

DRAFT
Density Transfer Program
March 26, 2019

Program Purpose

The purpose of the Density Transfer Program is to enable the City to transfer densities from undeveloped or underutilized properties (sending areas) within the Downtown Specific Plan (DSP) to developing properties (receiving areas) to enable a developing property to increase its density beyond what current zoning would permit. The transferred density would be held in a Density Credit Pool.

- ***Sending Area*** - Areas identified to be conserved or restrained from further growth or density. This may include an area or property where development has occurred and is currently underutilized and further development is not anticipated. The unused density is transferred to a Density Credit Pool.
- ***Receiving Area*** - Area identified as having additional potential for development beyond that allowed by existing zoning. The increased density can only be utilized by transferring of density from a Density Credit Pool.
- ***Density Credit Pool*** - A Density Transfer Pool consists of unused density from undeveloped or underutilized properties. Available density with the Density Credit Pool could be transferred to a developing parcel to increase the density beyond what is permitted through the current zoning. The overall transfer of density from sending areas to receiving areas would not exceed the overall planned density of a specific area.

Program Administration

The Density Transfer Program would establish a density credit pool. The City would kickstart the density credit pool with unused density from city-owned parcels within the DSP. The City would consider continuing to fill the density credit pool with excess unused density transferred from other undeveloped, developed, or developing properties that are not developing to the maximum density allowed by current zoning (sending areas). A deed restriction would be placed on a sending area property to document the transfer of unused density into the pool.

At a later time, the property owner of a sending property could request reallocation of transferred density should they desire to increase the density on their property if the density units are still available or if there are additional units available in the density credit pool.

Allocation of the density from the pool would only occur when developing properties request additional density beyond that permitted by current zoning. The request for an increase in units would require City Council approval of a Planned Development Permit. Provided there is adequate density available in the Pool, there would be no ceiling on the amount of density that could be requested, but rather each development would be scrutinized through the entitlement and environmental review process to ensure appropriate and desired development within the community.

A property owner or developer who requests density from the Density Credit Pool, would submit an application for a Planned Development Permit to the Planning Division. The Planning Divi-

sion would review the Planned Development application for completion, project design, environmental concerns, CEQA process, zoning compliance, and other City and state regulations.

When a development is approved to receive density from the Density Credit Pool, those density units would be deducted from the density credit pool. Monitoring of the density credit pool would be accomplished by utilizing tables which details information regarding sending and receiving properties and documents available density within the DSP. Comprehensive tables would list pertinent data for each sending and receiving property such as assessor parcel numbers, addresses, ownerships, acreages, existing dwelling units and/or allowable dwelling units, additional dwelling units requested, application dates, approval dates, available number of units within the district pool, and number of units approved, and resolution number approving the allocations.

Administration of the transfer of density between the density credit pool, sending areas, and receiving areas would be routinely monitored to ensure that the number of dwelling units for the DSP would not be permitted to exceed the buildout of 5,275 units. An annual report to the City Council regarding the DSP density pool would be presented by staff to outline approved projects, constructed projects, balance left in the density pool and recommendations for the upcoming year.

Density Transfer Program Benefits

The benefits of a Density Transfer Program and a Density Credit Pool include:

1. Simple effective method for maximizing density in the urban core to support an established business community.
2. City maintains oversight for managing transfers and density accounting.
3. There is no assumed "taking" property rights as only excess density is transferred into pool.
4. It is a mechanism that can transfer density without the expenditure of public funds.
5. The deed restriction is absolute as long as there is available density so there is no taking of property rights.
6. Consideration of requesting density is an option to each property owner who may have utilized only a portion of their density and may request additional density at later time.
7. There is no need to conduct costly appraisals or property evaluations.
8. It reduces negotiation of value of density but rather focus on benefits to the DSP.
9. It reduces administration time of monitoring sending and receiving areas, how much has been utilized, how much is left, has deed restrictions been prepared, recorded, monitored, etc.
10. Increased residential activity to the DSP would improve its financial viability and City's goals.
11. Improvements within DSP would further the goals of the DSP.
12. The City would realize increased property values and tax revenues.
13. It encourages new residential and mixed-use development because of the simplification of the process as it does not involve complex appraisals and negotiations.
14. It allows opportunities for a variety of housing for various income levels by increasing the amount of density in a development.