

# Agenda Report

April 6, 2020

**TO:** Honorable Mayor and City Council

**FROM:** Planning & Community Development Department

**SUBJECT: PREDEVELOPMENT PLAN REVIEW OF A SINGLE-ROOM OCCUPANCY BUILDING PROPOSED AT 274 – 282 NORTH OAKLAND AVENUE**

**RECOMMENDATION:**

This report is intended to provide information to the City Council; no action is required.

**BACKGROUND:**

The applicant, CBG/Bridge Financial Advisors, has submitted a Predevelopment Plan Review (PPR) application to develop properties at 274 North Oakland Avenue (AIN 5723-006-037) and 282 North Oakland Avenue (AIN 5723-006-038) with a 63,082 square-foot, six-story, single-room occupancy (SRO) facility consisting of 186 dwelling units. A combination of at-grade and one level of subterranean parking would provide 50 parking spaces for the project. The aggregate site area is 21,128 square feet (0.49 acres) and is located on the east side of North Oakland Avenue between Corson Street and Walnut Street. The project site is zoned CD-3 (Central District Specific Plan, subdistrict 3 – “Walnut Housing”, Ford-Place/Fuller Seminary zoning precinct) and is currently developed with five residential dwelling units in four buildings. The proposed project would replace all existing improvements on-site.

Pursuant to Zoning Code Section 17.60.040.C.2.a.(4) (Application Preparation and Filing – Predevelopment Plan Review – Applicability – Mandatory review) a PPR is required for multi-family projects consisting of ten or more dwelling units. The purpose of the PPR is to achieve better projects through early consultation between City staff and applicants. The intent is to coordinate the review of projects among City staff and City departments, familiarize applicants with regulations and procedures that apply to the project, and avoid significant investment in the design of a project without preliminary input from City staff. In addition, the purpose is to identify issues that may arise during review of the project, provide opportunities for discussion about the project and an exchange of information on potential issues between the City staff and applicants, and inform the City Council and the public of proposed development projects defined in the administrative guidelines to be of communitywide significance.

A project is categorized as a project of communitywide significance if it consists of: 1) more than 50,000 square feet of gross floor area with one discretionary action; or 2) 50 or more housing units; or 3) any project determined by the Planning Director to be of major importance to the City. Projects of communitywide significance are presented to the City Council for informational purposes. The proposed project involves the construction of 186 housing units and qualifies as a project of communitywide significance.

This report provides a project description, identifies the anticipated entitlement and environmental review processes, and summarizes key areas of concern regarding Zoning Code and General Plan compliance.

### **PROJECT SUMMARY:**

The applicant proposes to construct a SRO facility consisting of the following:

