



**PLANNING COMMISSION HEARING DATE: FEBRUARY 13, 2025
AGENDA ITEM NO.: 2**

SUMMARY

Case Number	PR-2023-001523 (Zoning Text Amendment)
Request	<p>Proposal by the City of Riverside to consider amendments to Title 19 (Zoning) of the Riverside Municipal Code (RMC), including but not limited to Articles V (Base Zones and Related Use and Development Provisions), VII (Specific Land Use Provisions), and X (Definitions). The proposed amendments implement policy direction from the City Council Land Use Committee related to industrial development and are intended to:</p> <ol style="list-style-type: none">1. Define "sensitive receptors" throughout Title 19 including amending applicable tiered development standards for new industrial development adjacent to specified uses;2. Update Floor Area Ratio (FAR) regulations to evaluate a parcel's size and proximity to a sensitive receptor to determine cumulative building area;3. Provide additional landscape buffering requirements for new industrial development adjacent to sensitive receptors;4. Modify project notification requirements by increasing the notification radius for warehousing and distribution projects, require on-site Notice of Filing signs, and require notice to multi-tenant occupants in addition to real property owners;5. Introduce green building and on-site renewable energy requirements for new warehousing and distribution facilities;6. Revise Table 19.150.020.A (Permitted Use Table) to modify the required entitlements for specified warehousing and distribution facilities;7. Align the Zoning Code with recent changes to State law including implementation of Assembly Bill (AB) 98; and8. Make other minor and/or non-substantive changes and technical corrections as required to provide clarity, correct errors, or remove redundancies.

Applicant	City of Riverside Community and Economic Development Department
Project Location	Citywide
Ward	Citywide
Staff Planner	Daniel Palafox, Associate Planner 951-826-5985 dpalafox@riversideca.gov

RECOMMENDATIONS

That the Planning Commission:

1. **Recommend** that the City Council determine that Planning Case PR-2023-001523 is exempt from further California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) (General Rule), as it can be seen with certainty that approval of the project will not have an effect on the environment; and
2. **Recommend Approval** of the Planning Case PR-2023-001523 (Zoning Text Amendment) as outlined in the staff report and summarized in the Findings section of this report.

BACKGROUND

Since 2022, staff have worked closely with the City Council Land Use Committee (Committee) to address community concerns related to the continued growth of industrial development in the region. The City's regulations, including the 2020 Good Neighbor Guidelines ("2020 GNG"), have served as a model for other agencies to follow as strict but fair policy guidance that seek to balance economic development with community wellbeing. Still, consistent with Committee and community feedback and in response to projects within both the City and the region, concern regarding the proximity and concentration of new industrial buildings adjacent to sensitive receptors and of the long-term health impacts of these facilities is growing.

In response to direction from the Committee and feedback from stakeholders, staff have identified several amendments to the Riverside Municipal Code which are presented to the Planning Commission for review.

The following timeline provides a brief overview of the policy context for this report:

- **2022:**
 - Former Committee Chair, Gaby Plascencia, requested a review of the zoning regulations for warehousing and distribution facilities within Riverside and surrounding jurisdictions to be brought to a future Committee meeting.
 - Staff presented various updates to the Committee and initiated community outreach efforts to obtain feedback on current regulations. Potential policy changes were identified.
- **2023:**
 - Staff presented a three-phased approach to implementing the Committee's priorities for revisions to the City's policies and industrial regulations.

- Following discussion, the Committee directed staff to pursue phase one, which includes changes to the Riverside Municipal Code (RMC). Various stakeholder workshops were held to gain additional input. A workshop was held with the Planning Commission to solicit feedback.
- **2024:**
 - Staff released the proposed Zoning Code Amendments to Title 19 (Zoning Code) for stakeholder review. In November 2024, staff presented the proposed amendments to the Committee. The Committee directed staff to proceed with the implementation of the proposed amendments including forwarding proposed amendments to the Planning Commission for consideration.
 - At the legislative level, Assembly Bill (AB) 98 (Carillo & Reyes) was signed into law in September 2024 and becomes effective January 2026. AB 98 establishes new warehousing regulations including requirements for establishing truck routes, loading bay and buffering setbacks, and green building practices; and requires certain data reporting.

To help fully understand the effects of the proposed changes, a brief overview of the City's existing regulations for industrial development is provided. The proposed amendments focus on six overarching policy topics. An overview of each policy topic will be shared followed by the proposed changes including:

- Sensitive receptors;
- Maximum building size;
- Maximum number of allowed buildings on a given lot;
- Permitted land uses;
- Green building and construction practices;
- Landscaping requirements; and
- Project notification requirements.

A compilation of previous Committee and Commission staff reports that provide more detail can be found in Exhibit 1.

PROPOSAL

The proposed amendments are referenced herein as Exhibit 2 and are separated by Chapter. The following is a summary of each of the proposed changes including the chapter or section, current code, and proposed changes.

AMENDMENT 1 – SENSITIVE RECEPTORS

I. Zoning Code Chapters

- Chapter 19.910 – Definitions
- Chapter 19.130 – Industrial Zones
- Chapter 19. 435 – Warehousing and Distribution Facilities

II. Current Code

There are two regulatory frameworks to keep in mind when planning for new industrial development in the City. The first is the Zoning Code, which does not currently define sensitive receptors; instead, Chapter 19.130 (Industrial Zones) regulates all new industrial development by providing tiered development regulations based on a project's

proximity to a residential zone or use. Existing tiered development standards such as maximum building height, maximum building size, landscaping and setbacks are applied based on this proximity. It is important to keep in mind that the tiered development regulations affect all new industrial development including warehousing and distribution facilities, research facilities, and manufacturing uses.

The second regulatory framework is the 2020 GNG which provides policy guidance to be implemented through the Zoning Code and outlines desired outcomes for all new warehousing and distribution facilities. These policies are intended to be applied to development adjacent to sensitive receptors defined more broadly as residential neighborhoods, schools, parks, playgrounds, day care centers, nursing homes, hospitals, and other public places where residents are most likely to spend time. The 2020 GNG are implemented by Chapter 19.435 (Warehousing and Distribution Facilities) and provide specific site location and operational standards based on the size of the facility, generally increasing in requirements as the building size increases.

There is ambiguity between the Zoning Code and the 2020 GNG related to land uses considered to be sensitive receptors which can cause uncertainty for new industrial development. The land uses listed as sensitive receptors in the 2020 GNG are not consistent with land uses that trigger more restrictive development standards for new industrial development in Chapter 19.130 – Industrial Zones.

III. Proposed Change

Chapter 19.910 (Definitions) includes a new definition for sensitive receptor which resolves this inconsistency and incorporates land uses which are listed as sensitive receptors within the 2020 GNG. The proposed definition includes:

- A residential zone or use (*existing*);
- K-12 public, private and charter schools (*proposed*);
- Designated parks and open space (*proposed*);
- Adult and child day care facilities (*proposed*);
- Assisted living facilities (*proposed*); and
- Hospitals (*proposed*).

Furthermore, Chapter 19.130 (Industrial Zones) is amended to replace references to “a residential zone or use” with “sensitive receptor” consistent with the proposed sensitive receptor definition. This has the effect of expanding the application of various development standards to land uses which are currently required in Title 19.

Finally, Chapter 19.435 (Warehousing and Distribution Facilities) is amended to replace the land uses listed in the 2020 GNG with “sensitive receptor” to be consistent with Chapter 19.130.

AMENDMENT 2 – MAXIMUM BUILDING SIZE

I. Zoning Code Chapters

- Chapter 19.130 – Industrial Zones

II. Current Code

Tiered maximum building size provisions apply to any new industrial development in all Industrial Zones depending on its proximity to a residential zone or use. See table below.

Maximum Building Size			
Distance from a Residential Zone or Use	Industrial Zone		
	BMP	I	AIR
< 200 feet	10,000 sq. ft. (EXISTING)		
< 800 feet	100,000 sq. ft. (EXISTING)		
> 800 feet	Per FAR		

For new industrial development 800 feet or further from a residential zone or use, there is no set maximum. Instead, the building would need to abide by the Floor Area Ratio (FAR) of the underlying zone. FAR is defined as the amount of allowable building area allowed on a given lot based on the size of the lot. For example, a 100,000-square-foot lot with a maximum FAR of 0.5 would allow for a cumulative building floor area up to 50,000 square feet.

III. Proposed Change

The maximum building size requirements within Table 19.130.030.A are amended to reflect the proposed sensitive receptor definition and will thus replace reference to “a residential zone or use”. Additionally, two new proximity categories are created to regulate building sizes between 800 and 1,500 feet from a sensitive receptor where the current code only regulates within 800 feet of a residential zone or use. The additional proximity categories were created in response to feedback received from stakeholder engagement and from the Committee.

- For any building within 800 – 1,500 feet of a sensitive receptor, the maximum building size would be limited to 400,000 square feet. The 400,000-square-foot threshold is consistent with thresholds established by surrounding jurisdictions and recommended guidance from the California Air Resources Board (CARB).
- For parcels located 1,500 feet or more away from a sensitive receptor, there is no maximum building size and instead would continue to be governed by the FAR of the underlying zone.

Maximum Building Size			
Distance from Sensitive Receptor	Industrial Zone		
	BMP	I	AIR
< 200 feet	10,000 sq. ft. (EXISTING)		

Maximum Building Size	
Distance from Sensitive Receptor	Industrial Zone
< 800 feet	100,000 sq. ft. (EXISTING)
< 1,500 feet	400,000 sq. ft. (PROPOSED)
> 1,500 feet	Per FAR (EXISTING)

AMENDMENT 3 – MAXIMUM NUMBER OF ALLOWED BUILDINGS

I. Zoning Code Chapters

- Chapter 19.130 – Industrial Zones

II. Current Code

The Zoning Code does not provide a set maximum on the number of buildings allowed on a given lot. Instead, all industrial development must abide by the Floor Area Ratio (FAR) of the underlying zone.

The FAR is defined as the allowable amount of building floor area on a particular parcel relative to the size of the parcel. The cumulative building floor area may be contained in a single structure or multiple, depending on the characteristics of the proposed development. However, each building must abide the maximum building size standards discussed in the previous section. The table below provides the FAR values for each industrial zone and the general building area capacity.

Industrial Zone	Floor Area Ratio (FAR)	Building Area Capacity
Business Manufacturing Park (BMP)	1.5	A parcel with an FAR of 1.5 allows a cumulative floor area equal to lot area, plus 50%.
General Industrial (I)	0.6	A parcel allows a cumulative floor area equal to 60% of lot area.
Airport (AIR)	0.6	

The following example demonstrates a theoretical building capacity with current FAR values:

- In the General Industrial (I) Zone (maximum FAR of 0.6), a 100,000 square foot parcel (roughly 2.3 acres) within 200 feet of a residential zone or use would limit the size of individual buildings to 10,000 square feet and may not exceed a cumulative floor area of 60,000 square feet (per the FAR).
- Since the current Zoning Code does not limit the number of buildings, this parcel may be developed with one or more buildings, each not exceeding the maximum

building size of 10,000 square feet and all buildings not exceeding the cumulative 60,000 square feet. Assuming the lot accommodates all associated development standards, a total of six 10,000-square-foot buildings would be permitted.

The existing requirements purposefully do not provide a fixed value for the number of buildings on a parcel within industrial zones. The intent is to promote lower intensity uses such as offices, research laboratories and small manufacturing businesses, which often require less space and generate fewer truck trips than warehousing and distribution uses. These lower intensity uses can serve as a buffer between new warehousing and distribution facilities and adjacent sensitive receptors while permitting an appropriate degree of flexibility in site design.

Community feedback and direction from the Committee has sparked interest in evaluating if establishing a maximum number of buildings is warranted to ensure compatibility with the surrounding environment and to reduce overall truck traffic.

III. Proposed Changes

The current FAR row in Table 19.130.030.A is repealed and is replaced by a new FAR table under section 19.130.030.B. The proposed FAR table regulates a parcel's maximum FAR based on:

- 1) The distance to a sensitive receptor (200 feet – 1,500 feet and beyond); and
- 2) The size of the parcel (less than 2 acres – 4 acres and greater).

Adjusting FAR values limits the cumulative building area for uses which may have an impact on surrounding sensitive receptors. As proposed below, a lower FAR value would apply to larger parcels, thus reducing the amount of building area permitted on the parcel. Smaller lots will have a higher FAR value which will allow more building area relative to the lot size. The revised FAR values also provide a higher FAR value for parcels that are further away from a sensitive receptor.

The proposed revisions to FAR and maximum building size are intended to work together and do not preclude one another. The FAR establishes the total allowable building area for a parcel, while the maximum building size regulates the layout and dimensions of individual buildings.

Proposed Floor Area Ratio Table

Distance from Sensitive Receptor	Lot Size								
	< 2 acres			2-4 Acres			> 4 Acres		
	BMP	I	AIR	BMP	I	AIR	BMP	I	AIR
< 200 feet	.50	.50	.60	.35	.35	.60	.25	.25	.60
< 800 feet	.75	.60	.60	.50	.50	.60	.35	.35	.60
< 1,500 feet	1.5	.60	.60	1.0	.60	.60	.75	.60	.60

> 1,500 feet	1.5	.60	.60	1.5	.60	.60	1.5	.60	.60
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Three factors will affect the application of a parcel's allowable FAR:

1. The lot size;
2. The distance from a sensitive receptor; and
3. The zoning designation of the parcel.

For example, a 100,000-square-foot parcel (~2.3 acres) located within 200 feet of a sensitive receptor in the General Industrial (I) zone would have a maximum FAR of 0.35. The cumulative building area must not exceed 35,000 square feet with each building limited to 10,000 square feet given its proximity to a sensitive receptor. By comparison, the same size parcel in the same zone but located between 200 and 800 feet from a sensitive receptor would allow a cumulative building area of 50,000 square feet (0.50 FAR), which could comprise a single or multiple smaller buildings.

Discussion – FAR Methodology

In determining the new FAR values, factors considered were: 1) What are the current development yields for industrial development? and 2) Which values would ensure compatibility with surrounding land uses?

To analyze this, Staff used geospatial modeling software to calculate and visualize projected FAR values on a parcel's building potential on real vacant parcels in the City. There are approximately 368 vacant industrially zoned parcels that would be affected by the change in FAR.

The size of the parcels is broken down as follows:

- Lots < 2 Acres: 293
- Lots 2-4 Acres: 39
- Lots > 4 Acres: 36

Under the current FAR standards, there is a cumulative industrial building potential of 38,144,184 square feet (exclusive of development standards which may reduce the maximum building capacity). With the proposed tiered FAR standards, the cumulative building potential is reduced to 21,518,454 square feet, or a -42% percent change (Exhibit 3). The majority of this reduction in developable square footage would be absorbed by the industrial land located closest to sensitive receptors.

An assessment of current and past industrial development projects revealed that most parcels are not developed to the maximum FAR allowed; the average FAR actually realized by development projects ranging from .30 to .50 where the underlying zone allowed up to 1.5 (BMP Zone) or .60 (I Zone). The values within the proposed FAR table reflect realistic development yields while providing a mechanism to ensure industrial development is compatible with sensitive receptors.

