

# CITY OF ARCADIA

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## Planning Commission Regular Meeting Agenda



**Tuesday, March 11, 2025, 7:00 p.m.**

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from Planning Services at (626) 574-5423. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

根据《美国残疾人法案》的规定，需要提供残障相关调整或便利设施才能参加会议的残障人士（包括辅助器材或服务），可向规划服务部请求获得此类调整或便利设施，电话号码 (626) 574-5423。请在会前 48 小时通知规划服务部，以便作出合理安排，确保顺利参加会议。

Pursuant to the City of Arcadia's Language Access Services Policy, limited-English proficient speakers who require translation services in order to participate in a meeting may request the use of a volunteer or professional translator by contacting the City Clerk's Office at (626) 574-5455 at least 72 hours prior to the meeting.

根据阿凯迪亚市的语言便利服务政策，英语能力有限并需要翻译服务才能参加会议的人可与市书记官办公室联系（电话：626-574-5455），请求提供志愿或专业翻译服务，请至少在会前 72 小时提出请求。

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### CALL TO ORDER

### ROLL CALL

Marilynne Wilander, Chair  
Domenico Tallerico, Vice Chair  
David Arvizu, Commissioner  
Angela Hui, Commissioner  
Vincent Tsoi, Commissioner

### SUPPLEMENTAL INFORMATION FROM STAFF REGARDING AGENDA ITEMS

#### **PUBLIC COMMENTS (5 minute time limit per person)**

Each speaker is limited to five (5) minutes per person, unless waived by the Planning Commission. Under the Brown Act, the Commission or Board Members are prohibited from discussing or taking action on any item not listed on the posted agenda.

#### **PUBLIC HEARING**

All interested persons are invited to appear at a public hearing and to provide evidence or testimony concerning any of the proposed items set forth below for consideration. Separate and apart from the applicant (who may speak longer at the discretion of the Commission) speakers shall be limited to **five (5) minutes per person**. The applicant may additionally submit rebuttal comments, at the discretion of the Commission.

You are hereby advised that should you desire to legally challenge in court or in an administrative proceeding any action taken by the City Council regarding any public hearing item, you may be limited to raising only those issues and objections you or someone else raised at the public hearing or in written correspondence delivered to the City Council at, or prior to, the public hearing.

## CONTINUED PUBLIC HEARING ITEM

1. **Resolution No. 2159** – Recommending that the City Council approve Text Amendment No. TA 24-01 (Ordinance No. 2401) amending various sections of the Arcadia Development Code related to Accessory Dwelling Units, regulations to the residential Flex (RF) Overlay, and other minor amendments and text cleanups

**CEQA: Exempt**

**Recommendation: Adopt Resolution No. 2159 and forward a Recommendation to City Council**

**Applicant:** City of Arcadia – Development Services

This item has been continued from the original notice issued on January 30, 2025.

## PUBLIC HEARING

2. **Resolution No. 2165** – Recommending that the City Council approve Text Amendment No. 25-01 adding a new section 9103.16 to Article IX, Chapter 1 (Development Code) of the Arcadia Municipal Code pertaining to an Inclusionary Housing Ordinance and associated in-lieu Development fee

**CEQA: Exempt**

**Recommendation: Adopt Resolution No. 2165 and forward a Recommendation to City Council**

**Applicant:** City of Arcadia – Development Services

## CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the Commission, staff, or the public request that specific items be removed from the Consent Calendar for separate discussion and action.

1. Minutes of the February 25, 2025, Regular Meeting of the Planning Commission

**Recommendation:** Approve

## MATTERS FROM CITY COUNCIL LIAISON

## MATTERS FROM PLANNING COMMISSIONERS

## MATTERS FROM ASSISTANT CITY ATTORNEY

## MATTERS FROM STAFF INCLUDING UPCOMING AGENDA ITEMS

## ADJOURNMENT

The Planning Commission will adjourn this meeting to Tuesday, March 25, 2025, at 7:00 p.m.

# Welcome to the Arcadia Planning Commission Meeting!

The Planning Commission encourages public participation and invites you to share your views on City business.

**MEETINGS:** Regular Meetings of the Planning Commission are held on the second and fourth Tuesdays of each month at 7:00 p.m. in the City Council Chambers. A full Planning Commission agenda packet with all backup information is available at City Hall, the Arcadia Public Library, and on the City's website at [www.ArcadiaCA.gov](http://www.ArcadiaCA.gov). Copies of individual Agenda Reports are available via email upon request ([Planning@ArcadiaCA.gov](mailto:Planning@ArcadiaCA.gov)). Documents distributed to a majority of the Planning Commission after the posting of this agenda will be available for review at the Planning Services Office in City Hall, 240 W. Huntington Drive, Arcadia, California.

**CITIZEN PARTICIPATION:** Your participation is welcomed and invited at all Planning Commission meetings. Time is reserved at each regular meeting for those in the audience who wish to address the Planning Commission. The City requests that persons addressing the Planning Commission refrain from making personal, slanderous, profane, or disruptive remarks. When the Chair asks for those who wish to speak please come to the podium and state your name and address for the record. Please provide a copy of any written materials used in your address to the Planning Commission as well as a copy of any printed materials you wish to be distributed to the Planning Commission.

**MATTERS NOT ON THE AGENDA** should be presented during the time designated as "PUBLIC COMMENTS." In general, each speaker will be given (5) minutes to address the Planning Commission; however, the Chair, at his/her discretion, may shorten the speaking time limit to allow all speakers time to address the Planning Commission. **By State law, the Planning Commission may not discuss or vote on items not on the agenda. The matter will automatically be referred to staff for appropriate action or response, or will be placed on the agenda of a future meeting.**

**PUBLIC HEARINGS AND APPEALS** are items scheduled for which public input is either required or desired. Separate and apart from an applicant or appellant (who may speak longer at the discretion of the Planning Commission), speakers shall be limited to (5) minutes per person. The Chair, at his/her discretion, may shorten the speaking time limit to allow all speakers to address the Planning Commission. The applicant or appellant may also be afforded an additional opportunity for rebuttal comments.

**AGENDA ITEMS:** The Agenda contains the regular order of business of the Planning Commission. Items on the Agenda have generally been reviewed and investigated by the City Staff in advance of the meeting so that the Planning Commission can be fully informed about a matter before making its decision.

**CONSENT CALENDAR:** Items listed on the Consent Calendar are considered to be routine by the Planning Commission and may be acted upon by one motion. There will be no separate discussion on these items unless a member of the Planning Commission, Staff, or the public so requests. In this event, the item will be removed from the Consent Calendar and considered and acted on separately.

**DECORUM:** While members of the public are free to level criticism of City policies and the action(s) or proposed action(s) of the Planning Commission or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the proceedings, including, but not limited to, conduct that prevents other members of the audience from being heard when it is their opportunity to speak, or which prevents members of the audience from hearing or seeing the proceedings. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm. All persons attending the meeting are expected to adhere to the City's policy barring harassment based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, sexual orientation, or age. The Chief of Police, or such member or members of the Police Department, may serve as the Sergeant-at-Arms of the Planning Commission meeting. The Sergeant-at-Arms shall carry out all orders and instructions given by the presiding official for the purpose of maintaining order and decorum at the meeting. Any person who violates the order and decorum of the meeting may be placed under arrest and such person may be prosecuted under the provisions of Penal Code Section 403 or applicable Arcadia Municipal Code section.

# 欢迎来到阿卡迪亚规划委员会会议！

规划委员会鼓励公众参与并诚邀您分享对市政业务的看法。

**会议：**规划委员会的例会于每月的第二个及第四个星期二下午七时在市议会会议厅举行。可在市政厅、阿卡迪亚公共图书馆 (Arcadia Public Library) 和市政网站 ([www.ArcadiaCA.gov](http://www.ArcadiaCA.gov)) 上查阅包含所有备份信息的完整的规划委员会议程包。个人议程报告的副本可通过电子邮件的方式 ([Planning@ArcadiaCA.gov](mailto:Planning@ArcadiaCA.gov)) 索取。本议程发布后，分发至大多数规划委员会的文件可在规划服务办公室 (地址：City Hall, 240 W. Huntington Drive, Arcadia, California) 查阅。

**公民参与：**欢迎并邀请您参加规划委员会的所有会议。每次例会都为希望向规划委员会发表意见的听众预留时间。本市政要求向规划委员会发表意见的个人不得发表人身攻击、诽谤、褻渎或破坏性言论。当主持人邀请想要发言之人上台发言时，请说出自己的姓名和地址，以便记录。请向规划委员会提供您所在地址所使用的任何书面材料的副本，以及您希望分发给规划委员会的任何印刷材料的副本。

**未列入日程的事项**应在“公众征求意见”所指定的时间提出。一般而言，每位发言者都将获得 (5) 分钟的时间来向规划委员会表达自己的意见；但是主持人可以酌情缩短发言时间，以便可以让所有发言者都可以向规划委员会表达自己的想法。**根据州法律，规划委员会不得讨论或就议程外事项进行投票。此事项将自动提交至工作人员采取适当地行动或回应，或将列入今后会议的议程。**

**公众听证会或上诉**是需要或希望公众发表意见的计划项目。除了申请人或上诉人（规划委员会可酌情延长其发言时间）外，每位发言者的发言时间不得超过 (5) 分钟。市长可以酌情缩短发言时间，确保所有发言者都可以向市议会表达意见。申请人或上诉人也可获得额外的反驳意见机会。

**议程事项：**该议程包括规划委员会的正常议事日程。市政工作人员一般会在会议前审查和调查议程内事项，以便规划委员会在作出决定前充分了解有关事项。

**获准日历：**“获准日历”上所列事项被规划委员会视为例行公事，可通过一项动议采取行动。除非规划委员会成员、工作人员或公众要求，否则不会单独讨论这些事项。若出现这一情况，则该事项将从“获准日历”中删除，并对其进行单独审议和行动。

**礼节：**虽然公众可以自由地批评城市政策以及规划委员会或其成员的行动或拟议的行动，但公众不得采取破坏诉讼有序进行的行为，包括但不限于阻止其他听众在有机会发言时发表意见的行为，或阻止听众听到或看到诉讼进程。公众不得以人身伤害威胁任何人，或以可合理地解释为迫在眉睫的人身伤害威胁的方式行事。所有参加会议的人都应遵守本市的政策，禁止基于个人的种族、宗教信仰、肤色、国籍、血统、身体残疾、医疗状况、婚姻状况、性别、性取向或年龄而进行骚扰。警务处处长或警务处的此类成员可担任规划委员会会议的警卫官。警卫官应执行主持会议的官员为维持会议秩序和礼仪而发出的所有命令和指示。任何违反会议秩序和礼仪的人均可被逮捕，并可根据《刑法典》第403条或适用的《阿卡迪亚市政法典》相关部分的规定对其提起诉讼。



# STAFF REPORT

Development Services Department

**DATE:** March 11, 2025

**TO:** Honorable Chair and Planning Commission

**FROM:** Lisa Flores, Deputy Development Services Director  
By: Fiona Graham, Planning Services Manager

**SUBJECT:** RESOLUTION NO. 2159 – RECOMMENDING THAT THE CITY COUNCIL APPROVE TEXT AMENDMENT NO. TA 24-01 AMENDING VARIOUS SECTIONS OF THE ARCADIA DEVELOPMENT CODE RELATED TO ACCESSORY DWELLING UNITS, REGULATIONS TO THE RESIDENTIAL FLEX (RF) OVERLAY, AND OTHER MINOR AMENDMENTS AND TEXT CLEANUPS

**CEQA: Exempt**

**Recommendation: Adopt Resolution No. 2159 and forward a Recommendation to City Council**

## **SUMMARY**

The Development Services Department has initiated a Text Amendment to amend and update various sections of the City's Development Code. The amendment includes a comprehensive update to Accessory Dwelling Unit (ADU) Ordinance, including changes to the objective design standards. It also updates the Residential Flex Overlay to allow lot consolidation in certain circumstances and revises the Downtown Parking Overlay to permit the expansions of certain commercial buildings without requiring additional parking spaces. Additionally, the amendment includes minor changes, such as modifications to the applicability of Variances and permitting manufactured homes in specific residential zones. This Text Amendment will bring the City's ADU Ordinance into compliance with State law.

It is recommended that the Planning Commission adopt Resolution No. 2159 (refer to Attachment No. 1) recommending the City Council approve Text Amendment No. TA 24-01 and find that the Text Amendment is Exempt under the California Environmental Quality Act ("CEQA").

## **BACKGROUND**

On February 11, 2025, the Planning Commission reviewed Text Amendment No. TA 24-01. The discussion addressed all proposed amendments, with a primary focus on ADUs.

It was clarified during the meeting that the proposed amendments to the ADU regulations align with State law, and that noncompliance with recent Senate Bills could result in the City losing regulatory control over ADUs. After discussion, the Planning Commission voted 3-1, with Chair Wilander absent, to deny Text Amendment No. TA 24-01, citing concerns about inconsistency with the General Plan. The Commission recommended that the City continue implementing the current ADU Ordinance (refer to the Planning Commission Minutes under Attachment No. 3).

At the February 25, 2025 Planning Commission meeting, the Commission pulled Resolution No. 2159 (Text Amendment No. 24-01) from the Consent Calendar for further discussion. The Planning Commissioners sought guidance on how to proceed with their decision, as they were not opposed to the entire text amendment. After receiving direction and additional discussion on the amendments to the ADU regulations, the Commission decided to reconsider the entire text amendment and have it placed on the agenda at the March 11, 2025, Planning Commission meeting.

## **DISCUSSION**

The various Text Amendments can be found in Divisions 2, 3, 6, 8, and 9 of the Development Code (refer to Exhibits A through E of Attachment No. 1). For background information on the various components of the text amendments, refer to Attachment No. 3 - February 11, 2025 Planning Commission Staff Report.

Also, the ADU regulations have been revised for greater clarity and restructured for improved readability and organization. For tonight's discussion, the font colors have been adjusted in the ADU Ordinance to clearly highlight only the proposed changes. The existing regulations are shown in **blue** font, and the *new* language are shown in **red** font – refer to Attachment No. 2.

### ***Accessory Dwelling Unit Ordinance Update***

The City has updated its ADU Ordinance multiple times over the past eight (8) years to align with evolving State regulations, which standardized ADU standards statewide in 2017. However, Arcadia began transitioning from guest homes to ADUs in 2013 and some of these regulations have been in effect since then. Most recently, the State enacted Assembly Bill 2533 and Senate Bill 1211, introducing further changes to ADU requirements across California. Updating the City's ADU Ordinance is essential to ensure compliance with State law and to prevent potential legal challenges or state-imposed consequences, such as the invalidation of the local ordinance and the loss of local ADU regulations.

The ADU Ordinance has been revised to clearly present the existing regulations, which have been updated for clarity while maintaining the same intent (shown in blue font), with new language displayed in red font – refer to Attachment No. 2. Below is an overview of the changes required by State law, along with updates to the objective design standards

to improve design outcomes. Additionally, the Department of Housing and Community Development (HCD) provided comments as part of their review process and determined that some of the existing regulations were not in compliance, therefore they have been revised.

Below are the two changes being proposed to the existing ADU Ordinance to comply with the recent ADU laws that went into effect on January 1, 2025.

- **Multi-Family Zones** – The maximum number of detached ADUs on an existing multi-family property has been increased from two (2) to eight (8), but the total number of detached ADUs cannot exceed the number of primary dwelling units on the lot. The limit remains two (2) for new multi-family developments.
- Permanently remove the City's ability to impose an owner-occupancy requirement for ADUs, which was previously suspended until January 1, 2025. However, JADUs must still be owner-occupied.

Then the following are updates that were made to bring the existing ADU Ordinance into compliance with existing State law:

- Replace the term under the process from "Zoning Clearance for an ADU" with "ADU Permit."
- Clarify that if the City denies an application for a new ADU or JADU, it must be provided to the Applicant within 60-days. Currently, the Code does not mention this time period.
- The City may charge a fee to recover its cost incurred in processing ADU permits.
- Specify that a garage, carport, or parking space is not required to be replaced if removed for an ADU development.
- A demolition permit for a detached garage, which will be replaced by an ADU, must be reviewed simultaneously.
- The construction of an ADU does not require fire sprinklers to be installed in the existing primary dwelling.
- An ADU or JADU cannot be sold separately from the primary dwelling(s), and a deed restriction for JADU must be recorded against the title.
- Clarify that the City cannot deny an ADU or JADU due to non-compliances elsewhere on the property.

- The ADUs and JADU must comply with the local Building Code requirements.
- Although the Code requires one parking space for each ADU, if an existing garage, carport, covered parking structure, or uncovered parking space is demolished in conjunction with a new ADU or conversion, a parking space is not required to be replaced.

Since the implementation of objective design standards for ADUs, some of these regulations have led to designs that are not aesthetically pleasing. As a result, these standards are proposed to be removed to allow for more visually appealing ADU styles.

- Remove the requirement that an ADU the materials and colors of the exterior walls, roof, and windows and doors must match the appearance and architectural design of those of the primary dwelling.
- Remove the requirement for indentations or projections of at least 8 inches in depth on at least two exterior walls to break up flat wall planes.
- As recommended by the City's Fire Department, the requirement for landscaping between the ADU and the adjacent parcel will be removed, since plants in the side and rear yards can obstruct access to rescue windows, which are required for each sleeping area.

One new objective standard is being proposed, which is to set a maximum porch size of 60 square feet, with a depth limit of six (6) feet. Many Applicants request the addition of a porch or covered patio to their ADU, which can enhance its appearance and help break up the overall massing of the structure. While this can be an attractive feature in some cases, the proposed size and dimension limits are intended to prevent excessively large structures in rear yards and minimize the impact on neighboring properties. A 60 square foot porch offers enough space for weather protection and a small seating area without transforming the porch into an oversized outdoor living space.

For the remaining changes to the Text Amendment that is not related to ADU refer to Exhibits under Attachment No. 1 and Attachment No. 3 (the Planning Commission Staff Report, dated February 11, 2025).

## **FINDINGS**

Pursuant to Section 9108.03.060, a Text Amendment to the Development Code may be approved only if all of the following findings are met. These findings are applicable to all the changes in the attached Ordinance – refer to Attachment No. 1.

- 1. The proposed Development Code amendment is consistent with the goals, policies, and objectives of the General Plan; and any applicable specific plan(s);**

**Facts to Support the Finding:** The proposed Text Amendment No. TA 24-01 is consistent with the General Plan Land Use and Community Development Element and the Housing Element goals and policies. The Text Amendment ensures that the Development Code will comply with State law, will implement actions within the General Plan Housing Element, will be updated to improve readability, enforcement, and to align with best practice, and is consistent with the following General Plan Policies:

Land Use and Community Development Element

- Policy LU-4.2: Encourage residential development that enhances the visual character, quality and uniqueness of the City’s neighborhoods and districts.

Housing Element

- Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.
- Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.
- Policy H-4.4: Support infill development at appropriate locations in the City.

**2. The proposed amendment is internally consistent with other applicable provisions of this Development Code.**

**Facts to Support the Finding:** The proposed Text Amendment will update the ADU Ordinance, incorporate manufactured housing as a permitted use in residential zones as required by State law and in the City’s Housing Element Update, allow lot consolidation for certain housing projects in the Residential Flex Overlay, and update various provisions throughout the Development Code to improve readability and streamline the review and entitlement process. Additionally, several Text Amendments have been made to maintain consistency with the proposed updates, particularly those related to the ADU Ordinance. Therefore, the proposed Text Amendment is consistent with the other applicable provisions of the Development Code, with necessary updates included.

**ENVIRONMENTAL ASSESSMENT**

The proposed Text Amendments are exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that they would not have a significant effect on the environment and, thus, are not subject to CEQA review. See Attachment No. 4 for the Preliminary Environmental Assessment.

**PUBLIC COMMENTS/NOTICE**

Under Section 9108.13.020.B.2 of the Development Code, if more than 1,000 property owners are to be notified, a notice may be published in a general circulation newspaper. Accordingly, a public hearing notice for Text Amendment No. TA 24-01 was published in the Arcadia Weekly on January 30, 2025. Prior to the Planning Commission hearing on February 11, 2025, three written public comments were received regarding the proposed Text Amendment, expressing concerns about ADUs. A copy of those comments can be found in Attachment No. 3.

**RECOMMENDATION**

It is recommended that the Planning Commission adopt Resolution No. 2159, recommending that the City Council approve Text Amendment No. TA 24-01 amending various sections of the Arcadia Development Code related to Accessory Dwelling Units, regulations to the Residential Flex (RF) Overlay, and other minor amendments and text cleanups, and it is exempt from the California Environmental Quality Act (CEQA) as it is not considered a project.

Approved:



Lisa Flores  
Deputy Development Services Director

- Attachment No. 1: Resolution No. 2159 with Exhibits A through E – Text Amendments
- Attachment No. 2: Proposed Amendments to the Existing ADU Regulations
- Attachment No. 3: Planning Commission Minutes and Planning Commission Staff Report (without attachments), dated February 11, 2025, and Letters from the Public
- Attachment No. 4: Preliminary Exemption Assessment

# Attachment No. 1

Resolution No. 2159 with Exhibits A  
through E – Text Amendments

RESOLUTION NO. 2159

RECOMMENDING THAT THE CITY COUNCIL APPROVE TEXT AMENDMENT NO. 24-01 AMENDING VARIOUS SECTIONS OF ARTICLE IX, CHAPTER 1 (DEVELOPMENT CODE) OF THE ARCADIA MUNICIPAL CODE PERTAINING TO ACCESSORY DWELLING UNITS, THE RESIDENTIAL FLEX OVERLAY, AND OTHER MINOR TEXT AMENDMENTS AND CLEANUPS

WHEREAS, the Development Services Department has initiated a Text Amendment No. TA 24-01 to amend and update various Divisions of the City's Development Code, Article IX, Chapter 1 of the Arcadia Municipal Code (referred to as "Text Amendment"); and

WHEREAS, the City is required to implement actions and policies within the adopted General Plan Housing Element and Implementation Plan; and

WHEREAS, the proposed Text Amendment would result in changes to Division 2, Division 3, Division 6, Division 7, and Division 9 of the City's Development Code, as shown in Exhibits "A" through "E" of this Resolution; and

WHEREAS, on December 23, 2024, Planning Services completed an environmental review of the proposed Text Amendment and determined that it is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review; and

WHEREAS, on January 30, 2025, the City published the public hearing for the Text Amendment in a newspaper of general circulation (Arcadia Weekly) of the Planning

Commission public hearing at which the Text Amendment would be reviewed with a recommendation to the City Council; and

WHEREAS, on February 11, 2025, the Planning Commission held a duly-noticed public hearing and considered the Text Amendment. Following extension discussion, the Planning Commission voted 3-1 to recommend that the City Council deny Text Amendment No. TA 24-01 and continue implementing the existing ADU Ordinance that is currently in effect; and

WHEREAS, on February 25, 2025, the Planning Commission pulled the revised Resolution from Consent Calendar for further discussion. The Planning Commissioners sought guidance on how to proceed with their decision, as they were not opposed to the entire text amendment. After receiving direction and additional discussion on the amendments to the ADU regulations, the Commission decided to reconsider the entire text amendment and have it placed on the March 11, 2025 Planning Commission meeting; and

WHEREAS, on March 11, 2025, the Planning Commission continued the public hearing and reconsidered the Text Amendment and all public testimonies.

NOW THEREFORE, THE PLANNING COMMISSION OF THE CITY OF ARCADIA, CALIFORNIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The Planning Commission hereby finds that the factual data set forth in the Recitals of this Resolution and by the Development Services Department in the staff report dated March 11, 2025, are true and correct.

SECTION 2. The Planning Commission finds, based on the entire record, and all written and oral evidence presented, as follows:

1. The proposed amendment and ordinance are consistent with the City's adopted General Plan and any applicable specific plan(s).

FACT: The proposed Text Amendment No. TA 24-01 is consistent with the General Plan Land Use and Community Development Element and the Housing Element goals and policies. The Text Amendment ensures that the Development Code will comply with State law, will implement actions within the General Plan Housing Element, will be updated to improve readability, enforcement, and to align with best practice, and is consistent with the following General Plan Policies:

Land Use and Community Development Element

Policy LU-4.2: Encourage residential development that enhances the visual character, quality and uniqueness of the City's neighborhoods and districts.

Housing Element

Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.

Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.

Policy H-4.4: Support infill development at appropriate locations in the City.

The proposed Text Amendment No. TA 24-01 will make various minor updates and clarifications throughout the Development Code. This amendment will not impact any other development standards and is consistent with the adopted General Plan.

2. For Development Code amendments only, the proposed amendment is internally consistent with other applicable provisions of this Development Code.

FACT: The proposed Text Amendment will update the ADU Ordinance, incorporate manufactured housing as a permitted use in residential zones as required by State law and in the City's Housing Element Update, allow lot consolidation for certain housing projects in the Residential Flex Overlay, and update various provisions throughout the Development Code to improve readability and streamline the review and entitlement process. Additionally, several Text Amendments have been made to maintain consistency with the proposed updates, particularly those related to the ADU Ordinance. Therefore, the proposed Text Amendment is consistent with the other applicable provisions of the Development Code, with necessary updates included.

SECTION 3. The Planning Commission determines that the proposed Text Amendment is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines, where it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review.

SECTION 4. Based on the entire record before the Planning Commission, all written and oral evidence presented to the Planning Commission, and the findings made in the staff report and this Resolution, the Planning Commission hereby recommends that

the City Council approve Text Amendment No. TA 24-01, as reflected in Exhibits "A" through "E" of this Resolution.

SECTION 5. The Secretary shall certify as to the adoption of this Resolution.

[SIGNATURES ON NEXT PAGE]


Passed, approved and adopted this 11<sup>th</sup> day of March, 2025.

\_\_\_\_\_  
Marilynne Wilander  
Chair, Planning Commission

ATTEST:

\_\_\_\_\_  
Lisa L. Flores  
Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael J. Mauer  
City Attorney

# **EXHIBIT “A”**

## **Development Code, Division 2**

**9102.01.020 Land Use Regulations and Allowable Uses**

**Amended by Ord. No. 2347**

**Amended by Ord. No. 2348**

**Amended by Ord. No. 2363**

**Amended by Ord. No. 2369 & 2370**

**Amended by Ord. No. 2397**

**Amended by Ord. No. 2400**

**A. Allowed Uses.** Table 2-1 (Allowed Uses and Permit Requirements for Residential Zones) indicates the uses allowed within each residential zone and any permits required to establish the use, pursuant to Division 7 (Permit Processing Procedures). The regulations for each zone are established by letter designations as follows:

“P” represents permitted (allowed) uses.

“A” represents accessory uses.

“M” designates uses that require the approval of a Minor Use Permit subject to requirements of Section 9107.09 (Conditional Use Permit and Minor Use Permit) of this Development Code.

“C” designates uses that require the approval of a Conditional Use Permit subject to requirements of Section 9107.09 (Conditional Use Permit and Minor Use Permit) of this Development Code.

“--” designates uses that are not permitted.

**B. Director Determination.** Land uses are defined in Division 9 (Definitions). In cases where a specific land use or activity is not defined, the Director shall assign the land use or activity to a classification substantially similar in character. Land uses not listed in the table or not found to be substantially similar to the land uses below are prohibited.

**C. Specific Use Regulations.** Where the last column in Table 2-1 (Allowed Uses and Permit Requirements for Residential Zones) includes a Section, Subsection, or Division number, the regulations in the referenced Section, Subsection, or Division shall apply to the use.

**D. Housing Element Candidate Sites.** Pursuant to Government Code Section 65583. 2(c), residential uses shall be allowed by right for housing development in which at least 20% of the units are affordable to lower- income households for sites that:

1. Are non-vacant and identified in the 5th Cycle Housing Element planning period; and
2. Vacant sites included in two or more consecutive Housing Element planning cycle;
3. Eligible sites can be found in the City's 2021- 2029 Housing Element (6th Cycle). Development shall meet all of the requirements of the respective zone in which such sites are located in unless otherwise permitted by this Division, and shall comply the provisions of applicable environmental documents for such site, if any.

**E. Multi-Family Uses Permitted By-Right.** Multifamily residential uses are permitted by-right in the following zones when 20% or more affordable units are provided per Gov't Code Section 65583. 2 (i): R-2, R-3, R-3-R, MU, DMU, and RF and DMU overlays.

Table 2-1 Allowed Uses and Permit Requirements for Residential Zones	P Permitted A Permitted as an Accessory Use M Minor Use Permit Required C Conditional Use Permit Required -- Not Allowed						Specific Use Regulations
	R-M	R-0	R-1	R-2	R-3	R-3-R	
<b>Residential Uses</b>							
Boarding House	--	--	--	--	--	--	
Dwellings							

Single-Family Dwelling	P	P	P	P	P	--	See required minimum density (Section 9102.01.090, Table 2-6 and) Subsection 9102.01.100.A (Exceptions to Minimum Density in R-2 and R-3)
Multifamily Dwelling	--	--	--	P	P	P	See Land Use Regulations and Allowable Uses (Section 9102.01.020)
Two-Family Dwelling	--	--	--	P	P	P	
Accessory Dwelling Unit	A	A	A	A	A	A	
Short-Term Rental	--	--	--	--	--	--	No Person shall post, publish, circulate, broadcast, or maintain any advertisement of a Short-Term Rental in any zone allowing residential uses. See Section 9104.02.300
Home Sharing	--	--	--	--	--	--	No Person shall post, publish, circulate, broadcast, or maintain any advertisement for Home Sharing in any zone allowing residential uses. See Section 9104.02.300
Manufactured Housing Unit	P	P	P	P	P	--	See required minimum density (Section 9102.01.090, Table 2-6 and) Subsection 9102.01.100.A (Exceptions to Minimum Density in R-2 and R-3)

<b>Table 2-1 Allowed Uses and Permit Requirements for Residential Zones</b>		<b>P Permitted</b> <b>A Permitted as an Accessory Use</b> <b>M Minor Use Permit Required</b> <b>C Conditional Use Permit Required</b> <b>-- Not Allowed</b>						
<b>Land Use</b>	<b>R-M</b>	<b>R-0</b>	<b>R-1</b>	<b>R-2</b>	<b>R-3</b>	<b>R-3-R</b>	<b>Specific Use Regulations</b>	
<b>Agricultural Uses</b>								
Urban Agriculture	A	A	A	A	A	A	See Subsection 9104.02.030 (Agricultural Uses –Urban Agriculture, Small Animal and Fowl, and Horses). See Subsection 9104.02.145 (Employee Housing)	
Horse Keeping	A	A	A	--	--	--		
Small Animal and Fowl Keeping	A	A	A	--	--	--		
<b>Education</b>								
Schools, Private	C	C	C	C	C	C	May only be permitted as a Conditional Use, accessory to a Place of Religious Assembly.	
<b>Medical-Related and Care Uses</b>								
Day Care, General	--	--	--	--	--	--	See Subsection 9104.02.080 (Day Care, General)	
Day Care, Limited - Small Family	A	A	A	A	A	A	See Subsection 9104.02.100 (Day Care, Limited – Small Family)	

<b>Table 2-1 Allowed Uses and Permit Requirements for Residential Zones</b>		<b>P Permitted</b> <b>A Permitted as an Accessory Use</b> <b>M Minor Use Permit Required</b> <b>C Conditional Use Permit Required</b> <b>-- Not Allowed</b>						
<b>Land Use</b>	<b>R-M</b>	<b>R-0</b>	<b>R-1</b>	<b>R-2</b>	<b>R-3</b>	<b>R-3-R</b>	<b>Specific Use Regulations</b>	
Day Care, Limited - Large Family	A	A	A	A	A	A	See Subsection 9104.02.090 (Day Care, Limited – Large Family)	
Employee Housing – Six or Fewer Persons	P	P	P	P	P	P	See subsection 9104.02.145 (Employee Housing)	
Residential Care Facility – Six or fewer persons	P	P	P	P	P	P	See Subsection 9104.02.260 (Residential Care Facilities)	
Residential Care Facility – Seven or more persons	P	P	P	P	P	P	See Subsection 9104.02.260 (Residential Care Facilities)	
Supportive Housing – Housing Type	P	P	P	P	P	P		
Supportive Housing – Residential Care Facility Small Type	P	P	P	P	P	P		
Transitional Housing – Housing Type	--	--	--	P	P	P		
Transitional Housing – Residential Care Facility Small Type	P	P	P	P	P	P		
<b>Other Uses</b>								
Antennas and Wireless Communication Facilities - Co-location or Panel	--	--	--	--	P	P	Exception: All facilities are permitted on City-owned properties and public rights-of-way. New standalone facilities are not permitted in Architectural Design (D) overlay zones. See also Subsection 9104.02.050 (Antennas and Wireless Communication Facilities)	
Antennas and Wireless Communication Facilities - Standalone Facility	--	--	--	--	--	--		
Places of Religious Assembly	--	C	C	C	C	--	Tutoring and Educational Centers may be permitted as an Accessory Use under a Conditional Use Permit	
Sports Courts (Private)	P	P	P	P	P	P	Must comply with Subsection 9104.02.330 (Sports Courts in Residential Zones)	
Recharging Stations	A	A	A	A	A	A		
Utility Structures and Service Facilities	C	C	C	C	C	C		

**9102.01.030 Development Standards in Single-Family Residential Zones (R-M, R-0, R-1)**

**Amended by Ord. No. 2347**

**Amended by Ord. No. 2363**

New land uses and structures, and alterations to existing land uses and structures, shall be designed, constructed, and/or established in compliance with the requirements in Tables 2-1 (Allowed Uses and Permit Requirements for Residential Zones), 2-2 (Development Standards for Single-family Residential Zones), and 2-3 (Additional Development Standards for Homeowners Association Areas), and the development standards in Division 3 (Regulations Applicable to All Zones-Site Planning and General Development Standards). Additional regulations are denoted in the right hand column of Table 2-2 and Table 2-3. Exceptions and additional regulations are included in Subsection 9102.01.040 (Additional Residential Development Standards in Single-Family Residential Zones). Standards for accessory structures and accessory dwelling units are outlined in Subsection 9102.01.060 (Accessory Structures in Single-family Residential Zones) and Subsection 9102.01.080 (Accessory Dwelling Units). Development standards for garages and other parking areas are located in Section 9103.07 (Off-Street Parking and Loading). Development standards for fences, walls, and gates are outlined in Section 9103.05 (Fences, Walls, and Gates). Development standards for landscaping requirements are located in Section 9103.09.040.B (Landscape Requirements for Residential Zones).

**Table 2-3 <sup>(1)</sup>  
Additional Development Standards for Homeowners Association Areas  
Single-family Residential Zones (R-M, R-0, R-1)**

Development Feature	Santa Anita Village (R-1)	Highlands (R-M and R-1)	Lower Rancho (R-0)	Santa Anita Oaks (R-0)	Upper Rancho (R-0)	Additional Requirements
<b>Minimum Setbacks</b>						
Front	25 ft	25 ft	35 ft	65 ft Exceptions: Tract 13544 shall be a minimum of 60 ft Tracts 13345 and 11013 shall be a minimum of 55 ft and Tract 14666 shall be a minimum of 50 ft	50 ft	See Subsection 9102.01.040 (Additional Residential Development Standards), Subsection 9103.01.060 (Setback Measurements and Exceptions), and Subsection 9102.01.050 (Permitted Projections in Single-family Residential Zones)
<b>Side – first or single story</b>						
Interior	5 ft or 10% of the lot width, whichever is greater	R-M: 10 ft or 10% of lot width, whichever is greater, but not to exceed 15 ft as a required setback R-1: 6 ft or 10% of the lot width, whichever is greater	10 ft or 10% of the lot width, whichever is greater	10 ft or 10% of the lot width, whichever is greater	15 ft	See Subsection: 9102.01.040 (Additional Residential Development Standards in Single-family Residential Zones).
Corner (street side)	20 ft	20 ft	20 ft	20 ft	20 ft	See Subsection: 9102.01.040 (Additional Residential Development Standards in Single-family Residential Zones).
Reverse Corner (street side)	25 ft	R-M: 20 ft R-1: 25 ft	25 ft	25 ft	25 ft	

**Table 2-3 <sup>(1)</sup>  
Additional Development Standards for Homeowners Association Areas  
Single-family Residential Zones (R-M, R-0, R-1)**

Development Feature	Santa Anita Village (R-1)	Highlands (R-M and R-1)	Lower Rancho (R-0)	Santa Anita Oaks (R-0)	Upper Rancho (R-0)	Additional Requirements
<b>Side - second story</b>						
<i>Interior</i>	10 ft or 20% of the lot width, whichever is greater	R-M: 15 ft or 20% of the lot width, whichever is greater R-1: 10 ft or 20% of the lot width, whichever is greater	15 ft or 20% of the lot width, whichever is greater	15 ft or 20% of the lot width, whichever is greater	15 ft or 20% of the lot width, whichever is greater	See Subsection: 9102.01.040 (Additional Residential Development Standards in Single-family Residential Zones).
<i>Corner (street side)</i>	20 ft	20 ft	20 ft	20 ft	20 ft	
<i>Reverse Corner (street side)</i>	25 ft	R-M: 20 ft R-1: 25 ft	35 ft	35 ft	35 ft	
<b>Rear</b>						
First or single story	25 ft	25 ft	35 ft	35 ft	40 ft	Additional rear setback of one foot required on each story for every 10 feet above 150 feet of lot depth. See Subsection 9102.01.040 (Additional Residential Development Standards in Single-family Residential Zones).
Second story	35 ft	35 ft	35 ft	35 ft	35 ft	
<b>Maximum Lot Coverage</b>						
<b>1-story dwellings</b>	45%	45%	45%	45%	45%	
<b>2-story dwellings</b>	35%	35%	35%	35%	35%	
<b>Maximum Number of Stories</b>	2 stories	2 stories	2 stories	2 stories	2 stories	Exposed basements shall be considered a story.
<b>Maximum Street-Facing Porch Height</b>	14 ft	14 ft	14 ft	14 ft	14 ft	See Subsection 9102.01.040.I (Porch Height).

**Table 2-3 <sup>(1)</sup>**  
**Additional Development Standards for Homeowners Association Areas**  
**Single-family Residential Zones (R-M, R-0, R-1)**

Development Feature	Santa Anita Village (R-1)	Highlands (R-M and R-1)	Lower Rancho (R-0)	Santa Anita Oaks (R-0)	Upper Rancho (R-0)	Additional Requirements
<b>Encroachment Plane</b>						
Front Property Line	30 degrees	R-M: 40 degrees R-1: 30 degrees	30 degrees	30 degrees	30 degrees	No portion of any structure shall encroach through a plane projected from the identified angle as measured at the ground level along the front property line. That point shall be located at the intersection of a horizontal projection of the adjacent grade elevation and its intersection with the property line. See Figure 2-1 (Encroachment Plane).
Interior Rear and/or Interior Side	N/A	N/A	N/A	N/A	N/A	
Corner Street Side Property Line	40 degrees	40 degrees	40 degrees	40 degrees	40 degrees	

**Table 2-3 <sup>(1) (3)</sup>  
Additional Development Standards for Homeowners Association Areas  
Single-family Residential Zones (R-M, R-0, R-1)**

Development Feature	Village (R-1)	Highlands (R-M and R-1)	Lower Rancho (R-0)	Oaks (R-0)	Upper Rancho (R-0)
<b>Maximum Height <sup>(2)</sup></b>	25 ft	R-M: 25 ft for lots less than 71-foot lot width; an additional 1 ft in height for every additional 1 ft in lot width up to 75 ft lot (30 ft height).  80-85 ft lot width: 31 ft 85'-1"-90 ft lot width: 32 ft 90'-1"-95 ft lot width: 33 ft 95'-1"-100 ft lot width: 34 ft 100'-1"+ ft lot width: 35 ft  R-1: Less than 75 ft lot width: 25 ft 75'-94 ft lot width: 27 ft 94'-1"-114 ft lot width: 29 ft 114'-1" ft lot or larger width: 30 ft	25 ft for lots with less than 75- foot lot width  30 ft for lots with 75-foot width or greater	25 ft for lots with less than 75- foot lot width  30 ft for lots with 75-foot width or greater	25 ft for lots with less than 75- foot lot width  30 ft for lots with 75-foot width or greater

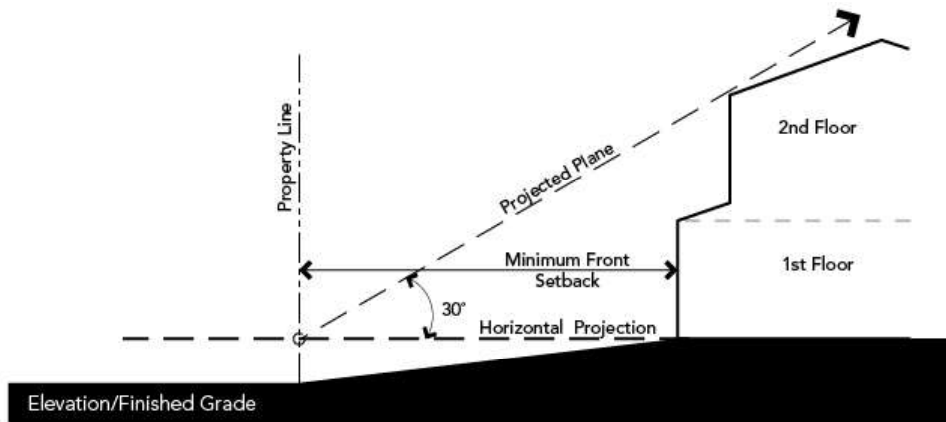
Notes:

(1) In cases where the underlying zoning's Development Standard is greater than the requirements stated in Table 2-3, Additional Development Standards for Homeowners Association Areas Single-family Residential Zones (R-M, R-0, R-1), the underlying zoning shall be used unless an exception is specifically identified.

(2) See Subsection 9103.01.030 (Measuring Floor Area and Floor Area Ratio)

(3) See Subsection 9102.01.040(J) for additional regulations regarding garages and carports.

**Figure 2-1**  
**Encroachment Plane – R-0 and R-1 Zones**



**9102.01.050 Permitted Projections in Single-Family Residential Zones**  
**Amended by Ord. No. 2347**

- A. Permitted Architectural Projections in Single-Family Residential Zones.** In R-M, R-0, and R-1 zones, architectural and similar features may extend into required setback areas as identified in Table 2-4 (Permitted Projections and Encroachment into Required Setback in Single-Family Zones).

Table 2-4 Permitted Projections and Encroachment into Required Setback in Single-Family Zones	Maximum Permitted Encroachment Distance Into Required Setback Area			
	R-M, R-0, and R-1 Zones			
	Architectural Feature	Front <sup>(1)</sup>	Side <sup>(2)</sup>	
		1 <sup>st</sup> Story	2 <sup>nd</sup> Story	
Awnings	18 inches	--	--	18 inches
Balconies	--	--	--	--
Bay windows, garden windows <sup>(4)</sup>	18 inches	18 inches	18 inches	18 inches
Chimneys	18 inches	18 inches	18 inches	18 inches
Cornices, belt courses, buttresses, pilasters, pillars, sills	12 inches	--	--	--
Eaves <sup>(5)</sup>	30 inches	30 inches	30 inches	30 inches
Fire escapes, elevator shafts and open stairways	--	--	--	--
Trellis structures and patio covers	--	--	--	--

Notes:

- (1) Front Setback Exception (R-M Zone only) – Architectural features shall not project into the front setback in the R-M zone.  
(2) Side Setback Exception (R-M Zone only) – A portion of a gable roof and walls thereunder which do not exceed a maximum height of 20 feet and which enclose a portion of the first story living area and/or interior stairwells which have no window(s) facing the side yard, may encroach into the required setback but in no event shall such encroachment be less than the required first story setback except as may be approved pursuant to an Administrative Modification (Section 9107.05).  
(3) Rear Setback Exception (R-M Zone only) – Architectural features shall not project into the rear setback in the R-M zone.  
(4) In all zones, bay windows, garden windows, and other similar architectural projections shall have a vertical distance of 30 inches or greater between the lowest surface of the projection and the finished floor.  
(5) Eaves Exception (R-M Zone only) – Eaves may extend or project a maximum of two feet beyond the required setback on both the first and second stories.

- B. Mechanical Equipment Projections in Single-Family Residential Zones.** Mechanical equipment shall comply with the required setbacks set forth for the structure the mechanical equipment will serve. Exceptions: (1) Tankless water heaters and solar batteries may encroach into the required side and rear setbacks by 30 inches. (2) Mechanical equipment serving swimming pools, spas, and water features shall not be set back less than three feet from the rear property line.

**9102.01.060 Accessory Structures in Single-Family Residential Zones**  
**Amended by Ord. No. 2347**  
**Amended by Ord. No. 2369 & 2370**

Accessory structures, as defined in Division 9 (Definitions) of this Development Code, but excluding required garages, are allowed in residential zones and are subject to the development standards set forth in Table 2-5 (Development Standards for Accessory Structures in the R-M, R-0, and R-1 Zones). Accessory dwelling unit regulations are set forth in Subsection 9102.01.080 (Accessory Dwelling Units). Any allowable accessory structure that does not require a building permit shall meet the requirements of this Development Code for use, placement on the lot, height, and size. The construction and/or relocation of an accessory structure shall require review and approval per the Site Plan and Design Review, as set forth in Section 9107.19 (Site Plan and Design Review).

**A. Restrictions on Number and Use**

- 1. Primary Building Required.** An accessory structure(s) is allowed onsite only when there is a primary dwelling on site.

2. **Number Allowed.** A maximum of two detached accessory structures are allowed on any one lot, including accessory dwelling units.
3. **Kitchen.** No kitchen is allowed within the accessory structure
4. **Bathroom.** The accessory structure may contain a sink, a toilet and/or a shower.
5. **Rooms.** No more than one room is allowed within the accessory structure, aside from a bathroom containing a sink, toilet and/or a shower.
6. **Covenant Required.** A covenant approved as to form by the City shall be recorded prior to the issuance of any building permit for any accessory structure stating that the accessory structure will not be used for overnight stay, rented, or used as a dwelling unit.

**B. Development Standards**

1. **General Standards.** Accessory structures shall comply with the development standards set forth in Table 2-5 (Development Standards for Accessory Structures in the R-M, R-0, and R-1 Zones).
2. **Consistent Exterior Appearance.** All accessory structures on a permanent foundation shall be consistent in exterior appearance with the primary structure through the use of similar/matching exterior paint colors, material types, and architectural styles.

<b>Table 2-5 Development Standards for Accessory Structures in the R-M, R-0, and R-1 Zones <sup>(1)</sup></b>				
<b>Development Feature</b>	<b>R-M</b>	<b>R-0</b>	<b>R-1</b>	<b>Additional Requirements</b>
<b>Maximum Floor Area</b>	50% of the ground floor area of the main building	50% of the ground floor area of the main building	50% of the ground floor area of the main building	Shall be counted toward total allowable floor area for the zone, pursuant to Subsections 9102.01.030 (Development Standards in Single-Family Residential Zones) and 9102.01.040 (Additional Residential Development Standards in Single-Family Residential Zones).
<b>Minimum Setbacks</b>				
Front (public or private street)	Same as dwelling requirement	Same as dwelling requirement	Same as dwelling requirement	For exceptions refer to Subsection 9102.01.040.B (Front Setbacks-Additional Standards in R-M and R-0 Zones).
Side	10 ft	Same as dwelling requirement	Same as dwelling requirement	
Reverse Corner (street side)	20 ft	Same as dwelling requirement	Same as dwelling requirement	For exceptions refer to Subsection 9102.01.040.DC (Exceptions to Rear Setbacks on Corner and Reverse Corner Lots in R-0 and R-1 Zones-Attached Single-Story Garage)
Rear	10 ft	10 ft	10 ft	

**Maximum Lot Coverage** — 25% of required rear yard — 25% of required rear yard — 25% of required rear yard

**Table 2-5  
Development Standards for Accessory Structures  
in the R-M, R-0, and R-1 Zones <sup>(1)</sup>**

<b>Development Feature</b>	<b>R-M</b>	<b>R-0</b>	<b>R-1</b>	<b>Additional Requirements</b>
<b>Maximum Number of Stories</b>	One story	One story	One story	
<b>Minimum Distance Between Structures</b>	6 ft	6 ft	6 ft	
<b>Maximum Height</b>	16 ft and cannot exceed the maximum height of dwelling	16 ft and cannot exceed the maximum height of dwelling	16 feet and cannot exceed the maximum height of dwelling	See Subsection 9103.01.050 (Height Measurements and Exceptions) and 9102.01.040.E (Height Exception for Chimneys and Roof-Mounted Vents).
<b>Minimum Encroachment Plane</b>				
Front Property Line	40 degrees	30 degrees	30 degrees	
Interior Rear and/or Interior Side	N/A	N/A	N/A	
Street Side (Reverse Corner) Property Lines	N/A	40 degrees	40 degrees	

**Notes:**

**(1) Accessory dwelling units are subject to the development standards in Subsection 9102.01.080.**

**9102.01.080 Accessory Dwelling Units**  
**Amended by Ord. No. 2347**  
**Amended by Ord. 2369 & 2370**  
**Amended by Ord. No. 2375**  
**Amended by Ord. No. 2396**

Accessory dwelling units and junior accessory dwelling units, as defined in Division 9 (Definition) of this Development Code, are allowed in the R-0, R-1, R-M, R-2, R-3, R-3-R, CBD, MU, and DMU zones, developed with at least one dwelling.

**A. Development Standards**

~~1. **General.** Except as identified in this Subsection, accessory dwelling units shall comply with all the development standards (setbacks, lot coverage, height, etc.). All accessory dwelling units shall be clearly subordinate in location and size to the primary structure and consistent in exterior appearance with the primary structure through the use of similar/matching exterior paint colors, material types, and architectural styles. Accessory dwelling units shall have a defined and independent exterior access. An accessory dwelling unit is allowed on a site only when a primary dwelling exists.~~

~~2. **Location:** An accessory dwelling unit is permitted on any residentially zoned property if a single-family dwelling or multifamily dwelling exists on the lot or will be constructed in conjunction with the accessory dwelling unit. An accessory dwelling unit may be either attached to the existing dwelling unit, or located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling. A junior accessory dwelling unit (JADU) may only be located within an existing or proposed single-family structure, including within an attached garage.~~

~~One of the following is allowed:~~

- ~~1. One Attached ADU (may not be allowed with detached ADU or JADU); or~~
- ~~2. One Detached ADU or a JADU by itself; or~~
- ~~3. One Detached ADU with one JADU~~

~~3. **Maximum Floor Area and Lot Coverage.** No accessory dwelling unit may cause the total Floor Area Ratio (FAR) to exceed 45%, or cause the lot coverage of the lot to exceed 50%. If either requirement would preclude development of an accessory dwelling unit up to 800 square feet in size, the requirement does not apply.~~

~~**Maximum Rear Yard Lot Coverage in Single-Family Zones:** No accessory dwelling unit may cause the rear yard lot coverage to exceed 25%, except if the requirement precludes the development of an accessory dwelling unit of up to 800 square feet in size.~~

~~4. **Maximum Size**~~

~~a. **Accessory Dwelling Unit.** The maximum size of a detached or attached accessory dwelling unit is 850 square feet for a studio or one-bedroom unit and 1,000 square feet for a unit with two bedrooms.~~

~~b. **Junior Accessory Dwelling Unit.** The maximum size within an existing or proposed single-family dwelling is 500 square feet.~~

~~c. An attached accessory dwelling unit that is created on a lot within an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling, unless this would restrict the maximum size of the accessory dwelling unit to be smaller than 800 square feet.~~

~~d. Application of other development standards in this section, such as FAR or lot coverage, might further limit the size of the accessory dwelling unit, but any application of the percent-based floor area limit in paragraph A.4.c above or of an FAR, lot coverage, or front setback, must yield to the extent necessary to allow an accessory dwelling unit to be up to 800 square feet.~~

~~5. **Maximum Height and Story**~~

~~a. Except as otherwise provided by paragraphs (A)(4)(d)(5)(b) and (c) below, a detached ADU created on a lot with an existing or proposed single-family or multifamily dwelling unit may not exceed 16 feet in height and one story.~~

- b. ~~A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single-family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or a high quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit. It may not exceed one story.~~
- c. ~~A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height. It may not exceed one story.~~
- d. ~~An ADU that is attached to the primary dwelling may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection (A)(4)(d)(5)(d) may not exceed two stories.~~
- e. ~~For purposes of this subsection (A)(4)(d), height is measured above existing legal grade to the peak of the structure.~~

**6. ~~Required Setbacks.~~**

- a. ~~Detached and attached accessory dwelling units shall meet a minimum side and rear yard setbacks of at least four (4) feet.~~
- b. ~~An attached accessory dwelling unit shall meet the same front setbacks as required for the primary dwelling.~~
- c. ~~A new detached ADU may not be located closer to the front property line than the primary dwelling.~~
- d. ~~A front setback must yield to the extent necessary to allow an accessory dwelling unit to be up to 800 square feet.~~

**7. ~~Required Parking.~~** ~~An accessory dwelling unit shall be provided with a minimum of one on-site parking space (covered or uncovered). The uncovered parking space shall be located on a paved surface, and may be provided in the setback areas or as tandem parking. For required parking spaces dimensions, please refer to Division 3.~~

~~When a garage, carport, or covered parking structure is demolished or converted in conjunction with the construction of an accessory dwelling unit, the required parking spaces shall be replaced as specified in Table 3-3. If code compliant replacement parking cannot be provided, the replacement parking spaces may be located in any configuration on the same lot as the accessory dwelling unit, including but not limited to, covered spaces, uncovered spaces, or tandem spaces or by the use of mechanical automobile parking lifts within an enclosed garage.~~

**8. ~~Fire Sprinklers.~~** ~~An accessory dwelling unit is required to have sprinklers if the primary dwelling is also required to have fire sprinklers.~~

**B. ~~Permit Procedures for Accessory Dwelling Units and Junior Accessory Dwelling Units.~~** ~~If the accessory dwelling unit does not qualify for a Building Permit Only, the procedures specified in Subsection 9102.01.080.B.2, shall be followed.~~

**1. ~~Building Permit Only.~~** ~~An accessory dwelling unit or junior accessory dwelling unit is only subject to a building permit when it is proposed on a residential or mixed use zone and meets one of the following scenarios:~~

**A. ~~Converted Accessory Dwelling Unit with Single-Family Dwelling:~~** ~~One accessory dwelling unit as described in this subsection (B)(1)(A) and one junior accessory dwelling unit on a lot with a proposed or existing single family dwelling on it, where the accessory dwelling or junior accessory dwelling unit:~~

- 1. ~~Is either: within the space of a proposed single family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress.~~
- 2. ~~Has exterior access that is independent of that for the single family dwelling.~~
- 3. ~~Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.~~

**B. ~~Detached Accessory Dwelling Unit with Single-Family Dwelling:~~** ~~One detached, new construction accessory dwelling unit on a lot with a proposed or existing single family dwelling (in addition to any junior accessory dwelling unit that might otherwise be established on the lot under Subsection A), if the detached accessory dwelling unit~~

satisfies the following limitations:

1. The side and rear yard setbacks are at least four (4) feet.
2. The total floor area is 800 square feet or less.
3. The peak height above grade does not exceed the applicable height limit in subsection (e)(2) below.

~~C. **Converted Accessory Dwelling Unit in Multifamily Dwellings:** One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. Under this paragraph, at least one converted ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.~~

~~D. **Detached Accessory Dwelling Unit with Multifamily Dwellings:** No more than two detached accessory dwelling units may be located on a lot that has an existing or proposed multifamily dwelling. Each detached accessory dwelling unit must satisfy the following requirements:~~

1. The side and rear yard setbacks are at least four (4) feet.
2. The peak height above grade does not exceed the applicable height limit in subsection (e)(2) below.

## ~~2. **Accessory Dwelling Unit Permit**~~

~~Any construction that does not comply with each of the requirements listed in Subsection 1 above (Building Permits Only) shall require a Zoning Clearance for an Accessory Dwelling Unit.~~

## ~~3. **Process and Timing**~~

~~A. A Zoning Clearance for an Accessory Dwelling Unit complaint with the standards of this Section is considered and approved ministerially, without discretionary review or a hearing, unless the unit exceeds the code requirements (e.g. FAR) and is subject to an Administrative Modification.~~

~~B. The City must act on an application within 60 days from the date the City receives a completed application, unless either:~~

1. The Applicant requests for a delay, in which case the 60 day time period is tolled for the period of the requested delay, or
2. If an accessory dwelling unit or junior accessory dwelling unit application is submitted with a permit application to create a new single family dwelling on the lot, the City may delay acting on the permit application until the City acts on the application for the new single family dwelling, but the application to create the accessory dwelling unit or junior accessory dwelling unit is still considered ministerially without discretionary review or a hearing.

~~C. If the city denies an application for an accessory dwelling unit or junior accessory dwelling unit, the city shall, within the time period described above, return in writing a full set of comments to the Applicant with a list of items that are defective or deficient and a description of how the application can be remedied by the Applicant.~~

## ~~C. **Impact Fees.**~~

1. Impact Fees. No impact fee is required for an accessory dwelling unit that is less than 750 square feet in size.

## ~~D. **Utility Fees.**~~

1. An ADU that is constructed with a new single family dwelling is considered to be a new residential use and requires a direct connection for all utilities and payment of related connection fees and capacity charges.
2. Aside from D. 1 above, the City does not require a direct utility connection or related fee or charge for any ADU approved under this section.
3. An Applicant must consult any other local agency, special district, or water corporation that will provide utility services to

the property to determine what direct connection requirement, if any, the utility provider requires for the ADU.

**E. ~~Owner Occupancy~~**

1. ~~An accessory dwelling unit that is created after January 1, 2020, but before January 1, 2025, is not subject to any owner occupancy requirement.~~
2. ~~Unless applicable law requires otherwise, all accessory dwelling units that are created on or after January 1, 2025, are subject to an owner occupancy requirement. A natural person with legal or equitable title to the property must reside on the property as the person's legal domicile and permanent residence.~~
3. ~~All junior accessory dwelling units are subject to an owner occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or junior accessory dwelling unit, as the person's legal domicile and permanent residence. However, the owner occupancy requirement of this paragraph does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.~~

**F. ~~Nonconforming Accessory Dwelling Units and Discretionary Approval~~**

~~Any proposed accessory dwelling unit or junior accessory dwelling unit that does not conform to each of the objective design standards in this section may be considered by the City with an Administrative Modification process in Section 9107.05.~~

**G. ~~Objective Design Standards for Accessory Dwelling Units~~**

**~~Architectural~~**

1. ~~The materials and colors of the exterior walls, roof, and windows and doors must match the appearance and architectural design of those of the primary dwelling.~~
2. ~~The roof slope must match that of the dominant roof slope of the primary dwelling. The dominant roof slope is the slope shared by the largest portion of the roof.~~
3. ~~The exterior lighting must be limited to down lights or as otherwise required by the building or fire code.~~
4. ~~The ADU must have an independent exterior entrance, apart from that of the primary dwelling. The ADU entrance must not be visible from the public right of way.~~
5. ~~For new detached ADUs, there must be indentations or projections provided that are at least 8 inches in depth on at least two of the exterior walls to break up flat wall planes. The interior wall height shall be at least seven feet tall.~~
6. ~~All windows that are located 9 feet in height above the finished floor must be clerestory windows (no dormers), and must be frosted or obscure glass.~~
7. ~~An ADU that is on real property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right of way.~~

**~~Landscape~~**

8. ~~Landscaping must be provided to provide screening between the ADU and adjacent parcels along the rear and side property lines and there shall be at least one 15-gallon size plant for every five linear feet of exterior wall. Landscaping must be drought-tolerant or low water using plants that utilize multiple varieties of drought tolerant resistant grasses, turf substitutes, or ground covers that maintain a living and continuous planting area. Desert landscape or rock garden designs are not allowed.~~

**~~Other~~**

9. ~~The ADU and primary dwelling must use the same driveway to access the street, unless otherwise required for fire apparatus access, as determined by the Fire Department. This requirement does not apply to state-exempt ADUs.~~
10. ~~ADUs must have clear addressing visible from the street. Addresses must be at least 4 inches high and shall be shown on the curb next to the primary address number.~~

~~11. No mezzanines or partial floors, including a loft, shall be allowed.~~

**A. Accessory Dwelling Units. Purpose.** The purpose of this section is to allow and regulate accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) in compliance with Chapter 13 of Division 1 of Title 7 of the California Government Code.

**B. Effect of Conforming.** An ADU or JADU that conforms to the standards in this section will not be:

1. Deemed to be inconsistent with the City's General Plan and zoning designation for the lot on which the ADU or JADU is located.
2. Deemed to exceed the allowable density for the lot on which the ADU or JADU is located.
3. Considered in the application of any local ordinance, policy, or program to limit residential growth.
4. Required to correct a nonconforming zoning condition, as defined below under Definitions. This does not prevent the City from enforcing compliance with applicable building standards in accordance with Health and Safety Code Section 17980.12.

**C. Definitions.** As used in this section, terms are defined as follows:

1. "Accessory dwelling unit" or "ADU" means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit also includes the following:
  - a. An efficiency unit, as defined by Section 17958.1 of the California Health and Safety Code; and
  - b. A manufactured home, as defined by Section 18007 of the California Health and Safety Code.
2. "Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.
3. "Complete independent living facilities" means permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.
4. "Efficiency kitchen" means a kitchen that includes all of the following:
  - a. A cooking facility with appliances.
  - b. A food preparation counter and storage cabinets that are of a reasonable size in relation to the size of the JADU.
5. "Junior accessory dwelling unit" or "JADU" means a residential unit that satisfies all of the following:
  - a. It is no more than 500 square feet in size.
  - b. It is contained entirely within an existing or proposed single-family structure. An enclosed use within the residence, such as an attached garage, is considered to be a part of and contained within the single-family structure.
  - c. It includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed single-family structure.
  - d. If the unit does not include its own separate bathroom, then it contains an interior entrance to the main living area of the existing or proposed single-family structure in addition to an exterior entrance that is separate from the main entrance to the primary dwelling.
  - e. It includes an efficiency kitchen, as defined in above.
6. "Livable space" means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.
7. "Living area" means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.
8. "Nonconforming zoning condition" means a physical improvement on a property that does not conform with current zoning standards.
9. "Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU.
10. "Proposed dwelling" means a dwelling that is the subject of a permit application and that meets the requirements for permitting.
11. "Public transit" means a location, including, but not limited to, a bus stop or train station, where the public may

access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

12. "Tandem parking" means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

**D. Approvals.** The following approvals apply to ADUs and JADUs under this section:

1. **Building-permit Only.** If an ADU or JADU complies with each of the general requirements in subsection (E) below, it is allowed with only a building permit in the following scenarios:

- A. **Converted on Single-family Lot:** One ADU as described in this subsection and one JADU on a lot with a proposed or existing single-family dwelling on it, where the ADU or JADU:

1. Is either: within the space of a proposed single-family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress; and
2. Has exterior access that is independent of that for the single-family dwelling; and
3. Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.
4. The JADU complies with the requirements of Government Code sections 66333 through 66339.

- B. **Limited Detached on Single-family Lot:** One detached, new-construction ADU on a lot with a proposed or existing single-family dwelling (in addition to any JADU that might otherwise be established on the lot), if the detached ADU satisfies each of the following limitations:

1. The side and rear yard setbacks are at least four (4) feet.
2. The total floor area is 800 square feet or smaller.
3. The height does not exceed the applicable height limit in subsection below under "Height."

- C. **Converted on Multifamily Lot:** One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. At least one converted ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.

- D. **Limited Detached on Multifamily Lot:** No more than two detached ADUs on a lot with a proposed multifamily dwelling, or up to eight detached ADUs on a lot with an existing multifamily dwelling, if each detached ADU satisfies all of the following:

1. The side and rear yard setbacks are at least four feet. If the existing multifamily dwelling has a rear or side yard setback of less than four feet, the city will not require any modification to the multifamily dwelling as a condition of approving the ADU.
2. The height does not exceed the applicable height limit provided in subsection below under "Height."
3. If the lot has an existing multifamily dwelling, the quantity of detached ADUs does not exceed the number of primary dwelling units on the lot.

2. **ADU Permit.**

- A. Except as allowed under subsection (D)(1) above, no ADU may be created without a building permit and an ADU permit in compliance with the standards set forth in subsections (E) and (F) below.
- B. The city may charge a fee to reimburse it for costs incurred in processing ADU permits, including the costs of adopting or amending the city's ADU ordinance. The ADU-permit processing fee is determined by the director of community development and approved by the city council by resolution.

3. **Process and Timing.**

- A. An ADU permit is considered and approved ministerially, without discretionary review or a hearing.

- B. The city must approve or deny an application to create an ADU or JADU within 60 days from the date that the city receives a completed application. If the city has not approved or denied the completed application within 60 days, the application is deemed approved unless either:
    - 1. The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or
    - 2. When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot, the city may delay acting on the permit application for the ADU or JADU until the city acts on the permit application to create the new single-family or multifamily dwelling, but the application to create the ADU or JADU will still be considered ministerially without discretionary review or a hearing.
  - C. If the city denies an application to create an ADU or JADU, the city must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period.
  - D. A demolition permit for a detached garage that is to be replaced with an ADU is reviewed with the application for the ADU and issued at the same time.
- E. General ADU and JADU Requirements.** The following requirements apply to all ADUs and JADUs that are approved under subsections (D)(1) or (D)(2) above:
- 1. Zoning**
    - A. An ADU subject only to a building permit under subsection (D)(1) above may be created on a lot in a residential or mixed-use zone.
    - B. An ADU subject to an ADU permit under subsection (D)(2) above may be created on a lot that is zoned to allow single-family dwelling residential use or multifamily dwelling residential use.
    - C. In accordance with Government Code section 66333(a), a JADU may only be created on a lot zoned for single-family residences.
  - 2. Height**
    - A. Except as otherwise provided by subsections (E)(2)(B) and (E)(2)(C) below, a detached ADU created on a lot with an existing or proposed single family or multifamily dwelling unit may not exceed 16 feet in height.
    - B. A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or high quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit.
    - C. A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height.
    - D. An ADU that is attached to the primary dwelling may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection (E)(2)(D) may not exceed two stories.
    - E. For purposes of this subsection (E)(2), height is measured from existing legal grade or the level of the lowest floor, whichever is lower, to the peak of the structure.
  - 3. Fire Sprinklers**

- A. Fire sprinklers are required in an ADU if sprinklers are required in the primary residence.
  - B. The construction of an ADU does not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.
4. **Rental Term.** No ADU or JADU may be rented for a term that is shorter than 28 days. This prohibition applies regardless of when the ADU or JADU was created.
5. **No Separate Conveyance.** An ADU or JADU may be rented, but, except as otherwise provided in Government Code section 66341, no ADU or JADU may be sold or otherwise conveyed separately from the lot and the primary dwelling (in the case of a single-family lot) or from the lot and all of the dwellings (in the case of a multifamily lot).
7. **Owner Occupancy.**
- A. ADUs created under this section on or after January 1, 2020 are not subject to an owner-occupancy requirement.
  - B. As required by state law, all JADUs are subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or JADU, as the person's legal domicile and permanent residence. However, the owner-occupancy requirement in this subsection (E)(7)(B) does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.
8. **Deed Restriction.** Prior to issuance of a certificate of occupancy for a JADU, a deed restriction must be recorded against the title of the property in the County Recorder's office and a copy filed with the Director. The deed restriction must run with the land and bind all future owners. The form of the deed restriction will be provided by the city and must provide that:
- A. The JADU may not be sold separately from the primary dwelling.
  - B. The JADU is restricted to the approved size and to other attributes allowed by this section.
  - C. The deed restriction runs with the land and may be enforced against future property owners.
  - D. The deed restriction may be removed if the owner eliminates the JADU, as evidenced by, for example, removal of the kitchen facilities. To remove the deed restriction, an owner may make a written request of the Director, providing evidence that the JADU has in fact been eliminated. The Director may then determine whether the evidence supports the claim that the JADU has been eliminated. Appeal may be taken from the Director's determination consistent with other provisions of this Code. If the JADU is not entirely physically removed but is only eliminated by virtue of having a necessary component of a JADU removed, the remaining structure and improvements must otherwise comply with applicable provisions of this Code.
  - E. The deed restriction is enforceable by the Director, or designee for the benefit of the city. Failure of the property owner to comply with the deed restriction may result in legal action against the property owner, and the city is authorized to obtain any remedy available to it at law or equity, including, but not limited to, obtaining an injunction enjoining the use of the JADU in violation of the recorded restrictions or abatement of the illegal unit.
9. **Building & Safety.**
- A. Must comply with Building Code. Subject to subsection below, all ADUs and JADUs must comply with all local building code requirements.

- B. No change of occupancy. Construction of an ADU does not constitute a Group R occupancy change under the local building code, as described in Section 310 of the California Building Code, unless the Building Official or Code Enforcement Division makes a written finding based on substantial evidence in the record that the construction of the ADU could have a specific, adverse impact on public health and safety. Nothing in this subsection prevents the city from changing the occupancy code of a space that was uninhabitable or that was only permitted for nonresidential use and was subsequently converted for residential use in accordance with this section.

F. **Specific ADU Requirements.** The following requirements apply only to ADUs that require an ADU permit under subsection (d)(2) above.

**1. Maximum Size.**

- A. The maximum size of a detached or attached ADU subject to this subsection (F) is 850 square feet for a studio or one-bedroom unit and 1,000 square feet for a unit with two or more bedrooms.
- B. An attached ADU that is created on a lot with an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling.
- C. Application of other development standards in this subsection (F), such as FAR or lot coverage, might further limit the size of the ADU, but no application of the percent-based size limit in subsection (F)(1)(B) above or of an FAR, front setback, lot coverage limit, or open-space requirement may require the ADU to be less than 800 square feet.

**2. Floor Area Ratio (FAR).** No ADU subject to this subsection (F) may cause the total FAR of the lot to exceed 45 percent, subject to subsection (F)(1)(C) above.

**3. Setbacks.**

- A. ADUs that are subject to this subsection (F) must conform to four (4) foot side and rear setbacks. ADUs that are subject to this subsection (F) must conform to 25-foot front setbacks, subject to subsection (F)(1)(C) above.
- B. No setback is required for an ADU that is subject to this subsection (F) if the ADU is constructed in the same location and to the same dimensions as an existing structure.

**4. Lot Coverage.** No ADU subject to this subsection (F) may cause the total lot coverage of the lot to exceed 45 percent if the primary dwelling is one-story or 35-percent if the primary dwelling is two-story, subject to subsection (F)(1)(C) above.

**5. Minimum Open Space.** No ADU subject to this subsection (F) may cause the total percentage of open space of the lot to fall below 50 percent, subject to subsection (F)(1)(C) above.

