Introduction

A Tale of Two Cities

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What is CA Density Bonus Law?

• Trading Development Rights for Affordable Units

• Development “Bonus” of up to 35% above what locals allow for density

• To maximize bonus: 11% affordable at 50% Area Median Income

• Provides up to three “Incentives” which are concessions from local development standards

• AB 744 parking reductions near transit

• Mixed-Income and 100% affordable
City of La Mesa – Affordable Homes Bonus

City of La Mesa:

• 60,000 residents
• Suburban
• Mostly Republican
• Pro-homes majority
• Lots of transit, all infill

Affordable Homes Bonus Program

• Vanilla implementation of State Law

• Signal to market that City will be a faithful implementer. (Three projects already used it.)

• Used for AB 744 parking reeducations, not always density
City of San Diego – Enhanced Density Bonus

City of San Diego:

- 1.4 Million
- Sunbelt Urban
- Democratic Council (5 of 9), Republican Mayor
- Pro-homes majority
- Lots of transit, all infill, organized housing opponents

Enhanced Density Bonus

- Expanded density bonus in exchange for more affordable homes (50% bonus for 15% affordable)
- Expanded availability of “incentives.”
- Implementation of AB 744 Parking benefits
Principles:

(1) **Win-Win**: for both market-rate and affordable

(2) **Pro forma analysis**: for utility of expansion

(3) **Keep it simple:**
   - Don’t add new variables
   - Easier to make a deal
   - Use trade-offs others have established
# City of San Diego - Density Bonus Ratios

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June 16, 2016

Council President Sherri Lightner and Members of the San Diego City Council
City Administration Building
202 C Street, 11th Floor
San Diego, CA 92101

Dear Council President Lightner and Members of the San Diego City Council:

On behalf of the various organizations co-signing this letter, we are writing to express our support for the updates to the City of San Diego’s affordable homes bonus program.

The San Diego region is in a housing crisis. Rents are too high for families to afford. The updated program will allow new projects to receive more units, development concessions, and parking relief near transit, if they agree to set aside more homes at affordable rates.
Early Win for Affordable Homes Bonus Program

An Initial Evaluation of the City of San Diego’s Innovative Tool for Affordable Homes

www.circulatesd.org/ahbpreport
City of San Diego – Application Data

Average Density Bonus Per Project

Average Bonus Density:
• Former Density Bonus: 125%
• AHBP: 135%
City of San Diego – Application Data

Bonus Unit Production Per Month in Mixed-Income Density Bonus Projects

- Former Density Bonus
- New AHBP

Bonus Market-Rate Units
Affordable Units