

Section 17.39.050 (Land Value Recapture for Affordable Housing) is hereby added to Title 17 (Zoning) of the Hermosa Beach Municipal Code to read as follows:

17.39.50 Land Value Recapture for Affordable Housing

- A. Sites designated as (--HE) that have underlying non-residential zones are subject to the City's Land Value Recapture Program for Affordable Housing, as follows:
1. Proposed projects that are entirely non-residential are exempt.
 2. Projects on sites with a Sites Inventory capacity are subject to the Land Value Recapture Program fee, as follows:
 - a. For sites on the Sites Inventory with a capacity of 5 or more units:
 1. Projects proposing a minimum of 15% very-low income units, 15% low-income units, or 25% moderate income units, or combination thereof, (calculated from base density) shall be exempt from the fee;
 2. Projects proposing a portion of the above affordability requirements shall be subject to the corresponding proportional amount of the fee.
 3. Projects not proposing any affordable units shall be subject to the Tier 2 fee.
 - b. For sites on the Sites Inventory with a capacity of 1 to 4 dwelling units:
 1. Projects constructing to minimum density and proposing at least 1 affordable unit (very low, low, or moderate) are exempt from the fee.
 2. Projects not proposing any affordable units shall be subject to the Tier 1 fee.
- B. The fee amounts for the Land Value Recapture Program for Affordable Housing shall be set by City Council resolution.

Section 17.42.100(A)(3) of Title 17 (Zoning) of the Hermosa Beach Municipal Code is hereby amended as follows:

Compatibility. All affordable housing units shall be dispersed within market-rate projects. Affordable housing units within market-rate projects shall be comparable with the size and bedroom count, design, and use of market-rate units in appearance, use of materials, and finished quality. The design and appearance of the affordable housing units shall be compatible with the design of the total housing development and consistent with the surrounding neighborhood. Forms, materials and proportions that are compatible with the character of the surroundings shall be used.

Section 17.42.100(B)(2) of Title 17 (Zoning) of the Hermosa Beach Municipal Code is hereby amended as follows:

2. Applicability. The provisions of subsection (B)(1) of this section shall be applicable to residential projects of five (5) or more units, and senior citizen housing developments of at least thirty-five (35) units. Additionally, projects proposing a percentage of moderate-income rental units equivalent to the percentage of for-sale moderate income units may utilize the corresponding density bonus allowance specified in Government Code Section 65915.