



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: SEPTEMBER 5, 2023**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT      WARD: 5**

**SUBJECT: AN APPEAL BY JOHN KEEGAN OF GILBANE DEVELOPMENT COMPANY FOR A DENIAL OF PLANNING CASE PR-2022-001434 (GENERAL PLAN AMENDMENT, ZONING CODE AMENDMENT, DESIGN REVIEW, SUMMARY VACATION) – BY THE PLANNING COMMISSION FOR THE CONSTRUCTION OF A 121-UNIT LOW-INCOME, AFFORDABLE MULTI-FAMILY DEVELOPMENT ON AN APPROXIMATELY 3.9-ACRE PROJECT SITE LOCATED AT THE SOUTHWEST CORNER OF MADISON STREET AND RAILROAD AVENUE**

## **ISSUE:**

Consider the appeal, requested by John Keegan of Gilbane Development Group, of the Planning Commission's denial of a proposal to permit the following entitlements to facilitate the construction of a 121-unit low-income, affordable multi-family development on an approximately 3.9-acre project site located at the southwest corner of Madison Street and Railroad Avenue: 1) General Plan Amendment to amend the General Plan Land Use designation from MDR - Medium Density Residential and C - Commercial to HDR - High Density Residential; 2) Zoning Code Amendment to rezone the property from R-1-7000 - Single Family Residential to R-3-1500 - Multiple Family Residential; 3) Design Review of project plans; and 4) Summary Vacation to vacate Pliny Street, Samuels Street, and Cary Street within the projects boundaries.

## **RECOMMENDATIONS:**

That the City Council:

1. Uphold the appeal and determine that the proposed project will not have a significant effect on the environment based on the findings set forth in the case record and adopt a Mitigated Negative Declaration and Mitigation and Monitoring Reporting Program (MMRP), pursuant to Sections 15074 and 21081.6 of the California Environmental Quality Act (CEQA) Guidelines;
2. Approve Planning case PR-2022-001434 (General Plan Amendment, Zoning Code Map Amendment, Design Review, and Summary Vacation), based on the findings outlined in the staff report and summarized in the attached findings and subject to the recommended conditions;
3. Adopt the attached Resolution amending the General Plan 2025 land use designation from MDR – Medium Density Residential and C – Commercial to HDR – High Density Residential (Attachment 1);

4. Introduce and subsequently adopt the attached Ordinance amending the Zoning Map to rezone the project site from R-1-7000 - Single Family Residential Zone to R-3-1500 - Multi-family Zone (Attachment 2); and
5. Adopt the attached Resolution vacating the subject right-of-way pursuant to the Public Streets, Highways and Service Easements Vacation Law (Attachment 3).

### **PLANNING COMMISSION DETERMINATION:**

On July 20, 2023, the project was considered by the City Planning Commission. During the public hearing and deliberations, concerns regarding traffic, parking, air quality, noise and vibration, community engagement, and compatibility with the neighborhood were conveyed. (Attachment 4)

A motion to accept Staff's recommendation resulted in a vote of 4 ayes, 4 noes, 1 absent and 0 abstentions. Pursuant to the Zoning Code a tie vote by the Planning Commission indicates the motion to approve the project failed; therefore the project was not approved and was denied.

As a matter of information, the motion included a revision to a Public Works Condition regarding street tree plantings along the project frontage on Railroad Avenue. The revised condition is reflected in the Revised Staff Recommended Conditions of Approval. (Attachment 5)

### **BACKGROUND:**

#### **Site Background**

The vacant 3.9-acre project site consists of four parcels located on the south side of Railroad Avenue, generally between Madison Street and Depot Street. The site was the former location of the Casa Blanca Train Station which was demolished in the 1960's.

The site is surrounded by single-family residences and a charter high school to the north, single-family residences to the west, commercial development to the east (across Madison Road), and the Burlington Northern Santa Fe (BNSF)/Inland Empire-Orange County Metrolink Line to the south.

On April 19, 2022, the City Council adopted a resolution authorizing the City Successor Agency to enter into an Agreement with Gilbane Development Company to purchase the four parcels.

#### **Project Description**

The applicant requests approval of the following entitlements to facilitate the construction of a multi-family development consisting of 121 affordable units to serve low-income households:

- General Plan Amendment: to amend the land use designation of from MDR – Medium Density Residential and C – Commercial to HDR – High Density Residential;
- Zoning Code Map Amendment: to rezone the project site from R-1-7000 - Single Family Residential Zone to R-3-1500 - Multi-family Zone;
- Design Review: of site design and building elevations; and
- Summary Vacation: to vacate Pliny Street, Cary Street and Samuel Street within the projects boundaries.