**6. Passageway.** No passageway, as defined by subsection (C)(9) above, is required for an ADU.

**7. Parking.**

- A. Generally. One off-street parking space is required for each ADU. The parking space may be provided in setback areas or as tandem parking, as defined by subsection (C)(12) above.
- B. Exceptions. No parking under subsection (F)(7)(A) is required in the following situations:
  - 1. The ADU is located within one-half mile walking distance of public transit, as defined in subsection (C)(11) above.

2. The ADU is located within an architecturally and historically significant historic district.
  3. The ADU is part of the proposed or existing primary residence or an accessory structure under subsection (D)(1)(A) above.
  4. When on-street parking permits are required but not offered to the occupant of the ADU.
  5. When there is an established car share vehicle stop located within one block of the ADU.
  6. When the permit application to create an ADU is submitted with an application to create a new single-family or new multifamily dwelling on the same lot, provided that the ADU or the lot satisfies any other criteria listed in subsections (F)(7)(B)(1) through (5) above.
- C. **No Replacement.** When a garage, carport, covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an ADU or converted to an ADU, those off-street parking spaces are not required to be replaced.

**8. Architectural Requirements.**

- A. The exterior lighting must be limited to down-lights or as otherwise required by the building or fire code.
- B. The ADU must have an independent exterior entrance, apart from that of the primary dwelling. An attached ADU entrance must not be visible from the public right-of-way.
- C. The ADU may have an attached porch or covered entry way not exceeding 60 square feet in area and with a maximum depth of six (6) feet.
- D. All windows that are located nine (9) feet in height above the finished floor must be clerestory windows (no dormers) and must be frosted or obscure glass.
- E. The ADU and primary dwelling must use the same driveway to access the street, unless otherwise required for fire-apparatus access, as determined by the City's Fire Department.
- F. The ADU must have clear addresses visible from the street. Addresses must be at least 4 inches high and shall be shown on the curb next to the primary address number.
- G. No mezzanine or partial floor, including a loft, is allowed in an ADU.

**9. Historical Protections.** An ADU on a property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right-of-way.

**10. Allowed Stories.** No ADU subject to this subsection (F) may have more than one story, except that an ADU that is attached to the primary dwelling may have the stories allowed under subparagraph (E)(2)(D) of this section.

**G. Fees.** The following requirements apply to all ADUs that are approved under subsections (D)(1) or (D)(2) above.

**1. Impact Fees.**

- A. No impact fee is required for an ADU that is less than 750 square feet in size. For purposes of this subsection (G)(1), "impact fee" means a "fee" under the Mitigation Fee Act (Gov. Code § 66000(b)) and a fee under the Quimby Act (Gov. Code § 66477). "Impact fee" here does not include any connection fee or capacity charge for water or sewer service.

- B. Any impact fee that is required for an ADU that is 750 square feet or larger in size must be charged proportionately in relation to the square footage of the primary dwelling unit. (e.g., the floor area of the ADU, divided by the floor area of the primary dwelling, times the typical fee amount charged for a new dwelling).

**2. Utility Fees.**

- A. If an ADU is constructed with a new single-family home, a separate utility connection directly between the ADU and the utility and payment of the normal connection fee and capacity charge for a new dwelling are required.
- B. Except as described in subsection (G)(2)(A), converted ADUs on a single-family lot that are created under subsection (D)(1)(A) above are not required to have a new or separate utility connection directly between the ADU and the utility. Nor is a connection fee or capacity charge required.
- C. Except as described in subsection (G)(2)(A), all ADUs that are not covered by subsection (G)(2)(B) require a new, separate utility connection directly between the ADU and the utility for any utility that is provided by the city. All utilities that are not provided by the city are subject to the connection and fee requirements of the utility provider.
  - 1. The connection is subject to a connection fee or capacity charge that is proportionate to the burden created by the ADU based on either the floor area or the number of drainage-fixture units (DFU) values, as defined by the Uniform Plumbing Code, upon the water or sewer system.
  - 2. The portion of the fee or charge that is charged by the city may not exceed the reasonable cost of providing this service.

**H. Nonconforming Zoning Code Conditions, Building Code Violations, and Unpermitted Structures.**

- 1. **Generally.** The city will not deny an ADU or JADU application due to a nonconforming zoning condition, building code violation, or unpermitted structure on the lot that does not present a threat to the public health and safety and that is not affected by the construction of the ADU or JADU.

**2. Unpermitted ADUs and JADUs constructed before 2020**

- A. **Permit to Legalize.** As required by state law, the city may not deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if denial is based on either of the following grounds:

- 1. The ADU or JADU violates applicable building standards, or
- 2. The ADU or JADU does not comply with state ADU or JADU law or this ADU ordinance Section 9102.01.080.

**B. Exceptions:**

- 1. Notwithstanding subsection (H)(2)(A) above, the city may deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if the city makes a finding that correcting a violation is necessary to comply with the standards specified in California Health and Safety Code section 17920.3.
- 2. Subsection (H)(2)(A) above does not apply to a building that is deemed to be substandard in accordance with California Health and Safety Code section 17920.3.

**9102.01.110 Permitted Projections in Multifamily Zones**

- A. Permitted Architectural Projections in R-2, R-3, and R-3-R Zones.** In multifamily zones, architectural and similar features may extend into required setback areas as identified in Table 2-7 (Permitted Projections and Encroachment into Required Setback Areas in Multifamily Zones).

<b>Table 2-7</b>			
<b>Permitted Projections and Encroachment into Required Setback Areas in Multifamily Zones</b>			
<b>Architectural Feature</b>	<b>Maximum Permitted Encroachment Distance into Required Setback Area</b>		
	<b>R2, R-3, and R-3-R Zones</b>		
	<b>Front</b>	<b>Side</b>	<b>Rear</b>
Awnings	18 inches	--	18 inches
Balconies	--	--	--
Bay windows, garden windows <sup>(1)</sup>	18 inches	18 inches	18 inches
Chimneys	18 inches	18 inches	18 inches
Cornices, belt courses, buttresses, pilasters, pillars, sills	12 inches	--	--
Eaves	24 inches	24 inches	24 inches
Trellis structures and patio covers	--	--	--

Notes:

(1) Bay windows, garden windows, and other similar architectural projections shall have a vertical distance of 30 inches or greater between the lowest surface of the projection and the finished floor.

- B. Permitted Mechanical Equipment Projections in Multifamily Residential Zones.** Mechanical equipment shall not be located within any required front or side yard setback, and shall not be set back less than three feet from the rear lot line. Exception: Tankless water heaters and solar batteries may encroach 24 inches into any required interior side or rear yard provided that a minimum setback of four feet is maintained.

## Section 9102.01.150 – Urban Lot Splits

**Purpose.** The purpose of this section is to implement the provisions of Government Code section 66411.7 for urban lot splits in single-family residentially zoned properties (R-M, R-0, and R-1).

**Applicability.** This section shall only apply to the extent that the City is required to ministerially approve urban lot splits under Government Code Section 66411.7. If Government Code section 66411.7 is repealed, determined to be unlawful or otherwise unenforceable, then this section shall only govern lots previously created through an urban lot split and no applicant for an urban lot split may claim any rights hereunder. The intent of this section is to only implement the requirements of Government Code Section 66411.7, and this section shall not be construed to allow any greater rights to an urban lot split than the City is required to grant under state law.

### Definitions.

1. “City” means the City of Arcadia, California.
2. “Director” means the Development Services Director for the City or designee.
3. “Individual property owner” means a natural person holding fee title individually or jointly in the person’s own name or a beneficiary of a trust that holds fee title. “Individual property owner” does not include any corporation or corporate person of any kind (partnership, LP, LLC, C corp, S corp, etc.) except for a community land trust (as defined by Revenue and Taxation Code Section 402.1(a)(11)(C)(ii)) or a qualified nonprofit corporation (as defined by Revenue and Taxation Code Section 214.15).
4. “Specific adverse impact” has the same meaning as in Government Code Section 65589.5(d)(2), which is a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete and does not include (1) inconsistency with the zoning ordinance or general plan land use designation or (2) the eligibility to claim a welfare exemption under Revenue and Taxation Code Section 214(g).
5. “Urban lot split” means the subdivision of an existing, legally subdivided lot into two lots in accordance with the requirements of Government Code Section 66411.7 and this section pursuant to a ministerial approval process.

### A. Requirements and Approval Authority

1. Only individual property owners may apply for an urban lot split.
2. The Director shall ministerially approve all applications for urban lot splits that are subject to approval. Such applications shall be approved or denied in accordance with subsection (B) below. Notwithstanding Division 5 of this Code, the parcel map shall be approved by the Director, and these decisions shall be final. The Director shall not waive the requirement to submit a tentative parcel map for an urban lot split.
3. An application and tentative parcel map for an urban lot split must be submitted on the City’s approved form. Only a complete application will be considered. The City will inform the applicant in writing of any incompleteness within 30 days after the application is submitted. The City’s application form shall, at a minimum, require the applicant to submit the following:
  - a. Evidence that the applicant is an individual property owner of the lot to be split.
  - b. A signed affidavit stating that the applicant intends to occupy one of the dwelling units on one of the resulting lots as the applicant’s principal residence for a minimum of three years after the urban lot split is approved.
  - c. Proof that none of the circumstances set forth in Subsections (B)(3)(f) & (g) are present.
  - d. Proof that the lot to be split was not established through a prior urban lot split under this section.
  - e. Proof of any inspections required under Subsection (B)(3)(d).
  - f. If the lot would result in the demolition or alteration of existing housing, proof that no housing on the lot has been occupied by a tenant within the past three years.

4. The tentative parcel map may not be recorded until the final parcel map has been approved ministerially by the Director. The owner must demonstrate that the required documents have been recorded, such as deed restriction and easements. The tentative parcel map expires six months after the approval. No extension shall be granted.
5. The application fee for an urban lot split will be the same as the City's Lot Line Adjustment fee within the approved Fee Schedule. This fee may be changed from time to time by the City Council, in accordance with applicable law.

**B. Requirements; Grounds for Denial**

1. **Objective Development Standards for Urban Lot Split.** An urban lot split, and any development of a parcel created from an urban lot split, shall comply with all requirements of this Chapter, all objective development standards set forth in this Code or otherwise established by the City, and all other City requirements that are not in conflict with Government Code Section 66411.7.
  - a. The new lot line must be at a straight line starting from the front property line to the rear property line, or side if it is a corner lot. There shall be no curve or angles when subdividing the lot.
2. **Subdivision Standards.**
  - a. Except as otherwise expressly provided in this section, an urban lot split must conform to all applicable objective requirements of the Subdivision Map Act (Government Code section 66410 *et. seq.*) and Division 5 of Article IX (Subdivisions) of this Code.
  - b. No dedication of rights-of-way or construction of offsite improvements shall be required for an urban lot split, except for those necessary to complete standard sidewalk, parkway, and/or drainage improvements directly associated with the subject property. To the extent that dedication of rights-of-way or construction of offsite improvements are necessary to avoid a specific adverse impact, the application shall be subject to denial.
3. **Denial.** The Director shall deny an application for an urban lot split if any of the following are true:
  - a. **Development and Subdivision Standards.** The lot to be split does not satisfy the requirements of subsections (B)(1) or (B)(2) above or (C) below.
  - b. **Zone.** The lot to be split is not zoned for single family residential uses.
  - c. **Lot Location.** The lot to be split does not satisfy the requirements of Government Code Section 65913.4(a)(6)(B)–(K). (See Government Code Section 66411.7(a)(3)(C).)
  - d. **Inspection**
    - i. For lots within a high fire hazard severity zone, the application does not include proof of an inspection confirming full compliance with all fire-hazard mitigation measures required by state statutes. The inspection shall be conducted by the City's fire marshal or person authorized by the City to perform building inspections.
    - ii. For lots within a delineated earthquake fault zone, the application does not include proof of full compliance with applicable seismic protection building code standards.
  - e. **Historic**
    - i. The lot to be split is a historic property or within a historic district that is included on the State Historic Resources Inventory.
    - ii. The lot to be split is within a site that is designated by ordinance as a city landmark, is considered a local historic property or resource, or is located within a local historic district.
  - f. **Prior Urban Lot Split.**
    - i. The lot to be split was established through a prior urban lot split.
    - ii. The lot to be split is adjacent to a lot that was established through a prior urban lot split by the

owner of the lot to be split or by any person acting in concert with the owner.

- g. **Impact on Protected Housing.** The urban lot split requires or includes the demolition or alteration of any of the following types of housing:
  - i. Housing that is income-restricted for households of moderate, low, or very low income.
  - ii. Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.
  - iii. Housing, or a lot that used to have housing, that has been withdrawn from rental or lease under the Ellis Act (Government Code Sections 7060–7060.7) at any time in the 15 years prior to submission of the urban lot split application.
  - iv. Housing that has been occupied by a tenant in the last three years.
- h. **Lot Size**
  - i. The lot to be split is smaller than 2,400 square feet.
  - ii. Either or both of the resulting lots are less than 1,200 square feet.
  - iii. Either of the resulting lots is more than 60% or less than 40% of the original lot area.
- i. **Easements.** The applicant does not convey all easements required for the provision of public services and facilities.
- j. **Specific Adverse Impacts.** If the Director makes a written finding, based on a preponderance of the evidence, that the project would have a “specific, adverse impact” on either public health and safety or on the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.
- k. **No Legal Requirement.** If for any reason, including but not limited to repeal of Government Code Section 66411.7, initiative or referendum, court decision or any circumstance in which Section 66411.7 does not obligate the ministerial approval of an urban lot split or if for any reason the Director is not required to ministerially approve an urban lot split. To the extent that approval of an urban lot split is considered a municipal affair of a charter city, the intent of this section is that the Director shall deny an urban lot split notwithstanding any state statute to the contrary.

### C. Standards Specific to Urban Lot Splits

The following development standards shall apply to urban lot splits approved under this section. In the event of a conflict between this subsection and any other development standard contained outside of the Development Code, this subsection shall govern.

1. **Lot Access.** Each resulting lot must adjoin the public right-of-way with no more than 60% of the original frontage and no less than 40% of the original frontage of the lot.
2. **Unit Quantity.** No more than two units of any kind are permitted on any lot created by an urban lot split. For purposes of this paragraph, “unit” means any dwelling unit, including, but not limited to an ADU, or a JADU.
3. **Unit Size.** Notwithstanding Section 9102.01 for Single-Family Residential Zones:
  - a. The total floor area of each residential unit developed on a lot created by an urban lot split must be less than or equal to 800 square feet and at least 500 square feet.
  - b. A primary dwelling that was legally established prior to the urban lot split and that is larger than 800 square feet in floor area may remain as its lawful floor area and structural footprint at the time of the urban lot split.
  - c. A primary dwelling that was legally established prior to the urban lot split and that is smaller than 800 square feet in floor area may be expanded to 800 square feet in floor area after the urban lot split.

d. The unit size shall comply with the setbacks, height, parking, and other applicable standards in Section 9102.01.160 for Two-Unit Units Projects approved under an urban lot split.

4. **Objective Development Standards and Other Regulations.** Units built following an Urban Lot Split shall comply with the setbacks, height, FAR and lot coverage, and parking requirements found in Section 9102.01.160(C), all objective development standards found in Section 9102.01.160(F), and the City's Tree Ordinance as provided in Division 10 of this Code.

5. **Utilities.**

a. Each dwelling unit on the resulting lots must have its own direct utility connection to the utility service provider.

For each dwelling unit on the resulting lots that is or that is proposed to be connected to an onsite wastewater treatment system, the applicant must: (1) demonstrate that each primary dwelling unit will have its own septic tank and leach line; (2) submit a percolation test completed within the last five years or, if the percolation test has been recertified, within the last 10 years. This section shall not be

interpreted to allow an onsite wastewater treatment system where connection to a sewer system is available or required.

**D. Fire-Hazard Mitigation Measures.** A site in a very high fire hazard severity zone must comply with each of the following fire-hazard mitigation measures:

1. Emergency access and water supply requirements shall comply with the California Code of Regulations Title 14 and Title 24, Part 9.
2. All new structures on the site must comply with current building code standards for dwellings in a very high fire hazard severity zone.

**E. Separate Conveyance**

1. **Within a resulting lot:**

- a. Dwelling units on a single lot that is created by an urban lot split may not be owned or conveyed separately from each other.
- b. Condominium airspace divisions and common interest developments are not permitted on a lot that is created by an urban lot split.
- c. All fee interest in a lot must be held equally and undivided by all individual property owners.

2. **Between resulting lots.** Separate conveyance of the resulting lots is permitted. If dwellings or other structures (such as garages) on different lots are adjacent or attached to each other, the urban lot split boundary may separate them for conveyance purposes if the structures meet building code safety standards and are sufficient to allow separate conveyance. If any attached structures span or will span the new lot line, the owner must record appropriate conditions, covenants, restrictions, easements or other documentation that is necessary to allocate risk and responsibility between the owners of the two lots.

**F. Restriction of Uses.**

1. **Residential-only.** No non-residential use is permitted on any lot created by urban lot split.
2. **No Short-Term Rentals.** No dwelling unit on a lot that is created by an urban lot split may be rented for a period of less than ~~28~~ 30 days.
3. **Owner Occupancy Affidavit.** The applicant for an urban lot split must sign an affidavit stating that the applicant intends to occupy one of the dwelling units on one of the resulting lots as the applicant's principal residence for a minimum of three years after the urban lot split is approved.

**G. Deed Restriction.**

1. The owner must record a deed restriction for the benefit of the City, in a form acceptable to the Director and the City Attorney, that does each of the following:

- a. Gives notice that the parcel was created through an urban lot split.
- b. Gives notice of any site limitations resulting from the urban lot split.
- c. Expressly prohibits any development or construction on the parcel that would be inconsistent with this Chapter.
- d. Expressly prohibits any rental of any dwelling on the property for a period of less than 28 ~~30~~ days.
- e. Expressly prohibits any non-residential use of the lots created by the urban lot split.
- f. Expressly prohibits any separate conveyance of a primary dwelling on the property, any separate fee interest, and any common interest development within the lot.
- g. Identifies the City as an intended third-party beneficiary with the right, but not the obligation, to enforce its terms and provisions.
- h. Provides a statement of intent to occupy a unit for a period of three years.

The Director shall not issue a building permit for development on any lot created through an urban lot split unless the applicant provides a recorded copy of a deed restriction that satisfies the provisions above.

**9102.05.030 Development Standards in Downtown Zones**

**Table 2-11  
Development Standards for  
Downtown Zones**

Development Feature	CBD <sup>(1)</sup>	MU	DMU <sup>(1)</sup>	CM	Additional Requirements
<b>Lot Standards</b>					
<b>Minimum Lot Area</b>	5,000 sf	5,000 sf	10,000 sf	5,000 sf	

**Amended by Ord. No. 2356**

**Amended by Ord. No. 2400**

New land uses and structures, and alterations to existing land uses and structures, shall be designed, constructed, and/or established in compliance with the requirements in Table 2-10 (Allowed Uses and Permit Requirements for Downtown Zones) and Table 2-11 (Development Standards for Downtown Zones) and the development standards in Division 3 (Regulations Applicable to All Zones – Site Planning and General Development Standards). Additional regulations are denoted in the right-hand column of Table 2-11 (Development Standards for Downtown Zones); section and subsection numbers in this column refer to other sections and subsections of this Code.

**Structure Form and Location Standards**

<b>Maximum Residential Density</b>	80 units/acre	50 units/acre	80 units/acre	Residential not allowed except for parcels with a DMU or RF Overlay	See Note (3) below
<b>Minimum Residential Density</b>		40 units/acre	20 units/acre	20 units/acre	Accommodate a minimum of 16 units per site.
<b>Maximum FAR <sup>(2)</sup></b>	1.0	1.0	1.0	0.5	
<b>Minimum Storefront Width</b>	25 ft	N/A	N/A	N/A	

**Minimum Setback**

<b>Front or adjacent to a Side (Interior)</b>	0 ft (10 ft maximum)	0 ft (10 ft maximum)	0 ft (10 ft maximum)	10 ft	See Note (4) below
Abutting nonresidential or mixed-use zone	0 ft	0 ft	0 ft	0 ft	
Abutting residential zone	10 ft	10 ft	10 ft	10 ft	
Side (Street side)	0 ft (10 ft maximum)	0 ft (10 ft maximum)	0 ft (10 ft maximum)	5 ft	See Note (4) below

**Rear**

Abutting Nonresidential or Downtown zone	0 ft	0 ft	0 ft	0 ft	
Abutting residential zone	20 ft	15 ft	15 ft	10 ft	
<b>Maximum Height</b>	60 ft	40 ft	60 ft	40 ft	
<b>Minimum Open Space for Residential Uses</b>	100 sf per unit	100 sf per unit	100 sf per unit	N/A	See Subsection 9102.05.040.D (Open Space Requirements for Residential Uses in CBD, MU, and DMU Zones)

Notes:

- (1) See City Center Design Plan for additional design guidelines.
- (2) FAR maximum is applicable only to nonresidential component of a development.
- (3) Utilize DMU Zone development standards for a residential project located on a C-M zoned parcel within the DMU Overlay area and use the RF Development standards for a residential project located on a C-M zoned parcel within the RF Overlay area.
- (4) Where a property in the C-M Zone fronts First Avenue, the front setback shall be 0 ft (10 ft maximum) and the side (street side) setback shall be 0 ft (5 ft maximum).

**9102.11.030 DTP - Downtown Parking Overlay Zone**  
**Amended by Ord. No. 2375**

- A. Purpose and Intent.** The Downtown Parking Overlay Zone, indicated on the Zoning Map as “DTP,” is intended to provide opportunities for economic development within the Downtown area through shared parking mechanisms and the reduction in certain parking requirements.
- B. Located Onsite.** All required surface parking spaces shall be provided in a surface lot or parking garage located on the same building site or within the same development, except where allowed by Section 9102.11.030.C (Off-Site Parking), below.
- C. Off-Site Parking.** Off-site parking for new uses or new nonresidential construction may be permitted on either a privately owned property or public property through the Site Plan and Design Review process or other applicable discretionary review permit process for an individual use or development project, subject to Section 9103.07.090 and the following regulations:

  - 1. Location of Off-Site Parking.** An off-site parking facility serving a use within the Downtown Parking Overlay Zone shall be located within the Downtown Parking Overlay Zone.
  - 2. Irrevocable Access and/or Parking Easement.** If parking is provided at an off-site location, an irrevocable access and/or parking easement shall be obtained on the other site for use and benefit of the site in issue. Such access and/or parking agreement, when fully exercised, shall not diminish the available parking capacity of the site subject to the easement to less than required by this Chapter.
- D. Change in Use.** No additional parking is required when there is a change in use within the Downtown Parking Overlay Zone. This requirement does not apply to any development that was previously approved under a Conditional Use Permit or Minor Use Permit.
- E. Parking Modifications for New Structures and Expansions.** Property owners in the Downtown Parking Overlay Area may request an Administrative Modification to reduce the required off-street parking requirement, pursuant to Section 9107.05 (Administrative Modifications).
- F. Elimination of Parking Minimums –** No minimum off-street parking spaces shall be required for an expansion to an existing commercial use that is 3,000 square feet or less on a property that is zoned Central Business District (CBD) and within 150 feet from the City’s public parking lot. The distance shall be measured from property lines to property lines. Any addition that is more than 3,000 square feet, may request an Administrative Modification under Subsection 9102.11.030(E) and shall not rely on the City’s parking supply, or make an in lieu payment pursuant to the requirements in Section 9103.07.090 (Shared/Joint Use, Off-Site Parking, and In-Lieu Parking).

**9102.11.050 RF Residential Flex Overlay Zone**  
**Amended by Ord. No. 2400**

- A. Purpose and Intent.** The Residential-Flex “RF” Overlay Zone is established to provide for greater flexibility in land use planning and to maximize the housing types and styles at a more affordable price range than may be possible under the strict application of other sections of this Division. The RF Overlay Zone provides the option to build a residential project in a commercial zone. Given the state of commercial development throughout the City and region, there are locations that may benefit from this flexibility; also, a residential project may serve as a catalyst for other types of development in the surrounding area. The RF Overlay Zone is intended to maintain compatibility between residential and non-residential uses on adjacent lots through development standards and design guidelines. The standards in this section are applicable to stand-alone residential projects only; all other projects are subject to the requirements of the underlying zoning designation.
- B. Allowed Uses.** In addition to the land use regulations of the underlying zone, allow residential developments by-right when 20 percent or more of the units are affordable to lower income households on sites identified as part of the Residential Flex Overlay Zone. By-right development will not require a CUP, planned unit development permit, or other discretionary review or approval except for the City’s Subdivision requirements and Objective Development Standards. Refer to Section 9103.15.030 of the Code for additional incentives and concessions for affordable housing development.
- C. Development Standards.** New land uses and structures, and alterations to existing land uses and structures, shall be designed, constructed, and/or established in compliance with the requirements in Table 2-15 (Development Standards for Residential Flex Overlay Zone) and the development standards in Division 3 (Regulations Applicable to All Zones – Site Planning and General Development Standards). Additional regulations are denoted in the right hand column of Table 2-15 (Development Standards for Residential Flex Overlay Zone).

<b>Table 2-15</b>				
<b>Development Standards for Residential Flex Overlay Zones</b>				
Development Feature	Live Oak	Las Tunas	Commercial General (CG) <sup>2</sup>	Additional Requirements
<b>Structure Form and Location Standards</b>				
<b>Maximum Height</b>	60 ft			See Subsection 9103.01.050 (Height Measurements and Exceptions)
<b>Residential Density</b>				
Maximum	50 units/acre			
Minimum	30 units/acre			
<b>Minimum Setbacks <sup>(1)</sup></b>				
Front or adjacent to a street	10 ft			
Side (interior)	10 ft			
Side (Street side)	10 ft			
Rear	10 ft			

**Table 2-15  
Development Standards for  
Residential Flex Overlay Zone**

Development Feature	R-F	Additional Requirements
<b>Structure Form and Location Standards</b>		
<b>Distance between Structures – Minimum</b>	6 ft	Or as may otherwise be required by the Fire Code
<b>Minimum Open Space for Residential Uses</b>	100 sf per unit	See Subsection 9102.11.050.F (Open Space)

Notes:

(1) Refer to Section H for additional setback provisions.

(2) Residential units are permissible if affordable units are provided per the City's Density Bonus requirements (Section 9103.15). Properties within the CG zone with a Residential Flex Overlay may only be developed with residential uses if identified in the available sites list within the 6th Cycle Housing Element Update on file in the Development Services Department. **A property within the CG Zone, but which is not listed in the available sites list, may be consolidated with an adjacent lot/s identified in the available sites list where all properties are under the same ownership. Consolidation of a site not on the available sites list will be subject to a Site Plan and Design Review – Director (Minor Review) (Section 9107.19.030).**

**D. No Parking within Front and/or Street Side Setbacks.** No parking shall be allowed within required front and/or street side setbacks, or within any landscaped area not designated as a driveway or vehicle parking area.

**E. Parking Requirements.** New residential development in the R-F Overlay Zones shall require a minimum of 1 space per studio unit and 1.5 spaces per unit. Unless parking reductions or modifications are allowed in compliance with provisions identified, parking spaces shall be provided in compliance with Table 3-3 (Off-Street Parking Requirements: Residential Uses).

**F. Laundry Facilities.** If an area for installation of laundry facilities is not provided in every unit, a common laundry area shall be provided with a minimum of one washer and one dryer for each eight units. The common laundry area shall be centrally located to the units served.

**G. Open Space**

1. **Type.** Open space shall be in the form of private or common open space via balconies, courtyards, at-grade patios (rear and side of the units), rooftop gardens, or terraces.
2. **Minimum Dimension.** Balconies that are 30 inches or less in width or depth shall not be counted as open space.
3. **Encroachment.** Balconies that project over a public right-of-way shall be subject to approval by the City Engineer.

**H. Special Setback and Stepback Requirements.** The purpose and intent of this section is to provide minimum standards for property line setbacks and building stepbacks in cases where existing residential development is adjacent to new construction within the RF Overlay to protect adjacent residential neighborhood integrity and character. These special requirements apply to residential uses that were in existence at the time of adoption of these special provisions. The following standards shall apply:

**1. Adjacent to Existing Residential**

- a. 10-foot minimum building setback from property line (See "A" in Figure 2-B)
- b. 3-foot minimum building stepback for building heights greater than 30-feet (See "B" and "C" In Figure 2-B), when significant adjacent view impacts can be demonstrated.
- c. Appropriate planting, trees or other natural materials shall be provided within the view plane of adjacent residential uses.

- i. All plantings or other natural materials shall be at full maturity within 1 year of installation and shall be maintained in a manner that preserves its natural state.
  - ii. Planting materials shall be primarily evergreen and shall limit shedding or loss of leaves during winter months.
  - iii. Deciduous trees and plantings shall be limited in a manner that does not demonstrably impact the screening from adjacent properties.
2. **Exceptions.** Special exceptions may be granted to setback, stepback and screening requirements through the processing of a modification application if the following can be demonstrated by the project applicant. All exception requests shall be subject to the provisions of the City's adopted Objective Design Standards.
- a. The setback standards preclude the applicant from reaching minimum densities and can be demonstrated conclusively by the applicant
  - b. The standards preclude the development of affordable housing units and can be demonstrated conclusively by the applicant.
  - c. Unique site conditions or factors that may preclude the ability to comply with setback standard and/or the installation of landscape screening.

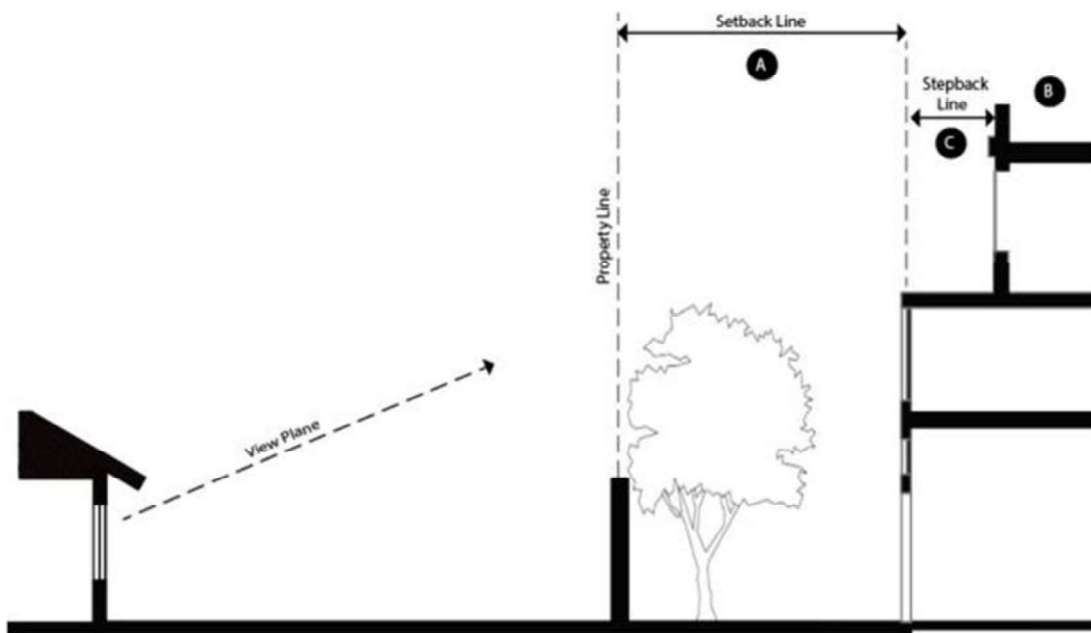


Figure 2-B: Setback and Step Back Provisions

### I. Design Review

1. **Applicability.** Structures erected or modified to accommodate the land uses allowed by this Section shall require the approval of a Site Plan and Design Review subject to the requirements of Section 9107.19 (Site Plan and Design Review) of this Development Code.
2. **Design Review Criteria.** The project design shall be compatible with the scale and quality of development within the underlying zone and surrounding area. In conducting a review of projects subject to the requirements of this Section, the Review Authority may utilize design guidelines/criteria that have been adopted by the City in order to provide guidance to project proponents on how to best achieve the City's expectations for quality development; implementation of the applicable General Plan goals and policies; and maintenance of the public health, safety, general welfare and property throughout the underlying zone. Existing land uses shall be considered in the review of projects utilizing the the Residential Flex Overlay Zone. Neighborhood Serving Retail, such as supermarkets/ grocery stores shall be retained and integrated

into new projects to the extent feasible to maintain commercial retail and services to serve the needs of the local and surrounding community.

# **EXHIBIT “B”**

## **Development Code, Division 3**

## **Section 9103.05 – Fences, Walls, and Gates**

### **Subsections:**

- 9103.05.010 Purpose and Intent
- 9103.05.020 Permit Requirements
- 9103.05.030 Development Standards
- 9103.05.040 Prohibited Fencing Materials in All Zones

### **9103.05.010 Purpose and Intent**

- A. This Section establishes standards and regulations for the construction and maintenance of fences, walls, and gates, as the terms are defined in Division 9 (Definitions). The standards are intended to ensure that these types of structures provide the desired privacy and safety while avoiding becoming a public safety hazard or nuisance.
- B. For Specific Plans and Planned Developments, fence and wall heights shall comply with the standards contained within the applicable Specific Plan or Planned Development. Where the Specific Plan or Planned Development is silent with regard to fence and wall height, the standards for the zone that most closely reflects the Specific Plan or the Planned Development shall apply, as determined by the Director.

### **9103.05.020 Permit Requirements**

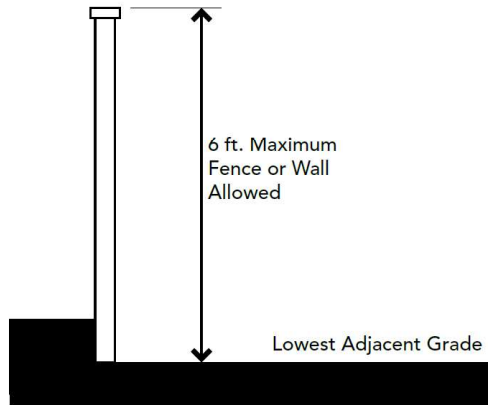
Construction of new fences, walls, and gates shall be subject to Site Plan and Design Review according to Section 9107.19 (Site Plan and Design Review).

### **9103.05.030 Development Standards Amended by Ord. No. 2347**

#### **A. General**

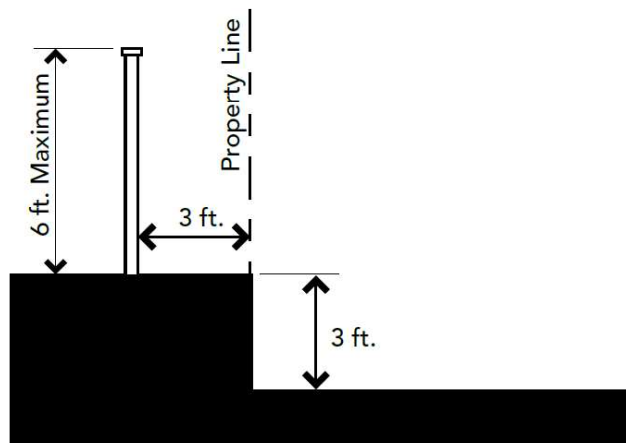
1. The fence or wall height shall be measured from the lowest adjacent grade to the uppermost part of the fence or wall. Refer to Figure 3-7 (Fence Height Measurement).
2. When there is a full landscaped parkway with no sidewalk, a fence and/or columns, excluding vehicular entry gate(s), may be placed adjacent to the front property line.
3. The need for any retaining walls and/or fences, and their heights, shall be determined by the Director and the Building Official through the Site Plan Review process. An administrative modification is not required for retaining walls and/or fences located on hillsides.
4. Temporary construction fencing that is of chain link or wire type may be allowed within the front and street side setback areas, provided it does not exceed six feet in height.
5. All fences, walls, and gates shall be subject to the height limitations described in Section 9103.01.070 (Vehicular Visibility Standards) of this Development Code.

**Figure 3-7  
Fence Height Measurement**



- B. **Fence Height with Difference in Grade.** Where there is a difference in a grade between properties, a fence, wall, or gate may be a maximum height of six feet adjacent to the rear and property lines if such fence, wall, or gate maintains a minimum setback that is equal to the difference in grade between the properties. See Figure 3-8 (Fence Height Measurement with a Difference in Grade). In all other situations, the wall height shall comply with the provisions of this Section.

**Figure 3-8  
Fence Height Measurement with a Difference in Grade**



C. **Residential Zones**

1. **Fences, Walls, and Gates Located in the Front Setback**

- a. The required setbacks, height dimensions, and spacing for fences, walls, and gates shall be as indicated in Table 3-2 (Fences, Walls, and Gates) and Figure 3-9 (Fences, Walls, and Gates).

**Table 3-2  
Fences, Walls, and Gates – Front Setback**

Front Setbacks	Regulations within Each Residential Zone					
	Zones					
Requirement	R-M	R-0	R-1	R-2	R-3	R-3-R
<b>Setbacks</b>						
Decorative fences, columns, and caps	3 ft minimum from property line					Fences, walls, and/or vehicular gates prohibited within front and street side setbacks. <sup>(1)</sup>
Vehicular entry gates and pilasters	4 ft minimum from the property line					
<b>Height</b>						
Decorative fences, columns, and caps:	4 ft maximum	4 ft maximum (N of Hugo Reid Drive) 3 ft maximum (S of Hugo Reid Drive)	3 ft maximum	4 ft maximum <sup>(2)</sup>	4 ft maximum <sup>(2)</sup>	3 ft maximum <sup>(3)</sup>
Pedestrian entry gates, vehicular entry gates, and pilasters:	4 ft maximum	5 ft max (N of Hugo Reid Drive) 4 ft maximum (S of Hugo Reid Drive)	4 ft maximum	4 ft maximum <sup>(2)</sup>	4 ft maximum <sup>(2)</sup>	3 ft maximum <sup>(3)</sup>
Decorative lights, limited to entry points at pedestrian and vehicular entry gates	18 inches above the maximum fence/column height					--
Decorative outdoor post mounted light fixture	8 ft maximum					--
<b>Dimensions and Spacing</b>						
Distance between decorative columns for a pedestrian entry gate.	4 ft minimum 8 ft maximum					---
Horizontal intervals of columns and posts	8 ft minimum					--
Dimension of columns and posts	24 inches maximum					---
Dimensions of caps	30 inches by 30 inches maximum					---
Garden arbor or pergola over a pedestrian walkway (allowed within the front setback area)	8 ft height maximum			--	--	--

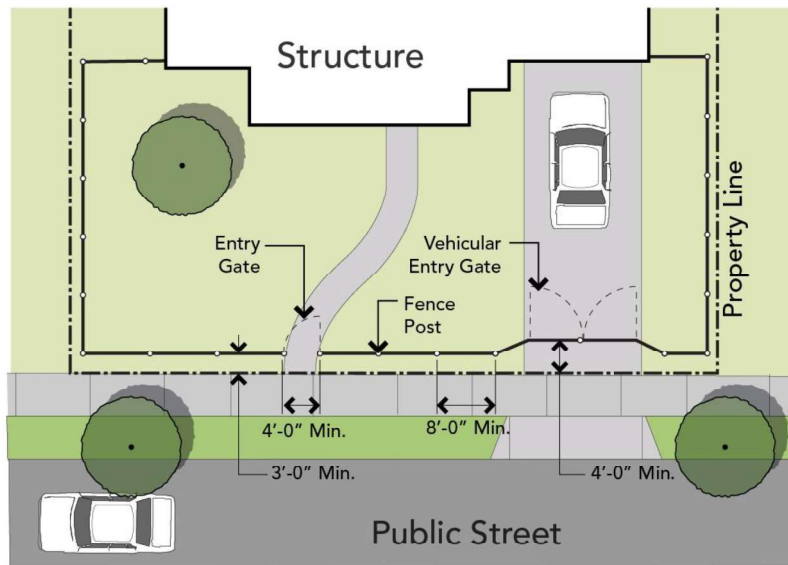
**Notes:**

**Table 3-2  
Fences, Walls, and Gates – Front Setback**

Front Setbacks	Regulations within Each Residential Zone					
	Zones					
Requirement	R-M	R-0	R-1	R-2	R-3	R-3-R

- (1) Except for guard rails and hand rails required for safety protection, or for reasonable accommodation (ADA) purposes, up to the minimum height required by the Building Code.
- (2) Applicable to properties with multifamily dwelling units that face the street-side of a lot.
- (3) Temporary construction fencing that is of chain link or wire type may be allowed within the front street and side setback areas, provided it does not exceed six feet in height.
- (4) For fences, walls, and gates in side and rear setback areas, see Subsection 9103.05.030C.5 (Fences, Walls, and Gates—Side and Rear Setback Areas)

**Figure 3-9  
Fences, Walls, and Gates**

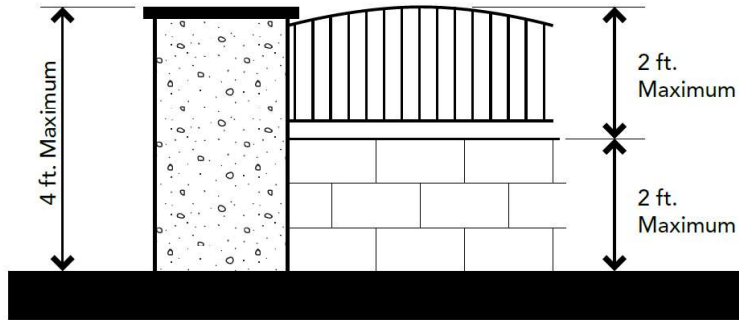


**2. Special Regulations for Fences, Walls, and Gates Located in the Front Setback—Residential Zones**

**a. R-M and R-0 Zones**

- (1) A solid wall adjacent to the interior side property line may be allowed in the front setback area, provided that it does not exceed four feet in height.
- (2) Only one pedestrian gate with decorative columns shall be allowed within the front setback area.
- (3) All fences shall be of open work design (a minimum of four inches between vertical and horizontal members.) A two-foot high solid wall may be combined within the allowed height of the decorative fence. Refer to Figure 3-10 (Fence in R-M and R-0 Zones).

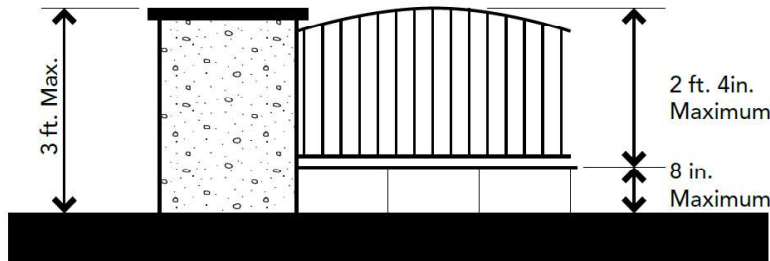
**Figure 3-10  
Fence in R-M and R-0 Zones**



**b. R-1 Zone**

- (1) All fences shall be of open work design (a minimum of four inches between vertical and horizontal members.) A solid decorative masonry base for fences may be allowed in the front setback area, provided that it does not exceed eight inches in height. Refer to Figure 3-11 (Fence in R-1 Zone).

**Figure 3-11  
Fence in R-1 Zone**



- (2) A solid wall adjacent to the interior side property line may be allowed in the front setback area, provided that it does not exceed three feet in height.
- (3) Only one pedestrian gate with decorative columns shall be allowed within the front setback area.

**3. Fences, Walls, and Gates—Corner Lots**

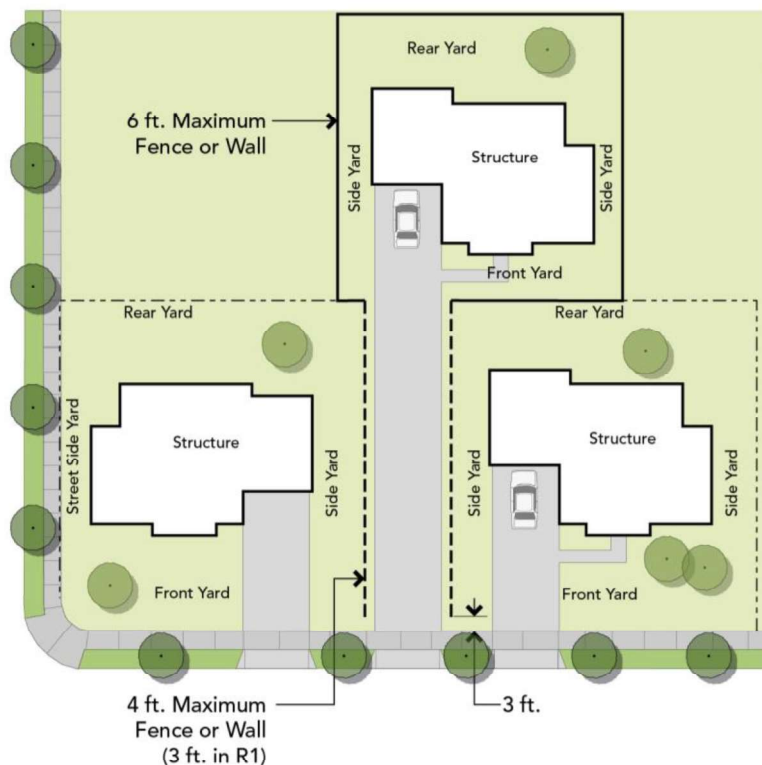
- a. All fences, walls, or gates, including height, design, and location within the street side setback or special setback area, shall be subject to Site Plan and Design Review pursuant to requirements Section 9107.19 (Site Plan and Design Review) in the R-2 and R-3 zones.
- b. On corner lots, fences, walls, and gates within the required street side setback or special setback are allowed up to six feet in height, measured at the street side property line, except as restricted by Subsection 9103.01.070 (Vehicular Visibility Standards)
- c. Fences, walls, and gates shall be setback a minimum of 18 inches from the street side property line.
- d. The area between the street side property line and the fence, wall, or gate shall have an appropriate irrigation system and decorative landscaping (shrubs, ground cover, flowers, plants, etc.). However, when there is a full

landscaped parkway with no sidewalk, a fence, wall, and gate, excluding entry gate(s), may be placed to the street side property line in R-M, R-0, and R-1 Zones.

#### 4. Fences, Walls, and Gates—Flag Lots

- a. Fences, walls, and gates on flag lots shall not be allowed in R-2, R-3-R, and R-3 zones.
- b. In areas zoned R-M and R-0, a fence or wall may be allowed in the front setback and driveway area, provided that it does not exceed four feet in height. In the R-1 zone, the height shall not exceed three feet.
- c. Where a fence or wall is located within the front setback of a flag lot and the front property line of that flag lot abuts the rear property line of an adjacent lot, it may be allowed up to six feet in height. See Figure 3-12 (Fences and Walls on Flag Lots).

**Figure 3-12**  
**Fences and Walls on Flag Lots**

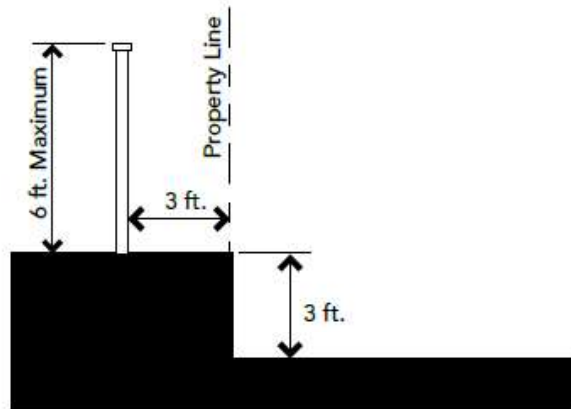


#### 5. Fences, Walls, and Gates—Side and Rear Setback Areas

- a. Fences, walls, and gates located within a required side and/or rear setback area(s) are allowed up to six feet in height, provided that no portion of any such fence, wall, or gate extends into the required front setback area.
- b. Where there is a difference in grade between properties, a wall or fence is allowed up to six feet in height adjacent to the rear and side property lines if the wall or fence maintains a minimum setback that is equal to the difference in grade between the properties. Where there is no difference in grade between properties, a wall shall comply with the height limitations unless it complies with the setbacks required for an accessory building. Refer to Figure 3-13 (Fences Walls and Gates with a Grade Difference). However, if the grade has been altered due to previous grading, the finished grade shall be subject to review and approval by the Director.

- c. Fences and walls are allowed adjacent to the property line in the side and rear setback areas.

**Figure 3-13  
Fences Walls and Gates with a Grade Difference**



#### 6. Walls for Tennis Courts

- a. A six-foot high solid masonry wall shall be installed on the property lines between the tennis court and adjacent properties. In the R-M, R-0 and R-1 zones, where the entire side of a tennis court is a minimum distance of 25 feet from a property line, a six-foot high solid masonry wall shall not be required along the property line.

#### D. Commercial Zones

1. Fences, walls, and gates shall not be allowed **exceed three (3) feet** along the front property line **and must be of an open design**. ~~except to enclose a ground floor landscaped court setback or an outdoor dining area.~~ Any gate placed across ~~the~~ a court setback opening **or a fence around an** outdoor dining area shall have a minimum of 50 percent transparency.
2. Fences and walls located at rear and interior side setback areas are limited to six feet in height.

#### 9103.05.040 Prohibited Fencing Materials in All Zones

- A. No spears (apache, aristocrat with crushed spears, or any spear-like features) shall be allowed on a fence, wall, or gate.
- B. Chain link, corrugated fiberglass, bamboo fencing, and wire type fencing shall not be allowed, except chain link fencing is allowed as a fencing material enclosing sports courts and temporary construction fencing.

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## **Section 9103.07 – Off-Street Parking and Loading**

### **Subsections:**

- 9103.07.010 Purpose and Intent
- 9103.07.020 Applicability
- 9103.07.030 Permit Requirements
- 9103.07.040 Exemptions
- 9103.07.050 Off-Street Parking for Residential Uses
- 9103.07.060 Off-Street Parking for Non-Residential Uses
- 9103.07.070 Mixed-Use (Nonresidential and Residential Combined) Parking Standards
- 9103.07.080 Parking Area Design Standards Applicable to All Zones
- 9103.07.090 Shared/Joint Use, Off-site Parking, and In-Lieu Parking
- 9103.07.100 Valet Parking
- 9103.07.110 Parking Structures
- 9103.07.120 Prohibition on Commercial Vehicle Parking in Residential Zones
- 9103.07.130 Landscape Standards for Parking Lots
- 9103.07.140 Parking for Electric and Alternative Fuel Vehicles
- 9103.07.150 Bicycle Parking Requirements
- 9103.07.160 Off-Street Loading

### **9103.07.010 Purpose and Intent**

This Section establishes regulations to:

- A. Regulate off-street parking and loading to minimize traffic congestion and hazards to motorists, bicyclists, and pedestrians;
- B. Provide off-street parking in proportion to the needs generated by different land uses;
- C. Ensure access to projects by emergency response vehicles; and
- D. Ensure that parking areas are designed to operate efficiently and effectively and in a manner compatible with on-site and surrounding land uses.

### **9103.07.020 Applicability**

- A. All terms defined in Division 9 (Definitions), except as provided, shall apply to this Section. The minimum off-street parking spaces established in this Section shall be provided for new construction or intensification of use, and for the enlargement or increased capacity and use of land.
- B. All required parking spaces shall be maintained in connection with the building or structure and use of land. The regulations within this Section apply:
  - 1. At the time of the erection of any building and/or structure; or
  - 2. Before the time any building or structure is enlarged or increased in capacity by adding dwelling units, guest rooms, floor area or seats; or
  - 3. At a time that a usage requiring a higher number of parking spaces than the existing or previous use is applied.
- C. Nothing in this Section shall be deemed to limit the power of the Director, Commission, or Council, acting either on its own or on appeal, to require parking of increased numbers or alternative types and arrangements as part of the conditions of approval to a discretionary permit or to mitigate environmental impacts.

### 9103.07.030 Permit Requirements

- A. **New Parking Lots.** New parking lot design shall be reviewed as part of the building permit process and any other land use or development permit process required for a project. A site plan of the premises shall be required for all new parking. The site plan shall be submitted to the Director in conjunction with the required permit(s) and shall include sufficient detail to determine compliance with the provisions of this Section. The site plan shall be approved, modified, and/or denied through the normal process of approving, modifying, and/or denying the permit causing the submission of the site plan or other discretionary permit.
- B. **Modification of Existing Parking Lots.** Except otherwise stated in this Section, modification or improvement to an existing parking lot which impacts the parking space layout, configuration, and/or number of stalls shall require the review and approval by the Director of a Site Plan and Design Review pursuant to the requirements of Section 9107.19 (Site Plan and Design Review).

### 9103.07.040 Exemptions

- A. **Modification of Existing Lots.** The following parking lot improvements shall be considered minor in nature, as long as the number and/or configuration of parking stalls are not altered. These improvements shall be exempt from permit requirements, except for permits that may be required by the Building Official.
  - 1. Repair of any defects in the surface of the parking area, including holes and cracks.
  - 2. Resurfacing, slurry coating, and restriping of a parking area with identical delineation of parking spaces.
  - 3. Repair or replacement of damaged planters and curbs in the same location.
  - 4. Installation of parking stalls reserved as accessible parking stalls in compliance with the Americans with Disabilities Act (ADA), and any required ADA passenger loading areas.

### 9103.07.050 Off-Street Parking for Residential Uses

**Amended by Ord. No. 2347**

**Amended by Ord. No. 2375**

**Amended by Ord. No. 2400**

- A. **Number Required.** Unless off-street parking reductions are allowed in compliance with provisions identified, off-street parking spaces shall be provided in compliance with Table 3-3 (Off-Street Parking Requirements: Residential Uses). These standards shall be considered the minimum required to preserve the public health, safety, and welfare of the community. An increase or decrease in the parking requirements may be determined by the Review Authority in particular circumstances where these requirements are inadequate for a specific project. These cases shall be determined through a parking study as outlined in this Division.
- B. **Off-Street Parking Requirement Calculations.** Table 3-3 (Off-Street Parking Requirements: Residential Uses) establishes the off-street parking requirements for number of spaces. Except as otherwise specifically stated, the following rules apply:
  - 1. "Square feet" or "sf" shall mean "square feet of floor area" and refer to floor area as defined in Division 9 (Definitions), unless otherwise specified.
  - 2. Any fractional parking space greater than or equal to one-half shall be rounded to the next whole number. If the fraction is less than 0.49 of a space, the total number of spaces shall be rounded down to the nearest whole number.
- C. **Off-Street Residential Parking Requirements for Residential Uses**
  - 1. **Uses Not Listed.** The number of parking spaces required for land uses not specifically listed shall be determined by the Director based on common functional, product, or compatibility characteristics and activities. The determination is considered a formal interpretation of the Development Code and shall be decided and recorded accordingly. The interpretations shall have the same force of law as the provisions of this Section. Any inclusion of land uses in this

Section shall be defined and included in Division 9 (Definitions), and shall be included in the land uses in Division 2 (Zones, Allowable Uses, and Development Standards).

<b>Table 3-3 Off-Street Parking Requirements: Residential Uses</b>	
<b>Land Use</b>	<b>Minimum Parking Spaces Required</b>
Single-Family Dwellings (Attached and Detached) and Two-Family Dwellings	<ul style="list-style-type: none"> <li>• 2 spaces per dwelling unit in a garage for units <del>less than</del> 5,000 square feet <b>or less</b> in size with up to 4 bedrooms</li> <li>• 3 spaces per dwelling unit in a garage for units <b>greater than</b> 5,000+ square feet or more in size and/or with 5 or more bedrooms <sup>(1)</sup></li> </ul>
Accessory Dwelling Unit	Refer to Section 9102.01.080
Multifamily Dwellings	<p>For the R-2, R-3 and R-3-R Zones:</p> <ul style="list-style-type: none"> <li>• 2 covered spaces per unit, plus guest parking as follows:</li> <li>• 1 guest parking space for every 2 units</li> </ul> <p>For the Residential Flex Overlay Zone:</p> <ul style="list-style-type: none"> <li>• 1 space per studio unit</li> <li>• 1.5 spaces per unit</li> </ul>
Mixed Use Units	<ul style="list-style-type: none"> <li>• 1 space per studio unit</li> <li>• 1.5 spaces per unit</li> <li>• 1 guest space for every 3 units</li> </ul>
Live/Work Units	1 space per unit and 1 space per 1,000 square feet of nonresidential floor area
Senior Housing (when restricted to age 62 and older)	<p>For senior affordable apartment housing: 1 space per unit, and 1 guest space for every 4 units for assisted living facilities: 1.5 spaces per unit</p> <p>For senior market rate housing: 2 spaces per unit</p>

Notes:

- (1) A tandem parking space may be allowed to satisfy the third required, or any non-required, parking space, subject to Design Review approval.
- (2) Parking standards shall not be imposed on an accessory dwelling unit in any of the following circumstances:
  - a. The accessory dwelling unit is located within one-half mile of public transit
  - b. The accessory dwelling unit is located within an architecturally and historically significant historic district
  - c. The accessory dwelling unit is part of the existing primary residence or an existing accessory structure
  - d. When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit
  - e. When there is a car sharing vehicle located within one block of the accessory dwelling unit

2. **Residential Use: When Required Covered or Garage Parking Cannot Be Provided.** Apart from the requirements for parking in a garage contained in Table 3-3 (Off-Street Parking Requirements: Residential Uses) for residential uses, wherever required covered or garage parking cannot be provided due to physical limitations on a property, an alternative parking arrangement for the remaining required parking can be arranged by the approval of an Administrative Modification subject to the requirements of Section 9107.05 (Administrative Modifications).

**D. Parking Location**

1. Parking spaces shall be designed, constructed, and maintained in a manner that does not preclude direct and free access to stairways, walkways, elevators, any pedestrian way, and fire safety equipment.
2. Vehicle parking (and access thereto) shall be provided on a permanently paved surface.

3. When required off-street parking spaces are provided on a separate lot from the building or land use, Subsection 9103.07.090 (Shared/Joint Use and Off-site Parking) shall apply.

**Figure 3-14  
Single-Family Parking Location Requirements**



#### E. Residential Parking Location—Specific Requirements

##### 1. R-M Zone

- a. A garage or carport opening directly upon a side street shall be located not less than 20 feet from the street side lot line.

##### 2. R-0 and R-1 Zones

- a. Required parking spaces shall be provided on the same site as the main building in an enclosed garage. Each parking space provided beyond the minimum required shall also be within an enclosed garage.
- b. Each required parking space shall be in a garage located behind the required front setback and shall be served by a driveway no less than nine feet in width, except as a specified in Section 9103.07.050.D.
- c. Only one driveway shall lead to an enclosed garage, unless it is a circular driveway.
- d. Below grade or subterranean parking spaces shall not be allowed unless an Administrative Modification is granted pursuant to Section 9107.05 (Administrative Modifications). Not more than one story below grade shall be allowed.
- e. On lots less than 100 feet in width, no more than a two-car garage shall be allowed facing the front and/or street-side areas. On lots 100 feet or greater in width, no more than a three-car garage shall be allowed facing the front and/or street-side areas.
- f. An enclosed two-car garage shall have a minimum opening of 16 linear feet, and an enclosed three-car garage shall have a minimum opening of 24 linear feet.

3. **R-2, R-3, and R-3-R**

- a. For enclosed garages, the minimum garage opening is 16 linear feet.

F. **Standard Residential Parking Stall Dimensions.** Required parking stalls, including guest parking spaces, within all residential zones shall meet the dimension requirements set forth in Table 3-4 (Parking Space Dimensions-Residential Zones). Dimensions shall be measured from interior building wall.

<b>Table 3-4 Parking Space Dimensions-Residential Zones</b>			
<b>Zone</b>	<b>Size of Parking Stall (minimum)</b>		<b>Length</b>
	<b>Width (General)</b>	<b>When Adjacent to Wall or Structure</b>	
R-M, R-O, and R-1	10 ft	11 ft, 6 in	20 ft
R-2, R-3, and R-3-R	10 ft	11 ft, 6 in	20 ft

G. **Residential Driveways**

1. **Paving.** All parking areas and driveways shall be paved with cement concrete. Other paving materials, including brick may be substituted with review and approval by the Director of a Site Plan and Design Review pursuant to the requirements of Section 9107.19 (Site Plan and Design Review).
2. **Width.** The maximum width of driveways within residential zones shall be 20 feet for single-family zones and 25 feet for multifamily zones. The maximum width for all single-family and multi-family residential common driveways shall not exceed 30 feet.
3. **Does Not Fulfill Parking Requirement.** No portion of any required driveway shall be used to fulfill any parking space requirements, except as specified in Section 9103.07.050.D
4. **R-M, R-0 and R-1 Zones**
  - a. Only one driveway shall be allowed for each residential lot. The number may be increased to two for an approved circular driveway pursuant to Section 9103.07.050.H (Circular Driveways for Residential Zones).
  - b. A driveway shall not be less than nine feet in width.
  - c. Pedestrian walkways and driveways shall occupy no more than 40 percent of the required front setback or street side setback.
  - d. Driveways shall have at least 10 feet of unobstructed vertical clearance.
  - e. Driveway slope shall not exceed 10 percent.
5. **R-2, R-3 and R-3-R Zones**
  - a. Each driveway to a parking space shall be at least 10 feet wide.
  - b. Every driveway serving as access to more than 12 required parking spaces or which is more than 125 feet long shall have a minimum width of 18 feet. Two 10-foot wide driveways may be provided in lieu of one 18-foot driveway.
  - c. Each driveway adjacent to a garage or parking space shall have a minimum width of 25 feet.

- d. "Guest Parking Only" signs with letters not less than two inches in height shall be properly located to designate guest parking spaces.
- e. Common/shared driveways shall be allowed, provided the owners of the lots show proof of a recorded easement or other legal instruments authorizing the use of a shared driveway arrangement and further provided that a covenant, in recordable form by its terms to be for the benefit of, enforceable by, and to be released only by the City, is executed by the owners of all property affected. The covenant shall state that the common/shared driveway shall be usable by the tenants and owners of the properties proposed to be served by the driveway. Recordation of this instrument shall be completed before the issuance of a Building Permit.
- f. Eaves and bay windows which are at least 10 feet above the pavement may overhang any driveway by a distance of not more than three feet.

#### H. **Circular Driveways for Residential Zones**

- 1. Lots with street frontage of 100 feet or greater are eligible for circular driveways.
- 2. On lots with more than one street frontage, a circular driveway shall be located on the street frontage that is 100 feet or greater; provided, however, that not more than one circular driveway shall be allowed for any one lot.
- 3. The circular driveway shall not be less than nine feet in width and shall not have a width greater than 15 feet.
- 4. The inside edge of the circular driveway shall be located a minimum distance of 25 feet from the property line at the street right-of-way.

#### I. **Tandem Parking Spaces.** Tandem parking spaces may be allowed in residential and mixed-use zones in compliance with the following requirements, and subject to Site Plan and Design Review pursuant to Section 9107.19 (Site Plan and Design Review).

- 1. For multifamily development projects, tandem spaces shall not constitute more than 20 percent of all required spaces and shall not be permitted to meet guest parking requirements.
- 2. For single-family units, tandem parking may be provided within a garage, provided that such garage has an interior space measuring at least 20 feet by 20 feet adjacent to the garage door and at least one required parking space shall be in a regular (non-tandem) format.
- 3. The size of the tandem parking space shall be 10 feet by 19 feet and shall allow adequate maneuvering room for both vehicles and pedestrians around the tandem spaces.

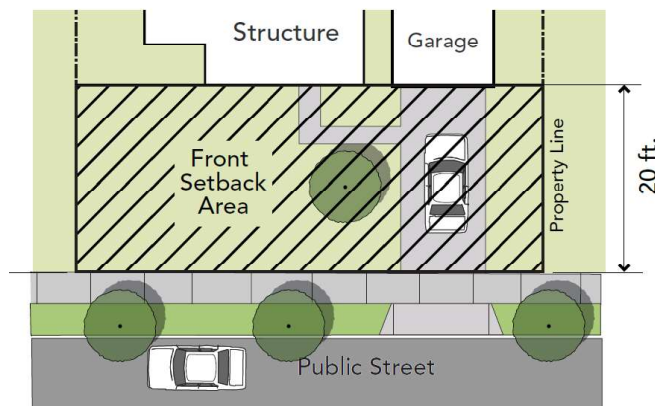
**9103.09.040 Landscape Requirements**  
**Amended by Ord. No. 2375**

- A. **Applicability.** The standards in this Section shall apply to residential and non-residential uses.
- B. **Landscape Requirement for Residential Zones.** All areas of a site not devoted to structures, driveways, or walkways shall be landscaped with lawn, trees, shrubs, or other plant materials, and shall be permanently maintained in a neat and orderly manner.

1. **R-M, R-0 and R-1 Zones**

- a. The front and street-side areas shall be landscaped with lawn, trees, shrubs, or other plant materials, and shall be permanently maintained in a neat and orderly manner.
- b. Hardscape materials of driveways and pedestrian walkways, including pavement, concrete, interlock pavers, and the use of artificial turf, shall not cover more than 40 percent of the required front setback or street side yard. See Figure 3-17 (Front Setback Yard Area-60% Landscaping Required).

**Figure 3-17**  
**Front Setback Yard Area – 60% Landscaping Required**



- 2. **R-M Zone.** All cut or fill slopes exceeding six feet six inches in vertical height between two or more contiguous lots shall be planted with adequate plant material to protect the slope against erosion. The planting shall cover the bank within two years from the time of planting. The permittee, owner, or developer shall water the planted slopes at sufficient time intervals to promote growth.
- 3. **R-2 and R-3, and R-3-R Zones.**
  - a. The front/street side yard areas shall be landscaped with lawn, trees, shrubs, or other plant materials, and shall be permanently maintained in a neat and orderly manner.
  - b. Hardscape materials of driveways and pedestrian walkways, including pavement, concrete, interlock pavers, and the use of artificial turf, shall not cover more than 40 percent of the required front setback or street side yard. See Figure 3-17 (Front Setback Yard Area-40% Landscaping Required).

C. **Landscape Requirement for Commercial, Mixed Use, and Industrial Zones**

- 1. **Required Areas.** All setbacks, parkways, open areas, plazas, paseos, and non-work areas that are visible from a public street/alley or from a parking lot available to the general public shall be landscaped.

2. **Landscape Coverage Requirement.** Shrubs, groundcover, and other plant material shall cover all areas not occupied by structures, parking areas, storage, trash enclosures, driveways, and sidewalks at the time of issuance of a Certificate of Occupancy. Embellished pavement, fountains, and similar hardscape materials may, in part, be substituted for the required landscaping through the Site Plan and Design Review process.
3. **Parkway-adjacent Planting and Maintenance.** All landscaped parkway areas located between the sidewalk and the edge of development shall meet the following requirements:
  - a. The ground surface shall contain low shrubbery, mulch, or ground cover to provide coverage within two years.
  - b. If a wall or fence separates the development from the street, planting vines or espalier shrubs shall be incorporated into the planting design.
4. **Required Landscaping for Loading Areas.** Loading areas shall incorporate landscaping to provide screening if visible from the public right-of-way, adjacent uses, and pedestrians.
5. **Special Requirements for Drive-through Businesses**
  - a. Five-foot-wide raised planters shall be located along the street side property line, except for curb cut openings.
  - b. Three-foot-wide raised planters shall be located along the walls of the interior property lines to a distance equal to the front building line. For this purpose, canopies and other such structural appurtenances shall not be considered the front building line.
  - c. A minimum of 150 square feet of raised planting area shall be located at the intersection of two property lines at a street corner.
  - d. A minimum of 30 square feet of raised planting area shall be located along the building facades fronting on the street.
  - e. All planting areas shall be separated from adjacent asphaltic concrete paving by six-inch minimum curb walls.

#### D. Artificial Turf

##### 1. Locations Permitted

- a. **Back Yards and Interior Side Setback Yard Areas.** Artificial turf is permitted in any zone within any back yard and/or interior side setback yard areas.
- b. **Front and Street-Side Yards.** In any zone, a maximum of 15 percent of the yard area within the front or street side yards may be installed with artificial turf. Artificial turf shall not be installed within 10 feet of a sidewalk or within 20 feet from the curb if there is no sidewalk.
- c. **Not Permitted in Parkways.** Artificial turf is not permitted within any parkway areas.

2. **Minimum Standards.** To be used in the front or street-side yard, artificial turf must meet minimum standards for materials, installation, and maintenance.

- a. **Materials and Style.** Artificial turf must have a minimum eight-year no-fade warranty as issued by the manufacturer; be cut-pile infill and made from lead-free polypropylene, polyethylene or a blend of such fibers on a permeable backing; and, have a minimum blade length (pile height) of 1.5 inches, or as determined by the Director as manufacturing processes are updated. Nylon-based or plastic grass blades are not permitted. The use of indoor/outdoor carpeting, and artificial shrubs, flowers, trees and vines instead of natural plantings is prohibited. Infill medium must consist of ground rubber; rubber coated

sand or other approved mixtures and must be brushed into the fibers of the artificial turf. The style of the fiber, color, and texture shall resemble fescue, rye, and other common natural grass blades.

- b. **Installation.** Artificial turf must be installed per all manufacturer's requirements and must include removal of all existing plant material and top three inches of soil in the installation area; placement of filter fabric or synthetic porous material over compacted and porous crushed rock or other comparable material below the turf surface to provide adequate drainage; and, the area must be sloped and graded to prevent excessive pooling, runoff, or flooding onto adjacent property. Artificial turf areas must be sufficiently drained to live planting areas to provide complete infiltration of runoff. Artificial turf must be separated from live planting areas by a barrier such as a mow strip or bender board to prevent mixing of natural plant materials and artificial turf. Artificial turf must be permanently anchored with nails and glue, and all seams must be nailed, or sewn, and glued, with the grain pointing in a single direction.
- c. **Maintenance.** Artificial turf must be maintained in a green, fadeless condition; free of weeds, stains, debris, tears, holes, depressions, ruts, odors, and looseness at edges and seams. Damaged or worn areas in the artificial turf surface must be repaired or removed and replaced in a manner that results in consistent appearance with the existing artificial turf. The artificial turf surface must be replaced once it is unable to be maintained as required. Vehicle parking on artificial turf is prohibited.

