

# Agenda Report

December 14, 2020

**TO:** Honorable Mayor and City Council

**FROM:** Planning & Community Development Department

**SUBJECT: PREDEVELOPMENT PLAN REVIEW OF A 70-UNIT MIXED USE PROJECT AT 710-738 N. FAIR OAKS AVENUE & 19-25 E. ORANGE GROVE BOULEVARD (HERITAGE SQUARE SOUTH)**

**RECOMMENDATION:**

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

**BACKGROUND:**

The applicant, BRIDGE Housing Corporation, has submitted a Predevelopment Plan Review (PPR) application to redevelop six contiguous properties at 710, 722, 730, 738 N. Fair Oaks Avenue & 19, 25 E. Orange Grove Boulevard with a 70-unit mixed-use project known as Heritage Square South. This is proposed to be a companion project to Heritage Square that is located immediately to the north, which provides 70 affordable housing for independent seniors. The two projects will be developed by the same group, Bridge Housing.

The proposed project would include 69 Supportive Housing units for homeless seniors, one manager's unit, approximately 2,200 square feet of ground floor commercial space, and a 37-space surface parking lot. The site is located at the northeast corner of North Fair Oaks Avenue and East Orange Grove Boulevard, totals 48,462 square feet (1.11 acres) in area, and is zoned FGSP-C-3a (Fair Oaks Orange Grove Specific Plan, Limited Commercial District 3, Subdistrict "a"). Currently, the property at 710 N. Fair Oaks Avenue is currently developed with a Fast Food Restaurant (Church's Chicken) that will be demolished and the remainder of the site is vacant.

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.

Projects that qualify as a 'project of community-wide significance' are presented to the City Council as an information item for the community. 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 70 housing units and therefore qualifies as a project of communitywide significance.

**PROJECT SUMMARY:**

The applicant's proposal includes the following:

- Demolition of all existing on-site improvements;
- New, 71,600 square foot, three-story building containing the following:
  - 70 dwelling units (69 Supportive Housing units for homeless seniors and one manager's unit) and 2,200 square feet of ground floor commercial space
  - 37 surface parking spaces (17 for residents and 20 for commercial tenant)