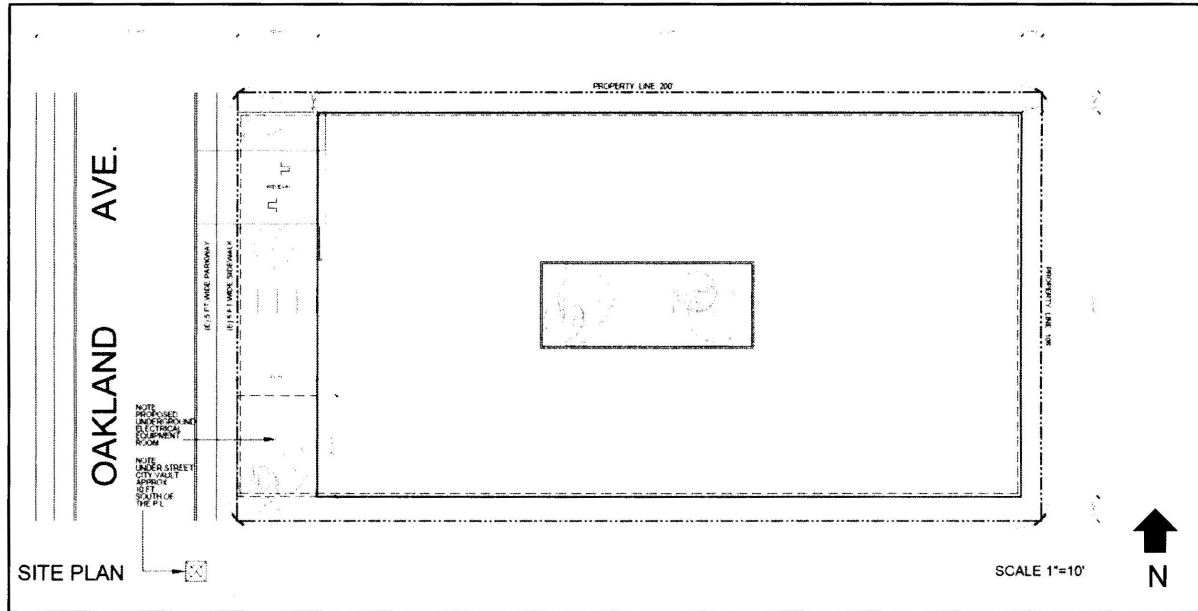
- A 186-unit SRO facility for rent (10% for Low Income households and 90% for Moderate Income Households)
  - 185 SRO units
  - 1 resident manager unit
- 6 stories (60 feet tall to highest point)
- 63,082 square feet of floor area
- 50 parking spaces (at-grade and subterranean level)

An aerial map of the existing site and the proposed site plan and elevations follow:

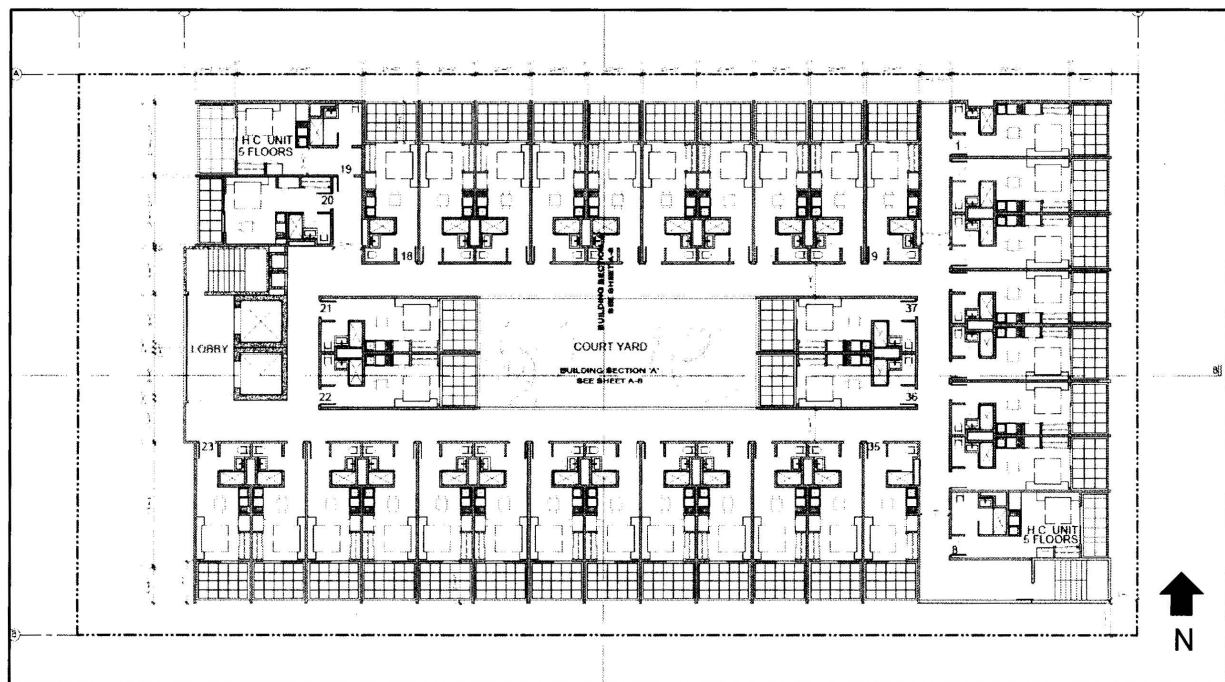
**Figure 1: Aerial View of Existing Condition**



