

BEFORE THE TOWN COUNCIL OF THE TOWN OF MORAGA

In the Matter of:

Approving the Establishment of a)
Development Incentives Policy for Eligible)
Projects Providing On-Site Affordable)
Housing Units in Accordance with the)
Town's Affordable Housing Requirements)

Resolution No. __ - 2022

WHEREAS, The Town of Moraga is required by State law to adopt an updated Housing Element covering the 2023-2031 planning period no later than January 31, 2023; and

WHEREAS, certification of the Housing Element by the Department of Housing and Community Development is a prerequisite for housing, transportation, planning, and other grants and funds, and protects the Town's authority to regulate land use and construction; and

WHEREAS, certification of the Housing Element is contingent on the Town's successful demonstration that it can accommodate the Town's Regional Housing Needs Allocation (RHNA) of 1,118 units, including 673 units affordable to lower- and moderate-income households; and

WHEREAS, certification is further contingent on the Town's demonstration that is affirmatively furthering fair housing and is geographically distributing housing opportunities across the Town and fostering an inclusive community; and

WHEREAS, the Town has historically fallen short of its assigned targets for very low, low, and moderate income housing; and

WHEREAS, the Town Council finds there is need for housing opportunities serving very low, low, and moderate income households in Moraga, including the Moraga workforce; and

WHEREAS, inclusionary zoning has been found to be an effective tool for increasing the supply of affordable units without requiring public subsidy and has been adopted by cities and counties throughout the United States, including the County of Contra Costa and 13 of the 19 cities and towns in Contra Costa County; and

WHEREAS, the Town has expressed to the State its intent to adopt inclusionary zoning as part of its Housing Element implementation; and

WHEREAS, the Town Council conducted its first reading of an Affordable Housing Ordinance on December 7 and its second reading and adoption of an Affordable Housing Ordinance on December 14; and

WHEREAS, State Density Bonus Law includes incentives to include affordable housing in new development projects, and those incentives are available to developers complying with the Town's new requirements; and

WHEREAS, prior to drafting its Ordinance, the Town consulted with residential developers and received feedback that additional development incentives beyond those offered by State Density Bonus Law were necessary to achieve economically viable densities and ensure the continued economic viability of new housing in Moraga; and

WHEREAS, the Town has evaluated affordable housing ordinances around the State and determined that a schedule of development incentives is consistent with best practices; and

WHEREAS, the Town has determined that such development incentives can affirmatively further fair housing, expand housing opportunities and housing mobility, and support the attainment of the Town's development of the Town's RHNA.

NOW, THEREFORE BE IT RESOLVED that the Town Council does hereby adopt the Development Incentives Policy attached hereto as Exhibit A for eligible projects providing on-site affordable housing units in accordance with the Town's affordable housing requirements.

PASSED AND ADOPTED by the Town Council of the Town of Moraga on December 14, 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Steve Woehleke, Mayor

ATTEST:

Yashin Abbas, Interim, Town Clerk

EXHIBIT A

Development Incentives Policy

Developers meeting the Town's affordable housing requirements on-site shall be eligible for the density bonuses listed below. Developers meeting the requirements through an Alternative means of compliance as defined in Section 8.180.060 of the Moraga Municipal Code shall not be eligible for local bonuses. Projects with five units or fewer shall likewise be ineligible for local bonuses, as they are not subject to the Town's affordable housing requirements.

State Density Bonus Law (SDBL) requires that projects receiving low-income housing density bonuses must be affordable to households earning 60 percent of Areawide Median Income (AMI) or lower. As an incentive, the Town of Moraga will award equivalent density bonuses for projects serving households earning 80 percent of AMI or less. In addition, the Town will offer a supplemental *local* density bonus which may be added to the State bonus for projects providing on-site inclusionary units. The tables below represent the aggregate of the State Density Bonus and an additional Town of Moraga bonus for various housing types. As the table indicates, higher bonuses are provided for housing types identified in the 2023-2031 Housing Element as being particularly important to the Town.

R-24 Zoning District:

Housing Type	Base Density (General Plan and Zoning)	State Density Bonus Available to Projects providing 10% low income (*)	State Density Bonus Available to Projects providing 10% moderate(*)	Town of Moraga Supplemental Bonus for Projects meeting the inclusionary requirement on-site	Total Bonus	Allowable Density with Local Bonus
Rental Housing, General	24 DUA	20%	N/A	5%	25%	30 DUA
Rental Housing, Senior	30 DUA	20%	N/A	N/A (**)	20%	36 DUA
Rental Housing, Student/Faculty	24 DUA	35%	N/A	15%	50%	36 DUA
For-Sale Housing, Senior	30 DUA	(***)	20%	N/A(**)	20%	36 DUA
For Sale Housing, General	24 DU	(***)	5%	5%	10%	26.4 DUA

DUA= Dwelling Units Per Acre

MSCP MU-RR, MSCP MU-OR zoning districts, and for the Rheem Center Commercial/Residential (RM-CR), and Rheem Center Office/Residential (RM-OR) zoning districts once established:

Housing Type	Base Density (General Plan and Zoning)	State Density Bonus Available to Projects providing 10% low income (*)	State Density Bonus Available to Projects providing 10% moderate(*)	Town of Moraga Supplemental Bonus for Projects meeting the inclusionary requirement on-site	Total Bonus	Allowable Density with Local Bonus
Rental Housing, General	24 DUA	20%	N/A	5%	25%	30 DUA
Rental Housing, Senior	24 DUA	20%	N/A	30%	50%	36 DUA
Rental Housing, Student/Faculty	24 DUA	35%	N/A	30%	65%	39.6 DUA
For-Sale Housing, Senior	24 DUA	(***)	20%	30%	50%	36 DUA
For Sale Housing, General	24 DU	(***)	5%	5%	10%	26.4 DUA

