



DATE: **May 12, 2020** AGENDA ITEM NO. 8B

TO: Planning Commission

FROM: Aaron Hollister, Senior Planner

SUBJECT: Burbank Housing Multi-Family Project
Informational Item Regarding Project's SB-35 Application
1601 South Petaluma Boulevard
File# PLSR-20-0006

RECOMMENDATION

It is recommended that the Planning Commission receive the informational presentation and provide non-binding comments for consideration as part of the ministerial streamlined review of the Burbank Affordable Housing Project. The subject project, along with another project on the Planning Commission's agenda, are the first affordable housing projects in Petaluma that have applied to be considered under a streamlined approval process afforded by Senate Bill 35 (SB-35).

BACKGROUND

Senate Bill 35

Chapter 366, Statutes of 2017 (SB-35, Wiener) was part of a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, it amended Government Code Section 65913.4 and requires the availability of a streamlined ministerial approval process for developments in localities that have not yet met their Regional Housing Need Allocation (RHNA) goal. As of May 2020, Petaluma has met its goal for permitting/construction of above-moderate income housing, but not for housing for households earning 80 percent and below area median income (AMI). Therefore, at this time, projects providing 50% of the project's residential units on-site affordable housing at 80 percent AMI or lower are eligible for an affordable housing streamlined approval process in Petaluma, provided they meet all of the eligibility criteria noted below.

SB-35 requires local entities to streamline the approval of eligible housing projects by providing a ministerial approval process and by removing the requirements for CEQA analysis, Conditional Use Permit authorization or other entitlements granted by the City. However, while the process may be streamlined, projects must still comply with all the city's adopted zoning and objective design standards. Additionally, this is a voluntary program that a prospective property developer may elect to pursue.

Ministerial Approval Eligibility Criteria

In order to be eligible for streamlined ministerial review, the project must meet all of the following criteria:

1. **Affordability:** At least 50 percent of the proposed residential units must be dedicated as affordable to households at or below 80 percent AMI, for either rental or ownership projects. Note that the development proponent must also commit to record, prior to the issuance of the first building permit, a land use restriction or covenant providing that any lower or moderate income housing units shall remain available at affordable housing costs or rent to persons and families of lower or moderate income for no less than 55 years for units that are rented or 45 years for units that are owned.
2. **Number of Units:** The development must contain at least two or more net new residential units.
3. **Zoning and Residential Uses:** The development must be located on a legal parcel(s) that is zoned for residential use or a mix of residential and non-residential uses. For mixed-use developments, at least two-thirds of the floor area of the proposed development, as defined in Government Code Section 65913.4, must be dedicated to residential uses.
4. **Location:** At least 75 percent of the perimeter of the site must adjoin parcels currently or formerly developed with urban uses. For this purpose, Government Code Section 65913.4 defines “urban uses” as any current or former residential, commercial, public institutional, transit or transportation passenger facility, or retail use, or any combination of those uses. Additionally, parcels that are only separated by a street or highway shall be considered adjoined. The development must also be located on a property that is not within a coastal zone, prime farmland or farmland of statewide importance, wetlands, a high fire hazard severity zone, hazardous waste site, a delineated earthquake fault zone, a flood plain, a floodway, a habitat for protected species, under a conservation easement, or on a parcel governed by the Mobilehome Residency Law, Recreational Vehicle Park Occupancy Law, Mobilehome Parks Act or Special Occupancy Parks Act. If the project is sited in one of these areas, Government Code Section 65913.4(a)(6) provides further information on exceptions or clarification as to how these areas are defined.
5. **Demolition of Residential Units:** The project must not demolish any existing housing units that have been occupied by tenants in the last 10 years, are subject to any form of rent or price control, or are subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low incomes.
6. **Historic Buildings:** The project must not demolish a historic structure that has been placed on a national, state, or local historic register. A local historic register includes those properties listed in Petaluma’s “Historic Landmarks and Places”, developed in response to General Plan Goal 3-G-1.
7. **Parking:** The project must provide at least one parking space per unit; however, no parking is required if the project meets any of the following criteria:

- a) Within 1/2 mile of public transit. For the purposes of this provision, public transit is defined as a SMART rail station, the Petaluma Transit Mall, or the Eastside Transit Center.
 - b) Within an architecturally and historically significant historic district
 - c) When on-street parking permits are required but not offered to the occupants of the development
 - d) When there is a car share vehicle located within one block of the development
8. **Consistent with Objective Standards:** The project must meet all objective standards of the City's objective zoning and design review standards at the time of SB-35 application submittal. Such objective standards are those such as objective dimensional or stylistic requirements that require no personal or subjective (discretionary) judgment to enforce.
9. **Prevailing Wages:** If the development is not in its entirety a public work, as defined in Government Code Section 65913.4(a)(8)(A), all construction workers employed in the execution of the development must be paid at least the general prevailing rate of per diem wages for the type of work and geographic area.
10. **Skilled and Trained Workforce provisions:** A skilled and trained workforce, as defined in Government Code Section 65913.4 (a)(8)(B)iii, must complete the development if the project consists of 75 or more units that are not 100 percent subsidized affordable housing.
11. **Subdivisions:** The development did not or does not involve a subdivision of a parcel that is subject to the California Subdivision Map Act, unless the development either (i) receives a low-income housing tax credit and is subject to the requirement that prevailing wages be paid, or (ii) is subject to the requirements to pay prevailing wages and to use a skilled and trained workforce.

State Density Bonus Projects

Projects that use the State Density Bonus Program and meet all other eligibility requirements above, qualify for streamlining under SB-35. Any waivers, concessions, or incentives, conferred through the State Density Bonus Law as detailed in Chapter 27 of Petaluma's Implementing Zoning Ordinance (IZO) are considered code-complying, and therefore are consistent with the objective standards of the Planning Code. Note that the 50 percent of sub-80 percent AMI affordable units that qualify project for SB-35 streamlining are calculated prior to applying the density bonus.