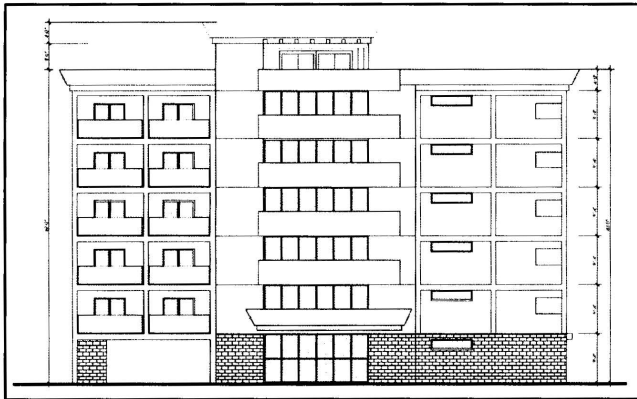
**Figure 2: Proposed Site Plan**



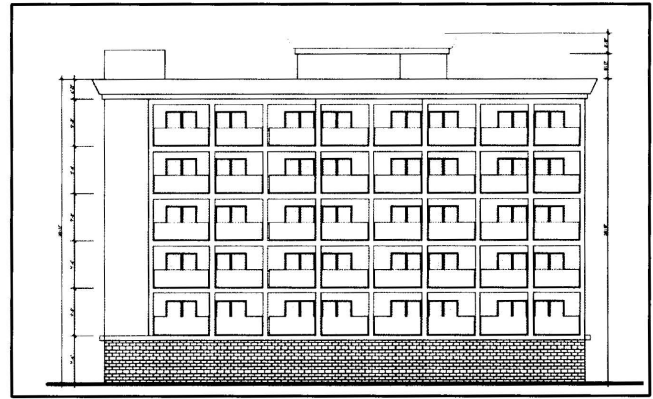
**Figure 3: Typical Floor Plan (Floors 2 – 6)**



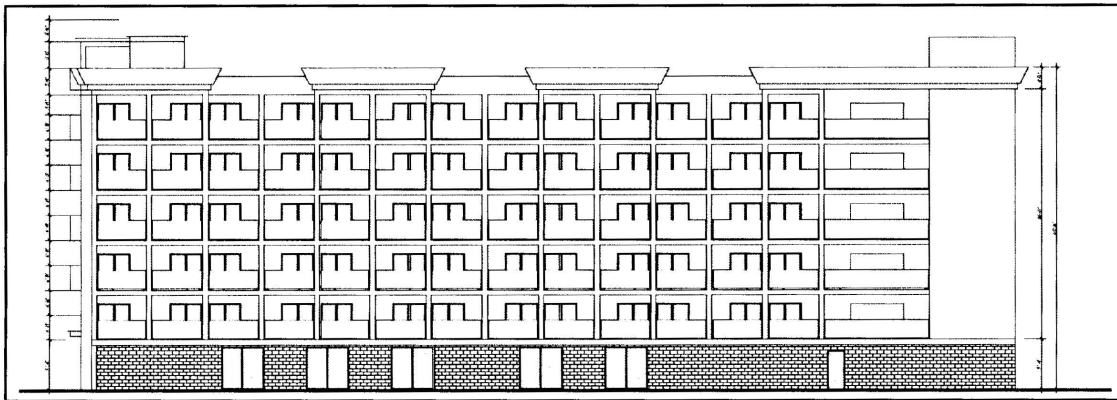
**Figure 4: Elevations (Preliminary)**



**Front (West) – N. Oakland Avenue**



**Rear (East)**



**Side (South)**

**PREDEVELOPMENT PLAN REVIEW ANALYSIS:**

All applicable City departments reviewed the project as part of the PPR process and provided comments that are included in Attachment A. Notable Planning-related standards and comments are noted below.