DUA= Dwelling Units Per Acre

R-20 Zoning District:

Housing Type	Base Density (General Plan and Zoning)	State Density Bonus Available to Projects providing 10% low income (*)	State Density Bonus Available to Projects providing 10% moderate(*)	Town of Moraga Supplemental Bonus for Projects meeting the inclusionary requirement on-site	Total Bonus	Allowable Density with Local Bonus
Rental Housing, General	20 DUA	20%	N/A	5%	25%	25 DUA
Rental Housing, Senior	30 DUA	20%	N/A	N/A (**)	20%	36 DUA
Rental Housing, Student/Faculty	20 DUA	35%	N/A	15%	50%	30 DUA
For-Sale Housing, Senior	30 DUA	(***)	20%	N/A (**)	20%	36 DUA
For Sale Housing, General	20 DU	(***)	5%	5%	10%	22 DUA

R-12 Zoning District:

Housing Type	Base Density (General Plan and Zoning)	State Density Bonus Available to Projects providing 10% low income (*)	State Density Bonus Available to Projects providing 10% moderate(*)	Town of Moraga Supplemental Bonus for Projects meeting the inclusionary requirement on-site	Total Bonus	Allowable Density with Local Bonus
Rental Housing, General	12 DUA	20%	N/A	5%	25%	15 DUA
Rental Housing, Senior	12 DUA	20%	N/A	5%	25%	15 DUA
Rental Housing, Student/Faculty	12 DUA	35%	N/A	0%	35%	16 DUA
For-Sale Housing, Senior	12 DUA	(****)	20%	5%	25%	15 DUA
For Sale Housing, General	12 DU	(****)	5%	11.7%	16.7%	14 DUA

MCSP R-6 Zoning District:

Housing Type	Base Density (General Plan and Zoning)	State Density Bonus Available to Projects providing 10% low income (*)	State Density Bonus Available to Projects providing 10% moderate(*)	Town of Moraga Supplemental Bonus for Projects meeting the inclusionary requirement on-site	Total Bonus	Allowable Density with Local Bonus
Rental Housing, General	6 DUA	20%	N/A	13.4%	33.4%	8 DUA
Rental Housing, Senior	6 DUA	20%	N/A	13.4%	33.4%	8 DUA
Rental Housing, Student/Faculty	6 DUA	35%	N/A	0%	35%	8 DUA
For-Sale Housing, Senior	6 DUA	(****)	15%	18.4%	33.4%	8 DUA
For Sale Housing, General	6 DU	(****)	5%	11.7% (****)	16.7%	7 DUA

(*) For the purposes of these tables, low-Income is defined as 80% of AMI and moderate-income is defined as 120% of AMI, adjusted for household size. Tables are based on rental developers meeting the requirement through “low” income units and for-sale developers meeting the requirement through “moderate” income units. Local bonuses are also available to rental developers meeting the requirements through “very low” income units (or a combination of “low” and “very low” income units) and for-sale developers meeting the requirements through “low” or “very low” income units (or combinations of lower- and moderate-income units) found to provide a benefit of equivalent value, as specified in the Affordable Housing Ordinance.(**) For senior housing in the R-20 and R-24 zoning districts, the Town’s zoning already establishes a base density of 30 DUA, which is higher than the density allowed for other housing types. Thus, a supplemental local bonus is not provided for senior housing. Such projects may use the State Density Bonus of 20 percent to achieve 36 DUA.

(***) Affordable units in for sale housing developments are presumed to be targeted to moderate-income households. Developers may provide for-sale units at low or very low-income levels and would be entitled to greater State Density Bonuses. The local bonus would be added to the State Density Bonus in such cases.

(****) Not available to for-sale projects meeting the affordable housing requirement through ADUs (ADUs are not counted as dwelling units for the purpose of zoning density calculations)

Definitions of Student/Faculty Housing and Senior Housing

For the purposes of this Policy, Student/Faculty Housing and Senior Housing are defined as follows:

“Student/Faculty Housing” is defined as housing constructed and owned by an accredited school or academic institution or on land owned by an accredited school or academic institution, either independently or in partnership with a developer, comprised of multi-family dwelling units with private kitchen and bathroom facilities and intended principally for students, faculty (including K-12 teachers), and staff, including their families, provided such units meet the State’s definition of “housing units” for the purposes of the City’s annual report and Regional Housing Needs Assessment accounting. Nothing in this definition precludes an applicant from developing “student housing” as defined in State Density Bonus Law; however, such housing may not be eligible for the bonus described herein as the bonus indicated in this schedule is intended specifically for dwelling units.

“Senior Housing” means a residential development of 35 dwelling units or more in which occupancy is limited to persons 55 or older. Senior housing is further subject to the terms defined by California Civil Code Section 51.3(b)(4)). For the purposes of this Policy, affordability limits on the units are not required.

Parking

In addition to the density bonus, such projects shall be entitled to use State Density Bonus parking requirements for lower income housing for projects serving households up to 80 % of AMI, rather than the 60% AMI required by the State. The parking requirements are:

- Studio and One-Bedroom: 1 space
- Two or Three Bedrooms: 1.5 space
- Four Bedrooms: 2.5 spaces

Concession or Incentive

Consistent with State Density Bonus Law, applicants who meet the 10% affordable housing requirement on-site are also automatically eligible for one concession or incentive. Only one incentive may be requested unless deeper levels of affordability are provided. Developers seeking relief from other development standards may request waivers as allowed by State Density Bonus Law.

Examples of desired incentives include but are not limited to:

- (1) Increased height/ stories
- (2) Reduced setbacks or stepbacks
- (3) Reduced private open space requirements
- (4) Increased floor area ratio, where applicable
- (5) Increased lot coverage