AMENDMENT 4 – PERMITTED LAND USES

I. Zoning Code Chapters

- Chapter 19.150 – Permitted Land Uses

II. Current Code

Chapter 19.150 (Base Zones Permitted Land Uses) establishes permit requirements for warehousing & distribution facilities based on building size to provide greater discretion and oversight commensurate with potential impacts to air quality, noise, and neighborhood character, which have a proportional relationship to building size.

Building Size	Permit
10,000 sq. ft. or less	P/MC
10,000 sq. ft. - 100,000 sq. ft.	MC/C
100,000 sq. ft. or greater	C

P = Permitted by right; MC = Minor Conditional Use Permit; C = Conditional Use Permit

For reference, if a project complies with all development standards, then an entitlement and/or discretionary review is not required (permitted by right) for buildings 10,000 square feet or less. A Minor Conditional Use Permit is required for buildings between 10,000 and 100,000 square feet that meet all development standards. A Conditional Use Permit must be approved by the Planning Commission for any warehouse & distribution facility over 100,000 square feet.

If the project design does not meet the development standards, then additional discretionary review of an entitlement (MCUP or CUP) is required.

III. Proposed Changes

Changes include amending the permitted uses table to reflect that warehousing and distribution facilities between 100,000 square feet through 400,000 square feet are allowed in all industrial zones subject to a Conditional Use Permit.

A fourth building size category is created to prohibit warehousing and distribution facilities greater than 400,000 square feet in all industrial zones except for the General Industrial (I) zone, where the General Plan anticipates heavier industrial uses.

Building Size	Permit
10,000 sq. ft. or less	P/MC
10,000 sq. ft. - 100,000 sq. ft.	MC/C
100,000 sq. ft. - 400,000 sq. ft.	C
400,000 sq. ft. or greater	C (Only in I Zone)

The addition of a 400,000-square-foot tier is consistent with the new proposed maximum building size of 400,000 square feet within 1,500 feet of a sensitive receptor and is thus incorporated throughout.

AMENDMENT 5 – LANDSCAPING REQUIREMENTS

I. Zoning Code Chapters

- Chapter 19.130 – Industrial Zones

II. Current Code

Landscaped setbacks are required for all front yards in all industrial zones. Additional landscaping buffers apply for parcels adjacent to a residential zone or use. For example, in the Business and Manufacturing Park (BMP) zone, 20 feet of the required 50-foot front yard setback must be landscaped when adjacent to a residential zone or use. Additionally, 15 feet of the required 60-foot side and rear yard setback must be landscaped when adjacent to a residential zone or use.

III. Proposed Changes

Changes to landscaping requirements reflect an increase from 15 to 20 feet for side and rear landscape buffer requirements when the project site is adjacent to a sensitive receptor.

A new landscaping section dedicated to buffering between industrial development and sensitive receptors outlines the dimensions and plant material requirements for industrially zoned parcels which share a property line with a sensitive receptor.

AMENDMENT 6 – GREEN BUILDING AND CONSTRUCTION PRACTICES

I. Affected Zoning Code Chapters

- Chapter 19.435 – Warehousing and Distribution Facilities

II. Current Code

The Zoning Code does not require any renewable energy or sustainable construction practice requirements beyond what the California Green Building Code requires such as solar roof installation, cool roofing and heavy-duty electric vehicle charging readiness. Exploring sustainable operation and construction practices was an area of interest identified by the Committee and community feedback.

III. Proposed Changes

A new section for renewable energy and construction practices integrates various green building construction and operation practices for any new warehousing and distribution project. Changes include requiring all building roofs be solar-ready and be constructed with solar reflective material. Additionally, for buildings greater than 100,000 square feet, solar photovoltaic systems must be installed to power 100% of the non-refrigerated portions of the facility and any parking areas. Other proposed changes include requiring the applicant to utilize electric-powered tools and CARB Tier IV- or higher-rated off-road construction equipment.

AMENDMENT 7 – PROJECT NOTIFICATION REQUIREMENTS

I. Zoning Code Chapters

- Chapter 19.670 – Public Hearings and Notice Requirements

II. Current Code

For projects that require a Minor Conditional Use Permit (MCUP) but not a public hearing, mailed postcards are required to be sent to property owners within 300 feet of the project site. For projects that require a public hearing before the Planning Commission or City Council, mailed postcards must be sent to property owners within 300 feet of the project site and notice must be published in one newspaper cycle 10 days prior to the public hearing. There is no requirement to notify occupants of multi-tenant properties such as renters living within an apartment complex.

The Zoning Code does not require a physical sign for project notification to be posted on-site for any project. In certain circumstances, a physical placard may be placed at a project site for right-of-way vacations as required by the California Streets and Highways Code.

III. Proposed Changes

Proposed amendments include adding a new subsection within Chapter 19.435 (Warehousing and Distribution Facilities) requiring that the mailed notification radius for any new warehousing and distribution facility be extended from 300 feet to 2,640 feet (or one half-mile). The increased notification radius will only apply to new or expanded warehousing and distribution facilities.

For any new development project within the BMP and I Industrial zones which requires an MCUP or CUP, a new section would require that a Notice of Filing sign be posted at the project site to increase project transparency early on in the project. The sign must meet certain timing, size specifications and maintenance requirements to adequately allow community members more time to respond throughout the initial stages of project review. A sign template and informational form has been created to streamline the implementation of this new requirement (Exhibit 4).

The amendments also include revising the notice requirements to also include tenant occupants in addition to real property owners for any project subject to notice requirements. Doing so will allow tenants within multi-tenant properties to similarly be notified as property owners are during the project notification process.

IMPLEMENTATION OF ASSEMBLY BILL 98

AB 98 passed the State assembly in August 2024 and was signed into law by Governor Newsom in September 2024. The bill establishes various warehouse development standards within San Bernardino and Riverside counties including building design and location, parking, truck loading bays, landscaping buffers, and entry gate requirements. The bill also requires that the City update its General Plan Circulation Element to establish truck routes by January 2026. The full legislative text is available per Exhibit 5.

To ensure the Zoning Code is in compliance with state law, staff have reviewed AB 98

and made modifications to the proposed text amendments in order to meet or exceed the standards established therein. The modifications include:

- Increasing the required wall height for new or expanded warehousing and distribution facilities which are adjacent to a sensitive receptor from 8 feet to 10 feet.
- Referencing the statutory requirements for landscaping buffers for any new or expanded warehousing and distribution facilities which are adjacent to a sensitive receptor.
- Ensuring that all loading bays, docks, truck wells are located away from the nearest property of any sensitive receptor for buildings 100,000 square feet or greater which exceeds AB 98 requirements.

It is expected that the CA Legislature will amend the bill sometime this year in order to address feedback from the City and other agencies which may affect several provisions of the bill including but not limited to those related to the Circulation Element and establishment of truck routes.

PUBLIC OUTREACH AND COMMENT

Notice was published in the Press Enterprise on January 17, 2025. At the time of writing this report, Staff has not received public comments regarding this project. Exhibit 1 contains summaries of the various public outreach and stakeholder engagement efforts previously undertaken as part of this effort.

ENVIRONMENTAL REVIEW

The proposed amendments are exempt from additional California Environmental Quality Act (CEQA) review pursuant to Section 15061(b)(3) of the CEQA guidelines, as it can be seen with certainty that the proposed text amendments will not have an effect on the environment.

FINDINGS

Zoning Code Amendment Findings pursuant to Chapter 19.810.040:

- 1) The proposed Zoning Code Text Amendments are generally consistent with the goals, policies, and objectives of the General Plan;
- 2) The proposed Zoning Code Text Amendments will not adversely affect surrounding properties; and
- 3) The proposed Zoning Code Text Amendments will promote public health, safety, and general welfare and serves the goals and purposes of the Zoning Code.

ENVISION RIVERSIDE 2025 STRATEGIC PLAN ALIGNMENT

The proposed amendments align with Strategic Priority No. 5 – High Performing Government by demonstrating adaptivity as an organization, and more specifically with Goal 5.3 – Enhance communication and collaboration with community members to improve transparency, building public trust, and encourage shared decision making. In addition, the project aligns with the five Cross-Cutting Threads as follows:

1. **Community Trust** – The proposed amendments are a proactive measure to respond to the changing needs of the community through a transparent public process.
2. **Equity** – The proposed amendments promote reasonable and equitable regulation of land use throughout the City.
3. **Fiscal Responsibility** – The proposed amendments do not incur costs to the City.
4. **Innovation** – The proposed amendments incorporate latest best practices for streamlining and promoting equitable development communities.
5. **Sustainability & Resiliency** – The proposed amendments promote pedestrian and transit-oriented development that will help reduce greenhouse gas emissions by reducing vehicle miles traveled, as well as providing an alternative to greenfield sprawl development.

APPEAL INFORMATION

Actions by the City Planning Commission, including any environmental finding, may be appealed to the City Council within ten calendar days after the decision. Appeal filing and processing information may be obtained from the Planning Department Public Information Section, 3rd Floor, City Hall.

EXHIBITS LIST

1. Compilation of Prior Staff Reports
2. Proposed Amendments
 - a. Chapter 19.130 – Industrial Zones (BMP, I, AI, and AIR)
 - b. Chapter 19.150 – Base Zones Permitted Land Uses
 - c. Chapter 19.435 – Warehousing and Distribution Facilities
 - d. Chapter 19.670 – Public Hearings and Notice Requirements
 - e. Chapter 19.910 – Definitions
3. Floor Area Ratio Comparison Table
4. Example Notice of Filing Sign Template
5. Assembly Bill 98 – Legislative Text
6. Current Sensitive Receptor Areas Map
7. Proposed Sensitive Receptor Areas Map
8. Presentation

Prepared by:	Daniel Palafox, Associate Planner
Reviewed by:	Matthew Taylor, Principal Planner
Approved by:	Maribeth Tinio, City Planner



City of Arts & Innovation

Land Use Committee

TO: LAND USE COMMITTEE MEMBERS

DATE: NOVEMBER 12, 2024

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT
DEPARTMENT**

WARDS: ALL

**SUBJECT: DRAFT ZONING CODE AMENDMENTS RELATED TO INDUSTRIAL
DEVELOPMENT REGULATIONS INCLUDING WAREHOUSING AND
DISTRIBUTION FACILITIES**

ISSUE:

Review and provide feedback on proposed Zoning Code amendments related to industrial development regulations including warehousing and distribution facilities.

RECOMMENDATIONS:

That the Land Use Committee:

1. Receive and file an update on the proposed amendments to the City's industrial development regulations; and
2. Provide staff with direction as to whether to proceed with one or more of the options presented in this Report.

BACKGROUND:

Since 2022, staff have worked closely with the Land Use Committee (Committee) to address persistent community concerns related to the continued growth of industrial development in the region. In response to direction from the Committee and feedback from stakeholders, staff have identified several amendments to the Riverside Municipal Code which are presented to the Committee for review and additional direction. An update on activities of the State Legislature related to logistics and goods movement is also provided below.

The following timeline provides a brief overview of the policy context for this report:

- **January 25, 2022:** Former Committee Chair Plascencia requested a review of the zoning regulations for warehousing and distribution facilities within Riverside and other jurisdictions to be brought to a future meeting.
- **June 13, 2022:** Staff presented an update on Riverside's current industrial development regulations; a cross-jurisdictional regulatory analysis to determine best practices; vacant site analysis; ongoing regional and state regulatory efforts; and research on community benefits and sustainability standards. The Committee requested staff to initiate community outreach efforts and return for a future meeting with feedback. Throughout September and October

staff hosted five outreach events with a total participation of over 50 participants.

- **December 12, 2022:** Staff returned to the Committee following the community outreach efforts and additional analysis and presented proposed policy for consideration. The Committee requested staff to gather additional information related to the proposed policy updates including level of effort, timeline, and next steps and return to a future meeting.
- **February 13, 2023:** Staff presented a matrix of potential policy actions for Committee consideration and prioritization. Following discussion, the Committee recommended Staff return with a final prioritization of potential policy actions based on the direction given.
- **March 23, 2023:** Staff presented a three-phased approach to implementing the Committee's priorities for revisions to the City's policies and regulations related to industrial development, warehouses, and distribution facilities. Following discussion, the Committee directed staff to pursue phase one, which includes changes to the Riverside Municipal Code (RMC) over an estimated timeline of 12-18 months.
- **May 25 and 26, 2023:** Two stakeholder workshops were held to gather additional input on the policy priorities articulated by the Committee and to refine potential updates to the RMC.
- **June 22, 2023:** Staff held a workshop with the Planning Commission to review the proposed changes to the RMC (Attachment 1).
- **February 2023 - February 2024: Assembly Bills (AB) 1000 (Reyes) and AB 1748 (Ramos)**
 - AB 1000 was first introduced by Assembly Member Eloise Gomez Reyes in February 2023. The bill would establish an Inland region-wide (San Bernardino and Riverside County) Good Neighbor Policy and have the effect of prohibiting local agencies within the two counties from approving the development or expansion of "qualified logistics uses" (generally a warehouse 100,000 square feet or larger) within 1,000 feet of a sensitive receptor .
 - AB 1748, generally considered a competing bill to AB 1000, was first introduced by Assembly Member James Ramos in February 2023. The bill would require qualifying logistics uses over 400,000 square feet in gross floor area to provide a 300-foot setback from sensitive receptors within the Inland region.
 - Both bills died in committee and will not move forward. Assembly Speaker Robert Rivas convened a working group to review the issue and develop solutions that both protect vulnerable communities and support economic development.
- **March 2024:** Stakeholders and organizations previously involved in the outreach process were notified of the availability of the draft Zoning Code Amendments for review and were invited to provide comment to the Committee.
- **September 2024: Assembly Bill (AB) 98 (Carillo & Reyes)**
 - AB 98 was first introduced in the legislature as a placeholder bill and, as a result of the recommendations of the Working Group convened by Speaker Rivas, was amended by Assemblymembers Juan Carillo and Eloise Gomez Reyes. The amended bill establishes new warehousing regulations including requirements for establishing truck routes, loading bay and buffering setbacks, and green building practices; and requires certain data reporting metrics (Attachment 2). AB 98 was passed by the legislature in August. Further analysis in the subsequent sections.
 - On September 29, 2024, Governor Newsom signed AB 98 into law, which becomes effective January 1, 2026.

A compilation of prior staff reports that provide more detail may be read in Attachment 3.

DISCUSSION:

For the last two years, staff has worked closely with the Committee and community stakeholders to review policies, identify potential revisions to Title 19, and gain input on the City's current industrial regulations which are regarded as some of the most robust in the region today. The City's regulations, including the 2020 Good Neighbor Guidelines ("2020 GNG"), have served as a model for other agencies to follow as strict but fair policy guidance that seeks to balance economic development with community wellbeing. Still, consistent with Committee and community feedback and in response to projects within both the City and the region, concern regarding the proximity and concentration of new industrial buildings adjacent to sensitive receptors and of the long-term health impacts of these facilities is growing.

