



# CITY OF HAYWARD

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## Cover Memo

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**File #:** WS 22-035, **Version:** 1

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**DATE:** November 10, 2022

**TO:** Planning Commission

**FROM:** Jeremy Lochirco, Planning Manager

### **SUBJECT**

Density Bonus Update: Review and Discuss Updates to the City's Density Bonus Ordinance for Compliance with State Density Bonus Laws

### **RECOMMENDATION**

That the Planning Commission provide feedback and guidance on staff's recommended updates to the Density Bonus Ordinance, including the specific density bonus incentives and concessions contained within this staff report. Following this work session, staff will finalize the draft Ordinance, identify the amendments needed to Chapter 10 of the Hayward Municipal Code to reflect these updates, and complete the California Environmental Quality Act (CEQA) analysis before presenting to the Council for final consideration in December 2022.

### **SUMMARY**

The City's existing Density Bonus Ordinance adopted in 2005 does not conform with current State law. The current State law, which is required to be implemented by local jurisdictions, offers more density, more incentives, and additional relaxed parking requirements to projects that qualify for the density bonus. The State's Density Bonus formula takes precedence; however, the City can change the formula to offer a higher density bonus and more incentives for certain projects, but under no circumstances can the City offer smaller density bonuses or fewer incentives than the State formula mandates or impose additional restrictions. Staff is proposing to update the City's Density Bonus Ordinance to reflect three main changes:

- Exceed the State's Density Bonus Maximum by 5% for all density bonus projects that provide on-site affordable units;
- Exceed the State's Density Bonus Maximum by 10% for projects that provide on-site affordable units and target special populations; and
- Increase the number of incentives/concessions for projects that exceed the minimum on-site affordable housing requirements under the City's Affordable Housing Ordinance (AHO) to encourage development of more affordable units.

These recommendations are based on previous feedback provided by the Council, Planning Commission, and the City's Homelessness Housing Task Force (HHTF). Staff is also seeking to streamline the review of

Density Bonus applications and working on a policy for possible fee deferrals to offset upfront costs associated with affordable housing construction to help overall project feasibility. This work session is to obtain feedback from the Planning Commission on staff's recommended updates to the City's Density Bonus Ordinance, which would incentivize affordable housing production and housing for several target populations. Following this work session, staff will finalize the draft Ordinance and related CEQA analysis before returning to Council for final consideration in December 2022.

## **ATTACHMENTS**

Attachment I Staff Report

Attachment II Summary of Existing and Proposed Density Bonus Modifications

Attachment III Recommendations Not Supported By Staff

Attachment IV Stakeholder Interview Comments