# **EXHIBIT “C”**

## **Development Code, Division 6**

### 9106.01.010 Modifications or Extensions of Legal Nonconforming Use or Structure

- A. A legal nonconforming use shall not be modified in any manner that expands, extends, or enlarges the use beyond its existing scope/area, or other portion(s) of a structure, upon the date the nonconformity was created, except as specified below.
1. The changes are, in and of themselves, in conformance with the provisions of this Development Code.
  2. The changes are limited to minor alterations, improvements, or repairs that do not increase the degree of nonconformity present and do not constitute or tend to produce an expansion or intensification of a nonconforming use.
  3. The changes are required by other laws.
  4. The changes are determined, by the Director, to be small additions to legal-nonconforming single-family residential properties (including multifamily dwelling units on a single-family lot) and are subject to the approval of a Modification granted in compliance with Division 7 (Permit Processing Procedures).
  5. The changes are incidental to the public acquisition of a portion of a site, no greater degree of nonconformity will be created other than that caused as a result of the public acquisition, and the changed development will conform to current regulations to the maximum extent feasible.
- B. If the nonconforming use is discontinued, any future use of the structure(s) shall be in compliance with the provisions of this Development Code; provided, however, that all nonconforming uses of a conforming structure shall be discontinued as provided in this Division.
- C. No change made to any development or use shall be construed as automatically allowing an extension of any time limit for the termination of a nonconformity.
- D. Allowable changes to nonconforming uses within a commercial or industrial development. A nonconforming use located within a commercial or industrial development may be replaced by another similar nonconforming use only after the Director first finds all of the following:
1. The nonconforming use is similar to or less intensive than the use originally allowed in the development;
  2. The nonconforming use generally adheres to the intent of the General Plan and any applicable specific plan;
  3. The nonconforming use will not adversely affect or be materially detrimental to adjoining properties; and
  4. The use of the entire development has not been ceased or discontinued for a period of ~~180~~ 90 consecutive days or more.

### 9106.01.020 Discontinuance of Legal Nonconforming Uses

- A. **Effect of Discontinuance.** If any legal nonconforming use ceases to operate or is discontinued for a period of ~~180~~ 90 consecutive days or more, subsequent use of the land shall be in compliance with the applicable provisions of this Development Code. Maintenance/retention of a valid City issued Business License shall of itself not be considered a continuation of the use.
- B. **Cessation or Discontinuance Defined.** A nonconforming use shall be considered ceased or discontinued when any of the following apply:
1. Cessation or discontinuance of a nonconforming use shall be deemed by the Director as an abandonment of the use, irrespective of the owner's or occupant's intent;
  2. Discontinuance shall include cessation of a use regardless of intent to resume the use;

3. The intent of the owner to cease or discontinue utilization of the nonconforming use is apparent, as determined by the Director;
  4. Where characteristic furnishings and equipment associated with the nonconforming use have been removed and not replaced with equivalent furnishings and equipment during this time, and where normal occupancy and/or use has been ceased or discontinued for a period of ~~180~~ 90 consecutive days or more; or
  5. Where there are no business receipts or utility payments for the ~~180~~ 90-day period.
- C. Discontinuance of Use.** If the conforming use is discontinued, the nonconforming structure shall either be removed or made to comply with the regulations governing the zone in which the structure is located.

### 9106.01.030 Discontinuance of Legal Nonconforming Structures

- A. If Abandoned or Discontinued.** If any legal nonconforming structure, except for residential structures located in single-family residential zones, is abandoned or the use thereof discontinued for a period of 180 ~~90~~ consecutive days or more, subsequent structural and site development shall be in full compliance with all applicable provisions of this Development Code. Maintenance of a valid City issued Business License shall of itself not be considered a continuation of the structure.
- B. Cessation or Discontinuance Defined.** Use of a nonconforming structure shall be considered ceased or discontinued when any of the following apply:
1. Cessation or discontinued use of a nonconforming structure shall be deemed as an abandonment of the structure, irrespective of the owner's or occupant's intent;
  2. Discontinuance shall include cessation of the use of a structure regardless of intent to resume the use;
  3. The intent of the owner to cease or discontinue use of the nonconforming structure is apparent, as determined by the Director;
  4. Where characteristic furnishings and equipment associated with the use of the structure have been removed and not replaced with equivalent furnishings and equipment during this time, and where normal occupancy and/or use has been ceased or discontinued for a period of 180 ~~90~~ consecutive days or more; or
  5. Where there are no business receipts or utility payments available for the 180~~90~~-day period.
- C. Properties on the Market - Exempt.** Any property which is listed on the real estate market shall not be ~~not~~ considered abandoned or discontinued, but only if in compliance with all of the following provisions:
1. On the market for up to 180 days; and
  2. The property shall be continually maintained in a proper condition subject to the approval of the Director.

# **EXHIBIT “D”**

## **Development Code, Division 7**

**9107.01.010 Allowed Modifications, Review Authority, and Noticing Requirements**

**Amended by Ord. No. 2347**

**Amended by Ord. No. 2369 & 2370**

**Amended by Ord. No. 2375**

- A. Table 7-2.** In order to secure an appropriate improvement of a parcel, prevent an unreasonable hardship, and/or to promote uniformity of development, the applicable Review Authority shall have the authority to approve, conditionally approve, or deny Administrative Modifications for those matters specified in Table 7-2 (Allowed Modifications, Review Authority, and Noticing Requirements), below. Table 7-2 also identifies the applicable Review Authority responsible for reviewing and making decisions on each type of Administrative Modification application allowed by this Section, as well as the type of notice or hearing, if any, required by this Section.

<b>Table 7-2</b>			
<b>Allowed Modifications, Review Authority, and Noticing Requirements</b>			
<b>Type of Administrative Modification Allowed</b>	<i>Minor Director's Review</i>	<i>Major Director's Review</i>	<i>Commission's Review</i>
	<b>No Notice or Hearing Required</b>	<b>Notice, but No Hearing Required</b>	<b>Notice and Hearing Required</b>
<del>Accessory dwelling units – objective design standards</del>		X	
<del>Accessory dwelling units – unit sizes that exceeds the FAR</del>			X
<del>Accessory dwelling units – Setbacks</del>		X	
Conversions of existing attic areas within main dwellings in the R-M, R-0, and R-1 zones; provided the requests do not result in an additional structure story or any exterior alterations within required setback areas		X	
Distance between structures	X		
Driveway and parking stall size requirements (Residential zones)	X		
Driveway and parking stall size requirements (Commercial, Industrial, and Downtown zones)		X	
Fence, wall, and hedge regulations, except along the street side of a corner parcel	X		
Fence and landscaped buffer regulations (Subsection 9106.09.020 B.)		X	
Front lot line determination	X		
Front yard setback for additions to existing structures		X	
Height of noncommercial structures - Solar panels only	X		
Height of noncommercial structures			X
Interior side setbacks in the R-M, R-0, and R-1 zones for detached accessory structures		X	
Interior side setbacks in the R-M, R-0, and R-1 zones for single-story additions to an existing dwelling where the portion of the addition(s) which does not comply with the setback requirements consists of a total of 30 linear feet or less and maintain(s) the same or greater setback than the existing structure walls; and further provided, a minimum interior side setback of three feet in the R-1 and five feet in the R-M and R-0 zones is maintained	X		
Interior side setbacks in the R-M, R-0, and R-1 zones for single-story additions to an existing dwelling where the portion of the addition(s) which does not comply with the setback requirements consists of a total of more than 30 linear feet and maintain(s) the same or greater setback than the existing structure walls; and		X	

**Table 7-2  
Allowed Modifications, Review Authority, and Noticing Requirements**

Type of Administrative Modification Allowed	<i>Minor Director's Review</i>	<i>Major Director's Review</i>	<i>Commission's Review</i>
	<i>No Notice or Hearing Required</i>	<i>Notice, but No Hearing Required</i>	<i>Notice and Hearing Required</i>
further provided, a minimum interior side setback of three feet in the R-1 and five feet in the R-M and R-0 zones is maintained			
Interior side setbacks		X	
Landscaping and Hardscaping Standards		X	
Loading Requirements	X		
Lot Size (area, depth, and width)			X
Minimum Density		X	

**Table 7-2  
Allowed Modifications, Review Authority, and Noticing Requirements**

Type of Administrative Modification Allowed <sup>1</sup>	Minor Director's Review	Major Director's Review	Commission's Review
	No Notice or Hearing Required	Notice, but No Hearing Required	Notice and Hearing Required
Ornamental Features (height or number of features)		X	
Open Space Standards		X	
Nonconforming residential structures – alterations or expansions (Subsection 9106.05.020)		X	
Nonconforming residential uses – alterations or expansions (Subsection 9106.03.010)		X	
Nonconforming single-family residential properties (small additions) (Subsection 9106.03.030.A.4)		X	
Parking Plan			X
Perimeter Parking Lot Landscaping	X		
Reduce the number of required parking spaces in a commercial, mixed-use, or industrial zoned properties	X (1-3 Spaces)	X (4-6 Spaces)	X (7 spaces or greater)
Rear setbacks – first floor additions to existing dwellings or detached accessory structures		X	
Rebuilding of single-family dwellings; provided the new portion(s) of the project comply with current Development Code requirements		X	
Setbacks for mechanical and plumbing equipment	X		
Setbacks for wireless communication facilities		X	
Sign regulations	X		
Special setbacks; provided a setback from a street shall be modified only with a written declaration of the City Engineer that the modification, if granted, will not adversely affect any foreseeable need for widening the street	X		
Street side setbacks for first floor additions to existing dwellings or for accessory structures		X	
Subdivision Design and Improvements (Section 9105.01.110)		X	
Swimming pool regulations	X		
Tennis and paddle tennis courts — Construction and operations standards		X	
Trash Enclosures in Subparagraphs 9103.01.130 C.2. relating only to the number and size of enclosures and D.2. the location of enclosures.	X		
Utility and storage space requirements	X		
When the maximum number of units allowed in the R-2 and R-3 zones has a fractional remainder of .05 or less, the Commission may allow the maximum number of units to be rounded up to the next highest whole number, but in no case greater than 30 du/acre in the R-3 zone.			X
<b>Modifications Only to Commission</b>			
Below-grade or subterranean parking in the R-M, R-0, and/or R-1 zones, provided the request does not result in more than one story below grade.			X
Modification to any of the setbacks for a new dwelling			X
Rebuilds			X

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Second story setback on an existing dwelling			X
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1. In cases where a specific modification is not listed but it is a standard that can be deviated under this Review Authority, the Director shall assign the modification to a category substantially similar in category, including its noticing requirements.

## Section 9107.25 – Variances

### Subsections:

- 9107.25.010 Purpose and Intent
- 9107.25.020 Applicability
- 9107.25.030 Review Authority
- 9107.25.040 Application Filing, Processing, and Review
- 9107.25.050 Findings and Decision
- 9107.25.060 Precedents
- 9107.25.070 Burden of Proof
- 9107.25.080 Conditions of Approval
- 9107.25.090 Use of Property before Final Action
- 9107.25.100 Post Decision Procedures

### 9107.25.010 Purpose and Intent

#### A. The Purpose of this Section is to Ensure That:

1. Variances are only approved when, because of special circumstances applicable to the property, the strict application of this Development Code denies the owner of the property privileges enjoyed by other property located nearby and in an identical zone; and
2. Conditions are applied that would ensure that the Variance shall not constitute an approval of special privilege(s) inconsistent with the limitations upon other property in the vicinity and zone in which the subject property is located.

#### B. Does not Extend to Land Uses

1. The power to approve Variances does not extend to land uses, **unless the requested use variance is for a well-established existing use, and granting the variance would demonstrably improve public safety or welfare.**
2. Flexibility in allowable land uses is provided in Section 9107.09 (Conditional Use Permits and Minor Use Permits).

### 9107.25.020 Applicability

- A. When practical difficulties, unnecessary hardships, or results inconsistent with the general purposes of this Section occur by reason of a strict interpretation of any of the provisions of this Development Code, the Commission, upon its own motion or upon the verified application of any interested person, may in specific cases initiate proceedings for the granting of a Variance from the provisions of this Development Code under conditions deemed necessary to ensure that the spirit and purposes of this Development Code will be observed, public safety and welfare secured, and substantial justice done.
- B. The Commission may approve a Variance that allows for an adjustment from any of the development standards required by this Development Code.

### 9107.25.030 Review Authority

The Commission shall approve or deny Variance applications, and impose conditions deemed reasonable and necessary to preserve the public convenience, health, interest, safety, or general welfare, in compliance with this Section and State law and necessary to make the findings required by Subsection 9107.25.050 (Findings and Decision) below.

### 9107.25.040 Application Filing, Processing, and Review

- A. **Filing.** An application for a Variance shall be filed and processed in compliance with Section 9107.03 (Application Processing Procedures). The application shall include the information and materials specified in the most up-to-date Department handout for Variance applications, together with the required fee in compliance with the Fee Schedule.
- B. **Project Review Procedures.** Following receipt of a completed application, the Director shall investigate the facts necessary for action consistent with the purpose of this Section. Initial review of the application, including time requirements and requests for information, shall be in compliance with Subsection 9107.03.060 (Initial Application Completeness Review).
- C. **Notice and Hearing Required.** A public hearing shall be required for the Commission's decision on a Variance application. The public hearing shall be scheduled once the Director has determined the application complete. Notice of the public hearing shall be given and the hearing shall be conducted in compliance with Section 9108.13 (Public Notices and Hearings).

### 9107.25.050 Findings and Decision

- A. **Authorized Actions.** The Commission shall, by resolution, record the decision in writing and shall recite the findings upon which the decision is based, in compliance with Government Code Section 65906 or as that section may be amended from time to time.
- B. **Required Findings.** The Commission may approve a Variance application, with or without conditions, only if it first makes all of the following findings:
  - 1. There are special exceptional or extraordinary circumstances or conditions applicable to the subject property (e.g., location, shape, size, surroundings, topography, or other physical features) that do not apply generally to other properties in the vicinity under an identical zoning classification;
  - 2. Strict compliance with Development Code requirements would deprive the subject property of privileges enjoyed by other property in the vicinity and under an identical zoning classification;
  - 3. Granting the Variance would not:
    - a. Constitute a grant of special privileges inconsistent with the limitations on other properties in the same vicinity and zone in which the subject property is situated;
    - b. Be materially detrimental to the public health or general welfare or injurious to the property or improvements in the vicinity or zone in which the property is located; or
    - c. Adversely affect the General Plan;
  - 4. The requested Variance would not allow a use or activity that is not otherwise expressly authorized by the regulations governing the subject parcel, **unless the requested use variance is for a well-established existing use, and granting the variance would demonstrably improve public safety or welfare.**

### 9107.25.060 Precedents

Each application shall be reviewed on an individual case-by-case basis and the approval of a prior Variance is not admissible evidence for the approval of a new Variance.

### 9107.25.070 Burden of Proof

The burden of proof to establish the evidence in support of the findings, required by Subsection 9107.25.050 (Findings and Decision), above, is the responsibility of the applicant.

**9107.25.080 Conditions of Approval**

In approving a Variance application, the Commission may impose conditions deemed reasonable and necessary to ensure that the approval would be in compliance with this Section, State law, and the findings required by Subsection 9107.25.050 (Findings and Decision), above.

**9107.25.090 Use of Property before Final Action**

No permits or approvals shall be issued for any improvement involved in an application for a Variance until and unless the same shall have become final, in compliance with Subsection 9108.11.030 (Effective Dates of Permits).

**9107.25.100 Post Decision Procedures**

The procedures and requirements in Section 9108.11 (Permit Implementation, Time Limits, and Extensions), and those related to appeals, public notices and hearings, revocation, and enforcement in Division 8 (Development Code Administration) shall apply following the decision on a Variance application.

# **EXHIBIT “E”**

## **Development Code, Division 9**

**Personal Services, Restricted.** Personal services with characteristics that have the potential to adversely impact surrounding areas and which may need to be dispersed to minimize their adverse impacts. Examples of these uses include:

- day spa
- holistic services such as reiki and therapeutic touch, but excluding acupuncture and accupressure
- fortune-telling and psychic services
- laundromats (self-service laundries)
- massage establishments (massage establishments shall only be allowed-as ancillary use within a Day Spa in CBD, MU, and DMU zones and not as a standalone use).
- palm and card readers
- tanning salons
- tattoo and body piercing services

**Vehicle Repair.** The repair of motor vehicles in an enclosed building, including the repair or replacement of engines and transmissions, body and fender repair, and the installation of nonfactory-installed products.

**Major (Major Repair/Body Work).** Major repair of automobiles, motorcycles, recreational vehicles, or trucks including light-duty trucks (i.e., gross vehicle weights of less than 10,000 pounds) and heavy-duty trucks (i.e., gross vehicle weights of more than 10,000 pounds). Examples of uses include full-service motor vehicle repair garages; body and fender shops; ~~brake shops~~; machine shops, painting shops; towing services, and transmission shops. Does not include vehicle dismantling or salvage and tire retreading or recapping.

**Minor (Minor Repair/Maintenance).** Minor repair of automobiles, motorcycles, recreational vehicles, or light trucks, vans or similar size vehicles (i.e., vehicles that have gross vehicle weights less than 10,000 pounds) including installation of electronic equipment (e.g., alarms, audio equipment, etc.); servicing of cooling and air conditioning, electrical, fuel and exhaust systems; brake adjustments, relining and repairs; oil and air filter replacement; wheel alignment and balancing; tire sales, service, and installation shops,; shock absorber replacement; chassis lubrication; smog checks; engine tune-ups; and installation of window film, and similar accessory equipment.

# Attachment No. 2

Proposed Amendments to the Existing ADU  
Regulations

**Note to Planning Commissioners:** The ADU Ordinance has been revised to clearly present the existing regulations, which have been updated for clarity while maintaining the same intent (shown in blue font), with new language displayed in red font.

#### **9102.01.080 Accessory Dwelling Units**

**Amended by Ord. No. 2347**

**Amended by Ord. 2369 & 2370**

**Amended by Ord. No. 2375**

**Amended by Ord. No. 2396**

- A. Accessory Dwelling Units. Purpose.** The purpose of this section is to allow and regulate accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) in compliance with Chapter 13 of Division 1 of Title 7 of the California Government Code.
- B. Effect of Conforming.** An ADU or JADU that conforms to the standards in this section will not be:
1. Deemed to be inconsistent with the City's General Plan and zoning designation for the lot on which the ADU or JADU is located.
  2. Deemed to exceed the allowable density for the lot on which the ADU or JADU is located.
  3. Considered in the application of any local ordinance, policy, or program to limit residential growth.
  4. Required to correct a nonconforming zoning condition, as defined below under Definitions. This does not prevent the City from enforcing compliance with applicable building standards in accordance with Health and Safety Code Section 17980.12.
- C. Definitions.** As used in this section, terms are defined as follows:
1. "Accessory dwelling unit" or "ADU" means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit also includes the following:
    - a. An efficiency unit, as defined by Section 17958.1 of the California Health and Safety Code; and
    - b. A manufactured home, as defined by Section 18007 of the California Health and Safety Code.
  2. "Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.
  3. "Complete independent living facilities" means permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.
  4. "Efficiency kitchen" means a kitchen that includes all of the following:
    - a. A cooking facility with appliances.
    - b. A food preparation counter and storage cabinets that are of a reasonable size in relation to the size of the JADU.
  5. "Junior accessory dwelling unit" or "JADU" means a residential unit that satisfies all of the following:
    - a. It is no more than 500 square feet in size.
    - b. It is contained entirely within an existing or proposed single-family structure. An enclosed use within the residence, such as an attached garage, is considered to be a part of and contained within the single-family structure.
    - c. It includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed single-family structure.
    - d. If the unit does not include its own separate bathroom, then it contains an interior entrance to the main living area of the existing or proposed single-family structure in addition to an exterior entrance that is separate from the main entrance to the primary dwelling.
    - e. It includes an efficiency kitchen, as defined in above.
  6. "Livable space" means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.

7. "Living area" means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.
8. "Nonconforming zoning condition" means a physical improvement on a property that does not conform with current zoning standards.
9. "Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU.
10. "Proposed dwelling" means a dwelling that is the subject of a permit application and that meets the requirements for permitting.
11. "Public transit" means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.
12. "Tandem parking" means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

**D. Approvals.** The following approvals apply to ADUs and JADUs under this section:

1. **Building-permit Only.** If an ADU or JADU complies with each of the general requirements in subsection (E) below, it is allowed with only a building permit in the following scenarios:
  - A. **Converted on Single-family Lot:** One ADU as described in this subsection and one JADU on a lot with a proposed or existing single-family dwelling on it, where the ADU or JADU:
    1. Is either: within the space of a proposed single-family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress; and
    2. Has exterior access that is independent of that for the single-family dwelling; and
    3. Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.
    4. The JADU complies with the requirements of Government Code sections 66333 through 66339.
  - B. **Limited Detached on Single-family Lot:** One detached, new-construction ADU on a lot with a proposed or existing single-family dwelling (in addition to any JADU that might otherwise be established on the lot), if the detached ADU satisfies each of the following limitations:
    1. The side and rear yard setbacks are at least four (4) feet.
    2. The total floor area is 800 square feet or smaller.
    3. The height does not exceed the applicable height limit in subsection below under "Height."
  - C. **Converted on Multifamily Lot:** One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. At least one converted ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.
  - D. **Limited Detached on Multifamily Lot:** No more than two (2) detached ADUs on a lot with a proposed multifamily dwelling, **or up to eight (8) detached ADUs on a lot with an existing multifamily dwelling**, if each detached ADU satisfies all of the following:
    1. The side and rear yard setbacks are at least four feet. If the existing multifamily dwelling has a rear or side yard setback of less than four feet, the city will not require any modification to the multifamily dwelling as a condition of approving the ADU.
    2. The height does not exceed the applicable height limit provided in subsection below under "Height."

3. If the lot has an existing multifamily dwelling, the quantity of detached ADUs does not exceed the number of primary dwelling units on the lot.

**2. ADU Permit.**

- A. Except as allowed under subsection (D)(1) above, no ADU may be created without a building permit and an ADU permit in compliance with the standards set forth in subsections (E) and (F) below.
- B. The city may charge a fee to reimburse it for costs incurred in processing ADU permits, including the costs of adopting or amending the city's ADU ordinance. The ADU-permit processing fee is determined by the director of community development and approved by the city council by resolution.

**3. Process and Timing.**

- A. An ADU permit is considered and approved ministerially, without discretionary review or a hearing.
- B. The city must approve or deny an application to create an ADU or JADU within 60 days from the date that the city receives a completed application. If the city has not approved or denied the completed application within 60 days, the application is deemed approved unless either:
  1. The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or
  2. When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot, the city may delay acting on the permit application for the ADU or JADU until the city acts on the permit application to create the new single-family or multifamily dwelling, but the application to create the ADU or JADU will still be considered ministerially without discretionary review or a hearing.
- C. If the city denies an application to create an ADU or JADU, the city must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period.
- D. A demolition permit for a detached garage that is to be replaced with an ADU is reviewed with the application for the ADU and issued at the same time.

- E. General ADU and JADU Requirements.** The following requirements apply to all ADUs and JADUs that are approved under subsections (D)(1) or (D)(2) above:

**1. Zoning**

- A. An ADU subject only to a building permit under subsection (D)(1) above may be created on a lot in a residential or mixed-use zone.
- B. An ADU subject to an ADU permit under subsection (D)(2) above may be created on a lot that is zoned to allow single-family dwelling residential use or multifamily dwelling residential use.
- C. In accordance with Government Code section 66333(a), a JADU may only be created on a lot zoned for single-family residences.

## 2. Height

- A. Except as otherwise provided by subsections (E)(2)(B) and (E)(2)(C) below, a detached ADU created on a lot with an existing or proposed single family or multifamily dwelling unit may not exceed 16 feet in height.
- B. A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or high quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit.
- C. A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height.
- D. An ADU that is attached to the primary dwelling may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection (E)(2)(D) may not exceed two stories.
- E. For purposes of this subsection (E)(2), height is measured from existing legal grade or the level of the lowest floor, whichever is lower, to the peak of the structure.

## 3. Fire Sprinklers

- A. Fire sprinklers are required in an ADU if sprinklers are required in the primary residence.
- B. The construction of an ADU does not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.

## 4. Rental Term.

No ADU or JADU may be rented for a term that is shorter than 28 days. This prohibition applies regardless of when the ADU or JADU was created.

## 5. No Separate Conveyance.

An ADU or JADU may be rented, but, except as otherwise provided in Government Code Section 66341, no ADU or JADU may be sold or otherwise conveyed separately from the lot and the primary dwelling (in the case of a single-family lot) or from the lot and all of the dwellings (in the case of a multifamily lot).

## 6. Owner Occupancy.

- A. ADUs created under this section on or after January 1, 2020 are not subject to an owner-occupancy requirement.
  - B. As required by state law, all JADUs are subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or JADU, as the person's legal domicile and permanent residence. However, the owner-occupancy requirement in this subsection (E)(7)(B) does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.
7. **Deed Restriction.** Prior to issuance of a certificate of occupancy for a JADU, a deed restriction must be recorded against the title of the property in the County Recorder's office and a copy filed with the Director. The deed restriction must run with the land and bind all future owners. The form of the deed restriction will be provided by the city and must provide that:

- A. The JADU may not be sold separately from the primary dwelling.
- B. The JADU is restricted to the approved size and to other attributes allowed by this section.
- C. The deed restriction runs with the land and may be enforced against future property owners.
- D. The deed restriction may be removed if the owner eliminates the JADU, as evidenced by, for example, removal of the kitchen facilities. To remove the deed restriction, an owner may make a written request of the Director, providing evidence that the JADU has in fact been eliminated. The Director may then determine whether the evidence supports the claim that the JADU has been eliminated. Appeal may be taken from the Director's determination consistent with other provisions of this Code. If the JADU is not entirely physically removed but is only eliminated by virtue of having a necessary component of a JADU removed, the remaining structure and improvements must otherwise comply with applicable provisions of this Code.
- E. The deed restriction is enforceable by the Director, or designee for the benefit of the city. Failure of the property owner to comply with the deed restriction may result in legal action against the property owner, and the city is authorized to obtain any remedy available to it at law or equity, including, but not limited to, obtaining an injunction enjoining the use of the JADU in violation of the recorded restrictions or abatement of the illegal unit.

## 8. Building & Safety.

- A. Must comply with Building Code. Subject to subsection below, all ADUs and JADUs must comply with all local building code requirements.
- B. No change of occupancy. Construction of an ADU does not constitute a Group R occupancy change under the local building code, as described in Section 310 of the California Building Code, unless the Building Official or Code Enforcement Division makes a written finding based on substantial evidence in the record that the construction of the ADU could have a specific, adverse impact on public health and safety. Nothing in this subsection prevents the city from changing the occupancy code of a space that was uninhabitable or that was only permitted for nonresidential use and was subsequently converted for residential use in accordance with this section.

- F. **Specific ADU Requirements.** The following requirements apply only to ADUs that require an ADU permit under subsection (d)(2) above.

### 1. Maximum Size.

- A. The maximum size of a detached or attached ADU subject to this subsection (F) is 850 square feet for a studio or one-bedroom unit and 1,000 square feet for a unit with two or more bedrooms.
- B. An attached ADU that is created on a lot with an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling.
- C. Application of other development standards in this subsection (F), such as FAR or lot coverage, might further limit the size of the ADU, but no application of the percent-based size limit in subsection (F)(1)(B) above or of an FAR, front setback, lot coverage limit,

or open-space requirement may require the ADU to be less than 800 square feet.

2. **Floor Area Ratio (FAR).** No ADU subject to this subsection (F) may cause the total FAR of the lot to exceed 45 percent, subject to subsection (F)(1)(C) above.
3. **Setbacks.**
  - A. ADUs that are subject to this subsection (F) must conform to four (4) foot side and rear setbacks. ADUs that are subject to this subsection (F) must conform to required front setbacks, subject to subsection (F)(1)(C) above.
  - B. No setback is required for an ADU that is subject to this subsection (F) if the ADU is constructed in the same location and to the same dimensions as an existing structure.
4. **Lot Coverage.** No ADU subject to this subsection (F) may cause the total lot coverage of the lot to exceed 45 percent if the primary dwelling is one-story or 35-percent if the primary dwelling is two-story, subject to subsection (F)(1)(C) above.
5. **Minimum Open Space.** No ADU subject to this subsection (F) may cause the total percentage of open space of the lot to fall below 50 percent, subject to subsection (F)(1)(C) above.
6. **Passageway.** No passageway, as defined by subsection (C)(9) above, is required for an ADU.
7. **Parking.**
  - A. Generally. One off-street parking space is required for each ADU. The parking space may be provided in setback areas or as tandem parking, as defined by subsection (C)(12) above.
  - B. Exceptions. No parking under subsection (F)(7)(A) is required in the following situations:
    1. The ADU is located within one-half mile walking distance of public transit, as defined in subsection (C)(11) above.
    2. The ADU is located within an architecturally and historically significant historic district.
    3. The ADU is part of the proposed or existing primary residence or an accessory structure under subsection (D)(1)(A) above.
    4. When on-street parking permits are required but not offered to the occupant of the ADU.
    5. When there is an established car share vehicle stop located within one block of the ADU.
    6. When the permit application to create an ADU is submitted with an application to create a new single-family or new multifamily dwelling on the same lot, provided that the ADU or the lot satisfies any other criteria listed in subsections (F)(7)(B)(1) through (5) above.
  - C. **No Replacement.** When a garage, carport, covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an ADU or converted to an ADU, those off-street parking spaces are not required to be replaced.

**8. Architectural Requirements.**

- A. The exterior lighting must be limited to down-lights or as otherwise required by the building or fire code.
- B. The ADU must have an independent exterior entrance, apart from that of the primary dwelling. An attached ADU entrance must not be visible from the public right-of-way.
- C. The ADU may have an attached porch or covered entry way not exceeding 60 square feet in area and with a maximum depth of six (6) feet.
- D. All windows that are located nine (9) feet in height above the finished floor must be clerestory windows (no dormers) and must be frosted or obscure glass.
- E. The ADU and primary dwelling must use the same driveway to access the street, unless otherwise required for fire-apparatus access, as determined by the City's Fire Department.
- F. The ADU must have clear addresses visible from the street. Addresses must be at least 4 inches high and shall be shown on the curb next to the primary address number.
- G. No mezzanine or partial floor, including a loft, is allowed in an ADU.

**9. Historical Protections.** An ADU on a property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right-of-way.

**10. Allowed Stories.** No ADU subject to this subsection (F) may have more than one story, except that an ADU that is attached to the primary dwelling may have the stories allowed under subparagraph (E)(2)(D) of this section.

**G. Fees.** The following requirements apply to all ADUs that are approved under subsections (D)(1) or (D)(2) above.

**1. Impact Fees.**

- A. No impact fee is required for an ADU that is less than 750 square feet in size. For purposes of this subsection (G)(1), "impact fee" means a "fee" under the Mitigation Fee Act (Gov. Code § 66000(b)) and a fee under the Quimby Act (Gov. Code § 66477). "Impact fee" here does not include any connection fee or capacity charge for water or sewer service.
- B. Any impact fee that is required for an ADU that is 750 square feet or larger in size must be charged proportionately in relation to the square footage of the primary dwelling unit. (e.g., the floor area of the ADU, divided by the floor area of the primary dwelling, times the typical fee amount charged for a new dwelling).

**2. Utility Fees.**

- A. If an ADU is constructed with a new single-family home, a separate utility connection directly between the ADU and the utility and payment of the normal connection fee and capacity charge for a new dwelling are required.
- B. Except as described in subsection (G)(2)(A), converted ADUs on a single-family lot that are created under subsection (D)(1)(A) above are not required to have a new or separate utility connection directly between the ADU and the utility. Nor is a connection fee or capacity charge required.

- C. Except as described in subsection (G)(2)(A), all ADUs that are not covered by subsection (G)(2)(B) require a new, separate utility connection directly between the ADU and the utility for any utility that is provided by the city. All utilities that are not provided by the city are subject to the connection and fee requirements of the utility provider.
  - 1. The connection is subject to a connection fee or capacity charge that is proportionate to the burden created by the ADU based on either the floor area or the number of drainage-fixture units (DFU) values, as defined by the Uniform Plumbing Code, upon the water or sewer system.
  - 2. The portion of the fee or charge that is charged by the city may not exceed the reasonable cost of providing this service.

**H. Nonconforming Zoning Code Conditions, Building Code Violations, and Unpermitted Structures.**

- 1. **Generally.** The city will not deny an ADU or JADU application due to a nonconforming zoning condition, building code violation, or unpermitted structure on the lot that does not present a threat to the public health and safety and that is not affected by the construction of the ADU or JADU.

**2. Unpermitted ADUs and JADUs constructed before 2020**

- A. **Permit to Legalize.** As required by state law, the city may not deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if denial is based on either of the following grounds:

- 1. The ADU or JADU violates applicable building standards, or
- 2. The ADU or JADU does not comply with state ADU or JADU law or this ADU ordinance Section 9102.01.080.

**B. Exceptions:**

- 1. Notwithstanding subsection (H)(2)(A) above, the city may deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if the city makes a finding that correcting a violation is necessary to comply with the standards specified in California Health and Safety Code section 17920.3.
- 2. Subsection (H)(2)(A) above does not apply to a building that is deemed to be substandard in accordance with California Health and Safety Code section 17920.3.

**Note to Planning Commissioners: End of the ADU Regulations**

# Attachment No. 3

Planning Commission Minutes and  
Planning Commission Staff Report (without  
attachments), dated February 11, 2025,  
and Letters from the Public



**ARCADIA PLANNING COMMISSION  
REGULAR MEETING MINUTES  
TUESDAY, FEBRUARY 11, 2025**

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**CALL TO ORDER** Commissioner Tsoi called the meeting to order at 7:00 p.m.

**ROLL CALL**

PRESENT: Vice Chair Tallerico (via teleconference), Arvizu, Hui, and Tsoi

ABSENT: Chair Wilander

It was moved by Commissioner Arvizu and seconded by Vice Chair Tallerico to excuse Chair Wilander from the meeting.

Without objection, the motion was approved.

**SUPPLEMENTAL INFORMATION FROM STAFF REGARDING AGENDA ITEMS**

Planning Services Manager, Fiona Graham, reported that three comments were received regarding item no. 1 on the Agenda. Two emails were received from members of the Highlands Homeowners' Association Architectural Design Review Board and one letter was from the California Housing Defense Fund (CalHDF). All correspondence was sent to the Commissioners prior to the meeting and a hard copy was provided at the dais.

**PUBLIC COMMENTS (5 minute time limit per person)**

There were none.

**PUBLIC HEARING**

- 1. Resolution No. 2159**– Recommending that the City Council approve Text Amendment No. TA 24-01 (Ordinance No. 2401) amending various sections of the Arcadia Development Code related to Accessory Dwelling Units, regulations to the Residential Flex (RF) Overlay, and other minor amendments and text cleanups

**CEQA:** Exempt

**Recommendation:** Adopt Resolution No. 2159 and forward a Recommendation to City Council

**Applicant:** City of Arcadia – Development Services

**MOTION - PUBLIC HEARING**

Commissioner Tsoi introduced the item, and Ms. Graham presented the staff report.

Commissioner Arvizu asked if the RF Overlay was being modified for the expansion of small businesses.

Ms. Graham clarified that the amendment was to revise the RF Overlay to allow for the lot consolidation of two commercially zoned properties, both owned by the same owner. One of the

lots is on the Sites Inventory List, while the other lot is not. This amendment would allow both lots to be developed with residential units.

Commissioner Arvizu asked what criteria must be met to be determined exempt under the California Environmental Quality Act (CEQA).

Ms. Graham stated that the text amendment was exempt under CEQA because no project was proposed under this text amendment.

Commissioner Arvizu asked whether any potential impacts had been considered as a result of this text amendment.

Ms. Graham stated that no developments are proposed under this text amendment, and ADUs are statutorily exempt under CEQA.

Commissioner Arvizu asked if the City considered the impacts of increased demand on city infrastructure as a result of ADUs.

Ms. Graham explained that ADUs and ADU Ordinances are not subject to CEQA requirements due to statutory exemption under State Law.

Commissioner Arvizu asked if the City Council has the ability to refuse to follow State mandates.

Assistant City Attorney Kellan Martz said that it is very nuanced, and the City Council may direct City Attorneys to challenge certain State mandates, however, it is not advisable.

Commissioner Tsoi requested clarification that this Text Amendment is solely intended to update the City's existing ADU Ordinance.

Ms. Graham confirmed that is correct.

Commissioner Tsoi asked for clarification about Homeowner's Associations and their Architectural Design Review Boards' authority over the design review of ADUs.

Ms. Graham confirmed that the City's HOAs do not have any authority over the design review of ADUs. ADUs are reviewed administratively, in accordance with State law and the ADU Ordinance which includes objective design standards.

Commissioner Tsoi asked if the City's ADU Ordinance requires that new detached ADUs match the architectural design of the main house.

Ms. Graham said that is currently the City's requirement under the objective design standards, but those provisions are being proposed to be removed to comply with State law.

Commissioner Hui arrived at the meeting at 7:23 p.m.

Commissioner Tsoi asked if the RF Overlay applies to the conversion of existing structures or new development and if it has its own setback or density requirements.

Ms. Graham stated that the RF Overlay does have its own setback and density requirements. Furthermore, the overlay applies to the zoning of the property and requires that a development

have 100% residential units including affordable housing units. Therefore, it would be complicated to apply to existing structures.

Commissioner Arvizu asked if the City has received any pre-approved plans for the Pre-Approved ADU (PAADU) Program.

Ms. Graham stated that no formal applications have been received from designers who wish to be a part of the PAADU Program. She explained how the PAADU Program works.

Commissioner Arvizu asked for further clarification about the PAADU Program and if ADUs no longer must match the main house's architectural design.

Ms. Graham confirmed that a property owner may choose the pre-approved ADU plans that do not match the architectural design of their main house.

Commissioner Arvizu asked when the PAADU Program went into effect and if it was before the City Council for review.

Ms. Graham stated the requirement went into effect by January 1, 2025 and it was mandated by State law.

Commissioner Tsoi asked about the PAADU Program and if a designer can submit plans to the City for review and those plans would be considered pre-approved for the public to use.

Ms. Graham said that is correct. She explained that the plans are subject to plan check and once approved, an applicant can select the plans, contract with the designer and pull permits.

Commissioner Arvizu asked if prefabricated ADUs will be allowed.

Ms. Graham stated that we must allow prefabricated ADUs however, the City has added new objective design standards to ensure certain materials are not allowed such corrugated or metal materials.

Commissioner Arvizu asked why the current requirement for a minimum an 8-inch articulation in ADU projects was being proposed to be eliminated.

Ms. Graham stated that the articulation did not create effective change to the design because the intended purpose was not being met.

Commissioner Arvizu asked how many ADUs were approved in 2024.

Ms. Graham stated that the final count has not been completed but about 80 ADUs were approved.

Commissioner Tsoi asked if two-story ADUs are permitted.

Ms. Graham stated that two-story ADUs are only permitted when attached to a single-family house.

Commissioner Tsoi asked if it could be required that ADUs match the primary house's design.

Ms. Graham explained that the current objective design standards require that the roof slope and materials match the primary residence.

Commissioner Hui asked if the City would consider allowing ADUs to be built over the garage.

Ms. Graham explained that unless the State requires the allowance of two-story ADUs, the City will not allow them due to concerns about the impacts to privacy.

Commissioner Hui asked where most of the approved ADUs are located.

Ms. Graham stated that ADUs from all areas of the City have been approved.

The public hearing was opened.

There were no speakers present.

Commissioner Arvizu made a motion to close the public hearing. Commissioner Hui seconded the motion.

Without objection, the motion was approved.

## **DISCUSSION**

Vice Chair Tallerico had concerns about the possibility of oversized ADUs being built in Arcadia. He said he would like local cities to be able to set their own standards. However, he understands that cities must abide by State law. He stated that he would like to recommend the City Council deny the "updates" to the ADU Ordinance.

Commissioner Arvizu stated that the Resolution findings contradict the General Plan and referred to the last paragraph on page 14 in Resolution No. 2159 where it states that the proposed amendment is consistent with the City's adopted General Plan. He pointed out Policy LU- 4.2 which states that it is encouraged that residential development enhances the visual character, quality and uniqueness of the City's neighborhoods and that the proposed changes to the ADU ordinance do not align with those goals. Additionally, he referred to the General Plan where it states that "the City protects and preserves the character and quality of the neighborhoods by requiring harmonious design, careful planning, and integration of sustainable principles" and believed that the PAADU Program would be in contradiction of that.

Commissioner Arvizu also referred to Goals H-1, H-1.7, H-1.8, LU-3, LU 3.1, LU 3.2, LU 3.4, LU 3.5 of the Housing and Land Use and Community Design Elements of the General Plan and believes he cannot make the findings of the Resolution because they are in contradiction of the City's General Plan.

Commissioner Hui stated that she did not believe ADUs were appropriate for the City and had concerns about potential noise impacts as a result of ADUs, however, noted that the City must comply with State law.

Commissioner Tsoi expressed no concerns about ADUs because most ADUs are built in the backyard and are only one-story structures. He pointed out that in most cases, the ADUs in the City are being built for personal use and not for rental purposes.

Assistant City Manager and Development Services Director Jason Kruckeberg explained that the City's ADU ordinance has always complied with State law while maintaining as much local control as possible. He added that if the updates to the ordinance do not get approved, the ordinance will be invalidated, and the City will be obligated to comply with State law without any of the City's provisions.

Commissioner Arvizu stated that he disagrees with the requirements the State is imposing on small cities and believes that they should keep authority over ADUs.

Commissioner Tsoi asked about the repercussions if the updates to the ADU Ordinance do not get approved.

Mr. Martz stated that the ADU regulations would revert to State law since the City's ordinance would not be compliant.

Commissioner Arvizu asked what the consequences are if the City Council does not approve the Text Amendment and only enforces the current ADU Ordinance.

Mr. Martz explained that it exposes the City to legal challenges from the California Department of Housing and Community Development in addition to the residents who wish to exercise their rights.

Vice Chair Tallerico suggested that the Resolution be amended to recommend City Council not approve the proposed updates and that the current ADU Ordinance be left as is.

Commissioner Tsoi asked for information about the proposed changes to the ADU Ordinance and how much it differs from the current ordinance.

Ms. Graham explained that the biggest changes include the owner-occupancy requirement to be removed permanently, allowance for up to 8 detached ADUs on multi-family properties and revising the objective design standards.

Commissioner Arvizu pointed out that per the staff report, other updates include removing objective design standards specifically the requirements that the exterior materials match the main house and that two facades have an 8-inch articulation, in addition to the requirement for landscaping screening between ADUs and the property line.

Ms. Graham explained that it was determined by the Fire Department that landscaping within the four (4) foot setback might interfere with access to the rescue windows, which are required for every bedroom.

Commissioner Tsoi asked what the minimum setbacks for ADUs.

Ms. Graham stated that the minimum setback is four (4) feet.

Commissioner Tsoi asked if the setback requirement can be increased.

Ms. Graham stated that is the minimum setback per the State.

Commissioner Arvizu asked for clarification that the Commission may make a recommendation not to adopt the resolution.

Ms. Graham and Mr. Martz confirmed yes.

## **MOTION**

It was moved by Commissioner Arvizu, seconded by Vice Chair Tallerico to deny Text Amendment No. TA 24-01 (Ordinance No. 2401) amending various sections of the Arcadia Development Code related to Accessory Dwelling Units, regulations to the Residential Flex (RF) Overlay, and other minor amendments and text cleanups in that the findings do not meet the City's General Plan Housing Policies H- 1.7 and 1.8, and Land Use Policies LU-3.1, 3.2, 3.4 and 3.5, and return to the next Planning Commission with a revised Resolution.

Vice Chair Tallerico suggested amending the motion to include that staff implement the existing ADU Ordinance that is currently in effect.

Commissioner Arvizu accepted the amendment to the motion.

## **ROLL CALL**

AYES: Vice Chair Tallerico, Commissioners Arvizu, and Hui  
NOES: Commissioner Tsoi  
ABSENT: Chair Wilander

The motion was approved.

## **CONSENT CALENDAR**

1. Minutes of the January 14, 2025, Regular Meeting of the Planning Commission

**Recommendation:** Approve

Vice Chair Tallerico motioned to approve the amended minutes and seconded by Commissioner Hui.

## **ROLL CALL**

AYES: Vice Chair Tallerico, Commissioners Hui and Tsoi  
NOES: None  
ABSENT: Chair Wilander

Commissioner Arvizu abstained from voting because he was absent at the January 14, 2025, meeting.

The motion was approved.

## **MATTERS FROM CITY COUNCIL LIAISON**

City Council Member Wang had nothing to report.

**MATTERS FROM THE PLANNING COMMISSONERS**

Commissioner Hui informed the Commission about the Arcadia Performing Arts Foundation’s concert on April 5 and the Arcadia Highschool’s Orchestra benefit dinner on March 8.

**MATTERS FROM ASSISTANT CITY ATTORNEY**

Mr. Martz had nothing to report.

**MATTERS FROM STAFF INCLUDING UPCOMING AGENDA ITEMS**

Ms. Graham reported that there is one item on the agenda of the February 25 meeting for the Conditional Use Permit of a new preschool.

Ms. Graham reported that a Text Amendment for Inclusionary Housing will be before the Planning Commission on March 11.

Commissioner Tsoi asked if the City has received any complaints about ADUs from any neighbors.

Ms. Graham stated that she has not received any concerns about ADUs once construction has been completed.

**ADJOURNMENT**

The Planning Commission adjourned the meeting at 8:30 p.m., to Tuesday, February 25, 2025, at 7:00 p.m. in the City Council Chamber.

  
Chair Wilander, Planning Commission

ATTEST:   
\_\_\_\_\_  
Lisa L. Flores  
Secretary, Planning Commission



# STAFF REPORT

Development Services Department

**DATE:** February 11, 2025

**TO:** Honorable Chair and Planning Commission

**FROM:** Lisa Flores, Deputy Development Services Director  
By: Fiona Graham, Planning Services Manager

**SUBJECT:** RESOLUTION NO. 2159 – RECOMMENDING THAT THE CITY COUNCIL APPROVE TEXT AMENDMENT NO. TA 24-01 (ORDINANCE NO. 2401) AMENDING VARIOUS SECTIONS OF THE ARCADIA DEVELOPMENT CODE RELATED TO ACCESSORY DWELLING UNITS, REGULATIONS TO THE RESIDENTIAL FLEX (RF) OVERLAY, AND OTHER MINOR AMENDMENTS AND TEXT CLEANUPS.

**CEQA: Exempt**  
**Recommendation: Adopt Resolution No. 2159 and forward a Recommendation to City Council**

## SUMMARY

The Development Services Department has initiated a Text Amendment to amend and update various sections of the City's Development Code. The Text Amendment consists of five components: a comprehensive update of the of the Accessory Dwelling Unit (ADU) Ordinance including changes to the objective design standards, an update to the Residential Flex Overlay to allow lot consolidation in certain circumstances, an update to the Downtown Parking Overlay to allow expansions of certain commercial buildings without requiring additional vehicle parking spaces, minor amendments including changes to the applicability of Variances and permitting manufactured homes in specific residential zones, and other minor text cleanups throughout. This Text Amendment will bring the City's ADU Ordinance into compliance with State law, implement the Housing Element, and streamline the Development Code.

It is recommended that the Planning Commission adopt Resolution No. 2159 (refer to Attachment No. 1) recommending the City Council approve Text Amendment No. TA 24-01, and find that the Text Amendment is Exempt under the California Environmental Quality Act ("CEQA").

## **BACKGROUND**

### ***Accessory Dwelling Units***

Over the past decade, the State has implemented multiple changes to the Government Code regarding the development of Accessory Dwelling Units (ADUs). The existing ADU law includes various provisions that limit a local jurisdiction's ability to regulate many aspects of ADUs. The City of Arcadia has updated its Ordinances over time to reflect changes made to ADU regulations, most recently in 2023. In 2024, the California legislature approved several new ADU bills which went into effect on January 1, 2025. In November 2024, the Department of Housing and Community Development (HCD) notified the City that several aspects of the current ADU ordinance needed updating to align with the recent changes in State law. As a result, the entire ADU Ordinance, including the Objective Design Standards, was revised.

### ***Text Amendments required to implement the Housing Element***

The City adopted its Housing Element update in February 2022 and, after a suite of Text Amendments and Zone Changes were implemented in early 2024, the Housing Element was certified by the Department of Housing and Community Development (HCD). Many of the implementation actions for the Housing Element update were completed as part of the February 2024 Zone Change and Text Amendment. However, the City still needs to update the Development Code to allow manufactured homes as a permitted use in most residential zones.

As part of the February 2024 Housing Element implementation actions, the Residential Flex Overlay was updated and applied to C-G Zoned property throughout the City. The Residential Flex Overlay allows for residential development in some commercial zones where projects provide a certain amount of affordable housing and where a property is identified on the Site's Inventory List. Over the past year, several property owners have approached the City with residential development proposals on properties with one parcel on the Sites' Inventory List and one not on the list. The February 2024 update to the Residential Flex Overlay provisions did not include a process or a mechanism to allow a property not on the Site's Inventory List to be incorporated into a development site.

### ***Various other minor amendments and text cleanup***

The Development Services Department regularly undertakes cleanups of the Development Code to ensure consistency, clarity, and alignment with the City's long-term planning objectives. Over time, minor errors, ambiguities, inconsistencies, and outdated language can accumulate due to prior amendments, changes in state or federal law, and evolving best practices in urban planning. This cleanup serves to streamline the development review process, reduce confusion for applicants, and improve the enforceability of the Development Code. This includes a minor change to the provisions of the Variance application, which would allow some flexibility for well-established existing

uses to undertake changes to improve public safety and welfare. The Downtown Parking Overlay (DTP) Zone is also being updated to allow certain properties near the City's parking lot to enlarge without being required to provide additional parking.

## **DISCUSSION**

The various Text Amendments can be found in Divisions 2, 3, 6, 8, and 9 of the Development Code (refer to Exhibits A through E of Attachment No. 1).

### *Accessory Dwelling Unit Ordinance Update*

The City has undertaken multiple ADU Ordinance updates in response to changes made to State ADU regulations over the past eight (8) years. The ADU Ordinance was most recently updated in April 2023 in response to Assembly Bill 2221 and Senate Bill 897. ADU projects have been reviewed and processed using the current ADU Ordinance since its adoption.

Most recently, the State enacted Assembly Bill 2533 and Senate Bill 1211, further changing and updating requirements for ADUs across California. The proposed major update to the City's ADU Ordinance is necessary to ensure the City remains in compliance with State law and avoids exposure to legal challenges or state-imposed remedies, including the potential invalidation of the local ADU ordinance. The changes aim to align the City's Development Code with all applicable provisions of new ADU legislation, such as multifamily ADU provisions, updates to ADU permit types, and formal changes to rental restrictions.

The ADU Ordinance has been completely revised and restructured to streamline regulations and enhance clarity. Additionally, several changes have been made to the objective design standards for ADUs. These include elimination of the requirements that the ADU's exterior materials match the primary residence, the ADU has articulation on two facades with a minimum 8" depth, and screening landscaping be incorporated between the ADU and a property line. These provisions were found to be too restrictive or were not applicable in many instances. Furthermore, the recently implemented Pre-Approved ADU Program (PAADU)<sup>1</sup> means it would be impossible to ensure these design requirements are successfully executed throughout the City.

### *Residential Flex Overlay*

The Residential Flex (RF) Overlay allows for residential development in certain commercial zones. It was expanded in February 2024 as part of the Housing Element Update to allow more areas to be eligible for residential use. Before this expansion, the RF Overlay applied only to a small area along Live Oak Avenue and Las Tunas Drive.

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<sup>1</sup> Arcadia's [Pre-Approved ADU Program](#) (PAADU) has been implemented in accordance with Assembly Bill 1332.

For a developer to use the RF Overlay, a property had to be listed on the City's Sites Inventory ("Inventory") to be eligible for residential development under the RF Overlay. This list, created as part of the Housing Element Update, identifies properties that provide sufficient capacity to meet the City's housing goals, as required by the Regional Housing Needs Allocation (RHNA). Any properties not listed on the Inventory could not be developed for residential uses.

Recently, the Planning Division has received inquiries about properties where one parcel is on the list, but an adjacent parcel is not. Under the current rules, these properties could not be developed for residential use under the RF Overlay unless both parcels were on the Sites Inventory List. To address this, a new mechanism has been introduced to allow property owners to consolidate adjacent lots under the same ownership, even if only one of the lots is on the Inventory. This will enable residential development for these properties within the Residential Flex Overlay Zone. This change has been added as a footnote under Table 2-15 to support more flexible development options for site consolidation.

#### *Minor Changes to the Code*

A variety of other minor changes, updates, and text cleanups have been included throughout the Development Code. The changes aim to improve the Development Code through removing unnecessary requirements, clarifying the applicability of standards, and otherwise improving readability or implementation of the Development Code. A summary of the changes can be found, below:

- Table 2-1 is to be updated to include Manufactured Housing as a permitted use in all residential zones except the Restricted High Density Residential (R-3-R) Zone. This is a required action from the City's recently certified Housing Element and will bring the Development Code into compliance with State law regarding mobile homes and manufactured housing.
- The DTP Zone allows many uses to locate in Arcadia's Downtown without needing to provide compliant parking. However, this is only applicable where no additional square footage is being added to the building. The proposed update to the DTP Zone will allow the expansion of existing commercial buildings, which are in the CBD Zone, within 150 feet of the City's public parking lot, and up to 3,000 square feet in size, without needing to provide compliant parking. This update will allow greater flexibility for property and business owners in certain parts of Downtown Arcadia.
- A minor change has been made to the requirements for a Variance. Variances can be utilized when a project deviates from the required provisions or standards of the Development Code. To support existing, long-term uses that want to make improvements to their property to improve public safety or welfare, the following has been added (underlined):  
*"The power to approve Variances does not extend to land uses, unless the requested use variance is for a well-established existing use, and granting the variance would demonstrably improve public safety or welfare."*

- Rear yard lot coverage restrictions for all accessory structures in single family residential zones are to be eliminated. The State has removed much of the City's ability to limit construction within the rear yard for ADUs. ADUs now comprise the majority of new accessory structure development in single family zones. To ensure consistency for all detached accessory structures, and to enable the best utilization of the rear yard, the 25% maximum rear yard lot coverage requirement is being eliminated for all accessory structures.
- Administrative Modifications for ADUs have been removed in Table 7-2 to eliminate discretionary actions for ADUs to ensure compliance with State law.
- The period of time a nonconforming use or structure can maintain its nonconforming protection/status once discontinued is being increased from 90 days to 180 days. This change provides property and business owners with greater flexibility in replacing tenants, furthering the City's goal of being business friendly. It is also consistent with many nearby Cities.
- Maximum hardscape provisions are being updated to apply to the front "yard" instead of the current front "setback". Maximum hardscape calculations in front yards ensure sufficient landscaping is maintained in residential neighborhoods. This change will require the entire area in front of a residence to meet the maximum hardscape provisions rather than only the required setback area.
- Front fences in commercial zones are currently not allowed. It has become evident that many businesses wish to install fences or gates along their frontage. The Text Amendment will allow gates and fences on commercial frontages, subject to Design Review.
- References to short term rental limitations in Urban Lot Split projects – a specific type of subdivision permitted under Senate Bill 9 – are being updated to 28 days rather than 30 days to ensure consistency with other sections of the Arcadia Municipal Code.
- Two definitions have had minor updates for clarification purposes.

## **FINDINGS**

Pursuant to Section 9108.03.060, an amendment to the Development Code may be approved only if all of the following findings are made:

- 1. The proposed Development Code amendment is consistent with the goals, policies, and objectives of the General Plan; and any applicable specific plan(s);**

**Facts to Support the Finding:** The proposed Text Amendment No. TA 24-01 is consistent with the General Plan Land Use and Community Development Element and the Housing Element goals and policies. The Text Amendment ensures that the Development Code will comply with State law, will implement actions within the General Plan Housing Element, will be updated to improve readability, enforcement, and to align with best practice, and is consistent with the following General Plan Policies:

### Land Use and Community Development Element

- Policy LU-4.2: Encourage residential development that enhances the visual character, quality and uniqueness of the City’s neighborhoods and districts.

### Housing Element

- Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.
- Policy H-2.7: Encourage mixed-use development on commercial properties consistent with existing residential development standards to revitalize underutilized communities while maintaining Arcadia’s neighborhood integrity.
- Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.
- Policy H-4.4: Support infill development at appropriate locations in the City.

The proposed Text Amendment No. TA 24-01 is to provide a thorough update to the ADU Ordinance, and make various minor updates and clarifications throughout the Development Code. This amendment will not impact any other development standards and is consistent with the adopted General Plan.

## **2. The proposed amendment is internally consistent with other applicable provisions of this Development Code.**

**Facts to Support the Finding:** The proposed Text Amendment will undertake a comprehensive update to the ADU Ordinance, include manufactured housing as a permitted use in residential zones – a requirement of the recent Housing Element update, allow for lot consolidation for some housing projects in the Residential Flex Overlay, and update various other provisions throughout the Development Code to improve readability and review and entitle development projects with greater efficiency. The proposed Text Amendment has been reviewed to ensure it is consistent with the other applicable provisions of the Development Code and updates have been included where necessary to ensure consistency. Several Text Amendments have been included to ensure consistency in light of other proposed Text Amendments, specifically for the comprehensive ADU Ordinance update.

## **ENVIRONMENTAL ASSESSMENT**

The proposed Text Amendments are exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that they

would not have a significant effect on the environment and, thus, are not subject to CEQA review. See Attachment No. 2 for the Preliminary Environmental Assessment.

### **PUBLIC COMMENTS/NOTICE**

Pursuant to Section 9108.13.020.B.2 of the Development Code, if the number of property owners to whom notice would be mailed is more than 1,000, a notice may be published in a general circulation news publication. Accordingly, a public hearing notice for Text Amendment No. TA 24-01 was published in the Arcadia Weekly on January 30, 2025. As of February 6, 2025, no comments were received in response to the notice.

### **RECOMMENDATION**

It is recommended that the Planning Commission adopt Resolution No. 2159, recommending that the City Council approve Text Amendment No. TA 24-01 (Ordinance No. 2401) amending various sections of the Arcadia Development Code related to Accessory Dwelling Units, regulations to the Residential Flex (RF) Overlay, and other minor amendments and text cleanups, and with an Exemption from the California Environmental Quality Act.

Approved:

A handwritten signature in blue ink, appearing to read "Lisa L. Flores".

*on behalf of*

Lisa L. Flores  
Deputy Development Services Director

- Attachment No. 1: Resolution No. 2159 with Exhibits A through E – Text Amendments
- Attachment No. 2: Preliminary Exemption Assessment



Feb 10, 2025

City of Arcadia  
240 W Huntington Drive  
Arcadia, CA 91007

Re: Proposed Amendments to City's ADU Ordinance

By email: [planning@ArcadiaCA.gov](mailto:planning@ArcadiaCA.gov)

Cc: [ifores@ArcadiaCA.gov](mailto:ifores@ArcadiaCA.gov); [CityClerk@ArcadiaCA.gov](mailto:CityClerk@ArcadiaCA.gov); [rarellano@ArcadiaCA.gov](mailto:rarellano@ArcadiaCA.gov);  
[domlazz@ArcadiaCA.gov](mailto:domlazz@ArcadiaCA.gov); [fgraham@ArcadiaCA.gov](mailto:fgraham@ArcadiaCA.gov)

Dear Arcadia Planning Commission,

The California Housing Defense Fund ("CalHDF") submits this letter as a public comment for the Planning Commission meeting of February 11, 2025 regarding a proposed amendment to the City's regulations for ADUs and JADUs. This proposed ordinance fails to comply with state law in one specific way, and the City should address this issue before approving the ordinance.

### Background

The law gives local governments authority to enact zoning ordinances that implement a variety of development standards on ADUs. (Gov. Code, § 66314.) The standards in these local ordinances are limited by state law so as not to overly restrict ADU development. (See *id.*) Separately from local ADU ordinances, Government Code section 66323 establishes a narrower set of ADU types that local governments have a ministerial duty to approve. "Notwithstanding Sections 66314 to 66322 ... a local agency shall ministerially approve" these types of ADUs. (*Id.* at subd. (a).) This means that ADUs that satisfy the minimal requirements of section 66323 must be approved regardless of any contrary provisions of the local ADU ordinance. (*Ibid.*) Local governments may not impose their own standards on such ADUs. (Gov. Code, § 66323, subd. (b) ["A local agency shall not impose any objective development or design standard that is not authorized by this section upon any accessory dwelling unit that meets the requirements of any of paragraphs (1) to (4), inclusive, of subdivision (a)."].)

In addition, ADUs that qualify for the protections of Government Code section 66323, like other ADUs, must be processed by local governments within 60 days of a complete permit application submittal. (Gov. Code, § 66317, subd. (a).)

State law also prohibits creating regulations on ADU development not explicitly allowed by state law. Government Code Section 66315 states, “No additional standards, other than those provided in Section 66314, shall be used or imposed, including an owner-occupant requirement, except that a local agency may require that the property may be used for rentals of terms 30 days or longer.”

### **Impermissible Restriction on ADUs in Single-Family Residential Zones**

City code section 9102.01.060(A)(2) imposes a maximum of two accessory structures per parcel, including ADUs. This is an unlawful provision for two specific reasons:

1. The City is obliged to approve ADUs eligible for the protections of Government Code, section 66323, subdivision (a) regardless of the number of existing accessory structures on site. That is because this section of state law obligates the City to approve such ADUs so long as they adhere to the height and setback requirements specified in that section of law. Government Code, section 66323, subdivision (a) does not allow the City to refuse permits based on the existing number of accessory structures on site.
2. Government Code, section 66323, subdivision (a)(4) obligates the City to approve up to eight detached, new construction ADUs on a parcel with an existing multifamily dwelling so long as it is located within a residential or mixed-use zone. If there are any existing, nonconforming multifamily properties within the City’s single-family districts, then City code section 9102.01.060(A)(2) would illegally prohibit the development of up to eight detached ADUs on those properties.

For more information on 66323 units, please see page 18 et seq. of the January 2025 HCD ADU [Handbook](#).

CalHDF recommends that the City amend this section of code to read “A maximum of two detached accessory structures are allowed on any one lot, ~~including~~ excluding accessory dwelling units.”



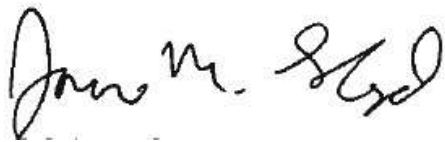
CalHDF appreciates the City’s effort to implement state law governing ADU construction. However, the City should amend its ordinance to ensure that it complies with state law.

CalHDF is a 501(c)3 non-profit corporation whose mission includes advocating for increased access to housing for Californians at all income levels, including low-income households. You may learn more about CalHDF at [www.calhdf.org](http://www.calhdf.org).

Sincerely,



Dylan Casey  
CalHDF Executive Director



James M. Lloyd  
CalHDF Director of Planning and Investigations

## Ivette Torres

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**From:** Lee Kuo <leethebruin@yahoo.com>  
**Sent:** Monday, February 10, 2025 2:48 PM  
**To:** Ivette Torres  
**Subject:** Resolution No .2159

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Planning Department and Planning Commission Members,

I'm writing to express my opposition to the adoption of Resolution No. 2159 regarding accessory dwelling units. Over 25 years ago, my wife and I were drawn to the Arcadia Highlands and decided it would be the place to raise our children, in large part because of the character and quality of the neighborhood. As a 25-year resident of the Highlands (and current member of its Architectural Review Board and HOA Board), I've continued to value the existences of the HOA and ARB, which operate to preserve and enhance the character and quality of our community. Resolution 7272 underpins what residents of the Highlands have relied on for decades to ensure the value of their residential investments and the character of the neighborhood. Resolution No. 2159 would undermine and gut the purpose of Resolution 7272. What point is there in having ARBs if there are visible structures over which the ARB (via Resolution 7272) has no authority? ADUs aren't "tiny homes" with immaterial visual and other impacts on our neighborhood. Even with ARB review, ADUs will have material impact on our neighborhoods. Without ARBs and community input, the visual and attendant impacts of ADUs will be unmitigated. With Resolution No. 2159, residents in HOA neighborhoods of Arcadia will lose their voice and influence over development in their neighborhoods, a right many of us relied on when deciding to purchase our homes.

Please vote against Resolution 2159.

Best,  
Lee Kuo  
626-627-7598

## Ivette Torres

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**From:** Patrick Cronin <patrick@pjcronin.com>  
**Sent:** Tuesday, February 11, 2025 1:53 PM  
**To:** Ivette Torres  
**Subject:** Feb. 11 Resolution 2159 hearing

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I just wanted to let you know that I am strongly opposed to any changes to the Arcadia Development Code, specifically Resolution 2159, that would result in further limiting the ability of the City's Architectural Review Boards to protect and maintain the character of our beautiful residential neighborhoods.

Regards,

Patrick J. Cronin

Member, Highlands ARB

Mobile: 626.705.4393

# Attachment No. 4

## Preliminary Exemption Assessment



CITY OF  
ARCADIA

## PRELIMINARY EXEMPTION ASSESSMENT

1. Name or description of project:	Text Amendment No. 24-01 - Amending various sections of Article IX, Chapter 1 (Development Code) of the Arcadia Municipal Code pertaining to Accessory Dwelling Units, the Residential Flex Overlay, and other minor text amendments and cleanups.	
2. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	City of Arcadia - Citywide	
3. Entity or person undertaking project:	A City of Arcadia – Development Services Department	
	B Other (Private)	
	(1) Name	
	(2) Address	
4. Staff Determination: The Lead Agency's Staff, having undertaken and completed a preliminary review of this project in accordance with the Lead Agency's "Local Guidelines for Implementing the California Environmental Quality Act (CEQA)" has concluded that this project does not require further environmental assessment because:		
a. <input type="checkbox"/>	The proposed action does not constitute a project under CEQA.	
b. <input type="checkbox"/>	The project is a Ministerial Project.	
c. <input type="checkbox"/>	The project is an Emergency Project.	
d. <input type="checkbox"/>	The project constitutes a feasibility or planning study.	
e. <input type="checkbox"/>	The project is categorically exempt.	
	Applicable Exemption Class:	
f. <input type="checkbox"/>	The project is statutorily exempt.	
	Applicable Exemption:	
g. <input checked="" type="checkbox"/>	The project is otherwise exempt on the following basis:	The proposed update to the ADU Ordinance, Residential Flex Overlay, and other minor text changes and cleanups are exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that they would not have a significant effect on the environment and, thus, are not subject to CEQA review.
h. <input type="checkbox"/>	The project involves another public agency which constitutes the Lead Agency.	
	Name of Lead Agency:	

Date: December 23, 2024

Staff: Fiona Graham, Planning Services Manager



# STAFF REPORT

Development Services Department

**DATE:** March 11, 2025

**TO:** Honorable Chair and Planning Commission

**FROM:** Jason Kruckeberg, Assistant City Manager/Development Services Director

**SUBJECT:** RESOLUTION NO. 2165 RECOMMENDING THAT THE CITY COUNCIL APPROVE TEXT AMENDMENT NO. 25-01 ADDING A NEW SECTION 9103.16 TO ARTICLE IX, CHAPTER 1 (DEVELOPMENT CODE) OF THE ARCADIA MUNICIPAL CODE PERTAINING TO AN INCLUSIONARY HOUSING ORDINANCE AND ASSOCIATED IN-LIEU DEVELOPMENT FEE

**Recommendation: Adopt Resolution No. 2165 recommending approval to the City Council**

## SUMMARY

As part of the adoption of the City's Housing Element, the City is responsible for providing the capacity to build affordable housing units. The Housing Element sets forth goals, policies and programs that address future housing needs for all income levels over a planning period of 2021-2029, which coincides with a unit count established by the Regional Housing Needs Assessment (RHNA). The RHNA is mandated by State Housing Law as part of the periodic process of updating housing elements of the General Plan, and Arcadia was allocated 3,214 housing units for the 2021-2029 planning period. Of these units, 71% are slated to provide some level of affordability. One of the prime strategies identified to provide the capacity for this number of affordable units is the adoption of an Inclusionary Housing Ordinance.

Inclusionary Housing refers to policies and/or regulations that require residential developments to include affordable housing units as part of their unit mix. This is a common tool utilized as part of the development process to create affordable housing. The City has prepared an Inclusionary Housing Ordinance (IHO), and an associated development fee payable in-lieu of providing affordable units, as an important step in the adoption and implementation of the Housing Element. Therefore, it is recommended that the Planning Commission adopt Resolution No. 2165 recommending that the City Council approve Text Amendment No. 25-01 adding a new Section 9103.16 to the Arcadia

Municipal Code pertaining to an Inclusionary Housing Ordinance and associated in-lieu development fee.

**BACKGROUND**

The City Council adopted the Housing Element Update on February 15, 2022. However, after several iterations of review, on January 6, 2023, the State Department of Housing and Community Development (HCD) determined that the City needed to adopt specific rezoning strategies and complete other actions in order to receive certification of the Housing Element. The rezoning strategies were adopted by the City Council on February 6, 2024, and the Housing Element Update was promptly certified by HCD on February 9, 2024.

An important component of the Housing Element is compliance with the RHNA allocation. The RHNA is the process by which each city is assigned a share of the region’s need for additional housing units during the next Housing Element planning period (2021-2029). RHNA allocations are determined for the City by the Southern California Association of Governments (SCAG) based on criteria established by State law. The City’s allocation is in Table 1 below:

**Table 1**

<b>Income Category</b>	<b>Number of Units</b>	<b>Percentage</b>
Very Low Income Units	1,102	34%
Low Income Units	570	18%
Moderate Income Units	605	19%
Above-Moderate Income Units	937	29%
<b>Total</b>	<b>3,214</b>	<b>100%</b>

As mentioned, the Housing Element must demonstrate site development capacity to facilitate the construction of a variety of housing types for all income levels. It is important to note that the City is not responsible for the production of these units; rather, the City is obligated to provide adequate sites for the development of units through either appropriate General Plan land use and zoning designations, or through zoning or regulatory changes to accommodate these units. Whether or not housing actually gets built, and what type of housing gets built, is largely up to the landowners and the housing market. However, as mentioned, the City is responsible to provide programs and policies to facilitate new housing development, especially for low and very-low income housing.

It was determined through a review of projects within the pipeline, as well as growth patterns in general, that the City’s allocation of “above moderate” units would be met through existing zoning and current policy. However, in order to meet the City’s RHNA requirement for affordable units, additional housing programs and strategies were needed. For example, only 96 affordable units are currently in the pipeline without any new policies or strategies. As a result, strategies were developed through the Housing Element Update process that expanded high density zones, increased the allowed density in various areas, allowed residential overlay zones in predominantly commercial

or industrial areas, and created policies to encourage affordable housing and a range of additional housing types. In keeping with the City's overall direction of the last 15 years or so, growth and density continues to be directed into areas with adequate infrastructure and away from single-family neighborhoods.

All of the above policies set the framework for the provision of more affordable units, but the most important policy provided in the Housing Element is the adoption of an IHO. The primary goal of an IHO is to expand the stock of affordable housing within a community by setting standards and provisions that require the development of housing affordable to lower and moderate-income households. These units are integrated into proposed residential development projects and are essentially the same as any other multi-family unit, except they are only available to qualifying renters or owners at various levels of affordability. Based on Arcadia's RHNA and the options available, an IHO is viewed as the only alternative available to the City that will meaningfully provide the capacity needed for these units.

