

Memorandum

TO: Joint MTC Legislation Committee and
ABAG Legislation Committee

DATE: May 4, 2018

FR: Executive Director

RE: AB 2372 (Gloria): Floor Area Ratio Bonus – Support

Background

AB 2372 (Gloria) would authorize a new floor area ratio (FAR) bonus for eligible housing developments located near transit. Jurisdictions would be authorized to adopt an ordinance granting developers of multifamily housing projects that meet certain location and affordability criteria the option to exceed maximum zoned FARs in lieu of a traditional density bonus awarded on the basis of housing units per acre. The bill would require that impact fees associated with a project utilizing a FAR bonus be calculated on a square footage rather than a per unit basis, if requested by the developer. Developers seeking to utilize an FAR bonus would be required to provide that at least 20 percent of the project's units be affordable. In addition, to qualify for the FAR bonus a project must be located within ½ mile of an existing or planned major transit stop and in an area zoned for high density (minimum of 20 units per acre), and must comply with local height requirements, inclusive of any FAR bonus and any additional incentives or concessions related to the FAR bonus. Parking requirements would be capped at 0.1 or 0.5 parking spaces per unit for affordable and market rate units, respectively.

Recommendation: Support

Discussion

This bill has the potential to spur more affordable housing production near transit by allowing localities to offer developers alternatives to the existing state density bonus incentive. Currently, a density bonus may be used to add units to a project meeting certain affordability requirements. The density bonus is capped at 35 percent over the maximum allowable units per acre, regardless of the size of the unit. This FAR bonus would provide flexibility for jurisdictions to incentivize compact, affordable housing units near transit. Whereas the density bonus currently offers a maximum net increase of 35 percent more units per acre, under AB 2372 there would be no FAR cap, but the developer would have to comply with the existing local height requirements. Thus, the proposed FAR bonus has the potential to result in more units per lot than a traditional density bonus. Given this potential and the desperate need in the Bay Area for more housing production, staff recommends a support position on AB 2372.

Known Positions

Support

City of San Diego (sponsor)
Building Industry Association's Urban Council
California Apartment Association
California Building Industry Association
California Housing Consortium
Climate Action Campaign
San Diego Housing Federation
San Diego County Apartment Association
San Diego Regional Chamber of Commerce's Infrastructure, Housing, and Land Use Committee

Opposition
None on file



Steve Heminger

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