

# UNIVERSITY AVE DENSITY TRANSFER PILOT PROGRAM

Community & Economic Development Department

City Council  
April 21, 2026

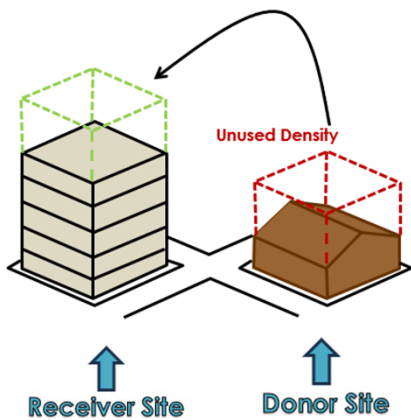


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## BACKGROUND



Infographic Credit: NYC.gov

### What is a Density Transfer Program?

- The transfer of residential developmental rights from one property (donor site) to another property (receiver site)
- **Donor sites:** properties w/unused or underutilized residential density
- **Receiver sites:** properties that would benefit from increased residential density

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## BACKGROUND

- Bank method:** Donor sites deposit units into a development bank, to be later withdrawn by receiver sites
- Direct transfer method:** Donor sites directly send units to specific receiver sites

```
graph LR; DS1[Donor Site] --> B[Bank]; B --> RS1[Receiver Site]; DS2[Donor Site] --> RS2[Receiver Site];
```

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## BACKGROUND


```
graph TD; A[Early 2020s: Density transfer programs recognized as a housing strategy in the Housing Element] -.-> B[July 24, 2023: Density transfer program presented to Housing & Homelessness Committee (HHC) as one of six housing strategies to develop using state funds.]; A -.-> C[2025: Feasibility of University Avenue Density Transfer Pilot Program explored.]; B -.-> D[September 8, 2025: Pilot program options presented to Land Use Committee (LUC). LUC directs development of program using bank and direct transfer methods to present to CC.]; C -.-> D;
```

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**2025:** Feasibility of University Avenue Density Transfer Pilot Program explored.

**September 8, 2025:** Pilot program options presented to Land Use Committee (LUC). LUC directs development of program using bank and direct transfer methods to present to CC.

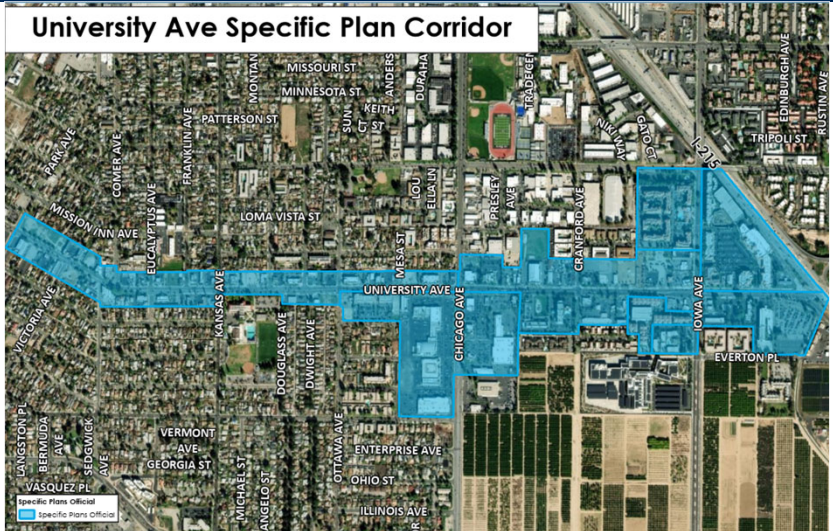
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# FOCUS AREA: UASP CORRIDOR

- Established in 1993 to revitalize University Avenue from Park Avenue to I-215/SR-60
- Challenges developing housing



