

# Agenda Report

May 4, 2020

**TO:** Honorable Mayor and City Council

**FROM:** Planning & Community Development Department

**SUBJECT: PREDEVELOPMENT PLAN REVIEW OF A SINGLE-ROOM OCCUPANCY AND CHARITABLE INSTITUTION BUILDING PROPOSED AT 1000 EAST WALNUT AVENUE**

## **RECOMMENDATION:**

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

## **Executive Summary:**

The following Predevelopment Plan Review (PPR) is being presented this afternoon in an abbreviated fashion. While PPRs are informational, the City's practice has been to provide the Developer an opportunity to make a presentation and for the City Council to ask questions and provide general feedback. Given the unique challenges brought on by the response to the COVID-19 pandemic, the City Council is asked to receive the information without the benefit of presentation by the Developer. In cases where a PPR is required, a project may not proceed through the entitlement review process until this step is completed. Given the current economic uncertainties, allowing projects to proceed through the entitlement process is in the best interests of the City.

## **BACKGROUND:**

The applicant, The Salvation Army, has submitted a Predevelopment Plan Review (PPR) application to develop a property at 1000 East Walnut Avenue (AIN 5738-003-031) with a Supportive Housing land use to be located within a new 47,193 square-foot, four-story, Single-Room Occupancy (SRO) facility with 68 dwelling units. A Charitable Institution land use, providing services offered by The Salvation Army, is proposed on the ground floor. Sixteen at-grade parking spaces would be provided for the Charitable Institution land use. The site area is 27,098 square feet (0.62 acres) and is located on the southwest corner of Walnut Avenue and Catalina Avenue. The project site is zoned CG (Commercial General) and is currently developed with an existing two-story, 20,295 square-foot, commercial building and at-grade parking. The existing commercial building is owned by The Salvation Army and is used to provide social services to area residents facing economic crises, homelessness or a threat of homelessness, and other

challenges. Services provided include food distribution; crisis counseling; cash, utility, and material assistance; homelessness prevention and rapid rehousing assistance for veteran households; and referrals. All of the services currently being provided will continue in the new project. A portion of the existing building is leased to commercial office tenants; this activity will not carry over to the proposed project. 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 68 housing units and therefore 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 the following:

- A 68-unit SRO facility for rent
  - 65 very-low income SRO units
  - 1 resident manager unit
  - 2 studio units for staff of the facility
- 8,859 square-foot Charitable Institution on the ground floor
- 47,193 square feet of total floor area (including Charitable Institution)
- 16 parking spaces (at-grade) for Charitable Institution land use

