

ORDINANCE NO. 2403

AN ORDINANCE OF THE CITY OF REDLANDS ADDING CHAPTER 18.226 TO THE REDLANDS MUNICIPAL CODE TO ESTABLISH INCENTIVES (DENSITY BONUS) FOR THE PRODUCTION OF VERY LOW, LOWER INCOME AND SENIOR HOUSING

THE CITY COUNCIL OF THE CITY OF REDLANDS DOES ORDAIN AS FOLLOWS:

Section 1. Chapter 18.226 establishing incentives for the production of very low, lower income and senior housing is hereby added to the Redlands Municipal Code to read as follows:

"Chapter 18.226
DENSITY BONUS

Sections:

- 18.226.010. Purpose and intent
- 18.226.020. Definitions
- 18.226.030. Implementation
- 18.226.040. Development Standards
- 18.226.050. Development Incentives
- 18.226.060. Application Requirements and Review
- 18.226.070. Density Bonus Housing Agreement

- 18.226.010 Purpose and Intent.

The purpose of this Chapter is to provide incentives for the production of housing for very low, lower income and senior households in accordance with Sections 65915 and 65917 of the California Government Code. In enacting this Chapter, it is the intent of the City of Redlands to facilitate the development of affordable housing and to implement the goals, objectives and policies of the Housing Element of the City's General Plan.

- 18.226.020 Definitions

Whenever the following terms are used in this Chapter, they shall have the meanings established by this section:

A. "Additional Incentive" means a regulatory concession as specified in California Government Code subsections 65915 (d) and (h) to include, but not be limited to, the reduction of site development standards or zoning code requirements, approval of mixed-use zoning in conjunction with the Housing Development or any other regulatory incentive which would result in

identifiable cost avoidance or reductions that are offered in addition to a Density Bonus.

B. "Affordable Rent" means monthly housing expenses, including a reasonable allowance for utilities, for rental Target Units reserved for Very Low or Lower Income Households, not exceeding the following calculations:

1. Very Low Income: Fifty percent (50%) of the area median income for San Bernardino County, adjusted for household size, multiplied by thirty percent (30%) and divided by twelve (12).
2. Lower Income: Sixty percent (60%) of the area median income for San Bernardino County, adjusted for household size, multiplied by thirty percent (30%) and divided by twelve (12).

C. "Affordable Sales Price" means a sales price at which Lower or Very Low Income Households can qualify for the purchase of Target Units, calculated on the basis of underwriting standards of mortgage financing available for the Housing Development.

D. "Density Bonus" means a minimum density increase of at least 25 percent over the otherwise Maximum Residential Density.

E. "Density Bonus Housing Agreement" means a legally binding agreement between a developer of a Housing Development and the City which ensures that the requirements of this Chapter and State law are satisfied. The agreement, shall establish, among other things, the number of Target Units, their size, location, terms and conditions of affordability and production schedule.

F. "Density Bonus Units" means those residential units granted pursuant to the provisions of this Chapter which exceed the otherwise Maximum Residential Density for the development site.

G. "Housing Cost" means the sum of actual or projected monthly payments for all of the following associated with for-sale Target Units: principal and interest on a mortgage loan, including any loan insurance fees, property taxes and assessments, fire and casualty insurance, property maintenance and repairs, homeowner association fees and a reasonable allowance for utilities.

H. "Housing Development" means construction projects consisting of five or more residential units, including single family, multifamily and mobile homes for sale or rent, that are proposed to be constructed pursuant to this Chapter.

I. "Lower Income Household" means households whose income does not exceed the lower income limits applicable to San Bernardino County, as published and periodically updated by the State Department of Housing and Community Development pursuant to Section 50079.5 of the California Health and Safety Code.

J. "Maximum Residential Density" means the maximum number of residential units permitted by the City's General Plan land use element and zoning ordinances applicable to the subject property at the time an application for the construction of a Housing Development is deemed complete by the City, excluding the provisions of this Chapter. If the Housing Development is a planned residential development, the maximum residential density shall be determined on the basis of the City's General Plan and the maximum density of the underlying zone.