In alignment with the goals of the adopted Housing Element, the City has prepared a Draft IHO intended to encourage and facilitate the construction of below market-rate housing in Arcadia. The program was included in the Housing Element Implementation Plan as Program 5-19 (Inclusionary Housing Policy). It was originally intended that the development of an IHO would be the first action taken following the certification of the Housing Element. However, HCD required the City to undertake a major rezoning effort first, which was completed early in 2024. Since that time, Development Services Department Staff have held several Study Sessions with both the Planning Commission and City Council, collectively, and has provided a great deal of information to the public on this effort. This represents the last major implementation action to effectuate the approved Housing Element for the 2021-2029 cycle.

## **ANALYSIS**

As mentioned, Inclusionary Ordinances are a common tool to facilitate the provision of affordable housing. There are 21 other jurisdictions throughout Los Angeles County that have IHOs and several others that are currently working toward adoption of an Ordinance. Each City has unique circumstances related to the built environment, land values, the presence of city-owned properties, and unique funding opportunities that inform what types of regulations will work best to provide housing. The adoption of an IHO is viewed as the best way to provide for affordable housing for the City of Arcadia, for the following reasons:

- **Funding Limitations**. There is no other public source of funding dedicated to the provision of affordable units for the City to utilize. In the past, the City had access to Redevelopment Funds (as part of the former Arcadia Redevelopment Agency). Twenty percent of the funding received through Redevelopment was REQUIRED to be used for affordable housing projects, of which Arcadia completed several.

When Redevelopment was dissolved at the State level, this important source of funding for affordable housing was eliminated.

- Lack of City-owned land and public housing. Some cities have publicly-owned land that can be utilized for affordable housing projects. Arcadia does not have such property.
- Integrates Units into Larger Developments. The IHO provides a mechanism for integrating affordable units into larger market-rate projects, creating coordinated and cohesive developments. This approach is preferable to relying solely on 100% affordable projects, which are extremely challenging to finance and unlikely to occur in Arcadia without significant external subsidies.
- Provides Most “Bang for the Buck”. The IHO can work in conjunction with State density bonus law and other development incentives to create projects that both provide affordable units and are financially viable for the development community.

Although there are similarities between all IHOs, each one is specifically tailored to address the housing situation of the jurisdiction. The Draft IHO is included as an Exhibit to Resolution No. 2165 (Attachment A to this Staff Report). In developing the IHO, it is important for the City to ensure that any regulation considered does not become overly restrictive or create a chilling effect on development. Striking a balance between the need to provide affordable housing units and maintaining a regulatory framework that encourages property development and redevelopment is essential. The Ordinance was drafted with the assistance of long-time Housing Element consultant Kimley Horn and Associates to achieve the following purposes:

- Create a structure that provides for the provision of units at all levels of housing affordability.
- Allow for affordable units in both rental (apartment) and ownership housing options
- Create alternatives for the provisions of units. This is a State requirement for inclusionary ordinances, and tools such as in-lieu fees and off-site provision of units must be considered.
- Provide exemptions for smaller projects that do not meet the economies of scale necessary to provide affordable units.
- Create simple and streamlined approval, monitoring, and enforcement processes

Additionally, the Development Services Department held several Study Sessions with the City Council and Planning Commission, collectively, to obtain feedback and overall direction with regard to the Ordinance.

To ensure that the Draft Ordinance met the established goals and put forward a balanced regulation, the City contracted with Keyser Marston Associates (KMA) to complete an economic analysis (Attachment No. 2). KMA based their analysis on general parameters

for IHOs that came out of a California Supreme Court Case (*California Building Industry Association v. City of San Jose*) which imposed the following limitations on the requirements of these Ordinances:

1. Inclusionary Housing requirements cannot be confiscatory; and
2. Inclusionary Housing requirements cannot deprive a property owner of a fair and reasonable return on their investment.

The Financial Evaluation provided by Keyser Marston establishes prototype housing projects in various zones in Arcadia to evaluate the economic reality of building affordable units. Variables such as the size of the project, density, height, parking requirements, and land values are included to develop representative development types in both the Downtown Mixed Use zone area and along the Live Oak/Las Tunas corridor. Pro Forms were then created to evaluate the land value supported by a 100% market rate project, as well as the value enhancement that was created by the City’s recent zoning changes.

To assess whether providing affordable units is feasible, the portion of the value increase that could reasonably go toward creating inclusionary units in a market-rate development was determined. This is based on the determination of an “affordability gap” for each level of affordability designated by Los Angeles County. The affordability gap can generally be defined as the difference between the market rate rent or sales price and the allowable rent or sales price for affordable units.

Table 2 below provides the percentage of units within both rental and ownership projects that can be financially supported by development projects at various rates of affordability. Please see Attachment No. 2 for the full methodology used to support this recommendation.

**Table 2**

<b>Proposed Affordable Unit Requirements for Residential Projects</b>	
<b>Total Percentage of Affordable Units Required (minimum)(1)</b>	<b>Minimum Affordability Level of Required Units</b>
<b>Ownership Units</b>	
5%	Moderate Income Only
<b>Rental Units</b>	
9%	Very Low Income Only
11%	6% Low Income + 5% Very Low Income = 11%
14%	Low Income Only
20%	Moderate Income Only

**Notes:** (1) of the total number of units in the residential project.

The IHO recommends the sliding scale above for the number of affordable units required within a rental project, based on the proposed level of affordability. Due to the very large affordability gaps for ownership projects in Arcadia, the requirements for ownership inclusionary units are much lower, as shown in the table. Developers can choose the most appropriate option based on the economics of their site, along with any additional financial incentives or parameters specific to their project. The proposed requirements recommended for the City are similar to those in neighboring cities such as Alhambra, Burbank, El Monte, Pasadena, South Pasadena, as well as Los Angeles County. A full Inclusionary Housing Program Survey is included as part of Attachment No. 2.

To ensure fairness to smaller projects, the Ordinance includes exceptions for certain situations. Recognizing that smaller projects may be more significantly impacted than larger projects, because there are fewer market units to offset the impact, the IHO will only apply to projects with 10 or more units. Projects with nine (9) or fewer units will be exempt. This approach is also consistent with the practices of other cities with Inclusionary Ordinances (e.g. although some Ordinances apply to projects with as few as 3 units, typically projects with 10 or more units are the common threshold).

While the goal of the IHO is to build physical affordable units as a part of new development projects, State Law requires that IHOs must include alternatives to the provision of these units. The most common alternatives are offsite construction and the establishment of an in-lieu development fee. Both options are included within the Draft IHO. The offsite construction option allows a developer to provide the required number of affordable units at a different location within the City. This would likely be rarely used but it could be utilized in a situation where a developer owned multiple properties within the City, or an adjacent or separate site was more suitable for the units. A far more common alternative is the in-lieu fee. In-lieu fees are an option a developer can choose in certain circumstances whereby a payment is made into an established Affordable Housing Trust Fund rather than to physically provide the units. The Trust Fund would be maintained by the City and monies within the Fund would be required to be used to provide affordable housing elsewhere in the City.

To establish a fair and realistic in-lieu fee, the City again contracted with KMA to provide an In-Lieu Fee Analysis (Attachment No. 3). The study quantifies the fee amounts corresponding to the affordability gaps identified in the economic analysis described above. The same prototype developments utilized in the economic analysis were included to determine the appropriate in-lieu fee and the recommended fees are based on weighted averages between the prototypes. Table 3 below outlines the recommended in-lieu fees based on the inclusionary housing unit recommendations. The table provides both a per unit in-lieu fee, and a per square foot fee based on total leasable or saleable floor area. It is recommended that the per square foot in-lieu fees be adopted, as this methodology accounts for the varying affordability gaps that will exist based on unit size.

**Table 3**

Recommended Base In-Lieu Fee Payment Amounts Residential Developments with 20 or More Units Affordability Gap Analyses	
Apartment Development	
Per Inclusionary Unit	\$403,000
Per Square Foot of Total Leasable Area in the Development	\$43.80
Ownership Housing Development	
Per Inclusionary Unit	\$701,300
Per Square Foot of Total Saleable Area in the Development	\$23.30

As an example of how the fee would work, one of the prototype developments is for an apartment development in the Downtown Mixed-Use area with a density of 64 units per acre. In this example, the developer has elected to apply the 14% low-income affordable requirement to a project with a total of 48 units and 45,600 square feet of leasable area. This would require seven (7) affordable units. Using the leasable area recommendation, the total in-lieu fee for the project would be just under \$2 million.

Because inclusionary housing requirements can have a disproportionate impact on smaller projects, KMA recommends a sliding scale for the in-lieu fee for rental residential projects of between 10 and 20 units. This provides a level of fairness for these projects where the cost of the fee increases is consistent with the size of the development, as shown in Table 4 below. The recommendation is that in-lieu fees can be provided for ALL ownership projects and for those rental projects up to 20 units. Beyond that, the physical units would need to be provided.

**Table 4**

Recommended Discounted In-Lieu Fee Schedules Measured Per Square Foot of Leasable or Saleable Area in the Residential Development		
Number of Units	Apartment Development	Ownership Housing Development
10	\$3.98	\$2.12

11	\$7.96	\$4.24
12	\$11.95	\$6.35
13	\$15.93	\$8.47
14	\$19.91	\$10.59
15	\$23.89	\$12.71
16	\$27.87	\$14.83
17	\$31.85	\$16.95
18	\$35.84	\$19.06
19	\$39.82	\$21.18
20+	\$43.80	\$23.30

It should also be noted that the IHO includes a provision that when the inclusionary housing calculation results in a fractional unit “remainder”, the developer should be able to pay a fee that is consistent with that fraction of a unit, rather than the entire unit cost. Similar to the sliding scale above, the fractional unit cost increases as the fractional requirement increases. For example, if the mathematical calculation resulted in the requirement for 8.2 inclusionary housing units, the developer would pay the cost of 8 full units, and a prorated cost based on .2 of a unit. This is a common approach in other IHOs and, again, provides a level of fairness in the process.

Finally, the Ordinance includes the requirements for an Inclusionary Housing Plan, which will be required of all eligible developments, and the enforcement actions that the City will be authorized to take if any approved housing plan is not carried out. Overall, the Ordinance achieves the desired balance in providing a method of providing affordable housing, while acknowledging the financial realities of Arcadia and building in protections for the development community. It is recommended that the Planning Commission recommend approval of the Ordinance to the City Council. The Draft City Council Ordinance and Resolution for the project are included as Attachment Nos. 4 and 5 for the Commission’s reference. The City Council Ordinance would approve the Inclusionary Housing Ordinance itself and the Resolution would approve the associated in-lieu fee. It is important to separate the fee from the Ordinance to allow the City to evaluate the fee annually to ensure it is consistent with the cost of development. By approving a separate Resolution for the fee, the fee can be changed over time much more efficiently.

**FINDINGS**

Pursuant to Section 9108.03.060(B), an amendment to the Development Code may be approved only if all of the following findings are made:

- 1. The proposed Development Code amendment is consistent with the goals, policies, and objectives of the General Plan; and any applicable specific plan(s).**

**Facts to Support the Finding:** The proposed Text Amendment No. TA 25-01 aligns with the goals and policies of the General Plan Housing Element. The Text Amendment ensures that Implementation Action No. 5-19 of the Housing Element is met, demonstrating the City's commitment to providing capacity for affordable housing units within the City. To accommodate the number of affordable housing units identified in the City's Regional Housing Needs Allocation (RHNA), and meet the specified levels of affordability, this Text Amendment is necessary. The Text Amendment is consistent with the following General Plan Housing Element Goals and Policies:

#### Housing Element

- Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.
- Goal H-3: A range of housing choices for all social and economic segments of the community, including housing for persons with special needs.
- Policy H-3.2: Facilitate homeownership opportunities for lower and moderate-income households.
- Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.

The proposed Text Amendment No. TA 25-01 will add a new Section to the Development Code related to Inclusionary Housing. This amendment will be consistent with all other portions of the adopted General Plan.

## **2. The proposed amendment is internally consistent with other applicable provisions of this Development Code.**

**Facts to Support the Finding:** The proposed Text Amendment will add a new Section 9103.16 to the Development Code. The Inclusionary Housing Ordinance will require a certain percentage of units in qualifying multi-family residential and mixed-use development projects to be designated as affordable housing units. This amendment aligns with the City's recent 2024 rezoning efforts, which included upzoning several areas to allow for additional density and to permit residential units in areas where they were previously not allowed. The Inclusionary Ordinance complements these zoning efforts to create the capacity necessary for residential units in accordance with the City's RHNA as set forth by the State of California. Therefore, the proposed Text Amendment is consistent with all other sections of the Arcadia Development Code.

## **ENVIRONMENTAL ANALYSIS**

The proposed Text Amendment is exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that it will not have a significant effect on the environment and, thus, is not subject to CEQA review.

## **PUBLIC COMMENTS/NOTICE**

Notice for this project was provided in multiple formats. On February 27, 2025, notice was published in both the Arcadia Weekly and Pasadena Star News. Additionally, direct email notice was provided to all individuals on the City's interested party list relative to the Housing Element and all housing projects. Notice was also provided on the City's website and social media releases on X, Facebook, Instagram, and We Chat. Finally, articles about the Ordinance were provided in the City's "Hot Sheet" and Newsletter. As of the publication of this Staff Report, several questions have been asked and answered, but no substantive public comments have been received.

## **RECOMMENDATION**

It is recommended that the Planning Commission adopt Resolution No. 2165 recommending that the City Council approve Text Amendment No. 25-01 adding a new Section 9103.16 to the Arcadia Municipal Code pertaining to an Inclusionary Housing Ordinance and associated in-lieu development fee, and find that the project is exempt under the California Environmental Quality Act.

- Attachment No. 1: Resolution No. 2165, with Draft Inclusionary Housing Ordinance as Exhibit "A"
- Attachment No. 2: Financial Evaluation for Inclusionary Housing, dated February 18, 2025
- Attachment No. 3: Inclusionary Housing In-Lieu Fee Analysis, dated February 18, 2025
- Attachment No. 4: Draft City Council Ordinance No. 2402 (Inclusionary Housing Ordinance-No Exhibit)
- Attachment No. 5: Draft City Council Resolution No. 7621 (In-Lieu Fee)

# Attachment No. 1

Resolution No. 2165, with Draft Inclusionary  
Housing Ordinance as Exhibit "A"

RESOLUTION NO. 2165

RECOMMENDING THAT THE CITY COUNCIL APPROVE TEXT AMENDMENT NO. 25-01 ADDING A NEW SECTION 9103.16 TO ARTICLE IX, CHAPTER 1 (DEVELOPMENT CODE) OF THE ARCADIA MUNICIPAL CODE PERTAINING TO AN INCLUSIONARY HOUSING ORDINANCE AND ASSOCIATED IN-LIEU DEVELOPMENT FEE

WHEREAS, the Development Services Department has initiated Text Amendment No. TA 25-01 to add a new Inclusionary Housing Ordinance as Section 9103.16 to Article IX, Chapter 1 of the Arcadia Municipal Code (referred to as “Text Amendment”); and

WHEREAS, California State Housing Element Law establishes the requirements for Housing Elements and California Government Code Section 65588 requires that local government review and revise the Housing Element of their comprehensive General Plans not less than once every eight years. Additionally, the California State Legislature identifies overall housing goals for the State with the goal of ensuring every resident has access to housing and suitable living environments; and

WHEREAS, the updated Housing Element was adopted by City Council on February 15, 2022, and again, at the request of the State Department of Housing and Community Development, on November 1, 2022, and

WHEREAS, the City is required to implement actions and policies within the approved and certified Housing Element, including the provision of affordable housing, and compliance with the Regional Housing Needs Allocation (RHNA) for the City of Arcadia; and

WHEREAS, the proposed Text Amendment would effectuate Housing Element Implementation Action No. 5-19 by adopting an Inclusionary Housing Ordinance as shown in Exhibit "A" of this Resolution; and

WHEREAS, on February 27, 2025, Planning Services completed an environmental review of the proposed Text Amendment and determined that the project is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review; and

WHEREAS, on February 27, 2025, the City published the public hearing for the Text Amendment in two newspapers of general circulation (Pasadena Star News and Arcadia Weekly) of the Planning Commission public hearing at which the Text Amendment would be reviewed with a recommendation to the City Council; and

WHEREAS, on March 11, 2025, the Planning Commission held a duly-noticed public hearing and considered the staff report, recommendations by staff, and public testimony concerning the Text Amendment; and

NOW THEREFORE, THE PLANNING COMMISSION OF THE CITY OF ARCADIA, CALIFORNIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The Planning Commission hereby finds that the factual data set forth in the Recitals of this Resolution and by the Development Services Department in the staff report dated March 11, 2025, are true and correct.

SECTION 2. The Planning Commission finds, based on the entire record, and all written and oral evidence presented, as follows:

1. The proposed amendment and ordinance is consistent with the City's adopted General Plan and any applicable specific plan(s).

FACT: The proposed Text Amendment No. TA 25-01 is consistent with the General Plan Housing Element goals and policies. The Text Amendment ensures that Implementation Action No. 5-19 of the Housing Element is met, and that the City is taking all steps it can to allow capacity for affordable housing units within the City. In order to provide capacity for the number of affordable housing units identified in the City's Regional Housing Needs Allocation (RHNA), and at the levels shown in the RHNA, the Text Amendment is needed. The Text Amendment is consistent with the following General Plan Housing Element Goals and Policies:

Housing Element

Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.

Goal H-3: A range of housing choices for all social and economic segments of the community, including housing for persons with special needs.

Policy H-3.2: Facilitate homeownership opportunities for lower and moderate-income households.

Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.

The proposed Text Amendment No. TA 25-01 will add a new Section to the Development Code related to Inclusionary Housing. This amendment will not impact any portions of the General Plan and is therefore consistent with the adopted General Plan.

2. The proposed amendment is internally consistent with other applicable provisions of this Development Code.

FACT: The proposed Text Amendment will add a new Section 9103.16 to the Development Code. The Inclusionary Housing Ordinance will require a certain percentage of units within qualifying multi-family residential and mixed-use development projects be provided as affordable housing units. The Text Amendment is consistent with recent rezoning efforts completed in 2024 by the City, when a number of areas of the City were upzoned for additional density and/or to allow residential units where they were not previously allowed. The Inclusionary Ordinance works in concert with these zoning efforts to create the capacity for residential units to be built in compliance with the City's RHNA as set forth by the State of California. As a result, the proposed Text Amendment is internally consistent with all other areas of the Arcadia Development Code.

SECTION 3. The Planning Commission determines that the proposed Text Amendment is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines, where it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review.

SECTION 4. Based on the entire record before the Planning Commission, all written and oral evidence presented to the Planning Commission, and the findings made in the staff report and this Resolution, the Planning Commission hereby recommends

that the City Council approve Text Amendment No. TA 24-01, as reflected in Exhibit "A" of this Resolution.

SECTION 5. The Secretary shall certify as to the adoption of this Resolution.

(SIGNATURES ON NEXT PAGE)

Passed, approved and adopted this 11<sup>th</sup> day of March, 2025.

\_\_\_\_\_  
Marilynne Wilander  
Chair, Planning Commission

ATTEST:

\_\_\_\_\_  
Lisa L. Flores  
Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael J. Mauer  
City Attorney

**EXHIBIT “A”**

**Section 9103.16 of the Development Code,  
Inclusionary Housing Ordinance**

## Section 9103.16 – Inclusionary Housing

### Subsections:

- 9103.16.010 Purpose and Intent
- 9103.16.020 Applicability
- 9103.16.030 Definitions
- 9103.16.040 Affordable Unit Requirements
- 9103.16.050 Alternatives
- 9103.16.060 Incentives
- 9103.16.070 Exemptions
- 9103.16.080 Standards and Procedures
- 9103.16.090 Affordable Housing Plan and Agreement
- 9103.16.100 Enforcement
- 9103.16.110 Affordable Housing Trust Fund

### 9103.16.010 Purpose and Intent

The purpose of this Chapter is to require and facilitate the construction of below market-rate housing to provide a variety of housing types and opportunities for extremely low, very low, low- and moderate-income households in Arcadia. The goal of this Chapter is to expand the affordable housing stock in proportion with the overall increase in residential units by establishing standards and procedures that encourage the development of extremely low to moderate-income housing and to assist in meeting the City's regional share of housing needs and implementing the goals and objectives of the general plan, including the Housing Element and any applicable specific plans.

### 9103.16.020 Applicability

- A. The requirements of this Chapter shall apply to any new mixed-use or multi-family development project or condominium conversion projects comprised of ten or more dwelling units. All affordable units required by this Chapter shall be sold or rented in compliance with this Chapter.
- B. The total number of dwelling units shall be used to determine applicability for multi-phased residential projects and any development project that is comprised of less than ten dwelling units but appears to be a part of a larger residential project.

### 9103.16.030 Definitions

**Adjusted for Household Size Appropriate for Unit.** A household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, five persons in the case of a four-bedroom unit, six persons in the case of a five-bedroom unit, and seven persons in the case of a six-bedroom unit.

**Affordable Housing Costs.** The maximum costs that can be paid by a qualifying household based on the requirements imposed by California Health and Safety Code Section 50052.5 for owner-occupied housing, and the affordable rent for rental units as defined by California Health and Safety Code Section 50053, as applicable.

**Affordable Housing Trust Fund.** Any in-lieu fees or equity share payment collected as a result of requirements of this Chapter shall be deposited in the City's Affordable Housing Trust Fund to be used exclusively to develop and retain the supply of housing affordable to extremely low, very low, low, and moderate-income households.

**Affordable Unit.** A dwelling unit that will be offered for sale or rent to an extremely low-income household, a very low-income household, a low-income household, or a moderate-income household, at an affordable housing cost, in compliance with this Chapter.

**Area Median Income (AMI).** The annual median gross income adjusted for household size in Los Angeles County as determined by the United States Department of Housing and Urban Development (HUD) and published by the California Department of Housing & Community Development (HCD), in the California Code of Regulations, Title 25, Section 6932.

**Condominium Conversion.** Converting an existing market rate condominium and apartments into affordable housing. Converted condominiums and apartments shall be offered for sale or rent to an extremely low-income household, a very low-income household, a low-income household, moderate-income household, or workforce household at an affordable housing cost, in compliance with this Chapter.

**Density Bonus.** As defined in California Government Code Section 65915 et seq.

**Equity Share Agreement.** An agreement by which appreciation on the value of an inclusionary unit from the time of the original purchase at an affordable price to the time of resale shall be shared between the purchaser of the inclusionary unit and the City. Such an agreement shall be a condition of sale of the inclusionary unit.

**Low-Income Household.** As published and periodically updated by HCD pursuant to Health and Safety Code Section 50079.5.

**Market Rate Unit.** Dwelling unit in a residential development that can be purchased or rented at market rates. These units are not considered to be affordable units.

**Moderate-Income Household.** As published and periodically updated by HCD pursuant to Health and Safety Code Section 50093.

**Offsite Construction.** The development of required number of affordable units at a site different than the site of the residential project.

**Phasing Plan.** A detailed plan provided by a developer that outlines each segment or phase of construction including housing units and site improvements to be developed in a new residential project.

**Residential Project.** A subdivision, a development project, and/or a condominium conversion project resulting in the creation of ten (10) or more residential lots or ten (10) or more residential dwelling units.

**Rehabilitation.** Improvement of a unit in substandard condition to a decent, safe, and sanitary level. Units are in substandard condition when, while they may be structurally sound, they do not provide safe and adequate shelter, and in their present condition endanger the health, safety, or well-being of the occupants.

**Total Housing Costs.** The total monthly or annual recurring expenses required of a household to obtain shelter. For a rental unit, total housing costs shall include the monthly rent payment and utilities paid by the tenant (excluding telephone and television). For an ownership unit, total housing costs shall include the mortgage payment (principal and interest), insurance, homeowners' association dues (if applicable), private mortgage insurance (if applicable), taxes, maintenance costs, and utilities.

**Very Low-Income Household.** As published and periodically updated by HCD pursuant to Health and Safety Code Section 50105.

#### **9103.16.040 Inclusionary Unit Requirement**

- A.** The commonly used income categories are approximately as follows, as published and periodically updated by HCD pursuant to Health and Safety Code Sections 50105, 50079.5, and 50093, respectively. Income categories are subject to variations for household size and other factors:
- Very low income: 30% to 50% of AMI
  - Low income: 50% to 80% of AMI
  - Moderate income: 80% to 120% of AMI
- B.** All residential projects subject to requirements of this Chapter shall provide affordable units as shown in Table 3-18.

**Table 3-18  
Affordable Unit Requirements for Residential Projects**

Total Percentage of Affordable Units Required (minimum) <sup>(1)</sup>	Minimum Affordability Level of Required Units
<b>Ownership Units</b>	
5%	All required affordable units shall be sold to moderate-income households, at a cost affordable to such household.
<b>Rental Units</b>	
9%	All required affordable units shall be rented to very low-income households, at a cost affordable to such household.
11%	At least 5% of the total number of units in the residential project shall be rented to very low-income households, at a cost affordable to such household. The remaining 6% shall be rented to low-income households, at a cost affordable to such household.
14%	At least 14% of the total number of units in the residential project shall be rented to low-income households, at a cost affordable to such household.
20%	All required affordable units shall be rented to moderate-income households, at a cost affordable to such household.

Notes:

(1) of the total number of units in the residential project.

- C. An applicant may request to deviate from the number and affordability level provisions required by this Chapter if the proposed deviation provides the same or greater level of affordability required and the same or greater number of affordable units required by this Chapter. Such request requires an approval of the Director subject to the provisions of Section 9103.16.040 of this Chapter.
- D. When a residential development includes both ownership and rental units, the provisions of this Chapter that apply to ownership residential development shall apply to that portion of the development that consists of ownership dwelling units, while the provisions of this Chapter that apply to rental residential development shall apply to that portion of the development that consists of rental dwelling units.
- E. Affordable units required by this Chapter can be used to qualify for a density bonus under California Government Code Section 65915 (State Density Bonus).
- F. Notwithstanding any other provision of this Chapter, any residential project subject to this Chapter that results in the displacement of existing affordable unit(s) shall be required to replace each displaced affordable unit at the same or greater level of affordability of the existing unit, in addition to providing the number of affordable units required by this Chapter.

**9103.16.050 Alternatives**

An applicant may also satisfy the requirements of this Chapter through one of the following alternatives:

- A. **Offsite Construction.** An applicant may satisfy the requirements of this Chapter by developing the required number of affordable units at a site different than the site of the residential project. An applicant may develop the affordable units required by this Chapter if they satisfy the following conditions:
  1. The number of units to be developed offsite shall be consistent with the requirements of this Chapter.
  2. Offsite affordable units shall contain the same number of bedrooms, square footage, overall unit mix, appearance, finished quality, materials, and distribution as the non-affordable units in the project.
  3. Offsite affordable units shall be developed concurrently with the main project and certificate of occupancy will be contingent on final approval and inspection of the affordable units.
  4. Offsite affordable units shall be located within the City.
  5. Offsite affordable units shall be subject to the same requirements, standards, and procedures as onsite affordable units.

**B. In-Lieu Fees.**

1. Ownership Units. Applicants with development proposals of ten (10) or more units may choose to comply with the requirements of this Chapter through payment of a fee, in-lieu of providing the required affordable units on site.
2. Rental Units. Applicants with development proposals between ten (10) and twenty (20) units may choose to comply with the requirements of this Chapter through payment of a fee, in-lieu of providing the required affordable units on site. Applicants with development proposals greater than twenty (20) units must comply with the requirements of this Chapter by providing the required affordable units on- or off-site.
3. The amount of the fee shall be calculated using the fee schedule established by resolution of the City Council.
4. One-half of the in-lieu fees shall be paid prior to the issuance of a building permit for the project with the remaining fees due prior to the issuance of a certificate of occupancy.
5. Any fractional unit resulting from the calculation of the inclusionary requirement referenced in this Chapter will be rounded up to the next whole number or the developer may elect to pay the appropriate in-lieu fee for the fractional unit.
6. Fees collected in-lieu of developing affordable units pursuant to this Chapter shall be placed in the City's Affordable Housing Trust Fund.

**9103.16.060 Incentives**

- A. An applicant that meets the requirements of this Chapter may request the incentives identified in Table 3-19 below. The number of incentives provided shall be at the City's discretion.

<b>Table 3-19 Types of Incentives and Review Authority</b>		
<b>Incentives</b>	<b>Review Authority</b>	<b>Special Provisions</b>
Streamlined Entitlement Plan Check Review and Building Plan Check Review	Director	May also include pre-application meetings.
Deferral of Developer Impact Fee Payments	Director	Such deferred impact fees shall be fully paid prior to the issuance of a certificate of occupancy.
Partial or full waiver of building permit fees	Director	-
Partial or full waiver of required development fees	Planning Commission	-
Reasonable alternatives	Planning Commission	City Council approval required if the requested alternative has budgetary implication to the City

- B. If the residential project subject to this Chapter is also utilizing State Density Bonus provisions, such project is eligible to request the number and types of incentives allowed in this Chapter and by State Density Bonus provisions.
- C. At the discretion of the City Council, the City may offer a financial incentive using funds from the Affordable Housing Trust Fund.

**9103.16.070 Exemptions**

The provisions of this Chapter shall not apply to the following:

- A. Residential developments with nine (9) or fewer units.
- B. Residential projects that obtain entitlement approvals prior to the adoption of this Chapter.
- C. Reconstruction of structures which have been damaged by fire, flood, wind, earthquake, or other unforeseen force, as determined by the Director or designee.

- D. Residential projects that are exempt from this Chapter by State law.
- E. Units approved as accessory dwelling units or junior accessory dwelling units.

### **9103.16.080 Standards and Procedures**

The applicant of a project subject to the provisions of this Chapter must submit an Affordable Housing Plan which shall indicate the scheduling and phasing of construction of the required affordable units. The Affordable Housing Plan requirements can be found in Section 9103.16.090. Additionally, projects pursuant to this Chapter must comply with the following standards.

- A. All affordable units in a residential project or phases of a residential project shall be constructed prior to the issuance of a certificate of occupancy for the project or phase of the project
- B. All affordable units shall be reasonably dispersed throughout the project site unless approval for an off-site location has been granted.
- C. The affordable units shall contain the same number of bedrooms and bedroom size as the market rate units in the project. The unit mix for bedroom count shall be proportional to the unit mix of market rate units in the project.
- D. The materials and finished quality of the affordable units shall be comparable with the market rate units.
- E. Affordable units shall have the same access to amenities as the market-rate units, including common spaces, parking, laundry rooms, fitness centers, and other facilities in the residential development.
- F. Affordable units required under this Chapter shall be retained as affordable units as follows:
  - 1. For sale units: Cumulative forty-five (45) years or until sold or transferred with an equity share, whichever occurs first.
  - 2. Rental units: Cumulative fifty-five (55) years.
- G. The affordability period begins upon the initial sale or rental of the unit.
- H. An equity share agreement for any inclusionary units that are for-sale shall be in a form approved by the Director and City Attorney in conformance with this chapter.

### **9103.16.090 Affordable Housing Plan and Agreement**

- A. Affordable Housing Plan.
  - 1. An application for a residential development shall include an Affordable Housing Plan describing how the development will comply with the provisions of this Chapter. The Director or their designee is the reviewing authority for reviewing and approving an Affordable Housing Plan. No application for a residential development may be deemed complete unless an Affordable Housing Plan is submitted in conformance with this Chapter. The City has the ability to attach conditions of approval to an Affordable Housing Plan, if determined necessary.
  - 2. An approved Affordable Housing Plan may be amended prior to issuance of any building permit for the residential development or project phase. A request for a minor modification may be granted by the Director or their designee if the modification is in substantial compliance with the original Affordable Housing Plan and conditions of approval. If significant modifications are requested, a new Affordable Housing Plan may be required.
  - 3. An Affordable Housing Plan shall include, but not be limited to, the following:
    - a. The number of affordable units proposed, with calculations;
    - b. The proposed location of the affordable units;

- c. Level of affordability for affordable units;
- d. The unit square footage, and number of bedrooms for market rate and affordable units and tenure (ownership or rental);
- e. Amenities and services provided, such as common spaces, parking, laundry rooms, fitness centers, and other facilities in the residential development;
- f. Construction schedule for all units;
- g. Alternatives requested, if applicable;
- h. Incentives requested, if applicable; and
- i. Evidence to justify any requested alternative or incentive, if applicable.

**B. Affordable Housing Agreement.**

1. An applicant shall enter into an Affordable Housing Agreement with the City. The Affordable Housing Agreement shall be approved by the City Attorney, and executed by the City Manager or their designee, to ensure that all the requirements of this Chapter are satisfied. The Affordable Housing Agreement shall be recorded against the residential development prior to final subdivision map approval, or, where a subdivision map is not being processed, prior to issuance of any building permits, with the exception of demolition permits for such parcels or units. The agreement shall be recorded with the office of the Los Angeles County Recorder. The Affordable Housing Agreement shall be binding on the applicant and all future owners and successors in interest thereof.
2. The Affordable Housing Agreement shall include all information requested in the Affordable Housing Plan and any other provisions necessary to ensure that the requirements of this Chapter are satisfied.
3. The Affordable Housing Agreement shall include the procedures for income verification of potential purchasers or renters.

**9103.16.100 Enforcement**

- A. The Director, or their designee, may suspend, revoke, or deny any building permit or other approval upon finding a violation of any provision of this Chapter. The provisions of this Chapter shall apply to all owners, agents, and successors of an applicant proposing a project. No entitlement approval, grading permit, building permit or certificate of occupancy shall be issued if it is found in noncompliance with the provisions of this Chapter.
- B. Any individual or entity who sells or rents an affordable unit in violation of the provisions of this Chapter shall be required to forfeit all monetary gains obtained through noncompliance. Recovered funds shall be deposited into the Affordable Housing Trust Fund.
- C. The City may use any appropriate legal actions or proceedings necessary to ensure compliance with this Chapter, including but not limited to:
  1. Actions to revoke, suspend, or deny any grading permit, building permit, certificate of occupancy, or discretionary approval.
  2. Any other action, civil or criminal, authorized by law or by any regulatory document, restriction, or agreement in this Chapter.
- D. The City shall be entitled to recover its reasonable attorney's fees and costs.

**9103.16.110 Inclusionary Housing Trust Fund**

Any in-lieu fees or equity share payment collected as a result of requirements of this Chapter shall be deposited in the City's Affordable Housing Trust Fund to be used exclusively to develop and retain the supply of housing affordable to extremely low, very low, low, and moderate-income households. The City shall provide ongoing implementation programs utilizing funds deposited in the Affordable Housing Trust Fund for the benefit of extremely low, very low, low, and moderate-income households.

# Attachment No. 2

Financial Evaluation for Inclusionary  
Housing, dated February 18, 2025



**KEYSER MARSTON ASSOCIATES**

**INCLUSIONARY HOUSING:  
FINANCIAL EVALUATION**

**Prepared for:**

**City of Arcadia**

**Prepared by:**

**Keyser Marston Associates, Inc.**

**February 18, 2025**

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# ATTACHMENTS

## Attachment 1: Inclusionary Housing Program Surveys

Appendix A: Vacant Land Sales

Appendix B: Sales of Improved Properties

## Attachment 3: Affordable Housing Cost Calculation Methodologies

Appendix A: Affordable Rent Calculation Methodology

Appendix B: Affordable Sales Price Calculation Methodology

## Attachment 4: Apartment Development

Appendix A: Rent Survey

Appendix B: Affordable Rent Calculations

Appendix C: Pro Forma Analyses – DMU Site – Large Development

Appendix D: Pro Forma Analyses – DMU Site – Small Development

Appendix E: Pro Forma Analyses – Las Tunas / Live Oak Corridor

## Attachment 5: Ownership Housing Development

Appendix A: Home Sales Survey

Appendix B: Affordable Sales Price Calculations

Appendix C: Pro Forma Analyses – DMU Site: 64 Units/Acre Townhomes & Flats

Appendix D: Pro Forma Analyses – R-3 Upzone Site: 40 Units/Acre Townhomes & Flats

Appendix E: Pro Forma Analyses – C-G Residential Flex: 25 Units/Acre Townhomes

## I. EXECUTIVE SUMMARY

### A. Background

The City of Arcadia (City) received California Department of Housing and Community Development (HCD) approval of its Sixth Cycle Housing Element (Housing Element) on February 9, 2024.<sup>1</sup> This approval was based in part on the fact that the City completed rezoning activities that make adequate sites available pursuant to California Government Code Section 65583.2 (h) and (i).

As part of the Housing Element adoption process the City began evaluating the potential for creating an Inclusionary Housing program to assist in fulfilling a portion of the established Regional Housing Needs Assessment (RHNA) goals. To that end the City engaged Keyser Marston Associates, Inc. (KMA) to prepare an Inclusionary Housing: Financial Evaluation (Financial Evaluation) to assess the viability of an Inclusionary Housing program. KMA submitted a draft Financial Evaluation to the City on September 26, 2023. The following Financial Evaluation report provides an update to the 2023 report.

By way of background, over the past 20+ years the KMA Los Angeles office has assisted 40 jurisdictions in the Inclusionary Housing program adoption and updating processes. KMA's analyses reflect a real world perspective based on the firm's core experience in real estate development economics, real estate transactions, and developer negotiations services.

The KMA Financial Evaluation identifies supportable Inclusionary Housing program requirements for apartment and ownership housing developments. The fundamental purpose is to identify Inclusionary Housing requirements that balance the interests of property owners and developers against the City's need for affordable housing. The KMA evaluation methodology has been continually evolving over time. Each study is tailored to reflect the specific characteristics of the jurisdiction being evaluated.

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<sup>1</sup> The Housing Element covers the period between 2021 and 2029.

## B. Public Policy Objectives

Inclusionary Housing programs are subject to both statutory parameters imposed by the State Legislature and the rulings in the court cases that have challenged Inclusionary Housing programs over the past 30+ years. These statutes and court rulings are described in Section II of this Financial Evaluation. It is important to understand the constraints and opportunities that are created by these statutes and court rulings.

## C. Inclusionary Housing Program Design

In 2015, the California Supreme Court ruled in *California Building Industry Association v. City of San Jose*, 61 Cal 4<sup>th</sup> 435 (*San Jose*) that Inclusionary Housing programs should be viewed as use restrictions that are a valid exercise of a jurisdiction's zoning powers. However, the *San Jose* ruling also imposed the following limitations on the requirements that jurisdictions can impose:

1. Inclusionary Housing requirements cannot be confiscatory; and
2. Inclusionary Housing requirements cannot deprive a property owner of a fair and reasonable return on their investment.

The court did not provide criteria under which jurisdictions can evaluate these limitations. As a result, each jurisdiction is left to create an evaluation methodology that balances the interests of property owners, developers and the jurisdiction's need for affordable housing. It is KMA's practice to take a conservative approach in evaluating potential requirements in order to comport with the court's ruling.

The first step in designing an Inclusionary Housing program is to identify the factors that will be considered in defining the program's goals. The characteristics of the unmet need for affordable housing in the community are commonly assessed for this purpose. The Financial Evaluation uses information presented in the Housing Element for this purpose.

## D. Financial Analyses

In analyzing the potential for adopting an Inclusionary Housing program, the Financial Evaluation considers the following:

1. Zoning code amendments that were enacted in defined areas within Arcadia. The Financial Evaluation analyzes the impact the amended standards could potentially have on the values supported by the impacted properties.
2. An Inclusionary Housing Ordinance establishes affordable housing obligations that will be imposed on residential development. The Financial Evaluation estimates the difference between the achievable market rate rent or sales price and the allowable rent or sales price for each “Inclusionary Unit”. This difference is called the “Affordability Gap”.

Based on a review of the Housing Element and the current projects listed on the City’s Development Services webpage, KMA created prototype apartment and ownership housing developments. The apartment prototypes are described in the following table:

Project Descriptions Apartment Development Prototypes					
Area / Existing Use	Site Area (Acres)	Total Units	Density (Units/Acre)	Number of Stories	Parking Spaces Per Unit
DMU Site - Large Development Improved Commercial Site	2.50	200	80	6	1.71
DMU Site - Small Development Improved Commercial Site	0.75	48	64	6	1.83
Las Tunas / Live Oak Corridor Vacant Residential Land	1.00	60	60	4	2.50

The ownership prototypes are described in the following table:

Project Descriptions Ownership Housing Development Prototypes					
Area / Existing Use	Site Area (Acres)	Total Units	Density (Units/Acre)	Bedroom Mix	Parking Spaces Per Unit
DMU Site Improved Commercial Site	1.50	96	64	2 & 3	1.83
R-3 Upzone Site Improved Apartment Site	0.60	24	40	2 - 4	2.50
C-G Residential Flex Vacant C-G Land	1.75	44	25	3 & 4	2.50

The apartment and ownership housing development prototypes were used to evaluate the impacts associated with the following development characteristics:

1. Site size;
2. Achievable density;
3. Maximum allowable height;
4. Parking requirements; and
5. Value of the development site:
  - a. The value supported prior to any amendment to the zoning code standards; and
  - b. The value created by the amendment to the zoning code standards.

The Financial Evaluation methodology can be described as follows:

1. KMA undertook market surveys to compile information pertaining to:
  - a. Land and improved property sales values;
  - b. Common densities of apartment and ownership housing developments;

- c. Unit mixes in apartment and ownership housing developments; and
  - d. Apartment rents and ownership housing sales prices.
2. The Housing Element identified density and height standards that would be appropriate for application in the various rezoning areas. The impacts created by the application of the California Government Code Section 65915 et seq. (Section 65915) density bonus were also considered in creating the standards applied in this Financial Evaluation.
3. KMA prepared pro forma analyses to determine the following:
- a. The land value supported by a 100% market rate apartment or ownership housing development.
  - b. The magnitude of the value enhancement created by the identified modifications to the zoning code standards.
  - c. The share of the value enhancement that can reasonably be committed to the provision of “Inclusionary Units” within a market rate residential development.

The Financial Evaluation is meant to assist the City in creating an Inclusionary Housing program that provides sufficient incentives and benefits to offset the impacts created by the affordable housing requirements being imposed. By definition, a program that is set up in this manner is not confiscatory and it does not deprive property owners of a fair and reasonable return on their investment.

## **E. Preliminary Recommendations**

### **APARTMENT DEVELOPMENT**

KMA concluded that the City could reasonably allow apartment developers to select from the following Inclusionary Housing production options:

Recommended Inclusionary Housing Production Options Apartment Development	
<u>Income Categories</u>	<u>Total Obligation</u>
Very Low Income Only	9%
Low Income Only	14%
Low & Very Low Income	6% + 5% = 11%
Moderate Income Only	20%

**OWNERSHIP HOUSING DEVELOPMENT**

The KMA analysis of ownership housing developments identified Affordability Gaps that range from \$549,000 to \$1.01 million per moderate income unit. Given the magnitude of the gaps, the supportable affordable housing requirements are limited. The results of the KMA analysis are summarized in the following table:

Supportable Inclusionary Housing Requirements Ownership Housing Development	
<u>Area</u>	<u>Moderate Income Units</u>
DMU Site	5.2%
R-3 Upzone Site	4.8%
C-G Residential Flex	9.7%

it is KMA’s recommendation that developers be permitted to pay a fee in lieu of producing affordable ownership housing units. However, if the City chooses to impose an affordable housing production requirement on ownership housing development, KMA recommends that it be set at no higher than a 5% moderate income requirement.

## PROGRAM RECOMMENDATIONS

Based on the results of the Financial Evaluation, and in consultation with City staff, KMA recommends that the following program requirements be enacted:

1. Projects that consist of 10 or more units should be subject to the Inclusionary Housing program requirements.
2. The following income and affordability covenant periods should be established:
  - a. Inclusionary Housing apartment units should be required to remain in place for as long as the property is developed with a residential use, but for not less than a 55 year period.
  - b. The covenant period for Inclusionary Housing ownership housing units should be set at one cumulative 45-year period.
3. The following alternative means of fulfilling the Inclusionary Housing obligations should be considered:
  - a. In-lieu fee payments should be allowed in the following situations:
    - i. An in-lieu fee should be allowed to be paid for any fraction of an Inclusionary Unit that results from the production calculations.
    - ii. Inclusionary Housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. KMA recommends that an in-lieu fee payment be allowed by right for apartment developments that consist of between 10 and 20 units.
    - iii. Ownership housing developments of any size should be provided with the option to pay a fee in lieu of producing affordable units.

- iv. An in-lieu fee option should be provided to any project where the developer can prove that the imposition of the Inclusionary Housing requirements creates an extreme financial hardship.
- b. Off-Site Production of Inclusionary Units:
  - i. KMA recommends that the developers of ownership housing developments be allowed to fulfill the Inclusionary Housing obligation in an off-site location.
  - ii. KMA does not recommend that an off-site production option be offered as a fulfillment alternative for apartment developments. It is our opinion that, from a public policy perspective, it is better to integrate market rate and affordable rental units into the same project.
- c. The City will not receive Regional Housing Needs Assessment (RHNA) credit for the acquisition and rehabilitation of existing units. As such, KMA recommends against the City allowing acquisition and rehabilitation projects to be used to fulfill Inclusionary Housing program requirements.

## II. INCLUSIONARY HOUSING PROGRAM CHARACTERISTICS

### A. Survey of Existing Inclusionary Housing Programs

Nearly 200 jurisdictions in California currently include an Inclusionary Housing program as a component in their overall affordable housing strategy. While the unifying foundation of these programs is the objective to attract affordable housing development, the characteristics of these programs vary widely from jurisdiction-to-jurisdiction.

To assist the City in evaluating options for creating an Inclusionary Housing program it is useful to identify the elements that are typically included in programs being implemented in California jurisdictions. To that end, KMA compiled information on 105 Inclusionary Housing programs being implemented throughout California. The survey is presented in Attachment 1.

The survey results can be summarized as follows:

1. In California, the majority of Inclusionary Housing programs include a threshold project size below which projects are not subject to the Inclusionary Housing requirements. Common thresholds found in the survey fall between three and 10 units, with a five unit median threshold and a seven unit average threshold.
2. The income and affordability standards imposed by Inclusionary Housing programs vary widely throughout California. The majority of programs have established standards in the range of 10% to 20% of the units in projects that will be subject to the requirements. However, the following policy variations are commonly found:
  - a. The threshold standards are varied as a reflection of the depth of the affordability being required.
  - b. Inclusionary Housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. As shown in the survey, a sliding scale requirement is sometimes used to mitigate these impacts.

- c. The length of the covenant period imposed on Inclusionary Units varies from jurisdiction-to-jurisdiction. California Health and Safety Code (H&SC) Section 33413 applies covenant periods of 55 years for apartment units and 45 years for ownership housing units. These standards are commonly used, but both shorter and longer covenant periods are imposed throughout the Inclusionary Housing programs in California.

Inclusionary Housing programs focus on the production of affordable housing units by imposing specific affordable housing requirements on new development. However, an option for projects to pay a fee in lieu of producing affordable units effectively allows resources to be transferred to developers that have experience in constructing affordable housing projects. This is advantageous for the following reasons:

1. Affordable housing developers have specific expertise in the development and operation of affordable housing projects.
2. Dedicated affordable housing projects have access to state and federal funding sources that are not available to market rate projects. These funding sources provide a more cost-efficient way to achieve deeper affordability than can be supported by an Inclusionary Housing requirement. A representative sample of programs that are targeted to dedicated affordable housing projects are:
  - a. Funds allocated to the City by HCD under the Permanent Local Housing Allocation (PLHA) for Senate Bill 2 (Chapter 364, Statutes of 2017);
  - b. County funding sources and the Section 8 rental assistance program;
  - c. State funding sources such as the Infill Infrastructure Grant (IIG), the Multifamily Housing Program (MHP), the Middle Income Program (MIP), the Affordable Housing and Sustainable Communities (AHSC) Program, and Project Homekey; and
  - d. Federal and state Low-Income Housing Tax Credits (Tax Credits) offered under Internal Revenue Code Section 42.

## B. State Density Bonus and Inclusionary Housing Requirements

A tool that is commonly used to reduce the financial impact created by the imposition of Inclusionary Housing requirements is the Section 65915 density bonus. The City has complied with the statutory requirement to adopt an ordinance that specifies how it will comply with the State mandated density bonus requirements.

In July 2013, the First District Court of Appeal held that jurisdictions must agree to count the affordable units used to fulfill Section 65915 affordable housing requirements towards the Inclusionary Housing requirements that will be imposed on a project.<sup>2</sup> Based on that ruling, a developer must be allowed to use the same affordable units to fulfill both the Inclusionary Housing requirements and the Section 65915 requirements. However, in order to exercise this option, the developer must apply the more stringent of the two programs' requirements.

## C. Structuring Issues

In structuring an Inclusionary Housing program it is important to understand that the courts and the State Legislature have placed the following key limitations on the requirements that can be imposed Inclusionary Housing programs.

### SAN JOSE CASE

In the *San Jose* case, the California Supreme Court ruled that Inclusionary Housing programs should be viewed as use restrictions that are a valid exercise of a jurisdiction's zoning powers. Specifically, the Court found that Inclusionary Housing requirements are a planning tool rather than an exaction. This is interpreted to mean that an in-lieu fee payment option that is included in an Inclusionary Housing program, which includes an affordable housing production requirement, is not subject to the AB 1600 nexus requirements imposed by California Government Code §66000 et seq.

While Inclusionary Housing programs are not subject to the Mitigation Fee Act, these programs must comply with the following criteria:

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<sup>2</sup> *Latinos Unidos del Valle de Napa y Solano v. County of Napa*, 217 Cal. App. 4<sup>th</sup> 1160 (*Napa*).

1. The requirements cannot be “Confiscatory”; and
2. The requirements cannot deprive a property owner of a fair and reasonable return on their investment.

Since the court did not provide criteria under which jurisdictions can evaluate these limitations, each jurisdiction is left to create an evaluation methodology. The objective is to balance the interests of property owners, developers and the jurisdiction’s need for affordable housing. It is KMA’s practice to take a conservative approach in identifying requirements that comport with the court’s ruling.

## **ASSEMBLY BILL 1505**

Assembly Bill (AB) 1505 amended Section 65850 of the California Government Code and added Section 65850.01. This legislation provides jurisdictions with the ability to adopt programs that impose Inclusionary Housing requirements on apartment developments.

Section 65850.01 does not place a cap on the percentage of units that can be subject to income and affordability restrictions. However, Section 65850.01(a) gives HCD the authority to review the restrictions imposed by an Inclusionary Housing program on apartment developments if it requires that more than 15% of the units to be restricted to households earning less than 80% of the area median income (AMI), and if one of the following conditions applies:

1. The jurisdiction has failed to meet at least 75% of its RHNA allocation for above moderate income units. This test is measured on a pro-rated basis over the planning period, which is set at a minimum of five years; or
2. HCD finds that the jurisdiction has not submitted their Housing Element report for at least two consecutive years.

The City has fulfilled the requirements imposed by both of the standards identified above. As such, HCD does not have authority under Section 65850.01(a) to review the Inclusionary Housing requirements the City proposes to impose on apartment development. However, in a technical guidance memorandum dated October 21, 2019,

HCD reaffirmed its authority to review Inclusionary Housing ordinances as part of its review of a jurisdiction's Housing Element.

### **CALIFORNIA GOVERNMENT CODE SECTION 65583(A)**

California Government Code Section 65583(a) (Section 65583(a)) requires the City to analyze potential and actual constraints being placed on the development of housing. HCD has the discretion to require the City to demonstrate that the Inclusionary Housing requirements do not create a constraint to housing development.

Section 65583(a) requires the City to analyze potential and actual constraints being placed on the development of housing. Within that context, it is important to recognize that the requirements imposed by an Inclusionary Housing program can only be expected to fulfill a small portion of the unmet need for affordable housing in Arcadia.

### III. METHODOLOGY

The purpose of the Financial Evaluation is to evaluate the financial feasibility of imposing Inclusionary Housing requirements on residential development in Arcadia. The financial feasibility analysis is comprised of the following steps:

#### A. Parameters

As the first step in the evaluation process, it is necessary to identify the parameters that will be applied in the analysis. One measurement is the RHNA, which is used as a tool in the Housing Element process. The Sixth Cycle RHNA Allocation Plan covers the period between 2021 and 2029, and the Arcadia allocations are detailed in the following table:

Sixth Cycle RHNA Allocation October 2021 through October 2029		
Income Category	Total Obligation	% of Total
Extremely Low / Very Low	1,102	34.3%
Low	570	17.7%
Moderate	605	18.8%
Above Moderate	937	29.2%
Totals	3,214	100%

Notable factors to be considered are:

1. Nearly 30% of the unmet need for affordable housing falls in the above moderate income category. Based on historical development patterns it can be assumed that these units will be produced by market rate developers without City intervention.
2. Outside financial assistance sources are widely available to affordable housing projects targeted to extremely low and very low income households. There are numerous nonprofit housing organizations in the region that have experience obtaining these funding sources.

3. There are a limited number of outside funding available to assist low income units and effectively no outside funding sources available to assist moderate income units.

For these reasons it is KMA’s opinion that the Inclusionary Housing Program should focus on attracting development that serves households at the low and moderate income levels. In addition, the Inclusionary Housing program should balance the interests of property owners and developers against the public benefit created by the production of affordable housing units.

## **B. Program Foundation**

The courts have held that affordable housing is a “public benefit,” and that locally imposed Inclusionary Housing programs are a legitimate means of providing this public benefit. The courts have tempered this with the requirement that the Inclusionary Housing obligations cannot be confiscatory, and they cannot deprive a property owner of a fair and reasonable return on their investment.

Recognizing that the courts have not provided guidance for determining how these limitations should be measured, it is left to the City to create a methodology for evaluating the financial impacts created by proposed Inclusionary Housing requirements. It is the City’s goal to create an Inclusionary Housing program that provides meaningful incentives and benefits that will encourage developers to produce affordable housing units.

## **C. Financial Evaluation Structure**

The KMA financial analyses components are described in the following sections of this report.

### **DEVELOPMENT PROTOTYPES**

KMA reviewed the Housing Element and compiled data pertaining to recent apartment and ownership development that has occurred in Arcadia. This information was used to create prototype residential developments to be evaluated. It is important to understand that the prototypes used in the Financial Evaluation do not represent actual projects. Instead, the

prototypes represent composites of projects that have recently been developed or proposed for development and the results of KMA market surveys.

### PRO FORMA ANALYSES

KMA prepared pro forma analyses to determine the following:

1. The land value supported by a 100% market rate apartment or ownership housing development.
2. The magnitude of the value enhancement created by the modifications to the zoning code standards.
3. The share of the value enhancement that can reasonably be committed to the provision of Inclusionary Units within the residential development.

The results of the pro forma analyses were used to identify the range of Inclusionary Housing production requirements that can be supported.

### D. Financial Analysis Organization

The following sections of the Financial Evaluation describe the assumptions, analysis and findings related to apartment and ownership housing developments. The analyses are supported by the following Attachments:

Financial Analysis Organization	
Attachment 2:	Property Sales Surveys
Attachment 3:	Affordable Housing Cost Calculation Methodologies
Attachment 4:	Apartment Development
Attachment 5:	Ownership Housing Development

## IV. APARTMENT DEVELOPMENT ANALYSIS

KMA created three prototype apartment development scenarios that were used to evaluate the impacts created by variations in site sizes and densities of the project types anticipated to be developed in Arcadia. The characteristics of the apartment development prototypes are described in the following table:

Project Descriptions Apartment Development Prototypes					
Area / Existing Use	Site Area (Acres)	Total Units	Density (Units/Acre)	Number of Stories	Parking Spaces Per Unit
DMU Site - Large Development Improved Commercial Site	2.50	200	80	6	1.71
DMU Site - Small Development Improved Commercial Site	0.75	48	64	6	1.83
Las Tunas / Live Oak Corridor Vacant Residential Land	1.00	60	60	4	2.50

### A. Pro Forma Organization and Assumptions

#### MARKET RATE SCENARIOS

The 100% market rate apartment development prototypes are used to estimate the value enhancement created by the proposed changes to the zoning code in the rezoning areas. The pro forma analyses are organized as follows:

Pro Forma Analysis - 100% Market Rate Scenario Apartment Development Prototypes	
Table 1:	Estimated Construction Costs
Table 2:	Estimated Stabilized Net Operating Income
Table 3:	Estimated Residual Land Value
Table 4:	Target Residual Land Value Analysis

## AFFORDABLE HOUSING SCENARIOS

To assist in establishing the Inclusionary Housing production requirements that can be supported, KMA created the following affordability scenarios:

1. A low income scenario;
2. A very low income scenario;
3. A scenario that includes a mix of low and very low income units;
4. A moderate income scenario; and
5. A Section 65915 density bonus scenario.

KMA prepared sensitivity analyses for each scenario to identify the percentage of affordable housing units that could be supported by the enhanced value created by the zoning code modifications. The pro forma analyses for the affordable housing scenarios are organized as follows:

Pro Forma Analysis – Affordable Housing Scenarios Apartment Development Prototypes	
Table 1:	Estimated Construction Costs
Table 2:	Estimated Stabilized Net Operating Income
Table 3:	Estimated Residual Land Value

## DEVELOPMENT CHARACTERISTICS

The apartment development pro forma analyses are provided in Attachment 4. The primary characteristics of the three apartment development prototypes are summarized in the following table:

Development Characteristics Apartment Development Prototypes			
	DMU Site - Large Development	DMU Site - Small Development	Las Tunas / Live Oak Corridor
<b>Prototype Descriptions</b>			
<u>Site Area</u>			
Square Feet	108,900	32,670	43,560
Acres	2.5	0.8	1.0
Density (Units/Acre)	80	64	60
Number of Stories	6	6	4
<u>Unit Mix</u>			
Studio Units	50		12
One-Bedroom Units	100	24	30
Two-Bedroom Units	50	24	18
Total Units	200	48	60
<u>Gross Leasable Area</u>			
Square Feet	155,000	45,600	47,700
Per Unit	775	950	795
Parking Spaces Per Unit	1.71	1.83	2.50
<b>Estimated Construction Costs</b>			
Total	\$74,380,000	\$20,740,000	\$25,038,000
Per Unit	\$372,000	\$432,000	\$417,000
Per Square Foot of Leasable Area	\$480	\$455	\$525
<b>Projected Market Rents</b>			
Studio Units	\$2,440		\$2,660
One-Bedroom Units	\$2,960	\$3,010	\$2,960
Two-Bedroom Units	\$3,900	\$3,900	\$3,540
<b>Affordable Rents</b>			
	<u>Very Low Income Rents</u>	<u>Low Income Rents</u>	<u>Moderate Income Rents</u>
Studio Units	\$768	\$1,284	\$1,800
One-Bedroom Units	\$861	\$1,450	\$2,039
Two-Bedroom Units	\$952	\$1,615	\$2,278

## B. Residual Land Value Analyses: Market Rate Scenarios

The residual land value estimates generated by the pro forma analyses of the unrestricted market rate apartment prototypes are presented in the following table:

Estimated Residual Land Values 100% Market Rate Apartment Development Prototypes					
Area / Existing Use	Construction Costs			Residual Land Value	
	Total	Per Unit	Stabilized NOI	Total	Per Square Foot
DMU Site - Large Development Improved Commercial Site	\$74,380,000	\$372,000	\$4,961,000	\$24,840,000	\$228
DMU Site - Small Development Improved Commercial Site	\$20,740,000	\$432,000	\$1,360,000	\$6,460,000	\$198
Las Tunas / Live Oak Corridor Vacant Residential Land	\$25,038,000	\$417,000	\$1,494,000	\$4,842,000	\$111

## C. Funds Available for Inclusionary Housing

The funds available for Inclusionary Housing are set at a percentage share of the value enhancement estimated to be achieved by the modifications to the zoning code that are being considered. The results of the analyses are presented in the following table:

Funds Available for Inclusionary Housing Apartment Development Prototypes					
Area / Existing Use	Estimated Land Value			Contribution	
	Market Rate Apartments	- Existing Use	= Value Enhancement	Percentage Share	Total Contribution
DMU Site - Large Development Improved Commercial Site	\$24,840,000	- \$12,524,000	= \$12,316,000	65%	\$8,005,000
DMU Site - Small Development Improved Commercial Site	\$6,460,000	- \$3,757,000	= \$2,703,000	65%	\$1,757,000
Las Tunas / Live Oak Corridor Vacant Residential Land	\$4,842,000	- \$4,351,000	= \$491,000	65%	\$319,000

## D. Supportable Inclusionary Housing Requirements

The Inclusionary Housing requirements for apartment development that are supported by the Financial Evaluation are presented in the following tables:

Supportable Inclusionary Housing Requirements Single Income Category Analyses Apartment Development Prototypes					
Area	Very Low Income Units	OR	Low Income Units	OR	Moderate Income Units
DMU Site - Large Development	11%		15%		23%
DMU Site - Small Development	9%		14%		16%
Las Tunas / Live Oak Corridor	0%		2%		3%

Supportable Inclusionary Housing Requirements Mix of Income Categories Analyses Apartment Development Prototypes					
Area	Low Income Units	+	Very Low Income Units	=	Total Obligation
DMU Site - Large Development	7%	+	6%	=	13%
DMU Site - Small Development	6%	+	5%	=	11%
Las Tunas / Live Oak Corridor	2%	+	0%	=	2%

As can be seen in the preceding tables, the prototypes located in the Downtown Mixed Use area support significantly higher Inclusionary Housing requirements than can be supported by the Las Tunas / Live Oak Corridor prototype. The primary reason for this difference is that projects located within the Downtown Mixed Use area are subject to significantly lower parking ratio requirements than are imposed elsewhere within Arcadia.

The impact created by the parking requirements is further validated by the Section 65915 density bonus analyses that KMA prepared for each apartment development prototype. The results of the Section 65915 analyses can be summarized as follows:

1. In the Downtown Mixed Use area the use of the maximum 50% Section 65915 density bonus did not enhance the project economics sufficiently to support the requirement to allocate 15% of the base zoning units to very low income households. However, it is possible that some developers may choose to apply a

lower density bonus threshold in order to obtain the incentives, concessions and development standards waivers provided by Section 65915(d)(1) and Section 65915(e)(1).

2. The reduced parking ratios mandated by Section 65915(p) enhanced the project economics for the Las Tunas / Live Oak Corridor sufficiently to support a 15% very low income requirement. However, it is important to understand that a density bonus cannot be used efficiently on all development sites. This is particularly an issue for small development sites or for projects in which increased density would require a more expensive construction or parking type.

Based on all the factors considered in the apartment developments evaluation, KMA recommends that the City provide a menu of Inclusionary Housing production options from which developers can select. The recommended array of options is presented in the following table:

Recommended Inclusionary Housing Production Options Apartment Development	
Income Categories	Total Obligation
Very Low Income Only	9%
Low Income Only	14%
Low & Very Low Income	6% + 5% = 11%
Moderate Income Only	20%

## V. OWNERSHIP HOUSING ANALYSES

Given the densities allowed in the rezoning areas, ownership housing development is anticipated to be focused on townhomes and condominiums. The characteristics of the ownership housing development prototypes are described in the following table:

Project Descriptions Ownership Housing Development Prototypes					
Area / Existing Use	Site Area (Acres)	Total Units	Density (Units/Acre)	Bedroom Mix	Parking Spaces Per Unit
DMU Site Improved Commercial Site	1.50	96	64	2 & 3	1.83
R-3 Upzone Site Improved Apartment Site	0.60	24	40	2 - 4	2.50
C-G Residential Flex Vacant C-G Land	1.75	44	25	3 & 4	2.50

### A. Pro Forma Organization and Assumptions

#### MARKET RATE SCENARIOS

As the first step in the analysis, 100% market rate ownership development prototypes are used to estimate the value enhancement created by the proposed changes to the zoning code in the rezoning areas. The pro forma analyses are organized as follows:

Pro Forma Analysis - 100% Market Rate Scenario Ownership Housing Development Prototypes	
Table 1:	Estimated Construction Costs
Table 2:	Projected Net Sales Revenue
Table 3:	Estimated Residual Land Value
Table 4:	Value Enhancement Analysis

## AFFORDABLE HOUSING SCENARIOS

The condominium / townhome sales prices identified in the KMA market survey range from a low of approximately \$710,000 for two-bedroom units to a high of approximately \$1.65 million for four-bedroom units. The cost to a developer of providing affordable units is equal to the Affordability Gap between the achievable market rate price and the defined affordable price.

For context purposes, the following table summarizes the current “Affordable Sales Prices” for moderate and low income ownership housing units:<sup>3</sup>

Affordable Sales Prices Ownership Housing Development		
	Moderate Income Units	Low Income Units
Two-Bedroom Units	\$313,200	\$135,800
Three-Bedroom Units	\$345,300	\$148,100
Four-Bedroom Units	\$366,600	\$153,700

Given the magnitude of the differences in the Affordable Sales Prices, KMA recommends that the Inclusionary Housing requirement be set at the moderate income level. This will maximize the number of affordable ownership housing units that are produced, while minimizing the Affordability Gaps between the market rate sales prices and the Affordable Sales Prices. The Affordability Gap analyses are presented in Exhibit II of Appendices C – E of Attachment 5.

## DEVELOPMENT CHARACTERISTICS

The ownership housing development pro forma analyses are provided in Attachment 5. The primary characteristics of the three ownership housing development prototypes are summarized in the following table:

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<sup>3</sup> The Affordable Sales Price calculation methodology is described in Attachment 3: Appendix B and the Affordable Sales Price calculations are detailed in Attachment 5: Appendix B.

Development Characteristics Ownership Housing Development Prototypes			
	DMU Site	R-3 Upzone Site	C-G Residential Flex
<b>Prototype Descriptions</b>			
<u>Site Area</u>			
Square Feet	65,340	26,136	76,230
Acres	1.5	0.6	1.8
Density (Units/Acre)	64	40	25
<u>Unit Mix</u>			
Two-Bedroom Units	48	4	0
Three-Bedroom Units	48	14	22
Four-Bedroom Units	0	6	22
Total Units	96	24	44
<u>Gross Saleable Area</u>			
Square Feet	120,000	39,000	81,400
Per Unit	1,250	1,625	1,850
Parking Spaces Per Unit	1.83	2.50	2.50
<b>Estimated Construction Costs</b>			
Total	\$58,393,000	\$18,115,000	\$35,301,000
Per Unit	\$608,000	\$755,000	\$802,000
Per Sf of Gross Saleable Area	\$487	\$464	\$434
<b>Projected Sales Prices</b>			
<u>Market Rate Sales Price Per Unit</u>			
Two-Bedroom Units	\$707,000	\$836,000	
Three-Bedroom Units	\$1,049,000	\$1,199,000	\$1,274,000
Four-Bedroom Units		\$1,384,000	\$1,457,000
<u>Moderate Income Sales Prices</u>			
Two-Bedroom Units		\$313,200	
Three-Bedroom Units		\$345,300	
Four-Bedroom Units		\$366,600	
<b>Net Revenue</b>	<b>\$79,652,000</b>	<b>\$26,870,000</b>	<b>\$56,778,000</b>

## B. Residual Land Value Analyses: Market Rate Scenarios

The residual land values generated by the market rate ownership housing developments are:

Estimated Residual Land Values 100% Market Rate Ownership Housing Development Prototypes					
Area / Existing Use	Construction Costs		Average Sales Price Per Unit	Residual Land Value	
	Total	Per Unit		Total	Per Square Foot
DMU Site Improved Commercial Site	\$58,393,000	\$608,000	\$878,000	\$11,701,000	\$179
R-3 Upzone Site Improved Apartment Site	\$18,115,000	\$755,000	\$1,185,000	\$6,068,000	\$232
C-G Residential Flex Vacant C-G Land	\$35,301,000	\$802,000	\$1,366,000	\$15,799,000	\$207

### C. Funds Available for Inclusionary Housing

The funds available for Inclusionary Housing are set at a percentage share of the value enhancement estimated to be achieved by the modifications to the zoning code that are being considered. The results of the analyses are presented in the following table:

Funds Available for Inclusionary Housing Ownership Housing Development Prototypes					
Area / Existing Use	Estimated Land Value			Contribution	
	Market Rate Units	- Existing Use	= Value Enhancement	Percentage Share	Total Contribution
DMU Site Improved Commercial Site	\$11,701,000	- \$7,514,000	= \$4,187,000	65%	\$2,722,000
R-3 Upzone Site Improved Apartment Site	\$6,068,000	- \$4,574,000	= \$1,494,000	65%	\$971,000
C-G Residential Flex Vacant C-G Land	\$15,799,000	- \$9,148,000	= \$6,651,000	65%	\$4,323,000

### D. Affordability Gap Analyses

The weighted average Affordability Gaps exhibited by the ownership housing development prototypes are presented in the following table:

Weighted Average Affordability Gap Per Unit Ownership Housing Development			
Area / Existing Use	Average Sales Price Per Unit	Average Moderate Income Price	Affordability Gap
DMU Site Improved Commercial Site	\$878,000	\$329,000	\$549,000
R-3 Upzone Site Improved Apartment Site	\$1,185,000	\$345,000	\$840,000
C-G Residential Flex Vacant C-G Land	\$1,366,000	\$356,000	\$1,010,000

As shown in the preceding table, the gaps between the average market rate prices for new condominium / townhome development and the designated Affordable Sales Prices range from \$549,000 to \$1.01 million per unit. Affordability Gaps of this magnitude severely limit the percentage of units that can be required to be sold to moderate income households.

**E. Supportable Inclusionary Housing Requirements**

The preceding section of the Financial Evaluation used pro forma analyses of prototype ownership housing developments to assist in identifying the Inclusionary Housing requirements that can currently be supported. The resulting supportable requirements are summarized in the following table:

Supportable Inclusionary Housing Requirements Ownership Housing Development	
Area	Moderate Income Units
DMU Site	5.2%
R-3 Upzone Site	4.8%
C-G Residential Flex	9.7%

## F. Recommended Inclusionary Housing Production Requirements

Given the magnitude of the Affordability Gaps associated with new ownership housing units it is KMA's recommendation that developers be permitted to pay a fee in lieu of producing affordable housing units. However, if the City chooses to impose an affordable housing production requirement on ownership housing development, KMA recommends that it be set at no higher than a 5% moderate income requirement.

## VI. FINDINGS / RECOMMENDATIONS

This section of the report summarizes the results of the Financial Evaluation. KMA used the analysis findings to assist in developing a recommended package of requirements to be imposed by the Inclusionary Housing program.

