



# Agenda Item

## City Council

Item #: 9.1.

4/9/2024

File #: 24-0181

**TO:** Honorable Mayor and Members of the City Council

**THRU:** Tom Kisela, City Manager

**FROM:** Russell Bunim, Community Development Director

### 1. SUBJECT

Public Hearing to consider introduction and First Reading of Ordinance No. 05-24 amending Chapter 17.15 of the Orange Municipal Code relating to Density Bonus Law to establish consistency with state density bonus law; and finding of CEQA exemption.

### 2. SUMMARY

The Density Bonus provisions contained in Chapter 17.15 of the Orange Municipal Code are not consistent with state density bonus law. The subject ordinance replaces Chapter 17.15 in its entirety and establishes consistency between the density bonus provisions of the Orange Municipal Code and California Government Code Section 65915, et. seq. by reference. It also includes limited procedural content specific to the City of Orange.

### 3. RECOMMENDED ACTION

1. Conduct and close Public Hearing.
2. Introduce and conduct First Reading of Ordinance 05-24. An Ordinance of the City Council of the City of Orange amending Chapter 17.08 and 17.15 of the Orange Municipal Code relating to Density Bonus Law.
3. Find the project is exempt from the California Environmental Quality Act (CEQA) under Section 15378 (Common Sense Exemption) of the CEQA Guidelines.

### 4. FISCAL IMPACT

None.

### 5. STRATEGIC PLAN GOALS

Goal 3: Enhance and promote quality of life in the community  
c: Support and enhance attractive, diverse living environments.

### 6. DISCUSSION AND BACKGROUND

State Density Bonus law is contained in California Government Code Section 65915, et. seq. The law establishes a complex methodology involving a sliding scale of bonus density ranging of up to 50 percent based on unit affordability and proportion of affordable units in relation to a residential project's overall unit count. Senior citizen housing developments are also eligible for a density bonus. The legislation enables developers to request a combination of concessions or incentives and development standard reductions and waivers in order to maximize project feasibility and incentivize

affordable housing development. The developer must commit to a 55-year period of affordability.

The subject Ordinance replaces OMC Chapter 17.15 in its entirety and establishes consistency between the density bonus provisions of the Orange Municipal Code (OMC) and California Government Code. Incorporation by reference of the California Government Code will enable the OMC to maintain consistency with State law in the event of changes to the legislation over time. Sections 17.15.020 through 17.15.050 establish procedures, standards, and requirements specific to the City of Orange including:

1. Density bonus applications will follow the process for Major Site Plan Review and shall be subject to Planning Commission action.
2. The Community Development Director, in consultation with the City Attorney, is authorized to execute Density Bonus Housing Agreements rather than the present requirement for Planning Commission approval.
3. Affordable units shall be dispersed throughout a housing development.
4. The Community Development Director is authorized to propose additional standards and procedures to implement the density bonus program to the City Council for approval by resolution, to include language requesting that applicants provide preferences to those eligible persons with ties to the City of Orange.

The proposed Ordinance implements one aspect of Housing Policy Action 2B included in the Housing Element. Specifically, it brings the density bonus provisions of the OMC into compliance with State law. Updating the OMC will be among the action items reported to the California Department of Housing and Community Development in the City's Annual Housing Element Progress Report.

## **7. ENVIRONMENTAL REVIEW**

**Categorical Exemption:** The proposed project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per State CEQA Guidelines Section 15378 (Common Sense Exemption) because it will not have a direct or reasonably foreseeable indirect physical change on the environment and is not a "project." For this reason, no further CEQA documentation is required.

## **8. ATTACHMENTS**

- Attachment 1 Ordinance No. 05-24
- Attachment 2 Planning Commission Resolution No. PC 03-24
- Attachment 3 Planning Commission Staff Report dated March 4, 2024
- Attachment 4 Planning Commission Minutes dated March 4, 2024