K. "Non-restricted Unit" means all units within a Housing Development excluding the Target Units.

L. "Qualifying Resident" means senior citizens or other persons eligible to reside in Senior Citizen Housing.

M. "Senior Citizen Housing" means a Housing Development consistent with the California Fair Employment and Housing Act (Government Code Sections 12900 *et. seq.*, which has been "designed to meet the physical and social needs of senior citizens," and which otherwise qualifies as "housing for older persons" as that phrase is used in the federal Fair Housing Amendments Act of 1988 and its implementing regulations, and as that phrase is used in California Civil Code Sections 51.2 and 51.3.

N. "Target Unit" means a dwelling unit within a Housing Development which will be reserved for sale or rent to, and affordable to, Very Low or Lower Income Households or Qualifying Residents.

O. "Very Low Income Household" means households whose income does not exceed the very low income limits applicable to San Bernardino County, as published and periodically updated by the State Department of Housing and Community Development pursuant to Section 50105 of the California Health and Safety Code.

18.226.030 Implementation

A. The City shall grant either a Density Bonus or a Density Bonus with an Additional Incentive to an applicant for a Housing Development, who agrees to provide the following:

1. At least twenty percent (20%) of the total units of the Housing Development as Target Units affordable to Lower Income Households; or
2. At least ten percent (10%) of the total units of the Housing Development as Target Units affordable to Very Low Income Households; or
3. Senior citizen housing.

In determining the minimum number of Density Bonus Units to be granted pursuant to this section, the Maximum Residential Density for the site shall be multiplied by .25. When calculating the number of permitted Density Bonus Units, any resulting fractions of units shall be deleted.

B. In determining the number of Target Units to be provided pursuant to this Section, the Maximum Residential Density shall be multiplied by .10 where Very Low Income Households are targeted, or by .20 where Lower Income Households are targeted. The Density Bonus Units shall not be included when determining the total number of Target Units in the Housing Development. When calculating the required number of Target Units, any resulting decimal fraction shall be deleted.

C. In cases where a density increase of less than twenty-five percent (25%) is requested, no reduction will be allowed in the number of Target Units required. In cases where a density increase of more than twenty-five percent (25%) is requested, the requested density increase, if granted, shall be considered an Additional Incentive.

D. In cases where the developer agrees to construct more than twenty percent (20%) of the total units for Lower Income Households, or more than ten percent (10%) of the total units for Very Low Income Households, the developer shall be entitled to only one Density Bonus and an Additional Incentive. Similarly, an Applicant who agrees to construct Senior Citizen Housing with twenty (20%) or ten (10%) percent of the units reserved for Lower- or Very Low-Income Households, respectively, is only entitled to one Density Bonus and an Additional Incentive. The City may, however, grant multiple Additional Incentives to facilitate the inclusion of more Target Units than are required by this Chapter.

18.226.040 Development Standards.

A. Target Units should be constructed concurrently with Non-Restricted Units unless both the City and the Applicant agree within the Density Bonus Housing Agreement to an alternative schedule for development.

B. Target Units shall remain restricted and affordable to the designated group for a period of thirty (30) years (or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program) when both a Density Bonus and an Additional Incentive are granted.

C. Target Units shall remain restricted and affordable to the designated group for a period of ten (10) years when only a Density Bonus is granted and no Additional Incentive is granted.

D. In determining the maximum Affordable Rent or Affordable Sales Price of Target Units the following household and unit size assumption shall be used unless the Housing Development is subject to different assumptions imposed by other governmental regulations:

SRO (residential hotel) unit	75% of 1 person
0 bedroom (studio)	1 person
1 bedroom	2 persons
2 bedroom	3 persons
3 bedroom	4 persons
4 bedroom	6 persons

E. Target Units should be built on-site and, when practical, be dispersed within the Housing Development. Where feasible, the number of bedrooms of the Target Units shall be equivalent to the bedroom mix of the non-Target units of the Housing Development; except that the applicant may include a higher proportion of Target Units with more bedrooms. The design and appearance of the Target Units shall be compatible with the design of the total Housing Development. All Housing Developments shall comply with all applicable development standards of the City, except those standards which may be modified as provided by this Chapter.

