



COUNTY OF HUMBOLDT

For the meeting of: 9/18/2025

File #: 25-1120

To: Planning Commission

From: Planning and Building Department

Agenda Section: Public Hearing

SUBJECT:

Draft Density Bonus Ordinance Amendment - Updating Zoning Ordinance to match State Code that regulates and allows Density Bonuses
Assessor Parcel Numbers (APN) 000-000-000
Record No.: LRP-2023-18343
Countywide

An amendment to the Inland and Coastal Zoning Regulations to amend sections 313-111 and 314-112 to update the Density Bonus Regulations such that they match the current State requirements as established within California Government Code Section 65915 and 65915.5. Additional changes are made to amend the definitions in Sections 313-136 through 313-157 and Sections 314-136 through 314-157 in order to maintain consistency both externally with Government Code and internally between the Inland and Coastal regulations.

RECOMMENDATION(S):

That the Planning Commission:

1. Adopt the resolution, which does the following:
 - a) Finds that the proposed updates to the Inland and Coastal Density Bonus ordinances are exempt from environmental review; and
 - b) Finds that the proposed project complies with the General Plan, Local Coastal Program, and Zoning Ordinance; and
 - c) Recommends that the Board of Supervisors adopt the amendments to the Inland and Coastal Density Bonus ordinances.

DISCUSSION:

Density Bonuses are a percentage increase in number of units awarded to housing developments, over the maximum number of units that would typically be permitted by the codified density, granted

when a percentage of the units are reserved for and affordable to households of specific underserved demographics, such as Low-Income Households. In tandem with density bonuses, additional incentives or concessions may be requested, which have the effect of altering development standards in order to reduce overall cost of developing the affordable housing.

The proposed Density Bonus Ordinance Amendment amends the zoning regulations to permit higher densities for housing developments when developers agree to density bonus terms and requirements. The intent of the Density Bonus Ordinance Amendment is to encourage higher housing density and the addition of lower cost housing developments in the County, in accordance with State Government Code. To implement this intent, density bonuses and their associated additional incentives are now ministerial decisions, but they are processed by the same decision-making body as the remainder of the project. To appropriately regulate the ministerial nature of density bonuses, the Density Bonus Ordinance Amendment includes the addition of detailed performance standards and tiers that ensure both their appropriateness and effectiveness.

The changes incorporated into the County Code are significant, but fully consistent with California Government Code. Very few sections or subsections are unchanged in the proposed amendment, so the list below is a summary of only the more significant changes.

- A. Additional Eligibility Criteria for Target Units: (Sections 314-112.1.5 and 313-111.1.3) Target Units are dwellings within a housing development that are reserved for sale or rent to specific eligible demographics. In addition to the Very Low Income and Lower Income households and Senior Citizen housing developments that are presently included in the eligibility criteria of the Density Bonus Ordinance, the amendments add Lower Income Students in student housing developments, transitional foster youth, disabled veterans, homeless persons, and specifically the sale to Moderate Income households. These sections are also changed to clarify that the eligibility criteria cannot be utilized in tandem unless otherwise stated and to clarify how the resulting bonus for Density Bonus units would be calculated.

- B. Required Decision-maker: (Subsections 314-112.1.4.2, 314-112.1.11.1, 313-111.1.7.1, and Section 313-111.1.8) The language of the current code specifies that density bonuses need to be approved by, at minimum, the Planning Commission. California Government Code presently requires approval of density bonuses and incentives to be ministerial, so sending all proposals to a discretionary decision-making body no longer makes sense. To reconcile this difference, the proposed code now specifies that density bonuses may be permitted by the same approving authority as would be required by the remainder of the housing development project. If a housing development would only require a building permit, then that authority would be the Director of Planning and Building. Density bonuses and incentives may not be denied when all applicable performance standards are met, so approving authorities that typically have discretion may only exercise that discretion on the whole project and may not deny a project's density bonus without either denying the whole project or providing specific

evidence-based findings identifying the density bonus' or incentives' deficiency.