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

Figure 1: Aerial View of Existing Condition

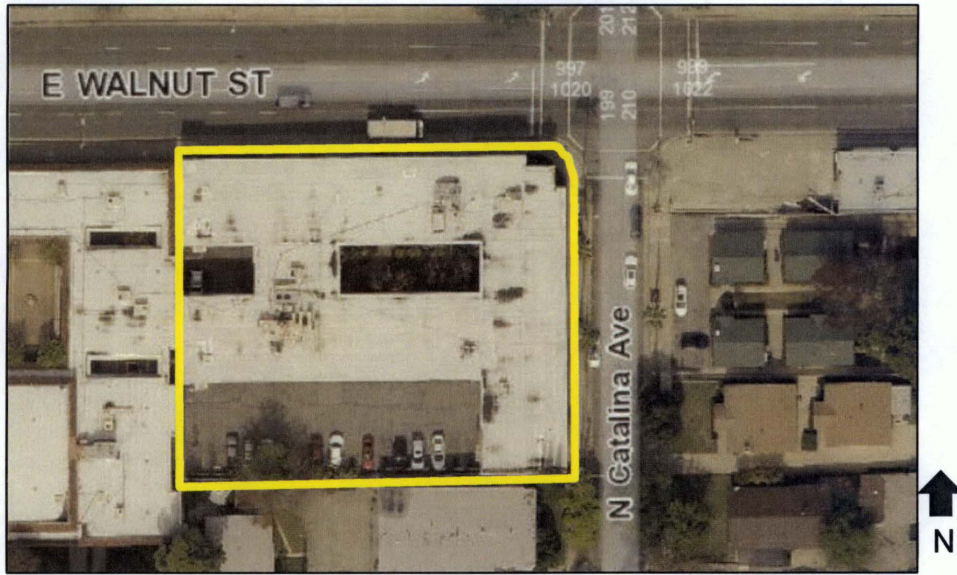
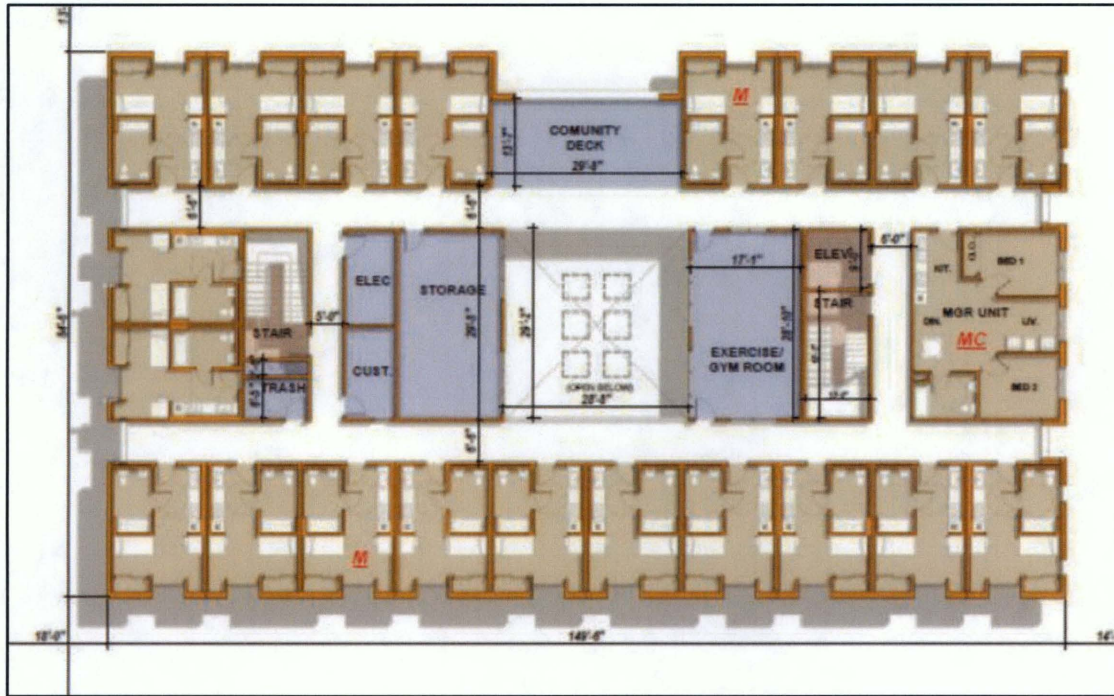


Figure 2: Site Plan and First Floor Plan



**Figure 3: Typical Floor Plan (Floors 2 – 4)**



**Figure 4: North Elevation: Walnut Avenue (Preliminary)**



**Figure 5: East Elevation: Catalina Avenue (Preliminary)**



**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 discussed below.

**Context and Compatibility**

The proposed project includes construction of a Supportive Housing land use to be located within a new 47,193 square-foot, four-story, Single-Room Occupancy (SRO) facility with 68 dwelling units. A Charitable Institution land use, providing services offered by The Salvation Army, is proposed on the ground floor. Sixteen at-grade parking spaces would be provided. 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>
0.8 (21,678 sf)	1.74* (47,193 sf.)
<b>Height</b>	
<i>Maximum Permitted</i>	<i>Proposed</i>
45'	55.5'**
<b>Parking for SRO component only</b>	
<i>Required</i>	<i>Proposed</i>
18 parking spaces	0**

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

\*\* A density bonus incentive is required to achieve proposed height and parking.

