



Agenda Item

Planning Commission

Item #: 5.2.

3/4/2024

File #: 24-0067

TO: Chair and Members of the Planning Commission

FROM: Anna Pehoushek, Assistant Community Development Director

1. SUBJECT

Public Hearing to consider an Ordinance amending Chapter 17.15 of the Orange Municipal Code relating to Density Bonus Law.

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 amends the Code to incorporate the provisions of Government Code Section 65915, et. seq. by reference.

3. RECOMMENDED ACTION

Adopt Planning Commission Resolution No. PC 03-24 entitled:

A Resolution of the Planning Commission recommending that the City Council approve an Ordinance of the City Council of the City of Orange amending Chapter 17.15 of the Orange Municipal Code relating to Density Bonus law.

4. AUTHORIZING GUIDELINES

Orange Municipal Code (OMC) Section 17.08.020 authorizes the Planning Commission to review and make a recommendation to the City Council on Zoning Ordinance amendments.

5. PROJECT BACKGROUND

State Density Bonus law is contained in California Government Code Section 65915, et. seq. The law establishes a sliding scale of bonus density ranging of up to 50 percent based on a combination of unit affordability and proportion of affordable units in relation to a project's overall residential unit count. Age-restricted senior citizen housing developments are also eligible for a density bonus. The legislation enables developers to request up to four incentives or development standard concessions in order to maximize project feasibility and incentivize affordable housing development. The developer must commit to a 55-year period of affordability. The Government Code Section, including tables indicating eligible density bonus in relation to unit affordability, is provided in Attachment 2.

6. PROJECT DESCRIPTION

The subject Ordinance replaces OMC Chapter 17.15 in its entirety and establishes consistency between the density bonus provisions of the Orange Municipal Code 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

as follows:

1. Development applications requesting density bonuses in accordance with State law will follow the process for Major Site Plan Review and shall be subject to final action by the Planning Commission.
2. The Community Development Director, in consultation with the City Attorney, shall execute Density Bonus Housing Agreements on behalf of the City.
3. Affordable units shall be dispersed throughout a housing development.
4. Persons who reside, work, go to school or have family in the City of Orange shall be provided first priority for the affordable units.
5. The Community Development Director is granted authority to propose additional standards and procedures to implement the density bonus program to the City Council for approval by resolution.

7. ANALYSIS AND STATEMENT OF THE ISSUES

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. The updating of 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.

8. PUBLIC NOTICE

On February 23, 2024 a notice was published in the Orange County Register newspaper.

9. ENVIRONMENTAL REVIEW

Categorical Exemption: The proposed project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per State CEQA Guidelines 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.

10. ADVISORY BOARD ACTION

None required.

11. ATTACHMENTS

- Attachment 1 Planning Commission Resolution No. PC 03-24 (including Draft Ordinance)