Map Credit: Sol Ramirez

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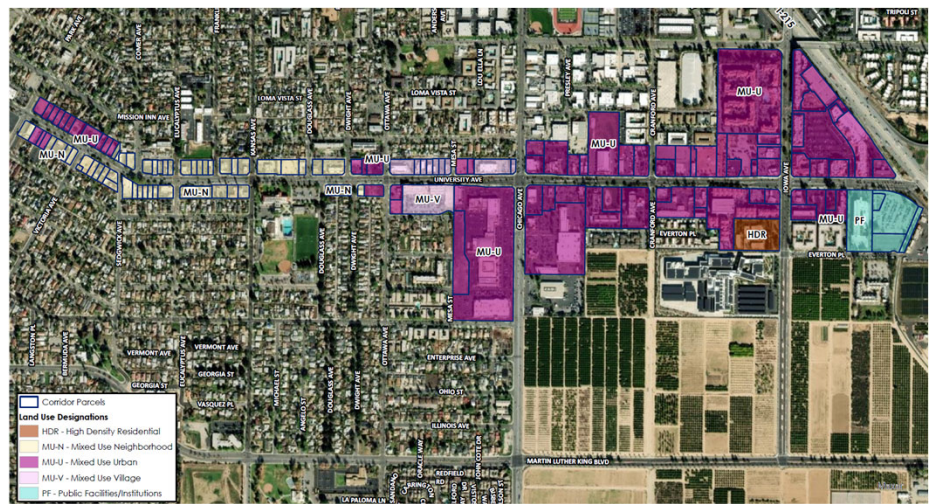


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# FOCUS AREA: UASP CORRIDOR

- Most designations allow residential development
- Most development is nonresidential



Map Credit: Sol Ramirez

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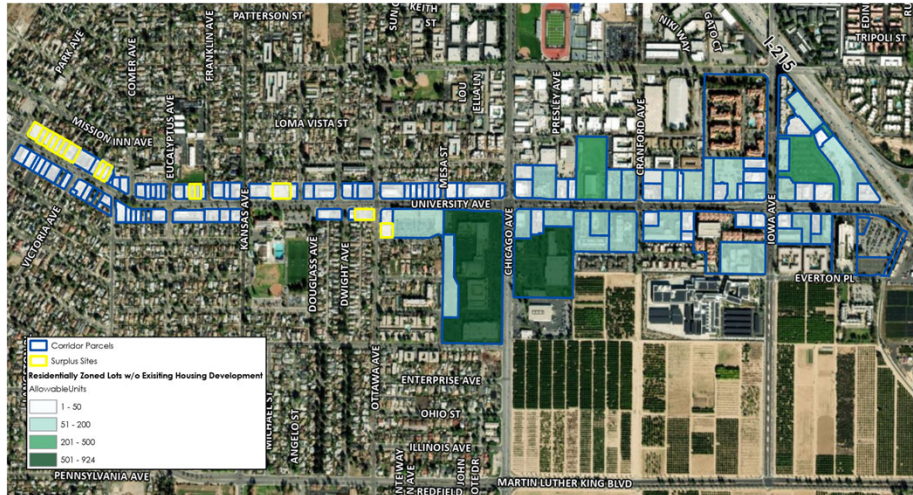


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# FOCUS AREA: UASP CORRIDOR

- Maximum residential capacity: 6,819 units
- Less than 10% of residential capacity built



Map Credit: Sol Ramirez

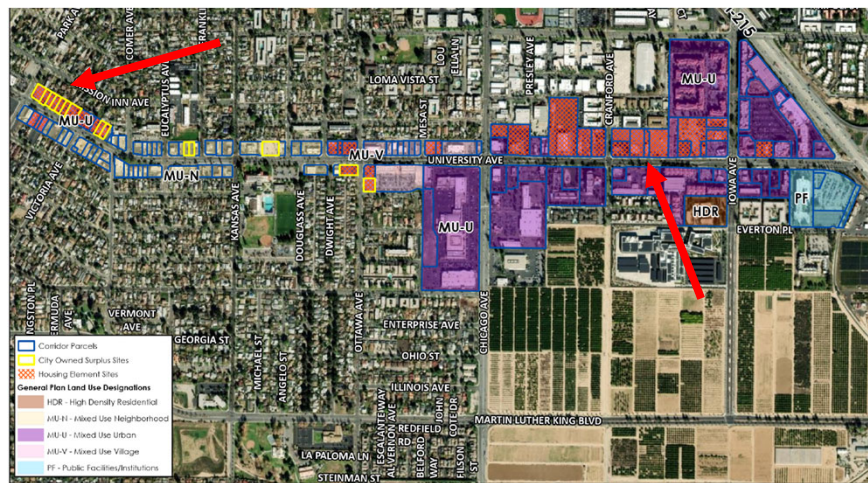
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# FOCUS AREA: UASP CORRIDOR

- Program emphasis: developing city-owned surplus sites and Housing Element Opportunity Sites w/o changes to General or Specific Plan