Incorporating the issues and concerns raised led staff to present a three-phased approach intended to provide a workplan of different policy options (Attachment 4). The Committee directed staff to pursue the Phase One option which focuses on aligning the Zoning Code with stakeholder feedback and the Committee's policy direction. Phase One focuses on the following overarching goals:

- **Neighborhood compatibility:** Ensure that Development Standards and the 2020 Good Neighbor Guidelines include protections for additional Sensitive Receptor land uses and match the character of surrounding uses to the greatest extent possible.
- **Transparent processes:** Empower residents to provide project feedback at the earliest opportunity and increase overall project transparency.
- **Sustainable development:** Develop enhanced sustainable construction practices and alternative energy standards to help offset emissions from these facilities.

To help fully understand the effects of the proposed changes, a brief overview of the City's existing regulations for industrial development is provided. The proposed amendments focus on six policy topics. An overview of each policy topic will be shared followed by the proposed changes, anticipated effects and key decision points for the Committee's consideration. The policy topics covered are:

- Sensitive receptors;
- Maximum building size;
- Maximum number of allowed buildings on a given lot;
- Permitted land uses;
- Green building and construction practices;
- Landscaping requirements; and
- Project notification requirements.

The Committee may direct staff to proceed with some, all, or none of the proposed changes based on the analysis in the staff report. Copies of the associated text amendments to the Zoning Code are available for review in Attachment 5.

SENSITIVE RECEPTORS

I. Affected Zoning Code Chapters

- Chapter 19.910 – Definitions
- Chapter 19.130 – Industrial Zones
- Chapter 19.435 – Warehousing and Distribution Facilities

II. Current Code

Within the context of regulating industrial development, the term sensitive receptor is used both as a regulatory tool for practitioners and as a colloquial term by community groups used to generally describe areas or land uses which require additional protection from potentially harmful development. According to the California Air Resources Board (CARB), a sensitive receptor is defined as a land use where children, elderly, or other sensitive groups are at a heightened risk of negative health outcomes due to air pollution.

There are two regulatory frameworks to keep in mind when planning for new industrial development in the City. The first is the Zoning Code, which does not currently define sensitive receptors; instead, Chapter 19.130 (Industrial Zones) regulates all new industrial development by providing tiered development regulations based on a project's proximity to a residential zone or use. Tiered development standards such as maximum building height, maximum building size, landscaping and setbacks are applied based on this proximity. It is important to keep in mind that the tiered development regulations affect all new industrial development including warehousing and distribution facilities, research facilities, and manufacturing uses.

The second regulatory framework is the 2020 GNG which provides policy guidance to be implemented by the Zoning Code and outlines desired outcomes for all new warehousing and distribution facilities. These policies are intended to be applied to development adjacent to sensitive receptors defined more broadly as residential neighborhoods, schools, parks, playgrounds, day care centers, nursing homes, hospitals, and other public places where residents are most likely to spend time. The 2020 GNG are implemented by Chapter 19.435 (Warehousing and Distribution Facilities) and provide specific site location and operational standards based on the size of the facility, generally increasing in requirements as the building size increases.

There is ambiguity between the Zoning Code and the 2020 GNG related to proximity of land uses considered to be sensitive receptors which causes confusion for property owners seeking to build new industrial development. The land uses listed as sensitive receptors in the 2020 GNG are not consistent with land uses that trigger more restrictive development standards for new industrial development in Chapter 19.130 – Industrial Zones.

III. Proposed Change

Chapter 19.910 (Definitions) includes a new definition for sensitive receptors which resolves this inconsistency and incorporates land uses which are listed as sensitive receptors within the 2020 GNG. The proposed definition includes:

- A residential zone or use (*existing*);
- K-12 public, private and charter schools (*proposed*);
- Designated parks and open space (*proposed*);
- Adult and child day care facilities (*proposed*);
- Assisted living facilities (*proposed*); and
- Hospitals (*proposed*).

Furthermore, Chapter 19.130 (Industrial Zones) is amended to replace any reference to “a residential zone or use” with “sensitive receptor” consistent with the proposed sensitive receptor definition.

Chapter 19.435 (Warehousing and Distribution Facilities) is amended to replace the land uses listed in the 2020 GNG with “sensitive receptor” to be consistent with Chapter 19.130.

IV. Anticipated Effects

The proposed sensitive receptor definition will have the effect of expanding protections to additional land uses beyond residential zones or uses. As a result, more restrictive development requirements will affect a greater quantity of industrially zoned land.

Tiered development standards including maximum building height, maximum building size, floor

area ratio (FAR), and building & landscape setbacks based on distance to sensitive receptors will apply to more industrially zoned land. The preparation of a Health Risk Assessment (HRA) will also be required for new industrial development within 1,000 feet of any sensitive receptor where the current code only requires an HRA when 1,000 feet of a residential zone or use.

V. Committee Decision Points

- Should the proposed definition of sensitive receptor be expanded to include additional land uses consistent with the GNG 2020 or maintain tiered development standards near residential zones only?
- Should the proposed sensitive receptor definition apply to some or all of the development standards?

MAXIMUM BUILDING SIZE

I. Affected Zoning Code Chapters

- Chapter 19.130 – Industrial Zones

II. Current Code

Tiered maximum building size provisions apply to any new industrial development in all Industrial Zones depending on its proximity to a residential zone or use.

Maximum Building Size			
Distance from a Residential Zone or use	Industrial Zone		
	BMP	I	AIR
< 200 feet	10,000 sq. ft.		
< 800 feet	100,000 sq. ft.		
> 800 feet	Per FAR		

For new industrial development beyond 800 feet of a residential zone or use, there is no set maximum. Instead, the building would need to abide by the Floor Area Ratio (FAR) of the underlying zone. FAR is defined as the amount of allowable building area allowed on a given lot based on the size of the lot. For example, a 100,000-square-foot lot with a maximum FAR of 0.5 would permit building floor area up to 50,000 square feet.

III. Proposed Change

Tiered maximum building size is changed to include the expanded definition of sensitive receptors. Additionally, two new proximity categories are created to regulate building sizes within 800 and 1,500 feet of a sensitive receptor where the current code only regulates within 800 feet of a residential zone or use. The additional proximity categories were created in response to feedback staff received from stakeholder engagement and from the Committee.

- For any building within 800 – 1,500 feet of a sensitive receptor, the maximum building size would be limited to 400,000 square feet. The 400,000-square-foot threshold is consistent with thresholds established by surrounding jurisdictions and recommended guidance from

the California Air Resources Board (CARB).

- For parcels located 1,500 feet or more away from a sensitive receptor, there is no maximum building size and instead would continue to be governed by the FAR of the underlying zone.

Maximum Building Size			
Distance from Sensitive Receptor	Industrial Zone		
	BMP	I	AIR
< 200 feet	10,000 sq. ft. (EXISTING)		
< 800 feet	100,000 sq. ft. (EXISTING)		
< 1,500 feet	400,000 sq. ft. (PROPOSED)		
> 1,500 feet	Per FAR (EXISTING)		

IV. Anticipated Effects

New industrial buildings within 1,500 feet of any sensitive receptor will now be limited to 400,000 square feet where the current code may or may not have allowed a greater building size depending on the size of the lot and FAR of the underlying zone.

V. Committee Decision Points

General feedback welcomed.

MAXIMUM NUMBER OF ALLOWED BUILDINGS

I. Affected Zoning Code Chapters

- Chapter 19.130 – Industrial Zones

II. Current Code

The Zoning Code does not provide a set maximum on the number of buildings on a given lot. Instead, all industrial development must abide by the Floor Area Ratio (FAR) of the underlying zone. The FAR is defined as the allowable amount of building floor area on a particular parcel relative to the size of the parcel. This building floor area may be contained in a single structure or multiple, depending on the characteristics of the proposed development. The table below provides the FAR values for each industrial zone and the general building area capacity.

Industrial Zone	Floor Area Ratio (FAR)	Building Area Capacity
Business Manufacturing Park (BMP)	1.5	A parcel with an FAR of 1.5 allows a cumulative floor area equal to lot area, plus 50%.
General Industrial (I)	0.6	A parcel allows a cumulative floor area equal to 60% of lot area.
Airport (AIR)	0.6	

The following example illustrates a theoretical building capacity with current FAR values:

- In the General Industrial (I) Zone (maximum FAR of 0.6), a 100,000 square foot parcel (roughly 2.3 acres) within 200 feet of a residential zone or use would limit the size of individual buildings to 10,000 square feet and may not exceed a cumulative floor area of 60,000 square feet (per the FAR).
- Since the current Zoning Code does not limit the number of buildings, this parcel may be developed with one or more buildings, each not exceeding the maximum building size of 10,000 square feet and all buildings not exceeding the cumulative 60,000 square feet. Assuming the lot accommodates all associated development standards, a total of six 10,000-square-foot buildings would be permitted.

The existing requirements purposefully do not provide a fixed value for the number of buildings on a parcel within industrial zones. The intent is to promote lower-intensity uses such as offices, research laboratories and small manufacturing businesses, which often require less space and generate fewer truck trips than warehousing and distribution uses. These lower-intensity uses can serve as a buffer between new warehousing and distribution facilities and adjacent sensitive receptors while permitting an appropriate degree of flexibility in site design.

Recent community feedback and direction from the Committee has sparked interest in evaluating if establishing a maximum number of buildings is necessary to ensure compatibility with the surrounding environment and reduce overall truck traffic.

III. Proposed Changes

The current FAR row in Table 19.130.030.A is repealed and is replaced by a new FAR table under section 19.130.030.B. The proposed FAR table regulates a parcel's maximum FAR based on:

- 1) The distance to a sensitive receptor (200 feet – 1,500 feet and beyond); and
- 2) The size of the parcel (less than 2 acres – 4 acres and greater).

Adjusting FAR values limits the cumulative building area for uses which may have an impact on surrounding sensitive receptors. As proposed below, a lower FAR value would apply to larger parcels, thus reducing the amount of building area permitted on the parcel. Smaller lots will have a higher FAR value which will allow more building area relative to the lot size. The revised FAR values also provide a higher FAR value for parcels that are further away from a sensitive receptor.

The proposed revisions to FAR and maximum building size are intended to work together and do not preclude one another. The FAR establishes the total allowable building area for a parcel, while the maximum building size regulates the layout and dimensions of individual buildings.

Proposed Floor Area Ratio Table

Distance from Sensitive Receptor	Lot Size								
	< 2 acres			2-4 Acres			> 4 Acres		
	BMP	I	AIR	BMP	I	AIR	BMP	I	AIR
< 200 feet	.50	.50	.60	.35	.35	.60	.25	.25	.60
< 800 feet	.75	.60	.60	.50	.50	.60	.35	.35	.60

< 1,500 feet	1.5	.60	.60	1.0	.60	.60	.75	.60	.60
> 1,500 feet	1.5	.60	.60	1.5	.60	.60	1.5	.60	.60

Three factors will affect the application of a parcel's allowable FAR:

1. The lot size;
2. The distance from a sensitive receptor; and
3. The zoning designation of the parcel.

For example, a 100,000 square foot parcel (~2.3 acres) located within 200 feet of a sensitive receptor in the General Industrial (I) zone would have a maximum FAR of 0.35. The cumulative building area must not exceed 35,000 square feet with each building limited to 10,000 square feet given its proximity to a sensitive receptor. By comparison, the same size parcel in the same zone but located between 200 and 800 feet from a sensitive receptor would allow a cumulative building area of 50,000 square feet (0.50 FAR), which could comprise a single or multiple smaller buildings.

Discussion – FAR Methodology

In determining the new FAR values, factors considered were: 1) What are the current development yields for industrial development? and 2) Which values would ensure compatibility with surrounding land uses?

To analyze this, Staff used geospatial modeling software to calculate and visualize projected FAR values on a parcel's building potential on real vacant parcels in the City. There are approximately 370 vacant industrially zoned parcels that would be affected by the change in FAR.

The size of the parcels is broken down as follows:

- Lots < 2 Acres: 293
- Lots 2-4 Acres: 39
- Lots > 4 Acres: 38

Under the current FAR standards, there is a cumulative industrial building potential of 38,658,131 square feet (exclusive of development standards which may reduce the maximum building capacity). With the proposed tiered FAR standards, the cumulative building potential is reduced to 21,770,778 square feet, or a -44% percent change (Attachment 9). This reduction in developable square footage would be absorbed by the industrial land closest to sensitive receptors.

An assessment of current and past industrial development projects revealed that most parcels are not developed to the maximum FAR allowed; the average FAR actually realized by development projects ranging from .30 to .50 where the underlying zone allowed up to 1.5 (BMP Zone) or .60 (I Zone). The values within the proposed FAR table reflect realistic development yields while providing a mechanism to ensure industrial development is compatible with sensitive receptors.

IV. Anticipated Effects

The additional 1,500-foot buffer requirement for buildings over 400,000 square feet and the new FAR table will reduce the overall development intensity and achievable gross floor area of industrial land within the city. This may result in smaller buildings and less intense development for industrial land within 1,500 feet of any sensitive receptor, as defined.

V. Committee Decision Points

General feedback welcomed.

PERMITTED LAND USES

I. Affected Zoning Code Chapters

- Chapter 19.150 – Permitted Land Uses

II. Current Code

Chapter 19.150 (Base Zones Permitted Land Uses) establishes permit requirements for warehousing & distribution facilities based on building size to provide greater discretion and oversight commensurate with potential impacts to air quality, noise, and neighborhood character, which have a proportional relationship to building size.

Building Size	Permit
10,000 sq. ft. or less	P/MC
10,000 sq. ft. - 100,000 sq. ft.	MC/C
100,000 sq. ft. or greater	C

P = Permitted by right; MC = Minor Conditional Use Permit; C = Conditional Use Permit

For reference, if a project complies with all development standards, then an entitlement and/or discretionary review is not required (permitted by right) for buildings 10,000 square feet or less. A Minor Conditional Use Permit is required for buildings between 10,000 and 100,000 square feet that meet all development standards. A Conditional Use Permit must be approved by the Planning Commission for any warehouse & distribution facility over 100,000 square feet.

If the project design does not meet the development standards, then additional discretionary review of an entitlement (MCUP or CUP) is required.

III. Proposed Changes

Changes include amending the permitted uses table to reflect that warehousing and distribution facilities between 100,000 square feet through 400,000 square feet are allowed in all industrial zones subject to a Conditional Use Permit.

A fourth building size category is created to prohibit warehousing and distribution facilities greater than 400,000 square feet in all industrial zones except for the General Industrial (I) zone, where the General Plan anticipates heavier industrial uses.

Building Size	Permit
10,000 sq. ft. or less	P/MC
10,000 sq. ft. - 100,000 sq. ft.	MC/C
100,000 sq. ft. - 400,000 sq. ft.	C
400,000 sq. ft. or greater	C (Only in I Zone)

The addition of a 400,000-square-foot tier is consistent with the new proposed maximum building size of 400,000 square feet within 1,500 feet of a sensitive receptor and is thus incorporated throughout.

IV. Anticipated Effect

Very large warehouses and logistics facilities over 400,000 square feet will no longer be permitted in the Business & Manufacturing Park, Air Industrial (AI) and Airport (AIR) Zones.

