



**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**June 3, 2025**

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**TOPIC:** Density Bonus Agreement No. 2025-02 – Santa Ana 9 Townhomes (125 and 205 S. Harbor Boulevard)

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**AGENDA TITLE**

Density Bonus Agreement No. 2025-02 to Facilitate the Construction of a Residential Development Consisting of Thirty-Six (36) Attached For-Sale Townhomes, Which Includes Four (4) Units Designated as Affordable to Moderate Income Households, at 125 and 205 South Harbor Boulevard

**RECOMMENDED ACTIONS**

1. Adopt a resolution approving Density Bonus Agreement No. 2025-02; and

RESOLUTION NO. 2025-XXX entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA APPROVING DENSITY BONUS AGREEMENT NO. 2025-02 TO ALLOW A THIRTY-SIX UNIT SINGLE-FAMILY ATTACHED TOWNHOME DEVELOPMENT FOR THE PROPERTY LOCATED AT 125 AND 205 SOUTH HARBOR BOULEVARD (APN: 144-311-15 & 144-311-14)

2. Determine that, pursuant to the California Environmental Quality Act (CEQA) and the CEQA Guidelines, the recommended action is exempt from further review under Section 15195 (Residential Infill Exemption), as this project meets all the threshold criteria set forth in Section 15192 (Threshold Requirements for Exemption); and
3. Approve a Density Bonus Agreement with 205 S Harbor Plaza, LLC, for a 55-year term, for a for-sale residential development consisting of thirty-six (36) attached for-sale townhomes, which includes four (4) units designated as affordable to moderate-income households at 125 and 205 S. Harbor Boulevard. (Agreement No. A-2025-XXX)

**GOVERNMENT CODE §84308 APPLIES:** Yes

## **EXECUTIVE SUMMARY**

City Ventures Homebuilding, LLC, representing property owner John Rezvani, Managing Member of 205 S Harbor Plaza, LLC, is requesting approval of Density Bonus Agreement (DBA) No. 2025-02 to allow the construction of thirty-six (36) attached for-sale townhomes, with four (4) units proposed as affordable to moderate income households earning 80 to 120-percent of the area median income (AMI), on a 1.81-acre site located at 125 and 205 S. Harbor Boulevard. As proposed, the project will utilize waivers from development standards and/or development concessions as memorialized by the density bonus agreement pursuant to California Government Code [Sections 65915 through 65918](#) and Santa Ana Municipal Code (SAMC) [Sections 41-1600 through 41-1607](#). The request satisfies the purpose and intent of the Harbor Mixed Use Corridor Specific Plan (SP2) to provide additional affordable housing stock to an underserved segment of the region's population. As a result, staff recommends approval of the DBA.

### *Planning Commission Action*

On April 28, 2025, the Planning Commission held a public hearing for the project and voted 5:0:2, with Chair Oliva and Commissioner Pham absent, to approve Vesting Tentative Tract Map (VTTM) No. 2025-02 and to approved certain deviations (a concession and waivers or reductions in development standards), modifying both sets of conditions to require varied paint colors on plaster/stucco areas to distinguish units and aesthetically enhance verticality of individual units. Moreover, pursuant to [Section 41-1607](#) of the SAMC, the Planning Commission made the required findings to approve waivers from the development standards and a development concession, to be memorialized in the Density Bonus Agreement. Pursuant to [Section 41-1602\(d\)](#), the DBA requires City Council approval.

## **DISCUSSION**

**Table 1: Project and Location Information**

Item	Information	
Project Address and Council Ward	125 & 205 S. Harbor Boulevard – Ward 1	
Nearest Intersection	Harbor Boulevard and First Street	
General Plan Designation	Urban Neighborhood-50 (UN-50)	
Zoning Designation	Harbor Mixed Used Transit Corridor Specific Plan (SP-2) – Corridor (CDR) subzone	
Surrounding Land Uses	North	Commercial (restaurant, retail, personal service, office)
	East	Santa Anita Park
	South	Residential (multifamily)
	West	Warehouse, Trade school, Manufacturing
Property Size	1.81 acres (1.44 acres net after right-of-way easements)	
Existing Site Development	Developed with multiple buildings used for auto service/sales	