### A. Inclusionary Housing Production Requirements

#### APARTMENT DEVELOPMENT

Based on the results of the Financial evaluation, KMA recommends that following menu of Inclusionary Housing production options be offered to apartment developers:

Recommended Inclusionary Housing Production Options Apartment Development	
<u>Income Categories</u>	<u>Total Obligation</u>
Very Low Income Only	9%
Low Income Only	14%
Low & Very Low Income	6% + 5% = 11%
Moderate Income Only	20%

#### OWNERSHIP HOUSING DEVELOPMENT

The results of the Financial Evaluation indicate that a 5% moderate income production requirement could reasonably be imposed on ownership housing developments. However, KMA recommends that developers be permitted to pay a fee in lieu of producing affordable housing units. The revenues generated by the in-lieu fee could be used to assist developers that produce affordable rental units using available outside public assistance sources.

## B. Program Recommendations

### THRESHOLD PROJECT SIZES

The KMA survey of Inclusionary Housing programs being implemented throughout California indicates that common thresholds fall between three and 10 units. Based on the supportable Inclusionary Housing production requirements identified in this Financial Evaluation, KMA recommends that the City set the threshold project size at 10 units.

### COVENANT PERIODS

KMA recommends that the following covenant period requirements be imposed:

1. Inclusionary Housing apartment units should be required to remain in place for as long as the property is developed with a residential use, but for not less than a 55 year period.
2. The covenant period for affordable ownership housing units should be set at one cumulative 45-year period.

### ALTERNATIVE MEANS OF FULFILLING INCLUSIONARY HOUSING OBLIGATIONS

AB 1505 includes a provision that requires jurisdictions to provide alternative means of complying with the income and affordability requirements imposed by an Inclusionary Housing program.<sup>4</sup> In collaboration with City staff, KMA offers the following recommendations pertaining to alternative means of fulfilling the Inclusionary Housing program obligations.

#### *In-Lieu Fee Payment*

Some form of an in-lieu fee payment option is offered in nearly all Inclusionary Housing programs. KMA recommends that the following alternatives be considered:

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<sup>4</sup> AB 1505 only applies the restrictions imposed on apartment development. However, the provision of alternative means of compliance is a best practice and is commonly provided to ownership housing development as well.

1. An in-lieu fee should be allowed to be paid for any fraction of an Inclusionary Unit that results from the production calculations.
2. The following in-lieu fee payment options should be offered to proposed apartment development:
  - a. Inclusionary Housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. KMA recommends that an in-lieu fee payment be allowed by right for apartment developments that consist of between 10 and 20 units.
  - b. As a baseline, apartment developments with more than 20 units should be required to produce the requisite number of Inclusionary Units. However, the City Council should be provided with the discretion to allow an in-lieu fee to be paid for apartment projects with more than 20 units if the developer can prove that the obligation creates an extreme financial hardship.
3. Ownership housing developments of any size should be provided with the option to pay a fee in lieu of producing affordable units.

#### *Offsite Production of Inclusionary Units*

1. KMA recommends that the developers of ownership housing developments be allowed to fulfill the Inclusionary Housing obligation in an off-site location. The off-site location should be in close proximity to the development that is subject to the Inclusionary Housing requirement.
2. KMA recommends against allowing an off-site production option to be offered as a fulfillment alternative for apartment developments. It is our opinion that, from a public policy perspective, it is better to integrate market rate and affordable rental units into the same project.

## *Acquisition and Rehabilitation of Existing Units*

Acquisition and rehabilitation projects must be identified in a jurisdiction's Housing Element in order to receive RHNA credit. Since no acquisition and rehabilitation projects were identified in the City's Housing Element, it will not be possible for the City to obtain RHNA credit for this type of project during the sixth cycle, which runs through 2029.

## **C. Implementation Recommendations**

As part of the implementation process for the Inclusionary Housing program KMA recommends that the City take the following actions:

### **AFFORDABLE HOUSING REGULATIONS**

The following Inclusionary Housing Ordinance regulations documents should be created:

1. Affordable Apartment Regulations; and
2. Affordable Ownership Housing Regulations: Developer Requirements.

### **INCLUSIONARY HOUSING PROGRAM UPDATES**

The Inclusionary Housing program should be updated at regular intervals:

1. The entire program should be re-evaluated at least every five years. The City may wish to consider a shorter period for the first program re-evaluation.
2. To allow in-lieu fees to keep pace with changes in the market place during the intervening periods, the in-lieu fees should continue to be adjusted each year based on the percentage change in new home prices in Los Angeles County.

### **STAFFING PLAN**

A staffing plan should be created for managing the development process and the ongoing monitoring of the affordable units once they are built.

**ATTACHMENT 1**

**INCLUSIONARY HOUSING PROGRAM SURVEYS  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

APPENDIX A

INCLUSIONARY HOUSING PROGRAM SURVEYS - CALIFORNIA  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
<b>I. Inclusionary Requirements: Both Rental and Ownership Projects</b>									
Agoura Hills	Create on-site units; pay an in-lieu fee for the required Low and/or Moderate Income Units. In-lieu fee cannot be paid to fulfill the very low income requirement.	15%	No	10	7% @ VL + 4% @ Low + 4% @ mod	55	10	7% @ VL + 4% @ Low + 4% @ mod	45
Alameda	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	5	4% @ VL + 4% @ Low + 7% @ Mod	59	5	4% @ VL + 4% @ Low + 7% @ Mod	59
Albany	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	Yes	5		Perpetual	5		Perpetual
Alhambra	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	6% at 120% AMI+ 9% at 80% AMI		5	6% at 120% AMI+ 9% at 80% AMI	
Avalon	Create on-site units; create off-site units; pay in-lieu fee. Full sch	20%	No	4	Decided per project	55	4	Decided per project	55
Berkeley	Create on-site units; pay in-lieu fee.	20%	No	5	80% unless subsidies are available	Life of the Building	5	80%	Life of the Building
Brea	On-site units; pay in-lieu fee; land dedication; acquisition and conversion of other units within city. City provides incentives to mitigate the impact of the requirement.	10%	Yes	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI + 5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	55	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI + 5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	45
Burbank	Create on-site units; create off-site units through new construction, substantial rehabilitation, or adaptive reuse; donate land; pay in-lieu fee.	15%	No	5	5% @ Very Low + 10% @ Low	> of 55 years or as long as resid use	5	Mod	> of 55 years or as long as resid use
Calabasas	Create on-site units; create off-site units; convert market rate units; preserve or rehab existing housing; pay in-lieu fee.	20%	No	5	20% @ 110%; 15% @ 90%; 10% @ 75%; or 5% at 50%		5	20% @ 110%; 15% @ 90%; 10% @ 75%; or 5% at 50% of AMI	
Campbell	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	No	10	6% @ VL + 9% @ Low	55	10	120%	45
Capitola	Create on-site units; pay in-lieu fee.	15%	Yes				7	120%	Life of Bldg
Carlsbad	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	15%	No	1	Low	55	1	Low	30

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 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Chula Vista	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	20	5% @ Low + 5% @ Mod	Life of Bldg	20	5% @ Low + 5% @ Mod	Life of Bldg
Colma	Create on-site units; pay in-lieu fee.	20%	No	5	5% @ VL + 5% @ Low + 10% @ Mod	55	5	5% @ VL + 5% @ Low + 10% @ Mod	45
Concord	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee.	10%	Yes	5		55	5		45
Contra Costa County	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	3% @ VL + 12% @ Lower		5		3
Coronado	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	20%	No	2	Low		2	Mod	
Cupertino	1-7 units pays in-lieu fee. Create on-site units; create off-site units; pay impact/linkage fee; donate land.	15%	No	7	50% / 80%	99	7	50% / 120%	99
Davis	Create on-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10% - 25%	No	5-19 , 20+	5-19: 15% @ 80% or 10% @ 50%. 20+: 25% @ 80% or 10% @ 50%	Perpetual	5	120%	Perpetual
Del Mar	Create on-site units. In-lieu fee option provided for subdivisions that create new lots.	15% - 20%	No	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55
Downey	Create on-site units; create off-site units; pay in-lieu fee in the case of extreme hardship for apartments.	11%/10%	No		Mod	> of 55 years or as long as resid use		Mod	45
Dublin	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	12.5%	No	20	50% @ 120% + 20% @ 80% + 30% @ 50%	55	20	5% @ 80% + 7.5% @ 120%	55
Emeryville	Create on-site units; pay impact/linkage fee.	12%/20%	No		4% @ VL + 8% @ Low	55	10		55
Encinitas	Create on-site units; create off-site units; create ADU's; preserve at-risk units; pay in-lieu fee; donate land.	15%/20%	No	7	15% @ VL or 20% @ Low	Perpetual	7	15% VL or 20% @ Low	Perpetual

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 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Fillmore	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	55	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	45	
Fremont	Has a production option, but the in-lieu fee option is more cost effective.	15%	No	2	10% @ Low		2	5% @ Mod + 10% @ Low		
Fort Bragg	Create on-site units	10% to 20%		5	80% / 120%		5	100% / 120%	15	
Goleta	Create on-site units; create off-site units; donate land; pay in-lieu fee; acquisition/rehabilitation. Income/Affordability trade off of extremely low and very low income units to low and moderate income units in demonstrated extreme hardship.	20% - reduced to 15% with public benefit	No	5	2.5% @ ELI + 2.5% @ VL + 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	5	2.5% @ ELI + 2.5% @ VL + 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	
Hayward	Create on-site units; create off-site units; pay in-lieu fee; pay impact/linkage fee; donate land.	6% / 7.5% - 10%	No	2	3% @ 50% + 3% @ 60%	55	2	Mod	45	
Huntington Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	3	Low	55	3	Mod	45	
Irvine	Projects with fewer than 50 units can create on-site units; convert market rate housing to affordable housing; extend the term of an existing affordable project; pay in-lieu fee; transfer units to a nonpot housing agency; create off-site units; donate land. Projects with 50+ units must produce the affordable units on site.	15%	No		Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	50	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30
Jurupa Valley	Create on-site units; create off-site units; pay in-lieu fee; convert market rate units to affordable units; preserve at-risk housing; donate land.	7%	No	1	25% Mod + 25% Low + 50% VL	55	1	25% Mod + 25% Low + 50% VL	45	
Laguna Beach	Create on-site units; pay in-lieu fee.	25%	No		2-subdivision 3-other	Low and Moderate		2-subdivision 3-other	Low and Moderate	
Laguna Woods	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	7.5% @ VL + 7.5% @ Low	45	5	10% @ Low + 5% @ Mod	45	

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
La Habra	Create on-site units; create off-site units; pay in-lieu fee; acquisition/rehabilitation.	Rental: 9% or 6% / Own: 15%	No	10	9% @ Mod or 6% @ VL & Low	55	10	110%	45
Long Beach	Create on-site units; pay in-lieu fee; donate land.	11%/10%	No	10	50%	> of 55 years or as long as resid use	10	110%	> of 55 years or as long as resid use
Los Altos	Create on-site units; create off-site units. Program requirements are only imposed in designated areas.	Rental: 5-9 @ 15% & 10+ @ 30%. Ownership @ 15%	No	5	5-9: 15% @ Mod, 10+: 5% @ Low + 15% @ Mod	30	10	7.5% @ Mod, 7.5% @ Low	30
Los Angeles County	Create on-site units; create off-site units. Program requirements vary by subarea.	5%-20% depending on project size & income standard	No	5	Averages: <40% AMI: 10% or 5% - sm proj <65% AMI: 15% or 7% - sm proj <80% AMI: 20% or 10% sm proj	55 or Perpetual	5	Mod/Middle Inc: Avg 135% AMI: Coastal SLA, SLA (exc condos), & ELA: 20% or 10% - sm proj SG Valley: 15% or 7% - sm proj Santa Clarita & Antelope Valleys (exc condos): 5%	Equity share on first sale
Mentlo Park	Create on-site units; create off-site units; pay in-lieu fee. Full sch	10%	Yes	5	80% / 120%		5	80% / 120%	
Mill Valley	Create on-site units.	25%	Yes	4	120%	Perpetual	4	120%	Perpetual
Mission Viejo	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	1 / Projects with 9 or fewer units produce 1 ADU	7.5% VL + 7.5% Low	55	1 / Projects with 9 or fewer units produce 1 ADU	10% Mod + 5% Low	45
Nevada County	Create on-site units; create off-site units Program requirements are only applied in designated areas.		No	20		30	20		30
Norco	Create on-site units; create off-site units; pay in-lieu fee for projects with 20 or fewer units; donate land.	15%	No	5	6% Mod+9% Low Credits for deeper affordability	Perpetual	5	6% Mod+9% Low Credits for deeper affordability	45%

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Oceanside	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land; purchase credits from another project.	15%	No	10	Low	55	10	Low or Mod	55
Oxnard	Create on-site units; create off-site units; pay in-lieu fee in limited circumstances.	10%	No	10	5% @ VL + 5% Low	55	10	Low	20
Pacifica	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	8	6% @ VL + 4.5% @ Low + 4.5% @ Mod	55	8		45
Pasadena	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	20%	No	10	5% @ 50% + 5% @ 80% + 10% @ 120%	Perpetual	10	110%	45
Petaluma	Create on-site units; pay in-lieu fee; donate land	15%	No	5	7.5% @ VL; 7.5% @ Low	45	5	7.5% @ Low + 7.5% @ Mod	55
Pleasanton	Create on-site units; create off-site units; pay in-lieu fee; donate land; credit transfers; other alternate methods of compliance	15%	Yes	15	50% to 80%		15	50% to 120%	Perpetual
Pomona	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	13% / 7% - 11%	Yes	3	120%	> of 55 years or as long as resid use	3	120%	45
Poway	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	15% / 15% - 20%	No	1	Very Low	55	1	15% @ Low or 20% @ Mod	45
Redwood City	Create on-site units; create off-site units; preserve or rehab units; pay impact/linkage fee; donate land	20% / 15%	No	20	10% @ Mod + 5% @ Low + 5% @ VL	30	5	Moderate	30
Sacramento County	Has a production option, but the in-lieu fee option is more cost effective.	10%	No	1	80%		1	80%	
San Bruno	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area	15%	No	10	6% VL + 4.5% Low + 4.5% Mod	55	10	6% Low + 9% Mod	45
San Buenaventura	Create on-site units; create off-site units; pay in-lieu fee; preserve or rehab existing housing; donate land.	15% / 10%	No	7	Low	55	7	Mod	45
San Clemente	Create on-site units; create off-site units, pay in-lieu fee; donate land.	4%	No	6	Very Low	30	6	Very Low	30

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
San Diego	Create on-site units; create off-site units; rehabilitate existing units, SRO hotel rooms, or conversion of guest rooms; pay in-lieu fee; donate land.	5% to 20% depending on location	No	10	Outside FUA: 10% @ 60% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% + Fee	55	10	Outside FUA: 10% @ 100% or 15% @ 120% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% + Fee	15
San Francisco	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	15% to 20% / 15% to 26%	Yes	10	55% to 110%		10	80% to 130%	
San Jose	Create on-site units; create off-site units; preserve or rehab units; in-lieu fee; donate land; credit transfers; reduction for deeper affordability.	15%	Yes	10	5% @ 50% + 5% @ 60% + 5% @ 100%	99	10	120%	99
San Juan Capistrano	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	2		55	2	120%	55
San Luis Obispo (City)	Create on-site units; pay an in-lieu fee to fulfill the entire obligation and pay an in-lieu fee for fractional unit obligations.	6% / 10%	No	1	5% Very Low + 5% Low	55	1	5% Low + 5% Moderate	45
San Marcos	Create on-site, create off-site units for ownership housing projects; pay an in-lieu fee for six or fewer rental unit projects and for all ownership housing projects.	15%	No	1	Hhld income set by the City. <=25% of the affordable units may be Mod.	55	1	Requirement is set by the City on a project by project basis	55
San Mateo County	Create on-site units, pay in-lieu fee.	20%	Yes	5	10% @ ELI + 10% @ Low	Life of Bldg	11	10% @ Low + 10% @ Mod	45
San Rafael	Create on-site units; pay in-lieu fee. City provides incentives to mitigate the impact of the requirement.	10%	No	2			2	120%	

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Santa Ana	Only applies to changes in land use and zoning designations. Create on-site units; off-site units; substantially rehab existing units; pay in-lieu fee.	Rental: 5% - 15% & Own: 5%	No	5	15% @ Low or 10% @ VL or 5% @ ELI or 5% Low + 3% VL +2% ELI	55	5	120%	55
Santa Barbara (City)	Create on-site units; create off-site units; pay in-lieu fee for 1 to 9 & fractional units; donate land.	10% / 15%	No	5	Mod	90	1	120% to 200%	90 / restarts on each resale
Santa Clara (City)	Create on-site units; create off-site units; dedicate land; pay an in-lieu fee for fractional unit obligations.	15%	No	10	Mix of ELI, VL, Low & Mod. Must average less than 100% of AMI	55	10	Mix of ELI, VL, Low & Mod. Must average less than 100% of AMI	20
Santa Clara County (Excludes Unincorp Areas and Stanford Community Plan Area)	Create on-site units; create off-site units; in-lieu fee payments for projects with six or fewer units and for fractional unit obligations; conversion of existing market rate units.	16%	No	4	Lower	55	4	Moderate	55
Santa Cruz	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	20%	Yes	2	50% for SRO's 80% all other	Perpetual	2	120%	Perpetual
Santa Monica	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	Yes	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55
Santa Paula	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	10% to 17%	Yes	10	15% Low or 10% VL	55	10	15% Low or 10% VL	45
Santa Rosa	Has a production option, but the in-lieu fee option is more cost effective.	5% to 8% / 10%	No	1	5% @ 50% or 8% @ 60%		2	110%	
Solana Beach	Create on-site units; create off-site units; create rental units to fulfill an ownership housing development requirement; preservation or conversion of existing units; payment of the Affordable Housing Impact Fee.	15%	No	5	VL or Low	99	5	VL or Low	99
Sonoma	Create on-site units.	20%	Yes	5	120%	55	5	120%	55

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Sonoma County	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	10% or 15% / 20%	Yes	1	7.5% @ VL + 7.5% @ Low, or 5% @ ELI + 5% @ VL	55	1	10% @ Low + 10% @ Mod	30
South San Francisco	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee	20%	No	4		55	4		55
South Pasadena	Create on-site units; create off-site units; pay in-lieu fee for 3 or 4 rental unit projects, ownership for any size project, & fractional units; rehab existing market rate units; donate land.	20%	No	3	10 or fewer units: multiple options 11 or more units: 10% ELI or VL + 10% Low	55	3	Moderate	55
Sunnyvale	Create on-site units; create off-site units; pay in-lieu fee; donate land, unit conversion, other proposals.	15.0%	No	7	5% @ 50% + 10% @ 60%	55	7	100%	30
Thousand Oaks	Create on-site units; rental units to fulfill ownership requirement; in-lieu fee; donate land.	10% / 5% to 10%	Yes	10	Low	> of 55 years or as long as resid use	10	SFH: 5% Mod Condo: 10% Mod	45
Tiburon	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	3	5% @ Low + 10% @ Mod	Perpetual	3	5% @ Low + 10% @ Mod	Perpetual
Union City	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	7	4.5% @ VL + 10.5% @ Low		7	1.5% @ Low + 4.5% @ 100% + 9% @ 120%	
Vista	Create on-site units; pay in-lieu fee	9%	No	20	5% Low or lower + 4% Mod or lower			5% Low or lower + 4% Mod or lower	
West Sacramento	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	5	5% @ 50% + 5% @ 60%	55	5	70%	45
West Hollywood	Create on-site units; create off-site units; pay in-lieu fee for 2-10 unit projects.	20%	No	2	Low / Mod	> of 55 years or as long as resid use	2	Low / Mod	> of 55 years or as long as resid use

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
<b>II. Inclusionary Requirements: Ownership Projects Only</b>									
Carpinteria	Create on-site units; pay in-lieu fee in limited circumstances.	12%	No				5	200%	30
Danville	Create on-site units; pay in-lieu fee.	10%	Yes				7	110%	20
Folsom	Create on-site units; create off-site units; pay in-lieu fee; donate land; acq/rehab; other proposals.	10%	No				10	3% @ VL + 7% @ Low	
Lafayette	Create on-site units; create off-site units.	15%	No				2	9% @ Mod + 6% @ VL	45
Monterey	Create on-site units; donate land.	20%	No				6		Perpetual
Mountain View	Create on-site units; pay in-lieu fee.	15%	No				3	100%	55
Rohnert Park	Create on-site units; create off-site units; pay in-lieu fee.	15%	No				50		55
San Leandro	Create on-site units; pay in-lieu fee.	15%	Yes				2	9% @ Mod + 6% @ Low	55
San Mateo County	Create on-site units; create off-site units; pay in-lieu fee; donate land.	20%	No				5	10% @ Low + 10% @ Mod	55
Santa Barbara County	Create on-site units; create off-site units in the coastal zone; pay in-lieu fee for certain unit types.	5% - 15%	Yes				5	5-19: 1 Mod. 20+: South Coast: 2.5% VL + 2.5% Low + 5% Mod + 5% Workforce Santa Ynez: No Workforce Santa Maria & Lompoc: 2.5% VL + 2.5 Low	45 - restarts up to 90

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				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
<b>III. Inclusionary for Ownership Projects &amp; Impact Fee for Rental Projects</b>									
Fontana	Create on-site units; pay in-lieu fee; develop a reduced percentage at deeper affordability.	10%	No				5	4% @ VL + 4% @ Low + 2% @ Mod	55
Palo Alto	Create on-site units; create off-site units; in-lieu for fractional unit; convert market rate units to affordable units; preserve at-risk housing; donate land.	15% < 5 / 20% 5 acres +	Yes		\$22.69/sf Impact Fee		1	67% @ 80-100% 33% @ 100-120%	99
San Carlos	Create on-site units; create off-site units; pay impact/linkage fee.	15%	Yes			55	2	10% @ Mod + 5% @ Low	45
Truckee	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; pay impact/linkage fee; donate land. Requirements vary by zones, neighborhoods or districts.	15%	No	7		Perpetual	7		Perpetual

**IV. Mandatory Inclusionary for Ownership Projects & Voluntary Inclusionary for Rental Projects**

Pittsburg	Create on-site units; pay in-lieu fee.	15%/20%	Yes				5	9% @ Mod + 6% @ Low, or 20% @ Mod	
Salinas	Create on-site units; create off-site units; donate land.	20%	No				10		30
San Juan Bautista	Create on-site units; pay impact/linkage fee.	6%					6	80%	
San Luis Obispo	Create on-site units; pay in-lieu fee; donate land.	3% or 5%	Yes			55	5	3% low or 5% Moderate	45
San Marcos	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	No			55		120%	55
Solana Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay impact/linkage fee.	15%	No	5		55	5		45

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period

V. Rental Projects Only

Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% Low Properties at less than 60 units per acre: 4% VL or 6% Low	55			
Fullerton	Applies only to the Transportation Specific Plan area. Create on-site units.	15%	No		5% @ VL + 5% @ Low + 5% @ Mod	55			
Glendale	Create on-site units; create off-site units; pay in-lieu fee; donate land; acquisition/rehabilitation.	15%	No	8	60%	55			

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	

I. Inclusionary Requirements: Both Rental and Ownership Projects

Agoura Hills	Create on-site units; pay an in-lieu fee for the required Low and/or Moderate Income Units. In-lieu fee cannot be paid to fulfill the very low income requirement.	15%	N/A	10	7% @ VL + 4% @ Low + 4% @ mod	55	10	7% @ VL + 4% @ Low + 4% @ mod	45	Set in 2018 to be consistent with the Affordability gap. \$285,336 per VL apartment unit, \$262,541 per low income condominium unit, and \$427,002 per moderate income single family home.
Alhambra	On-site or pay in-lieu fee.	15%	No	5	6% at 120% AMI+ 9% at 80% AMI		5	6% at 120% AMI+ 9% at 80% AMI		Fee Schedule: 5 -20 units. Rental: \$0.89 - \$14.30/SF; Ownership: \$1.88 - \$30.00/SF
Brea	On-site units; pay in-lieu fee; land dedication; acquisition and conversion of other units within city. City provides incentives to mitigate the impact of the requirement.	10%	No	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	55	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	45	Calculated per project. Based on the Affordability Gap.
Burbank	Create on-site units; create off-site units through new construction, substantial rehabilitation, or adaptive reuse; donate land; pay in-lieu fee.	15%	No	5	5% @ 50% + 10% @ 80%	> of 55 years or as long as resid use	5	Mod	> of 55 years or as long as resid use	Sliding scale by project size: Rental: \$5.75 - \$10.27/SF Ownership: \$11.24 - \$20.07/SF.
Carlsbad	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	15%	No	1	Low		1	Low		Available up to 6 units.\$18.00/SF for 2-6 unit projects.
Chula Vista	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	20	5% @ Low + 5% @ Mod	Life of Bldg	20	5% @ Low + 5% @ Mod	Life of Bldg	In-lieu fee is based on the median home price minus the affordable home price.

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Coronado	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	20%	No	2	Low		2	Mod		In-lieu fee paid by right. \$7,000 per market rate unit.
Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% L Properties at less than 60 units per acre: 4% VL or 6% L	55	NA	NA	NA	In-Lieu fee paid by right. \$10 per square foot of leasable area in the market rate project.
Del Mar	Create on-site units. In-lieu fee option provided for subdivisions that create new lots.	15% - 20%	No	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	Available to subdivisions that create new lots. \$27,500 per lot created.
Downey	Create on-site units; create off-site units; pay in-lieu fee.	11%/10%	No	10	Mod	>55 or as long as resid	10	Mod	45	Rental: \$23.50/SF - only allowed under extreme hardship. Ownership: \$15.90/SF payable based on City Council criteria.
Encinitas	Create on-site units; create off-site units; create ADU's; preserve at-risk units; pay in-lieu fee; donate land.	15%/20%	No	7	15% VL or 20% Low	Perpetual	7	15% VL or 20% Low	45	One to 6 unit projects and fractional units. \$24.08/SF.
Fillmore	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	55	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	45	

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Goleta	Create on-site units; create off-site units; donate land, pay in-lieu fee; acquisition/rehabilitation. Income/Affordability trade off of extremely low and very low income units to low and moderate income units in demonstrated extreme hardship.	20% - reduced to 15% with public benefit	No	5	2.5% @ ELI + 2.5% @ VL + 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	5	2.5% @ ELI + 2.5% @ VL + 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	Equal to the Affordability Gap associated with providing the requisite number of affordable units on site within the market rate project.
Huntington Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	3	Low	55	3	Moderate	45	Sliding Scale: 3 to 30 units. In-Lieu Fee allowed for projects up to 100 units. Rental: \$3.58 to \$35.80/SF Ownership: \$2.54 to \$25.36/SF. The per SF measurement caps at 2,000 SF.
Irvine	Projects with fewer than 50 units can create on-site units; convert market rate housing to affordable housing; extend the term of an existing affordable project; pay in-lieu fee; transfer units to a nonprofit housing agency; create off-site units; donate land. Projects with 50+ units must produce the affordable units on site.	15%	No	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	Calculated per project. The calculation methodology is based on the average land value in Irvine, the average density of housing in Irvine, and a defined predevelopment cost allowance. Formula: $[(\text{Land Value} \div \text{Density}) + \text{Predevelopment Allowance}] \times \text{Percentage Share of Cost related to affordable units not being produced.}$
Jurupa Valley	Create on-site units; create off-site units; pay in-lieu fee; convert market rate units to affordable units; preserve at-risk housing; donate land.	7%	No	1	25% Mod + 25% Low + 50% VL	55	1	25% Mod + 25% Low + 50% VL	45	\$2.50 per net square foot of living area including garages.
Laguna Beach	Create on-site; pay in-lieu fee.	25%	No	2-subdivision 3-other	Low and Moderate		2-subdivision 3-other	Low and Moderate		\$247,317 per affordable rental unit. \$348,197 per affordable ownership unit or lot.

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Laguna Woods	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	7.5% @ VL + 7.5% @ Low	45	5	10% @ Low + 5% @ Mod	45	In-lieu fee is allowed for ownership housing developments that can prove to the City Council's satisfaction that including affordable units is financially infeasible. The fee is calculated based on: the median price of homes sold in Laguna Woods during the last quarter of the previous calendar year minus the affordable price for a 2-bedroom unit.
La Habra	Create on-site units; create off-site units; pay in-lieu fee; acquisition/rehabilitation.	Rental: 9% or 6% / Own: 15%	No	10	9% Mod or 6% VL & Low	55	10	110%	45	\$6.50 per square foot of total building area.
Long Beach	Create on-site units; pay in-lieu fee; donate land.	11%/10%	No	10	50%	> of 55 yrs or as long as resid	10	120%	> of 55 yrs or as long as resid	Rental @ \$38.00/SF; Ownership @ \$29.10/SF
Mission Viejo	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	1 / Projects with 9 or fewer units produce 1 ADU	7.5% VL + 7.5% Low	55	1 / Projects with 9 or fewer units produce 1 ADU	10% Mod + 5% Low	45	In-lieu fee is allowed for rental developments with fewer than 20 units, and for all ownership housing developments. Rental: \$41.90/SF Ownership \$58.20/SF
Norco	Create on-site units; create off-site units; pay in-lieu fee for projects with 20 or fewer units; donate land.	15%	No	5	6% Mod+9% Low Credits for deeper affordability	Perpetual	5	6% Mod+9% Low Credits for deeper affordability	45%	Sliding scale based on square feet of leasable/saleable area: Rental: \$1.34 - \$21.50 Ownership: \$2.91 - \$46.50
Oceanside	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land; purchase credits from another project.	15%	No	10	Low	55	10	Mod	55	In-lieu fee paid by right. \$20/SF in 2024. Administratively adjusted annually based on change to the ENR CCI index.
Oxnard	Create on-site units; create off-site units; pay in-lieu fee in limited circumstances.	10%	No	10	5% @ VL + 5% Low	55	10	Low	20	Fee charged per total unit in the project. In 2022: SFH \$36,000; MF Ownership \$35,000; Rental \$28,000.

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Pasadena	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	20%	No	10	5% @50% + 5% @ 80% + 10% @ 120%	Perpetual	10	110%	45	Sliding scale by sub-area & project size: Rental: \$1.23 - \$34.98/SF Ownership: \$17.47 - \$66.20/SF.
Pomona	Create on-site units; create off-site units; pay in-lieu fee; donate land	13% / 7%-11%	Yes	3	120%	Perpetual	3	120%	45	Rental @ \$9.30/SF; SFH @ \$11.40/SF Condominiums @ \$9.30/SF
Poway	Create on-site units; create off-site units; pay in-lieu fee.	15% / 15%-20%	No	1	Very Low	55	1	15% @ Low or 20% @ Mod	45	In-lieu fee is payable by right and is set at maximum of \$500 per unit for both rental and ownership housing.
San Buenaventura	Create on-site units; create off-site units; pay in-lieu fee; preserve or rehab existing housing; donate land.	15% / 10%	No	7	Low	55	7	Mod	45	Ownership @ \$29.80 - \$66.30/SF; Apartments @ \$20.30 - \$48.90/SF
San Clemente	Create on-site units; create off-site units, pay in-lieu fee; donate land.	4%	No	6	Very Low	30	6	Very Low	30	Based on the greater of 1% of construction costs as determined by the Building Division or 2% of the affordability gap determined by the formula in the Housing Element.
San Diego	Create on-site units; create off-site units; rehabilitate existing units, SRO hotel rooms, or conversion of guest rooms; pay in-lieu fee; donate land.	5% to 20% depending on location	No	10	Outside FUA: 10% @ 60% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	55		Outside FUA: 10% @ 100% or 15% @120% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	15	In-lieu fee paid by right in each area except inside FIA. Base in-lieu fee a \$25/SF. Alternative compliance in-lieu fee at \$50/SF.

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
San Juan Capistrano	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	2		55	2		55	Based on 90% of the Affordability Gap, which is updated monthly based on benchmark market prices.
San Marcos	Create on-site, create off-site units for ownership housing projects; pay an in-lieu fee for six or fewer rental unit projects and for all ownership housing projects.	15%	No	1	Target hhdld income set by the City. No more than 25% of the affordable units may be Mod.	55	1	Requirement is set by the City on a project by project basis	55	In-lieu fee paid by right for apartment projects with six or fewer units and for all ownership housing developments. In-Lieu Fee @ \$15/SF.
Santa Ana	Only applies to changes in land use and zoning designations. Create on-site units; off-site units; pay in-lieu fee.	Rental: 5% / 15% & Own: 5%	No	5	15% @ Low or 10% @ VL or 5% @ ELI or 5% Low + 3% VL +2% ELI	55	5	120%	55	Fee charged per sf of habitable area: 5-9: \$6.00; 10-14: \$9.00; 15-19: \$12; 20+: \$15. Discounts for use of skilled and trained labor force.
Santa Barbara (City)	Create on-site units; create off-site units; pay in-lieu fee for 1 to 9 & fractional units; donate land.	10% / 15%	No	5	Mod	90	1	120% to 200%	90 / restarts on each resale	In 2020 the in-lieu fee for rental projects was set at \$25 per SF. Adjusted annually by the Engineering News Record (ENR) Building Cost Index for Los Angeles. In-lieu fee for ownership units is calculated based on the median price for 2-bedroom condos, a low income standard, and the estimated production cost (sales price - 15% profit). A discount schedule is provided from small units.
Santa Monica	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	Yes	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	Rental @ \$41.39/SF Ownership @ \$48.35/SF
Santa Paula	Create on-site units; create off-site units; pay in-lieu fee.	10% to 17%	Yes	10	15% Low or 10% VL	55	10		45	In-Lieu Fee is set on a project-by-project basis.

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Solana Beach	Create on-site units; create off-site units; create rental units to fulfill an ownership housing development requirement; preservation or conversion of existing units; payment of the Affordable Housing Impact Fee.	15%	No	5	VL or Low	99	5	VL or Low	99	Affordable Housing Impact Fee @ \$25.91.
South Pasadena	Create on-site units; create off-site units; pay in-lieu fee for 3 or 4 rental unit projects, ownership for any size project, & fractional units; rehab existing market rate units; donate land.	20%	No	3	10 or fewer units: multiple options 11 or more units: 10% ELI or VL + 10% Low	55	3	Mod	55	The in-lieu fee will be set by the City Council. Until that occurs, the fee will be calculated on a project-by-project basis.
Thousand Oaks	Create on-site units; rental units to fulfill ownership requirement; in-lieu fee; donate land.	10% / 5% to 10%	No	10	Low	> of 55 yrs or as long as resid	10	SFH: 5% Mod Condo: 10% Mod	45	In-lieu fee is allowed for rental developments with fewer than 20 units, and for all ownership housing developments. Rental: \$25.70/SF Ownership \$14.60 - \$16.80/SF
Vista	Create on-site units; pay in-lieu fee	9%	No	20	5% Low or lower + 4% Mod or lower		20	5% Low or lower + 4% Mod or lower		In-lieu fee paid by right and is set at \$17.56/SF
West Hollywood	Create on-site units; create off-site units; pay in-lieu fee for 2-10 units projects.	20%	No	2	Low / Mod	> of 55 yrs or as long as resid	2	Low / Mod	> of 55 yrs or as long as resid	Sliding scale: 2 Units @ \$13.63/SF - 10 Units @ \$29.23/SF

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	

II. Inclusionary Requirements: Ownership Projects Only

Carpinteria	Create on-site units; pay in-lieu fee in limited circumstances.	12%	No				5	200%	30	In-lieu fee allowed if infeasibility can be proved. The fee is based on the difference between the median sales price of condominiums and/or single family homes and the affordable price at 121% of AMI with 30% of income dedicated to housing expenses.
Santa Barbara County	Create on-site units; create off-site units in the coastal zone; pay in-lieu fee for certain unit types.	5% - 15%	Yes				5	5-19: 1 Mod, 20+: South Coast: 2.5% VL + 2.5% Low + 5% Mod + 5% Workforce  Santa Ynez: No Workforce  Santa Maria & Lompoc: 2.5% VL + 2.5 Low	45 - restarts up to 90	In-Lieu fee is measured per affordable unit. Varies by HMA & income / affordability level. Fee: Very Low & Low are based on the estimated cost for the County to subsidize very low & low income units. Cost of Construction Fee: Moderate & Workforce are based on the median condo sales prices minus 15% of the median price of condos.  2020 Very Low & Low Fees: South Coast \$176,000; Santa Maria \$96,600; Santa Ynez \$146,200; Lompoc \$99,500  2020 Mod & Workforce Fees: South Coast \$658,000; Santa Maria \$248,000; Santa Ynez \$431,600; Lompoc \$227,600

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	

III. Inclusionary Requirements: Rental Projects Only

Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% L Properties at less than 60 units per acre: 4% VL or 6% L	55			In-Lieu fee paid by right. \$10 per square foot of leasable area in the market rate project.
Glendale	Create on-site units; create off-site units; pay in-lieu fee; donate land; acquisition / rehabilitation.	15%	No	8	60%	55			Sliding scale: 8 Units @ \$28.71/SF - 21 Units @ \$55/SF

**ATTACHMENT 2**

**PROPERTY SALES SURVEYS  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

**ATTACHMENT 2: APPENDIX A**

**VACANT LAND SALES <sup>1</sup>  
PROPERTY SALES SURVEYS  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

Address	City	Sale Date	Site Size (SF)	Zoning	Sales Price	
					Total	Per SF
1022 La Cadena Ave	Arcadia	4/21	20,848	ARR3YY / MF	\$2,860,000	\$137
501 N Santa Anita Ave	Arcadia	11/15	46,173	ARR310000 / MF	\$7,100,000	\$154
901 W Duarte Rd	Arcadia	8/20	29,621	R-3	\$3,200,000	\$108
1027 Arcadia Ave	<sup>2</sup> Arcadia	10/20	11,326	R3YY	\$1,570,000	\$139
845 S Baldwin Blvd	Arcadia	5/23	22,002	C-G	\$2,650,000	\$120
4217 E Live Oak Ave	Arcadia	11/22	21,780	LCC3YY	\$2,600,000	\$119
4241 E Live Oak Ave	Arcadia	6/23	499,198	PID	\$45,000,000	\$90
122-128 E Live Oak Ave	Arcadia	9/19	17,860	ARC2YY / MU	\$1,825,000	\$102
Minimum			11,326		\$1,570,000	\$90
Maximum			499,198		\$45,000,000	\$154
Weighted Average			83,601		\$8,350,625	\$100

<sup>1</sup> Source: CoStar, February 2025. The sites were all purchased for subsequent residential or mixed use development.

<sup>2</sup> The site was purchased entitled for the development of six condominiums.

**ATTACHMENT 2: APPENDIX B**

**SALES OF IMPROVED PROPERTIES <sup>1</sup>  
PROPERTY SALES SURVEYS  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

Address	City	Sale Date	Zoning	Site Area (SF)	Sales Price	
					Total	Per SF Land Area
<b>I. Retail / Office</b>						
147-153 Duarte Rd	Arcadia	8/21	ARC2	11,988	\$2,000,000	\$167
518-524 S 1st Ave	Arcadia	2/22	MU	13,273	\$2,600,000	\$196
521 N First Ave	Arcadia	3/22	CG	14,654	\$2,225,000	\$152
501 S 1st Ave	Arcadia	12/24	MU	14,998	\$2,900,000	\$193
181 Colorado Pl	Arcadia	10/20	CG	26,136	\$2,900,000	\$111
117 E Live Oak	Arcadia	10/24	R3YY,A-R	27,434	\$2,600,000	\$95
333 N Santa Anita	Arcadia	3/23	ARCM	43,560	\$8,150,000	\$187
610 Las Tunas Dr	Arcadia	12/23	CG	71,861	\$4,604,500	\$64
17 Las Tunas Dr	Arcadia	2018	ARC2 / MU	217,785	\$22,600,000	\$104
Minimum				11,988	\$2,000,000	\$64
Maximum				217,785	\$22,600,000	\$196
Weighted Average				49,077	\$5,619,944	\$115
<b>II. Apartment Development <sup>2</sup></b>						
433 S Baldwin Ave	Arcadia	9/21	ARR1	10,973	\$2,068,000	\$188
1116 W Duarte Rd	Arcadia	8/23	R3	16,087	\$2,880,000	\$179
833 W Duarte Rd	Arcadia	1/21	R3	16,483	\$3,617,000	\$219
727 Southview Rd	Arcadia	12/24	R3	16,605	\$3,950,000	\$238
5741-5749 Baldwin Ave	Arcadia	1/22	R3	17,860	\$2,755,000	\$154
521 E Live Oak Ave	Arcadia	6/21	ARR3YY	17,977	\$3,805,000	\$212
815 Fairview Ave	Arcadia	4/22	ARR3YY	18,840	\$3,730,000	\$198
829 1/2 Huntington Dr	Arcadia	6/21	ARR3YY	19,380	\$3,250,000	\$168
503 Fairview Ave	Arcadia	9/21	R3	19,602	\$3,855,000	\$197
475 Fairview Ave	Arcadia	5/22	ARR3YY	19,606	\$3,700,000	\$189
1015 Sunset Blvd	Arcadia	6/24	LAC2	21,310	\$3,375,000	\$158
1119 Arcadia Ave	Arcadia	1/23	R3	21,906	\$4,800,000	\$219
309-311 Baldwin Ave	Arcadia	12/24	ARR1YY	21,998	\$3,100,000	\$141
10522 E Live Oak Ave	Arcadia	5/21	TCR172	29,185	\$2,650,000	\$91
922 Duarte Rd	Arcadia	4/22	ARR3YY	33,715	\$6,550,000	\$194
1125 Arcadia Ave	Arcadia	1/23	ARR3	37,884	\$8,800,000	\$232
1018 Arcadia Ave	Arcadia	5/23	R3	56,214	\$6,785,000	\$121
Minimum				10,973	\$2,068,000	\$91
Maximum				56,214	\$8,800,000	\$238
Weighted Average				23,272	\$4,098,235	\$176

<sup>1</sup> Source: CoStar, February 2024.

<sup>2</sup> The survey is limited to projects with fewer than 20 units on lots of at least 10,000 square feet of land area.

**ATTACHMENT 3**  
**AFFORDABLE HOUSING COST CALCULATION METHODOLOGIES**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

# APPENDIX A

## AFFORDABLE RENT CALCULATION METHODOLOGY

### ASSUMPTIONS

The Affordable Rent calculations are presented in Attachment 4 – Appendix B. The calculations are based on the following assumptions:

1. The household income information used in the calculations is based on 2024 income statistics for Los Angeles County as a whole:
  - a. The household incomes for very low and low income households are produced by United States Department of Housing and Urban Development (HUD) and distributed by the California Department of Housing and Community Development (HCD).
  - b. The household incomes for moderate income households are produced and distributed annually by HCD.
2. The household size appropriate for the unit is based on the California Health and Safety Code (H&SC) Section 50052.5 standard of the number of bedrooms in the home plus one.<sup>1</sup> H&SC Section 50052.5 refers to this as “the family size appropriate for the unit.” This is a benchmark that is used for calculation purposes only. It is neither an occupancy minimum nor a maximum.
3. The benchmark household incomes used in the Affordable Rent analyses are based on the following standards:
  - a. The very low income rents are based on 50% of area median income (AMI). This percentage of AMI is based on the standard imposed in H&SC Section 50053.
  - b. The low income rents are based on 80% of AMI. This percentage of AMI is based on the standard imposed by Assembly Bill 1505.
  - c. The moderate income rents are based on 110% of AMI, which is the standard imposed by H&SC Section 50053.

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<sup>1</sup> For example, the imputed household size for a one-bedroom unit is two persons.

4. Thirty percent (30%) of defined household income is allocated to housing-related expenses.
5. The following monthly utilities allowances were applied in this analysis.<sup>2</sup>

Utility Allowances Apartment Development Prototypes	
Number of Bedrooms	Monthly Utilities Allowances
Studio	\$91
1	\$121
2	\$153

## AFFORDABLE RENTS

The resulting affordable rents are presented in the following table:

Affordable Rents Apartment Development Prototypes			
Number of Bedrooms	Very Low Income	Low Income	Moderate Income
Studio	\$768	\$1,284	\$1,800
1	\$861	\$1,450	\$2,039
2	\$952	\$1,615	\$2,278

<sup>2</sup> Utilities allowances are based on utilities costs comprised of electric heating, cooking and water heating; and basic electric, and air conditioning. The allowances are based on the Los Angeles County Development Authority Multifamily All Electric Schedule effective as of July 1, 2024.

# APPENDIX B

## AFFORDABLE SALES PRICE CALCULATION METHODOLOGY

### ASSUMPTIONS

The Affordable Sales Price calculations are presented in Attachment 5 – Appendix B. The calculations are based on the following assumptions:

1. The household income information used in the calculations is based on 2024 income statistics for Los Angeles County as a whole:
  - a. The household incomes for low income households are produced by HUD and distributed by HCD.
  - b. The household incomes for moderate income households are produced and distributed annually by HCD.
2. The Affordable Sales Price estimates are based on the calculation methodology imposed by H&SC Section 50052.5.

The elements included in the Affordable Sales Price calculations are described in the following sections of this Attachment.

### Household Size

For the sole purposes of calculating Affordable Sales Prices, H&SC Section 50052.5 sets household sizes based on the number of bedrooms in the home plus one. As discussed previously, this is not an occupancy minimum or maximum. Rather, it is a benchmark that creates a consistent Affordable Sales Price calculation methodology.

### Household Income

For calculation purposes only, H&SC Section 50052.5 applies benchmark household incomes as the standard for determining the Affordable Sales Prices. These benchmarks are based on the following percentages of the Los Angeles County AMI:

Income Category	% of AMI
Moderate	110%
Low	70%

The identified benchmark percentages of AMI are not income caps. The household income qualification standards are set at the upper limits presented in the HCD and are based on the actual size of the homebuyer’s household.

### Income Allocated to Housing-Related Expenses

H&SC Section 50052.5 allocates the following percentages of the benchmark household incomes to the payment of housing-related expenses:

Income Category	% of Benchmark Income
Moderate	35%
Low	30%

### Housing-Related Expenses

Based on research undertaken by KMA, the variable housing related expense assumptions used in this analysis are presented in the following table:

Variable Housing Related Expenses		
Ownership Housing Development Prototypes		
Number of Bedrooms	Monthly Utilities Allowances <sup>3</sup>	Monthly HOA, Insurance & Maintenance
2	\$260	\$300
3	\$317	\$325
4	\$389	\$350

<sup>3</sup>Utilities allowances are based on utilities costs comprised of electric heating, cooking and water heating; basic electric; and water, sewer and trash services. The allowances are based on the Los Angeles County Development Authority Single-Family Schedule effective as of July 1, 2024.

The property tax expense estimates are based on 1.15% of the defined Affordable Sales Prices. This assumes that the City will require the homes to be resold on an Affordable Sales Price throughout one cumulative 45-year covenant period.

### Supportable Mortgage Amount

The mortgage amounts used in the Affordable Sales Price calculations are estimated using the income available after the other housing-related expenses are paid. The mortgage terms used in this Financial Evaluation were based on a 30-year fully amortizing loan at a 6.98% interest rate.<sup>4</sup>

### Benchmark Down Payment

KMA set the benchmark down payment at 5% of the estimated Affordable Sales Price. A down payment of this magnitude is commonly allowed by affordable housing programs.

### AFFORDABLE SALES PRICES

The resulting Affordable Sales Prices are estimated as follows:

Affordable Sales Prices		
Ownership Housing Development Prototypes		
Number of Bedrooms	Moderate Income	Low Income
2	\$313,200	\$136,800
3	\$345,300	\$148,100
4	\$366,600	\$153,700

<sup>4</sup> Based on a 25 basis points premium applied to the Freddie Mac monthly average, between February 2024 and January 2025, for a fixed-interest rate loan with a 30-year amortization period.

**ATTACHMENT 4**

**APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

**ATTACHMENT 4: APPENDIX A**

**RENT SURVEY: 4+ STAR PROPERTIES  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

Name	Address			# of Units	Unit Size (SF)	Average Effective Rent		Year Built
						Total	Per SF	
I. Studio Units								
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	21	491	\$2,363	\$4.81	2024
Luxe	1769 E Walnut St	Pasadena	91106	20	514	\$2,514	\$4.89	2016
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	45	531	\$2,340	\$4.41	2023
Areum Apts	1110 S 5th Ave	Monrovia	91016	7	574	\$2,344	\$4.08	2017
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	61	585	\$2,543	\$4.35	2022
The RinRose	3768 E Colorado Blvd	Pasadena	91107	14	590	\$2,850	\$4.83	2023
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	4	602	\$2,608	\$4.33	2016
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	2	620	\$2,054	\$3.31	2018
The Huntington	1413 Huntington Dr	Duarte	91010	24	640	\$2,509	\$3.92	2022
	Minimum				491	\$2,054	\$3.31	
	Maximum				640	\$2,850	\$4.89	
	Weighted Average				563	\$2,482	\$4.43	

ATTACHMENT 4: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

Name	Address			# of Units	Unit Size (SF)	Average Effective Rent		Year Built
						Total	Per SF	
II. One-Bedroom Units								
Luxe	1769 E Walnut St	Pasadena	91106	71	637	\$2,740	\$4.30	
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	89	684	\$2,905	\$4.25	
Begonia Place	5570 Rosemead Blvd	Temple City	91780	2	696	\$3,928	\$5.64	2024
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	183	707	\$2,838	\$4.01	
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	161	724	\$2,535	\$3.50	
The RinRose	3768 E Colorado Blvd	Pasadena	91107	62	728	\$3,417	\$4.69	
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	274	738	\$2,726	\$3.69	
Areum Apts	1110 S 5th Ave	Monrovia	91016	91	747	\$2,537	\$3.40	
Avalon Monrovia	825 S Myrtle Ave	Monrovia	91016	46	771	\$2,903	\$3.77	2021
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	165	792	\$2,741	\$3.46	
The Huntington	1413 Huntington Dr	Duarte	91010	88	797	\$2,722	\$3.42	
57 Wheeler	57 Wheeler Ave	Arcadia	91006	15	1,056	\$2,728	\$2.58	2020
	Minimum				637	\$2,535	\$2.58	
	Maximum				1,056	\$3,928	\$5.64	
	Weighted Average				738	\$2,762	\$3.76	

ATTACHMENT 4: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Effective Rent		Year Built	
				Total	Per SF		
III. Two-Bedroom Units							
Luxe	1769 E Walnut St	Pasadena	91106	40	934	\$3,513	\$3.76
Begonia Place	5570 Rosemead Blvd	Temple City	91780	68	952	\$4,233	\$4.45
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	74	956	\$3,362	\$3.52
The RinRose	3768 E Colorado Blvd	Pasadena	91107	24	1,011	\$4,120	\$4.08
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	79	1,038	\$3,678	\$3.54
Avalon Monrovia	825 S Myrtle Ave	Monrovia	91016	69	1,042	\$3,664	\$3.52
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	98	1,059	\$2,960	\$2.80
Areum Apts	1110 S 5th Ave	Monrovia	91016	56	1,081	\$3,226	\$2.98
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	134	1,109	\$3,714	\$3.35
The Huntington	1413 Huntington Dr	Duarte	91010	49	1,131	\$3,241	\$2.87
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	43	1,168	\$3,618	\$3.10
57 Wheeler	57 Wheeler Ave	Arcadia	91006	23	1,332	\$3,409	\$2.56
The Residence at Mission View	109 S Alanmay Ave	San Gabriel	91776	6	1,345	\$4,331	\$3.22
	Minimum				934	\$2,960	\$2.56
	Maximum				1,345	\$4,331	\$4.45
	Weighted Average				1,059	\$3,547	\$3.37

<sup>1</sup> Source: CoStar, January 2025. Projects built in the past 10 years within 5 miles of Arcadia City Hall. The survey excludes affordable projects, three extraordinarily large studio units in the Avalon Monrovia, and five extraordinarily large one-bedroom unit in the Residences.

**ATTACHMENT 4: APPENDIX B**

**AFFORDABLE RENT CALCULATIONS**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX B

**AFFORDABLE RENT CALCULATIONS  
2024 INCOME STANDARDS  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

		Studio Units	One-Bedroom Units	Two-Bedroom Units
<b>I. General Assumptions</b>				
Benchmark Household Size	1	1	2	3
Area Median Income (AMI)	2	\$68,750	\$78,550	\$88,400
Monthly Utilities Allowance	3	\$91	\$121	\$153
<b>II. Affordable Rent Calculations</b>				
<b>A. Very Low Income - Rent Based on 50% AMI</b>	4			
Benchmark Annual Household Income		\$34,375	\$39,275	\$44,200
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$10,313	\$11,783	\$13,260
Monthly Income Available for Housing Expenses		\$859	\$982	\$1,105
(Less) Monthly Utilities Allowance		(91)	(121)	(153)
<b>Maximum Allowable Rent</b>		\$768	\$861	\$952
<b>B. Low Income - Rent Based on 80% AMI</b>	5			
Benchmark Annual Household Income		\$55,000	\$62,840	\$70,720
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$16,500	\$18,852	\$21,216
Monthly Income Available for Housing Expenses		\$1,375	\$1,571	\$1,768
(Less) Monthly Utilities Allowance		(91)	(121)	(153)
<b>Maximum Allowable Rent</b>		\$1,284	\$1,450	\$1,615
<b>C. Moderate Income - Rent Based on 110% AMI</b>	6			
Benchmark Annual Household Income		\$75,625	\$86,405	\$97,240
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$22,688	\$25,922	\$29,172
Monthly Income Available for Housing Expenses		\$1,891	\$2,160	\$2,431
(Less) Monthly Utilities Allowance		(91)	(121)	(153)
<b>Maximum Allowable Rent</b>		\$1,800	\$2,039	\$2,278

<sup>1</sup> For the purposes of calculating the Affordable Rents, Health & Safety Code Section 50052.5 sets the benchmark household sizes at the number of bedrooms in the unit plus one. This is neither an occupancy cap nor a floor.

<sup>2</sup> Based on the 2024 Los Angeles County household incomes published by the California Department of Housing & Community Development (HCD).

<sup>3</sup> Based on the Los Angeles County Development Authority (LACDA) Multifamily All Electric Schedule effective as of July 1, 2024. Assumes: Electric Heating, Electric Cooking, and Electric Water Heater; and Basic Electric.

<sup>4</sup> Based on 50% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053.

<sup>5</sup> Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505.

<sup>6</sup> Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053.

**ATTACHMENT 4: APPENDIX C**

**PRO FORMA ANALYSES**

**DMU SITE - LARGE DEVELOPMENT**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

**ATTACHMENT 4: APPENDIX C - EXHIBIT I**

**PRO FORMA ANALYSIS**

**MARKET RATE SCENARIO**

**DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**MARKET RATE SCENARIO**  
**DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000
Parking	2				
At-Grade Spaces		67	Spaces	\$5,000 /Space	335,000
Podium Spaces		275	Spaces	\$20,000 /Space	5,500,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		155,000	Sf of GLA	\$230 /Sf of GLA	35,650,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		9,168,000
<b>Total Direct Costs</b>		155,000	Sf of GLA	\$355 /Sf of GLA	\$55,009,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$3,301,000
Public Permits & Fees	4	200	Units	\$19,000 /Unit	3,800,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		1,100,000
Marketing		200	Units	\$2,500 /Unit	500,000
Developer Fee			5% Direct Costs		2,750,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		573,000
<b>Total Indirect Costs</b>					\$12,024,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	5	\$24,840,000	Cost	6.2% Avg Rate	\$2,310,000
Construction	6	\$74,280,000	Cost	6.2% Avg Rate	4,145,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	892,000
<b>Total Financing Costs</b>					\$7,347,000
<b>IV. Total Construction Cost</b>		200	Units	\$372,000 /Unit	\$74,380,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 MARKET RATE SCENARIO  
 DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

Studio Units	50 Units @	\$2,440 /Unit/Month	\$1,464,000
One-Bedroom Units	100 Units @	\$2,960 /Unit/Month	3,552,000
Two-Bedroom Units	50 Units @	\$3,900 /Unit/Month	2,340,000

B. **Miscellaneous Income**

200 Units @	\$75 /Unit/Month	180,000
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**Total Gross Income**

\$7,536,000

Vacancy & Collection Allowance

5% Gross Income

(377,000)

II. **Effective Gross Income**

\$7,159,000

III. **Operating Expenses**

General Operating Expenses	200 Units @	\$4,500 /Unit	\$900,000
Property Taxes	200 Units @	\$6,300 /Unit	1,268,000
Replacement Reserve Deposits	200 Units @	\$150 /Unit	30,000

**Total Operating Expenses**

(\$2,198,000)

IV. **Stabilized Net Operating Income**

\$4,961,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.95 per square foot of leasable area.

<sup>2</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 3

ESTIMATED RESIDUAL LAND VALUE

MARKET RATE SCENARIO

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. **Estimated Project Value**

Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 2	\$4,961,000
Capitalization Rate		4.50%
<b>Estimated Project Value</b>		<b>\$110,244,000</b>

II. **Total Project Cost**

Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 1	\$74,380,000
Threshold Developer Profit	10% of Value	11,024,000
<b>Total Project Cost</b>		<b>(\$85,404,000)</b>

III. <b>Estimated Residual Land Value</b>	108,900 Sf of Land	\$228 /Sf of Land	<b>\$24,840,000</b>
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ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 4

TARGET RESIDUAL LAND VALUE ANALYSIS

MARKET RATE SCENARIO

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. **Estimated Land Value**

DMU Site - Large Development	See ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 3	\$24,840,000
Improved Commercial Site	<sup>1</sup> 108,900 Sf of Land \$115 /Sf of Land	12,524,000
<b>Estimated Value Enhancement</b>		<b>\$12,316,000</b>

II. **Value Enhancement Funds Available for Inclusionary Housing**

Estimated Value Enhancement	\$12,316,000
Share Allocated to Inclusionary Housing	65%
<b>Value Enhancement Funds Available for Inclusionary Housing</b>	<b>\$8,005,000</b>

III. **Target Residual Land Value**

Estimated Land Value: DMU Site - Large Development	\$24,840,000
Minus Value Enhancement Funds Available for Inclusionary Housing	(8,005,000)
<b>Target Residual Land Value</b>	<b>\$16,835,000</b>

<sup>1</sup> See ATTACHMENT 2: PROPERTY SALES SURVEYS.

**ATTACHMENT 4: APPENDIX C - EXHIBIT II**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT: 11% VERY LOW INCOME UNITS**

**DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX C - EXHIBIT II - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**SUPPORTABLE REQUIREMENT: 11% VERY LOW INCOME UNITS**  
**DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000
Parking	2				
At-Grade Spaces		67	Spaces	\$5,000 /Space	335,000
Podium Spaces		275	Spaces	\$20,000 /Space	5,500,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		155,000	Sf of GLA	\$230 /Sf of GLA	35,650,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		9,168,000
<b>Total Direct Costs</b>		155,000	Sf of GLA	\$355 /Sf of GLA	\$55,009,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$3,301,000
Public Permits & Fees	5	200	Units	\$19,000 /Unit	3,800,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		1,100,000
Marketing		200	Units	\$2,500 /Unit	500,000
Developer Fee			5% Direct Costs		2,750,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		573,000
<b>Total Indirect Costs</b>					\$12,024,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	4	\$16,989,000	Cost	6.2% Avg Rate	\$1,580,000
Construction	5	\$73,531,000	Cost	6.2% Avg Rate	4,103,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	815,000
<b>Total Financing Costs</b>					\$6,498,000
<b>IV. Total Construction Cost</b>		200	Units	\$368,000 /Unit	\$73,531,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT II - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 11% VERY LOW INCOME UNITS  
 DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

1

Studio Units	44 Units @	\$2,440 /Unit/Month	\$1,288,000
One-Bedroom Units	89 Units @	\$2,960 /Unit/Month	3,161,000
Two-Bedroom Units	45 Units @	\$3,900 /Unit/Month	2,106,000

B. **Very Low Income Units**

2

Studio Units	6 Units @	\$768 /Unit/Month	55,000
One-Bedroom Units	11 Units @	\$861 /Unit/Month	114,000
Two-Bedroom Units	5 Units @	\$952 /Unit/Month	57,000

C. **Miscellaneous Income**

200 Units @	\$75 /Unit/Month	180,000
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**Total Gross Income**

\$6,961,000

Vacancy & Collection Allowance

5% Gross Income

(348,000)

II. **Effective Gross Income**

\$6,613,000

III. **Operating Expenses**

General Operating Expenses	200 Units @	\$4,500 /Unit	\$900,000
Property Taxes	200 Units @	\$5,800 /Unit	1,157,000
Replacement Reserve Deposits	200 Units @	\$150 /Unit	30,000

**Total Operating Expenses**

200 Units @ \$10,435 /Unit

(\$2,087,000)

IV. **Stabilized Net Operating Income**

\$4,526,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.95 per square foot of leasable area.

<sup>2</sup> Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT II - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 SUPPORTABLE REQUIREMENT: 11% VERY LOW INCOME UNITS  
 DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT II - TABLE 2	\$4,526,000	
Capitalization Rate		4.50%	
<b>Estimated Project Value</b>			<b>\$100,578,000</b>
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT II - TABLE 1	\$73,531,000	
Threshold Developer Profit	10% of Value	10,058,000	
<b>Total Project Cost</b>			<b>(\$83,589,000)</b>
<b>III. <u>Estimated Residual Land Value</u></b>	108,900 Sf of Land	\$156 /Sf of Land	<b>\$16,989,000</b>

**ATTACHMENT 4: APPENDIX C - EXHIBIT III**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT: 15% LOW INCOME UNITS**

**DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX C - EXHIBIT III - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**SUPPORTABLE REQUIREMENT: 15% LOW INCOME UNITS**  
**DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000
Parking	2				
At-Grade Spaces		67	Spaces	\$5,000 /Space	335,000
Podium Spaces		275	Spaces	\$20,000 /Space	5,500,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		155,000	Sf of GLA	\$230 /Sf of GLA	35,650,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		9,168,000
<b>Total Direct Costs</b>		155,000	Sf of GLA	\$355 /Sf of GLA	\$55,009,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$3,301,000
Public Permits & Fees	5	200	Units	\$19,000 /Unit	3,800,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		1,100,000
Marketing		200	Units	\$2,500 /Unit	500,000
Developer Fee			5% Direct Costs		2,750,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		573,000
<b>Total Indirect Costs</b>					\$12,024,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	4	\$16,989,000	Cost	6.2% Avg Rate	\$1,580,000
Construction	5	\$73,531,000	Cost	6.2% Avg Rate	4,103,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	815,000
<b>Total Financing Costs</b>					\$6,498,000
<b>IV. Total Construction Cost</b>		200	Units	\$368,000 /Unit	\$73,531,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT III - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 15% LOW INCOME UNITS  
 DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

1

Studio Units	42 Units @	\$2,440 /Unit/Month	\$1,230,000
One-Bedroom Units	85 Units @	\$2,960 /Unit/Month	3,019,000
Two-Bedroom Units	43 Units @	\$3,900 /Unit/Month	2,012,000

B. **Low Income Units**

2

Studio Units	8 Units @	\$1,284 /Unit/Month	123,000
One-Bedroom Units	15 Units @	\$1,450 /Unit/Month	261,000
Two-Bedroom Units	7 Units @	\$1,615 /Unit/Month	136,000

C. **Miscellaneous Income**

200 Units @	\$75 /Unit/Month	180,000
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**Total Gross Income**

\$6,961,000

Vacancy & Collection Allowance

5% Gross Income

(348,000)

II. **Effective Gross Income**

\$6,613,000

III. **Operating Expenses**

General Operating Expenses	200 Units @	\$4,500 /Unit	\$900,000
Property Taxes	200 Units @	\$5,800 /Unit	1,157,000
Replacement Reserve Deposits	200 Units @	\$150 /Unit	30,000

**Total Operating Expenses**

200 Units @ \$10,435 /Unit

(\$2,087,000)

IV. **Stabilized Net Operating Income**

\$4,526,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.95 per square foot of leasable area.

<sup>2</sup> Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT III - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 SUPPORTABLE REQUIREMENT: 15% LOW INCOME UNITS  
 DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT III - TABLE 2	\$4,526,000	
Capitalization Rate		4.50%	
<b>Estimated Project Value</b>			\$100,578,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT III - TABLE 1	\$73,531,000	
Threshold Developer Profit	10% of Value	10,058,000	
<b>Total Project Cost</b>			(\$83,589,000)
<b>III. <u>Estimated Residual Land Value</u></b>	108,900 Sf of Land	\$156 /Sf of Land	\$16,989,000

**ATTACHMENT 4: APPENDIX C - EXHIBIT IV**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT:**

**7% LOW INCOME UNITS + 6% VERY LOW INCOME UNITS**

**DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 7% LOW INCOME UNITS + 6% VERY LOW INCOME UNITS

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000
Parking	2				
At-Grade Spaces		67	Spaces	\$5,000 /Space	335,000
Podium Spaces		275	Spaces	\$20,000 /Space	5,500,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		155,000	Sf of GLA	\$230 /Sf of GLA	35,650,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		9,168,000
<b>Total Direct Costs</b>		155,000	Sf of GLA	\$355 /Sf of GLA	\$55,009,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$3,301,000
Public Permits & Fees	5	200	Units	\$19,000 /Unit	3,800,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		1,100,000
Marketing		200	Units	\$2,500 /Unit	500,000
Developer Fee			5% Direct Costs		2,750,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		573,000
<b>Total Indirect Costs</b>					\$12,024,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	4	\$16,701,000	Cost	6.2% Avg Rate	\$1,553,000
Construction	5	\$73,499,000	Cost	6.2% Avg Rate	4,101,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	812,000
<b>Total Financing Costs</b>					\$6,466,000
<b>IV. Total Construction Cost</b>		200	Units	\$367,000 /Unit	\$73,499,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 7% LOW INCOME UNITS + 6% VERY LOW INCOME UNITS  
 DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

<b>A. Market Rate Units</b>	1			
Studio Units		44 Units @	\$2,440 /Unit/Month	\$1,288,000
One-Bedroom Units		87 Units @	\$2,960 /Unit/Month	3,090,000
Two-Bedroom Units		43 Units @	\$3,900 /Unit/Month	2,012,000
<b>B. Low Income Units</b>	2			
Studio Units		3 Units @	\$1,284 /Unit/Month	46,000
One-Bedroom Units		7 Units @	\$1,450 /Unit/Month	122,000
Two-Bedroom Units		4 Units @	\$1,615 /Unit/Month	78,000
<b>B. Very Low Income Units</b>	3			
Studio Units		3 Units @	\$768 /Unit/Month	28,000
One-Bedroom Units		6 Units @	\$861 /Unit/Month	62,000
Two-Bedroom Units		3 Units @	\$952 /Unit/Month	34,000
<b>C. Miscellaneous Income</b>		200 Units @	\$75 /Unit/Month	180,000
<b>Total Gross Income</b>				\$6,940,000
Vacancy & Collection Allowance		5% Gross Income		(347,000)
<b>II. Effective Gross Income</b>				\$6,593,000
<b>III. Operating Expenses</b>				
General Operating Expenses		200 Units @	\$4,500 /Unit	\$900,000
Property Taxes	4	200 Units @	\$5,800 /Unit	1,153,000
Replacement Reserve Deposits		200 Units @	\$150 /Unit	30,000
<b>Total Operating Expenses</b>		200 Units @	\$10,415 /Unit	(\$2,083,000)
<b>IV. Stabilized Net Operating Income</b>				<b>\$4,510,000</b>

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.96 per square foot of leasable area.

<sup>2</sup> Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

<sup>4</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 SUPPORTABLE REQUIREMENT: 7% LOW INCOME UNITS + 6% VERY LOW INCOME UNITS  
 DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2	\$4,510,000	
Capitalization Rate		4.50%	
<b>Estimated Project Value</b>			\$100,222,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1	\$73,499,000	
Threshold Developer Profit	10% of Value	10,022,000	
<b>Total Project Cost</b>			(\$83,521,000)
<b>III. <u>Estimated Residual Land Value</u></b>	108,900 Sf of Land	\$153 /Sf of Land	\$16,701,000

**ATTACHMENT 4: APPENDIX C - EXHIBIT V**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT: 23% MODERATE INCOME UNITS  
DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX C - EXHIBIT V - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**SUPPORTABLE REQUIREMENT: 23% MODERATE INCOME UNITS**  
**DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000
Parking	2				
At-Grade Spaces		67	Spaces	\$5,000 /Space	335,000
Podium Spaces		275	Spaces	\$20,000 /Space	5,500,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		155,000	Sf of GLA	\$230 /Sf of GLA	35,650,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		9,168,000
<b>Total Direct Costs</b>		155,000	Sf of GLA	\$355 /Sf of GLA	\$55,009,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$3,301,000
Public Permits & Fees	5	200	Units	\$19,000 /Unit	3,800,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		1,100,000
Marketing		200	Units	\$2,500 /Unit	500,000
Developer Fee			5% Direct Costs		2,750,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		573,000
<b>Total Indirect Costs</b>					\$12,024,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	4	\$17,044,000	Cost	6.2% Avg Rate	\$1,585,000
Construction	5	\$73,536,000	Cost	6.2% Avg Rate	4,103,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	815,000
<b>Total Financing Costs</b>					\$6,503,000
<b>IV. Total Construction Cost</b>		200	Units	\$368,000 /Unit	\$73,536,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT V - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 23% MODERATE INCOME UNITS  
 DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

<b>A. Market Rate Units</b>	1			
Studio Units		39 Units @	\$2,440 /Unit/Month	\$1,142,000
One-Bedroom Units		77 Units @	\$2,960 /Unit/Month	2,735,000
Two-Bedroom Units		38 Units @	\$3,900 /Unit/Month	1,778,000
<b>B. Moderate Income Units</b>	2			
Studio Units		11 Units @	\$1,800 /Unit/Month	238,000
One-Bedroom Units		23 Units @	\$2,039 /Unit/Month	563,000
Two-Bedroom Units		12 Units @	\$2,278 /Unit/Month	328,000
<b>C. Miscellaneous Income</b>		200 Units @	\$75 /Unit/Month	180,000
<b>Total Gross Income</b>				\$6,964,000
Vacancy & Collection Allowance		5% Gross Income		(348,000)

II. **Effective Gross Income** \$6,616,000

<b>III. Operating Expenses</b>				
General Operating Expenses		200 Units @	\$4,500 /Unit	\$900,000
Property Taxes	3	200 Units @	\$5,800 /Unit	1,157,000
Replacement Reserve Deposits		200 Units @	\$150 /Unit	30,000
<b>Total Operating Expenses</b>		200 Units @	\$10,435 /Unit	(\$2,087,000)

<b>IV. Stabilized Net Operating Income</b>		<b>\$4,529,000</b>
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<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.96 per square foot of leasable area.