Figure 1: Aerial View of Project Site

Figure 2: Proposed Site Plan

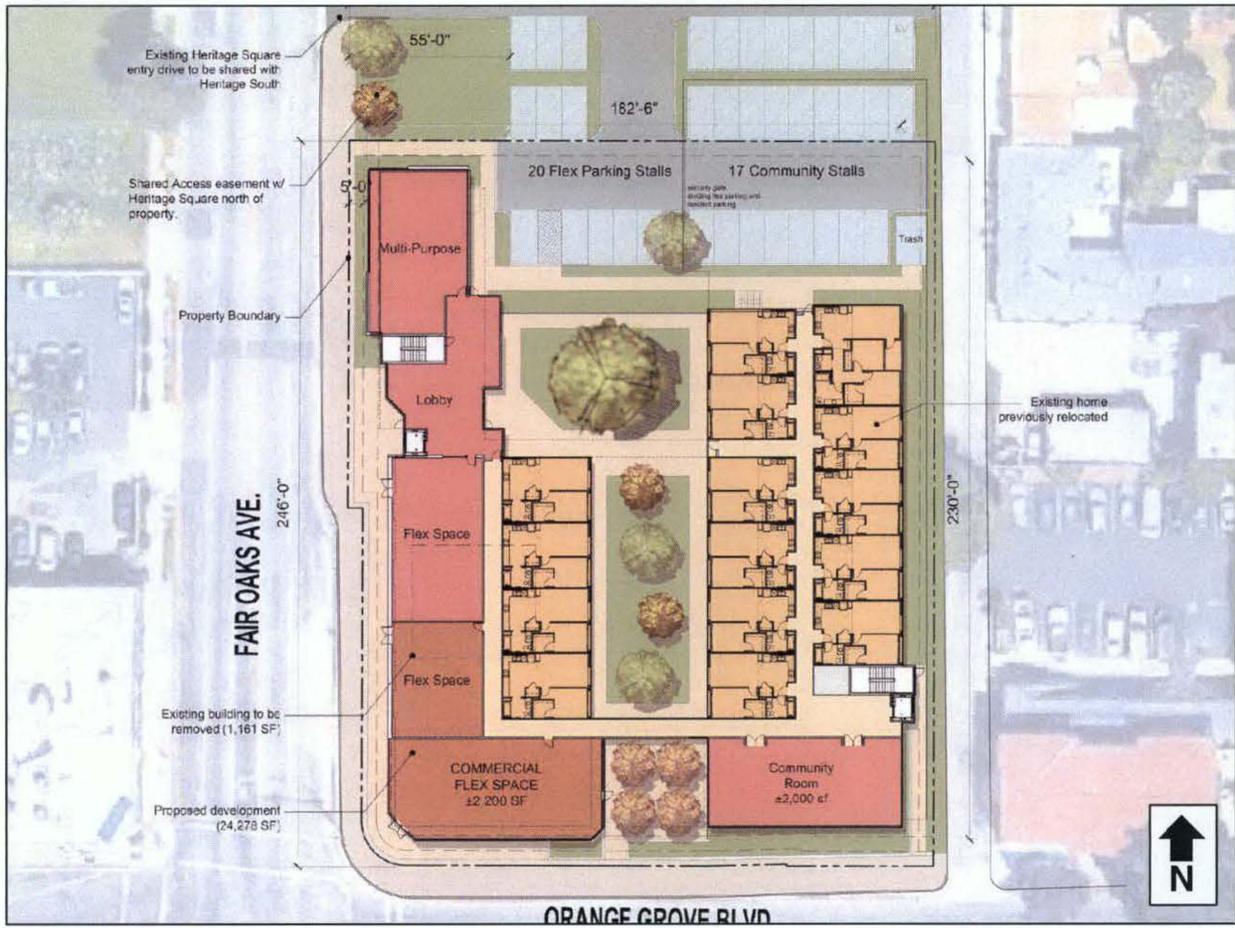


Figure 3: Fair Oaks & Orange Grove Perspective



*Figure 4: Orange Grove Perspective*



**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 comments are discussed below.

Context and Compatibility

The proposed project is three-stories at approximately 36 feet in overall height. The ground floor is occupied by a combination of residential units in the interior with common areas for the residents and 2,200 square feet of commercial space on the perimeter. Surrounding properties are developed with multi-family buildings of various sizes to the north and northeast, with retail and other commercial uses to the west, south, and east. To the immediate north is a three-story building for low-income seniors, commonly referred to as ‘Heritage Square’.

	<b>Zoning Code Requirement</b>	<b>Proposed</b>
<b>Residential Density</b>	44 units	70 units *
<b>Height</b>	36 feet (to top plate)	36'-2" (to top of parapet)
<b>Parking Spaces</b>	Residential (Senior Affordable Housing): 42	17 **
	Commercial, based on listed use: <ul style="list-style-type: none"> <li>• Office/ Personal Services/Retail: 7</li> <li>• Office (Medical): 9</li> <li>• Restaurant/ Restaurant, Fast Food: 22 plus the adjacent outdoor area if included.</li> </ul>	20

\* No maximum per State Density Bonus Law for 100% affordable project, exclusive of manager unit(s)

\*\* A density bonus incentive is allowed to achieve proposed parking

### Massing and Scale

Although the base zoning district in the Fair Oaks Orange Grove Specific Plan (FGSP-C-3a) does not have a maximum permitted Floor Area Ratio (FAR), per the General Plan Land Use Diagram the maximum FAR is 2.25. The proposed FAR is 1.48 (71,600 square feet of building area on a 48,462 square foot site).

