

COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT PLANNING STAFF REPORT

AGENDA ITEM NO.: C.2.	SITE LOCATION: Residential and mixed use zones citywide.
HEARING DATE: July 16, 2020	GENERAL PLAN: Residential and Mixed Use
CASE NO.: Amendment No. A-028-2020	ZONE: Residential and Mixed Use
APPLICANT: City of Garden Grove	APN: N/A
OWNER: N/A	CEQA DETERMINATION: Exempt

REQUEST:

A request that the Planning Commission recommend City Council approval of a City-initiated Text Amendment to Title 9 of the Garden Grove Municipal Code to amend the density bonus and other incentives for affordable housing applicable to residential and mixed-use zones.

BACKGROUND:

The California Density Bonus Law, Government Code 65915 *et seq.* requires the City to adopt an ordinance that specifies how the City will comply with its provisions. The State legislature has amended the Density Bonus Law since the City last adopted its density bonus regulations. AB 1763 is the most recently adopted amendment during the 2019 legislative session, which became effective on January 1, 2020 and clarified various provisions of the Density Bonus Law. The attached ordinance updates the City's regulations to conform with State law, and to ensure that its provisions apply to housing projects in the mixed-use zones.

DISCUSSION:

The attached ordinance and Zoning Text Amendment make the following revisions to the Land Use (Zoning) regulations of the Municipal Code:

- The first major revision to the Municipal Code is to remove the density bonus regulations from the section pertaining to "special uses" under the single-family residential and multi-family residential zones and place them in the sections that apply to these zone's "development standards." The density bonus regulations do not apply to uses, but affect the City's development standards in residential zones.
- Currently, the Land Use Code does not include density bonus regulations applicable to residential development in the mixed-use zone. The Zoning Text

Amendment adds density bonus and other incentives for affordable housing in the mixed-use zones.

- Additionally, rather than copying all of the provisions of State law into the Municipal Code, as they currently exist in the Land Use Code, the new regulations simply specify that the specific provisions of State law that affect development standards in the residential and mixed use zones apply to residential development in those zones.
- The Density Bonus Law requires that the City ensure that the affordability of the required number of units be preserved for a minimum of 55 years if a density bonus and/or other incentives are granted to a development. The City is further required to monitor the continued affordability of the units during the affordability period. Other than the 55-year covenant requirement, the Density Bonus Law does not specify the form and substance of the document that is required to be recorded against a property subject to the covenants. The Zoning Text Amendment specifies the following requirements:
 - The affordable units must be constructed concurrently with, or prior to, the construction of any market-rate units.
 - The affordable units must be integrated with the market-rate units so that affordable units are not "segregated" to a specific area of the development.
 - The developer must establish a marketing program and management plan to ensure that the affordable units are always available to households qualifying under the affordability requirements.
 - Provisions applicable to Section 8 vouchers. Section 8 of the United States Housing Act of 1937 establishes a program whereby the Federal Government provides vouchers to income-qualifying households whereby the household rents a unit at the negotiated market rent. The household pays up to 30% of its household income towards the market rent and the voucher pays the landlord the balance. The Garden Grove Housing Authority manages the Section 8 program in the City. Because Section 8 vouchers pay market rent, the affordable units in a development should not be rented to Section 8 tenants because it defeats the purpose of both the Section 8 voucher program and the affordable housing incentive program under the Density Bonus regulations. Section 8 tenants will be allowed to rent an affordable unit temporarily if there are no other units available, but for a limited time until a market-rate unit becomes available.

In sum, the intent of the Zoning Text Amendment is to conform the City's regulations to the State's Density Bonus Law.

RECOMMENDATION:

Staff recommends that the Planning Commission:

1. Adopt the proposed Resolution recommending approval of Amendment No. A-028-2020 to the City Council.

LEE MARINO
Planning Services Manager

Attachments:

Assembly Bill No. AB 1763 and associated Senate and Assembly Bills (SB 1227, AB 2797, AB 2753)

Draft Planning Commission Resolution (Resolution No. 5996-20)

Draft City Council Ordinance