<sup>2</sup> Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT V - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 SUPPORTABLE REQUIREMENT: 23% MODERATE INCOME UNITS  
 DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT V - TABLE 2	\$4,529,000	
Capitalization Rate		4.50%	
		<hr/>	
<b>Estimated Project Value</b>			\$100,644,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT V - TABLE 1	\$73,536,000	
Threshold Developer Profit	10% of Value	10,064,000	
		<hr/>	
<b>Total Project Cost</b>			(\$83,600,000)
<b>III. <u>Estimated Residual Land Value</u></b>	108,900 Sf of Land	\$157 /Sf of Land	\$17,044,000

**ATTACHMENT 4: APPENDIX C - EXHIBIT VI**

**PRO FORMA ANALYSIS**

**50% §65915 DENSITY BONUS: 120 UNITS/ACRE**

**DMU SITE - LARGE DEVELOPMENT**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX C - EXHIBIT VI - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**50% §65915 DENSITY BONUS: 120 UNITS/ACRE**  
**DMU SITE - LARGE DEVELOPMENT**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000
Parking	2				
At-Grade Spaces		0	Spaces	\$5,000 /Space	0
Podium Spaces		0	Spaces	\$20,000 /Space	0
1st Level Subterranean Spaces		272	Spaces	\$40,000 /Space	10,880,000
2nd Level Subterranean Spaces		66	Spaces	\$50,000 /Space	3,300,000
Building Costs		232,500	Sf of GLA	\$250 /Sf of GLA	58,125,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		15,332,000
<b>Total Direct Costs</b>		232,500	Sf of GLA	\$396 /Sf of GLA	\$91,993,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$5,520,000
Public Permits & Fees	4	300	Units	\$19,000 /Unit	5,700,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		1,840,000
Marketing		300	Units	\$2,500 /Unit	750,000
Developer Fee			5% Direct Costs		4,600,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		921,000
<b>Total Indirect Costs</b>					\$19,331,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	5	\$16,142,000	Cost	6.2% Avg Rate	\$1,501,000
Construction	6	#####	Cost	6.2% Avg Rate	6,741,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	1,232,000
<b>Total Financing Costs</b>					\$9,474,000
<b>IV. Total Construction Cost</b>		300	Units	\$403,000 /Unit	\$120,798,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 65915 (p) requires jurisdictions to allow projects to meet the following statutorily established parking standards. 1.0 space per Studio Unit; 1.0 space per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; and 1.5 spaces per Three-Bedroom Unit. No guest spaces are

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT VI - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 50% §65915 DENSITY BONUS: 120 UNITS/ACRE  
 DMU SITE - LARGE DEVELOPMENT  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units** <sup>1</sup>

Studio Units	67 Units @	\$2,440 /Unit/Month	\$1,962,000
One-Bedroom Units	135 Units @	\$2,960 /Unit/Month	4,795,000
Two-Bedroom Units	68 Units @	\$3,900 /Unit/Month	3,182,000

B. **Density Bonus Very Low Income Units** <sup>2</sup>

Studio Units	8 Units @	\$768 /Unit/Month	74,000
One-Bedroom Units	15 Units @	\$861 /Unit/Month	155,000
Two-Bedroom Units	7 Units @	\$952 /Unit/Month	80,000

C. **Miscellaneous Income**

300 Units @	\$75 /Unit/Month	270,000
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**Total Gross Income**

\$10,518,000

Vacancy & Collection Allowance

5% Gross Income

(526,000)

II. **Effective Gross Income**

\$9,992,000

III. **Operating Expenses**

General Operating Expenses	300 Units @	\$4,500 /Unit	\$1,350,000
Property Taxes	300 Units @	\$5,800 /Unit	1,750,000
Replacement Reserve Deposits	300 Units @	\$150 /Unit	45,000

**Total Operating Expenses**

300 Units @ \$10,483 /Unit

(\$3,145,000)

IV. **Stabilized Net Operating Income**

\$6,847,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.95 per square foot of leasable area.

<sup>2</sup> Section 65915 (c) (1) (B) (i) calculates very low income rents based on household income based on 110% of AMI. This represents the standard identified in California Health & Safety Code Section 50503. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

**ATTACHMENT 4: APPENDIX C - EXHIBIT VI - TABLE 3**

**ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 50% \$65915 DENSITY BONUS: 120 UNITS/ACRE  
 DMU SITE - LARGE DEVELOPMENT  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA**

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT VI - TABLE 2	\$6,847,000	
Capitalization Rate		4.50%	
		<hr/>	
<b>Estimated Project Value</b>			\$152,156,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT VI - TABLE 1	\$120,798,000	
Threshold Developer Profit	10% of Value	15,216,000	
		<hr/>	
<b>Total Project Cost</b>			(\$136,014,000)
<b>III. <u>Estimated Residual Land Value</u></b>	108,900 Sf of Land	\$148 /Sf of Land	\$16,142,000

**ATTACHMENT 4: APPENDIX D**

**PRO FORMA ANALYSES**

**DMU SITE - SMALL DEVELOPMENT**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

**ATTACHMENT 4: APPENDIX D - EXHIBIT I**

**PRO FORMA ANALYSIS**

**MARKET RATE SCENARIO**

**DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**MARKET RATE SCENARIO**  
**DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000
Parking	2				
At-Grade Spaces		16	Spaces	\$5,000 /Space	80,000
Podium Spaces		72	Spaces	\$20,000 /Space	1,440,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		45,600	Sf of GLA	\$220 /Sf of GLA	10,032,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		2,572,000
<b>Total Direct Costs</b>		45,600	Sf of GLA	\$338 /Sf of GLA	\$15,431,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$926,000
Public Permits & Fees	4	48	Units	\$21,300 /Unit	1,022,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		309,000
Marketing		48	Units	\$2,500 /Unit	120,000
Developer Fee			5% Direct Costs		772,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		157,000
<b>Total Indirect Costs</b>					\$3,306,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	5	\$6,460,000	Cost	6.2% Avg Rate	\$601,000
Construction	6	\$20,740,000	Cost	6.2% Avg Rate	1,157,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	245,000
<b>Total Financing Costs</b>					\$2,003,000
<b>IV. Total Construction Cost</b>		48	Units	\$432,000 /Unit	\$20,740,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 MARKET RATE SCENARIO  
 DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

1

Studio Units	0 Units @	\$0 /Unit/Month	\$0
One-Bedroom Units	24 Units @	\$3,010 /Unit/Month	867,000
Two-Bedroom Units	24 Units @	\$3,900 /Unit/Month	1,123,000

B. **Miscellaneous Income**

48 Units @	\$75 /Unit/Month	43,000
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**Total Gross Income**

\$2,033,000

Vacancy & Collection Allowance

5% Gross Income

(102,000)

II. **Effective Gross Income**

\$1,931,000

III. **Operating Expenses**

General Operating Expenses	48 Units @	\$4,500 /Unit	\$216,000
Property Taxes	48 Units @	\$7,300 /Unit	348,000
Replacement Reserve Deposits	48 Units @	\$150 /Unit	7,000

**Total Operating Expenses**

(\$571,000)

IV. **Stabilized Net Operating Income**

\$1,360,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.64 per square foot of leasable area.

<sup>2</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 3

ESTIMATED RESIDUAL LAND VALUE

MARKET RATE SCENARIO

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. **Estimated Project Value**

Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 2	\$1,360,000
Capitalization Rate		4.50%
<b>Estimated Project Value</b>		<b>\$30,222,000</b>

II. **Total Project Cost**

Total Construction Cost	See ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 1	\$20,740,000
Threshold Developer Profit	10% of Value	3,022,000
<b>Total Project Cost</b>		<b>(\$23,762,000)</b>

III. <b>Estimated Residual Land Value</b>	32,670 Sf of Land	\$198 /Sf of Land	<b>\$6,460,000</b>
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ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 4

TARGET RESIDUAL LAND VALUE ANALYSIS

MARKET RATE SCENARIO

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. **Estimated Land Value**

DMU Site - Small Development	See ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 3	\$6,460,000
Improved Commercial Site	<sup>1</sup> 32,670 Sf of Land \$115 /Sf of Land	3,757,000
<b>Estimated Value Enhancement</b>		<b>\$2,703,000</b>

II. **Value Enhancement Funds Available for Inclusionary Housing**

Estimated Value Enhancement	\$2,703,000
Share Allocated to Inclusionary Housing	65%
<b>Value Enhancement Funds Available for Inclusionary Housing</b>	<b>\$1,757,000</b>

III. **Target Residual Land Value**

Estimated Land Value: DMU Site - Small Development	\$6,460,000
Minus Value Enhancement Funds Available for Inclusionary Housing	(1,757,000)
<b>Target Residual Land Value</b>	<b>\$4,703,000</b>

<sup>1</sup> See ATTACHMENT 2: PROPERTY SALES SURVEYS.

<sup>2</sup> Based on the Value Enhancement Funds Available for Inclusionary Housing.

**ATTACHMENT 4: APPENDIX D - EXHIBIT II**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT: 9% VERY LOW INCOME UNITS**

**DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX D - EXHIBIT II - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**SUPPORTABLE REQUIREMENT: 9% VERY LOW INCOME UNITS**  
**DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000
Parking	2				
At-Grade Spaces		16	Spaces	\$5,000 /Space	80,000
Podium Spaces		72	Spaces	\$20,000 /Space	1,440,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		45,600	Sf of GLA	\$220 /Sf of GLA	10,032,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		2,572,000
<b>Total Direct Costs</b>		45,600	Sf of GLA	\$338 /Sf of GLA	\$15,431,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$926,000
Public Permits & Fees	5	48	Units	\$21,300 /Unit	1,022,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		309,000
Marketing		48	Units	\$2,500 /Unit	120,000
Developer Fee			5% Direct Costs		772,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		157,000
<b>Total Indirect Costs</b>					\$3,306,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	4	\$4,820,000	Cost	6.2% Avg Rate	\$448,000
Construction	5	\$20,560,000	Cost	6.2% Avg Rate	1,147,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	228,000
<b>Total Financing Costs</b>					\$1,823,000
<b>IV. Total Construction Cost</b>		48	Units	\$428,000 /Unit	\$20,560,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX D - EXHIBIT II - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 9% VERY LOW INCOME UNITS  
 DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

1

Studio Units	0 Units @	\$0 /Unit/Month	\$0
One-Bedroom Units	22 Units @	\$3,010 /Unit/Month	795,000
Two-Bedroom Units	22 Units @	\$3,900 /Unit/Month	1,030,000

B. **Very Low Income Units**

2

Studio Units	0 Units @	\$768 /Unit/Month	0
One-Bedroom Units	2 Units @	\$861 /Unit/Month	21,000
Two-Bedroom Units	2 Units @	\$952 /Unit/Month	23,000

C. **Miscellaneous Income**

48 Units @	\$75 /Unit/Month	43,000
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**Total Gross Income**

\$1,912,000

Vacancy & Collection Allowance

5% Gross Income

(96,000)

II. **Effective Gross Income**

\$1,816,000

III. **Operating Expenses**

General Operating Expenses	48 Units @	\$4,500 /Unit	\$216,000
Property Taxes	48 Units @	\$6,800 /Unit	324,000
Replacement Reserve Deposits	48 Units @	\$150 /Unit	7,000

**Total Operating Expenses**

48 Units @ \$11,396 /Unit

(\$547,000)

IV. **Stabilized Net Operating Income**

\$1,269,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.64 per square foot of leasable area.

<sup>2</sup> Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX D - EXHIBIT II - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 SUPPORTABLE REQUIREMENT: 9% VERY LOW INCOME UNITS  
 DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX D - EXHIBIT II - TABLE 2	\$1,269,000	
Capitalization Rate		4.50%	
<b>Estimated Project Value</b>			\$28,200,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX D - EXHIBIT II - TABLE 1	\$20,560,000	
Threshold Developer Profit	10% of Value	2,820,000	
<b>Total Project Cost</b>			(\$23,380,000)
<b>III. <u>Estimated Residual Land Value</u></b>	32,670 Sf of Land	\$148 /Sf of Land	\$4,820,000

**ATTACHMENT 4: APPENDIX D - EXHIBIT III**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT: 14% LOW INCOME UNITS**

**DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX D - EXHIBIT III - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**SUPPORTABLE REQUIREMENT: 14% LOW INCOME UNITS**  
**DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000
Parking	2				
At-Grade Spaces		16	Spaces	\$5,000 /Space	80,000
Podium Spaces		72	Spaces	\$20,000 /Space	1,440,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		45,600	Sf of GLA	\$220 /Sf of GLA	10,032,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		2,572,000
<b>Total Direct Costs</b>		45,600	Sf of GLA	\$338 /Sf of GLA	\$15,431,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$926,000
Public Permits & Fees	5	48	Units	\$21,300 /Unit	1,022,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		309,000
Marketing		48	Units	\$2,500 /Unit	120,000
Developer Fee			5% Direct Costs		772,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		157,000
<b>Total Indirect Costs</b>					\$3,306,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	4	\$4,585,000	Cost	6.2% Avg Rate	\$426,000
Construction	5	\$20,535,000	Cost	6.2% Avg Rate	1,146,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	226,000
<b>Total Financing Costs</b>					\$1,798,000
<b>IV. Total Construction Cost</b>		48	Units	\$428,000 /Unit	\$20,535,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX D - EXHIBIT III - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 14% LOW INCOME UNITS  
 DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

1

Studio Units	0 Units @	\$0 /Unit/Month	\$0
One-Bedroom Units	21 Units @	\$3,010 /Unit/Month	759,000
Two-Bedroom Units	21 Units @	\$3,900 /Unit/Month	983,000

B. **Low Income Units**

2

Studio Units	0 Units @	\$1,284 /Unit/Month	0
One-Bedroom Units	3 Units @	\$1,450 /Unit/Month	52,000
Two-Bedroom Units	3 Units @	\$1,615 /Unit/Month	58,000

C. **Miscellaneous Income**

48 Units @	\$75 /Unit/Month	43,000
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**Total Gross Income**

\$1,895,000

Vacancy & Collection Allowance

5% Gross Income

(95,000)

II. **Effective Gross Income**

\$1,800,000

III. **Operating Expenses**

General Operating Expenses	48 Units @	\$4,500 /Unit	\$216,000
Property Taxes	48 Units @	\$6,700 /Unit	321,000
Replacement Reserve Deposits	48 Units @	\$150 /Unit	7,000

**Total Operating Expenses**

48 Units @	\$11,333 /Unit	(\$544,000)
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IV. **Stabilized Net Operating Income**

\$1,256,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.64 per square foot of leasable area.

<sup>2</sup> Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX D - EXHIBIT III - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 SUPPORTABLE REQUIREMENT: 14% LOW INCOME UNITS  
 DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX D - EXHIBIT III - TABLE 2	\$1,256,000	
Capitalization Rate		4.50%	
		<hr/>	
<b>Estimated Project Value</b>			\$27,911,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX D - EXHIBIT III - TABLE 1	\$20,535,000	
Threshold Developer Profit	10% of Value	2,791,000	
		<hr/>	
<b>Total Project Cost</b>			(\$23,326,000)
<b>III. <u>Estimated Residual Land Value</u></b>	32,670 Sf of Land	\$140 /Sf of Land	<b>\$4,585,000</b>

**ATTACHMENT 4: APPENDIX C - EXHIBIT IV**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT:**

**6% LOW INCOME UNITS + 5% VERY LOW INCOME UNITS**

**DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 6% LOW INCOME UNITS + 5% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000
Parking	2				
At-Grade Spaces		16	Spaces	\$5,000 /Space	80,000
Podium Spaces		72	Spaces	\$20,000 /Space	1,440,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		45,600	Sf of GLA	\$220 /Sf of GLA	10,032,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		2,572,000
<b>Total Direct Costs</b>		45,600	Sf of GLA	\$338 /Sf of GLA	\$15,431,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$926,000
Public Permits & Fees	5	48	Units	\$21,300 /Unit	1,022,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		309,000
Marketing		48	Units	\$2,500 /Unit	120,000
Developer Fee			5% Direct Costs		772,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		157,000
<b>Total Indirect Costs</b>					\$3,306,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	4	\$4,765,000	Cost	6.2% Avg Rate	\$443,000
Construction	5	\$20,555,000	Cost	6.2% Avg Rate	1,147,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	228,000
<b>Total Financing Costs</b>					\$1,818,000
<b>IV. Total Construction Cost</b>		48	Units	\$428,000 /Unit	\$20,555,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 6% LOW INCOME UNITS + 5% VERY LOW INCOME UNITS  
 DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

1

Studio Units	0 Units @	\$0 /Unit/Month	\$0
One-Bedroom Units	21 Units @	\$3,010 /Unit/Month	759,000
Two-Bedroom Units	22 Units @	\$3,900 /Unit/Month	1,030,000

B. **Low Income Units**

2

Studio Units	0 Units @	\$1,284 /Unit/Month	0
One-Bedroom Units	2 Units @	\$1,450 /Unit/Month	35,000
Two-Bedroom Units	1 Unit @	\$1,615 /Unit/Month	19,000

B. **Very Low Income Units**

3

Studio Units	0 Units @	\$768 /Unit/Month	0
One-Bedroom Units	1 Unit @	\$861 /Unit/Month	10,000
Two-Bedroom Units	1 Unit @	\$952 /Unit/Month	11,000

C. **Miscellaneous Income**

48 Units @	\$75 /Unit/Month	43,000
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**Total Gross Income**

\$1,907,000

Vacancy & Collection Allowance

5% Gross Income

(95,000)

II. **Effective Gross Income**

\$1,812,000

III. **Operating Expenses**

General Operating Expenses	48 Units @	\$4,500 /Unit	\$216,000
Property Taxes	48 Units @	\$6,700 /Unit	323,000
Replacement Reserve Deposits	48 Units @	\$150 /Unit	7,000
<b>Total Operating Expenses</b>	48 Units @	\$11,375 /Unit	(\$546,000)

IV. **Stabilized Net Operating Income**

\$1,266,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.63 per square foot of leasable area.

<sup>2</sup> Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

<sup>4</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT

SUPPORTABLE REQUIREMENT: 6% LOW INCOME UNITS + 5% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. **Estimated Project Value**

Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2	\$1,266,000
Capitalization Rate		4.50%
<b>Estimated Project Value</b>		<b>\$28,133,000</b>

II. **Total Project Cost**

Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1	\$20,555,000
Threshold Developer Profit	10% of Value	2,813,000
<b>Total Project Cost</b>		<b>(\$23,368,000)</b>

III. <b>Estimated Residual Land Value</b>	32,670 Sf of Land	\$146 /Sf of Land	<b>\$4,765,000</b>
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**ATTACHMENT 4: APPENDIX D - EXHIBIT V**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT: 16% MODERATE INCOME UNITS  
DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX D - EXHIBIT V - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**SUPPORTABLE REQUIREMENT: 16% MODERATE INCOME UNITS**  
**DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000
Parking	2				
At-Grade Spaces		16	Spaces	\$5,000 /Space	80,000
Podium Spaces		72	Spaces	\$20,000 /Space	1,440,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		45,600	Sf of GLA	\$220 /Sf of GLA	10,032,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		2,572,000
<b>Total Direct Costs</b>		45,600	Sf of GLA	\$338 /Sf of GLA	\$15,431,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$926,000
Public Permits & Fees	5	48	Units	\$21,300 /Unit	1,022,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		309,000
Marketing		48	Units	\$2,500 /Unit	120,000
Developer Fee			5% Direct Costs		772,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		157,000
<b>Total Indirect Costs</b>					\$3,306,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	4	\$4,765,000	Cost	6.2% Avg Rate	\$443,000
Construction	5	\$20,555,000	Cost	6.2% Avg Rate	1,147,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	228,000
<b>Total Financing Costs</b>					\$1,818,000
<b>IV. Total Construction Cost</b>		48	Units	\$428,000 /Unit	\$20,555,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX D - EXHIBIT V - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 16% MODERATE INCOME UNITS  
 DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

<b>A. Market Rate Units</b>	1			
Studio Units		0 Units @	\$0 /Unit/Month	\$0
One-Bedroom Units		20 Units @	\$3,010 /Unit/Month	722,000
Two-Bedroom Units		20 Units @	\$3,900 /Unit/Month	936,000
<b>B. Moderate Income Units</b>	2			
Studio Units		0 Units @	\$1,800 /Unit/Month	0
One-Bedroom Units		4 Units @	\$2,039 /Unit/Month	98,000
Two-Bedroom Units		4 Units @	\$2,278 /Unit/Month	109,000
<b>C. Miscellaneous Income</b>		48 Units @	\$75 /Unit/Month	43,000
<b>Total Gross Income</b>				\$1,908,000
Vacancy & Collection Allowance		5% Gross Income		(95,000)

II. **Effective Gross Income** \$1,813,000

<b>III. Operating Expenses</b>				
General Operating Expenses		48 Units @	\$4,500 /Unit	\$216,000
Property Taxes	3	48 Units @	\$6,800 /Unit	324,000
Replacement Reserve Deposits		48 Units @	\$150 /Unit	7,000
<b>Total Operating Expenses</b>		48 Units @	\$11,396 /Unit	(\$547,000)

<b>IV. Stabilized Net Operating Income</b>	<b>\$1,266,000</b>
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<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.64 per square foot of leasable area.

<sup>2</sup> Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX D - EXHIBIT V - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 SUPPORTABLE REQUIREMENT: 16% MODERATE INCOME UNITS  
 DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX D - EXHIBIT V - TABLE 2	\$1,266,000	
Capitalization Rate		4.50%	
<b>Estimated Project Value</b>			\$28,133,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX D - EXHIBIT V - TABLE 1	\$20,555,000	
Threshold Developer Profit	10% of Value	2,813,000	
<b>Total Project Cost</b>			(\$23,368,000)
<b>III. <u>Estimated Residual Land Value</u></b>	32,670 Sf of Land	\$146 /Sf of Land	\$4,765,000

**ATTACHMENT 4: APPENDIX D - EXHIBIT VI**

**PRO FORMA ANALYSIS**

**50% §65915 DENSITY BONUS: 96 UNITS/ACRE**

**DMU SITE - SMALL DEVELOPMENT**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX D - EXHIBIT VI - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**50% §65915 DENSITY BONUS: 96 UNITS/ACRE**  
**DMU SITE - SMALL DEVELOPMENT**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000
Parking	2				
At-Grade Spaces		0	Spaces	\$5,000 /Space	0
Podium Spaces		0	Spaces	\$20,000 /Space	0
1st Level Subterranean Spaces		82	Spaces	\$40,000 /Space	3,280,000
2nd Level Subterranean Spaces		8	Spaces	\$50,000 /Space	400,000
Building Costs		68,400	Sf of GLA	\$240 /Sf of GLA	16,416,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		4,281,000
<b>Total Direct Costs</b>		68,400	Sf of GLA	\$375 /Sf of GLA	\$25,684,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$1,541,000
Public Permits & Fees	4	72	Units	\$21,300 /Unit	1,534,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		514,000
Marketing		72	Units	\$2,500 /Unit	180,000
Developer Fee			5% Direct Costs		1,284,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		253,000
<b>Total Indirect Costs</b>					\$5,306,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	5	\$3,947,000	Cost	6.2% Avg Rate	\$306,000
Construction	6	\$33,173,000	Cost	6.2% Avg Rate	1,543,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	334,000
<b>Total Financing Costs</b>					\$2,183,000
<b>IV. Total Construction Cost</b>		72	Units	\$461,000 /Unit	\$33,173,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 65915 (p) requires jurisdictions to allow projects to meet the following statutorily established parking standards. 1.0 space per Studio Unit; 1.0 space per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; and 1.5 spaces per Three-Bedroom Unit. No guest spaces are

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX D - EXHIBIT VI - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 50% §65915 DENSITY BONUS: 96 UNITS/ACRE  
 DMU SITE - SMALL DEVELOPMENT  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units** <sup>1</sup>

Studio Units	0 Units @	\$0 /Unit/Month	\$0
One-Bedroom Units	32 Units @	\$3,010 /Unit/Month	1,156,000
Two-Bedroom Units	32 Units @	\$3,900 /Unit/Month	1,498,000

B. **Density Bonus Very Low Income Units** <sup>2</sup>

Studio Units	0 Units @	\$768 /Unit/Month	0
One-Bedroom Units	4 Units @	\$861 /Unit/Month	41,000
Two-Bedroom Units	4 Units @	\$952 /Unit/Month	46,000

C. **Miscellaneous Income**

72 Units @	\$75 /Unit/Month	65,000
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**Total Gross Income**

\$2,806,000

Vacancy & Collection Allowance

5% Gross Income

(140,000)

II. **Effective Gross Income**

\$2,666,000

III. **Operating Expenses**

General Operating Expenses	72 Units @	\$4,500 /Unit	\$324,000
Property Taxes	72 Units @	\$6,600 /Unit	475,000
Replacement Reserve Deposits	72 Units @	\$150 /Unit	11,000

**Total Operating Expenses**

72 Units @ \$11,250 /Unit

(\$810,000)

IV. **Stabilized Net Operating Income**

\$1,856,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.64 per square foot of leasable area.

<sup>2</sup> Section 65915 (c) (1) (B) (i) calculates very low income rents based on household income based on 110% of AMI. This represents the standard identified in California Health & Safety Code Section 50503. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

**ATTACHMENT 4: APPENDIX D - EXHIBIT VI - TABLE 3**

**ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 50% \$65915 DENSITY BONUS: 96 UNITS/ACRE  
 DMU SITE - SMALL DEVELOPMENT  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA**

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX D - EXHIBIT VI - TABLE 2	\$1,856,000	
Capitalization Rate		4.50%	
		<hr/>	
<b>Estimated Project Value</b>			\$41,244,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX D - EXHIBIT VI - TABLE 1	\$33,173,000	
Threshold Developer Profit	10% of Value	4,124,000	
		<hr/>	
<b>Total Project Cost</b>			(\$37,297,000)
<b>III. <u>Estimated Residual Land Value</u></b>	32,670 Sf of Land	\$121 /Sf of Land	<b>\$3,947,000</b>

**ATTACHMENT 4: APPENDIX E**

**PRO FORMA ANALYSES**

**LAS TUNAS / LIVE OAK CORRIDOR**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

**ATTACHMENT 4: APPENDIX E - EXHIBIT I**

**PRO FORMA ANALYSIS**

**MARKET RATE SCENARIO**

**LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**MARKET RATE SCENARIO**  
**LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	43,560	Sf of Land	\$40 /Sf of Land	\$1,742,000
Parking	2				
At-Grade Spaces		30	Spaces	\$5,000 /Space	150,000
Podium Spaces		58	Spaces	\$20,000 /Space	1,160,000
1st Level Subterranean Spaces		62	Spaces	\$40,000 /Space	2,480,000
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		47,700	Sf of GLA	\$220 /Sf of GLA	10,494,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		3,205,000
<b>Total Direct Costs</b>		47,700	Sf of GLA	\$403 /Sf of GLA	\$19,231,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$1,154,000
Public Permits & Fees	4	60	Units	\$19,300 /Unit	1,158,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		385,000
Marketing		60	Units	\$2,500 /Unit	150,000
Developer Fee			5% Direct Costs		962,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		190,000
<b>Total Indirect Costs</b>					\$3,999,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	5	\$4,842,000	Cost	6.2% Avg Rate	\$375,000
Construction	6	\$25,038,000	Cost	6.2% Avg Rate	1,164,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	269,000
<b>Total Financing Costs</b>					\$1,808,000
<b>IV. Total Construction Cost</b>		60	Units	\$417,000 /Unit	\$25,038,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 space per Studio Unit; 2.0 spaces per One-Bedroom Unit; 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; and 0.50 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 MARKET RATE SCENARIO  
 LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

Studio Units	12 Units @	\$2,660 /Unit/Month	\$383,000
One-Bedroom Units	30 Units @	\$2,960 /Unit/Month	1,066,000
Two-Bedroom Units	18 Units @	\$3,540 /Unit/Month	765,000

B. **Miscellaneous Income**

60 Units @	\$75 /Unit/Month	54,000
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**Total Gross Income**

\$2,268,000

Vacancy & Collection Allowance

5% Gross Income

(113,000)

II. **Effective Gross Income**

\$2,155,000

III. **Operating Expenses**

General Operating Expenses	60 Units @	\$4,500 /Unit	\$270,000
Property Taxes	60 Units @	\$6,400 /Unit	382,000
Replacement Reserve Deposits	60 Units @	\$150 /Unit	9,000

**Total Operating Expenses**

(\$661,000)

IV. **Stabilized Net Operating Income**

\$1,494,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.

<sup>2</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 3

ESTIMATED RESIDUAL LAND VALUE  
 MARKET RATE SCENARIO  
 LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 2	\$1,494,000	
Capitalization Rate		4.50%	
		<hr/>	
<b>Estimated Project Value</b>			\$33,200,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 1	\$25,038,000	
Threshold Developer Profit	10% of Value	3,320,000	
		<hr/>	
<b>Total Project Cost</b>			(\$28,358,000)
<b>III. <u>Estimated Residual Land Value</u></b>	43,560 Sf of Land	\$111 /Sf of Land	<b>\$4,842,000</b>

ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 4

TARGET RESIDUAL LAND VALUE ANALYSIS  
 MARKET RATE SCENARIO  
 LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Land Value</u></b>					
Las Tunas / Live Oak Corridor		See ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 3		\$4,842,000	
Vacant Residential Land	<sup>1</sup>	43,560 Sf of Land	\$100 /Sf of Land	4,351,000	<hr/>
<b>Estimated Value Enhancement</b>					\$491,000
<b>II. <u>Value Enhancement Funds Available for Inclusionary Housing</u></b>					
Estimated Value Enhancement				\$491,000	
Share Allocated to Inclusionary Housing				65%	<hr/>
<b>Value Enhancement Funds Available for Inclusionary Housing</b>					\$319,000
<b>III. <u>Target Residual Land Value</u></b>					
Estimated Land Value: Las Tunas / Live Oak Corridor				\$4,842,000	
Minus Value Enhancement Funds Available for Inclusionary Housing				(319,000)	<hr/>
<b>Target Residual Land Value</b>					\$4,523,000

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<sup>1</sup> See ATTACHMENT 2: PROPERTY SALES SURVEYS.

<sup>2</sup> Based on the Value Enhancement Funds Available for Inclusionary Housing.

**ATTACHMENT 4: APPENDIX E - EXHIBIT II**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT: 0% VERY LOW INCOME UNITS**

**LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX E - EXHIBIT II - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**SUPPORTABLE REQUIREMENT: 0% VERY LOW INCOME UNITS**  
**LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	43,560	Sf of Land	\$40 /Sf of Land	\$1,742,000
Parking	2				
At-Grade Spaces		30	Spaces	\$5,000 /Space	150,000
Podium Spaces		58	Spaces	\$20,000 /Space	1,160,000
1st Level Subterranean Spaces		62	Spaces	\$40,000 /Space	2,480,000
Building Costs		47,700	Sf of GLA	\$220 /Sf of GLA	10,494,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		3,205,000
<b>Total Direct Costs</b>		47,700	Sf of GLA	\$403 /Sf of GLA	\$19,231,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$1,154,000
Public Permits & Fees	5	60	Units	\$19,300 /Unit	1,158,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		385,000
Marketing		60	Units	\$2,500 /Unit	150,000
Developer Fee			5% Direct Costs		962,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		190,000
<b>Total Indirect Costs</b>					\$3,999,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	4	\$4,844,000	Cost	6.2% Avg Rate	\$375,000
Construction	5	\$25,036,000	Cost	6.2% Avg Rate	1,164,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	267,000
<b>Total Financing Costs</b>					\$1,806,000
<b>IV. Total Construction Cost</b>		60	Units	\$417,000 /Unit	\$25,036,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 space per Studio Unit; 2.0 spaces per One-Bedroom Unit; 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; and 0.50 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX E - EXHIBIT II - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 0% VERY LOW INCOME UNITS  
 LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

1

Studio Units	12 Units @	\$2,660 /Unit/Month	\$383,000
One-Bedroom Units	30 Units @	\$2,960 /Unit/Month	1,066,000
Two-Bedroom Units	18 Units @	\$3,540 /Unit/Month	765,000

B. **Very Low Income Units**

2

Studio Units	0 Units @	\$768 /Unit/Month	0
One-Bedroom Units	0 Units @	\$861 /Unit/Month	0
Two-Bedroom Units	0 Units @	\$952 /Unit/Month	0

C. **Miscellaneous Income**

60 Units @	\$75 /Unit/Month	54,000
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**Total Gross Income**

\$2,268,000

Vacancy & Collection Allowance

5% Gross Income

(113,000)

II. **Effective Gross Income**

\$2,155,000

III. **Operating Expenses**

General Operating Expenses	60 Units @	\$4,500 /Unit	\$270,000
Property Taxes	60 Units @	\$6,400 /Unit	382,000
Replacement Reserve Deposits	60 Units @	\$150 /Unit	9,000

**Total Operating Expenses**

60 Units @ \$11,017 /Unit

(\$661,000)

IV. **Stabilized Net Operating Income**

\$1,494,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.

<sup>2</sup> Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX E - EXHIBIT II - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 SUPPORTABLE REQUIREMENT: 0% VERY LOW INCOME UNITS  
 LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX E - EXHIBIT II - TABLE 2	\$1,494,000	
Capitalization Rate		4.50%	
		<hr/>	
<b>Estimated Project Value</b>			\$33,200,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX E - EXHIBIT II - TABLE 1	\$25,036,000	
Threshold Developer Profit	10% of Value	3,320,000	
		<hr/>	
<b>Total Project Cost</b>			(\$28,356,000)
<b>III. <u>Estimated Residual Land Value</u></b>	43,560 Sf of Land	\$111 /Sf of Land	\$4,844,000

**ATTACHMENT 4: APPENDIX E - EXHIBIT III**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS**

**LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX E - EXHIBIT III - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS**  
**LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	43,560	Sf of Land	\$40 /Sf of Land	\$1,742,000
Parking	2				
At-Grade Spaces		30	Spaces	\$5,000 /Space	150,000
Podium Spaces		58	Spaces	\$20,000 /Space	1,160,000
1st Level Subterranean Spaces		62	Spaces	\$40,000 /Space	2,480,000
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		47,700	Sf of GLA	\$220 /Sf of GLA	10,494,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		3,205,000
<b>Total Direct Costs</b>		47,700	Sf of GLA	\$403 /Sf of GLA	\$19,231,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$1,154,000
Public Permits & Fees	5	60	Units	\$19,300 /Unit	1,158,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		385,000
Marketing		60	Units	\$2,500 /Unit	150,000
Developer Fee			5% Direct Costs		962,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		190,000
<b>Total Indirect Costs</b>					\$3,999,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	4	\$4,586,000	Cost	6.2% Avg Rate	\$355,000
Construction	5	\$25,014,000	Cost	6.2% Avg Rate	1,163,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	266,000
<b>Total Financing Costs</b>					\$1,784,000
<b>IV. Total Construction Cost</b>		60	Units	\$417,000 /Unit	\$25,014,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 space per Studio Unit; 2.0 spaces per One-Bedroom Unit; 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; and 0.50 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX E - EXHIBIT III - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS  
 LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

1

Studio Units	12 Units @	\$2,660 /Unit/Month	\$383,000
One-Bedroom Units	29 Units @	\$2,960 /Unit/Month	1,030,000
Two-Bedroom Units	18 Units @	\$3,540 /Unit/Month	765,000

B. **Low Income Units**

2

Studio Units	0 Units @	\$1,284 /Unit/Month	0
One-Bedroom Units	1 Unit @	\$1,450 /Unit/Month	17,000
Two-Bedroom Units	0 Units @	\$1,615 /Unit/Month	0

C. **Miscellaneous Income**

60 Units @	\$75 /Unit/Month	54,000
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**Total Gross Income**

\$2,249,000

Vacancy & Collection Allowance

5% Gross Income

(112,000)

II. **Effective Gross Income**

\$2,137,000

III. **Operating Expenses**

General Operating Expenses	60 Units @	\$4,500 /Unit	\$270,000
Property Taxes	60 Units @	\$6,300 /Unit	378,000
Replacement Reserve Deposits	60 Units @	\$150 /Unit	9,000

**Total Operating Expenses**

60 Units @	\$10,950 /Unit	(657,000)
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IV. **Stabilized Net Operating Income**

\$1,480,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.

<sup>2</sup> Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX E - EXHIBIT III - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS  
 LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX E - EXHIBIT III - TABLE 2	\$1,480,000	
Capitalization Rate		4.50%	
		<hr/>	
<b>Estimated Project Value</b>			\$32,889,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX E - EXHIBIT III - TABLE 1	\$25,014,000	
Threshold Developer Profit	10% of Value	3,289,000	
		<hr/>	
<b>Total Project Cost</b>			(\$28,303,000)
<b>III. <u>Estimated Residual Land Value</u></b>	43,560 Sf of Land	\$105 /Sf of Land	<b>\$4,586,000</b>

**ATTACHMENT 4: APPENDIX C - EXHIBIT IV**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT:**

**2% LOW INCOME UNITS + 0% VERY LOW INCOME UNITS**

**LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS + 0% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

<b>I. Direct Costs</b>				
On-Site Improvements / Landscaping	1	43,560 Sf of Land	\$40 /Sf of Land	\$1,742,000
Parking	2			
At-Grade Spaces		30 Spaces	\$5,000 /Space	150,000
Podium Spaces		58 Spaces	\$20,000 /Space	1,160,000
1st Level Subterranean Spaces		62 Spaces	\$40,000 /Space	2,480,000
2nd Level Subterranean Spaces		0 Spaces	\$50,000 /Space	0
Building Costs		47,700 Sf of GLA	\$220 /Sf of GLA	10,494,000
Contractor/DC Contingency Allow	3	20% Other Direct Costs		3,205,000
<b>Total Direct Costs</b>		47,700 Sf of GLA	\$403 /Sf of GLA	\$19,231,000
<b>II. Indirect Costs</b>				
Architecture, Engineering & Consulting		6% Direct Costs		\$1,154,000
Public Permits & Fees	5	60 Units	\$19,300 /Unit	1,158,000
Taxes, Insurance, Legal & Accounting		2% Direct Costs		385,000
Marketing		60 Units	\$2,500 /Unit	150,000
Developer Fee		5% Direct Costs		962,000
Soft Cost Contingency Allowance		5% Other Indirect Costs		190,000
<b>Total Indirect Costs</b>				\$3,999,000
<b>III. Financing Costs</b>				
Interest During Construction				
Land Acquisition	4	\$4,586,000 Cost	6.2% Avg Rate	\$355,000
Construction	5	\$25,014,000 Cost	6.2% Avg Rate	1,163,000
Loan Origination Fees		60% Loan to Cost	1.5 Points	266,000
<b>Total Financing Costs</b>				\$1,784,000
<b>IV. Total Construction Cost</b>		60 Units	\$417,000 /Unit	\$25,014,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 space per Studio Unit; 2.0 spaces per One-Bedroom Unit; 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; and 0.50 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS + 0% VERY LOW INCOME UNITS  
 LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

<b>A. Market Rate Units</b>					1
Studio Units	12 Units @	\$2,660 /Unit/Month		\$383,000	
One-Bedroom Units	29 Units @	\$2,960 /Unit/Month		1,030,000	
Two-Bedroom Units	18 Units @	\$3,540 /Unit/Month		765,000	
<b>B. Low Income Units</b>					2
Studio Units	0 Units @	\$1,284 /Unit/Month		0	
One-Bedroom Units	1 Unit @	\$1,450 /Unit/Month		17,000	
Two-Bedroom Units	0 Units @	\$1,615 /Unit/Month		0	
<b>B. Very Low Income Units</b>					3
Studio Units	0 Units @	\$768 /Unit/Month		0	
One-Bedroom Units	0 Units @	\$861 /Unit/Month		0	
Two-Bedroom Units	0 Units @	\$952 /Unit/Month		0	
<b>C. Miscellaneous Income</b>					
	60 Units @	\$75 /Unit/Month		54,000	
<b>Total Gross Income</b>					\$2,249,000
Vacancy & Collection Allowance	5% Gross Income				(112,000)
<b>II. Effective Gross Income</b>					\$2,137,000
<b>III. Operating Expenses</b>					
General Operating Expenses	60 Units @	\$4,500 /Unit		\$270,000	
Property Taxes	60 Units @	\$6,300 /Unit		378,000	
Replacement Reserve Deposits	60 Units @	\$150 /Unit		9,000	
<b>Total Operating Expenses</b>					(\$657,000)
<b>IV. Stabilized Net Operating Income</b>					\$1,480,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.

<sup>2</sup> Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

<sup>4</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT

SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS + 0% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. **Estimated Project Value**

Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2	\$1,480,000
Capitalization Rate		4.50%
<b>Estimated Project Value</b>		<b>\$32,889,000</b>

II. **Total Project Cost**

Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1	\$25,014,000
Threshold Developer Profit	10% of Value	3,289,000
<b>Total Project Cost</b>		<b>(\$28,303,000)</b>

III. <b>Estimated Residual Land Value</b>	43,560 Sf of Land	\$105 /Sf of Land	<b>\$4,586,000</b>
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**ATTACHMENT 4: APPENDIX E - EXHIBIT V**

**PRO FORMA ANALYSIS**

**SUPPORTABLE REQUIREMENT: 3% MODERATE INCOME UNITS**

**LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX E - EXHIBIT V - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**SUPPORTABLE REQUIREMENT: 3% MODERATE INCOME UNITS**  
**LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	43,560	Sf of Land	\$40 /Sf of Land	\$1,742,000
Parking	2				
At-Grade Spaces		30	Spaces	\$5,000 /Space	150,000
Podium Spaces		58	Spaces	\$20,000 /Space	1,160,000
1st Level Subterranean Spaces		62	Spaces	\$40,000 /Space	2,480,000
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		47,700	Sf of GLA	\$220 /Sf of GLA	10,494,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		3,205,000
<b>Total Direct Costs</b>		47,700	Sf of GLA	\$403 /Sf of GLA	\$19,231,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$1,154,000
Public Permits & Fees	5	60	Units	\$19,300 /Unit	1,158,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		385,000
Marketing		60	Units	\$2,500 /Unit	150,000
Developer Fee			5% Direct Costs		962,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		190,000
<b>Total Indirect Costs</b>					\$3,999,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	4	\$4,457,000	Cost	6.2% Avg Rate	\$345,000
Construction	5	\$25,003,000	Cost	6.2% Avg Rate	1,163,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	265,000
<b>Total Financing Costs</b>					\$1,773,000
<b>IV. Total Construction Cost</b>		60	Units	\$417,000 /Unit	\$25,003,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 space per Studio Unit; 2.0 spaces per One-Bedroom Unit; 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; and 0.50 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX E - EXHIBIT V - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 SUPPORTABLE REQUIREMENT: 3% MODERATE INCOME UNITS  
 LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

<b>A. Market Rate Units</b>	1			
Studio Units		12 Units @	\$2,660 /Unit/Month	\$383,000
One-Bedroom Units		29 Units @	\$2,960 /Unit/Month	1,030,000
Two-Bedroom Units		17 Units @	\$3,540 /Unit/Month	722,000
<b>B. Moderate Income Units</b>	2			
Studio Units		0 Units @	\$1,800 /Unit/Month	0
One-Bedroom Units		1 Unit @	\$2,039 /Unit/Month	24,000
Two-Bedroom Units		1 Unit @	\$2,278 /Unit/Month	27,000
<b>C. Miscellaneous Income</b>		60 Units @	\$75 /Unit/Month	54,000
<b>Total Gross Income</b>				\$2,240,000
Vacancy & Collection Allowance		5% Gross Income		(112,000)

II. **Effective Gross Income** \$2,128,000

<b>III. Operating Expenses</b>				
General Operating Expenses		60 Units @	\$4,500 /Unit	\$270,000
Property Taxes	3	60 Units @	\$6,300 /Unit	376,000
Replacement Reserve Deposits		60 Units @	\$150 /Unit	9,000
<b>Total Operating Expenses</b>		60 Units @	\$10,917 /Unit	(\$655,000)

<b>IV. Stabilized Net Operating Income</b>	<b>\$1,473,000</b>
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<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.

<sup>2</sup> Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX E - EXHIBIT V - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 SUPPORTABLE REQUIREMENT: 3% MODERATE INCOME UNITS  
 LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX E - EXHIBIT V - TABLE 2	\$1,473,000	
Capitalization Rate		4.50%	
		<hr/>	
<b>Estimated Project Value</b>			\$32,733,000
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX E - EXHIBIT V - TABLE 1	\$25,003,000	
Threshold Developer Profit	10% of Value	3,273,000	
		<hr/>	
<b>Total Project Cost</b>			(\$28,276,000)
<b>III. <u>Estimated Residual Land Value</u></b>	43,560 Sf of Land	\$102 /Sf of Land	\$4,457,000

**ATTACHMENT 4: APPENDIX E - EXHIBIT VI**

**PRO FORMA ANALYSIS**

**50% §65915 DENSITY BONUS: 90 UNITS/ACRE**

**LAS TUNAS / LIVE OAK CORRIDOR**

**APARTMENT DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX E - EXHIBIT VI - TABLE 1

**ESTIMATED CONSTRUCTION COSTS**  
**50% §65915 DENSITY BONUS: 90 UNITS/ACRE**  
**LAS TUNAS / LIVE OAK CORRIDOR**  
**APARTMENT DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I. Direct Costs</b>					
On-Site Improvements / Landscaping	1	43,560	Sf of Land	\$40 /Sf of Land	\$1,742,000
Parking	2				
At-Grade Spaces		0	Spaces	\$5,000 /Space	0
Podium Spaces		0	Spaces	\$20,000 /Space	0
1st Level Subterranean Spaces		104	Spaces	\$40,000 /Space	4,160,000
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		71,550	Sf of GLA	\$240 /Sf of GLA	17,172,000
Contractor/DC Contingency Allow	3		20% Other Direct Costs		4,615,000
<b>Total Direct Costs</b>		71,550	Sf of GLA	\$387 /Sf of GLA	\$27,689,000
<b>II. Indirect Costs</b>					
Architecture, Engineering & Consulting			6% Direct Costs		\$1,661,000
Public Permits & Fees	4	90	Units	\$19,200 /Unit	1,728,000
Taxes, Insurance, Legal & Accounting			2% Direct Costs		554,000
Marketing		90	Units	\$2,500 /Unit	225,000
Developer Fee			5% Direct Costs		1,384,000
Soft Cost Contingency Allowance			5% Other Indirect Costs		278,000
<b>Total Indirect Costs</b>					\$5,830,000
<b>III. Financing Costs</b>					
Interest During Construction					
Land Acquisition	5	\$4,866,000	Cost	6.2% Avg Rate	\$377,000
Construction	6	\$35,934,000	Cost	6.2% Avg Rate	1,671,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	367,000
<b>Total Financing Costs</b>					\$2,415,000
<b>IV. Total Construction Cost</b>		90	Units	\$399,000 /Unit	\$35,934,000

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 65915 (p) requires jurisdictions to allow projects to meet the following statutorily established parking standards. 1.0 space per Studio Unit; 1.0 space per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; and 1.5 spaces per Three-Bedroom Unit. No guest spaces are

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

<sup>6</sup> Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX E - EXHIBIT VI - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME  
 50% §65915 DENSITY BONUS: 90 UNITS/ACRE  
 LAS TUNAS / LIVE OAK CORRIDOR  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units** <sup>1</sup>

Studio Units	16 Units @	\$2,660 /Unit/Month	\$511,000
One-Bedroom Units	40 Units @	\$2,960 /Unit/Month	1,421,000
Two-Bedroom Units	24 Units @	\$3,540 /Unit/Month	1,020,000

B. **Density Bonus Very Low Income Units** <sup>2</sup>

Studio Units	2 Units @	\$768 /Unit/Month	18,000
One-Bedroom Units	5 Units @	\$861 /Unit/Month	52,000
Two-Bedroom Units	3 Units @	\$952 /Unit/Month	34,000

C. **Miscellaneous Income**

90 Units @	\$75 /Unit/Month	81,000
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**Total Gross Income**

\$3,137,000

Vacancy & Collection Allowance

5% Gross Income

(157,000)

II. **Effective Gross Income**

\$2,980,000

III. **Operating Expenses**

General Operating Expenses	90 Units @	\$4,500 /Unit	\$405,000
Property Taxes	90 Units @	\$5,800 /Unit	521,000
Replacement Reserve Deposits	90 Units @	\$150 /Unit	14,000

**Total Operating Expenses**

90 Units @ \$10,444 /Unit

(\$940,000)

IV. **Stabilized Net Operating Income**

\$2,040,000

<sup>1</sup> Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.

<sup>2</sup> Section 65915 (c) (1) (B) (i) calculates very low income rents based on household income based on 110% of AMI. This represents the standard identified in California Health & Safety Code Section 50503. See ATTACHMENT 4: APPENDIX B.

<sup>3</sup> The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

**ATTACHMENT 4: APPENDIX E - EXHIBIT VI - TABLE 3**

**ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT  
 50% \$65915 DENSITY BONUS: 90 UNITS/ACRE  
 LAS TUNAS / LIVE OAK CORRIDOR  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA**

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<b>I. <u>Estimated Project Value</u></b>			
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX E - EXHIBIT VI - TABLE 2	\$2,040,000	
Capitalization Rate		4.50%	
<b>Estimated Project Value</b>			<b>\$45,333,000</b>
<b>II. <u>Total Project Cost</u></b>			
Total Construction Cost	See ATTACHMENT 4: APPENDIX E - EXHIBIT VI - TABLE 1	\$35,934,000	
Threshold Developer Profit	10% of Value	4,533,000	
<b>Total Project Cost</b>			<b>(\$40,467,000)</b>
<b>III. <u>Estimated Residual Land Value</u></b>	43,560 Sf of Land	\$112 /Sf of Land	<b>\$4,866,000</b>

**ATTACHMENT 5**

**OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

**ATTACHMENT 5: APPENDIX A**

**HOME SALES SURVEY  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

ATTACHMENT 5: APPENDIX A

RESALE HOME SALES SURVEY  
 OWNERSHIP HOUSING DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

Address	Unit Size (SF)	Sales Price		Year Built		
		Total	Per SF			
Two-Bedroom Units						
1128 W Duarte Rd Unit F	Arcadia	91007	1,300	\$710,000	\$546	2006
2966 Grand Oak Way	Arcadia	91006	1,312	\$775,055	\$591	2024
2955 Grand Oak Way	Arcadia	91006	1,312	\$779,990	\$595	2024
2959 Grand Oak Way	Arcadia	91006	1,312	\$793,983	\$605	2024
56 E Duarte Rd #410	Arcadia	91006	1,460	\$938,960	\$643	2019
Minimum			1,300	\$710,000	\$546	2006
Maximum			1,460	\$938,960	\$643	2024
Average			1,339	\$799,600	\$597	2019

Three-Bedroom Units						
138 Alice St Unit B	Arcadia	91006	1,208	\$840,000	\$695	2006
2607 Winston Ct	Arcadia	91007	1,490	\$1,048,800	\$704	2021
138 El Dorado St Unit A	Arcadia	91006	1,501	\$1,000,000	\$666	2006
413 California St Unit D	Arcadia	91006	1,561	\$1,050,000	\$673	2019
411 California St Unit D	Arcadia	91006	1,561	\$1,075,000	\$689	2019
415 California St Unit B	Arcadia	91006	1,561	\$1,060,000	\$679	2019
409 California St Unit C	Arcadia	91006	1,565	\$1,066,000	\$681	2019
129 El Dorado St Unit A	Arcadia	91006	1,579	\$1,210,000	\$766	2018
511 N Santa Anita Ave Unit A	Arcadia	91006	1,600	\$1,060,000	\$663	2020
1058 Sunset Blvd Unit A	Arcadia	91007	1,620	\$1,098,000	\$678	2014
409 California St Unit B	Arcadia	91006	1,625	\$1,060,000	\$652	2019
923 Fairview Ave Unit B	Arcadia	91007	1,630	\$1,100,000	\$675	2014
22 E Colorado Blvd Unit C	Arcadia	91006	1,640	\$1,133,000	\$691	2020
921 Fairview Ave Unit C	Arcadia	91007	1,660	\$1,140,000	\$687	2014
1022 La Cadena Ave Unit I	Arcadia	91007	1,664	\$1,298,000	\$780	2024
1068 Sunset Blvd Unit A	Arcadia	91007	1,670	\$1,103,000	\$660	2014
39 Fano St Unit A	Arcadia	91006	1,731	\$1,120,000	\$647	2002
129 El Dorado St Unit B	Arcadia	91006	1,737	\$1,250,000	\$720	2018
656 W Huntington Dr Unit A-2	Arcadia	91007	1,770	\$1,141,000	\$645	2013
656 W Huntington Dr Unit B2	Arcadia	91007	1,770	\$1,280,000	\$723	2013
656 W Huntington Dr Unit N1	Arcadia	91007	1,770	\$1,210,000	\$684	2013
1116 W Huntington Dr Unit C	Arcadia	91007	1,876	\$937,400	\$500	2002
1112 Fairview Ave	Arcadia	91007	1,880	\$1,170,000	\$622	2000
507 Santa Anita N Unit B	Arcadia	91006	1,887	\$1,280,000	\$678	2020
901 W Duarte Rd Unit B	Arcadia	91007	1,903	\$1,550,000	\$815	2024
1343 JACARANDA Cir	Arcadia	91006	1,908	\$998,000	\$523	2002
418 W Fairview Ave Unit B	Arcadia	91007	1,913	\$1,268,000	\$663	2022
721 S Arcadia Ave Unit A	Arcadia	91007	1,918	\$1,090,000	\$568	2003
623 Fairview Ave Unit C	Arcadia	91007	1,987	\$1,285,000	\$647	2019
618 Arcadia Ave Unit A	Arcadia	91007	1,990	\$1,138,000	\$572	2000
503 N Santa Anita Ave Unit F	Arcadia	91006	2,009	\$1,335,000	\$665	2020
462 W Duarte Rd Unit C	Arcadia	91007	2,013	\$1,080,000	\$537	2005
721 S 3rd Ave Unit A	Arcadia	91006	2,048	\$1,399,000	\$683	2007

**ATTACHMENT 5: APPENDIX A**

**RESALE HOME SALES SURVEY  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

1

Address	Unit Size (SF)	Sales Price		Year Built	
		Total	Per SF		
721 S 3rd Ave Unit B	Arcadia 91006	2,052	\$1,399,000	\$682	2007
800 W Huntington Dr Unit A	Arcadia 91007	2,085	\$1,180,000	\$566	2006
1122 Arcadia Ave Unit C	Arcadia 91007	2,101	\$1,060,888	\$505	2000
455 Fairview Ave	Arcadia 91007	2,118	\$1,102,000	\$520	2003
829 La Cadena Ave Unit A	Arcadia 91007	2,147	\$1,100,000	\$512	2004
1112 S Golden West Ave #104	Arcadia 91007	2,269	\$1,010,000	\$445	2003
425 El Dorado St Unit A	Arcadia 91006	2,473	\$1,488,000	\$602	2003
414 S 2nd Ave Unit E	Arcadia 91006	2,739	\$1,900,000	\$694	2023
Minimum		1,208	\$840,000	\$445	2000
Maximum		2,739	\$1,900,000	\$815	2024
Average		1,835	\$1,173,500	\$640	2012

**Four-Bedroom Units**

36 Bedford Ct	Arcadia 91007	1,570	\$1,180,000	\$752	2021
16 Bedford Ct	Arcadia 91007	1,580	\$1,105,000	\$699	2021
1022 La Cadena Ave Unit H	Arcadia 91007	1,614	\$1,150,000	\$713	2024
1027 Arcadia Ave Unit F	Arcadia 91007	1,761	\$1,350,000	\$767	2023
1022 La Cadena Ave Unit D	Arcadia 91007	1,771	\$1,310,000	\$740	2024
1027 Arcadia Ave Unit D	Arcadia 91007	1,773	\$1,225,000	\$691	2023
1022 La Cadena Ave Unit G	Arcadia 91007	1,797	\$1,338,000	\$745	2024
1510 S Baldwin Ave Unit E	Arcadia 91007	1,803	\$1,060,000	\$588	2005
1027 Arcadia Ave Unit E	Arcadia 91007	1,824	\$1,250,000	\$685	2023
1022 La Cadena Ave Unit C	Arcadia 91007	1,824	\$1,338,000	\$734	2024
509 N Santa Anita Ave	Arcadia 91006	1,871	\$1,350,000	\$722	2020
4372 Alamo Ln	Arcadia 91006	1,970	\$980,071	\$497	2023
656 W Huntington Dr Unit N2	Arcadia 91007	2,040	\$1,272,600	\$624	2013
151 Alicec St Unit C	Arcadia 91006	2,100	\$1,600,000	\$762	2023
151 Alice St Unit B	Arcadia 91006	2,200	\$1,580,000	\$718	2023
2950 Sycamore Ln	Arcadia 91006	2,268	\$1,100,000	\$485	2002
925 Duarte Rd W Unit A	Arcadia 91007	2,302	\$1,320,000	\$573	2002
418 Genoa	Arcadia 91006	2,343	\$1,650,000	\$704	2023
516 S 2nd Ave	Arcadia 91006	2,470	\$1,580,000	\$640	2015
Minimum		1,570	\$980,071	\$485	2002
Maximum		2,470	\$1,650,000	\$767	2024
Average		1,941	\$1,302,000	\$671	2019

<sup>1</sup> Source: Redfin, January 2025. The survey includes sales that occurred between January 2024 and January 2025. The survey is limited to home constructed since 2000.

**ATTACHMENT 5: APPENDIX B**

**AFFORDABLE SALES PRICE CALCULATIONS  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

ATTACHMENT 5: APPENDIX B

**AFFORDABLE SALES PRICE CALCULATIONS**  
**2024 INCOME STANDARDS**  
**OWNERSHIP HOUSING DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

1

		Two-Bedroom Units	Three-Bedroom Units	Four-Bedroom Units
<b>General Assumptions</b>				
Benchmark Household Size	2	3	4	5
Area Median Income	3	\$88,400	\$98,200	\$106,050
Annual Utilities Allowance	4	\$3,120	\$3,804	\$4,668
HOA, Maintenance & Insurance	5	\$3,600	\$3,900	\$4,200
<b>I. Moderate Income Units</b>				
<b>A. Income Allotted to Housing Based on 110% AMI</b>				
Benchmark Annual Household Income		\$97,240	\$108,020	\$116,655
Income Allotted to Housing @ 35% of Income		\$34,030	\$37,810	\$40,830
<b>B. Property Taxes @ 1.15% of Affordable Sales Price</b>				
		\$3,600	\$3,970	\$4,210
<b>C. Income Available for Mortgage Debt Service</b>				
	6	\$23,710	\$26,136	\$27,752
<b>D. Affordable Sales Price</b>				
Supportable Mtg @ 6.98% Interest	7	\$297,500	\$328,000	\$348,300
Home Buyer Down Payment @ 5% of ASP		15,700	17,300	18,300
<b>Affordable Sales Price</b>		<b>\$313,200</b>	<b>\$345,300</b>	<b>\$366,600</b>
<b>II. Low Income Units</b>				
<b>A. Income Allotted to Housing Based on 70% AMI</b>				
Benchmark Annual Household Income		\$61,880	\$68,740	\$74,235
Income Allotted to Housing @ 30% of Income		\$18,560	\$20,620	\$22,270
<b>B. Property Taxes @ 1.15% of Affordable Sales Price</b>				
		\$1,560	\$1,700	\$1,770
<b>C. Income Available for Mortgage Debt Service</b>				
	6	\$10,280	\$11,216	\$11,632
<b>D. Affordable Sales Price</b>				
Supportable Mtg @ 6.98% Interest	7	\$129,000	\$140,700	\$146,000
Home Buyer Down Payment @ 5% of ASP		6,800	7,400	7,700
<b>Affordable Sales Price</b>		<b>\$135,800</b>	<b>\$148,100</b>	<b>\$153,700</b>

<sup>1</sup> Based on the California Health & Safety Code Section 50052.5 calculation methodology.

<sup>2</sup> For the purposes of calculating the Affordable Sales Prices, California Health & Safety Code Section 50052.5 sets the benchmark household sizes at the number of bedrooms in the unit plus one. This is neither an occupancy cap nor a floor.

<sup>3</sup> Based on the 2024 Los Angeles County household incomes published by the California Department of Housing & Community Development (HCD).

<sup>4</sup> Utilities allowances are based on the Los Angeles County Development Authority (LACDA) Single-Family utility allowance schedule effective as of July 1, 2024. Assumes: Electric Heating, Electric Cooking, Electric Water Heater, Basic Electric, Air

<sup>5</sup> Based in part on information derived from the home resales survey presented in ATTACHMENT 5: APPENDIX A.

<sup>6</sup> Based on the Income Allotted to Housing minus the following: Annual Utilities Allowance; HOA, Maintenance & Insurance; and Property Taxes @ 1.15% of Affordable Sales Price.

<sup>7</sup> Based on a 25 basis points premium applied to the Freddie Mac monthly average, between February 2024 and January 2025, for a fixed-interest rate loan with a 30-year amortization period.

**ATTACHMENT 5: APPENDIX C**

**PRO FORMA ANALYSES**

**DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS**

**OWNERSHIP HOUSING DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

**ATTACHMENT 5: APPENDIX C - EXHIBIT I**

**PRO FORMA ANALYSIS  
DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 1

**ESTIMATED CONSTRUCTIONS COSTS**  
**DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS**  
**OWNERSHIP HOUSING DEVELOPMENT**  
**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**  
**ARCADIA, CALIFORNIA**

<b>I</b>	<b>Direct Costs</b>	1			
	On-Site Improvements/Landscaping		65,340 Sf of Land	\$30 /Sf of Land	\$1,960,000
	Parking	2			
	Attached Garage		0 Spaces	\$0 /Space	0
	At-Grade Parking Spaces		32 Spaces	\$5,000 /Space	160,000
	Podium Spaces		144 Spaces	\$20,000 /Space	2,880,000
	Building Costs		120,000 Sf of GSA	\$255 /Sf of GSA	30,600,000
	Contractor/DC Contingency Allow	3	20% Other Direct Costs		7,120,000
	<b>Total Direct Costs</b>				<b>\$42,720,000</b>
<b>II.</b>	<b>Indirect Costs</b>				
	Architecture, Engineering & Consulting		6.0% Direct Costs		\$2,563,000
	Public Permits & Fees	4	96 Units	\$23,800 /Unit	2,285,000
	Taxes, Insurance, Legal & Accounting		1.5% Direct Costs		641,000
	Marketing		96 Units	\$5,000 /Unit	480,000
	Developer Fee		3.0% Gross Sales Revenue		2,529,000
	Soft Cost Contingency Allowance		5.0% Other Indirect Costs		425,000
	<b>Total Indirect Costs</b>				<b>\$8,923,000</b>
<b>III.</b>	<b>Financing Costs</b>				
	Interest During Construction	5			\$6,180,000
	Loan Origination Fees		60.0% Loan to Cost	1.5 Points	570,000
	<b>Total Financing Costs</b>				<b>\$6,750,000</b>
<b>IV.</b>	<b>Total Construction Cost</b>		96 Units	\$608,000 /Unit	<b>\$58,393,000</b>

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; 1.5 spaces per Four-Bedroom Unit; and 0.33 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Assumes a 7.0% interest cost for debt; an 18 month construction period after receipt of entitlements; an 16 month absorption period; 10% of the units are presold and close during first month after completion; and 1.5 points for loan origination fees.

ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 2

PROJECTED NET SALES REVENUE  
 DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS  
 OWNERSHIP HOUSING DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

<b>I. <u>Gross Sales Revenue</u></b>				1
Two-Bedroom Units	48 Units @	\$707,000 /Unit	\$33,936,000	
Three-Bedroom Units	48 Units @	\$1,049,000 /Unit	50,352,000	
Four-Bedroom Units	0 Units @	\$0 /Unit	0	
<b>Total Gross Sales Revenue</b>			\$84,288,000	
<b>II. <u>Cost of Sales</u></b>				
Commissions	3.0% Gross Sales Revenue		\$2,529,000	
Closing	2.0% Gross Sales Revenue		1,686,000	
Warranty	0.5% Gross Sales Revenue		421,000	
<b>Total Cost of Sales</b>			(\$4,636,000)	
<b>III. <u>Net Revenue</u></b>			\$79,652,000	

<sup>1</sup> Based in part on a survey of homes in Arcadia that were constructed after 2000 and resold between September 2022 and September 2023. See ATTACHMENT 5: APPENDIX A. The weighted average sales price equates to \$702 per square foot of saleable area.

**ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 3**

**ESTIMATED RESIDUAL LAND VALUE  
DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

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<b>I.</b>	<b>Net Revenue</b>	See ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 2	\$79,652,000
<b>II.</b>	<b>Project Costs</b>		
	Total Construction Cost	See ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 1	\$58,393,000
	Threshold Developer Profit	12% Net Revenue	9,558,000
	<b>Total Project Costs</b>		\$67,951,000
<b>III.</b>	<b>Estimated Residual Land Value</b>	65,340 Sf of Land	\$179 /Sf of Land
			\$11,701,000

ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 4

VALUE ENHANCEMENT ANALYSIS  
 DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS  
 OWNERSHIP HOUSING DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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I. **Estimated Land Value**

DMU Site	See ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 3	\$11,701,000
Improved Commercial Site	<sup>1</sup> 65,340 Sf of Land \$115 /Sf of Land	<u>7,514,000</u>
<b>Estimated Value Enhancement</b>		\$4,187,000

II. **Value Enhancement Funds Available for Inclusionary Housing**

Estimated Value Enhancement	\$4,187,000
Share Allocated to Inclusionary Housing	<u>65%</u>
<b>Value Enhancement Funds Available for Inclusionary Housing</b>	\$2,722,000

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<sup>1</sup> See ATTACHMENT 2: PROPERTY SALES SURVEYS.

ATTACHMENT 5: APPENDIX C - EXHIBIT II

**SUPPORTABLE INCLUSIONARY HOUSING REQUIREMENTS  
 DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS  
 OWNERSHIP HOUSING DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA**

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		<u>Two-Bedroom Units</u>	<u>Three- Bedroom Units</u>	<u>Four-Bedroom Units</u>
<b>I. <u>Affordability Gap Calculation</u></b>				
Market Rate Sales Price	1	\$707,000	\$1,049,000	\$0
Affordable Sales Price	2	<u>313,200</u>	<u>345,300</u>	<u>0</u>
<b>Affordability Gap Per Inclusionary Unit</b>		\$393,800	\$703,700	\$0
<b>II. <u>Number of Inclusionary Units</u></b>				
Unit Allocation	1	48	48	0
Supportable Inclusionary Housing Percentage		<u>5.20%</u>	<u>5.20%</u>	<u>5.20%</u>
<b>Total Number of Inclusionary Units</b>		2.5	2.5	0.0
<b>III. Total Affordability Gap by Bedroom Type</b>		\$982,920	\$1,756,440	\$0
<b>IV. <u>Crosscheck</u></b>				
Value Enhancement Funds Available for Inclusionary Housing		\$2,722,000		
Total Affordability Gap / Impact of The Inclusionary Requirement	3	<u>2,739,360</u>		
<b>Requirement is Higher than the Supportable Percentage</b>		(\$17,360)		
<b>V. <u>Supportable In-Lieu Fee</u></b>				
Value Enhancement Funds Available for Inclusionary Housing		\$2,722,000		
Gross Saleable Area	4	<u>120,000</u>	Square Feet	
Supportable In-Lieu Fee		\$23	/Sf of GSA	

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<sup>1</sup> See ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 2.

<sup>2</sup> See ATTACHMENT 5: APPENDIX B.

<sup>3</sup> The Total Affordability Gap / Impact of The Inclusionary Requirement is equal to the sum of the Affordability Gap exhibited by each bedroom type.

<sup>4</sup> See ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 1

**ATTACHMENT 5: APPENDIX D**

**PRO FORMA ANALYSES**

**R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS**

**OWNERSHIP HOUSING DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

**ATTACHMENT 5: APPENDIX D - EXHIBIT I**

**PRO FORMA ANALYSIS  
R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 1

ESTIMATED CONSTRUCTIONS COSTS  
R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA

<b>I</b>	<b><u>Direct Costs</u></b>	1			
	On-Site Improvements/Landscaping		26,136 Sf of Land	\$30 /Sf of Land	\$784,000
	Parking	2			
	Attached Garage		0 Spaces	\$0 /Space	0
	At-Grade Parking Spaces		0 Spaces	\$5,000 /Space	0
	Podium Spaces		60 Spaces	\$20,000 /Space	1,200,000
	Building Costs		39,000 Sf of GSA	\$235 /Sf of GSA	9,165,000
	Contractor/DC Contingency Allow	3	20% Other Direct Costs		2,230,000
	<b>Total Direct Costs</b>				<b>\$13,379,000</b>
<b>II.</b>	<b><u>Indirect Costs</u></b>				
	Architecture, Engineering & Consulting		6.0% Direct Costs		\$803,000
	Public Permits & Fees	4	24 Units	\$27,050 /Unit	649,000
	Taxes, Insurance, Legal & Accounting		1.5% Direct Costs		201,000
	Marketing		24 Units	\$5,000 /Unit	120,000
	Developer Fee		3.0% Gross Sales Revenue		853,000
	Soft Cost Contingency Allowance		5.0% Other Indirect Costs		131,000
	<b>Total Indirect Costs</b>				<b>\$2,757,000</b>
<b>III.</b>	<b><u>Financing Costs</u></b>				
	Interest During Construction	5			\$1,779,000
	Loan Origination Fees		60.0% Loan to Cost	1.5 Points	200,000
	<b>Total Financing Costs</b>				<b>\$1,979,000</b>
<b>IV.</b>	<b>Total Construction Cost</b>		24 Units	\$755,000 /Unit	<b>\$18,115,000</b>

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; 2.0 spaces per Four-Bedroom Unit; and 0.50 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Assumes a 7.0% interest cost for debt; an 18 month construction period after receipt of entitlements; an 5 month absorption period; 10% of the units are presold and close during first month after completion; and 1.5 points for loan origination fees.

ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 2

PROJECTED NET SALES REVENUE  
R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA

<b>I. <u>Gross Sales Revenue</u></b>				1
Two-Bedroom Units	4 Units @	\$836,000 /Unit	\$3,344,000	
Three-Bedroom Units	14 Units @	\$1,199,000 /Unit	16,786,000	
Four-Bedroom Units	6 Units @	\$1,384,000 /Unit	8,304,000	
<b>Total Gross Sales Revenue</b>			\$28,434,000	
<b>II. <u>Cost of Sales</u></b>				
Commissions	3.0% Gross Sales Revenue		\$853,000	
Closing	2.0% Gross Sales Revenue		569,000	
Warranty	0.5% Gross Sales Revenue		142,000	
<b>Total Cost of Sales</b>			(\$1,564,000)	
<b>III. <u>Net Revenue</u></b>			\$26,870,000	

<sup>1</sup> Based in part on a survey of homes in Arcadia that were constructed after 2000 and resold between September 2022 and September 2023. See ATTACHMENT 5: APPENDIX A. The weighted average sales price equates to \$729 per square foot of saleable area.

**ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 3**

**ESTIMATED RESIDUAL LAND VALUE  
R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

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<b>I.</b>	<b>Net Revenue</b>	See ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 2	\$26,870,000
<b>II.</b>	<b>Project Costs</b>		
	Total Construction Cost	See ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 1	\$18,115,000
	Threshold Developer Profit	10% Net Revenue	2,687,000
	<b>Total Project Costs</b>		<b>\$20,802,000</b>
<b>III.</b>	<b>Estimated Residual Land Value</b>	26,136 Sf of Land	\$232 /Sf of Land
			<b>\$6,068,000</b>

ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 4

VALUE ENHANCEMENT ANALYSIS  
R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA

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I. **Estimated Land Value**

R-3 Upzone Site		See ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 3		\$6,068,000
Improved Apartment Site	<sup>1</sup>	26,136 Sf of Land	\$175 /Sf of Land	4,574,000
<b>Estimated Value Enhancement</b>				<b>\$1,494,000</b>

II. **Value Enhancement Funds Available for Inclusionary Housing**

Estimated Value Enhancement				\$1,494,000
Share Allocated to Inclusionary Housing				65%
<b>Value Enhancement Funds Available for Inclusionary Housing</b>				<b>\$971,000</b>

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<sup>1</sup> See ATTACHMENT 2: PROPERTY SALES SURVEYS.

ATTACHMENT 5: APPENDIX D - EXHIBIT II

SUPPORTABLE INCLUSIONARY HOUSING REQUIREMENTS  
R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA

		Two-Bedroom Units	Three- Bedroom Units	Four-Bedroom Units
<b>I. <u>Affordability Gap Calculation</u></b>				
Market Rate Sales Price	1	\$836,000	\$1,199,000	\$1,384,000
Affordable Sales Price	2	313,200	345,300	366,600
<b>Affordability Gap Per Inclusionary Unit</b>		\$522,800	\$853,700	\$1,017,400
<b>II. <u>Number of Inclusionary Units</u></b>				
Unit Allocation	1	4	14	6
Supportable Inclusionary Housing Percentage		4.8%	4.8%	4.8%
<b>Total Number of Inclusionary Units</b>		0.2	0.7	0.3
<b>III. Total Affordability Gap by Bedroom Type</b>				
		\$100,800	\$576,080	\$294,230
<b>IV. <u>Crosscheck</u></b>				
Value Enhancement Funds Available for Inclusionary Housing		\$971,000		
Total Affordability Gap / Impact of The Inclusionary Requirement	3	971,110		
<b>Requirement is Higher than the Supportable Percentage</b>		(\$110)		
<b>V. <u>Supportable In-Lieu Fee</u></b>				
Value Enhancement Funds Available for Inclusionary Housing		\$971,000		
Gross Saleable Area	4	39,000	Square Feet	
Supportable In-Lieu Fee		\$25	/Sf of GSA	

<sup>1</sup> See ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 2.

<sup>2</sup> See ATTACHMENT 5: APPENDIX B.

<sup>3</sup> The Total Affordability Gap / Impact of The Inclusionary Requirement is equal to the sum of the Affordability Gap exhibited by each bedroom type.

<sup>4</sup> See ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 1

**ATTACHMENT 5: APPENDIX E**

**PRO FORMA ANALYSES**

**C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES**

**OWNERSHIP HOUSING DEVELOPMENT**

**INCLUSIONARY HOUSING: FINANCIAL EVALUATION**

**ARCADIA, CALIFORNIA**

**ATTACHMENT 5: APPENDIX E - EXHIBIT I**

**PRO FORMA ANALYSIS  
C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 1

**ESTIMATED CONSTRUCTIONS COSTS  
C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

<b>I</b>	<b>Direct Costs</b>	1				
	On-Site Improvements/Landscaping		76,230 Sf of Land	\$30 /Sf of Land		\$2,287,000
	Parking	2				
	Attached Garage		88 Spaces	\$0 /Space		0
	At-Grade Parking Spaces		22 Spaces	\$5,000 /Space		110,000
	Podium Spaces		0 Spaces	\$20,000 /Space		0
	Building Costs		81,400 Sf of GSA	\$230 /Sf of GSA		18,722,000
	Contractor/DC Contingency Allow	3	20% Other Direct Costs			4,224,000
	<b>Total Direct Costs</b>					<b>\$25,343,000</b>
<b>II.</b>	<b>Indirect Costs</b>					
	Architecture, Engineering & Consulting		6.0% Direct Costs			\$1,521,000
	Public Permits & Fees	4	44 Units	\$26,470 /Unit		1,165,000
	Taxes, Insurance, Legal & Accounting		1.5% Direct Costs			380,000
	Marketing		44 Units	\$5,000 /Unit		220,000
	Developer Fee		3.0% Gross Sales Revenue			1,802,000
	Soft Cost Contingency Allowance		5.0% Other Indirect Costs			254,000
	<b>Total Indirect Costs</b>					<b>\$5,342,000</b>
<b>III.</b>	<b>Financing Costs</b>					
	Interest During Construction	5				\$4,198,000
	Loan Origination Fees		60.0% Loan to Cost	1.5 Points		418,000
	<b>Total Financing Costs</b>					<b>\$4,616,000</b>
<b>IV.</b>	<b>Total Construction Cost</b>		44 Units	\$802,000 /Unit		<b>\$35,301,000</b>

<sup>1</sup> Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

<sup>2</sup> Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; 2.0 spaces per Four-Bedroom Unit; and 0.50 guest spaces per unit.

<sup>3</sup> Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

<sup>4</sup> Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

<sup>5</sup> Assumes a 7.0% interest cost for debt; an 18 month construction period after receipt of entitlements; an 8 month absorption period; 10% of the units are presold and close during first month after completion; and 1.5 points for loan origination fees.

ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 2

PROJECTED NET SALES REVENUE  
 C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES  
 OWNERSHIP HOUSING DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

<b>I. <u>Gross Sales Revenue</u></b>				1
Two-Bedroom Units	0 Units @	\$0 /Unit		\$0
Three-Bedroom Units	22 Units @	\$1,274,000 /Unit		28,028,000
Four-Bedroom Units	22 Units @	\$1,457,000 /Unit		32,054,000
<b>Total Gross Sales Revenue</b>				\$60,082,000
<b>II. <u>Cost of Sales</u></b>				
Commissions	3.0% Gross Sales Revenue			\$1,802,000
Closing	2.0% Gross Sales Revenue			1,202,000
Warranty	0.5% Gross Sales Revenue			300,000
<b>Total Cost of Sales</b>				(\$3,304,000)
<b>III. <u>Net Revenue</u></b>				\$56,778,000

<sup>1</sup> Based in part on a survey of homes in Arcadia that were constructed after 2000 and resold between September 2022 and September 2023. See ATTACHMENT 5: APPENDIX A. The weighted average sales price equates to \$738 per square foot of saleable area.

**ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 3**

**ESTIMATED RESIDUAL LAND VALUE  
C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES  
OWNERSHIP HOUSING DEVELOPMENT  
INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
ARCADIA, CALIFORNIA**

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<b>I.</b>	<b>Net Revenue</b>	See ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 2	\$56,778,000
<b>II.</b>	<b>Project Costs</b>		
	Total Construction Cost	See ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 1	\$35,301,000
	Threshold Developer Profit	10% Net Revenue	5,678,000
	<b>Total Project Costs</b>		<b>\$40,979,000</b>
<b>III.</b>	<b>Estimated Residual Land Value</b>	76,230 Sf of Land	\$207 /Sf of Land
			<b>\$15,799,000</b>

ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 4

VALUE ENHANCEMENT ANALYSIS  
 C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES  
 OWNERSHIP HOUSING DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

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I. **Estimated Land Value**

C-G Residential Flex		See ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 3	\$15,799,000
Vacant C-G Land	<sup>1</sup>	76,230 Sf of Land	\$120 /Sf of Land
			9,148,000
<b>Estimated Value Enhancement</b>			<b>\$6,651,000</b>

II. **Value Enhancement Funds Available for Inclusionary Housing**

Estimated Value Enhancement			\$6,651,000
Share Allocated to Inclusionary Housing			65%
<b>Value Enhancement Funds Available for Inclusionary Housing</b>			<b>\$4,323,000</b>

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<sup>1</sup> See ATTACHMENT 2: PROPERTY SALES SURVEYS.

ATTACHMENT 5: APPENDIX E - EXHIBIT II

SUPPORTABLE INCLUSIONARY HOUSING REQUIREMENTS  
 C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES  
 OWNERSHIP HOUSING DEVELOPMENT  
 INCLUSIONARY HOUSING: FINANCIAL EVALUATION  
 ARCADIA, CALIFORNIA

		Two-Bedroom Units	Three- Bedroom Units	Four-Bedroom Units
<b>I. <u>Affordability Gap Calculation</u></b>				
Market Rate Sales Price	1	\$0	\$1,274,000	\$1,457,000
Affordable Sales Price	2	0	345,300	366,600
<b>Affordability Gap Per Inclusionary Unit</b>		\$0	\$928,700	\$1,090,400
<b>II. <u>Number of Inclusionary Units</u></b>				
Unit Allocation	1	0	22	22
Supportable Inclusionary Housing Percentage		9.7%	9.7%	9.7%
<b>Total Number of Inclusionary Units</b>		0.0	2.1	2.1
<b>III. Total Affordability Gap by Bedroom Type</b>				
		\$0	\$1,987,980	\$2,334,110
<b>IV. <u>Crosscheck</u></b>				
Value Enhancement Funds Available for Inclusionary Housing		\$4,323,000		
Total Affordability Gap / Impact of The Inclusionary Requirement	3	4,322,090		
<b>Requirement is Lower than the Supportable Percentage</b>		\$910		
<b>V. <u>Supportable In-Lieu Fee</u></b>				
Value Enhancement Funds Available for Inclusionary Housing		\$4,323,000		
Gross Saleable Area	4	81,400	Square Feet	
Supportable In-Lieu Fee		\$53	/Sf of GSA	

<sup>1</sup> See ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 2.

<sup>2</sup> See ATTACHMENT 5: APPENDIX B.

<sup>3</sup> The Total Affordability Gap / Impact of The Inclusionary Requirement is equal to the sum of the Affordability Gap exhibited by each bedroom type.

<sup>4</sup> See ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 1

# Attachment No. 3

Inclusionary Housing In-Lieu Fee Analysis,  
dated February 18, 2025



**KEYSER MARSTON ASSOCIATES**

**INCLUSIONARY HOUSING:**

**IN-LIEU FEE ANALYSIS**

**Prepared for:**

**City of Arcadia**

**Prepared by:**

**Keyser Marston Associates, Inc.**

**February 18, 2025**

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# ATTACHMENTS

## Attachment 1: Affordable Housing Cost Calculation Methodologies

Appendix A: Affordable Rent Calculation Methodology

Appendix B: Affordable Sales Price Calculation Methodology

## Attachment 2: Apartment Development

Appendix A: Rent Survey: 4+ Star Properties

Appendix B: Affordable Rent Calculations

Appendix C: In-Lieu Fee Calculations – DMU Site: 80 Unit Per Acre Density Prototype

Appendix D: In-Lieu Fee Calculations – DMU Site: 64 Unit per Acre Density Prototype

Appendix E: In-Lieu Fee Calculations - Las Tunas / Live Oak Corridor

## Attachment 3: Ownership Housing Development

Appendix A: Resale Home Sales Survey

Appendix B: Affordable Sales Price Calculations

Appendix C: In-Lieu Fee Calculations

## Attachment 4: Inclusionary Housing Program Surveys

Appendix A: California – Statewide

Appendix B: Los Angeles, Orange, San Diego, Ventura & Santa Barbara Counties

## I. EXECUTIVE SUMMARY

### A. Background

The City of Arcadia (City) received California Department of Housing and Community Development (HCD) approval of its Sixth Cycle Housing Element (Housing Element) on February 9, 2024.<sup>1</sup> This approval was based in part on the fact that the City completed rezoning activities that make adequate sites available pursuant to California Government Code Section 65583.2 (h) and (i).

As part of the Housing Element adoption process the City began evaluating the potential for creating an Inclusionary Housing program to assist in fulfilling a portion of the established Regional Housing Needs Assessment (RHNA) goals. To that end the City engaged Keyser Marston Associates, Inc. (KMA) to prepare an Inclusionary Housing: Financial Evaluation (Financial Evaluation) to assess the viability of an Inclusionary Housing program. KMA is submitting the Financial Evaluation concurrently with this Inclusionary Housing In-Lieu Fee Analysis (In-Lieu Fee Analysis).

The Financial Evaluation recommendations that are pertinent to the In-Lieu Fee Analysis can be summarized as follows:

1. Projects that consist of 10 or more units should be subject to the Inclusionary Housing program requirements.
2. The income and affordability requirements imposed by the Inclusionary Housing program should be set as follows:
  - a. Developers should be allowed to select from one of the following standards for apartment developments:
    - i. 14% low income units; or
    - ii. 9% very low income units; or

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<sup>1</sup> The Housing Element covers the period between 2021 and 2029.

- iii. 6% low Income plus 5% very low income units; or
    - iv. 20% moderate income units.
  - b. A 5% moderate income requirement should be imposed on ownership housing developments.
- 3. Developers should be allowed to pay a fee in lieu of producing affordable units under the following circumstances:
  - a. An in-lieu fee should be allowed to be paid for any fraction of an Inclusionary Unit that results from the production calculations.
  - b. Inclusionary Housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. KMA recommends that an in-lieu fee payment be allowed by right for apartment developments that consist of between 10 and 20 units.
  - c. Ownership housing developments of any size should be provided with the option to pay a fee in lieu of producing affordable units.
  - d. An in-lieu fee option should be provided to any project where the developer can prove that the imposition of the Inclusionary Housing requirements creates an extreme financial hardship.

The City engaged KMA to quantify the in-lieu fee amounts that correspond with the Affordability Gaps exhibited by the recommended income and affordability standards. The Affordability Gap can generally be defined as difference between the achievable market rate rent or sales price and the allowable rent or sales price for each “Inclusionary Unit”.

This In-Lieu Fee Analysis is based on the development prototypes that are included in the Financial Evaluation. The following assumptions were updated for use in this report:

- 1. The following surveys were undertaken in January 2025:

- a. A CoStar search for 4+ star apartment developments within five miles of Arcadia City Hall; and
  - b. Resales of townhomes and condominiums that were constructed after 2000 and sold within the past year.
2. The Affordable Housing Cost calculations are based on the following information:
- a. The household incomes published by HCD on May 9, 2024.
  - b. The utilities allowances published by the Los Angeles County Development Authority (LACDA) on July 1, 2024.

## B. Findings

The results of the KMA In-Lieu Fee Analysis are summarized in the following text and tables.

### BASE IN-LIEU PAYMENT AMOUNTS

Based on the recommended Inclusionary Housing requirements, KMA estimated the associated in-lieu fee payment amounts as follows:<sup>2</sup>

Recommended Base In-Lieu Fee Payment Amounts Residential Developments with 20 or More Units Affordability Gap Analyses	
Apartment Development	
Per Inclusionary Unit	\$403,000
Per Square Foot of Total Leasable Area in the Development	\$43.80
Ownership Housing Development	
Per Inclusionary Unit	\$701,300
Per Square Foot of Total Saleable Area in the Development	\$23.30

<sup>2</sup> The in-lieu fee payment amounts identified throughout this report are presented in 2025 dollars.

KMA recommends that the City base the in-lieu fee payment obligations on the leasable area for apartment developments and the saleable area for ownership housing developments. This methodology accounts for the fact that the Affordability Gaps tend to vary based on the unit sizes included in the development.

**DISCOUNTED IN-LIEU FEE SCHEDULES**

Inclusionary housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. To reflect this, KMA recommends that City impose the in-lieu fee on a sliding scale basis for residential projects that consist of between 10 and 20 units.

KMA recommends that the in-lieu payment schedules presented in the following table be applied.

Recommended Discounted In-Lieu Fee Schedules Measured Per Square Foot of Leasable or Saleable Area in the Residential Development		
Number of Units	Apartment Development	Ownership Housing Development
10	\$3.98	\$2.12
11	\$7.96	\$4.24
12	\$11.95	\$6.35
13	\$15.93	\$8.47
14	\$19.91	\$10.59
15	\$23.89	\$12.71
16	\$27.87	\$14.83
17	\$31.85	\$16.95
18	\$35.84	\$19.06
19	\$39.82	\$21.18
20+	\$43.80	\$23.30

## FRACTIONAL IN-LIEU FEE SCHEDULES

When the Inclusionary Housing calculation results in a fractional unit obligation, the developer should be allowed to pay a fee in-lieu of producing an additional Inclusionary Unit. The fractional in-lieu fee payment amounts that correlate to the identified Affordability Gaps are presented in the following tables:

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Leasable Area of One Unit in an Apartment Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Apartment Development
0.10	\$50.00	\$40,310
0.20	\$100.00	\$80,620
0.30	\$150.00	\$120,930
0.40	\$200.00	\$161,230
0.50	\$250.00	\$201,540
0.60	\$299.90	\$241,770
0.70	\$349.90	\$282,080
0.80	\$399.90	\$322,390
0.90	\$449.90	\$362,700
1.00	\$499.90	\$403,000

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Saleable Area of One Unit in an Ownership Housing Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Ownership Housing Development
0.10	\$47.80	\$70,100
0.20	\$95.70	\$140,300
0.30	\$143.50	\$210,400
0.40	\$191.40	\$280,600
0.50	\$239.20	\$350,600
0.60	\$287.00	\$420,700
0.70	\$334.90	\$490,900
0.80	\$382.70	\$561,000
0.90	\$430.60	\$631,200
1.00	\$478.40	\$701,300

## IN-LIEU FEE PAYMENT UPDATES

The in-lieu fee payment amounts should be re-evaluated at least every five years. To allow in-lieu fees to keep pace with changes in the marketplace during the intervening periods, the in-lieu fees should continue to be adjusted each year based on an index such as the year-to-year percentage change in new home prices in Los Angeles County.

## II. APPROACH

The purpose of this analysis is to estimate the in-lieu fee payment amounts that can be supported by apartment and ownership housing development projects. The KMA analysis is based on the Inclusionary Housing requirements were recommended in the Financial Evaluation.

### A. Affordability Gaps

The foundational premise of this analysis is that an in-lieu fee will correlate to the Affordability Gap associated with producing the Inclusionary Units required by the Inclusionary Housing program. The Affordability Gap can generally be defined as the difference between the achievable market rate rents or sales prices and the allowable rents or sales prices for the designated Inclusionary Units.

### B. Development Prototypes

The financial analyses that KMA prepared are based on the prototype apartment and ownership housing developments that were analyzed in the Financial Evaluation. The prototypes represent composites of recently proposed or developed projects that were identified as part of the analysis process.

### C. Analysis Organization

The KMA analysis is supported by the following Attachments, Appendices, and Exhibits:

#### ATTACHMENT 1: AFFORDABLE HOUSING COST CALCULATION METHODOLOGIES

Appendix A:	Affordable Rent Calculation Methodology
Appendix B:	Affordable Sales Price Calculation Methodology

## ATTACHMENT 2: APARTMENT DEVELOPMENT

Appendix A:	Rent Survey: 4+ Star Properties
Appendix B:	Affordable Rent Calculations
Appendix C:	In-Lieu Fee Calculations – DMU Site: 80 Unit Per Acre Density Prototype
Appendix D:	In-Lieu Fee Calculations – DMU Site: 64 Unit Per Acre Density Prototype
Appendix E:	In-Lieu Fee Calculations - Las Tunas / Live Oak Corridor

Each of the preceding appendices include the following Exhibits:

Exhibit I	9% Very Low Income Units
Exhibit II	14% Low Income Units
Exhibit III	6% Low Income Units + 5% Very Low Income Units
Exhibit IV	20% Moderate Income Units

## ATTACHMENT 3: OWNERSHIP HOUSING DEVELOPMENT

Appendix A:	Resale Home Sales Survey
Appendix B:	Affordable Sales Price Calculations
Appendix C:	In-Lieu Fee Calculations

## ATTACHMENT 4: INCLUSIONARY HOUSING PROGRAM SURVEYS

Appendix A:	California – Statewide
Appendix B:	Orange, Los Angeles, San Diego, Ventura and Santa Barbara Counties

### III. APARTMENT DEVELOPMENT ANALYSIS

#### A. Apartment Development Prototypes

The apartment development prototypes embody the following characteristics:

Prototype Characteristics - Apartment Development			
	DMU Site: 80 Unit/Acre Density Prototype	DMU Site: 64 Unit/Acre Density Prototype	Las Tunas/Live Oak Corridor: 60 Unit/Acre Density Prototype
Site Area (Acres)	2.5	0.8	1.0
Total Units	200	48	60
Bedroom Mix			
Studio Units	25%		20%
One-Bedroom Units	50%	50%	50%
Two-Bedroom Units	25%	50%	30%
Total Number of Units	100%	100%	100%
Unit Sizes (Square Feet)			
Studio Units	500		600
One-Bedroom Units	750	800	750
Two-Bedroom Units	1,100	1,100	1,000
Weighted Averages	775	950	795

The information KMA used in the in-lieu fee analysis for apartment development follows:

1. KMA undertook a survey of apartment developments in the Arcadia market area that were constructed within the past 10 years. The survey results are presented in Attachment 2 – Appendix A.
2. KMA prepared “Affordable Rent” calculations for the prototype apartment projects. The calculation methodology is described in Attachment 1 – Appendix A.

Based on the preceding information, KMA prepared Affordability Gap analyses to estimate the in-lieu fee amounts that are equivalent to the financial impact associated with fulfilling the Inclusionary Housing program requirements on site within market rate apartment developments.

## B. Rent Estimates

### MARKET RATE RENTS

In January 2025, KMA surveyed apartment projects that received 4+ stars in the CoStar quality ranking system. Based in part on this survey, the projected market rate apartment rents are presented in the following table:

Projected Market Rate Rents - Apartment Development			
	DMU Site: 80 Unit/Acre Density Prototype	DMU Site: 64 Unit/Acre Density Prototype	Las Tunas/Live Oak Corridor: 60 Unit/Acre Density Prototype
Number of Bedrooms	Monthly Rents		
Studio Units	\$2,440		\$2,660
One-Bedroom Units	\$2,960	\$3,010	\$2,960
Two-Bedroom Units	\$3,900	\$3,900	\$3,540
Weighted Average Rent Per Square Foot of Leasable Area	\$3.95	\$3.64	\$3.87

### AFFORDABLE RENTS

The Affordable Rent calculations are presented in Attachment 2 – Appendix A. The results are summarized in the following table:

Affordable Rents - Apartment Development			
Number of Bedrooms	Very Low Income Units	Low Income Units	Moderate Income Units
Studio Units	\$768	\$1,284	\$1,800
One-Bedroom Units	\$861	\$1,450	\$2,039
Two-Bedroom Units	\$952	\$1,615	\$2,278

### C. Estimated Affordability Gaps – Apartment Development

KMA estimated the Affordability Gaps associated with the prototype apartment developments using the following calculation methodology:

1. The differences between the estimated achievable market rate rents and the defined Affordable Rents were calculated for studio, one-bedroom, and two-bedroom apartment units.
2. KMA assumed that the property taxes for projects that include designated Inclusionary Units would be based on a lower assessed value due to the reduction in net operating income that would be generated by the project. KMA deducted this lower property tax expense from the estimated rent difference.
3. The estimated “Net Annual Rent Difference Per Inclusionary Unit” represents the annual rent difference minus the estimated property tax savings.
4. The “Affordability Gap Per Inclusionary Unit” is estimated by capitalizing the Net Annual Difference Per Inclusionary Unit at a market rate stabilized return on total investment.

The Affordability Gap calculations are provided in Attachment 2 – Appendices C, D and E. The results are summarized in the following table:

Estimated Affordability Gaps Per Inclusionary Unit Apartment Development			
	DMU Site: 80 Unit/Acre Density Prototype	DMU Site: 64 Unit/Acre Density Prototype	Las Tunas/Live Oak Corridor: 60 Unit/Acre Density Prototype
Very Low Income Units	\$393,900	\$455,300	\$393,800
Low Income Units	\$288,700	\$343,400	\$287,200
Moderate Income Units	\$183,200	\$231,500	\$180,700

## D. In-Lieu Fee Calculations – Apartment Development

The Affordability Gaps Per Inclusionary Unit were converted into the in-lieu fee payments that would be required to fulfill the Inclusionary Housing requirements on site within a proposed market rate apartment development. The methodology used to convert the Affordability Gaps into in-lieu fee payment amounts can be described as follows:

1. Affordability Gap analyses were prepared for each of the following affordability requirements:
  - a. 9% very low income units;
  - b. 14% low income units;
  - c. 6% low income units plus 5% very low income units; and
  - d. 20% moderate income units.
2. As proposed, developers would have the option to select among the four affordability mixes. For the purposes of this analysis, KMA assumed that developers would choose the alternative that generates the smallest reduction in net operating income.
3. In each development prototype the 9% very low income unit requirement generated the smallest impact on the net operating income (See Attachment 2 – Appendices C, D, and E: Exhibits I, II and III).

The resulting in-lieu fee payment amounts for the three development prototypes are presented in the following table:

In-Lieu Fee Payment Supported Based on the Affordability Gap Analysis Inclusionary Housing Percentage: 9.0% Very Low Income Units Apartment Development		
	Affordability Gap Per Inclusionary Unit	In-Lieu Fee Per Square Foot of Total Leasable Area
DMU Site: 80 Unit/Acre Density Prototype	\$393,900	\$45.70
DMU Site: 64 Unit/Acre Density Prototype	\$455,300	\$39.90
Las Tunas/Live Oak Corridor: 60 Unit/Acre Density Prototype	\$393,800	\$41.30
Weighted Average In-Lieu Fee Per Square Foot of Total Leasable Area		\$43.80

As discussed previously, KMA is recommending that the City provide a discounted in-lieu fee schedule for projects that consist of between 10 and 20 units. The recommended in-lieu fee schedule is presented in the following table:

Recommended In-Lieu Fee Schedule Measured Per Square Foot of Leasable Area in the Apartment Development	
Number of Units	In-Lieu Fee
10	\$3.98
11	\$7.96
12	\$11.95
13	\$15.93
14	\$19.91
15	\$23.89
16	\$27.87
17	\$31.85
18	\$35.84
19	\$39.82
20+	\$43.80

Some developers may choose to pay a fee in lieu of fulfilling an obligation to produce a fraction of an Inclusionary Unit. The following table provides a recommended schedule of fractional in-lieu fee payments for apartment developments:

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Leasable Area of One Unit in an Apartment Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Apartment Development
0.10	\$50.00	\$40,310
0.20	\$100.00	\$80,620
0.30	\$150.00	\$120,930
0.40	\$200.00	\$161,230
0.50	\$250.00	\$201,540
0.60	\$299.90	\$241,770
0.70	\$349.90	\$282,080
0.80	\$399.90	\$322,390
0.90	\$449.90	\$362,700
1.00	\$499.90	\$403,000

## IV. OWNERSHIP HOUSING DEVELOPMENT ANALYSIS

### A. Ownership Housing Development Prototypes

The ownership housing development prototypes embody the following characteristics:

Prototype Characteristics - Ownership Housing Development			
	DMU Site: 64 Unit/Acre Density THs & Flats Prototype	R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype
Site Area (Acres)	1.5	0.6	1.8
Total Units	96	24	44
Bedroom Mix			
Two-Bedroom Units	50%	15%	
Three-Bedroom Units	50%	60%	50%
Four-Bedroom Units		25%	50%
Total Number of Units	100%	100%	100%
Unit Sizes (Square Feet)			
Two-Bedroom Units	1,100	1,300	
Three-Bedroom Units	1,400	1,600	1,700
Four-Bedroom Units		1,900	2,000
Weighted Averages	1,250	1,625	1,850

The information KMA used in the ownership housing development analysis can be described as follows:

1. KMA undertook a survey to identify the sales prices being achieved by market rate townhomes and condominiums constructed in Arcadia since 2000. The survey results are presented in Attachment 3 – Appendix A.
2. KMA prepared “Affordable Sales Price” calculations for the two-bedroom, three-bedroom, and four-bedroom ownership housing units. The calculation methodology is described in Attachment 1 – Appendix B.

Based on the preceding information, KMA prepared Affordability Gap analyses to estimate the in-lieu fee amounts that are equivalent to the financial impact associated with fulfilling the Inclusionary Housing program requirements on site within market rate ownership housing development projects.

**B. Sales Price Estimates**

**MARKET RATE SALES PRICES**

In January 2025, KMA compiled a survey of townhomes and condominiums in Arcadia that were sold during the past year. The purpose of this survey was to assist in estimating the currently achievable market rate sales prices for the ownership housing development prototypes being analyzed. Based in part on this survey, the projected market rate sales prices are presented in the following table:

Projected Market Rate Sales Prices - Ownership Housing Development			
	DMU Site: 64 Unit/Acre Density THs & Flats Prototype	R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype
Number of Bedrooms	Sales Prices		
Two-Bedroom Units	\$707,000	\$836,000	
Three-Bedroom Units	\$1,049,000	\$1,199,000	\$1,274,000
Four-Bedroom Units		\$1,384,000	\$1,457,000
Weighted Average Sales Price Per Square Foot of Saleable Area	\$702	\$729	\$738

**AFFORDABLE SALES PRICE CALCULATIONS**

The Affordable Sales Price calculations are presented in Attachment 3 – Appendix B. The results are summarized in the following table:

Affordable Sales Prices: Moderate Income Units Ownership Housing Development			
	DMU Site: 64 Unit/Acre Density THs & Flats Prototype	R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype
Number of Bedrooms			
Two-Bedroom Units	\$313,200	\$313,200	
Three-Bedroom Units	\$345,300	\$345,300	\$345,300
Four-Bedroom Units		\$366,600	\$366,600

**C. Estimated Affordability Gaps – Ownership Housing Development**

The Affordability Gaps that were derived from the KMA analysis of the ownership housing development prototypes are presented in the following table:

Affordability Gaps: Moderate Income Units Ownership Housing Development			
	DMU Site: 64 Unit/Acre Density THs & Flats Prototype	R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype
Weighted Averages			
Market Price	\$878,000	\$1,191,000	\$1,366,000
Moderate Income Price	<u>329,000</u>	<u>346,000</u>	<u>356,000</u>
Affordability Gap	\$549,000	\$845,000	\$1,010,000

**D. In-Lieu Fee Calculations – Ownership Housing Development**

As can be seen in the preceding table, the gaps between the average market rate price and the designated Affordable Sales Prices range from \$549,000 to \$1.01 million per moderate income unit. The weighted average Affordability Gap among the three development prototypes is estimated at \$701,300 per moderate income unit.

As shown in Attachment 3 – Appendix C, the Affordability Gaps are translated into the in-lieu fee payments that would be required to fulfill the Inclusionary Housing requirements on site within a proposed market rate ownership housing development. The resulting in-lieu fee payment amounts for the three development prototypes are presented in the following table:

In-Lieu Fee Payment Based on the Affordability Gap Analysis Inclusionary Housing Percentage: 5% Moderate Income Ownership Housing Development		
	Affordability Gap Per Inclusionary Unit	In-Lieu Fee Per Square Foot of Saleable Area
DMU Site: 64 Unit/Acre Density THs & Flats Prototype	\$549,000	\$22.90
R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	\$845,000	\$21.70
Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype	\$1,010,000	\$24.80
Weighted Average In-Lieu Fee Per Square Foot of Saleable Area		\$23.30

KMA is recommending that the City provide a discounted in-lieu fee schedule for projects that consist of between 10 and 20 units. The recommended in-lieu fee schedule is presented in the following table:

Recommended In-Lieu Fee Schedule Measured Per Square Foot of Saleable Area in the Ownership Housing Development	
Number of Units	In-Lieu Fee
10	\$2.12
11	\$4.24
12	\$6.35
13	\$8.47
14	\$10.59
15	\$12.71
16	\$14.83
17	\$16.95
18	\$19.06
19	\$21.18
20+	\$23.30

The following table provides an in-lieu fee payment schedule for developers that choose this option for fulfilling an obligation to produce a fraction of an Inclusionary Unit:

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Saleable Area of One Unit in an Ownership Housing Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Ownership Housing Development
0.10	\$47.80	\$70,100
0.20	\$95.70	\$140,300
0.30	\$143.50	\$210,400
0.40	\$191.40	\$280,600
0.50	\$239.20	\$350,600
0.60	\$287.00	\$420,700
0.70	\$334.90	\$490,900
0.80	\$382.70	\$561,000
0.90	\$430.60	\$631,200
1.00	\$478.40	\$701,300

## V. INCLUSIONARY HOUSING PROGRAM SURVEYS

As a crosscheck to the preceding financial analysis, KMA undertook a survey of California jurisdictions that impose Inclusionary Housing requirements on residential development. KMA also narrowed the survey to illustrate the in-lieu fees being assessed by Southern California jurisdictions. The surveys are presented in Attachment 4.

As can be seen in the survey, the Southern California jurisdictions apply a variety of different methodologies to the establishment of in-lieu fee payment amounts. These variances can be attributed to a number of different considerations such as:

1. The program goals;
2. Project size thresholds;
3. Varying treatments of apartment versus ownership housing development;
4. The community's view on density; and
5. The level of responsibility the jurisdiction wishes to take in implementing affordable housing developments.

The responses to these considerations guide the use of one of the following approaches to setting in-lieu fee payment amounts:

1. An Affordability Gap methodology, which sets the in-lieu fee payments at amounts that are sufficient to fulfill the Inclusionary Housing requirements on site within the market rate development that triggered the obligation;
2. A discounted payment amount to encourage payment of the in-lieu fee; and/or
3. A schedule that provides reduced in-lieu fees for small projects.

KMA recommends that the City permit developers of the following project types to pay a fee in lieu of producing some or all of the affordable housing units required by the Inclusionary Housing program:

1. Apartment developments that include between 10 and 20 units; and
2. All ownership housing developments that are subject to the Inclusionary Housing program requirements.

The KMA analysis is based on in-lieu fee payment amounts that are equivalent to the cost that would be incurred to provide the Inclusionary Units on site with the market rate project that triggered the affordable housing obligations. This is the Affordability Gap calculation methodology.

Twenty-six (26) out of the 44 Southern California surveyed jurisdictions use some form of an Affordability Gap calculation in setting the in-lieu fee payment amounts. This represents approximately 60% of the surveyed jurisdictions.

It is KMA's opinion that using an Affordability Gap methodology for setting the in-lieu fees in Arcadia is consistent with common practice. However, several jurisdictions wish to encourage in-lieu fee payment and so they set the in-lieu fees at discounted amounts as an incentive.

## VI. CONCLUSIONS / RECOMMENDATIONS

### A. In-Lieu Fee Payment Amounts

#### BASE IN-LIEU FEE PAYMENT AMOUNTS

The in-lieu fees presented in this analysis represent the amounts that would need to be charged to provide the City with sufficient funds to produce the same number of affordable units in similar locations and product types as the market rate residential projects that would be subject to the proposed Inclusionary Housing program requirements. Based on this assumption, KMA recommends that the base in-lieu fees be set as follows:

Recommended Base In-Lieu Fee Payment Amounts Per Square Foot of Leasable or Saleable Area in Residential Developments with 20 or More Units Affordability Gap Analyses	
Apartment Development	\$43.80
Ownership Housing Development	\$23.30

It is KMA's opinion that an in-lieu fee measured against the square footages of the units corresponds more closely to the Affordability Gap than an in-lieu fee that is measured by the number of units in the development. As such, KMA recommends that the in-lieu fee be based on the leasable area for apartment developments and the saleable area for ownership housing developments.

#### DISCOUNTED IN-LIEU FEE SCHEDULES

Recognizing that Inclusionary housing requirements have a disproportionate impact on smaller projects, KMA recommends that City provide a discounted in-lieu fee schedules for residential projects that consist of between 10 and 20 units. KMA recommends that the following schedules be applied.

Recommended Discounted In-Lieu Fee Schedules Measured Per Square Foot of Leasable or Saleable Area in the Residential Development		
Number of Units	Apartment Development	Ownership Housing Development
10	\$3.98	\$2.12
11	\$7.96	\$4.24
12	\$11.95	\$6.35
13	\$15.93	\$8.47
14	\$19.91	\$10.59
15	\$23.89	\$12.71
16	\$27.87	\$14.83
17	\$31.85	\$16.95
18	\$35.84	\$19.06
19	\$39.82	\$21.18
20+	\$43.80	\$23.30

**FRACTIONAL IN-LIEU FEE SCHEDULES**

When the Inclusionary Housing calculation results in a fractional unit obligation, KMA recommends that the developer be allowed to pay a fee in-lieu of producing an additional Inclusionary Unit. The fractional in-lieu fee payment amounts that correlate to the Affordability Gaps identified in this analysis are presented in the following tables:

**Recommended Fractional In-Lieu Fee Payment Calculations  
Measured Per Square Foot of the Leasable Area of One Unit in an  
Apartment Development**

Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Apartment Development
0.10	\$50.00	\$40,310
0.20	\$100.00	\$80,620
0.30	\$150.00	\$120,930
0.40	\$200.00	\$161,230
0.50	\$250.00	\$201,540
0.60	\$299.90	\$241,770
0.70	\$349.90	\$282,080
0.80	\$399.90	\$322,390
0.90	\$449.90	\$362,700
1.00	\$499.90	\$403,000

**Recommended Fractional In-Lieu Fee Payment Calculations  
Measured Per Square Foot of the Saleable Area of One Unit in an  
Ownership Housing Development**

Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Ownership Housing Development
0.10	\$47.80	\$70,100
0.20	\$95.70	\$140,300
0.30	\$143.50	\$210,400
0.40	\$191.40	\$280,600
0.50	\$239.20	\$350,600
0.60	\$287.00	\$420,700
0.70	\$334.90	\$490,900
0.80	\$382.70	\$561,000
0.90	\$430.60	\$631,200
1.00	\$478.40	\$701,300

## B. In-Lieu Fee Payment Updates

The in-lieu fee payment amounts should be updated at regular intervals:

1. A full evaluation should be undertaken at least every five years.
2. To allow in-lieu fees to keep pace with changes in the market place during the intervening periods, the in-lieu fees should continue to be adjusted each year based on the following process:
  - a. Median sales value information for “All New Residential Development” in Los Angeles County should be compiled annually. The Redfin Corporation currently produces and publishes this information.
  - b. The increase or decrease in the in-lieu fee should be based on the year-to-year percentage change in the median new home sales price.

**ATTACHMENT 1**  
**AFFORDABLE HOUSING COST CALCULATION METHODOLOGIES**  
**INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS**  
**ARCADIA, CALIFORNIA**

# APPENDIX A

## AFFORDABLE RENT CALCULATION METHODOLOGY

### ASSUMPTIONS

The Affordable Rent calculations are presented in Attachment 4 – Appendix B. The calculations are based on the following assumptions:

1. The household income information used in the calculations is based on 2024 income statistics for Los Angeles County as a whole:
  - a. The household incomes for very low and low income households are produced by United States Department of Housing and Urban Development (HUD) and distributed by the California Department of Housing and Community Development (HCD).
  - b. The household incomes for moderate income households are produced and distributed annually by HCD.
2. The household size appropriate for the unit is based on the California Health and Safety Code (H&SC) Section 50052.5 standard of the number of bedrooms in the home plus one.<sup>1</sup> H&SC Section 50052.5 refers to this as “the family size appropriate for the unit.” This is a benchmark that is used for calculation purposes only. It is neither an occupancy minimum nor a maximum.
3. The benchmark household incomes used in the Affordable Rent analyses are based on the following standards:
  - a. The very low income rents are based on 50% of area median income (AMI). This percentage of AMI is based on the standard imposed in H&SC Section 50053.
  - b. The low income rents are based on 80% of AMI. This percentage of AMI is based on the standard imposed by Assembly Bill 1505.
  - c. The moderate income rents are based on 110% of AMI, which is the standard imposed by H&SC Section 50053.

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<sup>1</sup> For example, the imputed household size for a one-bedroom unit is two persons.

4. Thirty percent (30%) of defined household income is allocated to housing-related expenses.
5. The following monthly utilities allowances were applied in this analysis.<sup>2</sup>

Utility Allowances Apartment Development Prototypes	
Number of Bedrooms	Monthly Utilities Allowances
Studio	\$91
1	\$121
2	\$153

## AFFORDABLE RENTS

The resulting affordable rents are presented in the following table:

Affordable Rents Apartment Development Prototypes			
Number of Bedrooms	Very Low Income	Low Income	Moderate Income
Studio	\$768	\$1,284	\$1,800
1	\$861	\$1,450	\$2,039
2	\$952	\$1,615	\$2,278

<sup>2</sup> Utilities allowances are based on utilities costs comprised of electric heating, cooking and water heating; and basic electric, and air conditioning. The allowances are based on the Los Angeles County Development Authority Multifamily All Electric Schedule effective as of July 1, 2024.

# APPENDIX B

## AFFORDABLE SALES PRICE CALCULATION METHODOLOGY

### ASSUMPTIONS

The Affordable Sales Price calculations are presented in Attachment 5 – Appendix B. The calculations are based on the following assumptions:

1. The household income information used in the calculations is based on 2024 income statistics for Los Angeles County as a whole:
  - a. The household incomes for low income households are produced by HUD and distributed by HCD.
  - b. The household incomes for moderate income households are produced and distributed annually by HCD.
2. The Affordable Sales Price estimates are based on the calculation methodology imposed by H&SC Section 50052.5.

The elements included in the Affordable Sales Price calculations are described in the following sections of this Attachment.

### Household Size

For the sole purposes of calculating Affordable Sales Prices, H&SC Section 50052.5 sets household sizes based on the number of bedrooms in the home plus one. As discussed previously, this is not an occupancy minimum or maximum. Rather, it is a benchmark that creates a consistent Affordable Sales Price calculation methodology.

### Household Income

For calculation purposes only, H&SC Section 50052.5 applies benchmark household incomes as the standard for determining the Affordable Sales Prices. These benchmarks are based on the following percentages of the Los Angeles County AMI:

Income Category	% of AMI
Moderate	110%
Low	70%

The identified benchmark percentages of AMI are not income caps. The household income qualification standards are set at the upper limits presented in the HCD and are based on the actual size of the homebuyer’s household.

### Income Allocated to Housing-Related Expenses

H&SC Section 50052.5 allocates the following percentages of the benchmark household incomes to the payment of housing-related expenses:

Income Category	% of Benchmark Income
Moderate	35%
Low	30%

### Housing-Related Expenses

Based on research undertaken by KMA, the variable housing related expense assumptions used in this analysis are presented in the following table:

Variable Housing Related Expenses		
Ownership Housing Development Prototypes		
Number of Bedrooms	Monthly Utilities Allowances <sup>3</sup>	Monthly HOA, Insurance & Maintenance
2	\$260	\$300
3	\$317	\$325
4	\$389	\$350

<sup>3</sup>Utilities allowances are based on utilities costs comprised of electric heating, cooking and water heating; basic electric; and water, sewer and trash services. The allowances are based on the Los Angeles County Development Authority Single-Family Schedule effective as of July 1, 2024.

The property tax expense estimates are based on 1.15% of the defined Affordable Sales Prices. This assumes that the City will require the homes to be resold on an Affordable Sales Price throughout one cumulative 45-year covenant period.

### Supportable Mortgage Amount

The mortgage amounts used in the Affordable Sales Price calculations are estimated using the income available after the other housing-related expenses are paid. The mortgage terms used in this Financial Evaluation were based on a 30-year fully amortizing loan at a 6.98% interest rate.<sup>4</sup>

### Benchmark Down Payment

KMA set the benchmark down payment at 5% of the estimated Affordable Sales Price. A down payment of this magnitude is commonly allowed by affordable housing programs.

## AFFORDABLE SALES PRICES

The resulting Affordable Sales Prices are estimated as follows:

Affordable Sales Prices		
Ownership Housing Development Prototypes		
Number of Bedrooms	Moderate Income	Low Income
2	\$313,200	\$136,800
3	\$345,300	\$148,100
4	\$366,600	\$153,700

<sup>4</sup> Based on a 25 basis points premium applied to the Freddie Mac monthly average, between February 2024 and January 2025, for a fixed-interest rate loan with a 30-year amortization period.

## **ATTACHMENT 2**

# **APARTMENT DEVELOPMENT INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS ARCADIA, CALIFORNIA**

**ATTACHMENT 2: APPENDIX A**

**RENT SURVEY: 4+ STAR PROPERTIES  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

ATTACHMENT 2: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

Name	Address			# of Units	Unit Size (SF)	Average Effective Rent	
						Total	Per SF
I. Studio Units							
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	21	491	\$2,363	\$4.81
Luxe	1769 E Walnut St	Pasadena	91106	20	514	\$2,514	\$4.89
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	45	531	\$2,340	\$4.41
Areum Apts	1110 S 5th Ave	Monrovia	91016	7	574	\$2,344	\$4.08
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	61	585	\$2,543	\$4.35
The RinRose	3768 E Colorado Blvd	Pasadena	91107	14	590	\$2,850	\$4.83
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	4	602	\$2,608	\$4.33
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	2	620	\$2,054	\$3.31
The Huntington	1413 Huntington Dr	Duarte	91010	24	640	\$2,509	\$3.92
	Minimum				491	\$2,054	\$3.31
	Maximum				640	\$2,850	\$4.89
	Weighted Average				563	\$2,482	\$4.43

ATTACHMENT 2: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Effective Rent			
				Total	Per SF		
<b>II. One-Bedroom Units</b>							
Luxe	1769 E Walnut St	Pasadena	91106	71	637	\$2,740	\$4.30
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	89	684	\$2,905	\$4.25
Begonia Place	5570 Rosemead Blvd	Temple City	91780	2	696	\$3,928	\$5.64
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	183	707	\$2,838	\$4.01
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	161	724	\$2,535	\$3.50
The RinRose	3768 E Colorado Blvd	Pasadena	91107	62	728	\$3,417	\$4.69
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	274	738	\$2,726	\$3.69
Areum Apts	1110 S 5th Ave	Monrovia	91016	91	747	\$2,537	\$3.40
Avalon Monrovia	825 S Myrtle Ave	Monrovia	91016	46	771	\$2,903	\$3.77
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	165	792	\$2,741	\$3.46
The Huntington	1413 Huntington Dr	Duarte	91010	88	797	\$2,722	\$3.42
57 Wheeler	57 Wheeler Ave	Arcadia	91006	15	1,056	\$2,728	\$2.58
	Minimum				637	\$2,535	\$2.58
	Maximum				1,056	\$3,928	\$5.64
	Weighted Average				738	\$2,762	\$3.76

**ATTACHMENT 2: APPENDIX A**

**RENT SURVEY: 4+ STAR PROPERTIES <sup>1</sup>  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA**

Name	Address	# of Units	Unit Size (SF)	Average Effective Rent			
				Total	Per SF		
<b>III. Two-Bedroom Units</b>							
Luxe	1769 E Walnut St	Pasadena	91106	40	934	\$3,513	\$3.76
Begonia Place	5570 Rosemead Blvd	Temple City	91780	68	952	\$4,233	\$4.45
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	74	956	\$3,362	\$3.52
The RinRose	3768 E Colorado Blvd	Pasadena	91107	24	1,011	\$4,120	\$4.08
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	79	1,038	\$3,678	\$3.54
Avalon Monrovia	825 S Myrtle Ave	Monrovia	91016	69	1,042	\$3,664	\$3.52
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	98	1,059	\$2,960	\$2.80
Areum Apts	1110 S 5th Ave	Monrovia	91016	56	1,081	\$3,226	\$2.98
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	134	1,109	\$3,714	\$3.35
The Huntington	1413 Huntington Dr	Duarte	91010	49	1,131	\$3,241	\$2.87
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	43	1,168	\$3,618	\$3.10
57 Wheeler	57 Wheeler Ave	Arcadia	91006	23	1,332	\$3,409	\$2.56
The Residence at Mission View	109 S Alanmay Ave	San Gabriel	91776	6	1,345	\$4,331	\$3.22
	Minimum				934	\$2,960	\$2.56
	Maximum				1,345	\$4,331	\$4.45
	Weighted Average				1,059	\$3,547	\$3.37

<sup>1</sup> Source: CoStar, January 2025. Projects built in the past 10 years within 5 miles of Arcadia City Hall. The survey excludes affordable projects, three extraordinarily large studio units in the Avalon Monrovia, and five extraordinarily large one-bedroom unit in the Residences.

**ATTACHMENT 2: APPENDIX B**

**AFFORDABLE RENT CALCULATIONS  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

**ATTACHMENT 2: APPENDIX B**

**AFFORDABLE RENT CALCULATIONS  
2024 INCOME STANDARDS  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

		Studio Units	One-Bedroom Units	Two-Bedroom Units
<b><u>General Assumptions</u></b>				
Benchmark Household Size	1	1	2	3
Area Median Income	2	\$68,750	\$78,550	\$88,400
Monthly Utilities Allowance	3	\$91	\$121	\$153
<b>II. <u>Affordable Rent Calculations</u></b>				
<b>A. <u>Very Low Income - Rent Based on 50% AMI</u></b>				
Benchmark Annual Household Income	4	\$34,375	\$39,275	\$44,200
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$10,313	\$11,783	\$13,260
Monthly Income Available for Housing Expenses		\$859	\$982	\$1,105
(Less) Monthly Utilities Allowance		(\$91)	(\$121)	(\$153)
<b>Maximum Allowable Rent</b>		\$768	\$861	\$952
<b>B. <u>Low Income - Rent Based on 80% AMI</u></b>				
Benchmark Annual Household Income	5	\$55,000	\$62,840	\$70,720
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$16,500	\$18,852	\$21,216
Monthly Income Available for Housing Expenses		\$1,375	\$1,571	\$1,768
(Less) Monthly Utilities Allowance		(\$91)	(\$121)	(\$153)
<b>Maximum Allowable Rent</b>		\$1,284	\$1,450	\$1,615
<b>C. <u>Moderate Income - Rent Based on 110% AMI</u></b>				
Benchmark Annual Household Income	6	\$75,625	\$86,405	\$97,240
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$22,688	\$25,922	\$29,172
Monthly Income Available for Housing Expenses		\$1,891	\$2,160	\$2,431
(Less) Monthly Utilities Allowance		(\$91)	(\$121)	(\$153)
<b>Maximum Allowable Rent</b>		\$1,800	\$2,039	\$2,278

<sup>1</sup> For the purposes of calculating the Affordable Rents, Health & Safety Code Section 50052.5 sets the benchmark household sizes at the number of bedrooms in the unit plus one. This is neither an occupancy cap nor a floor.

<sup>2</sup> Based on the 2024 Los Angeles County household incomes published by the California Department of Housing & Community Development (HCD).

<sup>3</sup> Based on the Los Angeles County Development Authority (LACDA) Multifamily All Electric Schedule effective as of July 1, 2024. Assumes: Electric Heating, Electric Cooking, and Electric Water Heater; Basic Electric; and Air Conditioning.

<sup>4</sup> Based on 50% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053.

<sup>5</sup> Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505.

<sup>6</sup> Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053.

**ATTACHMENT 2: APPENDIX C**

**IN-LIEU FEE CALCULATIONS  
DMU SITE: 80 UNIT/ACRE DENSITY PROTOTYPE  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

ATTACHMENT 2: APPENDIX C - EXHIBIT I

IN-LIEU FEE CALCULATIONS  
 DMU SITE: 80 UNIT/ACRE DENSITY PROTOTYPE - 9% VERY LOW INCOME UNITS  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

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I. **Rent Difference**

A. **Studio Units**

Market Rents	1	\$2,440
Affordable Rent	2	768
<b>Difference</b>		<b>\$1,672</b>

B. **One-Bedroom Units**

Market Rents	1	\$2,960
Affordable Rent	2	861
<b>Difference</b>		<b>\$2,099</b>

C. **Two-Bedroom Units**

Market Rents	1	\$3,900
Affordable Rent	2	952
<b>Difference</b>		<b>\$2,948</b>

II. **Distribution of Total Units**

Studio Units	3	25%
One-Bedroom Units		50%
Two-Bedroom Units		25%

III. **Annual Rent Difference Per Inclusionary Unit**

Annual Rent Difference Per Inclusionary Unit		\$26,454
Less: Property Tax Difference	4	(6,760)
<b>Net Annual Rent Difference Per Inclusionary Unit</b>		<b>\$19,694</b>

IV. **Assumptions**

Total Units		200
Total Leasable Area		155,000
Weighted Avg Unit Size (Sf)		775
Inclusionary Housing Percentage		9%
Inclusionary Units		18
Affordability Gap Per Inclusionary Unit	5	\$393,900

V. **In-Lieu Fee**

Total In-Lieu Fee	\$7,090,200
Per Total Unit in the Project	\$35,450
Per Square Foot of Total Leasable Area	\$45.70

1 The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

2 See ATTACHMENT 2: APPENDIX B.

3 The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

4 Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

5 Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX C - EXHIBIT II

IN-LIEU FEE CALCULATIONS  
 DMU SITE: 80 UNIT/ACRE DENSITY PROTOTYPE - 14% LOW INCOME UNITS  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

---

I. **Rent Difference**

A. **Studio Units**

Market Rents	1	\$2,440
Affordable Rent	2	1,284
<b>Difference</b>		<b>\$1,156</b>

B. **One-Bedroom Units**

Market Rents	1	\$2,960
Affordable Rent	2	1,450
<b>Difference</b>		<b>\$1,510</b>

C. **Two-Bedroom Units**

Market Rents	1	\$3,900
Affordable Rent	2	1,615
<b>Difference</b>		<b>\$2,285</b>

II. **Distribution of Total Units**

Studio Units	3	25%
One-Bedroom Units		50%
Two-Bedroom Units		25%

III. **Annual Rent Difference Per Inclusionary Unit**

<b>Less: Property Tax Difference</b>	4	<b>(4,950)</b>
<b>Net Annual Rent Difference Per Inclusionary Unit</b>		<b>\$14,433</b>

IV. **Assumptions**

Total Units		200
Total Leasable Area		155,000
Weighted Avg Unit Size (Sf)		775
Inclusionary Housing Percentage		14%
Inclusionary Units		28
Affordability Gap Per Inclusionary Unit	5	\$288,700

V. **In-Lieu Fee**

<b>Total In-Lieu Fee</b>	<b>\$8,083,600</b>
Per Total Unit in the Project	\$40,420
Per Square Foot of Total Leasable Area	\$52.20

1 The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

2 See ATTACHMENT 2: APPENDIX B.

3 The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

4 Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

5 Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX C - EXHIBIT III

IN-LIEU FEE CALCULATIONS

DMU SITE: 80 UNIT/ACRE DENSITY PROTOTYPE - 6% LOW INCOME + 5% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

		Low Income	Very Low Income
<b>I.</b>	<b><u>Rent Difference</u></b>		
	<b>A. Studio Units</b>		
	Market Rents	\$2,440	\$2,440
	Affordable Rent	1,284	768
	<b>Difference</b>	<b>\$1,156</b>	<b>\$1,672</b>
	<b>B. One-Bedroom Units</b>		
	Market Rents	\$2,960	\$2,960
	Affordable Rent	1,450	861
	<b>Difference</b>	<b>\$1,510</b>	<b>\$2,099</b>
	<b>C. Two-Bedroom Units</b>		
	Market Rents	\$3,900	\$3,900
	Affordable Rent	1,615	952
	<b>Difference</b>	<b>\$2,285</b>	<b>\$2,948</b>
<b>II.</b>	<b><u>Distribution of Total Units</u></b>		
	Studio Units	25%	25%
	One-Bedroom Units	50%	50%
	Two-Bedroom Units	25%	25%
<b>III.</b>	<b>Annual Rent Difference Per Inclusionary Unit</b>	\$19,383	\$26,454
	<b>Less: Property Tax Difference</b>	(4,950)	(6,760)
	<b>Net Annual Rent Difference Per Inclusionary Unit</b>	<b>\$14,433</b>	<b>\$19,694</b>
<b>IV.</b>	<b><u>Assumptions</u></b>		
	Total Units	200	200
	Total Leasable Area	155,000	155,000
	Weighted Avg Unit Size (Sf)	775	775
	Inclusionary Housing Percentage	6%	5%
	Inclusionary Units	12	10
	Affordability Gap Per Inclusionary Unit	\$288,700	\$393,900
<b>V.</b>	<b><u>In-Lieu Fee</u></b>		<b>Totals</b>
	Total In-Lieu Fee	\$3,464,400	\$3,939,000
	Per Total Unit in the Project	\$17,320	\$19,700
	Per Square Foot of Total Leasable Area	\$22.40	\$47.80

<sup>1</sup> The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

<sup>2</sup> See ATTACHMENT 2: APPENDIX B.

<sup>3</sup> The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

<sup>4</sup> Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

<sup>5</sup> Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

**ATTACHMENT 2: APPENDIX C - EXHIBIT IV**

**IN-LIEU FEE CALCULATIONS  
DMU SITE: 80 UNIT/ACRE DENSITY PROTOTYPE - 20% MODERATE INCOME UNITS  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

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**I. Rent Difference**

**A. Studio Units**

Market Rents	1	\$2,440
Affordable Rent	2	1,800
<b>Difference</b>		<b>\$640</b>

**B. One-Bedroom Units**

Market Rents	1	\$2,960
Affordable Rent	2	2,039
<b>Difference</b>		<b>\$921</b>

**C. Two-Bedroom Units**

Market Rents	1	\$3,900
Affordable Rent	2	2,278
<b>Difference</b>		<b>\$1,622</b>

**II. Distribution of Total Units**

Studio Units	3	25%
One-Bedroom Units		50%
Two-Bedroom Units		25%

**III. Annual Rent Difference Per Inclusionary Unit**

Annual Rent Difference Per Inclusionary Unit		\$12,312
<b>Less: Property Tax Difference</b>	4	<b>(3,150)</b>
<b>Net Annual Rent Difference Per Inclusionary Unit</b>		<b>\$9,162</b>

**IV. Assumptions**

Total Units		200
Total Leasable Area		155,000
Weighted Avg Unit Size (Sf)		775
Inclusionary Housing Percentage		20%
Inclusionary Units		40
Affordability Gap Per Inclusionary Unit	5	\$183,200

**V. In-Lieu Fee**

Total In-Lieu Fee	\$7,328,000
Per Total Unit in the Project	\$36,640
Per Square Foot of Total Leasable Area	\$47.30

<sup>1</sup> The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

<sup>2</sup> See ATTACHMENT 2: APPENDIX B.

<sup>3</sup> The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

<sup>4</sup> Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

<sup>5</sup> Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

**ATTACHMENT 2: APPENDIX D**

**IN-LIEU FEE CALCULATIONS  
DMU SITE: 64 UNIT/ACRE DENSITY PROTOTYPE  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

**ATTACHMENT 2: APPENDIX D - EXHIBIT I**

**IN-LIEU FEE CALCULATIONS  
DMU SITE: 64 UNIT/ACRE DENSITY PROTOTYPE - 9% VERY LOW INCOME UNITS  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

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**I. Rent Difference**

**A. Studio Units**

Market Rents  
Affordable Rent

**Difference**

**B. One-Bedroom Units**

Market Rents	1	\$3,010
Affordable Rent	2	861

<b>Difference</b>		<b>\$2,149</b>
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**C. Two-Bedroom Units**

Market Rents	1	\$3,900
Affordable Rent	2	952

<b>Difference</b>		<b>\$2,948</b>
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**II. Distribution of Total Units**

Studio Units	3	0%
One-Bedroom Units		50%
Two-Bedroom Units		50%

<b>III. Annual Rent Difference Per Inclusionary Unit</b>		<b>\$30,583</b>
<b>Less: Property Tax Difference</b>	4	<b>(7,820)</b>
<b>Net Annual Rent Difference Per Inclusionary Unit</b>		<b>\$22,763</b>

**IV. Assumptions**

Total Units		48
Total Leasable Area		45,600
Weighted Avg Unit Size (Sf)		950
Inclusionary Housing Percentage		9%
Inclusionary Units		4
Affordability Gap Per Inclusionary Unit	5	\$455,300

<b>V. <u>In-Lieu Fee</u></b>	
Total In-Lieu Fee	\$1,821,200
Per Total Unit in the Project	\$37,940
Per Square Foot of Total Leasable Area	\$39.90

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1 The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.  
 2 See ATTACHMENT 2: APPENDIX B.  
 3 The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.  
 4 Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.  
 5 Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX D - EXHIBIT II

IN-LIEU FEE CALCULATIONS  
 DMU SITE: 64 UNIT/ACRE DENSITY PROTOTYPE - 14% LOW INCOME UNITS  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

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I. **Rent Difference**

A. **Studio Units**

Market Rents  
 Affordable Rent

**Difference**

B. **One-Bedroom Units**

Market Rents	1	\$3,010
Affordable Rent	2	1,450

<b>Difference</b>		<b>\$1,560</b>
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C. **Two-Bedroom Units**

Market Rents	1	\$3,900
Affordable Rent	2	1,615

<b>Difference</b>		<b>\$2,285</b>
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II. **Distribution of Total Units**

	3	
Studio Units		0%
One-Bedroom Units		50%
Two-Bedroom Units		50%

III. <b>Annual Rent Difference Per Inclusionary Unit</b>		\$23,070
<b>Less: Property Tax Difference</b>	4	(5,900)
<b>Net Annual Rent Difference Per Inclusionary Unit</b>		<b>\$17,170</b>

IV. **Assumptions**

Total Units		48
Total Leasable Area		45,600
Weighted Avg Unit Size (Sf)		950
Inclusionary Housing Percentage		14%
Inclusionary Units		7
Affordability Gap Per Inclusionary Unit	5	\$343,400

<b>V. In-Lieu Fee</b>	
Total In-Lieu Fee	\$2,403,800
Per Total Unit in the Project	\$50,080
Per Square Foot of Total Leasable Area	\$52.70

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1 The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.  
 2 See ATTACHMENT 2: APPENDIX B.  
 3 The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.  
 4 Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.  
 5 Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX D - EXHIBIT III

IN-LIEU FEE CALCULATIONS

DMU SITE: 64 UNIT/ACRE DENSITY PROTOTYPE - 6% LOW INCOME + 5% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

		<u>Low Income</u>	<u>Very Low Income</u>	
<b>I. <u>Rent Difference</u></b>				
<b>A. <u>Studio Units</u></b>				
Market Rents				
Affordable Rent				
<b>Difference</b>				
<b>B. <u>One-Bedroom Units</u></b>				
Market Rents	1	\$3,010	\$3,010	
Affordable Rent	2	1,450	861	
<b>Difference</b>		\$1,560	\$2,149	
<b>C. <u>Two-Bedroom Units</u></b>				
Market Rents	1	\$3,900	\$3,900	
Affordable Rent	2	1,615	952	
<b>Difference</b>		\$2,285	\$2,948	
<b>II. <u>Distribution of Total Units</u></b>	3			
Studio Units		0%	0%	
One-Bedroom Units		50%	50%	
Two-Bedroom Units		50%	50%	
<b>III. <u>Annual Rent Difference Per Inclusionary Unit</u></b>		\$23,070	\$30,583	
<b>Less: Property Tax Difference</b>	4	(5,900)	(7,820)	
<b>Net Annual Rent Difference Per Inclusionary Unit</b>		\$17,170	\$22,763	
<b>IV. <u>Assumptions</u></b>				
Total Units		48	48	
Total Leasable Area		45,600	45,600	
Weighted Avg Unit Size (Sf)		950	950	
Inclusionary Housing Percentage		6%	5%	
Inclusionary Units		3	2	
Affordability Gap Per Inclusionary Unit	5	\$343,400	\$455,300	
<b>V. <u>In-Lieu Fee</u></b>				<b>Totals</b>
Total In-Lieu Fee		\$1,030,200	\$910,600	\$1,940,800
Per Total Unit in the Project		\$21,460	\$18,970	\$40,430
Per Square Foot of Total Leasable Area		\$22.60	\$20.00	\$42.60

1 The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

2 See ATTACHMENT 2: APPENDIX B.

3 The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

4 Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

5 Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX D - EXHIBIT IV

IN-LIEU FEE CALCULATIONS  
 DMU SITE: 64 UNIT/ACRE DENSITY PROTOTYPE - 20% MODERATE INCOME UNITS  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

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I. **Rent Difference**

A. **Studio Units**

Market Rents  
 Affordable Rent

**Difference**

B. **One-Bedroom Units**

Market Rents	1	\$3,010
Affordable Rent	2	2,039

<b>Difference</b>		<b>\$971</b>
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C. **Two-Bedroom Units**

Market Rents	1	\$3,900
Affordable Rent	2	2,278

<b>Difference</b>		<b>\$1,622</b>
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II. **Distribution of Total Units**

Studio Units	3	0%
One-Bedroom Units		50%
Two-Bedroom Units		50%

III. <b>Annual Rent Difference Per Inclusionary Unit</b>		\$15,557
<b>Less: Property Tax Difference</b>	4	(3,980)
<b>Net Annual Rent Difference Per Inclusionary Unit</b>		<b>\$11,577</b>

IV. **Assumptions**

Total Units		48
Total Leasable Area		45,600
Weighted Avg Unit Size (Sf)		950
Inclusionary Housing Percentage		20%
Inclusionary Units		10
Affordability Gap Per Inclusionary Unit	5	\$231,500

<b>V. In-Lieu Fee</b>	
Total In-Lieu Fee	\$2,315,000
Per Total Unit in the Project	\$48,230
Per Square Foot of Total Leasable Area	\$50.80

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1 The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.  
 2 See ATTACHMENT 2: APPENDIX B.  
 3 The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.  
 4 Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.  
 5 Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

**ATTACHMENT 2: APPENDIX E**

**IN-LIEU FEE CALCULATIONS**

**LAS TUNAS/LIVE OAK CORRIDOR: 60 UNIT/ACRE DENSITY PROTOTYPE  
APARTMENT DEVELOPMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

ATTACHMENT 2: APPENDIX E - EXHIBIT I

IN-LIEU FEE CALCULATIONS

LAS TUNAS/LIVE OAK CORRIDOR: 60 UNIT/ACRE DENSITY PROTOTYPE - 9% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

I. **Rent Difference**

A. **Studio Units**

Market Rents	1	\$2,660
Affordable Rent	2	768
<b>Difference</b>		<b>\$1,892</b>

B. **One-Bedroom Units**

Market Rents	1	\$2,960
Affordable Rent	2	861
<b>Difference</b>		<b>\$2,099</b>

C. **Two-Bedroom Units**

Market Rents	1	\$3,540
Affordable Rent	2	952
<b>Difference</b>		<b>\$2,588</b>

II. **Distribution of Total Units**

Studio Units	3	20%
One-Bedroom Units		50%
Two-Bedroom Units		30%

III. **Annual Rent Difference Per Inclusionary Unit**

Annual Rent Difference Per Inclusionary Unit		\$26,451
Less: Property Tax Difference	4	(6,760)
<b>Net Annual Rent Difference Per Inclusionary Unit</b>		<b>\$19,691</b>

IV. **Assumptions**

Total Units		60
Total Leasable Area		47,700
Weighted Avg Unit Size (Sf)		795
Inclusionary Housing Percentage		9%
Inclusionary Units		5
Affordability Gap Per Inclusionary Unit	5	\$393,800

V. **In-Lieu Fee**

Total In-Lieu Fee	\$1,969,000
Per Total Unit in the Project	\$32,820
Per Square Foot of Total Leasable Area	\$41.30

1 The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

2 See ATTACHMENT 2: APPENDIX B.

3 The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

4 Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

5 Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX E - EXHIBIT II

IN-LIEU FEE CALCULATIONS

LAS TUNAS/LIVE OAK CORRIDOR: 60 UNIT/ACRE DENSITY PROTOTYPE - 14% LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

I. **Rent Difference**

A. **Studio Units**

Market Rents	1	\$2,660
Affordable Rent	2	1,284
<b>Difference</b>		<b>\$1,376</b>

B. **One-Bedroom Units**

Market Rents	1	\$2,960
Affordable Rent	2	1,450
<b>Difference</b>		<b>\$1,510</b>

C. **Two-Bedroom Units**

Market Rents	1	\$3,540
Affordable Rent	2	1,615
<b>Difference</b>		<b>\$1,925</b>

II. **Distribution of Total Units**

Studio Units	3	20%
One-Bedroom Units		50%
Two-Bedroom Units		30%

III. **Annual Rent Difference Per Inclusionary Unit**

<b>Less: Property Tax Difference</b>	4	<b>(4,930)</b>
<b>Net Annual Rent Difference Per Inclusionary Unit</b>		<b>\$14,362</b>

IV. **Assumptions**

Total Units		60
Total Leasable Area		47,700
Weighted Avg Unit Size (Sf)		795
Inclusionary Housing Percentage		14%
Inclusionary Units		8
Affordability Gap Per Inclusionary Unit	5	\$287,200

V. **In-Lieu Fee**

Total In-Lieu Fee	\$2,297,600
Per Total Unit in the Project	\$38,290
Per Square Foot of Total Leasable Area	\$48.20

1 The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

2 See ATTACHMENT 2: APPENDIX B.

3 The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

4 Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

5 Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX E - EXHIBIT III

IN-LIEU FEE CALCULATIONS

LAS TUNAS/LIVE OAK CORRIDOR: 60 UNIT/ACRE DENSITY PROTOTYPE - 6% LOW INCOME + 5% VERY LOW INCOME UNITS  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

		Low Income	Very Low Income
<b>I. Rent Difference</b>			
<b>A. Studio Units</b>			
Market Rents	1	\$2,660	\$2,660
Affordable Rent	2	1,284	768
<b>Difference</b>		<b>\$1,376</b>	<b>\$1,892</b>
<b>B. One-Bedroom Units</b>			
Market Rents	1	\$2,960	\$2,960
Affordable Rent	2	1,450	861
<b>Difference</b>		<b>\$1,510</b>	<b>\$2,099</b>
<b>C. Two-Bedroom Units</b>			
Market Rents	1	\$3,540	\$3,540
Affordable Rent	2	1,615	952
<b>Difference</b>		<b>\$1,925</b>	<b>\$2,588</b>
<b>II. Distribution of Total Units</b>	3		
Studio Units		20%	20%
One-Bedroom Units		50%	50%
Two-Bedroom Units		30%	30%
<b>III. Annual Rent Difference Per Inclusionary Unit</b>		<b>\$19,292</b>	<b>\$26,451</b>
<b>Less: Property Tax Difference</b>	4	<b>(4,930)</b>	<b>(6,760)</b>
<b>Net Annual Rent Difference Per Inclusionary Unit</b>		<b>\$14,362</b>	<b>\$19,691</b>
<b>IV. Assumptions</b>			
Total Units		60	60
Total Leasable Area		47,700	47,700
Weighted Avg Unit Size (Sf)		795	795
Inclusionary Housing Percentage		6%	5%
Inclusionary Units		4	3
Affordability Gap Per Inclusionary Unit	5	\$287,200	\$393,800
<b>V. In-Lieu Fee</b>			<b>Totals</b>
Total In-Lieu Fee		\$1,148,800	\$1,181,400
Per Total Unit in the Project		\$19,150	\$19,690
Per Square Foot of Total Leasable Area		\$24.10	\$24.80
			\$48.90

1 The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.  
 2 See ATTACHMENT 2: APPENDIX B.  
 3 The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.  
 4 Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.  
 5 Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX E - EXHIBIT II

IN-LIEU FEE CALCULATIONS  
 LAS TUNAS/LIVE OAK CORRIDOR: 60 UNIT/ACRE DENSITY PROTOTYPE - 20% MODERATE INCOME UNITS  
 APARTMENT DEVELOPMENT  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

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I. **Rent Difference**

A. **Studio Units**

Market Rents	1	\$2,660
Affordable Rent	2	1,800
<b>Difference</b>		<b>\$860</b>

B. **One-Bedroom Units**

Market Rents	1	\$2,960
Affordable Rent	2	2,039
<b>Difference</b>		<b>\$921</b>

C. **Two-Bedroom Units**

Market Rents	1	\$3,540
Affordable Rent	2	2,278
<b>Difference</b>		<b>\$1,262</b>

II. **Distribution of Total Units**

Studio Units	3	20%
One-Bedroom Units		50%
Two-Bedroom Units		30%

III. **Annual Rent Difference Per Inclusionary Unit**

<b>Less: Property Tax Difference</b>	4	<b>(3,100)</b>
<b>Net Annual Rent Difference Per Inclusionary Unit</b>		<b>\$9,033</b>

IV. **Assumptions**

Total Units		60
Total Leasable Area		47,700
Weighted Avg Unit Size (Sf)		795
Inclusionary Housing Percentage		20%
Inclusionary Units		12
Affordability Gap Per Inclusionary Unit	5	\$180,700

V. **In-Lieu Fee**

Total In-Lieu Fee	\$2,168,400
Per Total Unit in the Project	\$36,140
Per Square Foot of Total Leasable Area	\$45.50

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1 The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.  
 2 See ATTACHMENT 2: APPENDIX B.  
 3 The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.  
 4 Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.  
 5 Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

**ATTACHMENT 3**

**OWNERSHIP HOUSING DEVELOPMENT  
5% MODERATE INCOME UNIT REQUIREMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

**ATTACHMENT 3: APPENDIX A**

**RESALE HOME SALES SURVEY**  
**OWNERSHIP HOUSING DEVELOPMENT**  
**5% MODERATE INCOME UNIT REQUIREMENT**  
**INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS**  
**ARCADIA, CALIFORNIA**

**ATTACHMENT 3: APPENDIX A**

**RESALE HOME SALES SURVEY**  
**OWNERSHIP HOUSING DEVELOPMENT**  
**5% MODERATE INCOME UNIT REQUIREMENT**  
**INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS**  
**ARCADIA, CALIFORNIA**

1

Address	Unit Size (SF)	Sales Price		Year Built		
		Total	Per SF			
<b>Two-Bedroom Units</b>						
1128 W Duarte Rd Unit F	Arcadia	91007	1,300	\$710,000	\$546	2006
2966 Grand Oak Way	Arcadia	91006	1,312	\$775,055	\$591	2024
2955 Grand Oak Way	Arcadia	91006	1,312	\$779,990	\$595	2024
2959 Grand Oak Way	Arcadia	91006	1,312	\$793,983	\$605	2024
56 E Duarte Rd #410	Arcadia	91006	1,460	\$938,960	\$643	2019
Minimum			1,300	\$710,000	\$546	2006
Maximum			1,460	\$938,960	\$643	2024
Average			1,339	\$799,600	\$597	2019
<b>Three-Bedroom Units</b>						
138 Alice St Unit B	Arcadia	91006	1,208	\$840,000	\$695	2006
2607 Winston Ct	Arcadia	91007	1,490	\$1,048,800	\$704	2021
138 El Dorado St Unit A	Arcadia	91006	1,501	\$1,000,000	\$666	2006
413 California St Unit D	Arcadia	91006	1,561	\$1,050,000	\$673	2019
411 California St Unit D	Arcadia	91006	1,561	\$1,075,000	\$689	2019
415 California St Unit B	Arcadia	91006	1,561	\$1,060,000	\$679	2019
409 California St Unit C	Arcadia	91006	1,565	\$1,066,000	\$681	2019
129 El Dorado St Unit A	Arcadia	91006	1,579	\$1,210,000	\$766	2018
511 N Santa Anita Ave Unit A	Arcadia	91006	1,600	\$1,060,000	\$663	2020
1058 Sunset Blvd Unit A	Arcadia	91007	1,620	\$1,098,000	\$678	2014
409 California St Unit B	Arcadia	91006	1,625	\$1,060,000	\$652	2019
923 Fairview Ave Unit B	Arcadia	91007	1,630	\$1,100,000	\$675	2014
22 E Colorado Blvd Unit C	Arcadia	91006	1,640	\$1,133,000	\$691	2020
921 Fairview Ave Unit C	Arcadia	91007	1,660	\$1,140,000	\$687	2014
1022 La Cadena Ave Unit I	Arcadia	91007	1,664	\$1,298,000	\$780	2024
1068 Sunset Blvd Unit A	Arcadia	91007	1,670	\$1,103,000	\$660	2014
39 Fano St Unit A	Arcadia	91006	1,731	\$1,120,000	\$647	2002
129 El Dorado St Unit B	Arcadia	91006	1,737	\$1,250,000	\$720	2018
656 W Huntington Dr Unit A-2	Arcadia	91007	1,770	\$1,141,000	\$645	2013
656 W Huntington Dr Unit B2	Arcadia	91007	1,770	\$1,280,000	\$723	2013
656 W Huntington Dr Unit N1	Arcadia	91007	1,770	\$1,210,000	\$684	2013
1116 W Huntington Dr Unit C	Arcadia	91007	1,876	\$937,400	\$500	2002
1112 Fairview Ave	Arcadia	91007	1,880	\$1,170,000	\$622	2000
507 Santa Anita N Unit B	Arcadia	91006	1,887	\$1,280,000	\$678	2020
901 W Duarte Rd Unit B	Arcadia	91007	1,903	\$1,550,000	\$815	2024
1343 JACARANDA Cir	Arcadia	91006	1,908	\$998,000	\$523	2002
418 W Fairview Ave Unit B	Arcadia	91007	1,913	\$1,268,000	\$663	2022
721 S Arcadia Ave Unit A	Arcadia	91007	1,918	\$1,090,000	\$568	2003
623 Fairview Ave Unit C	Arcadia	91007	1,987	\$1,285,000	\$647	2019
618 Arcadia Ave Unit A	Arcadia	91007	1,990	\$1,138,000	\$572	2000
503 N Santa Anita Ave Unit F	Arcadia	91006	2,009	\$1,335,000	\$665	2020
462 W Duarte Rd Unit C	Arcadia	91007	2,013	\$1,080,000	\$537	2005

**ATTACHMENT 3: APPENDIX A**

**RESALE HOME SALES SURVEY  
 OWNERSHIP HOUSING DEVELOPMENT  
 5% MODERATE INCOME UNIT REQUIREMENT  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA**

Address	Unit Size (SF)	Sales Price		Year Built
		Total	Per SF	
721 S 3rd Ave Unit A	2,048	\$1,399,000	\$683	2007
721 S 3rd Ave Unit B	2,052	\$1,399,000	\$682	2007
800 W Huntington Dr Unit A	2,085	\$1,180,000	\$566	2006
1122 Arcadia Ave Unit C	2,101	\$1,060,888	\$505	2000
455 Fairview Ave	2,118	\$1,102,000	\$520	2003
829 La Cadena Ave Unit A	2,147	\$1,100,000	\$512	2004
1112 S Golden West Ave #104	2,269	\$1,010,000	\$445	2003
425 El Dorado St Unit A	2,473	\$1,488,000	\$602	2003
414 S 2nd Ave Unit E	2,739	\$1,900,000	\$694	2023
Minimum	1,208	\$840,000	\$445	2000
Maximum	2,739	\$1,900,000	\$815	2024
Average	1,835	\$1,173,500	\$640	2012

**Four-Bedroom Units**

36 Bedford Ct	1,570	\$1,180,000	\$752	2021
16 Bedford Ct	1,580	\$1,105,000	\$699	2021
1022 La Cadena Ave Unit H	1,614	\$1,150,000	\$713	2024
1027 Arcadia Ave Unit F	1,761	\$1,350,000	\$767	2023
1022 La Cadena Ave Unit D	1,771	\$1,310,000	\$740	2024
1027 Arcadia Ave Unit D	1,773	\$1,225,000	\$691	2023
1022 La Cadena Ave Unit G	1,797	\$1,338,000	\$745	2024
1510 S Baldwin Ave Unit E	1,803	\$1,060,000	\$588	2005
1027 Arcadia Ave Unit E	1,824	\$1,250,000	\$685	2023
1022 La Cadena Ave Unit C	1,824	\$1,338,000	\$734	2024
509 N Santa Anita Ave	1,871	\$1,350,000	\$722	2020
4372 Alamo Ln	1,970	\$980,071	\$497	2023
656 W Huntington Dr Unit N2	2,040	\$1,272,600	\$624	2013
151 Alicec St Unit C	2,100	\$1,600,000	\$762	2023
151 Alice St Unit B	2,200	\$1,580,000	\$718	2023
2950 Sycamore Ln	2,268	\$1,100,000	\$485	2002
925 Duarte Rd W Unit A	2,302	\$1,320,000	\$573	2002
418 Genoa	2,343	\$1,650,000	\$704	2023
516 S 2nd Ave	2,470	\$1,580,000	\$640	2015
Minimum	1,570	\$980,071	\$485	2002
Maximum	2,470	\$1,650,000	\$767	2024
Average	1,941	\$1,302,000	\$671	2019

<sup>1</sup> Source: Redfin, January 2025. The survey includes sales that occurred between January 2024 and January 2025. The survey is limited to home constructed since 2000.