Item	Information	
Use Permissions	Multi-Family Residential (permitted under Harbor Mixed Use Transit Corridor Plan, as part of SB 330 request)	
Zoning Code Sections Affected	Uses	<a href="#">Article XVI.I (Density Bonus)</a> ; <a href="#">Corridor subzone within the Harbor Mixed Use Transit Corridor Plan (SP-2)</a> ; and <a href="#">Chapter 34 (Subdivisions)</a>

## **Project Description**

The project includes the construction of a new residential development consisting of 36 townhouse units and 9,567 square feet of open space (common and private combined). Additionally, the applicant is proposing to merge the properties at 125 and 205 S. Harbor Boulevard through an administrative lot merger process. The development will consist of four residential buildings that are three-stories in height and will provide onsite bicycle parking. The units will include private balconies, with some offering ground floor patios. The units have been designed with families in mind, offering 13 four-bedroom units and 23 three-bedroom units, and of the three-bedroom units, three are designed as live/work units. Every unit will contain a two-car garage at ground level (tuck-under building design) with residential units above, and the project site will contain ten guest parking spaces, for a total of 82 parking spaces, exceeding the requirements of SP-2. However, to proactively address parking management policies, staff is recommending conditions of approval similar to those for other residential infill projects that would incorporate parking management practices in the Covenants, Conditions, and Restrictions (CC&Rs) that will be recorded against the property.

Of the total units in the development, four units are proposed to be affordable to moderate-income households earning 80-120 percent of the AMI, which is currently set at \$154,800, adjusted for a four-person household size, as published by the California Department of Housing and Community Development (HCD). The affordable units will be two (2) three-bedroom, three-bath units and two (2) four-bedroom, four-bath units. The proposed affordable units will be 1,352 and 1,610 square feet in size and will contain full kitchens, bedrooms, bathrooms, and open/common (living) areas.

Approximately 7,616 square feet or approximately 12 percent (12%) of the total site area will be open space provided through private exterior ground-level porches/front yards and upper decks distributed throughout the site. The remainder of the open space will be provided as a 1,951-square-foot common open courtyard within the site's interior. The design and layout of the proposed common open space would function as a passive outdoor area, providing functional amenities to residents (e.g., picnic tables, BBQ, etc.). The open space would feature a shade trellis, hardscaping materials, trees, vines, and shrubs. The proposed landscaping includes, but is not limited to, pink trumpet, purple orchid, tulip, sweet bay, African sumac, southern magnolia, fern pine, Brisbane box, and crape myrtle trees, as well as a variety of shrubs. Lastly, each unit will also contain decks/private balconies for the use of each unit's owners.

The project features a contemporary architectural style similar to many multiple-family or mixed-use residential communities under construction in Santa Ana and the region. The overall design, massing, features, and materials of the new construction will be compatible with the scale of buildings in the area. The contemporary industrial architectural style would include stucco finish, corrugated metal, brick veneer, metal awnings, and high quality architectural detailing (e.g., exterior lighting, entry doors, fenestration, etc.). Moreover, the residential structures are designed to fully screen all mechanical equipment within the structure, parapet walls, and landscaping. Overall, the project will include a design and solid construction materials that will ensure that the project ages well for the duration of the building's lifetime.

### *Density Bonus*

The California Density Bonus law allows developers proposing five or more residential units to seek increases in base density for providing on-site housing units in exchange for providing affordable units on site. To help make constructing on-site affordable units feasible, the law allows developers to seek up to five incentives/concessions and an unlimited number of waivers or reductions in development standards. The incentives/concessions are generally reductions in site development standards or modification of zoning code requirements or architectural design requirements, and waivers are essentially variances from development standards (a site or construction condition).

The first version of the Density Bonus Law was adopted in 1979 and has since been amended at various times. In early 2017, the law was amended to restrict the ability of local jurisdictions to require studies to “justify” the density bonus and requested incentives/waivers and places the onus on local jurisdictions to prove that the incentives/concessions or waivers are not financially warranted.

Pursuant to the California Density Bonus law, a project's affordability level is determined by dividing the number of proposed affordable units by the allowable “base” density (i.e., 50 du/ac). Moreover, the State density bonus law states that units added by a density bonus are excluded from the calculations. The base density for the 1.81-acre site at 50 du/ac is 91 units. However, only 36 units are being proposed, which is well within the allowable base density. Of the total units in the development, four units are proposed to be affordable. Therefore, the project would have an 11-percent (11%) affordability rate. As such, State density bonus law allows the developer to request a maximum density bonus of six percent (6%).