The project consists of three multi-family buildings, two to three-stories in height with 121 affordable units available to families and seniors. Units range in size from 643 square feet to 1,207 square feet and include 79 one-bedroom units, 30 two-bedroom units, and 4 three-bedroom units.

The project has been designed to incorporate both private and common open space. Private open space includes 100 square foot patios for ground floor units (41 units). Common open space includes 40,866 square feet of amenity space located throughout the project, including multiple landscaped courtyards, flexible interior amenity spaces, and roof deck open spaces. The centrally located main courtyard will contain a 1,779-square-foot community building with a full kitchen, lounge area, and a computer lab. Additional courtyards and decks feature amenities such as BBQ pits, lounge areas, community gardens, dog runs, and recreational areas.

Residential units are served by 63 parking spaces located in two parking lots with access from Railroad Avenue.

To facilitate the development of the project as designed, the applicant is requesting a summary vacation of three unimproved streets: Pliny Street (600 square feet), Cary Street (800 square feet), and Samuel Street (600 square feet). (Attachment 6)

### Analysis

The proposed project is consistent with the intent of the proposed HDR – High Density Residential land use designation, which provides for the development of row houses, condominiums and apartments with a maximum density of 29.0 dwelling units per acre. The proposed rezoning to change the zone from R-1-7000 - Single Family Residential Zone to R-3-1500 - Multi-family Residential Zone will be consistent with the HDR – High Density Residential land use designation and will facilitate the construction of the proposed project.

The City is required to grant a density bonus and other incentives to housing projects which contain affordable housing, pursuant to the California Government Code. The proposed project contains 100 percent affordable units for low-income households, qualifying for the maximum number of concessions and an 80 percent density bonus.

### *Density Bonus Incentives and Concessions*

Section 19.545.060 (Concessions and Incentives) of the Zoning Code, allows an applicant to request up to four concessions or incentives if 100 percent of the project units are available for low-income households. The project proposes 121 units for low-income households (Exhibit 9). Typically, concessions & incentives result in identifiable cost reductions for the project to provide affordable units at a lower income level. The applicant is requesting the following concessions related to front yard setbacks, landscape setback, private open space, and parking incentives:

- Front Yard Building Setback: Section 19.100.040.B of the Zoning Code requires a minimum 15-foot front building setback along Railroad Avenue. The applicant proposes a 12-foot front yard setback along Railroad Avenue to accommodate a 3-foot-wide right-of-way dedication along Railroad Avenue.
- Parking Lot Landscape Setback: Section 19.580.090.D.2 of the Zoning Code requires a minimum 15-foot-wide landscape setback along street frontages. The applicant is proposing a 12-foot-wide landscape setback to accommodate a 3-foot-wide right-of-way dedication along Railroad Avenue. The 12-foot-wide landscape setback is adequate to provide multiple species of plants and trees to adequately screen the project's two parking lots.

- Private Open Space for Upper Story Units: Section 19.100.070 of the Zoning Code requires upper story units to provide a minimum of 50 square feet of private open space. The applicant is proposing to eliminate the private open space for 80 units located on the upper stories and allocate the open space to increasing the projects Common Open Space. The applicant is providing 36,766 square feet of Common Open Space for the development, an excess of 12,566 square feet.
- Parking Incentive: Section 19.545.060.D.4 of the Zoning Code establishes parking ratios for affordable housing at the rate of 1 space for studio and 1-bedroom units, 1.5 spaces for 2 to 3 bedroom units, and 2.5 spaces for 4 or more bedroom units. Section 19.545.060.D.2 further allows parking reduction requests as a concession or incentive. The applicant is providing 63 parking spaces for the development at a rate of 0.5 space per unit.

### *Summary Vacation*

The proposed summary vacation will vacate three unimproved streets: Pliny Street, Cary Street, and Samuel Street. Pliny and Samuel Streets propose to vacate approximately 600 square feet of unimproved right-of-way and Cary Street proposes to vacate approximately 800 square feet of public right-of-way. The excess right-of-way is located within the boundaries of the project site and are considered “paper streets” as they have not been improved. The streets do not provide access to surrounding parcels or connect to the existing improved street network in the immediate area. Adjoining properties to the south will not be affected by the summary vacation as it is the BNSF/Inland Empire-Orange Metrolink Railroad Line. Finally, the right-of-ways proposed to be vacated have not been improved for street access and no public funds have been expended for maintenance in the last five years.

## **DISCUSSION:**

### Appeal

The Applicant/Appellant filed a timely appeal of the Planning Commission’s denial of the Project. The Applicant/Appellant’s basis for the appeal is that the Project is compliant with all applicable City, State, and other regulatory requirements and that all potential environmental effects have been adequately assessed and mitigated to below the applicable thresholds of significance, including the concerns expressed in written and spoken comments (Attachment 7).