V. Committee Decision Points

General feedback welcomed.

LANDSCAPING REQUIREMENTS

I. Affected Zoning Code Chapters

- Chapter 19.130 – Industrial Zones

II. Current Code

Landscaped setbacks are required for all front yards in all industrial zones. Additional landscaping buffers apply for parcels adjacent to a residential zone or use. For example, in the Business Manufacturing Park (BMP) zone, 20 feet of the required 50-foot front yard setback must be landscaped when adjacent to a residential zone or use. Additionally, 15 feet of the required 60-foot side and rear yard setback must be landscaped when adjacent to a residential zone or use.

III. Proposed Changes

Changes to landscaping requirements reflect an increase from 15 to 20 feet for side and rear landscape buffer requirements when the project site is adjacent to a sensitive receptor.

A new landscaping section dedicated to buffering between industrial development and sensitive receptors outlines the dimensions and plant material requirements for industrially zoned parcels which share a property line with a sensitive receptor.

IV. Anticipated Effect

The additional landscaping buffer will create a natural gradient between the industrial use and adjacent sensitive receptors and improve compatibility.

V. Committee Decision Points

General feedback welcomed.

GREEN BUILDING AND CONSTRUCTION PRACTICES

I. Affected Zoning Code Chapters

- Chapter 19.435 – Warehousing and Distribution Facilities

II. Current Code

The Zoning Code does not require any renewable energy or sustainable construction practices requirements beyond what the California Green Building Code requires such as solar roof

installation, cool roofing and heavy-duty electric vehicle charging readiness. Exploring sustainable operation and construction practices was an area of interest identified by the Committee and community feedback.

III. Proposed Changes

A new section for renewable energy and construction practices is proposed. Changes include requiring all warehousing and distribution facility building roofs be solar-ready and be constructed with solar reflective material. Additionally, for buildings greater than 100,000 square feet, solar photovoltaic systems must be installed to power 100% of the non-refrigerated portions of the facility and any parking areas. Other proposed changes include requiring the applicant to utilize electric-powered tools and CARB Tier IV- or higher-rated off-road construction equipment.

IV. Anticipated Effect

Additional staff review will be needed to verify and monitor use of electric powered tools and construction equipment. There may also be additional costs borne by the project applicant to fulfill these requirements.

V. Committee Decision Points

- Should the renewable energy and sustainable construction practices be modified to be more flexible?

PROJECT NOTIFICATION REQUIREMENTS

I. Affected Zoning Code Chapters

- Chapter 19.670 – Public Hearings and Notice Requirements

II. Current Code

For projects that require a Minor Conditional Use Permit (MCUP) but not a public hearing, mailed postcards are required to be sent to property owners within 300 feet of the project site. For projects that require a public hearing before the Planning Commission or City Council, mailed postcards must be sent to property owners within 300 feet of the project site and notice must be published in one newspaper cycle 10 days prior to the public hearing. There is no requirement to notify occupants of multi-tenant properties such as renters living within an apartment complex.

The Zoning Code does not require a physical sign for project notification to be posted on-site for any project. In certain circumstances, a physical placard may be placed at a project site for right-of-way vacations as required by the California Streets and Highways Code.

III. Proposed Changes

Proposed amendments include requiring that the mailed notification radius be extended from 300 to 1,000 feet for any new development project requiring a MCUP or CUP within the Business Manufacturing Park (BMP) and General Industrial (I) Zones.

A new section is proposed requiring that a Notice of Filing sign be posted at the project site for new development projects requiring a MCUP or CUP within the BMP and I Zones. The sign must meet certain timing, size specifications and maintenance requirements to adequately allow community members more time to respond throughout the initial stages of project review. A sign template and informational form has been created to streamline the application of this new requirement

(Attachment 10).

Notice requirements are also extended to tenant occupants in addition to real property owners for any project subject to notice requirements.

IV. Effect

Expands the type and extent of public noticing required for new industrial development beyond what is required for other land use entitlements. The additional notification requirements for tenants and the Notice of Filing sign will provide residents with greater opportunities to provide feedback during the initial stages of a project.

III. Committee Decision Points

- Should the current project notification requirements remain in place?
- Should the proposed project notification requirements be modified to only apply to certain project types or remain as is?
- Is the current distance requirement adequate or should the proposed distance be modified?

ASSEMBLY BILL 98 ANALYSIS

AB 98 passed the State assembly in August 2024 was signed into law by Governor Newsom on September 29, 2024. The bill establishes various warehouse development standards within San Bernardino and Riverside counties including building design and location, parking, truck loading bays, landscaping buffers, entry gates, and signage.

Notably, AB 98 provides varying requirements based on the size of the logistics use building and whether the logistics use is situated on an existing industrially zoned parcel or if the parcel needs to be rezoned. A base set of regulations would apply to all new or expanded (20% or greater) logistics uses but a stricter set of regulations apply to buildings 250,000 square feet or greater.

Staff has identified several provisions of AB 98 where the proposed development regulations detailed in this report meet or exceed the new requirements set forth by the bill.

Development Regulation	City Meets or Exceeds	AB 98	City of Riverside (proposed)
Regulations Applicability	✓	New or expanded logistics use buildings <u>250,000 sq. ft. or larger</u>	Any new or expanded Industrial use including warehousing and distribution buildings <u>regardless of size</u>
Sensitive Receptor Definition	✓	Residence, school, daycare facility, publicly owned parks, nursing homes & hospitals	A residential zone or use; K-12 public, private and charter schools; designated parks and open space; adult and child day care facilities; assisted living facilities; and hospitals
Maximum	✓	Not addressed	35 feet if within 200 ft of a sensitive receptor; 45 ft all

Development Regulation	City Meets or Exceeds	AB 98	City of Riverside (proposed)
Building Height			other locations
Maximum Building Size	✓	Not addressed	10,000 sq. ft. – 400,000 sq. ft. depending on proximity to sensitive receptor (within 1,500 ft)
Health Risk Assessment (HRA) Preparation	✓	Not addressed	Requires preparation of HRA if project site 1,000 ft of sensitive receptor

There are various provisions within AB 98 which the City currently does not meet or address within the current and proposed regulatory framework. The table below provides an overview of key development regulations where there is variation between the City and AB 98.

Development Regulation	City Meets or Exceeds	AB 98	City of Riverside
Landscaping Buffer	X	50 or 100 ft landscaped buffer within 900 feet of sensitive receptor including 10 ft solid decorative wall	60 ft side and rear yard setback if adjacent to sensitive receptor; at least 20 ft must be landscaped with 8 ft solid decorative wall
Building Efficiency & Construction Standards	X	Meet CA Green Building Code, Zero-Emission forklifts by 2030, advanced smart metering, proportion of EV charger ready & EV charger installed parking spaces, high-efficiency ventilation	Meet CA Green Building Code, cool surface treatments, use of CARB Tier 4 equipment during construction, solar ready roofs, solar panel installation for buildings > 100,000 sq. ft.
Loading Bay Setbacks	X	Building < 250k sq. ft. – no setback Building > 250k sq. ft. – 300 ft or 500ft setback from adjacent sensitive receptor	No setback. Loading bays must be situated on opposite side of property or be fully screened
Truck Routing Plan	X	Requires the preparation of truck routing plan prior to certificate of occupancy	The City does not regulate. Various vehicle weight and axle restrictions apply for certain roadways throughout the City.
Building Siting Criteria	X	Requires new logistics uses to be located on specific roadways like arterial roads, collector roads, major throughfares, local roads	

Development Regulation	City Meets or Exceeds	AB 98	City of Riverside
		which predominately serve commercial uses	
Update to General Plan Circulation Element	X	Prior to January 2026, the City must update its Circulation Element to establish truck routes	

Notably, since the City is located in what AB 98 refers to as a “warehouse concentration region,” the City is required to update its General Plan Circulation Element in order to designate truck routes by January 1, 2026. A key item to note is the establishment of designating truck routes may have the unintended consequence of encouraging cut-through traffic from surrounding areas. Additionally, this compliance date would conflict with the ongoing effort to prepare a comprehensive update of the City’s General Plan for 2050, which is currently anticipated to be completed in early 2027. Previous City Council direction and community feedback shared concern about designating roadways for non-local truck traffic. Instead, the City maintains vehicle weight and axle limitations for certain roadways to prevent the concentration of heavy-duty vehicles on roadways.

Furthermore, AB 98 requires new logistics uses to be situated on specific roadways like arterial roads, collector roads, major throughfares, local roads where the roads are primarily served by commercial uses. This is a new requirement which will affect the permitted location for new logistics uses in the City in a manner that may not be consistent with the Zoning Code and General Plan.

OPTIONS MOVING FORWARD

Option 1:

Proceed with the implementation of the proposed amendments as is, or with modifications.

Option 2:

No changes. Existing development regulations remain.

Option 3:

Alternative work path as recommended by the Committee.

Option 4 - STAFF RECOMMENDATION:

As new or revised legislation may come forward, pause the effort for additional six to nine months, monitor legislative activity and provide the Land Use Committee with an update on any new legislation to determine whether additional modifications are needed and/or proceed with Options 1, 2, or 3.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 3 – Economic Opportunity** and **Goal 3.1 – Facilitate partnerships and programs to develop, attract and retain innovative business sectors**, and **Strategic Priority 5 – High Performing Government** and **Goal 5.3 – Enhance communication and collaboration with community members to improve transparency, build public trust, and encourage shared decision-making.**

This Project aligns with the following Cross-Cutting Threads:

1. **Community Trust** – The update on industrial development regulations is presented at an open public meeting and contains transparent information on City processes and regulations.
2. **Equity** – The update on industrial development regulations seeks to promote environmental justice so that impacts of new facilities are minimized on residents.
3. **Fiscal Responsibility** – The update on industrial development regulations will not have any fiscal impact to the City.
4. **Innovation** – The update on industrial development regulations is seeking best practices that will innovate how the City addresses these facilities in the future.
5. **Sustainability & Resiliency** – The update on industrial development regulations seeks to minimize environmental impacts of these facilities in the future.

FISCAL IMPACT:

There is no fiscal impact related to receiving this report.

Prepared by:	Daniel Palafox, Associate Planner
Approved by:	Jennifer Lilley, Community & Economic Development Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Mike Futrell, City Manager
Approved as to form:	Jack Liu, Interim City Attorney

Attachments:

1. June 22, 2023 – Planning Commission Staff Report
2. Assembly Bill 98 Bill Text
3. Staff Report Compilation
4. Three-Phase Workplan
5. Redline Text: Chapter 19.910 – Definitions
 - a. Chapter 19.910 – Definitions
 - b. Chapter 19.130 – Industrial Zones (BMP, I, AI and AIR)
 - c. Chapter 19.150 – Base Zones Permitted Land Uses
 - d. Chapter 19.435 – Warehousing and Distribution Facilities
 - e. Chapter 19.670 – Public Hearings and Notice Requirements
6. FAR Comparison Matrix
7. Sample Notice of Filing Sign Requirement
8. Map – Current Industrially Zoned Land
9. Map – Vacant Lots
10. Map – Current Development Protection Areas
11. Map – Proposed Sensitive Receptor Land Area
12. Map – Existing Distance Protection Measures
13. Map – Proposed Distance Protection Measures
14. Map – Hunter Business Park
15. Map – Sycamore Canyon Business Park



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Planning Division

CITY PLANNING COMMISSION MEETING: JUNE 22, 2023
AGENDA ITEM NO.: 5

DISCUSSION ITEM

Case Number	PR-2023-001523 (Zoning Text Amendment)
Request	Workshop – Potential policy changes to Title 19 (Zoning) to implement changes to Industrial Development Standards
Project Location	Citywide
Wards	All
Staff Planner	Daniel Palafox, Assistant Planner dpalafox@riversideca.gov 951-826-5985

RECOMMENDATION

Conduct a workshop to discuss potential policy changes to Title 19 that implement changes to Industrial Development Standards as directed by the City Council Land Use, Sustainability and Resilience Committee.

BACKGROUND

In January 2022, Councilwoman Plascencia requested that a review of regional best practices and zoning regulations for warehousing and distribution facilities be brought to the Land Use, Sustainability, and Resilience Committee (Committee). Staff presented an update on June 13, 2022, to the Committee, which included a vacant site analysis; a cross-jurisdictional regulatory analysis of best practices; findings on ongoing regional and state regulatory efforts; and research on community benefits and sustainability standards.

Following the June 13 presentation, the Committee requested that staff return to a future meeting after initiating outreach efforts with community stakeholders to obtain feedback on Riverside's regulatory efforts related to industrial development. After conducting community outreach in the fall, staff returned to the Committee on December 12, 2022 with an update on the community outreach efforts, sensitive receptor analysis, and identified proposed policy consideration items. Following Committee discussion, the Committee requested that staff return at a future date with additional information about potential policy updates including the required level of effort, timeline, and next steps.

A matrix of potential policy actions for Committee consideration and prioritization was presented to the Committee on February 13, 2023. After discussion, the Committee recommended that staff return to the next regularly scheduled meeting with a final recommendation of policy changes based on the direction of the Committee.

On March 13, 2023, staff presented a final matrix of potential policy actions for Committee consideration (Exhibit 1). The Committee directed staff to pursue Phase 1 of the final matrix including exploring amendments to development standards, project noticing requirements and other best practices. A compilation of Staff Reports related to this update can be found in Exhibit 2.

DISCUSSION

Across the Inland Empire region, continued growth of industrial development has motivated many cities to reexamine if additional regulations are needed to address persistent community concerns. The concentration of warehousing and distribution facilities in the Inland Empire has created a unique opportunity for the region to serve as one of the nation's largest logistics hubs, creating jobs and connecting people to purchased goods. Riverside is recognized as having some of the most robust Good Neighbor Guidelines in the region, often serving as a framework for other jurisdictions to follow. Still, it is important to recognize and routinely evaluate the environmental and quality of life concerns that these facilities can generate.

As part of staff's research, a geo-spatial analysis was conducted illustrating the density of sensitive receptors in proximity to vacant parcels zoned for industrial development. The analysis reveals that 78% of industrially zoned land in the City is already developed. It also highlights that, in general, the remaining vacant industrially zoned parcels are located where there is not a high concentration sensitive receptors (Exhibit 3). Pockets of industrially zoned land adjacent to higher concentrations of sensitive receptors exist in the City and should be planned for accordingly.

To gain a better understanding of community concerns and stakeholder insight, staff held five community meetings as follows:

1. Tuesday, September 13, 2022
 - a. Virtual – Microsoft Teams
2. Wednesday, September 21, 2022
 - a. Virtual – Microsoft Teams
3. Thursday, September 29, 2022
 - a. In person – City Hall, Fourth Floor Conference Room (Ward 1)
4. Thursday, May 25, 2023
 - a. In person – SSgt. Salvador J. Lara Casa Blanca Library (Ward 4)
5. Friday, May 26, 2023
 - a. Virtual – Microsoft Teams

Overall, the meetings were well attended with over 70 participants across all five meetings. A summary of all stakeholder comments and suggestions is included as Exhibit 4. Utilizing the feedback obtained and direction received from the Committee, staff has consolidated the potential policy changes and seeks the Planning Commission's input on shaping future policy changes, including potential amendments to development regulations. Direction obtained will help ensure that remaining industrially zoned parcels are developed responsibly.