Due to the project's 11-percent (11%) affordability rate, the developer can seek one density bonus incentive/concession and unlimited waivers, pursuant to [Section 65915 et al.](#) of the California Government Code (Density Bonuses and Other Incentives). In addition, California Assembly Bill No. 2345, approved September 28, 2020, revised the State Density Bonus

Law originally adopted in 1979 to provide additional benefits for projects that include qualifying affordable housing. For this project, the developer is not requesting a state density bonus for additional units but will avail themselves of the incentive/concession and waivers that are required to be provided by State density bonus law for projects with the requisite affordability.

The purpose of the State Density Bonus Law is to encourage the development and availability of affordable housing. Pursuant to California Government Code [Sections 65915 \(d\)\(1\) and 65915 \(e\)\(1\)](#), a local jurisdiction is limited in its ability to deny requested incentives, concessions, and waivers. The City has analyzed the project and has identified several areas of potential impacts; however, the conditions of approval proposed for the project are intended to address the project's potential impacts.

Pursuant to SB 330 and the General Plan Land Use Element, the developer has selected the Harbor Mixed Use Transit Corridor Specific Plan (SP-2) development standards for a tuck-under building type to design the projects. However, pursuant to the Density Bonus Law, the developer is seeking a specific concession and waivers from certain SP-2 standards to facilitate development of the project. Table 2 below outlines the concession and waivers requested by the applicant and approved by the Planning Commission on April 28, 2025.

**Table 2: Requested Concession and Waivers**

Standard	Required by SP-2 or the SAMC	Provided
<b>Parking Location</b>	<b>SP-2, Ch. 3, Table 3-7. Off-Street Parking Standards (pg. 3-11)</b>	
Vehicular Access (Concession)	From alley/side street, if present	Access from Harbor Boulevard instead of Figueroa Street
<b>Building Frontage</b>	<b>SP-2, Ch. 3, Frontyard/Porch Frontage Type, 1 (pg. 3-9)</b>	
Dimensions – Width (Waiver)	12 ft. min. wide symmetrical entry	4 ft. wide symmetrical entry
<b>Setback</b>	<b>SP-2, Ch. 3, Table 3-5. Building Placement (pg. 3-10)</b>	
Public Street (Waiver)	8 ft. max.	8.5 ft.
<b>Open Space*</b>	<b>SP-2, Ch. 3, Table 3-9. Onsite Open Space Requirements (pg. 3-13)</b>	
Common – Area (Waiver)	15% of lot (9,409 sq. ft.)	3% of lot (1,951 sq. ft.)
Private – Area (Waiver)	90 sq. ft. per dwelling unit (3,240 sq. ft. total)	Min. not provided for Units 1 & 2 (7,616 sq. ft. total)
Private – Dimensions (Waiver)	6' min. dimension	Min. not provided for Units 1, 2, & 11

\*Open space based on net useable parcel area

### *Onsite Parking*

To proactively address any neighborhood parking impacts that could result from the project, the conditions of approval for the VTTM and terms of the DBA include provisions requiring

the following parking management practices, to be incorporated into the final, recorded CC&Rs, and applicable throughout the life of the project:

- Requiring onsite parking permits (such as stickers or hang-tags) for any parking in the surface guest parking spaces;
- Policies for maximum time vehicles may be parked in the surface guest spaces;
- Policies for towing unauthorized vehicles; vehicles parked in unauthorized locations, such as fire lanes; vehicles parking in surface guest parking without a sticker, hang-tag, or other identifiers; and vehicles parked longer than any maximum guest parking timeframes allowed; and
- Routine garage inspections to ensure garages are available for vehicle parking.

#### *Affordable Housing Opportunity and Creation Ordinance*

The proposed development is subject to the requirements of the City's Affordable Housing Opportunity and Creation Ordinance (AHOCO), which requires rental unit developments to provide a minimum number of affordable units, depending on the proposed affordability level (i.e., low income, very low income, extremely low income, or a combination). In this case, the developer is proposing to provide moderate-income for-sale units. Pursuant to the AHOCO, the applicant is required to provide five percent (5%) moderate-income onsite affordable units.

