



STAFF REPORT

PLANNING COMMISSION MEETING

June 11, 2019

TO: Honorable Chair and Commissioners

FROM: David Loya, Director of Community Development

PREPARER: Joe Mateer, Senior Planner

DATE: June 05, 2019

TITLE: Consider Approval of the Isackson's Housing Project.

RECOMMENDATION:

Staff recommends the Planning Commission receive a staff report, take public comment, and adopt the Action (Attachment A) approving the Isackson's housing project.

INTRODUCTION:

This item before the Planning Commission is a request for the development of an infill affordable housing complex (Attachment A, Exhibit 3) located on a portion of the block contained by 6th and 7th Streets and I and J Streets (Assessor's Parcel Number 021-163-006), a large commercial lot near Arcata's downtown area. The Planning Commission is the review authority for the proposed Minor Subdivision, Coastal Development Permit, and Design Review Permit. Adopting the Action (Attachment A) will approve these entitlements.

DISCUSSION:

The project proposes to relocate the residents, demolish existing, non-historic residences and outbuildings on the northern portion of the property (Attachment A, Exhibit 3), and subdivide the property in to two separate parcels. Lot 1 will be about 0.54 acres and Lot 2 will be 0.74 acres in size. The existing commercial uses on proposed Lot 1 will remain while Lot 2 will be developed with a four-story building (~45 feet) that will contain forty-three (43) income restricted residential units and a manager's unit. New utilities, sidewalks, driveway access, landscaping, playground, parking, and private and public open space areas will be developed on site.

The project includes a mix of one-, two-, and three-bedroom units to accommodate families of various sizes. The residential units comprise 36,273 s.f., while the community center and site services areas on the ground floor add an additional 1,112 s.f. and 2,122 s.f., respectively. The project meets all setback, height, and other site standards, with the exception of parking, which is discussed below.

The project will also have several off-site improvements (Attachment B). The project will add several bike and pedestrian improvements including sidewalk repair and replacement, bike lane gap infill, bike/pedestrian infill, pedestrian activated lighted signals for crossing Samoa Blvd., and high-

visibility crossings, among other improvements. In addition, the project will fund several other alternative transportation amenities, including the addition of a transit priority signal at Samoa Blvd. and H Street, funding the purchase of an electric bus, funding bus passes for each of the added residences, adding a car share station available to residents and public near the project, and improving key bus stops. These off-site amenities will be funded if the Affordable Housing Sustainable Communities grant is awarded to the project (see financing discussion below).

The project is located in the coastal zone. The proposed Findings of Approval (Attachment A, Exhibit 1) include review of both the Arcata General Plan and the Coastal Land Use Element. Additionally, the project evaluation includes both the Coastal Land Use and Development Guide (CLUDG), the City's current Local Coastal Plan (LCP), and the Land Use Code (Code). This approval relies on the more modern Code requirements; however, where a conflict between the LCP and the Code exists, the LCP takes precedence.

Community Development Department staff identified the following discussion items:

1. SUBDIVISION

The Parcel Map Subdivision requires compliance with the California Subdivision Map Act (Act). City staff reviewed the proposed project and determined the Parcel Map Subdivision is in compliance with both the City subdivisions regulations and the Act. The subdivision creates two separate parcels. The applicant's project description indicates the existing commercial structures and uses on resultant Lot 1 will remain. The new common property line generally bisects the property in an east – west orientation. The subdivision design isolates existing and proposed uses while maintaining access to the existing uses on Lot 1 and creating new access and common area for the housing complex on resultant Lot 2.

2. TIMING OF SUBDIVISION IMPROVEMENTS

Code §9.88.060A.2.c. allows the review authority to find the subdivision improvements (road access, water, wastewater, and other public utilities) be completed prior to the recordation of the Parcel Map if necessary for public health, safety, or for the orderly development of the surrounding neighborhood. Staff has not prepared draft findings for the Commission to consider.

It is best practice to ensure that each parcel is independently served by utilities prior to recording a subdivision map. The Conditions of Approval indicate that the properties *should* be independently served prior to recordation of the Parcel Map. However, the parcels *must* be independently served prior to obtaining a building permit for the housing project once the Parcel Map is recorded.

3. COASTAL DEVELOPMENT PERMIT

The project is located in the City of Arcata's permit jurisdiction for issuance of Coastal Development Permits. The project site is also located in the Mapped Categorical Exclusion Area adopted by the California Coastal Commission. The exclusion area is designated for areas of the City that do not require a Coastal Development Permit for certain types of development. The Isackson's project requires a Coastal Development Permit for the subdivision only. The development and operation of the affordable housing project is a principally permitted activity for the zoning district, thus does not require a Coastal Permit.

The project has been noticed pursuant to the Coastal Development Permit noticing requirements.