F. Circumstances may arise in which the public interest would be served by allowing some or all of the Target Units associated with one Housing Development to be produced and operated at an alternative development site. Where the applicant and the City form such an agreement, the resulting linked developments shall be considered a single Housing Development for purposes of this Chapter. Under these circumstances, the applicant shall be subject to the same requirements of this Chapter for the Target Units to be provided on the alternative site.

G. The entry into and execution of Density Bonus Housing Agreement shall be a condition of any application for a discretionary planning permit (e.g., tract maps, parcel maps, site plans, planned development or conditional use permits) for a Housing Development proposed pursuant to this Chapter. The agreement shall be recorded at the applicant's cost as a restriction on the parcel or parcels on which the Target Units will be constructed.

18.226.050 Development Incentives

A. The City shall provide a Density Bonus and an Additional Incentive for qualified Housing Developments, upon the written request of a developer, unless the City makes a written finding that the Additional Incentive is not necessary to make the Housing Development economically feasible and to accommodate a Density Bonus.

The development incentive granted shall contribute significantly to the economic feasibility of providing the Target Units. Any applicant seeking a waiver or modification of development or zoning standards shall show that such waiver or modification is necessary to make the Housing

Development economically feasible in accordance with Government Code Section 65915(e). This requirement may be satisfied by reference to applicable sections of the Housing Element of the City's General Plan.

C. The need for an incentive will vary for different Housing Developments. Therefore, the allocation of Additional Incentive shall be determined on a case-by-case basis. The Additional Incentive may include, but is not limited to, any of the following.

1. A reduction of site development standards or a modification of zoning code or architectural design requirements which exceed the minimum building standards provided in Part 2.5 (commencing with Section 18901) of Division 13 of the California Health and Safety Code. These may include, but are not limited to, one or more of the following:
 - (a) Reduced minimum lot sizes and/or dimensions.
 - (b) Reduced minimum lot setbacks.
 - (c) Reduced minimum outdoor and/or private outdoor living area.
 - (d) Increased maximum lot coverage.
 - (e) Increased maximum building height and/or stories.
 - (f) Reduced on-site parking standards, including the number or size of spaces and garage requirements.
 - (g) Reduced minimum building separation requirements.
 - (h) Reduced street standards, e.g., reduced minimum street widths.
 - (i) Other: _____
2. Allow the Housing Development to include non-residential uses and/or allow the Housing Development within a non-residential zone.
3. Another regulatory incentive or concession proposed by the applicant and agreed to by the City which results in identifiable cost reductions or avoidance.
4. A Density Bonus of more than twenty-five percent (25%).
5. Waived, reduced or deferred planning, plan check, construction permit and/or development impact fees (e.g., capital facilities, park or traffic fees).
6. Direct financial aid (e.g., redevelopment set-aside, Community Development Block Grant funding) in the form of a loan or a grant to subsidize or provide low interest financing for on or off-site improvements, land or construction costs.

18.226.060 Application Requirements and Review

- A. An application for a Density Bonus Housing Agreement pursuant to this Chapter shall

be processed as part of the application for a Housing Development. An application for a Housing Development shall not be determined "complete" for purposes of Government Code sections 65920 et. seq. unless and until a Density Bonus Housing Agreement which complies with the provisions of this Chapter has been approved by the City.

B. An applicant proposing a Housing Development pursuant to this Chapter, shall submit an application for a Density Bonus Housing Agreement as part of the submittal of any formal request for approval of a Housing Development. The application shall include the following information:

1. A brief description of the proposed Housing Development, including the total number of units, Target Units and Density Bonus Units proposed.
2. The zoning and general plan designations and assessors parcel number(s) of the project site.
3. A vicinity map and preliminary site plan, drawn to scale, including building footprints, driveway and parking layout.
4. If an Additional Incentive is requested, the application shall describe why the Additional Incentive is necessary to provide the Target Units.

C. Within thirty (30) days of receipt of the application for a Density Bonus Housing Agreement and a Housing Development, the City shall provide to an applicant a letter which identifies project issues of concern, and the procedures for compliance with this Chapter.

D. The Community Development Director shall inform the applicant that the requested Additional Incentives shall be recommended for consideration with the proposed Housing Development, or that alternative or modified Additional Incentives shall be recommended for consideration in lieu of the requested Additional Incentives. If alternative or modified Incentives are recommended by the Community Development Director, the recommendation shall establish how the alternative or modified Incentives can be expected to have an equivalent affordability effect as the requested Incentives.

