



ATTACHMENT NO. 4 City of Culver City

Mike Balkman Council
Chambers
9770 Culver Blvd.
Culver City, CA 90232

Staff Report

File #: 25-740, Version: 1

Item #: PH-1.

PC - PUBLIC HEARING: Consideration of a new Density and Other Bonus Incentives Ordinance and Finding of Consistency with the Certified EIR for the Final Culver City General Plan 2045 and Zoning Code Update Projects (Citywide).

Meeting Date: February 12, 2025

Contact Person/Dept: Jose Mendivil, Associate Planner
Gabriela Silva, Associate Planner
Emily Stadnicki, Current Planning Manager

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Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☒

Action Item: ☐

Attachments: Yes ☒ No ☐

City Council Action Required: Yes ☒ No ☐ **Date** [TBD]

Public Notification: (Email) Public Notifications - Planning Commission (01/23/25), Meetings and Agendas - Planning Commission (02/06/25), Interested Parties (01/24/25); (Posted) City website (01/23/25), Social Media (01/23/25); (Published) Culver City News (01/23/25)

Department Approval: Mark E. Muenzer, Planning and Development Director (2/3/2025)

RECOMMENDATION

That the Planning Commission adopt a resolution recommending the City Council:

1. Adopt a Finding of Consistency report demonstrating the Density and Other Bonus Incentives (DOBI) ordinance is consistent with the Certified EIR for the Final Culver City General Plan 2045 and Zoning Code Update Projects; and
2. Approve a proposed new DOBI Ordinance as stated in Resolution No. 2025-P002.

PROCEDURES

1. Chair calls on staff for a staff report and Commission poses questions to staff.
2. Chair opens the public hearing, providing the public the opportunity to speak.
3. Chair seeks a motion to close the public hearing after all testimony has been presented.
4. Commission discusses the matter and arrives at its decision.

BACKGROUND

Culver City is facing a housing affordability crisis, with median home prices and rents continuing to rise beyond

the reach of many residents. Although Culver City has approximately 538 affordable units (out of 4,201 total units) currently in the housing pipeline, only 43 income-restricted units have been built since July 2016. Further, the State required Regional Housing Needs Assessment (RHNA) allocation is 3,341 additional housing units by 2029, with 2,272 of those units, income-restricted. The Culver City Housing Element Preferred Land Use Map provides increased opportunities for residential growth with an estimated 11,500 net new units (about 67% increase) between 2019 and 2045.

The General Plan Housing and Land Use and Community Design Elements identify various programs for the City to implement to encourage housing production. This Density Bonus Update supports several of these goals and measures as outlined in the Findings section of Resolution No. 2025-P002 (Attachment 1).

ANALYSIS

To meet the affordable housing goals outlined in the Housing Element, the City has developed a new Density Bonus Ordinance which improves upon and replaces the current Density Bonus code language (Chapter 17.580: Density Bonuses And Other Bonus Incentives). This chapter also implements density bonuses and other bonus incentives pursuant to California Government Code Section 65915.

The new, enhanced Density Bonus code language is generally modeled after the Density Bonus program recently adopted by the City of Los Angeles and includes enhanced local incentives to encourage the production of affordable housing by introducing the following components:

- Tier Density Bonuses
- Community Benefit Density Bonuses
- Additional Concessions

Tier Density Bonuses

The Tier Density Bonus adds an additional percentage, on top of the state density bonus, when projects provide more than the state minimums. The local tier bonus increases if the project is located in proximity to transit, according to the following schedule:

Table 1. Tier Density Bonus requirements

Tier Name	Eligible Areas	Affordability Threshold to Qualify for Bonus	Local Density Bonus
Tier 1: State Minimums	Entire City	Must fulfill the requirements of California Density Bonus Law.	None
Tier 2: Enhanced State Minimums	Entire City	Projects must qualify for a State Density Bonus and provide additional Affordable Units equal to at least 50% of the state-required minimum percentage for the corresponding income level.	20% of the minimum percentage required under California Density Bonus Law for the applicable affordability category.
Tier 3: High-Quality Transit Corridors	Within a half-mile of a High-Quality Transit Corridor	Projects must qualify for a State Density Bonus and provide additional Affordable Units equal to at least 75% of the state-required minimum percentage for the corresponding income level.	30% of the minimum percentage required under California Density Bonus Law for the applicable affordability category.
Tier 4: Culver City Transit Priority Area	Within a Culver City Transit Priority Area	Projects must qualify for a State Density Bonus and provide additional Affordable Units equal to at least 100% of the state-required minimum percentage for the corresponding income level.	40% of the minimum percentage required under California Density Bonus Law for the applicable affordability category.

