Coastal Regional Housing Incentive Preliminary Draft Program

23.04.091 Regional Housing Incentives.

An application that satisfies the requirements of this Section shall be eligible to receive incentives to allow more intensive residential development than otherwise allowed by this Title, Coastal Area Plans, and Community Plans. Incentives provided in accordance with this Section shall be in addition to the incentives available through the State Density Bonuses and Other Incentives Section (Section 23.04.090).

Applicability of Regional Housing Incentives.

1. **Incentives.** An application that satisfies the eligibility criteria of this Section may receive housing development incentives by adhering to applicable standards of this Section. Applicable standards are determined by applying the corresponding designated amount of 'Incentive Points'**.**
2. **General Applicability.** Where other standards of this Title and relevant Coastal Area Plans and Community Plans conflict with the standards of this Section, the provisions of this Section prevail, except:
    a. **Environmental Resource Protections.** Where the standards of this Title and Combining Designations (Chapter 23.07), are intended to protect environmental resources conflict with this Section, those standards shall prevail.
3. **Relationship to State Density Bonuses** Density increases provided under this Section shall apply and be calculated as part of the base density prior to application of density bonuses per the Affordable Housing Density Bonus Section (Section 23.04.090).

A. **Eligibility.** Applications shall satisfy all of the following criteria to be eligible for the incentives allowable by this Section.

1. **Urban Reserve Line.** The project site shall be located wholly within an Urban Reserve Line.
2. **Residential Use.** The project shall be for [a] multi-family dwellings or [b] single-family dwellings within the Residential Multi-family (RMF) land use category if the project meets or exceeds 40% of the maximum allowable residential density for the site.

B. **Incentive Points.** Incentive points accrued for an application shall only apply to and shall not be transferred to other applications or project sites.

1. **Accrual of Incentive Points**. An application may accrue incentive points by contributing to guaranteed affordable housing in one or more of the following ways**:**

a**. Constructing Very Low-Income Housing.** An application shall accrue two (2) incentive points per very low-income dwelling unit constructed and provided on-site. Each very low-income dwelling unit shall be guaranteed to be affordable to very low-income households in accordance with Section 23.04.094 (Housing Affordability Standards).

(1) **Funding Limitations.** To qualify for incentive points, the very low-income dwelling units must not be funded through government-funded grants, tax credits, or other equivalent funding sources intended for affordable housing,

unless 100% of the dwelling units in the project are guaranteed to be affordable in the very low-, low-, and/or moderate-income categories (not counting manager dwelling units).

(2) **Occupancy Timeline.** The on-site very low-income dwelling units shall be available for occupancy prior to or concurrently with final construction permit approval for occupancy of up to five on-site market-rate dwelling units.

b**. Contributing In-Lieu Fees to Regional Housing Fund.** An application may accrue incentive points by contributing to the Regional Housing Fund in accordance with Title 31.

(1) **Assessment of In-Lieu Fee.** A project subject to ministerial permit or discretionary approval shall be subject to the in-lieu fee in effect [A] at the time that the first construction or grading permit is applied for or [B] at the time of final map recordation, whichever occurs first.

(2) **Payment of In-Lieu Fee.** In-lieu fee shall be paid in full [A] prior to issuance of the first construction or grading permit or [B] prior to recordation of the final map, whichever occurs first.

2. **Applying Incentive Points.** An application may apply accrued Incentive Points to determine the applicable standards based on the following table. Each accrued Incentive Point shall only be applied once.

Regional Housing Incentives							
Incentive Category	Incentives	Applicable Standards by Incentive Category (Incentive Points Apply Separately for Each Incentive Category)					
		1 Incentive Point	2 Incentive Points	3 Incentive Points	4 Incentive Points	5 Incentive Points	6 Incentive Points
A	Waive standard requiring commercial use or affordable housing in OP, CR, and CS land use categories	N/A	No commercial use or affordable housing required in OP, CR, and CS land use categories	N/A	N/A	N/A	N/A
B	Increase maximum residential density	2 additional units per acre	4 additional units per acre	6 additional units per acre	8 additional units per acre	10 additional units per acre	12 additional units per acre
	Increase maximum floor area	Low intensity: 80% Medium intensity: 110%	Low intensity: 100% Medium intensity: 150%	No max. floor area	No max. floor area	No max. floor area	No max. floor area

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		High intensity: 150%	High intensity: 200%				
C	Reduce minimum off-street parking	No min. guest parking	No min. guest parking, 0.25 space/unit reduction	No min. guest parking, 0.50 space/unit reduction	N/A	N/A	N/A
D	Increase maximum height	5 ft. increase	10 ft. increase	N/A	N/A	N/A	N/A
	Reduce minimum setbacks for projects with residential use	10 ft. min. front setback and 5 ft. min. side and rear setbacks, unless this Title and relevant Coastal Area Plan and Community Plans otherwise require a smaller setback	No min. front, side, and rear setbacks	N/A	N/A	N/A	N/A
	Reduce minimum open area	5% reduction	10% reduction	N/A	N/A	N/A	N/A

D. Application Requirements. The application shall include:

1. A description of how the project will accrue Incentive Points;
2. A statement detailing the selected incentives that accrued Incentive Points would apply to; and
3. Verification that the Incentive Points accrued will equal to or exceed the Incentive Points required for the selected incentives.

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