with state law.

**Analysis:**

Section 17.42.100 is proposed to be added to the Zoning Ordinance. The new Section references the state Government Code provisions specifying the granting of density bonuses by cities and counties. The key provisions include:

1. Developments Eligible for Density Bonuses – Requirements for eligibility include:
  - a. At least 20 percent of the total units in the project, excluding the density bonus, are restricted to rental or purchase by persons and families of lower income as defined in California Health & Safety Code Section 50105; or
  - b. At least 10 percent of the total units in the project, excluding the density bonus, are restricted to rental or purchase by very low income households, as defined in California Health & Safety Code Section 50105; or
  - c. At least 50 percent of the total units in the project, excluding the density bonus, are restricted to persons 62 years of age or older, or 55 years of age or older in a senior citizen housing development; or
  - d. At least 20 percent of the total dwelling units in a condominium project, excluding the density bonus, are restricted to persons and families of moderate income, as defined in California Health & Safety Code Section 50093; or
  - e. At least 33 percent of the total units, excluding the density bonus, of a condominium project which is a conversion from existing apartments, are restricted to the purchase

by persons and families of low or moderate income as defined in California Health & Safety Code Section 50093; or

- f. At least 15 percent of the total units, excluding the density bonus, of a condominium project that is a conversion from existing apartments, are restricted to purchase by lower income households as defined in California Health & Safety Code Section 50079.5.

2. Additional Incentives – Per the state law, the code amendment also provides for the granting of at least one of the following potential additional incentives to eligible developments. Incentives, to be granted at the discretion of the City, include:

- a. A reduction in site development standards, zoning code requirements or architectural design requirements which exceed the minimum building standards including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required.
- b. Approval of mixed use zoning in conjunction with the housing project.
- c. Other regulatory incentives or concessions proposed by the developer or the City which result in identifiable cost reductions.

**Environmental Review:**

This code amendment is statutorily exempt from environmental review pursuant to the California Environmental Quality Act, Public Resources Code Section 21080.14: “Affordable Housing Projects in Urbanized Areas”, because the amendment provides for the construction of affordable housing consistent with the provision of that Section.

**Conclusions:**

The attached code amendment will satisfy the requirements of state law and the state standards for General Plan Housing Elements for density bonus provisions. However, as noted in the City’s Housing Element, development factors related to extremely high land values and the limited availability of undeveloped land weigh against developer interest in using the density bonus provision in the City.

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Sol Blumenfeld, Director  
Community Development Department

Concur:

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Stephen R. Burrell,  
City Manager

Attachments:

1. Resolution Recommending Approval
2. Draft Ordinance Amending Municipal Code

DensityBonusrpt

**ORDINANCE NO.**

**AN ORDINANCE OF THE CITY OF HERMOSA BEACH AMENDING THE  
HERMOSA BEACH ZONING ORDINANCE RELATING TO THE GRANTING  
OF DENSITY BONUSES FOR PROJECTS WITH AFFORDABLE HOUSING**

The City Council of the City of Hermosa Beach does ordain as follows:

**SECTION 1.** State law requires that local jurisdictions provide for the granting of density bonuses for development projects with housing units affordable to lower income households and/or senior citizens.

**SECTION 2.** The Planning Commission conducted a duly noticed public hearing to consider an amendment to the Zoning Ordinance to provide for the granting of such density bonuses on September 16, 2003, at which testimony and evidence, both written and oral, was presented to and considered by the Planning Commission, whereupon the Planning Commission recommended approval of the amendment.

**SECTION 3.** The City Council conducted a duly noticed public hearing to consider and review the code amendment and the recommendation of the Planning Commission on February 10, 2004 at which testimony and evidence, both written and oral, and the record of the Planning Commission's recommendation was presented to and considered by the City Council.

**SECTION 4** Based on the foregoing, the City Council hereby ordains that Chapter 17.42 of Title 17 of the Hermosa Beach Municipal Code is amended by adding thereto a new section 17.42.100 to read as follows:

**“17.42.100 Residential density bonuses.**

“As required by California Government Code Section 65915, a project of five or more units shall be allowed a density increase of twenty-five percent above the maximum permitted density in the zone if the project complies with one or more of the following criteria:

“A. At least twenty percent of the total units in the project, excluding the density bonus, are restricted to rental or purchase by persons and families of lower income as defined in California Health & Safety Code Section 50105; or

“B. At least ten percent of the total units in the project, excluding the density bonus, are restricted to rental or purchase by very low income households, as defined in California Health & Safety Code Section 50105; or

“C. At least fifty percent of the total units in the project, excluding the density bonus, are restricted to persons 62 years of age or older, or 55 years of age or older in a senior citizen housing development; or

“D. At least twenty percent of the total dwelling units in a condominium project, excluding the density bonus, are restricted to persons and families of moderate income, as defined in California Health & Safety Code Section 50093; or

“E. At least thirty-three percent of the total units, excluding the density bonus, of a condominium project which is a conversion from existing apartments, are restricted to the purchase by persons and families of low or moderate income as defined in California Health & Safety Code Section 50093; or

“F. At least fifteen percent of the total units, excluding the density bonus, of a condominium project that is a conversion from existing apartments, are restricted to purchase by lower income households as defined in California Health & Safety Code Section 50079.5.

“In addition, at least one of the additional concession or incentive set forth in Government Code Section 65915(j) shall be offered for projects supplying low or moderate income housing utilizing a 25 percent density bonus, unless the decision making body finds in writing that the additional concession or incentive is not required in order to provide for affordable housing costs as defined in Health & Safety Code Section 50052.5, or for rents for the targeted units to be set as specified in Government Code Section 65915(c). Alternatively, in lieu of the above, the City may offer other incentives or concessions of equivalent financial value based upon the land cost per dwelling unit.”

**SECTION 5.** This code amendment is statutorily exempt from environmental review pursuant to the California Environmental Quality Act, Public Resources Code Section 21080.14: “Affordable Housing Projects in Urbanized Areas”, because the amendment provides for the construction of affordable housing consistent with the provision of that Section.

**PASSED, APPROVED, and ADOPTED** this 10<sup>th</sup> day of February 2004 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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**PRESIDENT** of the City Council and **MAYOR** of the City of Hermosa Beach, California

ATTEST:

APPROVED AS TO FORM:

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CITY CLERK

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CITY ATTORNEY