**Context and Compatibility**

The proposed project includes construction of a 63,082 square-foot, six-story, single-room occupancy (SRO) facility consisting of 186 dwelling units; a combination of at-grade and subterranean parking would provide 50 parking spaces. As proposed, the project does not comply with the following key development standards in the Zoning Code:

<b>Floor Area Ratio (FAR)</b>	
<i>Maximum Permitted</i>	<i>Proposed</i>
2.25 (47,538 sf)	2.98* (63,082 sf.)
<b>SRO Unit Size</b>	
<i>Required</i>	<i>Proposed</i>
150 sf minimum to 220 sf maximum	220 sf – 315 sf **

\*A density bonus is required to achieve proposed FAR.

\*\* City Council-approved SRO amendment would allow a maximum of 375 sf.

Adjacent properties fronting on Oakland Avenue, and surrounding properties, are developed with multi-family buildings of various sizes. The adjacent properties to the north, south, and west are developed with two-story multi-family buildings, and the property to the east is developed with a four- to five-story multi-family building with 179 residential dwelling units (student housing).

### *Massing and Scale*

The maximum permitted FAR, pursuant to 17.30.040, Table 3-2, Figure 3-9 (Central District Maximum Floor Area Ratio) of the Zoning Code, is 2.25, or 47,538 square feet, and the proposed FAR of 2.98, or 63,082 square feet, exceeds the maximum by 32.4%. A density bonus is required to achieve the proposed FAR.

### *Density Bonus*

Section 17.43 allows for a density bonus if a certain number of units are offered as affordable to very low, low or moderate-income households. As proposed, with 10% of the units set aside as rentals for low income households, the project is allowed a 20% density bonus. While 90% of the units are set aside for moderate income households, no density bonus is offered for providing rental units for *moderate*-income households. As proposed, in order to achieve a 32.4% density bonus, the number of units offered to low-income households for rent would need to increase to 18%.

As the project is considered a residential project under the affordable housing definitions in Section 17.80 of the Zoning Code, it is eligible for the density bonus provisions in Section 17.43. The number of units (density) of a SRO facility is regulated by the FAR. Accordingly, a density bonus offers an increase in FAR for SRO projects above the otherwise maximum allowable FAR. The amount of the density bonus to which the applicant is entitled shall vary according to the amount by which the percentage of affordable dwelling units meets the percentage established in this Section.

### *SRO Code Amendment*

On March 9, 2020, the City Council approved Zoning Code amendments to update the regulations for SRO facilities. The amendments would: (1) make SRO uses permitted without a Conditional Use Permit in all CD zones; and, (2) increase the maximum unit

size for SRO uses from 220 to 375 square feet. As proposed, the project does not comply with the *current* maximum unit size, but would comply upon adoption of the ordinance codifying the approved amendment. Further, the project would no longer be required to obtain a CUP in the CD-3 zoning district.

Inclusionary Housing Ordinance

The project is subject to inclusionary housing requirements. A minimum of 20 percent of the total number of dwelling units shall be developed, offered to, and sold or rented to households of very-low, low and moderate-income, at an affordable housing cost. The proposal includes 186 SRO units for rent, with 10 percent for low-income households and 90 percent for moderate-income households. Since the applicant is proposing rental units, per Zoning Code Section 17.42.040, a minimum of five percent of the units (9 units) shall be rented to very low-income households, five percent of the units (9 units) shall be rented to very low or low-income households and ten percent of the units (19 units) shall be rented to very low, low or moderate-income households. The resulting requirement is 37 inclusionary units. As proposed, the project does not comply with the requirement, as the project does not provide any very low-income units.