4. INFILL DEVELOPMENT

The project is considered an infill development project as it is the development of an under-used parcel within Arcata's existing urban, largely developed area. Infill development has several social

and environmental benefits to the community as it reduces sprawl, reduces infrastructure and City service costs, encourages alternative transportation, and reduces the cost of living by being located near amenities. The Findings for Approval (Attachment A, Exhibit 1) describe the project's conformity with the General Plan.

As an infill development, the project will bring residents closer to services offered in the core of Arcata, including transit services and other alternative modes of transportation. The alternative transportation improvements associated with the project, including access to car share and bus passes, reduce the need for each resident to own a car. In addition, the project provides at least one indoor secured bike space per unit.

These alternative transportation amenities are not required by the Code. However, they do provide options for those residents who chose to mode shift. The project provides a realistic and convenient set of alternatives to car ownership and is located on a site where alternative transportation a viable option.

The Commission should recognize that there are several concerns among nearby residents about the parking impacts, the size of the project, and the potential for the project to shade nearby buildings and solar installations. The project proponent held an outreach meeting in the neighborhood to seek input on the project and the transportation amenities in January (Attachment C).

Several concerns over parking were raised. Code requires parking spaces for 1/3 the total number of units for residential projects of more than seven units in the Commercial Central Zone (Code §9.36.080.C). The project currently has the required number of spaces identified on the plans. This requirement is rooted in policy adopted in the General Plan and was codified in the Code to support alternative transportation, infill development, and higher densities in the downtown.

Despite the policy directive, the limitation on parking does not mean that residents cannot own cars. As a result, many will likely choose to own a car, and several of those residents may park in on-street locations. This will have an impact on residential and business neighbors, who acknowledged at the public engagement in January that parking is already impacted. There is no question that this will inconvenience all users of the public parking on-street. However, in part, the policies were adopted intentionally for Travel Demand Management (TDM) principles.

The City's General Plan identifies guiding principles and goals for TDM in the Transportation Element. Among them are: "Promote land use patterns that encourage walking, bicycling, and public transit use", and "Educate residents, employees, and students about the importance of using alternative forms of transportation instead of the single-occupant automobile." Policy T-2a, Land use development patterns, states that "land use planning shall emphasize high density and mixed land use patterns which translate into higher transit and pedestrian travel in the downtown and neighborhood commercial areas. Infill, redevelopment, and reuse of underutilized property at higher densities shall be encouraged prior to outward expansion of City boundaries." Clustering density in the downtown is specifically listed.

These policies and principles have had limited application previously due to the City's development history. Most developments have been relatively modest in scale. And many infill projects developed to date have been in areas outside of the downtown. The Plaza Point project was the most recent residential development of any scale in the downtown. That project has 20 spaces for 28 units and five retail stores. The Commission should recognize the impact the change will have on current users and recognize the balance the General Plan policies are attempting to strike.

The Planning Commission should also consider a Condition of Approval for the on-site parking. As discussed previously, Code §9.36.080.C requires parking equal to 1/3 of the unit count. The project as proposed includes a tandem space. The Code does not recognize tandem parking for multifamily

projects of greater than three units as meeting the parking requirement. The Commission may adopt a Condition of approval requiring the 15th space to be independently accessible. Alternatively, the Commission may grant a Minor Use Permit to allow an Alternative Transportation Parking Reduction pursuant to Code §9.36.080.B. Or, the Planning Commission could authorize off-site parking consistent with Code §9.36.080.E. This third option would require the creation of easements. The latter two options have been included as a Condition of Approval. If the Commission issues an Alternative Transportation Parking Reduction Minor Use Permit, staff will provide additional language for the findings for this site standard amendment.

5. DESIGN REVIEW.

The project is subject to Design Review. The Commission should consider the Applicant's agent's support for findings (Attachment D) as well as the Findings provided by staff (Attachment A, Exhibit 1). The project proposes a modern design, which has several architectural articulations to break up the mass. The project's sign, lighting plan, landscaping, and circulation (Attachment A, Exhibit 3) are also subject to Design Review. The Planning Commission should provide input on the Findings and Conditions of Approval (Attachment A, Exhibits 1 and 2).

The massing and scale of the building was a concern for several attendees of the outreach meeting (Attachment C). Infill multifamily projects are by nature large-scale development. The building would be the largest structure in the immediate vicinity, but other large-scale buildings, including the Co-op, the Plaza Point, and Jacoby's Storehouse, are in the neighborhood. Staff has provided for the Commission's consideration draft Findings that the project's scale is compatible with the neighborhood (Attachment A, Exhibit 1).

The City's solar access ordinance, Code Section 9.56, implements policies to balance State solar access law, the City's energy policies, access to future solar development, and the intended use and zoning provisions for properties. While much of the ordinance focuses on ensuring subdivision design that protects solar access, it does apply to other discretionary review. Specifically, the Code protects access for certain residential development approvals. The Code does not have explicit standards for commercial development, but the design principles for solar access apply to the Design Review purview. At the same time, the ordinance indicates it is not intended to limit density or cause the removal of trees.