Map Credit: Sol Ramirez

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DENSITY TRANSFER CASE STUDIES		
Method	Cities	Common Findings
Bank		<ul style="list-style-type: none"> <li>• Purpose: build out/prevent loss of residential capacity (SB 330)</li> <li>• Bank is seeded from unused residential capacity of new development</li> <li>• Can be combined w/other density bonuses</li> <li>• Often in specific plan areas</li> </ul>
Direct Transfer		<ul style="list-style-type: none"> <li>• Purpose: reallocate residential density to sites better suited for residential development</li> <li>• City mediates and/or reviews transfers as or after they occur</li> <li>• Often in specific plan areas</li> </ul>



## PROGRAM BASICS

**Only open to parcels in the University Avenue Specific Plan Corridor**

**Eligible donor sites: Most parcels, except those developed to their residential capacity, those without residential capacity, & most Housing Element sites**

**Eligible receiver sites: City-owned and Housing Element sites**

**Use of bank and direct transfer methods. Begin bank w/capacity from surplus sites.**




## BANK METHOD-DEPOSITS

**PROCESS:**

```
graph LR; A[Units are to be voluntarily or involuntarily (due to development) surrendered] --> B[Submit Request to Transfer Units]; B --> C[Request approved]; C --> D[Deed restriction documents transfer & surrender of residential development rights]; D --> E[UNITS DEPOSITED];
```

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## BANK METHOD-DEPOSITS


**EXAMPLE:** Parcel A (Donor) has a residential capacity of five units. An applicant wants to build a non-residential development on the parcel (zero units).

```
graph LR; A[Five units must be surrendered] --> B[Submit Request to Transfer Units]; B --> C[Request approved]; C --> D[Deed restriction documents transfer & surrender of residential development rights]; D --> E[FIVE UNITS DEPOSITED];
```

**EXAMPLE:** Parcel A (Donor) has a residential capacity of five units. An applicant wants to build three units on the parcel.

```
graph LR; A[Two units must be surrendered] --> B[Submit Request to Transfer Units]; B --> C[Request approved]; C --> D[Deed restriction documents transfer & surrender of residential development rights]; D --> E[TWO UNITS DEPOSITED];
```

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## BANK METHOD-WITHDRAWALS

**PROCESS:**

```
graph LR; A[Applicant seeks to withdraw units] --> B[Submit Request to Transfer Units]; B --> C[Request approved]; C --> D[UNITS WITHDRAWN];
```

Withdrawals are on a first-come, first-serve basis. City-owned sites will have priority in withdrawing units.

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## BANK METHOD-WITHDRAWALS

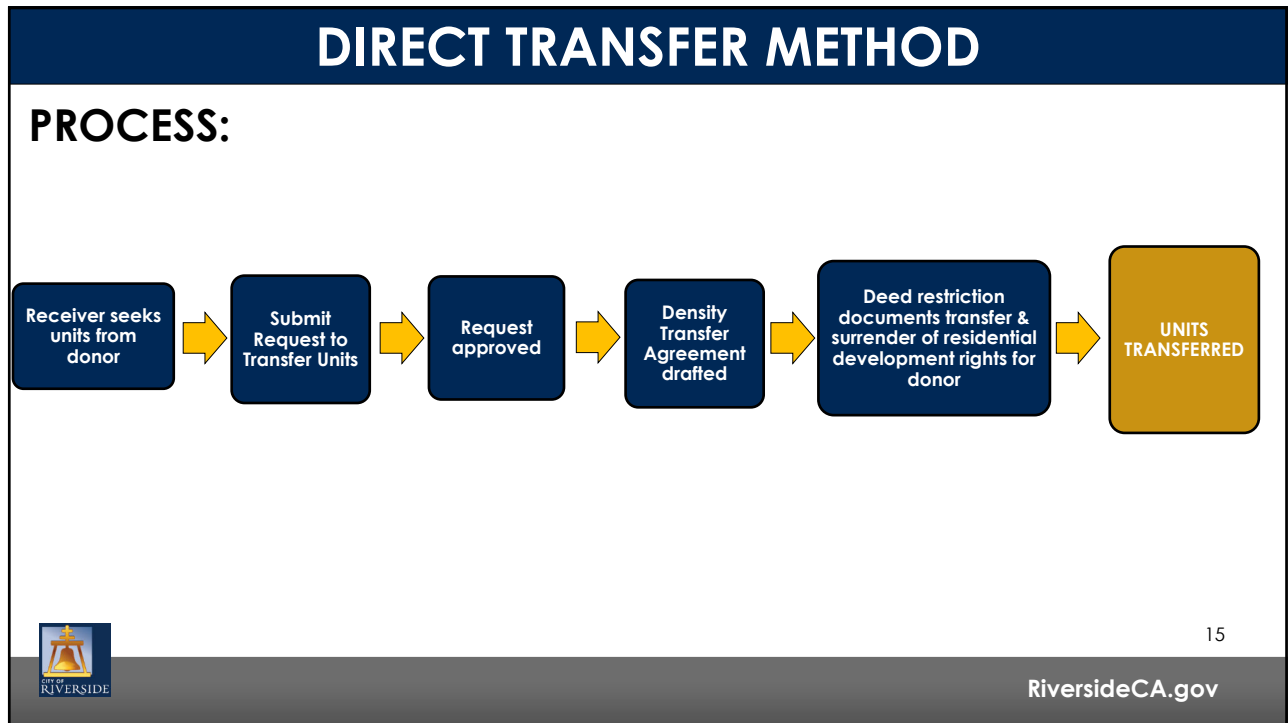
**EXAMPLE:** Parcel B (receiver) has a residential capacity of five units. An applicant wants to build residential units on the parcel but realizes they need an additional three units for the project to be feasible. They want to draw the units from the bank.

```
graph LR; A[Applicant seeks to withdraw three units] --> B[Submit Request to Transfer Units]; B --> C[Request approved]; C --> D[THREE UNITS WITHDRAWN];
```