POTENTIAL POLICY CHANGES

To facilitate the Planning Commission's review of the potential policy changes, staff has organized feedback and direction received into three policy topics (Development Standards, Project Noticing Requirements and Community Resources). The following sections outline 1) the direction provided by the Committee; 2) the current Code requirements pertaining to that topic; 3) community feedback received; and 4) policy options for consideration and Commission direction.

DEVELOPMENT STANDARDS

1. Committee Direction

- a. Examine and obtain feedback on changes to development standards including:
 - i. Additional sensitive receptor protections
 - ii. Maximum building sizes
 - iii. Maximum number of buildings
 - iv. Setback requirements

2. Current Code & Community Feedback

Development Standard	Current Code Requirement	Community Feedback
Sensitive Receptor Protections	<p>2020 Good Neighbor Guidelines (GNG-2020): Provides guidelines to protect schools, parks, playgrounds, day care centers, nursing homes, hospitals, and other public places.</p> <p>Title 19 (Zoning Code): Establishes building size and height limits, permit requirements and other protections based on proximity to residential zones and uses only.</p>	A number of comments favored expanding sensitive receptor protections to a wider variety of land uses (i.e., churches, parks, schools). Some comments expressed a desire to increase distances at which stricter requirements apply. Others shared that the GNG-2020 adequately protects sensitive receptors. There may be unintended consequences of expanding protections to other land uses.
Maximum Building Size	<p>Title 19 (Zoning Code): Establishes tiered maximum building sizes based on distance to residential zone or use:</p> <ol style="list-style-type: none"> a) 200 feet – 10,000 sq.ft. b) 200 – 800 feet – 100,000 sq. ft. c) Outside 800 feet – No limit (must meet floor area ratio [F.A.R.] standards) 	Some expressed concern that building size limits are ineffective if multiple smaller buildings can be developed on a single lot. Some suggested setting a maximum building size prohibiting the construction of warehouses larger than 200k sq. ft. Others felt that the City should limit the number of buildings on a given lot or establish a cumulative limit on floor space within a given proximity to sensitive uses.
Maximum Number of Buildings	No current regulation limiting maximum number of buildings. Projects must meet underlying F.A.R. and building size requirements.	Other comments reiterated that the 2020 GNG and corresponding Title 19 regulations are already the most robust in the region, and that policies should be flexible to account for site-specific conditions.

Development Standard	Current Code Requirement	Community Feedback
Setback & Design Requirements	Title 19 (Zoning Code): Rear and side yard setbacks apply when adjacent to residential zone/parcel (60 feet) & require 15 feet of landscape setback. Title 19 does not provide any design requirements; projects are evaluated for consistency with Citywide Design Guidelines through Design Review process.	Some comments indicated a desire for enhanced landscape buffers including earthen berms and tree planting to create a gradient effect camouflaging industrial buildings to the greatest extent possible. Color palettes that blend in with natural environment and to scale the buildings were suggested. Others shared that specific design regulations (as opposed to guidelines) are uncommon and would may be too prescriptive limiting the overall layout of the project.

3. Potential Policy Changes

a. Sensitive Receptor Protections:

- i. *No change:*
 - 1) Maintain existing regulations.
- ii. *Moderate change:*
 - 1) Existing tiered sensitive receptor protections (building size, height limits) can be extended to an increased radius from residential areas by a distance determined by the Commission.
- iii. *Substantial change:*
 - 1) Additional land uses (schools, parks, community centers, etc.) can be incorporated into the sensitive receptor protections, independently or in combination with extending radius where tiered limitations apply.

b. Maximum Building Size & Number of Buildings:

- i. *No change:*
 - 1) Maintain existing regulations.
- ii. *Moderate change:*
 - 1) Maintain existing maximum building size limitations but establish a tiered Floor Area Ratio (F.A.R) that increases with distance from residential zones or sensitive receptors and/or decreases with increasing lot size.
- iii. *Substantial change:*
 - 1) Create a new maximum building size for buildings beyond 800 feet from sensitive receptors and establish a cumulative floor area limit at a value determined by the Commission. Additionally, apply tiered F.A.R contingent on lot size.

c. Setback & Design Requirements:

- i. *No change:*
 - 1) Maintain existing regulations.
- ii. *Moderate change:*
 - 1) Maintain setback requirements but increase landscaped buffer requirements.
- iii. *Substantial change:*
 - 1) Create specific design standards for industrial buildings (architectural treatment, color palettes, etc.) and increase landscaped setbacks requirements.

PROJECT NOTICING REQUIREMENTS

1. Committee Direction

- a. Examine and obtain feedback on potential changes to project noticing requirements to increase public awareness and feedback on industrial development proposals.

2. Current Code & Community Feedback

Development Standard	Current Code Requirement	Community Feedback
Project Notification Requirement	Title 19 (Zoning Code): For projects that require a Minor Conditional Use Permit or Variance but not a Public Hearing, mailed postcards are required to be sent to property owners within 300 feet radius of site. For projects that require a Public Hearing before the Planning Commission or City Council, mailed postcards & notice published in one newspaper 10 days prior to public hearing.	Participants commented that the notification radius should be expanded beyond 300 feet and should include tenants as well as property owners. Additionally, a centralized location for project notification and information was suggested. Some stated that publicizing project information online would be helpful and that posting physical notices on project sites could help. ¹

¹Staff are developing a web-based development activity map that will be made available to the public in 2024.

3. Potential Policy Changes

- a. Project notification requirement:
 - i. *No change:*
 1. Maintain existing regulations.
 - ii. *Moderate change:*
 1. Increase notification radius for mailed postcards at a distance determined by the Planning Commission.
 - iii. *Substantial change:*
 1. Increase notification radius for mailed postcards; require that tenants also be notified in addition to property owners; require that a physical placard be posted on the project site.

COMMUNITY RESOURCES

1. Committee Direction

- a. Examine and obtain feedback on a potential community benefits framework for industrial projects, sustainability practices and related topics.

2. Current Code & Community Feedback

Development Standard	Current Code Requirement	Potential Policy Changes
Community Benefit Requirements	No current framework for community benefits or requirement for community meetings in the Riverside Municipal Code.	<p>Some commenters suggested increased fees for warehouse projects, or a special tax on logistics businesses or properties. Local hire requirements were also suggested. Several commenters recommended direct funding road and park improvements.</p> <p>Other commenters referenced the comprehensive nature of existing development/impact fee programs. Flexibility in community benefit efforts was identified as important.</p>
Sustainability Practices	No current requirement for sustainable design practices exists in the Riverside Municipal Code beyond compliance with Building Code standards for energy efficiency and, when applicable, mitigation measures for CEQA purposes.	There was general support for sustainable construction practices and project design including clean energy requirements such as solar-ready roofs or photovoltaic requirements to power the facility. Tree replacement requirements were also mentioned.

3. Potential Policy Changes

- a. Community benefits:
 - i. *No change*:
 - 1) Maintain existing regulations.
 - ii. *Moderate change*:
 - 1) Provide guidelines or establish requirement for conducting community meetings for industrial projects.
 - iii. *Substantial change*:
 - 1) Study need for specific Development Impact Fees (DIFs) for industrial development projects; create guidelines or establish requirement for community meetings; explore establishing local hire requirements.
- b. Sustainability practices:
 - i. *No change*:
 - 1) Maintain existing regulations.
 - ii. *Moderate change*:

- 1) Develop enhanced energy efficiency requirements for new industrial construction projects (equipment, materials, etc.).
- iii. Substantial change:
 - 1) Develop enhanced energy efficiency requirements for new industrial construction and facilities operation (vehicles, machinery, building electrification, net-zero facilities, etc.).

STRATEGIC PLAN ALIGNMENT

The Industrial Development Standards workshop aligns with **Strategic Priority 3 – Economic Opportunity**, Goal 3.1 – Facilitate partnerships and programs to develop, attract and retain innovative business sectors; **Strategic Priority 4 – Environmental Stewardship**, Goal 4.4 - Implement measures and educate the community to responsibly manage goods, products, and services throughout their life cycle to achieve waste reduction outcomes; and **Strategic Priority No. 5 – High Performing Government**, Goal 5.3 Enhance communication and collaboration with community members to improve transparency, build public trust, and encourage shared decision-making.

In addition, the project aligns with the five Cross-Cutting Threads as follows:

1. **Community Trust** – The workshop is presented at an open public meeting and contains transparent information on City processes and regulations.
2. **Equity** – The workshop allows residents to understand the policy direction from the Land Use Committee and seeks to address residents' quality of life concerns.
3. **Fiscal Responsibility** – The workshop will not have any fiscal impact to the City.
4. **Innovation** – The workshop is seeking policy direction that will innovate how the City addresses future industrial facilities.
5. **Sustainability & Resiliency** – The workshop seeks to minimize the environmental impacts of future industrial facilities.

EXHIBITS LIST

1. Final Proposed Policy Matrix – March 13, 2023 Land Use Committee Meeting
2. Committee Reports in Reverse Chronological Order
3. Summary of Stakeholder Comments
4. Vacant Site & Sensitive Receptor Map
5. Presentation

Prepared by:	Daniel Palafox, Assistant Planner
Reviewed by:	Matthew Taylor, Principal Planner
Approved by:	Maribeth Tinio, City Planner



City of Arts & Innovation

Land Use, Sustainability, and Resilience Committee

**TO: LAND USE, SUSTAINABILITY, AND
RESILIENCE COMMITTEE MEMBERS**

DATE: MARCH 13, 2023

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT
DEPARTMENT**

WARDS: ALL

**SUBJECT: UPDATE ON INDUSTRIAL DEVELOPMENT REGULATIONS AND WAREHOUSE
AND DISTRIBUTION FACILITIES DEVELOPMENT**

ISSUE:

Update on the City's industrial development regulations and development of warehousing and distribution facilities, including a matrix of potential policy actions and clarification of existing policy.

RECOMMENDATIONS:

That the Land Use, Sustainability, and Resilience Committee:

1. Receive and file an update on the City's industrial development regulations related to warehousing and distribution facilities; and
2. Provide staff with direction to pursue one or more of the potential revisions to City policies and regulations as previously requested by the Committee, as summarized in Attachment 1.

BACKGROUND:

During the January 25, 2022, City Council meeting, following the Public Hearing for the Sycamore Hills Distribution Center project, Councilwoman Plascencia requested a review of the zoning regulations for Warehousing and Distribution Facilities within Riverside and other jurisdictions be brought to a future meeting of the Land Use, Sustainability and Resilience Committee (Committee). The review was to include strategies to address quality of life issues, including, but not limited to, reducing Riverside's carbon footprint and exploring community benefits.

On June 13, 2022, staff presented an update to the Committee on Riverside's current industrial development regulations; a cross-jurisdictional regulatory analysis to determine best practices; ongoing regional and state regulatory efforts; and research on community benefits and sustainability standards. Staff also presented a vacant site analysis illustrating potential locations for warehouse development in the City and highlighted projects in process to evaluate the percentage of industrially zoned land already developed.

Following the June 13, 2022, presentation, the Committee requested that staff return to a future meeting after initiating outreach efforts with community stakeholders to obtain feedback on Riverside's regulatory efforts related to industrial development and warehousing and distribution facilities. The Committee also requested that staff further explore protections for sensitive receptors by conducting a geospatial analysis to identify which areas of the city have a high concentration of sensitive receptors relative to industrially zoned land.

On December 12, 2022, staff reported on the community outreach efforts, sensitive receptor analysis, and proposed policy consideration items. An update was also presented on best practices related to industrial development regulatory efforts. Following the presentation, the Committee requested that staff return at a future date with additional information about potential policy updates, including the required level of effort, timeline, and next steps.

On February 13, 2023, staff presented a matrix of potential policy actions for Committee consideration and prioritization (Attachment 2). Following discussion, the Committee recommended that Staff return to the next regularly scheduled meeting with a final recommendation for initiating policy changes based on the direction of the Committee.

DISCUSSION:

Staff has revised the Matrix of Potential Policy Actions to consolidate and prioritize prospective revisions to the City's policies and regulations related to industrial development, warehouses, and distribution facilities along the following parameters:

1. Committee priority;
2. Level of effort and staff capacity;
3. Timeframe to completion; and
4. Required resources.

The Revised Matrix is included as Attachment 1. Staff propose to pursue the requested policy and regulatory changes in two or three phases. A detailed roadmap and work plan will be developed and presented to the Committee at a later date.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 3 – Economic Opportunity** and **Goal 3.1 – Facilitate** partnerships and programs to develop, attract and retain innovative business sectors, and **Strategic Priority 4 – Environmental Stewardship** and **Goal 4.4 - Implement** measures and educate the community to responsibly manage goods, products, and services throughout their life cycle to achieve waste reduction outcomes.

This Project aligns with the following Cross-Cutting Threads:

1. **Community Trust** – The update on industrial development regulations is presented at an open public meeting and contains transparent information on City processes and regulations.
2. **Equity** – The update on industrial development regulations seeks to promote environmental justice so that the impacts of new facilities are minimized on residents.

3. **Fiscal Responsibility** – The update on industrial development regulations will not have any fiscal impact to the City.
4. **Innovation** – The update on industrial development regulations is seeking best practices that will innovate how the City addresses these facilities in the future.
5. **Sustainability & Resiliency** – The update on industrial development regulations seeks to minimize the environmental impacts of these facilities in the future.

FISCAL IMPACT:

There is no direct fiscal impact associated with this report.

Several of the policy options presented would require professional consulting services that may range in cost from \$50,000 to \$200,000 each. If the Committee directs staff to pursue these policy options, funding sources will need to be identified along with Council approval for the appropriation of funds.

Prepared by:	Jennifer Lilley, Community & Economic Development Director
Approved by:	Rafael Guzman, Assistant City Manager
Certified as to availability of funds:	Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. Revised Matrix of Potential Policy Actions
2. Land Use, Sustainability and Resilience Committee Staff Report – February 13, 2023
3. Presentation



City of Arts & Innovation

Land Use, Sustainability, and Resilience Committee

**TO: LAND USE, SUSTAINABILITY, AND
RESILIENCE COMMITTEE MEMBERS**

DATE: FEBRUARY 13, 2023

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT
DEPARTMENT**

WARDS: ALL

**SUBJECT: UPDATE ON INDUSTRIAL DEVELOPMENT REGULATIONS AND WAREHOUSE
AND DISTRIBUTION FACILITIES DEVELOPMENT**

ISSUE:

Update on the City's industrial development regulations and development of warehousing and distribution facilities including a matrix of potential policy actions and clarification of existing policy.

RECOMMENDATIONS:

That the Land Use, Sustainability, and Resilience Committee:

1. Receive and file an update on the City's industrial development regulations related to warehousing and distribution facilities; and
2. Provide staff with direction to pursue one or more of the potential policy actions previously presented to the Committee (Attachment 4).