18.226.070 Density Bonus Housing Agreement

A. An applicant requesting a Density Bonus shall prepare an initial draft for consideration by the City and shall agree to enter in to a Density Bonus Housing Agreement with the City. The terms of the draft agreement shall be reviewed and revised as appropriate by the Community Development Director and the City Attorney who shall formulate a recommendation to the City Council for final approval.

B. Following execution of the Agreement by the applicant and the City, the completed Density Bonus Housing Agreement, or memorandum thereof, shall be recorded and the conditions

therefrom filed and recorded on the parcel or parcels designated for the construction of Target Units as a condition of final map approval, or, where a map is not being processed, prior to issuance of building permits for such parcels or units. The Density Bonus Housing Agreement shall be binding upon all future owners and successors in interest for this property which is the subject of the Housing Development Application.

The Density Bonus Housing Agreement shall include at least the following:

1. The total number of units proposed within the Housing Development, including the number of Target Units.
2. A description of the household income group to be accommodated by the Housing Development, and the standards for determining the corresponding Affordable Rent or Affordable Sale Price and Housing Cost.
3. The location, unit sizes (square feet) and number of bedrooms of Target Units.
4. Tenure of use restrictions for Target Units of at least ten (10) or thirty (30) years.
5. A schedule for completion and occupancy of Target Units.
6. A description of the Additional Incentive being provided by the City.
7. A description of remedies for breach of the agreement by either party (the City may identify tenants or qualified purchasers as third party beneficiaries under the agreement).
8. Other provisions to ensure implementation and compliance with this Chapter.

C. In the case of for-sale Housing Developments, the Density Bonus Housing Agreement shall provide for the following conditions governing the initial sale and use of Target Units during the applicable use restriction period:

1. Target Units shall, upon initial sale, be sold to eligible Very Low or Lower Income Households at an Affordable Sales Price and Housing Cost, or to Qualified residents (i.e., maintained as senior citizen housing) as defined by this Chapter.
2. Target Units shall be initially owner-occupied by eligible Very Low or Lower Income Households, or by Qualified Residents in the case of senior citizen housing.
3. The initial purchaser of each Target Unit shall execute an instrument or agreement approved by the City restricting the sale of the Target Unit in accordance with this ordinance during the applicable user restriction period. Such instrument or

agreement shall be recorded against the parcel containing the Target Unit and shall contain such provisions as the City may require to ensure continued compliance with the provisions of this Chapter and the state Density Bonus Law.

B. In the case of rental Housing Developments, the Density Bonus Housing Agreement shall provide for the following conditions governing the use of Target Units during the use restriction period:

1. The rules and procedures for qualifying tenants, establishing Affordable Rent, filling vacancies and maintaining Target Units for qualified tenants;
2. Provisions requiring owners to verify tenant incomes and maintain books and records to demonstrate compliance with this Chapter.
3. Provisions requiring owners to submit an annual report to the City which includes the name, address, and income of each person occupying Target Units, and which identifies the bedroom size and monthly rent or cost of each Target Unit."

Section 2. The Mayor shall sign this ordinance and the City Clerk shall certify to the adoption of this ordinance and shall cause it, or a summary of it, to be published once in the Redlands Daily Facts, a newspaper of general circulation within the City and thereafter, this ordinance shall take effect as provided by law.



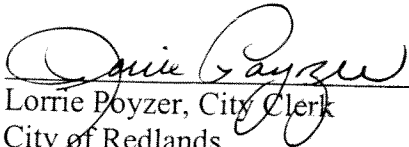
Mayor of the City of Redlands

ATTEST:


City Clerk

I, Lorrie Poyzer, City Clerk of the City of Redlands, hereby certify that the foregoing ordinance was duly adopted by the City Council at a regular meeting thereof held on the 2nd day of May, 2000, by the following vote:

AYES: Councilmembers George, Peppler, Haws; Mayor Gilbreath
NOES: Councilmember Freedman
ABSENT: None
ABSTAIN: None



Lorrie Poyzer, City Clerk
City of Redlands