### Community Concerns

Following publication of the Planning Commission Staff Report, staff received two letters in opposition to the project, one in support of the project, and another letter providing recommendations (Attachment 8). The following is an overview of the concerns expressed about the Project by members of the Planning Commission and the community during the Planning Commission meeting:

1. Concern: The project will exacerbate traffic on Madison Street as well as reduce emergency response time.

Response: A Traffic Operational Analysis was prepared for the project to identify improvements that can be implemented to improve traffic conditions. The analysis found that the intersection at Madison Street and Indiana Avenue operated at a level of service that was deficient (LOSE) without the project. As part of the proposed project, the applicant is required to optimize the signal timing and to pay a fair share of the cost required to offset

operational deficiencies. Implementation of these strategies would improve traffic related conditions.

The City Police and Fire Departments reviewed the project and did not identify any concerns with access. The Mitigated Negative Declaration prepared for the project evaluated the existing Police and Fire services and did not identify additional or excessive response times or the need to expand public safety services related to the project.

2. Concern: The project does not provide enough parking.

Response: The proposed multifamily development is parked at a ratio of 0.5 parking spaces per unit for a total of 63 spaces. The zoning code and the California Government Code allow applicants to request up to four incentives for 100 percent affordable projects for low-income households. The applicant requested to utilize one of their four incentives to reduce the overall required parking for the project. Reductions in parking contribute in off-setting construction and operational costs and redirect construction funds to be used towards higher quality projects while reducing resident rent. The proposed project has access to public transportation and is located in an urban area that is near job opportunities, access to retail and services, library, community center, park, and churches.

3. Concern: The future residents would be exposed to pollution from the rail line.

Response: A Health Risk Assessment was prepared to examine the potential health risks for people living or working near the project. The analysis concluded that future residences would not be exposed to toxic air contaminants that exceed significant thresholds and would not be exposed to any significant health risks.

4. Concern: The future residents would be exposed to noise and vibration from the rail line.

Response: A Noise and Vibration study was prepared to evaluate noise and vibration impact reduction measures to alleviate existing noise and vibration onto the project due to the proximity to the rail line. The study identified the proposed 6-foot-high sound walls, sound barriers surrounding the outdoor amenity spaces, the design of the residential buildings, as well as noise-reducing walls, windows, and doors would reduce internal and external noise to levels that do not exceed City standard thresholds. Vibration measurements met or exceeded the thresholds of the Federal Transit Administration.

5. Concern: The site is not a good location for this project.

Response: The proposed project is an infill project on an underutilized lot that faces the rear yards of single-family residences. The project site was designed to include three primary residential buildings, each of which has been designed to step back the upper floors, reducing overall building massing along Railroad Avenue. The site also includes multiple open space areas and special design considerations have been included along the projects edge with Railroad Avenue, activating the existing streetscape, providing a more 'eyes on' design approach.

6. Concern: The developers did not engage the community and there was a lack of public outreach.

Response: The applicant/appellant engaged with community leaders, residents, and neighborhood groups throughout 2022 and 2023.

The proposed project will facilitate the development of housing on the site which will provide the community with an additional housing option and serves to diversify the range of options in the City. Available housing is of vital statewide and City importance. The City's Regional Housing Needs Assessment allocation is 18,458 units for the 2021-2029 planning cycle. The 121 units proposed by the project will be counted towards the RHNA. Additionally, the proposed development will provide housing opportunities for low-income households.

### **STRATEGIC PLAN ALIGNMENT:**

The actions undertaken for the Planned Residential Development contributes to **Strategic Priority 2 – Community Well-Being**, and **Goal 2.1** – Facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels.

The actions undertaken for the proposed project aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The proposed multi-family development requires public hearings by the Planning Commission. Additionally, public comment is encouraged throughout the process through the 15-day public noticing period and at public hearings.
2. **Equity** – The proposed multi-family development provides housing opportunities that benefits all residences in the community and region.
3. **Innovation** – The proposed project revitalizes underutilized parcels and meets the growing community's needs for increased housing opportunities.
4. **Fiscal Responsibility** – All project costs are borne by the property owner, Gilbane Development Company.
5. **Sustainability & Resiliency** – All new construction will meet the most up-to-date Building Codes. The proposed multi-family development is designed to meet the current and future needs of the community.

### **FISCAL IMPACT:**

There is no fiscal impact associated with this report since all project costs are borne by the Project applicant.

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

Attachments:

1. General Plan Amendment Resolution
2. Zoning Code Map Amendment Ordinance
3. Summary Vacation Resolution
4. City Planning Commission Minutes – July 20, 2023
5. Revised Staff Recommended Conditions of Approval
6. City Planning Commission Report and Exhibits – July 20, 2023
7. Appeal Letter
8. Comment Letters
9. Presentation