BACKGROUND:

During the January 25, 2022, City Council meeting, following the Public Hearing for the Sycamore Hills Distribution Center project, Councilwoman Plascencia requested a review of the zoning regulations for Warehousing and Distribution Facilities within Riverside and other jurisdictions be brought to a future meeting of the Land Use, Sustainability and Resilience Committee (Committee). The review was to include strategies to address quality of life issues including, but not limited to, reducing Riverside's carbon footprint and exploring community benefits (Attachment 1).

On June 13, 2022, staff presented an update to the Committee on Riverside's current industrial development regulations; a cross-jurisdictional regulatory analysis to determine best practices; ongoing regional and State regulatory efforts; and research on community benefits and sustainability standards (Attachment 2). Staff also presented a vacant site analysis illustrating potential locations for warehouse development in the City and highlighted projects in process to evaluate the percentage of industrially zoned land already developed.

Following the June 13, 2022, presentation, the Committee requested that staff return to a future meeting after initiating outreach efforts with community stakeholders to obtain feedback on Riverside's regulatory efforts related to industrial development and warehousing and distribution facilities. The Committee also requested that staff further explore protections for sensitive receptors by conducting a geospatial analysis to identify which areas of the city have a high concentration of sensitive receptors relative to industrially zoned land.

On December 12, 2022, staff reported on the community outreach efforts, sensitive receptor analysis and proposed policy consideration items (Attachment 3). An update was also presented on best practices related to industrial development regulatory efforts. Following the presentation, the Committee requested that staff return at a future date with additional information about potential policy updates including the required level of effort, timeline, and next steps.

DISCUSSION:

Potential Policies Matrix

The matrix of potential policy actions provides an overview of the workflow for each policy consideration with insight organized by key factors affecting the implementation of each policy (Attachment 4). Of note are estimated level of effort, key stakeholders, anticipated cost, next steps, and a timeline for consideration. Staff is seeking direction from the Committee on whether, and which, of the policy options presented at the previous Committee meeting should be pursued.

Clarification of Existing Regulations

With the adoption of the 2020 Good Neighbor Guidelines (GNG-2020) and associated Title 19 (Zoning Code) amendments, maximum building sizes were established for all industrial development within specified distances of a residential zone or use. If a building is within less than 200 feet of a residential zone or use, the maximum building size is 10,000 square feet. If a building is located within 200 to 800 feet of a residential zone or use, the maximum building size is 100,000 square feet. Sizes of buildings located further than 800 feet from a residential zone or use are controlled by the maximum Floor Area Ratio (FAR, defined as the maximum amount of buildable area relative to the size of the lot).

While Title 19 provides a maximum building size for development adjacent to a residential zone or use, it does not set a limitation on the number of buildings on any given parcel so long as the buildings comply with the FAR and all applicable development standards including setbacks, maximum building size, and maximum building height. For example, in the General Industrial (I) Zone (maximum FAR of 0.6), within 200 feet of a residential zone or use, an individual lot may be developed with one or more buildings each not exceeding the maximum building size of 10,000 square feet and all buildings not exceeding 60% of the lot area. For areas located within 200 to 800 feet of a residential zone or use, the same total square footage may be developed, but each building would be limited to no more than 100,000 square feet.

The purpose of these requirements is to promote lower-intensity uses such as offices, research laboratories and small manufacturing businesses, which often require less space and generate fewer truck trips than warehousing and distribution uses, to act as a buffer between new warehousing and distribution facilities and adjacent residential zones or uses while permitting an appropriate degree of flexibility in site design and allowed uses for new development.

Cost-Benefit Study

The economic benefits and disadvantages of growth in the logistics and goods movement industry

in Southern California have been studied widely, with reports produced in the last year alone by institutions including, but not limited to, the [UC Riverside Center for Social Innovation](#); the [Inland Empire Economic Partnership](#); the [UC Riverside Center for Economic Forecasting and Development](#); and the [Southern California Association of Governments](#). While each of these vary in their methodologies, conclusions and orientations toward the issue, common themes exist. These include that the logistics and goods movement industry drives an increasing proportion of economic activity in the Inland Empire (IE) and have assisted in recovering and exceeding the jobs lost in the Great Recession; that employment growth and overall job quality in this industry are threatened by technological changes and automation; and that IE per capita gross regional product, average wages, and educational attainment continue to lag surrounding areas.

Public comments and Committee discussion have included potential exploration of a deeper study of the costs and benefits of industrial development, specifically of warehousing and distribution facilities, to and within the City. This would involve calculating the direct and indirect economic impacts of warehousing and distribution uses in the City (such as those from private investment; sales and property tax revenues; job growth and local spending; etc.) and contrasting this with direct and indirect costs to the City (such as those from roadway and infrastructure maintenance; traffic congestion; air pollution and greenhouse gas emissions; health impacts, etc.) associated with these uses.

Such a study could help inform future decisions related to land use planning, up to and including a forthcoming comprehensive update of the City's General Plan 2025. If there is interest in pursuing a cost-benefit study, the City could pursue a partnership with an academic institution or organization with expertise in this type of research; however, potential partners would need to be solicited and timing, costs and demands on City resources are unknown. Alternatively, the City could procure professional consulting services to conduct a study without an external partner. Staff estimates that consulting services to perform such a study could cost up to \$200,000.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 3 – Economic Opportunity** and **Goal 3.1 – Facilitate** partnerships and programs to develop, attract and retain innovative business sectors, and **Strategic Priority 4 – Environmental Stewardship** and **Goal 4.4 - Implement** measures and educate the community to responsibly manage goods, products, and services throughout their life cycle to achieve waste reduction outcomes.

This Project aligns with the following Cross-Cutting Threads:

1. **Community Trust** – The update on industrial development regulations is presented at an open public meeting and contains transparent information on City processes and regulations.
2. **Equity** – The update on industrial development regulations seeks to promote environmental justice so that impacts of new facilities are minimized on residents.
3. **Fiscal Responsibility** – The update on industrial development regulations will not have any fiscal impact to the City.
4. **Innovation** – The update on industrial development regulations is seeking best practices that will innovate how the City addresses these facilities in the future.

5. **Sustainability & Resiliency** – The update on industrial development regulations seeks to minimize environmental impacts of these facilities in the future.

FISCAL IMPACT:

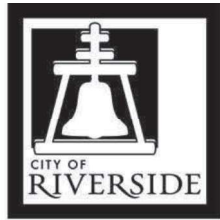
There is no direct fiscal impact to the General Fund associated with this report.

Several of the policy options presented would require professional consulting services that may range in cost from \$50,000 to \$200,000 each. If the Committee directs staff to pursue these policy options, funding sources would need to be identified and Council approval for the appropriation of funds would be necessary.

Prepared by:	Jennifer Lilley, Community & Economic Development Director
Approved by:	Rafael Guzman, Assistant City Manager
Certified as to availability of funds:	Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. City Council Meeting Minutes – January 25, 2022
2. Land Use, Sustainability and Resilience Committee Staff Report – June 13, 2022
3. Land Use, Sustainability and Resilience Committee Staff Report – December 12, 2022
4. Matrix of Potential Policy Actions
5. Public Comments
6. Presentation



City of Arts & Innovation

Land Use, Sustainability, and Resilience Committee

**TO: LAND USE, SUSTAINABILITY, AND
RESILIENCE COMMITTEE MEMBERS**

DATE: DECEMBER 12, 2022

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT
DEPARTMENT**

WARDS: ALL

**SUBJECT: UPDATE ON INDUSTRIAL DEVELOPMENT REGULATIONS AND WAREHOUSE
AND DISTRIBUTION FACILITIES DEVELOPMENT**

ISSUE

Update on the City's industrial development regulations and development of warehousing and distribution facilities including stakeholder and community outreach and options for future actions.

RECOMMENDATIONS

Staff recommends that the Committee:

1. Receive and file an update on the City's industrial development regulations related to warehousing and distribution facilities; and
2. Provide staff with policy direction on changes for future consideration.

BACKGROUND

During the January 25, 2022, City Council meeting, following the Public Hearing for the Sycamore Hills Distribution Center project, Councilwoman Plascencia requested a review of the zoning regulations for Warehousing and Distribution Facilities within Riverside and other jurisdictions be brought to a future meeting of the Land Use, Sustainability and Resilience Committee (Committee). The review was to include strategies to address quality of life issues, including but not limited to reducing Riverside's carbon footprint and exploring community benefits (Attachment 1).

On June 13, 2022, staff presented an update to the Committee on Riverside's current industrial development regulations; a cross-jurisdictional regulatory analysis to determine best practices; ongoing regional and state regulatory efforts; and research on community benefits and sustainability standards (Attachment 2). Staff also presented a vacant site analysis illustrating potential locations for warehouse development in the City and highlighted projects in process to evaluate the percentage of industrially zoned land already developed.

Following the June 13, 2022, presentation, the Committee requested that staff return to a future meeting after initiating outreach efforts with community stakeholders to obtain feedback on

Riverside's regulatory efforts related to industrial development and warehousing and distribution facilities. The Committee also requested that staff further explore protections for sensitive receptors by conducting a geospatial analysis to identify which areas of the city have a high concentration of sensitive receptors relative to industrially zoned land. The feedback obtained throughout the process provides additional context to concerns related to the industrial development and warehousing and distribution facilities in the City and the region.

DISCUSSION:

Legislative & Regulatory Update

AB 2840: Qualifying Logistics Use Projects

On February 28, 2022, Assembly Majority Leader Eloise Gómez Reyes introduced Assembly Bill (AB) 2840, which would have amended the Government Code to regulate industrial development near sensitive receptors in Riverside and San Bernardino counties (Attachment 3). The bill would have prohibited a local agency from approving the development or expansion of any qualifying logistics use within 1,000 feet of any sensitive receptor. The bill also would have required that project applicants of a qualifying logistics use, provide a written construction careers agreement that would have required a percentage of local hiring and use of skilled and trained labor for all construction work.

The last legislative action occurred on June 30, 2022, where the bill was held in the Senate Governance and Finance Committee. Though the bill is on pause for the current Legislative session, Majority Leader Gómez Reyes has remarked that she will continue her efforts in the new year.

South Coast Air Quality Management District (AQMD) - Rule 2305 & WAIRE Program

In May 2021, AQMD adopted Rule 2305, the Warehouse Indirect Source Rule, and the accompanying Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program to regulate local and regional emissions associated with warehouses by regulating the vehicles traveling to and from these facilities as indirect sources of emissions.

Divided into three phases, Phase 1 applies to owners/operators of warehouses larger than 250,000 square feet. The initial compliance period is set to close this month on December 31. The Initial Site Information Report was due on July 1, 2022, and the subsequent Annual WAIRE Report will be due on January 31, 2023.

Phase 2 will apply to warehouse facilities between 150,000 square feet and 250,000 square feet with the Initial Site Information Report due July 1, 2023. Phase 3 will apply to warehouse facilities between 100,000 square feet and 150,000 square feet with the Initial Site Information Report due July 1, 2024.

Regional Updates

Across the region, various cities have implemented moratoriums on warehouse development in order to assess cumulative impacts and to identify solutions to mitigate externalities associated with industrial development. These include:

- Pomona – established moratorium in August 2022;
- Vernon – extended moratorium in August 2022;

- Norco – established moratorium in August 2022;
- Redlands – established moratorium in June 2022; and
- Colton – extended moratorium in May 2022.

The City of Redlands also introduced Measure J onto the ballot for the November 2022 Municipal General Election. If passed, Measure J would amend Redlands' Municipal Code to increase the business license tax rate for warehousing and distribution facilities from \$.047 per gross square foot to \$.105 per gross square foot. The revenue generated is estimated to be \$530,000 annually and will be deposited into the city's general fund. If passed by a simple majority, Measure J will take effect January 1, 2023. As of the writing of this report, Measure J is leading by a margin of 6 points. To view the resolution approving the submission of the ordinance see Attachment 4.

In August 2022, the City of Perris adopted the “*Good Neighbor Guidelines for Siting New and/or Modified Industrial Facilities*” (Perris GNG 2022). Unlike Riverside's GNG 2020, the Perris GNG 2022 are a policy framework and are not codified through Perris' Zoning Code. Notable policy recommendations include:

- Silver LEED Certification is suggested for any industrial project larger than 400,000 square feet or when an Environmental Impact Report (EIR) is required for a project.
- Unless restricted, buildings over 400,000 square feet should install solar panels in order to supply 100% of the energy needed for the office area of the facility.

Sensitive Receptor Analysis

The AQMD defines a sensitive receptor as an area or facility where the population are particularly susceptible to health effects due to exposure to an air contaminant. This definition includes schools, playgrounds, childcare centers, hospitals, residential uses, healthcare facilities, elderly housing, and convalescent facilities.

In response to comments received at the June 13, 2022, Committee meeting, Staff prepared a spatial analysis of the concentration of sensitive receptors throughout the City as it relates to areas of industrial development activity. To do this, staff gathered spatial data from a variety of sources for the following sensitive receptors:

- residentially zoned parcels;
- parks, conservation areas and trails;
- medical facilities;
- schools and libraries;
- places of worship; and
- childcare facilities.

The data were then compiled into a heatmap to illustrate the density of sensitive receptors within proximity to one another ranging from sparse (one receptor) to dense (seven or more receptors). An overlay depicting all industrially zoned parcels was then applied to the heatmap to assess the proximity of industrial land to concentrated areas of sensitive receptors. The heatmap is included as Attachment 5.

The analysis reveals that most industrially zoned land is located where sensitive receptors are relatively sparse or absent. Still, there are pockets of industrially zoned land where industrial development may occur in portions of the city that are adjacent to or overlap moderate or high concentrations of sensitive receptors.

Community Outreach and Comment

As part of the direction received from the Committee, staff facilitated a series of five community meetings throughout September and October 2022. The first three meetings were organized to specifically invite neighborhood organizations, developers, labor groups, environmental groups, professional business associations and community interest groups (Attachment 6). The goals of the meetings were to solicit feedback on areas of concern so that staff could determine if further changes to the GNG 2020 or Zoning Code should be explored. Approximately 50 community members participated across all five meetings. A copy of the presentation given at these meetings is included in Attachment 7. The meetings were hosted virtually and in person as follows:

1. Tuesday, September 13, 2022
 - a. 10:00AM
 - b. Virtual – Microsoft Teams
2. Wednesday, September 21, 2022
 - a. 1:00PM
 - b. Virtual – Microsoft Teams
3. Thursday, September 29, 2022
 - a. 6:00PM
 - b. In person – City Hall, Fourth Floor Conference Room (Ward 1)

Two additional meetings were held open to the general public as part of the Industrial Development in Riverside Public Forum series. The meetings were held both in person and virtually on the following dates:

1. Thursday, October 6, 2022
 - a. 6:00PM
 - b. In person – Cesar Chavez Community Center (Ward 2)
2. Wednesday, October 26, 2022
 - a. 6:00PM
 - b. Virtual – Zoom
 - c. A video of this meeting can be accessed at:
<https://www.youtube.com/watch?v=Q4JRfA2IYn4>

Community Feedback

Feedback obtained from each of these meetings can be organized into several key themes listed below. Each key theme is presented with a key takeaway and participant suggestions relevant to that key theme:

I. Sustainable Development

- a. Key Takeaway: Sustainable development practices are of critical concern for industrial development in Riverside going forward. The cumulative effects of development should be considered altogether rather than evaluating the environmental effects on a project by project basis.
- b. Participant suggestions:
 - i. Requiring 100% electric vehicle (EV) trucks.
 - ii. Requiring that roofs be solar ready and rely on solar energy to run the facility.
 - iii. If a warehouse project is to displace trees, the same number of trees should be replaced.
 - iv. Better cross-jurisdictional coordination is needed to assess cumulative impacts of industrial development and drafting of development standards.

