

Zoning Streamline Phase 2

PR-2022-001391 – Zoning Code Amendment

Community & Economic Development Department

Planning Commission

Agenda Item: 3

August 18, 2022

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OVERVIEW OF PRESENTATION

1. Inclusionary Housing Ordinance
2. Density Bonus Ordinance
3. Zoning Clean- Up Items - Regulations related to:
 - ✓ Industrial Zones
 - ✓ Alcohol Sales
 - ✓ Parking
 - ✓ Fair Housing and Reasonable Accommodation
 - ✓ Definitions



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BACKGROUND

Inclusionary Housing

- Local policy requiring new housing development to include affordable homes
 - ✓ Common in many California jurisdictions, including locally
 - ✓ Tool in toolbox to expand housing options for all
- May 18, 2021 – City Council authorizes feasibility study
- May 23, 2022 – Housing & Homelessness Committee recommends proposed Inclusionary Housing Program be brought to CPC and CC



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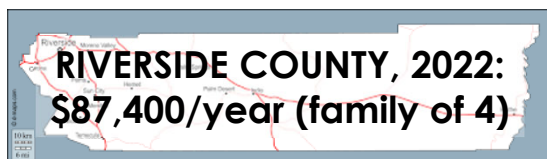
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BACKGROUND

Inclusionary Housing

WHAT IS AFFORDABLE? AND TO WHOM?

- If you spend no more than **30% of your gross income** on your housing (rent, mortgage, taxes, utilities, etc.), you can afford your housing.
- *Income limits* are set by Federal and State standards, based on **Area Median Income** (typically by county).



INCOME LIMIT	INCOME
Very Low (50% AMI)	\$44,000
Low (80% AMI)	\$70,400
Moderate (120% AMI)	\$104,900



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BACKGROUND

Inclusionary Housing

WHY DOES THIS MATTER NOW?

INCOME LIMIT	INCOME	AFFORDABLE HOUSING COST
Very Low (50% AMI)	\$44,000	\$1,100/month
Low (80% AMI)	\$70,400	\$1,760/month
Moderate (120% AMI)	\$104,900	\$2,622/month

Average Rent in Riverside, CA

Last updated July 2022

Average Rent	Average Apartment Size
\$2,167	846 sq. ft.

Source: RentCafe



Median Sold Price

?

Key Takeaway

\$581,057

\$353/sqft

Based on all homes sold in the last 12 months.

Difference Since July 2021

+\$95,219 (+19.6%) ↑



Homes in Riverside have sold for **19.6% more** than they did a year ago.

Source: RocketHomes

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BACKGROUND

Density Bonus

- State Law providing for increased density for residential projects that include affordable units
- Existing Ordinance (RMC 19.545) – update with Housing Element
 - ✓ New legislation requires updates (Senate Bill 290 and Assembly Bill 2345)
- Works together with Inclusionary Housing



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BACKGROUND

Zoning Clean-Up

- City monitors and regularly brings forth Zoning Code updates to streamline regulations and improve processes
- Five areas:

Industrial Zones

Alcohol Sales

Parking
Requirements

Fair Housing and
Reasonable
Accommodation

Definitions



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PROPOSED AMENDMENTS: INCLUSIONARY HOUSING

New Chapter: 19.535 – Inclusionary Housing

- Applies to new development with 3+ new homes
- Inclusionary requirements set by type of development:
 - **For-sale single-family:** (up to 10.9 units/acre): 5% affordable to Moderate-Income (110% area median income)
 - **For-sale condo and townhome:** (10.9-14.5 units/acre): 10% affordable to Lower Income (70% AMI)
 - **All rental projects:** 10% affordable to Lower-Income (70% AMI)



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PROPOSED AMENDMENTS: INCLUSIONARY HOUSING

New Chapter: 19.535 – Inclusionary Housing

- Alternative Compliance:
 - **Off-site development** – higher affordability:
 - For-sale single-family: 8% affordable to Moderate-Income
 - For-sale condo, townhome and rentals: 15% affordable to Lower Income
 - **In-Lieu Fees** – per unit, same % as off-site
 - Fees deposited into dedicated Affordable Housing Fund
 - Amount set by Council resolution, based on nexus study



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PROPOSED AMENDMENTS: DENSITY BONUS

19.545 – Density Bonus

2019 STATUTE:

Unit Type	Minimum % of Units	Density Bonus Granted	Additional Bonus for each 1% Increase in Units	Maximum Density Bonus
Very Low Income	5%	20%	2.5% bonus through 17% of units	50%
Low Income	10%	20%	1.5% bonus through 30% of units	50%
Moderate Income (for-sale units only)	10%	5%	1% bonus through 55% of units	50%