The project exceeds the five percent (5%) affordable housing requirement for the ownership category of the City's Affordable Housing Opportunity and Creation Ordinance (AHOCO) by providing four (4) onsite units to be affordable to moderate-income (80-120%) households and significantly enhancing the opportunity for income eligible Santa Ana households to own a home in the City at a lower cost. The units will be dispersed throughout the community. The affordable units will be two (2) three-bedroom, three-bath units and two (2) four-bedroom, four-bath units. The proposed affordable units will be 1,352 and 1,610 square feet in size and will contain full kitchens, bedrooms, bathrooms, and open/common (living) areas. The developer's Inclusionary Housing Plan has been reviewed and approved by the City's Housing Division.

#### **Public Notification and Community Outreach**

Project notifications were posted, published, and mailed in accordance with City and State regulations. In addition, staff contacted the provided contacts for the Riverview West and Santa Anita Neighborhood Association to ensure they were aware of the project and Planning Commission public hearing. As the City Council's approval of this agreement does not constitute a public hearing, no public notification or community outreach is required under applicable state law or local ordinances prior to Council action.

## **ENVIRONMENTAL IMPACT**

Pursuant to the requirements of the California Environmental Quality Act (CEQA), an Environmental Impact Report (EIR) was prepared and certified in 2014 in order to address the potential environmental impacts associated with the Harbor Mixed Use Corridor Specific Plan. A mitigation monitoring and reporting program (MMRP), findings of fact, and a statement of overriding consideration were adopted with the 2014 EIR.

As proposed, the development is not anticipated to have additional environmental impacts not addressed in the 2014 EIR. Furthermore, in accordance with the California Environmental Quality Act (CEQA), the recommended action is exempt from further review under Section 15195 (Residential Infill Exemption), as this project meets all the threshold criteria set forth in Section 15192 (Threshold Requirements for Exemptions). This exemption applies to projects or sites that:

1. Meet the threshold criteria set forth in section 15192; provided that with respect to the requirement in section 15192(b) regarding community-level environmental review, such review must be certified or adopted within five years of the date that the lead agency deems the application for the project to be complete pursuant to Section 65943 of the Government Code.
2. Meet both of the following size criteria:
  - A. The site of the project is not more than four acres in total area.
  - B. The project does not include any single level building that exceeds 100,000 square feet.
3. Meet both of the following requirements regarding location:
  - A. The project is a residential project on an infill site.
  - B. The project is within one-half mile of a major transit stop.
4. Meet both of the following requirements regarding number of units:
  - A. The project does not contain more than 100 residential units.
  - B. The project promotes higher density infill housing. The lead agency may establish its own criteria for determining whether the project promotes higher density infill housing except in either of the following two circumstances:
    - 1) A project with a density of at least 20 units per acre is conclusively presumed to promote higher density infill housing.
    - 2) A project with a density of at least 10 units per acre and a density greater than the average density of the residential properties within 1,500 feet shall be presumed to promote higher density infill housing unless the preponderance of the evidence demonstrates otherwise.
5. Meets the following requirements regarding availability of affordable housing: The project would result in housing units being made available to moderate, low, or very low income families as set forth in either A or B below:

- A. The project meets one of the following criteria, and the project developer provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units as set forth below at monthly housing costs determined pursuant to paragraph (3) of subdivision (h) of Section 65589.5 of the Government Code.
  - 1) At least 10-percent of the housing is sold to families of moderate income, or
  - 2) Not less than 10-percent of the housing is rented to families of low income, or
  - 3) Not less than 5-percent of the housing is rented families of very low income.
- B. If the project does not result in housing units being available as set forth in subdivision (A) above, then the project developer has paid or will pay in-lieu fees pursuant to a local ordinance in an amount sufficient to result in the development of an equivalent number of units that would otherwise be required pursuant to subparagraph (A).

The project site is not more than four acres in area, the project does not include any single level building exceeding 100,000 square feet, and the project is an infill development within one-half mile of a major transit stop. Moreover, the development promotes higher density infill housing, does not contain more than 100 residential units, and results in housing units made available to moderate income families. Based on this analysis, a Notice of Exemption, Environmental Review No. 2024-80, will be filed for this project.

### **FISCAL IMPACT**

There is no fiscal impact associated with this action.

### **EXHIBITS**

- 1. Resolution – Density Bonus Agreement
- 2. Draft Density Bonus Agreement
- 3. April 28, 2025 – Planning Commission Staff Report and Exhibits

Submitted By: Ali Pezeshkpour, AICP, Acting Executive Director of Planning and Building Agency, and Michael L. Garcia, Executive Director of Community Development Agency

Approved By: Alvaro Nuñez, City Manager