- C. Necessary for Financial Feasibility versus Actual Cost Reduction: (Various Sections) Multiple sections presently include language requiring that proposed incentives are necessary to make a proposed housing development financially feasible, whereas Government Code requires only financially sufficient actual cost reductions. The present language is more stringent than Government Code because it limits and restricts incentives by 'necessity;' if an incentive lowers cost of project that is already economically feasible, present language would not permit that incentive. For the density bonus code, the County is not permitted to be more restrictive than Government Code, only less restrictive or more generous.
- D. Numerical Changes: (Various Sections) Various numerical values are changed to match the values specified in Government Code, notably percentage for density bonuses, number of available incentives, and length of time that target units are required to be restricted to their target demographic.
- E. Replacement of Existing Dwelling Units: (Section 314-112.1.13 and Subsection 313-111.1.4.6) Regulations which apply to situations where existing households are or would be displaced by a proposed housing development are included in the proposed amendment. These require replacement of all existing dwelling units at equivalent sizes if the existing dwelling units were rented and/or affordable. These replaced units are required to be affordable to and occupied by households in the same or lower income category as the households in occupancy.
- F. Density Bonus Housing Agreements: (Sections 314-112.1.11 and 313-111.1.8) Projects featuring density bonuses require a Density Bonus Housing Agreement upon approval in order to bind the applicant or developer to maintaining the target units in accordance with the applicable performance standards. Additional items have been added to the Density Bonus Housing Agreement's requirements, including provisions for unsold dwelling units and equity sharing. If a target unit that would otherwise be required to be sold is not sold within 180 days to the required target demographic, the unit is required to be sold to a qualified California nonprofit housing corporation dedicated to the development and preservation of home ownership of affordable housing. Most for-sale target units now require an equity sharing agreement as part of the Density Bonus Housing Agreement. The County is the responsible enforcing party by default for equity sharing agreements, unless that conflicts with another applicable law or the requirements of another funding source, or unless the equity sharing agreement explicitly states otherwise. The additional provisions provide further detail regarding recapture of subsidies through equity sharing agreements.
- G. Retained Text that Differs from Government Code: (Section 313-111.1.3.2) Present language in the Coastal Ordinance includes specification that the calculation for a density bonus would be the maximum residential density multiplied by 0.25. Government Code includes different

multipliers, both above and below 0.25, which are dependent on type and number of target units. Planning Staff interprets this subsection's 25% as a potential minimum density bonus and has chosen to retain the subsection in order to avoid reducing the potential maximum density that may result from density bonuses. However, because the code initially required Planning Commission decision, in order to retain the relevance of the lower density bonuses available in the Government Code and in order to avoid restricting density bonuses below what Government Code may allow, this subsection has been modified to specify that the maximum residential density may be multiplied by 0.25 if associated with a Conditional Use Permit. The rephrasing and additional caveats in this section ensure it remains a discretionary element of the code that may be utilized by a developer when the otherwise expected density bonus would be less than 25%.

Environmental Review: This is covered by the commonsense exemption which specifies that CEQA applies only to projects which have the potential for causing a significant effect on the environment (Section 15061(b)(3) of the State CEQA Guidelines). Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The proposed amendment only implements existing State Law which the County is already beholden to, so approval of the amendment does not have the potential to have a significant effect on the environment.

State Appeal: Changes proposed to the Local Coastal Program (zoning ordinance provisions 313-111 and definition sections of Chapter 3) must receive final certification from the California Coastal Commission before they become effective.

OTHER AGENCY INVOLVEMENT:

The project was referred to County Counsel. The California Coastal Commission was consulted regarding an element of the proposed code. All comments and recommendations have been incorporated into the draft ordinances.

ATTACHMENTS:

1. Draft Resolution
2. Draft Ordinance
 - A. Draft Ordinance No. ____ amending Section 314-112.1 and Definitions (Inland)
 - B. Draft Ordinance No. ____ amending Section 313-111.1 and Definitions (Coastal)
3. Existing Regulations
 - A. Inland Code Section 314-112
 - B. Coastal Code Section 313-111
 - C. Inland Code Definitions
 - D. Coastal Code Definitions

Please contact Augustus Grochau, Associate Planner, at agrochau@co.humboldt.ca.us or 707-441-2626 if you have questions about this item.