2022 STATUTE:

Unit Type	Minimum % of Units	Density Bonus Granted	Additional Bonus for each 1% Increase in Units	Maximum Density Bonus
Very Low Income	5%	20%	2.5% bonus through 11% of units 3.75% from 12% - 15% of units	50%
Low Income	10%	20%	1.5% bonus through 20% of units 3.75% from 21% - 24% of units	50%
Moderate Income (for-sale units only)	10%	5%	1% bonus through 40% of units 3.75% from 41% - 44% of units	50%
100% Affordable (VLI, LI, MI)	100% (max. 20% MI)	80%	-	Unlimited (1/2 mile of major transit stop)



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PROPOSED AMENDMENTS: DENSITY BONUS

19.545 – Density Bonus

2019 STATUTE:

Percentage of Affordable Units (Minimum)	Number of Concessions
5% Very Low	1
10% Low	
10% Moderate (for-sale units only)	
10% Very Low	2
20% Low	
20% Moderate (for-sale units only)	
15% Very Low	3
30% Low	
30% Moderate (for-sale units only)	
100% Very Low or Low (maximum 20% Moderate)*	4

*Plus up to 3 stories/33-foot height increase within 1/2 mile of major transit stop

Unit Size	Required Parking Spaces
Studio	1
1 Bedroom	1
2 Bedroom	2
3 Bedroom	2
4 Bedroom	2.5

2022 STATUTE:

Percentage of Affordable Units (Minimum)	Number of Concessions
5% Very Low	1
10% Low	
10% Moderate (for-sale units only)	
20% Lower Income Student	2
10% Very Low	
17% Low	
20% Moderate (for-sale units only)	3
15% Very Low	
24% Low	
30% Moderate (for-sale units only)	4
100% Very Low or Low (maximum 20% Moderate)*	

*Plus up to 3 stories/33-foot height increase within 1/2 mile of major transit stop

Unit Size	Required Parking Spaces
Studio	1
1 Bedroom	1
2 Bedroom	1.5
3 Bedroom	1.5
4 Bedroom	2.5



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PROPOSED AMENDMENTS: ZONING CLEANUP

19.130 – Industrial Zones

- Clarify landscape setback requirement – side and rear yards
- Clarify distance measurement for maximum building size – from residential property line to building

19.450 – Alcohol Sales

- Clarify exemptions from Minor CUP requirement for restaurants
- Type 41 and Type 47 ABC licenses – “bona fide public eating places” – on-site consumption only – Minor CUP not required



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PROPOSED AMENDMENTS: ZONING CLEANUP

19.580 – Parking Requirements

- Consolidate allowances for off-site, off-street parking for various uses – within 300 feet of site
- Student Housing – within ¼ mile of public transport or college/university campus – 0.5 parking space per bed (elsewhere, 1.1 space/bed)

19.850 – Fair Housing and Reasonable Accommodation

- Remove all references to Variance procedures, findings for Reasonable Accommodation Requests
- Required by State and Federal Fair Housing Law
- Implementation action of General Plan Housing Element



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PROPOSED AMENDMENTS: ZONING CLEANUP

19.910 – Definitions

- New definitions related to 19.535 (Inclusionary Housing) and 19.545 (Density Bonus):
 - Affordable Housing
 - Affordable Housing Agreement
 - Affordable Housing Cost
 - Affordable Rent
 - Affordable Sales Price
 - Area Median Income
 - Density (high, moderate, low)
 - Disabled Veteran
 - Homeless Persons
 - Household
 - In-Lieu Fee
 - Lower-Income Student
 - Major Transit Stop
 - Resale Restriction Agreement
 - Residential Development Project
 - Total Units
 - Unit:
 - For-Sale, Inclusionary, Low-Income, Market-Rate, Moderate-Income, Rental, Very Low-Income
 - Unobstructed Access



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PUBLIC OUTREACH – INCLUSIONARY HOUSING

- **November 5, 2021**- Virtual stakeholder meeting
- **November 16, 2021** – Virtual stakeholder meeting
- **January 12, 2022** – Virtual community webinar
- **January 25, 2022** – Webinar with Chamber of Commerce
- **June 28, 2022** – Stakeholder meeting with Chamber
- **Monthly updates** to Housing & Homelessness



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STRATEGIC PLAN ALIGNMENT



Strategic Priority No. 2 – Community Well-Being

Goal No. 2.1 - Facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels.



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RECOMMENDATIONS

That the Planning Commission **recommend the City Council:**

1. Determine that Planning Case PR-2022-001391 is exempt from further California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) (General Rule), as it can be seen with certainty that approval of the project will not have an effect on the environment; and
2. Approve Planning Case PR-2022-001391 (Zoning Text Amendment) as outlined in the staff report and summarized in the Findings section of the report.



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