



## **333 Franklin**

# Density Bonus Letter

The project proposes the construction of a new 11-unit multifamily building along with two detached ADUs, resulting in a total of 13 units. The existing building contained eight rent-protected units, which are proposed to be replaced with eight on-site Below Market Rate, BMR, units, including seven units affordable to households earning up to 80% of Area Median Income (AMI) and one unit affordable to households earning up to 50% (AMI). As proposed, **approximately 62% of the total units are affordable**, or approximately 73% when excluding the detached ADUs, far exceeding the minimum affordability thresholds required under State law.

The proposed project is eligible for a density bonus pursuant to **California Government Code Section 65915**. Under Government Code Section 65915(f)(1) and Section 65915(c)(1)(A), a housing development that provides at least 20% of the total units affordable to lower-income households or at least 10% of the total units affordable to very-low-income households is entitled to a density bonus of up to 50%. Based on a base density of seven (7) units, a 50% density bonus yields four (4) additional units,  $7 \times 0.50 = 3.5(4)$ , for a total of eleven (11) units in the primary multifamily building.

Because the project provides a combination of lower-income and very-low-income units that exceeds these statutory thresholds, the project qualifies for the maximum allowable 50% density bonus, consistent with State Density Bonus Law. The project is also eligible for up to three incentives or concessions and, given the level of affordability provided, may request an unlimited number of waivers.

The requested concessions and waivers are as follows,

### **A. Incentives/Concessions**

1. Distribution of BMR units
  - a. **Required:** All BMR units shall be reasonably dispersed throughout the residential development and consistent with federal and state fair housing laws, have a distribution of units by number of bedrooms proportionate to the market-rate units, and be of comparable size based on net habitable square footage of the units.
  - b. **Request:** The applicant requests a concession that BMR units be reasonably dispersed by bedroom type throughout the development, as required by the City's BMR distribution standards, to allow the project's



sole 2-bedroom and one of the four one-bedroom BMR units to be located within the rear ADU building.

- c. **Justification:** the proposed 2-bedroom BMR unit is much larger – approximately 808 SF - than the 2-bedroom unit in the existing building where the size was only 694 SF. The one-bedroom units are appropriately distributed across the project, with 75% (three units) located in the main building and one unit in the ADU building. The allocation was necessary to ensure the project is financially viable. The Housing staff confirmed an ADU unit can be used as a replacement unit.
  - **Financial Analysis:** The projected cap rate for the proposed project, based on estimated rental income from both BMR and market-rate units, is between 3-3.5%. Allocating the larger 2-bedroom unit as BMR would reduce the cap rate to 3% or lower, rendering the project financially unfeasible.

## B. Requested Waivers

1. Open space:
  - a. **Required:** a minimum of 50% of the site area shall be devoted to open space.
  - b. **Request:** The open space area to be 23.86% - requesting 26.14% relief from the required 50%.
  - c. **Justification:** To accommodate eight BMR units and two detached ADU's, additional site area had to be utilized for building footprint. The rear yard is occupied by the ADU's reducing available open space.
2. FAR:
  - a. **Required:** FAR allowed is 1.1. 8,250 sf.
  - b. **Request:** maximum 1.16 FAR (or 8,717 sf)
  - c. **Justification:** To accommodate both the required base units and the bonus units for this highly affordable housing project, the increase in floor area is necessary.
3. Landscape
  - a. **Required:** Landscaped open space areas must include large specimen trees, flower beds and grassy areas. Trees that are 24" box size at a min spacing 30' on center must be planted in side and rear yard areas to provide a landscape buffer.
  - b. **Request:** one 24" box tree as a replacement tree for removing the heritage tree.
  - c. **Justification:** this is due to site constraints resulting from BMR and ADU accommodation. Due to tight space on site, less spacing between trees are needed to accommodate the proposed ADU structure and tenant walkway while maintaining building separation requirement with the main building.
4. Eave height
  - a. **Required:** Buildings may be a maximum of three stories provided that the



third floor is tucked into the roofline, so that the building looks like a two-story structure. For this restricted three-story height, the eave height shall not be higher than 22' from the curb and the total height to the peak of roof shall not exceed 35' in height.

- b. **Request:** the eave height of the dormer at 28'.
  - c. **Justification:** To provide sufficient living space for the 8 BMR units in this project, a three-level building was necessary. As a result, the eave height of the third floor reaches 28 feet in order to comply with applicable building code requirements. The increased eave height in the dormer areas is essential to ensure that the third-floor units are equipped with egress windows that meet the minimum opening size required for emergency escape and rescue. It also allows for the minimum 7'-6" ceiling height in habitable spaces such as living rooms, bedrooms, and kitchens. The proposed architectural design remains consistent with the style guidelines, preserving the visual character of a two-story structure by thoughtfully integrating the third floor into the roofline.
5. Trash Staging Area
- a. **Required:** Staging area dimensions do not meet the minimum of 5' depth.
  - b. **Request:** a staging area measuring 10' wide by 4' deep.
  - c. **Justification:**
    - i. The existing staging area is 3' deep and has supported weekly trash collection without issue. The proposed 4' depth represents a functional improvement and can accommodate the required 2-yard bin (dimensions: 6'-10" W x 3'-4" D x 4'-5" H).
    - ii. Reducing the adjacent **BMR unit size** to meet the 5-foot depth requirement would render the **kitchen and bedroom areas unusable**, with each space falling below 10' in width, which is not viable for livable design.