The maximum allowed building height in the zoning district is 36 feet, as measured from the lowest point of the building to the top plate (this is specific to mixed-use projects in the C-3 zone). As proposed, the overall height of the building would be 36'-2", but as shown on the plans that height is measured to the top of the parapet, not the top plate, and it is expected that the building's height will comply with the Zoning Code as the project proceeds through the review process.

### Density, Density Bonus, and Parking Incentives

Although the General Plan Land Use Diagram designation for the site (Medium Mixed-Use) would allow a maximum residential density of 87 dwelling units per acre, the existing Fair Oaks Orange Grove Specific Plan limits the density to 40 units per acre, which equates to a maximum of 44 units on this site. However, as allowed per the State Density Bonus Law, because the project is 100 percent affordable, exclusive of the manager's unit, and is located within one-half mile of a defined "major transit stop" a maximum density limit cannot be imposed on the project. The Fair Oaks Avenue/Orange Grove Boulevard intersection is served by two or more bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods, which qualifies as a "major transit stop".

The Zoning Code would require a minimum of 42 parking spaces (0.50 parking spaces per unit, plus one guest parking space for each 10 units) for the proposed Senior Housing project. However, per Density Bonus Law a city cannot impose any minimum parking requirement on the residential units. The project does propose to include 17 parking spaces behind security fencing for the residents and 20 additional parking spaces for the ground floor commercial use as these have been determined necessary for the project.

Density Bonus Law incentives do not extend to non-residential parking. In this instance, although the proposed use of the ground floor commercial space (2,200 square feet) is not specifically identified, staff provided the applicant with the parking requirements noted below for several potential uses. Final parking requirements will be determined when the applicant submits the project for entitlements:

- Office/ Personal Services/Retail: 7
- Office (Medical): 9
- Restaurant/ Restaurant, Fast Food: 22 plus the adjacent outdoor area if included.

### Inclusionary Housing

The City's Inclusionary Housing regulations apply to new construction of a project consisting of 10 or more residential units, and require a minimum of 20 percent of the total number of dwelling units in a residential project shall be developed, offered to, and sold or rented to households of very low, low, and moderate-income, at an affordable housing cost. For a rental project such as this, the affordability requirements are: five percent of the units must be rented to very low-income households; five percent rented to very low- or low-income households; and 10 percent rented to very low, low, or moderate-income households. Additional information concerning the affordability levels will be needed in future submittals to determine compliance.

### 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, except in the Fair Oaks Orange Grove Specific Plan where the site is located. The table below shows the impact of the proposed project on the adopted Development Capacities for the Fair Oaks Orange Grove Specific Plan. Please note that units are only counted towards the caps upon issuance of a building permit:

<b>Fair Oaks Orange Grove Residential Unit Development Cap</b>	
2015 General Plan Adopted Cap	325 units
Remaining Cap Before Project	283 units
Proposed Project - New Construction	70 units
<b>Remaining Cap After Project</b>	<b>213 units</b>

### ENTITLEMENT PROCESS:

The project as proposed does not include any uses that would require discretionary review (e.g. Conditional Use Permit) and based on discussions with the applicant team it is expected that the project will be fully compliant with the Zoning Code. Therefore, the only required discretionary review would be Design Review. The Design Review steps are Preliminary Consultation, Concept Design Review, and Final Design Review.

### Environmental Review

Environmental review will be conducted in compliance with the California Environmental Quality Act (CEQA) during Concept Design Review. Additional technical studies (i.e. noise, air quality) are also necessary to determine the type of CEQA document required for the project.

### NEXT STEPS:

Public hearings before the Design Commission are necessary for the proposed project. Environmental review will occur in conjunction with the Design Review process, consistent with the requirements of CEQA. The following identifies the steps in the review process:

- Applicant submits Design Review applications;
- Design Review (Preliminary Consultation);
- Conduct environmental review per CEQA; and
- Design Commission review (Concept and Final).

**FISCAL IMPACT:**

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

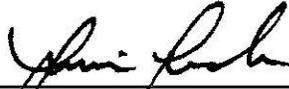
Respectfully submitted,

  
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Attachments: (3)

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