**ATTACHMENT 3: APPENDIX B**

**AFFORDABLE SALES PRICE CALCULATIONS  
OWNERSHIP HOUSING DEVELOPMENT  
5% MODERATE INCOME UNIT REQUIREMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

**ATTACHMENT 3: APPENDIX B**

**AFFORDABLE SALES PRICE CALCULATIONS**  
**2024 INCOME STANDARDS**  
**OWNERSHIP HOUSING DEVELOPMENT**  
**INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS**  
**ARCADIA, CALIFORNIA**

		Two-Bedroom Units	Three-Bedroom Units	Four-Bedroom Units
<b>General Assumptions</b>				
Benchmark Household Size	2	3	4	5
Area Median Income		\$88,400	\$98,200	\$106,050
Annual Utilities Allowance	3	\$3,120	\$3,804	\$4,668
HOA, Maintenance & Insurance	4	\$3,600	\$3,900	\$4,200
<b>I. Affordable Sales Price Based on 110% AMI</b>				
Benchmark Annual Household Income		\$97,240	\$108,020	\$116,655
Income Allotted to Housing @ 35% of Income		\$34,030	\$37,810	\$40,830
<b>II. Property Taxes @ 1.15% of Affordable Sales Price</b>				
		\$3,600	\$3,970	\$4,210
<b>III. Income Available for Mortgage</b>				
	5	\$23,710	\$26,136	\$27,752
<b>IV. Affordable Sales Price</b>				
Supportable Mtg @ 6.98% Interest	6	\$297,500	\$328,000	\$348,300
Home Buyer Down Payment @ 5% of ASP		15,700	17,300	18,300
<b>Affordable Sales Price</b>		<b>\$313,200</b>	<b>\$345,300</b>	<b>\$366,600</b>

<sup>1</sup> Based on Los Angeles County household incomes published by the California Housing & Community Development Department (HCD). The Affordable Sales Price calculations are based on the California Health and Safety Code Section 50052.5 methodology.

<sup>2</sup> Under the California Health & Safety Code Section 50052.5 calculation methodology, the benchmark household size is set at the number of bedrooms in the unit plus one. This benchmark is used solely for the purposes of calculating the Affordable Sales Price. It is neither an occupancy cap nor a floor.

<sup>3</sup> Utilities allowances are based on the Los Angeles County Development Authority (LACDA) Single-Family utility allowance schedule effective as of July 1, 2024. Assumes: Electric Heating, Electric Cooking, Electric Water Heater, Basic Electric, Air Conditioning, Water and Trash.

<sup>4</sup> Based in part on information derived from the home resales survey presented in ATTACHMENT 3: APPENDIX A.

<sup>5</sup> Based on the Income Allotted to Housing minus the following: Annual Utilities Allowance; HOA, Maintenance & Insurance; and Property Taxes @ 1.15% of Affordable Sales Price.

<sup>6</sup> Based on a 25 basis points premium applied to the Freddie Mac monthly average, between February 2024 and January 2025, for a fixed-interest rate loan with a 30-year amortization period.

**ATTACHMENT 3: APPENDIX C**

**IN-LIEU FEE CALCULATIONS  
OWNERSHIP HOUSING DEVELOPMENT  
5% MODERATE INCOME UNIT REQUIREMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

**ATTACHMENT 3: APPENDIX C**

**IN-LIEU FEE CALCULATIONS  
OWNERSHIP HOUSING DEVELOPMENT  
5% MODERATE INCOME UNIT REQUIREMENT  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

		DMU Site: 64 Unit/Acre Density THs & Flats Prototype	R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype
<b>I.</b>	<b><u>Sales Price Difference</u></b>			
	<b>A. Two-Bedroom Units</b>			
	Market Price	1	\$707,000	\$836,000
	Affordable Sales Price	2	313,200	313,200
	<b>Difference</b>		\$393,800	\$522,800
	<b>B. Three-Bedroom Units</b>			
	Market Price	1	\$1,049,000	\$1,199,000
	Affordable Sales Price	2	345,300	345,300
	<b>Difference</b>		\$703,700	\$853,700
	<b>C. Four-Bedroom Units</b>			
	Market Price	1		\$1,384,000
	Affordable Sales Price	2		366,600
	<b>Difference</b>			\$1,017,400
	<b>III. Assumptions</b>			
	Total Units	96	24	44
	Total Saleable Area	120,000	39,000	81,400
	Weighted Avg Unit Size (Sf)	1,250	1,630	1,850
	Inclusionary Housing Percentage	5%	5%	5%
	Inclusionary Units	5	1	2
	Affordability Gap Per Inclusionary Unit <sup>3</sup>	\$549,000	\$845,000	\$1,010,000
<b>II.</b>	<b><u>Distribution of Total Units</u></b>			
	Two-Bedroom Units	50%	15%	0%
	Three-Bedroom Units	50%	60%	50%
	Four-Bedroom Units	0%	25%	50%
<b>IV.</b>	<b><u>In-Lieu Fee</u></b>			
	Total In-Lieu Fee	\$2,745,000	\$845,000	\$2,020,000
	Per Total Unit in the Project	\$28,600	\$35,200	\$45,900
	Per Square Foot of Saleable Area	\$22.90	\$21.70	\$24.80

<sup>1</sup> Based in part on a sales survey undertaken by KMA in January 2025. See ATTACHMENT 3: APPENDIX A.

<sup>2</sup> See ATTACHMENT 3: APPENDIX B.

<sup>3</sup> Based on the weighted average difference between the market rate prices and the Affordable Sales Prices.

**ATTACHMENT 4**

**INCLUSIONARY HOUSING PROGRAM SURVEYS  
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
ARCADIA, CALIFORNIA**

APPENDIX A

INCLUSIONARY HOUSING PROGRAM SURVEYS - CALIFORNIA  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
<b>I. Inclusionary Requirements: Both Rental and Ownership Projects</b>									
Agoura Hills	Create on-site units; pay an in-lieu fee for the required Low and/or Moderate Income Units. In-lieu fee cannot be paid to fulfill the very low income requirement.	15%	No	10	7% @ VL + 4% @ Low + 4% @ mod	55	10	7% @ VL + 4% @ Low + 4% @ mod	45
Alameda	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	5	4% @ VL + 4% @ Low + 7% @ Mod	59	5	4% @ VL + 4% @ Low + 7% @ Mod	59
Albany	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	Yes	5		Perpetual	5		Perpetual
Alhambra	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	6% at 120% AMI+ 9% at 80% AMI		5	6% at 120% AMI+ 9% at 80% AMI	
Avalon	Create on-site units; create off-site units; pay in-lieu fee. Full sch	20%	No	4	Decided per project	55	4	Decided per project	55
Berkeley	Create on-site units; pay in-lieu fee.	20%	No	5	80% unless subsidies are available	Life of the Building	5	80%	Life of the Building
Brea	On-site units; pay in-lieu fee; land dedication; acquisition and conversion of other units within city. City provides incentives to mitigate the impact of the requirement.	10%	Yes	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI + 5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	55	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI + 5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	45
Burbank	Create on-site units; create off-site units through new construction, substantial rehabilitation, or adaptive reuse; donate land; pay in-lieu fee.	15%	No	5	5% @ Very Low + 10% @ Low	> of 55 years or as long as resid use	5	Mod	> of 55 years or as long as resid use
Calabasas	Create on-site units; create off-site units; convert market rate units; preserve or rehab existing housing; pay in-lieu fee.	20%	No	5	20% @ 110%; 15% @ 90%; 10% @ 75%; or 5% at 50%		5	20% @ 110%; 15% @ 90%; 10% @ 75%; or 5% at 50% of AMI	
Campbell	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	No	10	6% @ VL + 9% @ Low	55	10	120%	45
Capitola	Create on-site units; pay in-lieu fee.	15%	Yes				7	120%	Life of Bldg
Carlsbad	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	15%	No	1	Low	55	1	Low	30

APPENDIX A

INCLUSIONARY HOUSING PROGRAM SURVEYS - CALIFORNIA  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Chula Vista	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	20	5% @ Low + 5% @ Mod	Life of Bldg	20	5% @ Low + 5% @ Mod	Life of Bldg
Colma	Create on-site units; pay in-lieu fee.	20%	No	5	5% @ VL + 5% @ Low + 10% @ Mod	55	5	5% @ VL + 5% @ Low + 10% @ Mod	45
Concord	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee.	10%	Yes	5		55	5		45
Contra Costa County	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	3% @ VL + 12% @ Lower		5		3
Coronado	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	20%	No	2	Low		2	Mod	
Cupertino	1-7 units pays in-lieu fee. Create on-site units; create off-site units; pay impact/linkage fee; donate land.	15%	No	7	50% / 80%	99	7	50% / 120%	99
Davis	Create on-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10% - 25%	No	5-19 , 20+	5-19: 15% @ 80% or 10% @ 50%. 20+: 25% @ 80% or 10% @ 50%	Perpetual	5	120%	Perpetual
Del Mar	Create on-site units. In-lieu fee option provided for subdivisions that create new lots.	15% - 20%	No	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55
Downey	Create on-site units; create off-site units; pay in-lieu fee in the case of extreme hardship for apartments.	11%/10%	No		Mod	> of 55 years or as long as resid use		Mod	45
Dublin	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	12.5%	No	20	50% @ 120% + 20% @ 80% + 30% @ 50%	55	20	5% @ 80% + 7.5% @ 120%	55
Emeryville	Create on-site units; pay impact/linkage fee.	12%/20%	No		4% @ VL + 8% @ Low	55	10		55
Encinitas	Create on-site units; create off-site units; create ADU's; preserve at-risk units; pay in-lieu fee; donate land.	15%/20%	No	7	15% @ VL or 20% @ Low	Perpetual	7	15% VL or 20% @ Low	Perpetual

APPENDIX A

INCLUSIONARY HOUSING PROGRAM SURVEYS - CALIFORNIA  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Fillmore	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	55	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	45	
Fremont	Has a production option, but the in-lieu fee option is more cost effective.	15%	No	2	10% @ Low		2	5% @ Mod + 10% @ Low		
Fort Bragg	Create on-site units	10% to 20%		5	80% / 120%		5	100% / 120%	15	
Goleta	Create on-site units; create off-site units; donate land; pay in-lieu fee; acquisition/rehabilitation. Income/Affordability trade off of extremely low and very low income units to low and moderate income units in demonstrated extreme hardship.	20% - reduced to 15% with public benefit	No	5	2.5% @ ELI + 2.5% @ VL + 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	5	2.5% @ ELI + 2.5% @ VL + 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	
Hayward	Create on-site units; create off-site units; pay in-lieu fee; pay impact/linkage fee; donate land.	6% / 7.5% - 10%	No	2	3% @ 50% + 3% @ 60%	55	2	Mod	45	
Huntington Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	3	Low	55	3	Mod	45	
Irvine	Projects with fewer than 50 units can create on-site units; convert market rate housing to affordable housing; extend the term of an existing affordable project; pay in-lieu fee; transfer units to a nonpot housing agency; create off-site units; donate land. Projects with 50+ units must produce the affordable units on site.	15%	No		Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	50	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30
Jurupa Valley	Create on-site units; create off-site units; pay in-lieu fee; convert market rate units to affordable units; preserve at-risk housing; donate land.	7%	No	1	25% Mod + 25% Low + 50% VL	55	1	25% Mod + 25% Low + 50% VL	45	
Laguna Beach	Create on-site units; pay in-lieu fee.	25%	No		2-subdivision 3-other	Low and Moderate		2-subdivision 3-other	Low and Moderate	
Laguna Woods	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	7.5% @ VL + 7.5% @ Low	45	5	10% @ Low + 5% @ Mod	45	

APPENDIX A

INCLUSIONARY HOUSING PROGRAM SURVEYS - CALIFORNIA  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
La Habra	Create on-site units; create off-site units; pay in-lieu fee; acquisition/rehabilitation.	Rental: 9% or 6% / Own: 15%	No	10	9% @ Mod or 6% @ VL & Low	55	10	110%	45
Long Beach	Create on-site units; pay in-lieu fee; donate land.	11%/10%	No	10	50%	> of 55 years or as long as resid use	10	110%	> of 55 years or as long as resid use
Los Altos	Create on-site units; create off-site units. Program requirements are only imposed in designated areas.	Rental: 5-9 @ 15% & 10+ @ 30%. Ownership @ 15%	No	5	5-9: 15% @ Mod, 10+: 5% @ Low + 15% @ Mod	30	10	7.5% @ Mod, 7.5% @ Low	30
Los Angeles County	Create on-site units; create off-site units. Program requirements vary by subarea.	5%-20% depending on project size & income standard	No	5	Averages: <40% AMI: 10% or 5% - sm proj <65% AMI: 15% or 7% - sm proj <80% AMI: 20% or 10% sm proj	55 or Perpetual	5	Mod/Middle Inc: Avg 135% AMI: Coastal SLA, SLA (exc condos), & ELA: 20% or 10% - sm proj SG Valley: 15% or 7% - sm proj Santa Clarita & Antelope Valleys (exc condos): 5%	Equity share on first sale
Mentlo Park	Create on-site units; create off-site units; pay in-lieu fee. Full sch	10%	Yes	5	80% / 120%		5	80% / 120%	
Mill Valley	Create on-site units.	25%	Yes	4	120%	Perpetual	4	120%	Perpetual
Mission Viejo	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	1 / Projects with 9 or fewer units produce 1 ADU	7.5% VL + 7.5% Low	55	1 / Projects with 9 or fewer units produce 1 ADU	10% Mod + 5% Low	45
Nevada County	Create on-site units; create off-site units Program requirements are only applied in designated areas.		No	20		30	20		30
Norco	Create on-site units; create off-site units; pay in-lieu fee for projects with 20 or fewer units; donate land.	15%	No	5	6% Mod+9% Low Credits for deeper affordability	Perpetual	5	6% Mod+9% Low Credits for deeper affordability	45%

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Oceanside	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land; purchase credits from another project.	15%	No	10	Low	55	10	Low or Mod	55
Oxnard	Create on-site units; create off-site units; pay in-lieu fee in limited circumstances.	10%	No	10	5% @ VL + 5% Low	55	10	Low	20
Pacifica	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	8	6% @ VL + 4.5% @ Low + 4.5% @ Mod	55	8		45
Pasadena	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	20%	No	10	5% @ 50% + 5% @ 80% + 10% @ 120%	Perpetual	10	110%	45
Petaluma	Create on-site units; pay in-lieu fee; donate land	15%	No	5	7.5% @ VL; 7.5% @ Low	45	5	7.5% @ Low + 7.5% @ Mod	55
Pleasanton	Create on-site units; create off-site units; pay in-lieu fee; donate land; credit transfers; other alternate methods of compliance	15%	Yes	15	50% to 80%		15	50% to 120%	Perpetual
Pomona	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	13% / 7%- 11%	Yes	3	120%	> of 55 years or as long as resid use	3	120%	45
Poway	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	15% / 15%- 20%	No	1	Very Low	55	1	15% @ Low or 20% @ Mod	45
Redwood City	Create on-site units; create off-site units; preserve or rehab units; pay impact/linkage fee; donate land	20% / 15%	No	20	10% @ Mod + 5% @ Low + 5% @ VL	30	5	Moderate	30
Sacramento County	Has a production option, but the in-lieu fee option is more cost effective.	10%	No	1	80%		1	80%	
San Bruno	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area	15%	No	10	6% VL + 4.5% Low + 4.5% Mod	55	10	6% Low + 9% Mod	45
San Buenaventura	Create on-site units; create off-site units; pay in-lieu fee; preserve or rehab existing housing; donate land.	15% / 10%	No	7	Low	55	7	Mod	45
San Clemente	Create on-site units; create off-site units, pay in-lieu fee; donate land.	4%	No	6	Very Low	30	6	Very Low	30

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
San Diego	Create on-site units; create off-site units; rehabilitate existing units, SRO hotel rooms, or conversion of guest rooms; pay in-lieu fee; donate land.	5% to 20% depending on location	No	10	Outside FUA: 10% @ 60% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% + Fee	55	10	Outside FUA: 10% @ 100% or 15% @ 120% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% + Fee	15
San Francisco	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	15% to 20% / 15% to 26%	Yes	10	55% to 110%		10	80% to 130%	
San Jose	Create on-site units; create off-site units; preserve or rehab units; in-lieu fee; donate land; credit transfers; reduction for deeper affordability.	15%	Yes	10	5% @ 50% + 5% @ 60% + 5% @ 100%	99	10	120%	99
San Juan Capistrano	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	2		55	2	120%	55
San Luis Obispo (City)	Create on-site units; pay an in-lieu fee to fulfill the entire obligation and pay an in-lieu fee for fractional unit obligations.	6% / 10%	No	1	5% Very Low + 5% Low	55	1	5% Low + 5% Moderate	45
San Marcos	Create on-site, create off-site units for ownership housing projects; pay an in-lieu fee for six or fewer rental unit projects and for all ownership housing projects.	15%	No	1	Hhld income set by the City. <=25% of the affordable units may be Mod.	55	1	Requirement is set by the City on a project by project basis	55
San Mateo County	Create on-site units, pay in-lieu fee.	20%	Yes	5	10% @ ELI + 10% @ Low	Life of Bldg	11	10% @ Low + 10% @ Mod	45
San Rafael	Create on-site units; pay in-lieu fee. City provides incentives to mitigate the impact of the requirement.	10%	No	2			2	120%	

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Santa Ana	Only applies to changes in land use and zoning designations. Create on-site units; off-site units; substantially rehab existing units; pay in-lieu fee.	Rental: 5% - 15% & Own: 5%	No	5	15% @ Low or 10% @ VL or 5% @ ELI or 5% Low + 3% VL +2% ELI	55	5	120%	55
Santa Barbara (City)	Create on-site units; create off-site units; pay in-lieu fee for 1 to 9 & fractional units; donate land.	10% / 15%	No	5	Mod	90	1	120% to 200%	90 / restarts on each resale
Santa Clara (City)	Create on-site units; create off-site units; dedicate land; pay an in-lieu fee for fractional unit obligations.	15%	No	10	Mix of ELI, VL, Low & Mod. Must average less than 100% of AMI	55	10	Mix of ELI, VL, Low & Mod. Must average less than 100% of AMI	20
Santa Clara County (Excludes Unincorp Areas and Stanford Community Plan Area)	Create on-site units; create off-site units; in-lieu fee payments for projects with six or fewer units and for fractional unit obligations; conversion of existing market rate units.	16%	No	4	Lower	55	4	Moderate	55
Santa Cruz	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	20%	Yes	2	50% for SRO's 80% all other	Perpetual	2	120%	Perpetual
Santa Monica	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	Yes	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55
Santa Paula	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	10% to 17%	Yes	10	15% Low or 10% VL	55	10	15% Low or 10% VL	45
Santa Rosa	Has a production option, but the in-lieu fee option is more cost effective.	5% to 8% / 10%	No	1	5% @ 50% or 8% @ 60%		2	110%	
Solana Beach	Create on-site units; create off-site units; create rental units to fulfill an ownership housing development requirement; preservation or conversion of existing units; payment of the Affordable Housing Impact Fee.	15%	No	5	VL or Low	99	5	VL or Low	99
Sonoma	Create on-site units.	20%	Yes	5	120%	55	5	120%	55

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Sonoma County	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	10% or 15% / 20%	Yes	1	7.5% @ VL + 7.5% @ Low, or 5% @ ELI + 5% @ VL	55	1	10% @ Low + 10% @ Mod	30
South San Francisco	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee	20%	No	4		55	4		55
South Pasadena	Create on-site units; create off-site units; pay in-lieu fee for 3 or 4 rental unit projects, ownership for any size project, & fractional units; rehab existing market rate units; donate land.	20%	No	3	10 or fewer units: multiple options 11 or more units: 10% ELI or VL + 10% Low	55	3	Moderate	55
Sunnyvale	Create on-site units; create off-site units; pay in-lieu fee; donate land, unit conversion, other proposals.	15.0%	No	7	5% @ 50% + 10% @ 60%	55	7	100%	30
Thousand Oaks	Create on-site units; rental units to fulfill ownership requirement; in-lieu fee; donate land.	10% / 5% to 10%	Yes	10	Low	> of 55 years or as long as resid use	10	SFH: 5% Mod Condo: 10% Mod	45
Tiburon	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	3	5% @ Low + 10% @ Mod	Perpetual	3	5% @ Low + 10% @ Mod	Perpetual
Union City	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	7	4.5% @ VL + 10.5% @ Low		7	1.5% @ Low + 4.5% @ 100% + 9% @ 120%	
Vista	Create on-site units; pay in-lieu fee	9%	No	20	5% Low or lower + 4% Mod or lower			5% Low or lower + 4% Mod or lower	
West Sacramento	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	5	5% @ 50% + 5% @ 60%	55	5	70%	45
West Hollywood	Create on-site units; create off-site units; pay in-lieu fee for 2-10 unit projects.	20%	No	2	Low / Mod	> of 55 years or as long as resid use	2	Low / Mod	> of 55 years or as long as resid use

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
<b>II. Inclusionary Requirements: Ownership Projects Only</b>									
Carpinteria	Create on-site units; pay in-lieu fee in limited circumstances.	12%	No				5	200%	30
Danville	Create on-site units; pay in-lieu fee.	10%	Yes				7	110%	20
Folsom	Create on-site units; create off-site units; pay in-lieu fee; donate land; acq/rehab; other proposals.	10%	No				10	3% @ VL + 7% @ Low	
Lafayette	Create on-site units; create off-site units.	15%	No				2	9% @ Mod + 6% @ VL	45
Monterey	Create on-site units; donate land.	20%	No				6		Perpetual
Mountain View	Create on-site units; pay in-lieu fee.	15%	No				3	100%	55
Rohnert Park	Create on-site units; create off-site units; pay in-lieu fee.	15%	No				50		55
San Leandro	Create on-site units; pay in-lieu fee.	15%	Yes				2	9% @ Mod + 6% @ Low	55
San Mateo County	Create on-site units; create off-site units; pay in-lieu fee; donate land.	20%	No				5	10% @ Low + 10% @ Mod	55
Santa Barbara County	Create on-site units; create off-site units in the coastal zone; pay in-lieu fee for certain unit types.	5% - 15%	Yes				5	5-19: 1 Mod. 20+: South Coast: 2.5% VL + 2.5% Low + 5% Mod + 5% Workforce Santa Ynez: No Workforce Santa Maria & Lompoc: 2.5% VL + 2.5 Low	45 - restarts up to 90

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period

III. Inclusionary for Ownership Projects & Impact Fee for Rental Projects

Fontana	Create on-site units; pay in-lieu fee; develop a reduced percentage at deeper affordability.	10%	No				5	4% @ VL + 4% @ Low + 2% @ Mod	55	
Palo Alto	Create on-site units; create off-site units; in-lieu for fractional unit; convert market rate units to affordable units; preserve at-risk housing; donate land.	15% < 5 / 20% 5 acres +	Yes		\$22.69/sf Impact Fee		1	67% @ 80-100% 33% @ 100-120%	99	
San Carlos	Create on-site units; create off-site units; pay impact/linkage fee.	15%	Yes				55	2	10% @ Mod + 5% @ Low	45
Truckee	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; pay impact/linkage fee; donate land. Requirements vary by zones, neighborhoods or districts.	15%	No	7		Perpetual		7	Perpetual	

IV. Mandatory Inclusionary for Ownership Projects & Voluntary Inclusionary for Rental Projects

Pittsburg	Create on-site units; pay in-lieu fee.	15%/20%	Yes					5	9% @ Mod + 6% @ Low, or 20% @ Mod	
Salinas	Create on-site units; create off-site units; donate land.	20%	No					10		30
San Juan Bautista	Create on-site units; pay impact/linkage fee.	6%						6	80%	
San Luis Obispo	Create on-site units; pay in-lieu fee; donate land.	3% or 5%	Yes				55	5	3% low or 5% Moderate	45
San Marcos	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	No					55	120%	55
Solana Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay impact/linkage fee.	15%	No	5			55	5		45

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Covenant Affordability	Period	Threshold Project Size	Covenant Affordability	Period

V. Rental Projects Only

Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% Low Properties at less than 60 units per acre: 4% VL or 6% Low	55			
Fullerton	Applies only to the Transportation Specific Plan area. Create on-site units.	15%	No		5% @ VL + 5% @ Low + 5% @ Mod	55			
Glendale	Create on-site units; create off-site units; pay in-lieu fee; donate land; acquisition/rehabilitation.	15%	No	8	60%	55			

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	

I. Inclusionary Requirements: Both Rental and Ownership Projects

Agoura Hills	Create on-site units; pay an in-lieu fee for the required Low and/or Moderate Income Units. In-lieu fee cannot be paid to fulfill the very low income requirement.	15%	N/A	10	7% @ VL + 4% @ Low + 4% @ mod	55	10	7% @ VL + 4% @ Low + 4% @ mod	45	Set in 2018 to be consistent with the Affordability gap. \$285,336 per VL apartment unit, \$262,541 per low income condominium unit, and \$427,002 per moderate income single family home.
Alhambra	On-site or pay in-lieu fee.	15%	No	5	6% at 120% AMI+ 9% at 80% AMI		5	6% at 120% AMI+ 9% at 80% AMI		Fee Schedule: 5 -20 units. Rental: \$0.89 - \$14.30/SF; Ownership: \$1.88 - \$30.00/SF
Brea	On-site units; pay in-lieu fee; land dedication; acquisition and conversion of other units within city. City provides incentives to mitigate the impact of the requirement.	10%	No	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	55	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	45	Calculated per project. Based on the Affordability Gap.
Burbank	Create on-site units; create off-site units through new construction, substantial rehabilitation, or adaptive reuse; donate land; pay in-lieu fee.	15%	No	5	5% @ 50% + 10% @ 80%	> of 55 years or as long as resid use	5	Mod	> of 55 years or as long as resid use	Sliding scale by project size: Rental: \$5.75 - \$10.27/SF Ownership: \$11.24 - \$20.07/SF.
Carlsbad	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	15%	No	1	Low		1	Low		Available up to 6 units.\$18.00/SF for 2-6 unit projects.
Chula Vista	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	20	5% @ Low + 5% @ Mod	Life of Bldg	20	5% @ Low + 5% @ Mod	Life of Bldg	In-lieu fee is based on the median home price minus the affordable home price.

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Coronado	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	20%	No	2	Low		2	Mod		In-lieu fee paid by right. \$7,000 per market rate unit.
Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% L Properties at less than 60 units per acre: 4% VL or 6% L	55	NA	NA	NA	In-Lieu fee paid by right. \$10 per square foot of leasable area in the market rate project.
Del Mar	Create on-site units. In-lieu fee option provided for subdivisions that create new lots.	15% - 20%	No	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	Available to subdivisions that create new lots. \$27,500 per lot created.
Downey	Create on-site units; create off-site units; pay in-lieu fee.	11%/10%	No	10	Mod	>55 or as long as resid	10	Mod	45	Rental: \$23.50/SF - only allowed under extreme hardship. Ownership: \$15.90/SF payable based on City Council criteria.
Encinitas	Create on-site units; create off-site units; create ADU's; preserve at-risk units; pay in-lieu fee; donate land.	15%/20%	No	7	15% VL or 20% Low	Perpetual	7	15% VL or 20% Low	45	One to 6 unit projects and fractional units. \$24.08/SF.
Fillmore	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	55	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	45	

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Goleta	Create on-site units; create off-site units; donate land, pay in-lieu fee; acquisition/rehabilitation. Income/Affordability trade off of extremely low and very low income units to low and moderate income units in demonstrated extreme hardship.	20% - reduced to 15% with public benefit	No	5	2.5% @ ELI + 2.5% @ VL + 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	5	2.5% @ ELI + 2.5% @ VL + 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	Equal to the Affordability Gap associated with providing the requisite number of affordable units on site within the market rate project.
Huntington Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	3	Low	55	3	Moderate	45	Sliding Scale: 3 to 30 units. In-Lieu Fee allowed for projects up to 100 units. Rental: \$3.58 to \$35.80/SF Ownership: \$2.54 to \$25.36/SF. The per SF measurement caps at 2,000 SF.
Irvine	Projects with fewer than 50 units can create on-site units; convert market rate housing to affordable housing; extend the term of an existing affordable project; pay in-lieu fee; transfer units to a nonprofit housing agency; create off-site units; donate land. Projects with 50+ units must produce the affordable units on site.	15%	No	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	Calculated per project. The calculation methodology is based on the average land value in Irvine, the average density of housing in Irvine, and a defined predevelopment cost allowance. Formula: $[(\text{Land Value} \div \text{Density}) + \text{Predevelopment Allowance}] \times \text{Percentage Share of Cost related to affordable units not being produced.}$
Jurupa Valley	Create on-site units; create off-site units; pay in-lieu fee; convert market rate units to affordable units; preserve at-risk housing; donate land.	7%	No	1	25% Mod + 25% Low + 50% VL	55	1	25% Mod + 25% Low + 50% VL	45	\$2.50 per net square foot of living area including garages.
Laguna Beach	Create on-site; pay in-lieu fee.	25%	No	2-subdivision 3-other	Low and Moderate		2-subdivision 3-other	Low and Moderate		\$247,317 per affordable rental unit. \$348,197 per affordable ownership unit or lot.

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Laguna Woods	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	7.5% @ VL + 7.5% @ Low	45	5	10% @ Low + 5% @ Mod	45	In-lieu fee is allowed for ownership housing developments that can prove to the City Council's satisfaction that including affordable units is financially infeasible. The fee is calculated based on: the median price of homes sold in Laguna Woods during the last quarter of the previous calendar year minus the affordable price for a 2-bedroom unit.
La Habra	Create on-site units; create off-site units; pay in-lieu fee; acquisition/rehabilitation.	Rental: 9% or 6% / Own: 15%	No	10	9% Mod or 6% VL & Low	55	10	110%	45	\$6.50 per square foot of total building area.
Long Beach	Create on-site units; pay in-lieu fee; donate land.	11%/10%	No	10	50%	> of 55 yrs or as long as resid	10	120%	> of 55 yrs or as long as resid	Rental @ \$38.00/SF; Ownership @ \$29.10/SF
Mission Viejo	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	1 / Projects with 9 or fewer units produce 1 ADU	7.5% VL + 7.5% Low	55	1 / Projects with 9 or fewer units produce 1 ADU	10% Mod + 5% Low	45	In-lieu fee is allowed for rental developments with fewer than 20 units, and for all ownership housing developments. Rental: \$41.90/SF Ownership \$58.20/SF
Norco	Create on-site units; create off-site units; pay in-lieu fee for projects with 20 or fewer units; donate land.	15%	No	5	6% Mod+9% Low Credits for deeper affordability	Perpetual	5	6% Mod+9% Low Credits for deeper affordability	45%	Sliding scale based on square feet of leasable/saleable area: Rental: \$1.34 - \$21.50 Ownership: \$2.91 - \$46.50
Oceanside	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land; purchase credits from another project.	15%	No	10	Low	55	10	Mod	55	In-lieu fee paid by right. \$20/SF in 2024. Administratively adjusted annually based on change to the ENR CCI index.
Oxnard	Create on-site units; create off-site units; pay in-lieu fee in limited circumstances.	10%	No	10	5% @ VL + 5% Low	55	10	Low	20	Fee charged per total unit in the project. In 2022: SFH \$36,000; MF Ownership \$35,000; Rental \$28,000.

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Pasadena	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	20%	No	10	5% @50% + 5% @ 80% + 10% @ 120%	Perpetual	10	110%	45	Sliding scale by sub-area & project size: Rental: \$1.23 - \$34.98/SF Ownership: \$17.47 - \$66.20/SF.
Pomona	Create on-site units; create off-site units; pay in-lieu fee; donate land	13% / 7%-11%	Yes	3	120%	Perpetual	3	120%	45	Rental @ \$9.30/SF; SFH @ \$11.40/SF Condominiums @ \$9.30/SF
Poway	Create on-site units; create off-site units; pay in-lieu fee.	15% / 15%-20%	No	1	Very Low	55	1	15% @ Low or 20% @ Mod	45	In-lieu fee is payable by right and is set at maximum of \$500 per unit for both rental and ownership housing.
San Buenaventura	Create on-site units; create off-site units; pay in-lieu fee; preserve or rehab existing housing; donate land.	15% / 10%	No	7	Low	55	7	Mod	45	Ownership @ \$29.80 - \$66.30/SF; Apartments @ \$20.30 - \$48.90/SF
San Clemente	Create on-site units; create off-site units, pay in-lieu fee; donate land.	4%	No	6	Very Low	30	6	Very Low	30	Based on the greater of 1% of construction costs as determined by the Building Division or 2% of the affordability gap determined by the formula in the Housing Element.
San Diego	Create on-site units; create off-site units; rehabilitate existing units, SRO hotel rooms, or conversion of guest rooms; pay in-lieu fee; donate land.	5% to 20% depending on location	No	10	Outside FUA: 10% @ 60% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	55		Outside FUA: 10% @ 100% or 15% @120% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	15	In-lieu fee paid by right in each area except inside FIA. Base in-lieu fee a \$25/SF. Alternative compliance in-lieu fee at \$50/SF.

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
San Juan Capistrano	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	2		55	2		55	Based on 90% of the Affordability Gap, which is updated monthly based on benchmark market prices.
San Marcos	Create on-site, create off-site units for ownership housing projects; pay an in-lieu fee for six or fewer rental unit projects and for all ownership housing projects.	15%	No	1	Target hhdld income set by the City. No more than 25% of the affordable units may be Mod.	55	1	Requirement is set by the City on a project by project basis	55	In-lieu fee paid by right for apartment projects with six or fewer units and for all ownership housing developments. In-Lieu Fee @ \$15/SF.
Santa Ana	Only applies to changes in land use and zoning designations. Create on-site units; off-site units; pay in-lieu fee.	Rental: 5% / 15% & Own: 5%	No	5	15% @ Low or 10% @ VL or 5% @ ELI or 5% Low + 3% VL +2% ELI	55	5	120%	55	Fee charged per sf of habitable area: 5-9: \$6.00; 10-14: \$9.00; 15-19: \$12; 20+: \$15. Discounts for use of skilled and trained labor force.
Santa Barbara (City)	Create on-site units; create off-site units; pay in-lieu fee for 1 to 9 & fractional units; donate land.	10% / 15%	No	5	Mod	90	1	120% to 200%	90 / restarts on each resale	In 2020 the in-lieu fee for rental projects was set at \$25 per SF. Adjusted annually by the Engineering News Record (ENR) Building Cost Index for Los Angeles. In-lieu fee for ownership units is calculated based on the median price for 2-bedroom condos, a low income standard, and the estimated production cost (sales price - 15% profit). A discount schedule is provided from small units.
Santa Monica	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	Yes	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	Rental @ \$41.39/SF Ownership @ \$48.35/SF
Santa Paula	Create on-site units; create off-site units; pay in-lieu fee.	10% to 17%	Yes	10	15% Low or 10% VL	55	10		45	In-Lieu Fee is set on a project-by-project basis.

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Solana Beach	Create on-site units; create off-site units; create rental units to fulfill an ownership housing development requirement; preservation or conversion of existing units; payment of the Affordable Housing Impact Fee.	15%	No	5	VL or Low	99	5	VL or Low	99	Affordable Housing Impact Fee @ \$25.91.
South Pasadena	Create on-site units; create off-site units; pay in-lieu fee for 3 or 4 rental unit projects, ownership for any size project, & fractional units; rehab existing market rate units; donate land.	20%	No	3	10 or fewer units: multiple options 11 or more units: 10% ELI or VL + 10% Low	55	3	Mod	55	The in-lieu fee will be set by the City Council. Until that occurs, the fee will be calculated on a project-by-project basis.
Thousand Oaks	Create on-site units; rental units to fulfill ownership requirement; in-lieu fee; donate land.	10% / 5% to 10%	No	10	Low	> of 55 yrs or as long as resid	10	SFH: 5% Mod Condo: 10% Mod	45	In-lieu fee is allowed for rental developments with fewer than 20 units, and for all ownership housing developments. Rental: \$25.70/SF Ownership \$14.60 - \$16.80/SF
Vista	Create on-site units; pay in-lieu fee	9%	No	20	5% Low or lower + 4% Mod or lower		20	5% Low or lower + 4% Mod or lower		In-lieu fee paid by right and is set at \$17.56/SF
West Hollywood	Create on-site units; create off-site units; pay in-lieu fee for 2-10 units projects.	20%	No	2	Low / Mod	> of 55 yrs or as long as resid	2	Low / Mod	> of 55 yrs or as long as resid	Sliding scale: 2 Units @ \$13.63/SF - 10 Units @ \$29.23/SF

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	

II. Inclusionary Requirements: Ownership Projects Only

Carpinteria	Create on-site units; pay in-lieu fee in limited circumstances.	12%	No				5	200%	30	In-lieu fee allowed if infeasibility can be proved. The fee is based on the difference between the median sales price of condominiums and/or single family homes and the affordable price at 121% of AMI with 30% of income dedicated to housing expenses.
Santa Barbara County	Create on-site units; create off-site units in the coastal zone; pay in-lieu fee for certain unit types.	5% - 15%	Yes				5	5-19: 1 Mod, 20+: South Coast: 2.5% VL + 2.5% Low + 5% Mod + 5% Workforce  Santa Ynez: No Workforce  Santa Maria & Lompoc: 2.5% VL + 2.5 Low	45 - restarts up to 90	In-Lieu fee is measured per affordable unit. Varies by HMA & income / affordability level. Fee: Very Low & Low are based on the estimated cost for the County to subsidize very low & low income units. Cost of Construction Fee: Moderate & Workforce are based on the median condo sales prices minus 15% of the median price of condos.  2020 Very Low & Low Fees: South Coast \$176,000; Santa Maria \$96,600; Santa Ynez \$146,200; Lompoc \$99,500  2020 Mod & Workforce Fees: South Coast \$658,000; Santa Maria \$248,000; Santa Ynez \$431,600; Lompoc \$227,600

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES  
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS  
 ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	

III. Inclusionary Requirements: Rental Projects Only

Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% L Properties at less than 60 units per acre: 4% VL or 6% L	55			In-Lieu fee paid by right. \$10 per square foot of leasable area in the market rate project.
Glendale	Create on-site units; create off-site units; pay in-lieu fee; donate land; acquisition / rehabilitation.	15%	No	8	60%	55			Sliding scale: 8 Units @ \$28.71/SF - 21 Units @ \$55/SF

# Attachment No. 4

Draft City Council Ordinance No. 2402  
(Inclusionary Housing Ordinance – No  
Exhibit)

ORDINANCE NO. 2402

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARCADIA RELATED TO TEXT AMENDMENT NO. TA 25-01 ADDING A NEW SECTION 9103.16 TO ARTICLE IX, CHAPTER 1 (DEVELOPMENT CODE) OF THE ARCADIA MUNICIPAL CODE PERTAINING TO AN INCLUSIONARY HOUSING ORDINANCE AND ASSOCIATED IN-LIEU DEVELOPMENT FEE

WHEREAS, the Development Services Department has initiated Text Amendment No. TA 25-01 to add a new Inclusionary Housing Ordinance as Section 9103.16 to Article IX, Chapter 1 of the Arcadia Municipal Code (referred to as “Text Amendment”); and

WHEREAS, California State Housing Element Law establishes the requirements for Housing Elements and California Government Code Section 65588 requires that local government review and revise the Housing Element of their comprehensive General Plans not less than once every eight years. Additionally, the California State Legislature identifies overall housing goals for the State with the goal of ensuring every resident has access to housing and suitable living environments; and

WHEREAS, the updated Housing Element was adopted by City Council on February 15, 2022, and again, at the request of the State Department of Housing and Community Development, on November 1, 2022, and

WHEREAS, the City is required to implement actions and policies within the approved and certified Housing Element, including the provision of affordable housing, and compliance with the Regional Housing Needs Allocation (RHNA) for the City of Arcadia; and

WHEREAS, the proposed Text Amendment would effectuate Housing Element Implementation Action No. 5-19 by adopting an Inclusionary Housing Ordinance as shown in Exhibit "A" of this Resolution; and

WHEREAS, on February 27, 2025, Planning Services completed an environmental review of the proposed Text Amendment and determined that the project is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review; and

WHEREAS, on March 11, 2025, the Planning Commission held a duly-noticed public hearing and considered the staff report, recommendations by staff, and public testimony concerning the Text Amendment; and

WHEREAS, on April 1, 2025, the City Council held a duly noticed public hearing concerning the Text Amendment, at which time all interested persons were given full opportunity to be heard and to present evidence.

NOW, THEREFORE, the City Council of the City of Arcadia does ordain as follows:

SECTION 1. The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2. The City Council finds, based upon the entire record:

1. The proposed amendment and ordinance is consistent with the City's adopted General Plan and any applicable specific plan(s).

FACT: The proposed Text Amendment No. TA 25-01 is consistent with the General Plan Housing Element goals and policies. The Text Amendment ensures that

Implementation Action No. 5-19 of the Housing Element is met, and that the City is taking all steps it can to allow capacity for affordable housing units within the City. In order to provide capacity for the number of affordable housing units identified in the City's Regional Housing Needs Allocation (RHNA), and at the levels shown in the RHNA, the Text Amendment is needed. The Text Amendment is consistent with the following General Plan Housing Element Goals and Policies:

Housing Element

Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.

Goal H-3: A range of housing choices for all social and economic segments of the community, including housing for persons with special needs.

Policy H-3.2: Facilitate homeownership opportunities for lower and moderate-income households.

Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.

The proposed Text Amendment No. TA 25-01 will add a new Section to the Development Code related to Inclusionary Housing. This amendment will not impact any portions of the General Plan and is therefore consistent with the adopted General

Plan.

2. The proposed amendment is internally consistent with other applicable provisions of this Development Code.

FACT: The proposed Text Amendment will add a new Section 9103.16 to the Development Code. The Inclusionary Housing Ordinance will require a certain percentage of units within qualifying multi-family residential and mixed-use development projects be provided as affordable housing units. The Text Amendment is consistent with recent rezoning efforts completed in 2024 by the City, when a number of areas of the City were upzoned for additional density and/or to allow residential units where they were not previously allowed. The Inclusionary Ordinance works in concert with these zoning efforts to create the capacity for residential units to be built in compliance with the City's RHNA as set forth by the State of California. As a result, the proposed Text Amendment is internally consistent with all other areas of the Arcadia Development Code.

SECTION 3. The City Council has determined that Text Amendment No. TA 25-01 is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review.

SECTION 4. For the foregoing reasons, the City Council adopts this Ordinance. Staff is authorized to correct typographical errors, spelling, formatting or codification and to make other minor revisions to improve the reader's comprehension of the changes

from this text amendment attached hereto under Exhibit A of this Ordinance, provided that any revisions do not alter the regulatory meaning and intent.

SECTION 5. The City Council hereby directs staff to prepare, execute, and file with the Los Angeles County Clerk a Notice of Exemption within five (5) working days of the adoption of this Ordinance.

SECTION 6. The City Clerk shall certify to the adoption of this Ordinance and shall cause a copy of the same to be published in the official newspaper of said City within fifteen (15) days after its adoption. This Ordinance shall take effect thirty-one (31) days after its adoption.

SECTION 7. The Custodian of Records for this Ordinance is Linda Rodriguez, Assistant City Clerk and the records comprising the administrative record for this Ordinance are located at Arcadia City Hall, 240 W. Huntington Drive, Arcadia CA.

[SIGNATURES ON THE NEXT PAGE]

Passed, approved and adopted by the City Council this 1<sup>st</sup> day of April, 2025.

\_\_\_\_\_  
Mayor of the City of Arcadia

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael J. Maurer  
City Attorney

DRAFT

# Attachment No. 5

Draft City Council Resolution No. 7621  
(In-Lieu Fee)

RESOLUTION NO. 7621

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, ESTABLISHING AN INCLUSIONARY HOUSING IN-LIEU DEVELOPMENT FEE AS AN ALTERNATIVE TO PROVIDING AFFORDABLE HOUSING UNITS REQUIRED BY THE INCLUSIONARY HOUSING ORDINANCE; AND FINDING THAT THIS RESOLUTION IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (“CEQA”)

WHEREAS, the Development Services Department has initiated Text Amendment No. TA 25-01 to add a new Inclusionary Housing Ordinance as Section 9103.16 to Article IX, Chapter 1 of the Arcadia Municipal Code (referred to as “Text Amendment”); and

WHEREAS, California State Housing Element Law establishes the requirements for Housing Elements and California Government Code Section 65588 requires that local government review and revise the Housing Element of their comprehensive General Plans not less than once every eight years. Additionally, the California State Legislature identifies overall housing goals for the State with the goal of ensuring every resident has access to housing and suitable living environments; and

WHEREAS, the updated Housing Element was adopted by City Council on February 15, 2022, and again, at the request of the State Department of Housing and Community Development, on November 1, 2022, and

WHEREAS, the City is required to implement actions and policies within the approved and certified Housing Element, including the provision of affordable housing,

and compliance with the Regional Housing Needs Allocation (RHNA) for the City of Arcadia; and

WHEREAS, the proposed Inclusionary Housing Ordinance (City Council Ordinance No. 2402) meets the requirements of California State housing law by providing alternatives to the provision of affordable units within housing projects, including the establishment of an Inclusionary Housing In-Lieu Development Fee as shown in Exhibit “A” of this Resolution; and

WHEREAS, based on a Inclusionary Housing In-Lieu Fee Analysis conducted by Keyser Marston Associates, Inc., the fees set forth in **this Resolution** are necessary for the purposes set forth in this Resolution. Said fees **are based on an** in-depth analysis of development costs within the City of Arcadia, **and the proposed fees** are deemed to be fair and reasonable as an alternative to providing affordable housing units; and

WHEREAS, on April 1, 2025, the City Council held a duly noticed public hearing concerning the Text Amendment, at which time all interested persons were given full opportunity to be heard **and to present evidence**.

NOW, THEREFORE, the City Council of the City of Arcadia does hereby resolve as follows:

SECTION 1. The establishment and/or adjustment of fees is statutorily exempt from the California Environmental Quality Act (“CEQA”), pursuant to Section 15273 of the CEQA Guidelines (Sections 21080(b)(8) and 21082, Public Resources Code).

SECTION 2. The City Council hereby adopts the Inclusionary Housing In-Lieu Development Fee, based on the square footage of leasable and/or saleable area in the Development, attached hereto as Exhibit “A”.

SECTION 3. The City Council directs that the Inclusionary Housing In-Lieu Development Fee be evaluated annually to ensure the fee is appropriate and consistent with the cost of development, and that recommended modifications to the fee be proposed to the City Council as necessary.

SECTION 4. The Inclusionary Housing In-Lieu Development Fee will be imposed and collected as of the effective date of the Inclusionary Housing Ordinance (Ordinance No. 2402), May 15, 2025.

SECTION 5. The City Clerk shall certify the adoption of this Resolution.

[SIGNATURES ON NEXT PAGE]

Passed, approved and adopted this 1<sup>st</sup> of April 2025.

\_\_\_\_\_  
Mayor of the City of Arcadia

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael Maurer  
City Attorney

DRAFT

**EXHIBIT "A"**  
**INCLUSIONARY HOUSING**  
**IN-LIEU DEVELOPMENT FEE**

DRAFT

**BASE IN-LIEU PAYMENT AMOUNTS**

Recommended Base In-Lieu Fee Payment Amounts Residential Developments with 20 or More Units Affordability Gap Analyses	
Apartment Development	
Per Inclusionary Unit	\$403,000
Per Square Foot of Total Leasable Area in the Development	\$43.80
Ownership Housing Development	
Per Inclusionary Unit	\$701,300
Per Square Foot of Total Saleable Area in the Development	\$23.30

**DISCOUNTED IN-LIEU FEE SCHEDULES**

Recommended Discounted In-Lieu Fee Schedules Measured Per Square Foot of Leasable or Saleable Area in the Residential Development		
Number of Units	Apartment Development	Ownership Housing Development
10	\$3.98	\$2.12
11	\$7.96	\$4.24
12	\$11.95	\$6.35
13	\$15.93	\$8.47
14	\$19.91	\$10.59
15	\$23.89	\$12.71
16	\$27.87	\$14.83
17	\$31.85	\$16.95
18	\$35.84	\$19.06
19	\$39.82	\$21.18
20+	\$43.80	\$23.30

**FRACTIONAL IN-LIEU FEE SCHEDULES**

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Leasable Area of One Unit in an Apartment Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Apartment Development
0.10	\$50.00	\$40,310
0.20	\$100.00	\$80,620
0.30	\$150.00	\$120,930
0.40	\$200.00	\$161,230
0.50	\$250.00	\$201,540
0.60	\$299.90	\$241,770
0.70	\$349.90	\$282,080
0.80	\$399.90	\$322,390
0.90	\$449.90	\$362,700
1.00	\$499.90	\$403,000

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Saleable Area of One Unit in an Ownership Housing Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Ownership Housing Development
0.10	\$47.80	\$70,100
0.20	\$95.70	\$140,300
0.30	\$143.50	\$210,400
0.40	\$191.40	\$280,600
0.50	\$239.20	\$350,600
0.60	\$287.00	\$420,700
0.70	\$334.90	\$490,900
0.80	\$382.70	\$561,000
0.90	\$430.60	\$631,200
1.00	\$478.40	\$701,300



**ARCADIA PLANNING COMMISSION  
REGULAR MEETING MINUTES  
TUESDAY, FEBRUARY 25, 2025**

---

**CALL TO ORDER** Chair Wilander called the meeting to order at 7:00 p.m.

**ROLL CALL**

PRESENT: Chair Wilander, Vice Chair Tallerico, Arvizu, Hui, and Tsoi

ABSENT: None

**SUPPLEMENTAL INFORMATION FROM STAFF REGARDING AGENDA ITEMS**

There were none.

**PUBLIC COMMENTS (5 minute time limit per person)**

There were none.

**PUBLIC HEARING**

1. **Resolution No. 2163** – Approving a new preschool with a maximum of 35 students at 21 W. Duarte Road, Unit B

**CEQA: Exempt**

**Recommendation:** Adopt

**Applicant:** Lusine Avoyan and Anet Grigorian

**MOTION - PUBLIC HEARING**

Chair Wilander introduced the item and Senior Planner Melissa Chipres presented the staff report.

Chair Wilander asked how staff will monitor the students while accompanying another student to the bathroom.

Ms. Chipres deferred the question to the Applicant.

Commissioner Arvizu expressed concerns about the vinyl fence surrounding the playground area, particularly where it faces the adjacent parking spaces. He inquired whether a more secure barrier could be installed.

Ms. Chipres informed the Commission that the Applicant can provide details on the proposed barrier.

The public hearing was opened.

Lusine Avoyan, the Applicant, introduced herself and responded to the Commissioner's questions. She explained that they plan to hire teachers' aides to assist with supervising the

children. In the meantime, a teacher will accompany a student to the bathroom and stand in the doorway to monitor the students in the classroom.

Ms. Avoyan added that they also intend to install bollards for additional safety of the playground.

Chair Wilander asked if there are licenses and certifications required for preschools.

Deputy Development Services Director, Lisa Flores, said preschools are required to obtain a State license and the site will be inspected. Additionally, the City will conduct its own inspections of all the proposed improvements.

Vice Chair Tallerico asked what crime prevention tools they will have on site.

Ms. Avoyan said they plan to install an alarm system and security cameras during the tenant improvement permit process.

There were no other speakers.

Commissioner Hui arrived at the meeting at 7:16 p.m.

Vice Chair Tallerico made a motion to close the public hearing.

Commissioner Tsoi seconded the motion.

Without objection, the motion was approved.

## **DISCUSSION**

Commissioner Tsoi suggested that the barrier between the parking spaces and the playground be of a material that would allow visibility for the safety of the children.

Commissioner Arvizu stated that he agreed with any material type so long as it would provide protection from motorists driving into the playground area.

Chair Wilander also agreed that there should be a more permanent barrier between the playground and the parking lot.

Vice Chair Tallerico asked if the State regulates the material of the fence.

Ms. Flores clarified that state regulations require a fence for safety with controlled points of entry; however, the choice of material for the playground area is at the City's discretion. She noted that all the suggestions made so far were excellent.

Commissioner Arvizu asked if the State regulates the height of the fence.

Ms. Flores said it is usually about 5-6 feet.

Commissioner Arvizu expressed his desire for the Commission to reach a consensus on a new barrier type before presenting it to the Applicant.

Commissioner Tsoi said that he would not like to incur more costs on the Applicant and made suggestions of alternative barriers.

Vice Chair Tallerico stated that he did not want to impose more requests than required of the Applicant if it is not being asked of other schools or daycares.

Ms. Flores explained that this project is subject to a Conditional Use Permit, giving the Commission the authority to add conditions if they determine that a potential impact needs to be addressed.

Commissioner Tsoi asked if the wheel stops can be removed and replaced with a curb or planter.

Ms. Flores said yes.

Commissioner Arvizu made a motion to reopen the public hearing.

Vice Chair Tallerico seconded the motion.

Without objection the motion was approved.

Commissioner Arvizu asked the Applicant if they agreed to replace the vinyl fence on the east side of the playground with either a block wall or solid barrier covering the bottom three feet of the fence, as well as to install either a solid wall or bollards along the walkway between the playground and the building to provide protection from motorists.

Ms. Avoyan stated that they chose a commercial-grade vinyl fence but agreed to install a solid barrier or bollards.

It was moved by Commissioner Arvizu, seconded by Vice Chair Tallerico to close the public hearing.

## **MOTION**

Ms. Flores recommended that Condition No. 6 be amended to reflect the Commission's recommendation. The revised Condition No. 6 should state: The new fence will be made of vinyl material, except on the side facing the parking lot, which will be constructed of wrought iron with a solid base or another type of barrier at least 3 feet in height, serving as a protective barrier for motorists. The south-facing fence along the walkway between the building and the playground area will also feature a solid base, at least 3 feet high, and may consist of either a cinder block wall or bollards. The total height of the fence, including any combination of materials, shall not exceed 6 feet at any point. The revised plans and materials must be reviewed and approved by the Deputy Development Services Director or their designee prior to submitting the plans into the Building Division for plan-check.

It was moved by Vice Chair Tallerico, seconded by Commissioner Tsoi to adopt Resolution No. 2163, approving a new preschool with a maximum of 35 students at 21 W. Duarte Road, Unit B in which the findings were made and is CEQA exempt, subject to the amended condition of approval.

## ROLL CALL

AYES: Chair Wilander, Vice Chair Tallerico, Commissioners Arvizu, Hui, and Tsoi  
NOES: None  
ABSENT: None

The motion was approved.

*There is a ten (10) day appeal period. Appeals are to be filed by 5:30 p.m. on Monday, March 10, 2025.*

## CONSENT CALENDAR

1. Resolution No. 2159 – Recommending that the City Council deny Text Amendment No. 24-01 amending various sections of Article IX, Chapter 1 (Development Code) of the Arcadia Municipal Code pertaining to Accessory Dwelling Units, the Residential Flex (RF) Overlay, and other minor text amendments and cleanups

Recommendation: Adopt

Vice Chair Tallerico stated that he had thoughts about the Resolution and asked if the Planning Commission could discuss an item.

Ms. Flores mentioned that the Commission would need to remove the item for discussion. In response, Vice Chair Tallerico asked for the item to be pulled. Chair Wilander then moved to take Item No. 1 off the Consent Calendar for further discussion.

## Discussion

Chair Wilander asked if the Commission must approve the Resolution on the Consent Calendar.

Ms. Flores mentioned that they could either approve the Resolution as presented, which recommends denial, split the action by recommending approval for the portion they support, or approve the original Resolution recommending approval.

Vice Chair Tallerico stated that he agreed with the Resolution as written and asked if the Planning Commission could speak about their decision to recommend denial at the City Council meeting.

Ms. Flores said it is best for the Planning Commission to send their comments regarding their recommendations about specific sections of the text amendment since it was not a unanimous vote to deny it.

Commissioner Tsoi pointed out that the Text Amendment has multiple components, and the denial would reject all the proposed changes. He asked if the motion could be split up.

Ms. Flores confirmed that the action can be split up.

Commissioner Arvizu agreed with the idea of splitting the motion.

Commissioner Tsoi voiced concern about the potential consequences of denying the text amendment, fearing it could jeopardize the validity of the City's ADU Ordinance.

Vice Chair Tallerico stated he disagreed with the State regulations over housing and would like to keep local control over ADUs.

Ms. Flores clarified that the Text Amendment would not change the current ADU Ordinance, they are only minor revisions that are being proposed to comply with State law.

Vice Chair Tallerico asked if the proposed changes are largely different from what is currently in place.

Ms. Flores clarified that the changes will not change the size, setback, location, or height of the ADU. The amendments specifically address multi-family zoned properties, allowing owners to have up to eight (8) ADU units, along with minor updates and revisions to the objective design standards. She noted that more than approximately 90% of the ADU Ordinance will remain unchanged. We restructured and reformatted it to improve the flow and clarity, and this was also in reaction to a letter that the City received from the State's Department of Housing and Community Development. She also explained that if the proposed amendments are not approved, the City's ADU ordinance would become invalid, and State law would take effect, which is less restrictive and allows for larger ADU units than currently permitted in the Code.

Vice Chair Tallerico asked about the owner-occupancy requirements.

Ms. Flores stated that in 2020 the State eliminated the owner-occupancy requirement for ADUs.

Commissioner Arvizu asked about design review and if the authority of the Architectural Review Board (ARB) to review ADUs is changing.

Ms. Flores stated that ARBs have not reviewed the design of ADUs since 2021, as long as they comply with state requirements and local zoning. She also noted that while there are objective design standards, some are too restrictive, resulting in less aesthetically pleasing ADUs.

Commissioner Arvizu stated that he could not make the findings in accordance with the General Plan, and it is the reason why he voted to recommend denial.

Ms. Flores said not all goals and policies in the General Plan apply to this text amendment, and staff only included the ones that were relevant.

Commissioner Arvizu stated that he disagreed with State regulations regarding ADUs and that his vote to deny recommendation made that statement.

The Commissioners asked if they could split the Resolution and continue the item to the next meeting.

Ms. Flores outlined three options for the Commission: approve the Resolution tonight, revisit the entire text amendment at the next meeting, or return with a revised Resolution that separates the actions on the text amendment and communicates their position to the City Council, whether in favor or against.

The Commission agreed to reconsider the entire Text Amendment at the next meeting.

Ms. Flores said she would adjust the font color in the ADU Ordinance to clearly highlight the changes. She also noted that staff would bring back the Resolution for approval, as discussed.

Vice Chair Tallerico felt this explanation was clearer than what was explained to them at the last meeting.

Ms. Flores suggested that the Commission table the item and revisit the text amendment, along with a revised Resolution that recommends approval at the next meeting.

It was moved by Chair Wilander, seconded by Vice Chair Tallerico to continue the Public Hearing on the item to the March 11, 2025, Planning Commission meeting and consider a revised Resolution.

## **ROLL CALL**

AYES: Vice Chair Tallerico, Commissioners, Arvizu Hui, and Tsoi  
NOES: None  
ABSENT: None

### 2. Minutes of the February 11, 2025, Regular Meeting of the Planning Commission

**Recommendation:** Approve

Vice Chair Tallerico motioned to approve the amended minutes and seconded by Commissioner Tsoi.

## **ROLL CALL**

AYES: Vice Chair Tallerico, Commissioners Arvizu Hui, and Tsoi  
NOES: None  
ABSENT: None

Chair Wilander abstained from voting because she was not at the February 11, 2025, meeting.

The motion was approved.

## **MATTERS FROM CITY COUNCIL LIAISON**

City Council Member Wang had nothing to report.

## **MATTERS FROM THE PLANNING COMMISSIONERS**

Commissioner Arvizu brought up the traffic congestion caused by the drive-thru traffic of the In-N-Out on Santa Anita Avenue and Colorado Boulevard and asked if they recently changed the circulation pattern of the vehicle traffic.

Ms. Flores said she would consult with the City Engineer but was not aware of any recent changes. She said she would follow up with any information.

Commissioner Hui asked if a sign or reflection signal can be installed at the intersection of Baldwin Avenue and Camino Real because the median divider on Baldwin Avenue north of Camino Real is not very visible at night.

**MATTERS FROM ASSISTANT CITY ATTORNEY**

Assistant City Attorney Martz had nothing to report.

**MATTERS FROM STAFF INCLUDING UPCOMING AGENDA ITEMS**

Ms. Flores reported that Inclusionary Housing will be on the agenda of the March 11 meeting.

Ms. Flores reported that the Appeal for the approval of the Tempo Hilton hotel was withdrawn.

Ms. Flores informed the Commission that the Arcadia Town Center was appealed, and it will be before the City Council on March 18.

Ms. Flores reported that the Volunteer Appreciation Dinner will be on April 3 and invitations are to come.

**ADJOURNMENT**

The Planning Commission adjourned the meeting at 8:17 p.m., to Tuesday, January 28, 2025, at 7:00 p.m. in the City Council Chamber.

\_\_\_\_\_  
Chair Wilander, Planning Commission

ATTEST: \_\_\_\_\_  
Lisa L. Flores  
Secretary, Planning Commission