Tier 1 - State Density Law

Tier 1 follows State density law and is for projects that provide the minimum number of affordable units. A developer receives a density percentage increase from the base density if they provide a certain percentage of affordable units from the base number of units (before the additional units). State law specifies three affordable income levels: Very Low Income, Low Income, and Moderate Income. The minimum required percentage of affordable units and corresponding density bonuses for each income level is shown below:

Table 2. Minimum Affordable Units and Density Bonuses

	Minimum Percentage Affordable Units	Percentage Density Bonus Increase
Very Low Income	5%	20%
Low Income	10%	20%
Moderate Income	10%	5%

At each income level, the affordable percentages and density bonus percentages increase in increments up to maximums as follows:

Table 3. Maximum Affordable Units and Density Bonuses

	Maximum Percentage Affordable Units	Percentage Density Bonus Increase
Very Low Income	15%	50%
Low Income	24%	50%
Moderate Income	44%	50%

See Attachment 4 for the standard State density bonus tables for low, very low, and moderate income levels.

Tiers 2-4 - Local/City Bonus

Projects that provide more than the state minimums are eligible for a range of local bonus levels depending on the location of the project, the percentage of affordable units, and the affordability level. A project can only select one Tier, but Community Benefit Bonuses (see page 4) can be layered on top of the local Tier increase.

The bonus percentages in Tiers 2 through 4 shown in Table 1 above, are calculated from the minimum percentages shown in Table 2.

Below is an example of a Tier 2 Project providing low-income units. The minimum threshold to receive the local bonus is 15%, so when 15% (of the base density units) are low income, the project receives the State bonus plus an additional 4% local bonus for a total density bonus of 31.5%. There are similar calculations for very low and moderate income units with the local bonus always added to the State bonus when a project provides more affordable units than the minimum State requirement (see Attachment 5 for a Summary of Tier 1-4 Bonuses for Projects at the various income levels).

Table 4. Example of a Tier 2 Project with Low Income Level Units

State Affordable Requirement (% of Base Density)	State Bonus (% of Base Density)	Tier 2 - Project receives additional local density increase - 4% (% of Base Density)
10	20.00	-
11	21.50	-
12	23	-
13	24.50	-
14	26.00	-
15	27.50	31.50

The Ordinance calculates the local bonus as 20% of the State minimum required density, this will adjust as percentages in State legislation change over time.

Tier 2 can be used anywhere in the City. Tier 3 is for projects in High Quality Transit Corridors and Tier 4 is for projects in Culver City's Transit Priority Areas; see Attachment 3 for a map illustrating the various eligibility areas.

Community Benefit Density Bonuses

Community Benefit Density Bonuses incentivize projects to provide affordable units for larger families, workforce housing, and community amenities, such as childcare facilities or public open space, by providing additional density that can be layered on top of each other and the Tier Bonus system.

Projects that qualify for and implement Tier 2, 3, or 4 would also be eligible for these bonuses as follows:

Table 5. Community Benefit Density Bonuses

Community Benefit	Bonus Requirements	Bonus	Regulating Section
Workforce Housing Bonus	Projects restricting at least 10% of their base units to households earning between 80 percent and 140 percent of the AML.	5% base density bonus.	Section 17.580.030.B.
Three or More Bedroom Unit Bonus	Projects that designate at least 11% of total units as three or more bedrooms.	One percent for each additional percentage above 10% of the units that are 3 or more bedrooms with a maximum bonus of 5 percent.	Section 17.580.030.C.
Child Day Care Facility Bonus	Projects that include a dedicated, fully licensed Child Day Care Facility of at least 500 square feet.	Additional density bonus equal to at least twice the square footage of the Child Day Care Facility.	Section 17.580.030.D.
Public Open Space Bonus	Projects that include at least 3,000 square feet of public open space.	One unit per 1,000 square feet of eligible public open space, up to 10 units.	Section 17.580.030.E.
Neighborhood-Oriented Commercial Bonus	Projects that include at least 1,000 square feet of Neighborhood-Oriented Commercial space.	One unit per 1,000 square feet of eligible Neighborhood-Oriented Commercial Space, up to 5 units.	Section 17.580.030.F.
Bus Shelter Bonus	Projects that install a new bus shelter or maintain an existing bus shelter to City standards.	2 units	Section 17.580.030.G.

Additional Concessions

A concession is a reduction or modification of City development standards, like height or parking, that results in identifiable cost reductions for a project, as required by State Density law. This is distinct from a waiver, which is an exemption from specific requirements that would physically prevent a project from being built as designed. The updated Density Bonus allows for eligible projects to request additional concessions above and beyond the State concessions:

- Tier 2-4 projects may receive one additional concession.
- 100 percent affordable projects receive two additional concessions.

Concessions related to height are restricted to the following:

- Tier 1 eligible projects may have a maximum height increase of up to 11 feet.
- Tier 2-4 eligible projects may have a maximum height increase of up to 22 feet.
- 100 percent affordable projects may have a maximum height increase of up to 33 additional feet.

Waivers

State Density law does not limit the number of waivers a development can request. However, State Density

law does not prohibit the City from requesting the developer demonstrate that the waiver is necessary to make the project, including affordable units, physically feasible. This language is included in the draft ordinance. Further, if a developer requests five or more waivers, the project must go before the Planning Commission as a public hearing.