The Commission should consider the project's shading analysis (Attachment E). The McBain Associates building on the north side of 7th Street was designed with passive solar gain and solar arrays on the southern exposure. The project is designed with a varied setback from 7th Street, which ameliorates, but does not eliminate, the solar shading of the project to the buildings on the north side of 7th. Based on the shade analysis available as of this writing, the project will not shade the PV solar array on the McBain Associates building. The solar hot water array does receive some shading in the winter mid-afternoon from approximately 2-5 p.m. Both buildings north of 7th Street, as well as some other buildings in the project vicinity, will receive winter shading on the buildings themselves. Solar heat gain of the adjacent buildings will be impacted by the project.

6. DEPARTMENT AND AGENCY REFERRALS.

The project referrals received to date have been incorporated in to the recommended Conditions of Approval. The referral period closes on June 7, 2019. As of this writing, two referrals were submitted. Any other referrals will be provided at the hearing. Staff did receive one public comment on the project (Attachment F).

7. PROJECT FINANCING

The applicants are seeking grant funds and tax credits to assist in the development and operation of the affordable housing project. The current round of grant funding requires project entitlements by July 1, 2019. The City of Arcata City Council previously approved an Affordable Housing and Sustainable Communities grant application on January 16, 2019, for the project. The Council will consider additional funding from HOME Program Income on June 19, 2019. While the City and the Developer are partnering on the financing for the project, the Commission's analysis and approval is independent.

ENVIRONMENTAL REVIEW (CEQA/NEPA):

CEQA – Several special studies (Attachment G) were performed to demonstrate compliance with the California Environmental Quality Act (CEQA) Class 32 Infill exemption (CEQA Guidelines Section 15332). Specifically, pursuant to the Guidelines Section 15332, the project:

- a) Is consistent with the applicable general plan designation and all applicable general plan policies as well as the applicable zoning district as evidenced in the findings;
- b) Occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses, which standard is apparent;
- c) Has no value as habitat for endangered, rare, or threatened species as a completely paved property;
- d) If approved, would not result in any significant effects relating to traffic evidenced by the traffic study, noise, which would be no greater than baseline for allowable uses, air quality since the use will not produce air pollutants, or water quality as the project will comport with all stormwater requirements; and
- e) The site can be adequately served by all required utilities and public services, which are at the street and readily available.

The environmental review was supported in part with the following technical studies: Drainage Report; Engineering Geological R-1 Soils Report; Agricultural Resource Analysis; a Phase I, and a Cultural Resource Investigation (confidential). These technical reports are on file with the City of Arcata Community Development Department. As of the date of this Staff Report, no CEQA issues have been raised by community members, or resource department and agencies.

The Subdivision qualifies for a Class 15, Minor Subdivision Exemption (Guidelines Section 15315). The subdivision is of a property in an urbanized area zoned for residential use with fewer than four resulting parcels. As described by the Findings for Approval, the project is consistent with the applicable General Plan and zoning policies, and no variances are required to approve the project. All utilities and public services are readily available to the site, and the property was not subdivided within the last two years and is not on slopes greater than 20%.

The off-site transportation portion of the project is subject to a Class 1 and Class 4, Existing Facilities and Minor Alterations to Land, respectively, Exemptions (Guidelines Section 15301 and 15304). All of the improvements are on existing infrastructure and do not impact biological or cultural resources. While portions of the trail improvements are currently rail corridor, the alignment is existing disturbed and improved along the entire length of the project. All of the sidewalk and street improvements are in existing developed right of way.

NEPA – The project is also subject to the National Environmental Policy Act (NEPA) due to the funding sources for the project. The Project Environmental Assessment is available on the City's major developments web page. While NEPA and CEQA have different foci, the studies included in

the NEPA Environmental Review Record were considered in the determination that the project also qualified for a CEQA Infill Exemption.

The project was not considered exempt under NEPA due to the type of project it is, not due to any environmental impacts of the project. New affordable housing construction is required to complete an Environmental Assessment (EA) if funding from Housing and Community Development (HCD) is included in the project financing regardless of the environmental impact. The EA found no significant impact.

The Commission does not take action on the Environmental Assessment. The Director of Community Development is the City's Environmental Coordinator for the purposes of NEPA. The EA was certified by the Environmental Coordinator on May 24, 2019. The notice of finding of no significant impact and notice of intent to request release of funds was published on May 24, 2019.

ATTACHMENTS:

- A. Action, Findings, Conditions, Plans (PDF)
- B. Transportation 1. Improvements, 2. Improvements Memo, 3. Narrative (PDF)
- C. AHSC Community Benefits and Engagement (PDF)
- D. DG Group Design Review Findings 01-30-19 (PDF)
- E. Shadow Study 06-04-19 (PDF)
- F. Public Comment CRTP (PDF)
- G. 1. Focused Traffic Study, 2. GeoTech Recommendations (PDF)