Adjacent properties fronting on Walnut Avenue, and surrounding properties to the north, south and east, are developed with non-residential and residential buildings generally one- to two-stories in height. The properties to the west, fronting on Lake Avenue, are developed with several multi-story buildings, with heights up to 135' (11 stories).

### *Massing and Scale*

The maximum permitted FAR, pursuant to Section 17.24.040, Table 2-6, of the Zoning Code, is 0.8, or 21,678 square feet, and the proposed FAR of 1.74, or 47,193 square feet exceeds the maximum. A density bonus is required to achieve the proposed FAR.

### *Density Bonus*

Section 17.43 of the Zoning Code implements the State's Density Bonus law as set forth in Government Code Section 65915. This section allows an increase in density, with no maximum, if the project is located within one-half mile of a major transit stop and one hundred percent of the total units, exclusive of a manager's unit or units, are for lower income households. The project is located within a quarter-mile distance from the Lake Avenue Gold Line station, which qualifies as a "major transit stop". However, not all the units are for lower income households and/or designated as manager's units and the project does not qualify for the density bonus. The project currently proposes 65 very-low income units (97%), two studio units for staff (3%) and one manager's unit. In order to qualify for the density bonus, the two studio units would have to be eliminated, designated as units for lower income or designated as manager unit's. The applicant has communicated to staff that they intend on revising the unit mix such that they would qualify for the density bonus.

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.

### *Density Bonus - Incentives*

Section 17.43 of the Zoning Code also implements the incentives in the State's Density Bonus law as set forth in Government Code Section 65915. This section allows a height increase of up to three additional stories, or 33 feet, and no required parking if the project is located within one-half mile of a major transit stop and one hundred percent of the total units, exclusive of a manager's unit or units, are for lower income households.

The maximum height for the site, pursuant to PMC 17.24.040, Table 2-6, is 45'. The project proposes a height of approximately 55.5'; an increase of 10.5' above the maximum and within the permitted range described above.

The required parking for the SRO units, pursuant to PMC 17.46.040, Table 4-6, is 18 parking spaces. The project does not propose any parking for the SRO units, which is permitted with the density bonus incentive.

### *SRO Code Amendment*

On April 6, 2020, the City Council adopted an ordinance amending the Zoning Code to update the regulations for SRO facilities. The amendments: (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 unit sizes in the project comply with the amendment.

### **ENTITLEMENT PROCESS:**

Currently, a Supportive Housing land use within a Single-Room Occupancy facility is allowed by-right at the subject site. However, the Charitable Institution portion of the project (the on-site services offered by The Salvation Army on the ground floor) requires approval of a Conditional Use Permit (CUP) by the Hearing Officer.

The proposal is also subject to Design Review subsequent to approval of the CUP:

### *Design Review*

New construction exceeding 25,000 square feet 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.

The project was reviewed, and comments were provided, by the Design Commission through the Preliminary Consultation process on March 10, 2020 (Attachment B).

### **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) may also be necessary to determine the type of CEQA document required for the project.

### **NEXT STEPS:**

If a code-compliant project is submitted, public hearings before the Hearing Officer and the Design Commission are necessary in order to carry out the proposed project. 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:

- Applicant submits Conditional Use Permit application;

- Conduct environmental review per CEQA.
- Conduct a public hearing before the Hearing Officer.
- Conduct public hearings before the Design Commission (Concept and Final).

**FISCAL IMPACT:**

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

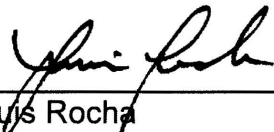
Respectfully submitted,



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DAVID M. REYES  
Director of Planning & Community  
Development

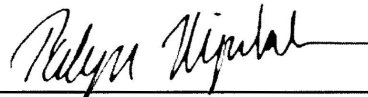
Prepared by:



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Luis Rocha  
Senior Planner

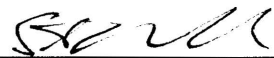
Reviewed by:



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Talya Mirzakhania  
Planning Manager

Approved by:



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STEVE MERMELL  
City Manager

Attachments: (4)

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