See Appendix A of Attachment 6 for examples illustrating how the new Density Bonuses will impact an array of projects.

ENVIRONMENTAL DETERMINATION

Pursuant to California Environmental Quality Act (CEQA) statutes, a Finding of Consistency (FOC) has been prepared pursuant to the applicable provisions of CEQA Guidelines Section 15183 (Attachment 2). The FOC describes the Revised Density Bonus Program and compares its impacts to those identified in the Final Culver City General Plan 2045 and Zoning Code Update Environmental Impact Report (State Clearinghouse No. 2022030144), which was certified in July 2024, to determine whether the Proposed Project would have new or increased significant environmental impacts beyond those identified in the General Plan EIR. The FOC analysis demonstrates that the Proposed Project is consistent with the Culver City General Plan and with the Certified EIR.

COMMUNITY OUTREACH

The City has actively engaged the community as part of the process for updating the Density Bonus Ordinance. The project team participated in the Fiesta La Ballona event in August 2023, talking to over 100 community members. Additionally, at Fiesta 2023, the City distributed a survey to gauge local opinions about housing affordability, affordable housing incentives, familiarity with State and local affordable housing incentives, and interest in developing affordable housing. A total of 133 responses were received, 122 from the general public, and 11 from people involved in housing development. The feedback gathered from these interactions was crucial in shaping the proposed updates.

The City and their consultants also conducted several public outreach events in conjunction with the General Plan update, held in Fall 2023, including community open houses at El Rincon Elementary School, the Veterans Memorial Building, and a virtual open house via Zoom. At these events, staff and their consultants presented the current affordable housing incentives and proposed updates to the ordinance. Attendees participated in Q&A sessions and one-on-one discussions, which allowed for in-depth engagement and feedback on the ordinance update.

On November 27, 2024, a preliminary draft of the ordinance was emailed to local developers for comment. There was no opposition and the City received three responses in support of the draft ordinance. Another response expressed overall support in the effort of incentivizing affordable housing production but pointed to a possible scenario where using the tiering system will result in a lower percentage of affordable units versus using only the State density percentages. To resolve this issue, staff increased the percentages of additional required affordable units and decreased the percentages of the local bonuses.

Planning Commission Workshop

In March 2024, staff and the consultant team presented the results of community engagement as well as initial elements of the ordinance to the Planning Commission for discussion. The Commission universally supported expanding community benefits and density bonuses in Culver City. Commissioners endorsed Los Angeles's Transit Oriented Communities ordinance as a model, which awards greater density bonuses based on project's proximity to transit and expressed a desire for Culver City to offer competitive benefits.

The Commission agreed upon the need for clearer definitions of concessions and bonuses, streamlined approval processes, and layering incentives to boost housing production. They supported Community Benefit Bonuses and Workforce Housing Bonuses, but stressed the importance of ensuring these bonuses don't undermine the ultimate goal of creating low-income housing. Public comments highlighted the high cost of development and the potential benefits of increased density incentives. The feedback collected from these engagement efforts is reflected in the updated Density Bonus Ordinance.

FISCAL ANALYSIS

Community Benefit Bonuses and Tier Density Bonuses has no anticipated fiscal impact to the City.

CONCLUSION

The proposed amendments will increase the potential to meet the City's Regional Housing Needs Assessment (RHNA) number as outlined in the City's certified Housing Element. Overall, the proposed amendments will streamline development, comply with recent changes to State Law, clarify Density Bonus procedures and processes, encourage greater provision of affordable units within market rate developments, and expand eligibility for housing bonuses. The FOC analysis demonstrates that the proposed amendments are consistent with the Culver City General Plan and with the General Plan Certified EIR.

Based on the analysis contained herein staff believes the findings for the Zoning Code Amendment as outlined in Proposed Resolution No. 2025-P002 (Attachment 1) can be made and recommends the Planning Commission recommend to the City Council approval of the amendments to the City's Density Bonus code language.

ATTACHMENTS

1. Proposed Planning Commission Resolution No. 2025-P002 (P2024-0306-ZCA) with Exhibit A: New DOBI Ordinance
2. Finding of Consistency
3. Tier Density Bonus Eligibility Map
4. State Density Bonus Tables
5. Summary of Tier 1-4 Bonuses for Projects at Various Income Levels
6. Guide to the Culver City Affordable Housing Density Bonuses - Includes the following Appendices:
 - Appendix A. Example Projects
 - Appendix B. Visual Aids to Help Determine Unit Calculations
 - Appendix C. Graphs to Aid Tier Density Bonus Calculations

MOTION

That the Planning Commission recommend the City Council:

1. Adopt a Finding of Consistency report demonstrating the DOBI ordinance is consistent with the Certified EIR for the Final Culver City General Plan 2045 and Zoning Code Update (Attachment 2); and
2. Approve a proposed new DOBI ordinance as stated in Resolution No. 2025-P002 (Attachment 1).