Development Capacities

The 2015 General Plan established caps for residential and non-residential development in each of the Specific Plan areas. The City's development caps do not apply to affordable housing units. The proposed project is comprised of 100% affordable units, and thus would have no effect on the development capacity for the Central District Specific Plan. Analysis of the effect of the proposed project on the adopted Development Capacities for the Central District Specific Plan is provided in the table below:

<b>Residential Unit Development Cap</b>	
2015 General Plan Adopted Cap	4,272 units
Remaining Cap Before Project	2,834 units
Remaining Cap After Project	2,834 units

**ENTITLEMENT PROCESS:**

Currently, a SRO facility is a permitted use at the subject site with approval of a Conditional Use Permit (CUP). However, the City Council approved Zoning Code amendments would make SRO uses permitted by-right, without a CUP. If the ordinance is effective, it will eliminate the requirement of a CUP to establish an SRO use in the Central District Specific Plan.

In addition, the project as proposed would require a Tentative Tract Map or Lot Line Adjustment application to consolidate the two parcels.

The proposal is also subject to the following discretionary reviews:

### *Design Review*

New construction exceeding 5,000 square feet in the Central District requires Design Review, with the Design Commission being the reviewing authority. The project is subject to three stages of review: 1) Preliminary Consultation; 2) Concept Design and, 3) Final Design.

### *Tentative Parcel Map*

The applicant is required to consolidate the two parcels into one through a Tentative Parcel Map application. Alternatively, the applicant may file a Certificate of Exception (lot line adjustment) instead of a Tentative Parcel Map to consolidate the parcels. Either application requires approval by the Hearing Officer.

### Environmental Review

This project would be subject to the provisions of the California Environmental Quality Act (CEQA). According to the Department of Transportation and based on information submitted with the PPR, a traffic analysis would be required. Additional technical studies (i.e. noise, air quality) are also necessary to determine the type of CEQA clearance required for the project.

### **NEXT STEPS:**

If the SRO Zoning Code amendments are adopted, and a code-compliant project is submitted, public hearings before the Design Commission are necessary in order to carry out the proposed project. A subsequent hearing before the Hearing Officer will also be necessary to consolidate the parcels. Environmental review of this project will occur consistent with the requirements of the California Environmental Quality Act (CEQA). The following identifies the steps in the review process:

- Submit applications for Preliminary, Concept and Final Design Review stages;
- Conduct environmental review per CEQA;
- Conduct Design Commission Review (Preliminary, Concept and Final); and,
- Public hearing review (Hearing Officer) of Tentative Parcel Map or Certificate of Exception (to consolidate the parcels).

Absent the approval of the SRO Zoning Code amendments as specified above, and proceeding with the project as-is, the applicant would have to pursue a Conditional Use Permit for the SRO use, a Variance to achieve the unit size in addition to the Tentative Parcel Map to consolidate the parcels. Concurrent filing and review of the land use permit applications (Conditional Use Permit, Tentative Parcel Map, and Variance) occurs with the Hearing Officer. The following identifies the steps in the discretionary review process:

- Applicant submits Conditional Use Permit, Variance and Tentative Parcel Map application or Certificate of Exception;
- Conduct environmental review per CEQA;
- Public hearing review (Hearing Officer) of Conditional Use Permit, Variance and Tentative Parcel Map application or Certificate of Exception.
- Conduct Design Commission Review (Preliminary, Concept and Final).

**FISCAL IMPACT:**

This report is for information only and will not result in any fiscal impact.

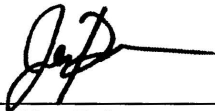
Respectfully submitted,



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DAVID M. REYES  
Director of Planning & Community  
Development

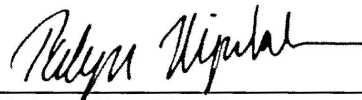
Prepared by:



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Jennifer Driver  
Planner

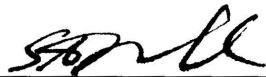
Concurred by:



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Talya Mirzakhania  
Planning Manager

Approved by:



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STEVE MERMELL  
City Manager

Attachments: (3)

- Attachment A – Predevelopment Plan Review Comments Provided to Applicant
- Attachment B – Project Summary Table of Development Standards
- Attachment C – Predevelopment Plan Review Plans