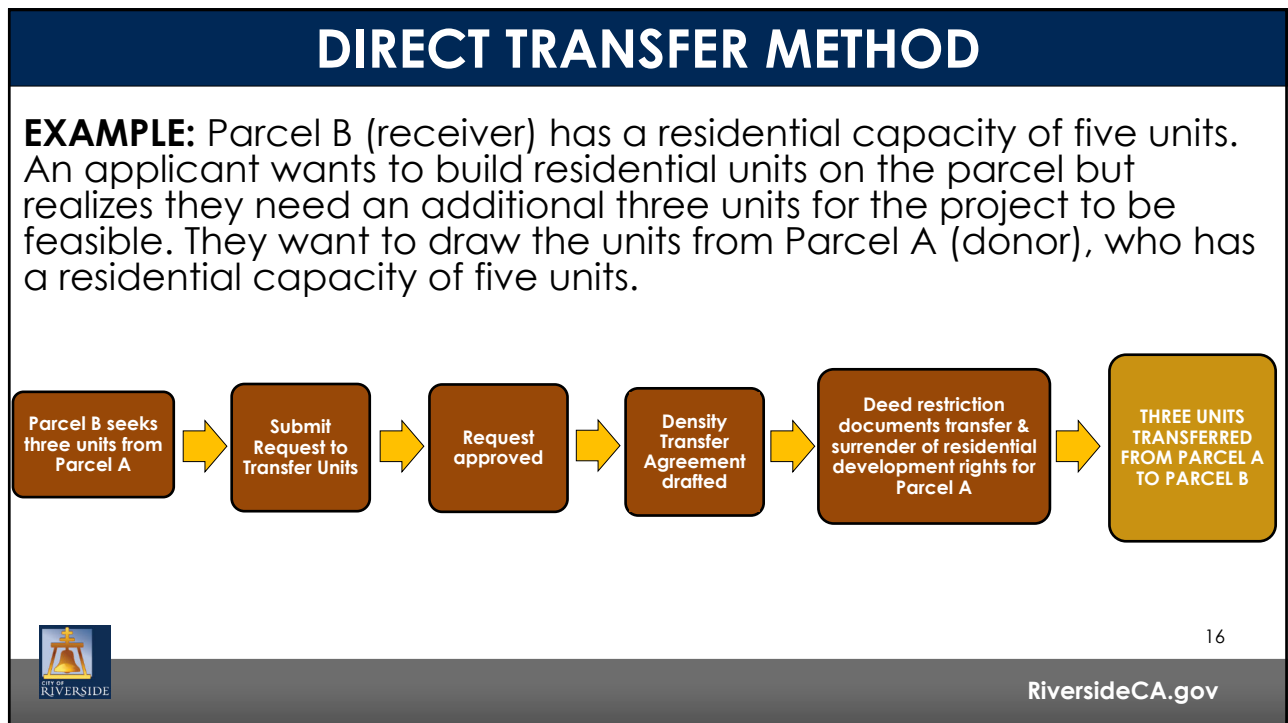
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## DOCUMENTATION AND MONITORING