II. Transparent Processes

- a. Key Takeaway: Current requirements for public notice for development projects are not effective. By the time many community members become aware of a project, there are too few opportunities for meaningful input.
- b. Participant suggestions:
 - i. The project noticing radius should be increased and should occur earlier in the review process.
 - ii. Noticing should encompass tenants in addition to real property owners.
 - iii. Notice should be posted at project sites.
 - iv. Information about projects should be more accessible, including online.

III. Neighborhood Compatibility

- a. Key Takeaway: Participants remarked that the ongoing development of warehouses in the City is affecting overall city character by reducing the visual appeal of the cityscape.
- b. Participant suggestions:
 - i. The City should focus on preserving open space.
 - ii. Visual impacts of industrial development should be given greater consideration.
 - iii. More substantial separation between industrial development and sensitive receptors should be considered.

IV. Community Benefits

- a. Key Takeaway: Support for incorporating community benefits (realized through either Community Benefit Agreements or Development Agreements) was evenly split among the five meetings. Some viewed the potential to realize community benefits as inadequate to offset the potential impacts of development on the community. Others felt that requiring community benefits is a reasonable approach to minimizing the impacts of development.
- b. Participant suggestions:
 - i. Examples of benefits could include capital funds to improve surrounding roads or supplement park maintenance.
 - ii. Alternatively, benefits could include local hiring preferences or education and workforce development initiatives.
 - iii. Caution is warranted in seeking community benefits in conjunction with approval of development projects as there needs to be a clear nexus between the project's impacts and the benefits sought.

V. Land Use Prioritization

- a. Key Takeaway: Recent changes in the logistics sector and their effects on the regional market for industrial development were not foreseen by existing land use plans. Effort should be made to ensure that the City's reserve of available industrial land is not overcommitted to a single industry, and that the socioeconomic benefits of industrial development are balanced with other priorities.
- b. Participant suggestions:
 - i. The remaining industrially zoned land Riverside has available should be prioritized to focus on innovative and high-quality job industries.
 - ii. Riverside should consider banning warehouses or implementing a moratorium to allow for further study.
 - iii. A study is needed to assess the value of warehouses in the city and to evaluate potential long-term effects on the local economy.
 - iv. Industrially zoned land should be rezoned to allow for residential and/or commercial property.

CONSIDERATION ITEMS:

The following summarizes potential avenues for policy consideration that Staff have developed in response to prior Committee direction and the feedback received throughout the outreach process. These considerations provide an array of options for future action or investigation and can be combined or pursued independently at the direction of the Committee.

Modifications to Existing Policies and Regulations

This approach addresses sustainability standards, increased transparency, and additional measures to ensure neighborhood compatibility. Policy recommendations are organized according to the key theme derived from community feedback that they address.

I. Key Theme #1: Sustainable Development

- a. Require LEED Certification for industrial development over a certain size.
- b. Require Solar Ready Rooftops for new warehousing/distribution facilities.
- c. Amend Development Standards to include protections for additional Sensitive Receptors.
- d. Require latest CARB Tier sustainable equipment and practices during construction.
- e. Preserve and protect open space through increased landscaping and tree preservation/replacement requirements.

II. Key Theme #2: Transparent Processes

- a. Increase notice radius for discretionary actions (Minor Conditional Use Permits and Conditional Use Permits) for industrial development projects.
- b. Require public noticing signage posted on project sites.
- c. Require public noticing to occur earlier in the development review process.

III. Key Theme #3: Neighborhood Compatibility

- a. Require enhanced architectural variation and building massing modifications.
- b. Expand existing GNG-2020 regulations for building setbacks, size and height to additional sensitive receptors and/or Zones.

Establishment of a Community Benefits Framework

This approach may incorporate elements in whole or in part from the Modifications to Existing Policies and Regulations approach described above, with the added modification that community benefits and increased public participation are integrated into industrial development projects. Alternatively, this approach may be pursued on its own.

I. Key Themes #4 & #5: Community Benefits and Land Use Prioritization.

- a. Establish a Warehousing and Distribution Facilities (WDF) Overlay Zone to limit where such facilities over a certain size may be developed.
- b. Require a Community Benefits or Development Agreement for projects within the WDF Overlay Zone.
- c. Require a minimum number of community meetings to be held to define the scope of necessary community benefits prior to accepting applications for projects within the WDF Overlay Zone.

No Changes, or Alternative Option Not Considered

Given recent changes in 2020 to Title 19 Zoning Code and the GNG 2020, Riverside has been

recognized as a regional leader as it relates to balancing the needs of industrial development and community concerns within the Inland Empire. This option would maintain Riverside's existing policies and regulations for all industrial development including warehousing and distribution facilities.

Alternatively, the Committee could direct staff to pursue any combination of the policy recommendations summarized above or could direct Staff to pursue some other option not discussed in this report.

STRATEGIC PLAN ALIGNMENT

This item contributes to **Strategic Priority 3 – Economic Opportunity (Goal 3.1 – Facilitate partnerships and programs to develop, attract and retain innovative business sectors)** and **Strategic Priority 4 – Environmental Stewardship (Goal 4.4 - Implement measures and educate the community to responsibly manage goods, products, and services throughout their life cycle to achieve waste reduction outcomes).**

This Project aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The update on industrial development regulations is presented at an open public meeting and contains transparent information on City processes and regulations.
2. **Equity** – The update on industrial development regulations seeks to promote environmental justice so that impacts of new facilities are minimized on residents.
3. **Fiscal Responsibility** – The update on industrial development regulations will not have any fiscal impact to the City.
4. **Innovation** – The update on industrial development regulations is seeking best practices that will innovate how the City addresses these facilities in the future.
5. **Sustainability & Resiliency** – The update on industrial development regulations seeks to minimize environmental impacts of these facilities in the future.

FISCAL IMPACT

There is no fiscal impact associated with this report.

Prepared by:	Chris Christopoulos, Acting Community & Economic Development Director
Approved by:	Rafael Guzman, Assistant City Manager
Certified as to availability of funds:	Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved as to form:	Phaedra A. Norton, City Attorney

Attachments:

1. City Council Meeting Minutes – January 25, 2022
2. Land Use, Sustainability and Resilience Committee Staff Report – June 13, 2022
3. Assembly Bill 2840 – Bill text
4. City of Redlands Measure J Ordinance
5. Sensitive Receptor Heatmap
6. Community Outreach Contact List
7. Copy of Outreach Presentation



City of Arts & Innovation

Land Use, Sustainability, and Resilience Committee

TO: LAND USE, SUSTAINABILITY, AND RESILIENCE COMMITTEE MEMBERS **DATE: JUNE 13, 2022**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT **WARDS: ALL**

SUBJECT: UPDATE ON CURRENT DEVELOPMENT REGULATIONS AND BEST PRACTICES FOR WAREHOUSE & DISTRIBUTION FACILITIES

ISSUE

Update on the City of Riverside's current development regulations for warehousing and distribution facilities and best practices in similar jurisdictions; and provide direction for changes for future consideration related to warehouse & distribution facilities.

RECOMMENDATIONS

That the Committee:

1. Receive and file an update on the City's current development regulations related to warehouse & distribution facilities; and
2. Provide staff with direction on changes for future consideration.

BACKGROUND

In 2015 and 2016, staff provided the Land Use, Sustainability and Resilience Committee (formerly Land Use Committee - LUC) with an update on best practices related to regulations for industrial/warehouse & distribution development adjacent to residential zones. City Council directed staff to review the City of Riverside's 2008 "*Good Neighbor Guidelines for Siting New and/or Modified Warehouse Distribution Facilities*" (2008 GNG).

In 2020, staff prepared recommended changes to the 2008 GNG and amendments to Title 19 – Zoning Code related to siting industrial development adjacent to sensitive receptors. Following meetings with the City Council, the LUC, Planning Commission, and public feedback, the 2008 GNG was modified as the Good Neighbor Guidelines for Siting New and/or Modified Industrial Facilities 2020 (GNG 2020) and forwarded to City Council for consideration along with Title 19 – Zoning Code and specific plan amendments that would implement the 2020 GNG.

On November 10, 2020, the proposed GNG 2020, Title 19 – Zoning Code amendments, Hunter

Business Park Specific Plan amendments, and Sycamore Canyon Business Park Specific Plan amendments related to siting industrial uses adjacent to sensitive receptors were presented and unanimously approved by the City Council.

During the January 25, 2022, City Council meeting, following the Public Hearing for the Sycamore Hills Distribution Center project, Councilwoman Plascencia requested a review of the zoning regulations for Warehousing and Distribution Facilities within Riverside and other jurisdictions be brought to a future meeting of the Land Use, Sustainability and Resilience Committee. The review would include strategies to address quality of life issues, including but not limited to reducing Riverside's carbon footprint and exploring community benefits (Attachment 1).

Since then, additional concerns related to impacts associated with warehousing and distribution facilities, including air pollution deriving from increased warehouse & distribution growth and increased health risks to nearby residents, have developed. Recent changes to warehouse & distribution regulations in surrounding jurisdictions related to possible community benefits, and a proposed state bill, provide additional context for direction of warehouse & distribution development in Riverside.

DISCUSSION:

Regional Trends and Context

According to recent data from the Coldwell Banker Richard Ellis (CBRE) real estate group, warehouse & distribution growth in the Inland Empire has been fueled by the rise of the e-commerce sector and logistics.

Between 2004 and 2020, the Inland Empire has added nearly 600 million square feet of warehouse & distribution space. Today, there is an unmet demand of more than four million square feet of warehouse & distribution space in the Inland Empire. In Q1 of 2022, Eastern Inland Empire including the cities of Riverside, Colton, Perris, and San Bernardino had over 250 million square feet of warehouse & distribution space, making it the greatest concentration in the Inland Empire. In Q3 of 2020, the amount of warehouse & distribution square footage under construction in the region was up 20.4% over the previous year.

Demand for warehouse & distribution development in the Inland Empire continues to increase as vacancy rates for warehouses reach the lowest rate (e.g., Q3 of 2021 - vacancy rate of 0.7%) despite the price increase of industrial leases from \$0.57 per square foot in 2018 to \$1.07 in 2021. In 2021, the Inland Empire was ranked third in the country for the number of leases for spaces greater than one million square feet. The ten biggest warehouse leases located in the Inland Empire are located in Riverside and San Bernardino County (over 10.2 million square feet combined). But warehouse & distribution construction has not kept up with demand.

According to CBRE, warehouse & distribution development is likely to continue to increase well into 2030. At the same time, according to the California Employment Development Department, job openings for warehouse workers will likely exceed all other job occupations in the area.

City of Riverside Policies

Good Neighbor Guidelines

The Good Neighbor Guidelines for Siting New and/or Modified Industrial Facilities 2020 (GNG 2020) (Attachment 2) were codified in the Zoning Code and seek to balance the need to minimize

potential negative impacts on sensitive receptors with the economic growth potential related to industrial/warehouse & distribution development. Specific amendments address concerns regarding air quality, noise, neighborhood character and health risks resulting from warehouse & distribution development. Policies within the GNG 2020 are consistent with current California Air Resources Board (CARB), South Coast Air Quality Management District (AQMD) and the Western Riverside Council of Governments (WRCOG) policies and guidance. GNG 2020 Policies include:

1. **Air Quality** - Minimizing air quality impacts - requiring modeling to identify significant air quality impacts, limiting idling and promotion of installation of electric loading back hookups for refrigerated trucks.
2. **Noise**
 - a. Locating driveways, docks, and bays away from sensitive receptors to the maximum extent possible.
 - b. Minimizing traffic in residential areas through specific traffic routes and Transportation Demand Management measures.
 - c. Ensuring compliance with Title 7 – Noise Code.
3. **Neighborhood character**
 - a. Minimizing visual impacts by providing tiered regulations related to height, setbacks, building massing and requiring screening when adjacent to sensitive receptors.
 - b. Signage requirements and encouraging facilities to provide information to truck drivers related to the closest amenities.

Innovation District

In October 2021, City Council amended Title 19 – Zoning Code to implement the 2021-2029 6th Cycle Housing Element Update of the General Plan, including establishment of the Innovation District Overlay Zone (ID Overlay Zone) and its application to the area bounded by Third Street, the Burlington-Northern-Santa Fe Railroad and Interstate 215 (the Triangle). The ID Overlay Zone implements the goals, policies, and principles of the Innovation District Master Plan to facilitate the development of innovative and creative businesses, research facilities and housing in a transformed, walkable, mixed-use neighborhood where underutilized industrial properties exist today.

The ID Overlay Zone created five sub-districts: Industrial Emphasis (IE), Employment Emphasis (EE), Housing Emphasis (HE), Eastside Transition (ET) and Civic Space (CS). Warehousing and Distribution Facilities are only permitted within the IE sub-district, located closest to the rail and highway corridors on the edges of the Triangle, and must meet specific development and design standards (Attachment 3). The EE and HE sub-districts allow some light industrial uses, but these do not include warehousing and distribution facilities. Any development must also comply with the GNG 2020.

Title 19 – Zoning Code and Comparative Analysis with Surrounding Jurisdictions

The GNG 2020 and related Title 19 updates established regulations for development in all of Riverside's industrial zones. Key changes were made to codify additional standards intended to reduce air quality, noise, health and visual impacts from new warehouse & distribution development adjacent to residential zones or uses as summarized below.

Staff researched and analyzed surrounding jurisdictions including Fontana, Colton, Riverside County and Ontario to complete a comparative analysis of Riverside's requirements. The analysis

generally indicates that Riverside meets or exceeds the requirements in the surrounding jurisdictions as it relates to regulations for development adjacent to sensitive receptors. The analysis also identifies areas where additional standards could be applied. A comparative analysis of Riverside's requirements as they relate to those of the other jurisdictions surveyed is provided below, organized by topic area.

A. Permit Type Requirements

Title 19 includes permit requirements for warehouse & distribution facilities based on building size in order to provide greater discretion and oversight of this type of development that is commensurate with potential impacts to air quality, noise and neighborhood character, which have a proportional relationship to building size.

