

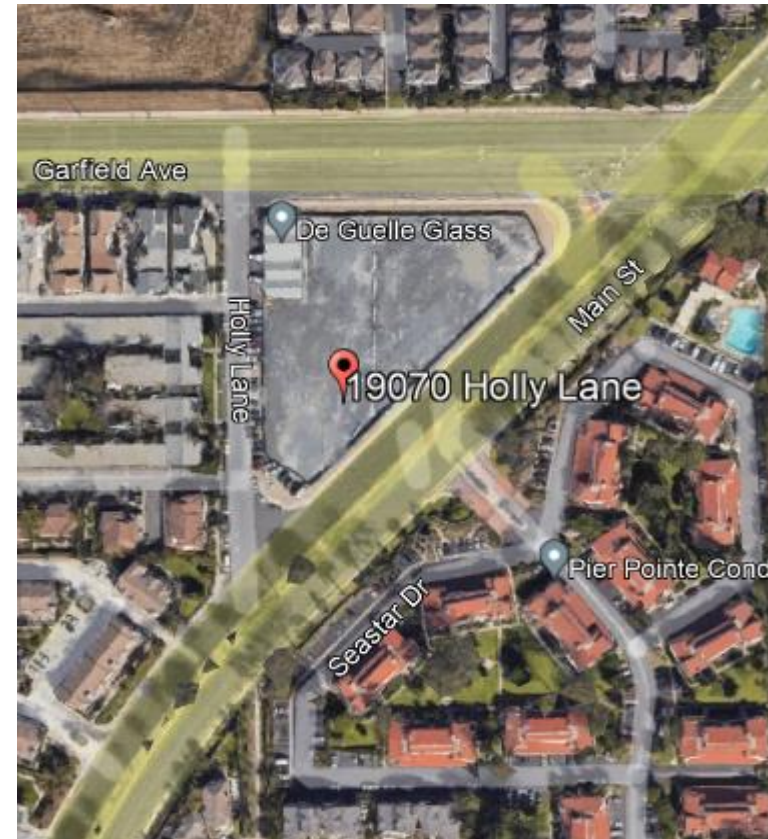


Affordable Housing Agreement – 19070 Holly Lane

City Council
February 7, 2023

Background

- Bonanni Development Company received entitlements for a 35-unit ownership project located at 19070 Holly Lane (“Project”).
- The Project is located within the Holly-Seacliff Specific Plan (HSSP).
- Five affordable units:
 - 3 two-bedroom units
 - 2 three-bedroom units
- All five affordable units will be available to “moderate income” households (not to exceed 120% of area median income).
- 45-year affordability covenant.



Background – Density Bonus

- Project is eligible for a 10% density bonus.
- Site will consist of 32 “base” units and three density bonus units for 35 total units, of which, five units will be affordable to moderate income households.
- Project conforms to the Density Bonus Law, the City’s Inclusionary Ordinance requirements, and the Holly-Seacliff Specific Plan.
- On May 24, 2022, the Planning Commission approved the entitlement requests and recommended approval of the EIR, General Plan and Zoning Text Amendments.
- On June 21, 2022, the City Council certified the EIR and approved the General Plan and Zoning Text Amendments.



Density Bonus Waivers

The developer will provide 10% of the units as affordable and therefore, per Density Bonus Law, is eligible for one concession, unlimited waivers, and reduction in parking requirements. The developer did not request a concession and is utilizing the following two waivers to development standards and Density Bonus Parking standards:

- Reduction of 5 feet for front yard setback along Holly Lane (15-foot required and 10-foot approved); and
- Reduction of 4 to 5 feet for building separation, (20-foot required and 15-16 feet approved); and
- The project will provide 82 parking spaces (18 spaces less than the City's parking standards but 29 spaces more than permitted under Density Bonus Parking standards).



Rent vs Sell Amendment

- The developer anticipates selling the individual units in accordance with the Affordable Housing Agreement.
- Due to future housing market uncertainties (higher interest rates and softening real estate market) the developer has requested the option to temporarily rent the units until the housing market supports home ownership.
- If the City Council approves this option, the developer can make this rental request prior to completion of construction.
- The City Attorney would then prepare an amendment to the Affordable Housing Agreement to incorporate rental provisions for execution by the City Manager.



Recommendations

- Approve the Affordable Housing Agreement for the development of 35 townhomes at 19070 Holly Lane; and,
- Authorize City Manager to execute the Affordable Housing Agreement, including all necessary related documents; and
- Authorize City Manager to execute an amendment to the Affordable Housing Agreement, as prepared by the City Attorney, should the developer decide to rent instead of selling the townhomes due to market conditions; and
- Authorize Housing Authority Executive Director to execute all necessary implementing agreements



Questions?