Transfers will be tracked in a database for the life of the program

Monitoring to ensure residential capacity does not exceed maximum capacity of University Avenue Specific Plan area

One year from adoption, Planning Division will present a report on the program to City Council or another standing committee



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## RECOMMENDATIONS

That the City Council:

1. **DETERMINE** that the University Avenue Density Transfer Pilot Program is exempt from further California Environmental Quality Act Review as it is consistent with the Final Environmental Impact Report prepared for the original University Avenue Specific Plan and with the 6th Cycle Housing Element Final Programmatic Environmental Impact Report, as it does not change the overall amount of development permitted in the Specific Plan; and
2. **ADOPT** a resolution implementing the proposed University Avenue Density Transfer Pilot Program



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# Reference Only Slides



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## PROGRAM BASICS

### What is a Density Transfer Program (DTP)?



- Establishes a policy framework for transferring residential development rights from one property to another
- Establishes an area of focus for density transfers to be proposed or requested



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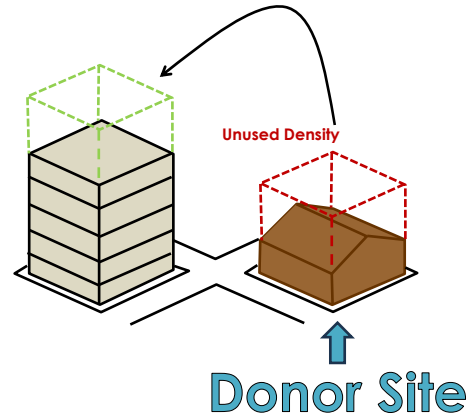
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## PROGRAM BASICS

### Donor Sites:

Properties with unused or underutilized residential density that donate or sell unused density for development elsewhere.

Donor sites forfeit residential development rights in perpetuity.



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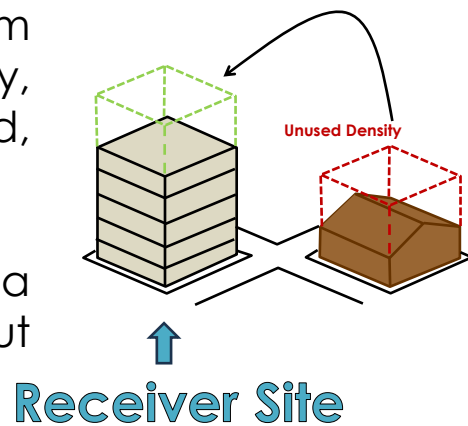
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## PROGRAM BASICS

### Receiver Sites:

Properties that might benefit from an increase in residential density, beyond what is currently permitted, usually for development feasibility

These properties may be a challenge to develop without additional development rights.



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## PROPOSED AREA OF FOCUS

**University Ave Specific Plan Corridor**

### Goal:

- Development of vacant surplus sites
- Investment in quality, affordable housing
- Revitalization of UASP corridor

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## DTP MODEL TYPES

<b>1-to-1 Direct Transfer</b>	<ul style="list-style-type: none"> <li>Transfer between two properties with the same land use designation</li> </ul>
<b>Varying Classification Transfer</b>	<ul style="list-style-type: none"> <li>Transfer between two properties with different land use designations</li> </ul>
<b>Credit Bank Model</b>	<ul style="list-style-type: none"> <li>Utilizes a banking system that is fed with unused development capacity which can then be withdrawn for use by other sites</li> </ul>

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# REFERENCE - OVERVIEW

**GOAL:** Develop a density transfer program to increase densities on undeveloped and under-developed lots

## EVALUATION CRITERIA

- Within General Plan density limits
- Moderate increase in residential capacity
- Community opposition unlikely

## OPPORTUNITIES

- Increases the probability Vacant City Owned Surplus Properties are developed
- Provides a way to gain back unused density within current limits
- Increases ability for market to respond to changes in demand
- Incentivizes affordable housing
- Provides a way to move towards our RHNA housing obligation

## CHALLENGES

- Requires ongoing monitoring, tracking and reporting