Table 1 – Permit Type Requirements – Riverside and Surrounding Jurisdictions

Jurisdiction	Building Size	Permit
Riverside	10,000 sq. ft. or less	P/MC
	10,000 sq. ft. - 100,000 sq. ft.	MC/C
	Greater than 100,000 sq. ft.	C
Riverside County	All sizes	P
Fontana	All sizes	P
Colton	All sizes	P
		C required for Warehouses with Truck Storage
Ontario	All sizes	P/C

P = Permitted by right; MC = Minor Conditional Use Permit; C = Conditional Use Permit

B. Specific Use Regulations – Warehouse & Distribution Facilities

Title 19 includes specific development and operational standards for Warehousing and Distribution facilities include the need for applicable studies related to air quality and health risks and include requirements to reduce noise related to loading docks, truck idling and queueing when adjacent to a residential use. Chapter 19.435 Warehousing and Distribution Facilities codifies specific development standards for warehousing facilities based on square footage, becoming more restrictive as size increases:

1. Buildings 10,000 square feet or less

- a. Driveways, loading areas, docks, truck wells, internal circulation routes and storage areas must be:
 - i. Oriented away from sensitive receptors to the extent feasible.
 - ii. Fully screened if adjacent to residential zone.
- b. All operations must comply with Title 7 – Noise Code.

2. Buildings larger than 10,000 square feet and less than 100,000 square feet

- a. All of the previous requirements apply.
- b. Temperature-controlled trucks or trailers must:
 - i. Have electrical hookups at loading docks.
 - ii. May not use auxiliary truck engine to power climate control equipment.
- c. Truck idling cannot exceed five minutes.

3. Buildings 100,000 square feet and larger

- a. All of the previous requirements apply.
- b. Queuing lanes or aisles must:
 - i. Have sufficient space to accommodate queuing of trucks.
 - ii. Not obstruct regular vehicular, pedestrian circulation or emergency equipment access.
- c. Facilities generating 150 or more truck trips must prepare a Health Risk Assessment (HRA).
 - i. Required when buildings 100,000 square feet or greater generate 150 or more trips per day.
 - ii. Required when there is any industrial development within 1,000 feet of a residential zone or use (Attachment 4).

C. General Development Standards

The General Development Standards related to height, building size, setback and parking for the City of Riverside and other jurisdictions were reviewed and compared. The details are included in attachments as identified below and include:

1. Maximum Building Height (Attachment 5)

- a. Riverside
 - i. Maximum building height of 45 feet for any building in the Industrial zones.
 - ii. Limits height to 35 feet within 200 feet of a residential zone or use.
 - iii. If parcel or lot abuts a residential zone or use, a minimum eight-foot-high solid masonry wall is required along the property line.
- b. Surrounding Jurisdictions
 - i. Ontario limits the maximum building height to 45 feet within their Light Industrial (IL) Zone whenever an industrial use abuts a residential zone.
 - ii. Other jurisdictions surveyed addressed taller buildings by providing graduated setbacks, where the maximum allowable height of the building increases the further it is from the property line.

2. Maximum Building Size (Attachment 6)

- a. Riverside
 - i. Industrial buildings within 200 feet of a residential zone or use - maximum floor area of 10,000 square feet.
 - ii. Industrial buildings within 200 through 800 feet of a residential zone or use – maximum floor area of 100,000 square feet.
 - iii. All other areas, the maximum allowed building size is controlled by the maximum Floor Area Ratio (FAR) for the zone.
- b. Surrounding Jurisdictions
 - i. Ontario limits the maximum allowed building size for the Light Industrial (IL) District within 200 feet of a residential zone to 45,000 square feet (single tenant) and 60,000 sq. ft (multi-tenant).
 - ii. The same maximum building size restriction also applies to all buildings within the Business Park (BP) and Industrial Park (IP) Districts.
 - iii. Other jurisdictions do not provide a maximum allowed building size.

3. Minimum Setbacks (Attachment 7).

- a. Riverside

- i. Minimum 60-foot side and rear setback with minimum 15 feet of landscaping along property line when adjacent to a residential zone or use.
- b. Surrounding Jurisdictions
 - i. Colton - least restrictive minimum side and rear setback of 15 feet when adjacent to a residential zone.
 - ii. Riverside County (I-P Zone) provides a minimum side and rear setback of 50 feet.
 - iii. Other jurisdictions generally less restrictive.

4. Parking Requirements (Attachment 8)

- a. Riverside
 - i. 1 parking space per 1,000 square feet of floor area plus one space per 250 square feet of office area.
 - ii. Parking may also be provided on the same lot or within 300 feet of the site.
- b. Surrounding Jurisdictions
 - i. Fontana
 - a. 1 parking space per 1,000 square feet up to 20,000 square feet.
 - b. 1 parking space per 2,000 square feet of additional floor area for the next 20,000 square feet.
 - c. 1 parking space per 5,000 square feet of additional floor area greater than 40,000 square feet.
 - d. No additional parking for office area.
 - ii. Colton
 - a. 1 parking space per 1,000 square feet up to 10,000 square feet.
 - b. 1 parking space per 2,000 square feet for floor area greater than 10,000 square feet.
 - c. 1 space per 250 square feet of office area.
 - iii. Ontario
 - a. 1 space per 1,000 square feet for floor area less than 20,000 square feet.
 - b. ½ parking space per 1,000 square feet for floor area greater than 20,000 square feet.
 - c. No additional parking for office area.
 - iv. Riverside County requires 1 parking space per 2,000 square feet.

Potential Development Areas in Riverside

Projects in Process

In the City of Riverside, a total of 21 projects totaling up to 3,724,576 square feet of development are currently in process (Attachment 9), including:

- A. Two warehouse projects under construction (654,330 square feet);
- B. Eight entitled warehouse projects (Planning approval but construction not started) (919,552 square feet);
- C. Seven proposed warehouse projects currently working through the entitlement process (857,925 square feet); and
- D. Four warehouse projects undergoing preliminary pre-application process (Conceptual Development Review) (1,292,769 square feet).

Vacant Sites Analysis

Staff completed a vacant site analysis of potential locations for warehouse & distribution facility development sites that currently exist in the City. The analysis assumed a minimum warehouse & distribution development size of 100,000 square feet with a minimum floor area ratio of 0.5 which would translate into a minimum site of approximately four acres. The analysis looked at all parcels within an Industrial Zone (General Industrial, Business and Manufacturing Park, Airport Industrial and Northside Specific Plan – Business/Office Park Zones) of at least four acres. The land use category was then identified from County tax assessor data to identify potential development sites that are currently vacant (Attachment 10).

Based on the vacant sites analysis, it appears that the majority of industrially zoned land (78 percent) within the City is already developed. The vacant sites analysis identified 67 existing vacant parcels over four acres in size, comprising 590 acres that could be developed with warehouse & distribution uses in the future. This comprises 13 percent of the City's existing 4,558 acres of industrially zoned land (the remaining nine percent of undeveloped industrial land being less than four acres in size).

It is important to note that contiguous vacant sites may be consolidated to accommodate larger development projects. Similarly, sites with existing, older development (generally more than 40 years) could also potentially be redeveloped or consolidated to accommodate larger development. Where this may occur is difficult to assess as it would require willing ownership, land assembly and tenant relocation efforts.

South Coast Air Quality Management District (AQMD)

In May 2021, AQMD adopted Rule 2305, the Warehouse Indirect Source Rule and the accompanying Warehouse Actions and Investments to Reduce Emissions (WAIRE) Program (Attachment 11 and 12). The rule seeks to reduce local and regional emissions of nitrogen oxides and particulate matter associated with warehouses by regulating the vehicles travelling to and from as indirect sources.

Rule 2305 applies to owners/operators of existing and new warehouses within the South Coast Air Basin with at least 100,000 square feet of indoor floor space. Currently in Phase 1 of implementation, warehouses over 250,000 square feet must comply with this Rule. The remaining requirements will phase in to eventually require compliance for all warehouses 100,000 square feet and larger within the South Coast Air Basin.

The WAIRE Program requires that warehouse owners and operators obtain WAIRE points to offset the number of trips to and from warehouses. These points may be earned through implementing emissions reducing activities or paying mitigation fees to AQMD. These fees may then be used to fund clean air projects in communities near warehouses based on project proposals and subject to AQMD board approval.

An Initial Site Information Report must be submitted by the owner or operator containing the WAIRE Points Compliance Obligation based a formula which weighs different variables to enumerate the number of WAIRE points required for the 12-month compliance period. Following the 12-month period, an Annual WAIRE Report must be submitted including truck trip data and how many WAIRE points were earned from the emission reducing activities or paying mitigation fees. Warehouse owners or operators may choose to earn WAIRE points through a customized plan to meet the number of WAIRE points required. Transfer of WAIRE points is only possible in limited circumstances in order to avoid creating a cap-and-trade-like marketplace for compliance points.

The mitigation fees collected through Rule 2305 will not be known until at least 2024 following implementation of Phase 1 and the 2023 annual reporting period.

Proposed Legislation - AB 2840: Qualifying Logistics Use Projects

Assembly Majority Leader Eloise Gómez Reyes introduced Assembly Bill (AB) 2840 on February 18, 2022, which would amend the Government Code to regulate the development of certain industrial uses near sensitive receptors (Attachment 13). The bill would prohibit approval of the development or expansion of any qualifying logistics use within 1,000 feet of any sensitive receptor.

Although Riverside does not have a 1,000-foot buffer for new development adjacent to sensitive receptors, Title 19 requires any new industrial use located within 1,000 feet of a residential zone or use to conduct an HRA. This is consistent with guidance provided by the SCAQMD. Only the City and County of Riverside require the HRA for new warehouse & distribution facilities.

Additionally, the bill would require that the project applicant of any industrial use provide a written construction careers agreement that would require a minimum percentage of local hiring and use of skilled and trained labor for all construction work. While local and skilled and trained workforce hiring preferences involving public resources (such as financing or property) are common in California, this bill appears to be the first of its kind to broadly require such agreements for private development that does not involve public resources.

Consideration Items – Moving Forward

The following summarizes additional items that could be considered as it relates to warehouse & distribution development in Riverside. These considerations have been put in place by surrounding jurisdictions and could be considered by the City as an additional requirement for warehouse & distribution facilities.

Alternative Energy Requirements

In March 2022, Fontana passed Ordinance No. 1891 to clarify requirements for alternative energy and improvements to construction of industrial commerce centers (Attachment 14). Fontana requires various sustainability standards such as requiring all roofs be solar ready, on-site motorized operational equipment to be zero emission, and requires sustainable practices during the construction process of the project. Fontana requires that the development identify a location where future electric truck charging stations may be installed and requires that the highest CARB Tier technology be used during construction of the project.

The City of Riverside does not have a similar requirement for alternative energy requirements, but they could be considered.

Development Agreements

Development Agreements (DA) are legally binding contracts between a developer of a project and a local government. DA allow greater flexibility and certainty within the scope of a local government's zoning code and regulations in exchange for community benefits beyond those for which current regulations allow. The developer and local government agree to standards and conditions that will govern the project throughout its development.

DAs have been negotiated for warehouse & distribution projects within the region. The Fontana Foothills Commerce Center project entered into a DA with the City whereby they agreed to pay

public benefit fees to balance public needs with the project. Fontana also required community benefits in the Summit at Rose Specific Plan project which required the developer improve park lands and pay fees for landscape improvement, storm drain, fire station and multi-species habitat conservation.

In Riverside, a DA may be initiated by a qualified applicant or by action of the City Council per Resolution No. 15475. The City defines a qualified applicant as a person or entity who has legal or equitable interest in the real property for which the project is being developed. The City Attorney's Office would need to be involved in developing any DA. Processing of a DA is completed by the City's Planning Division. A public hearing is held by the Planning Commission and their decision will be considered by the City Council at another public hearing.

Community Benefit Agreements

Community Benefit Agreements (CBA) are legally enforceable contracts entered into by a community group or groups and a developer which set forth a range of community benefits as part of a development project. CBA allow community members to advocate for benefits such as wages, local hire requirements, provision of on- or off-site amenities, or funding or in-kind contributions to offset project impacts beyond what may be possible through the development review or CEQA processes.

A CBA can also help secure community support for a project to successfully complete the development process. There are no local CBAs for a warehouse & distribution development project within the region, but there was a CBA for the 2015 "Revive Oakland" Oakland Army Base project for a warehouse & distribution complex. After five years, the Revive Oakland CBA agreed to hire at least 50% of workers from Oakland, ban pre-screening job applicants, limit use of temporary workers, and ensure that 25% of jobs are reserved for disadvantaged workers.

A CBA may be implemented through a Development Agreement and can be enforced by the local government or participating community groups. A local government can enforce a CBA, coordinated through input from the community with agreement from the developer. Additional information on CBAs can be found at: www.forworkingfamilies.org/page/cba-101.

In the City, there are currently no requirements for a CBA which could be implemented through a City-wide policy and implementing ordinance. Coordination with the City Attorney's Office would be required to move forward with a CBA policy.

Community Engagement

According to a report conducted by Office of the Attorney General, community input for warehouse & distribution projects ensures mutually beneficial outcomes for the developer and the community (Attachment 15). WRCOG's GNG requires community engagement for warehouse projects that can be fulfilled in a variety of ways including public meetings and site visits of facilities for neighbors. Riverside County's GNG includes an option to require a developer to pay a one-time community benefit funding contribution to off-set potential air quality impacts above and beyond any CEQA related mitigation measures. The funding contribution will directly impact the community where the project is located.

Riverside's existing requirement for community engagement for warehousing & distribution facility development is limited to the required public notice for CUPs/MCUPs and a public hearing for CUPs. Additional engagement requirements could be developed and implemented to enhance the noticing process. A citywide Community Engagement Policy is currently underway and a final draft will be presented to the Inclusiveness, Community Engagement, and Governmental Process Committee this summer and then to the City Council in Fall of 2022.

STRATEGIC PLAN ALIGNMENT

This item contributes to **Strategic Priority 3 – Economic Opportunity (Goal 3.1 – Facilitate partnerships and programs to develop, attract and retain innovative business sectors)** and **Strategic Priority 4 – Environmental Stewardship (Goal 4.4 - Implement measures and educate the community to responsibly manage goods, products and services throughout their life cycle to achieve waste reduction outcomes).**

This Project aligns with the following Cross-Cutting Threads as follows:

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5. **Sustainability & Resiliency** – The update on warehouse & distribution facilities seeks to minimize the environmental impacts of these facilities in the future.

FISCAL IMPACT

There is no fiscal impact associated with this report.

Prepared by: Chris Christopoulos, Acting Community & Economic Development Director
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra Norton, City Attorney

Attachments:

1. City Council Meeting Minutes – January 25, 2022
2. Good Neighbor Guidelines Policy – 2020 (GNG 2020)
3. Title 19 (Zoning) – Chapter 19.170 – Innovation District Overlay Zone
4. Title 19 (Zoning) – Chapter 19.435 – Warehousing and Distribution Facilities
5. Comparison Table – Building Height
6. Comparison Table – Building Size
7. Comparison Table – Setbacks
8. Comparison Table – Parking
9. Warehouse & Distribution Facility Projects in Process
10. Potential Industrial Development Areas
11. SCAQMD Rule 2305 – Warehouse Indirect Source Rule
12. Rule 2305 – Frequently Asked Questions
13. Assembly Bill 2840 – Bill text
14. City of Fontana Ordinance No. 1891

15. Warehouse Projects: Best Practices and Mitigation Measures to Comply with CEQA

16. Presentation