Application and Processing Timeline for Senate Bill 35 Review

SB-35 includes timelines for streamlined review. Planning staff must determine if a project is eligible for streamlining within 60 days of application submittal for projects of 150 or fewer units, and 90 days for projects containing more than 150 units. If the Department provides written comments detailing how a project is not SB-35 eligible as proposed, or requests additional information to make such a determination, then the 60- or 90-day timeline will restart upon submittal of a revised development application in response to that written notice. Any design review or public oversight must be completed in 90-days for 150-or fewer units and 180 days for projects with more than 150 units, measured from the date of the SB-35 application submittal. Any project that has been approved using the SB-35 review process may then apply for building permits.

Criteria for Project Review

In review of the project, staff's review authority is limited to the following:

1. The objective standards in the General Plan, Implementing Zoning Ordinance and Petaluma SmartCode.
2. Approved City Landscaping standards. Existing trees shall be preserved wherever possible, removal of trees will be subject to Chapter 17 of the Implementing Zoning Ordinance.
3. Ingress, egress, internal traffic circulation, off-street parking facilities and pedestrian ways designed to promote safety and convenience and shall conform to approved City standards.
4. If applicable per Chapter 18 of the IZO, public art should be integrated into development project planning at the earliest possible stage, and artists selected should become a member of a development project's design team early in the design process.

PROJECT DESCRIPTION

The Burbank Affordable Housing project proposes a 50-unit, multi-family project utilizing the streamlined review provisions of SB-35. The new construction project proposes 49 affordable housing units and one manager unit within a 65,605 square-foot, four-story building on a 2.08-acre site. The affordable units will be designated as rentals for households earning between 30 percent and 80 percent of area median income (AMI), which allows for households in the Extremely Low Income (up to 30 percent AMI), Very Low Income (up to 50 percent AMI) and Low Income housing types (60 to 80 percent AMI). The exact mix of the differing levels of income-restricted units is not yet known. The following information contains more detailed information regarding the project background, the project site and the proposed development project.

Project Background – Development Agreement

Lomas LLC, the owner of the Corona Station Residential project, entered into a Development Agreement with the City of Petaluma. The approved Development Agreement includes approval of alternative compliance for the required onsite inclusionary housing associated with the future Hines development on the SMART-owned property adjacent to the downtown SMART station. The approved alternative compliance included land dedication of the approximately 2.5 acre site at 1601 Petaluma Boulevard South to the City for future development of 50 affordable housing units, construction of 11 onsite affordable units as part of the future Hines development, and payment of an approximately \$800,000 housing in lieu fee payment. The Burbank Affordable Housing project is proposed on the part of the site that will be dedicated to the City of Petaluma as part of the approved Development Agreement.

Project Site

The project site is a triangular-shaped site comprised of three underlying lots and is bounded by Petaluma Boulevard South to the south, the Petaluma River to the north, the future Caulfield Lane Extension/cross-town bridge and CalTrans facility to the west and the U.S. Highway 101 corridor the east. The property contains a narrow band of floodway and floodplain areas based on the FEMA Flood Insurance Rate Map. All site improvements proposed by the project will be located outside of the floodway and floodplain areas.

Proposed Project

As currently proposed, the Burbank Affordable Housing project would provide 49 affordable housing units. The one additional manager's unit in the Burbank project is not planned to be offered as a deed restricted affordable unit. Of the proposed 50 units, 15 units will be one-bedroom units (30 percent of the total), 20 units will be two-bedrooms (40 percent of the total) and 15 units will be three-bedroom units (30 percent of the total). The one-bedroom units will measure from 540 to 588 square feet, two-bedroom units will measure from 827 to 987 square feet and three-bedroom units will measure from 1,033 to 1,073 square feet.

The project will be sited to re-utilize the existing flat pad to the extent possible with one section of the building sited parallel to Caulfield Lane and the other section sited parallel to Petaluma Boulevard South and the river. Cuts will need to be made into the bank adjacent to South Petaluma Boulevard where portions of the building and the surface parking area will protrude.

The proposed building will primarily be a three-story building with five units at the third level that will include a fourth story bedroom/bathroom suite in a dormer configuration. The dormer features add roofline articulation and increase the bedroom count of the project. A small section of the far east side of the building will be two-story townhouse-style units. See plan pages A1.3 and A1.4 for site plan information and plan pages A4.1-4.4 of Attachment A for the floor plans.

Overall, the design of the building features a contemporary agrarian architectural style expressed through a sloping roof form reminiscent of a typical barn roof line, materials (such as corrugated metal) and building features (exposed rafter tails). Stucco is the most prominent material on the building elevations. The stucco will be painted earth tone colors derived from color blocking intended to be reminiscent of "soil colors, fall fields and fresh straw" as described in the application materials. Corrugated metal sections are used as accents on the building's elevations. The roofing materials will be asphalt shingles and corrugated aluminum. Photovoltaic panel arrays will be installed on the roof, as well. See plan pages A2.1-2.4 of Attachment A for building perspectives and pages A3.1 and 3.2 for building elevations.

Each unit includes private open space in the form of a ground-level patio area or a balcony for units located above the ground floor. The project features a number of common open spaces including a children's play area, a dog park, community container gardens, walking paths and an outdoor deck/barbecue area. In-building amenities and services include on-site management, a social services office, a community room with river views, in-building laundry and three flex spaces for programs such as after-school programs, health and wellness coaching and fitness.

Once completed, the site is anticipated to be operated by Burbank Housing Management Corporation. Ownership will be through a partnership between a limited partner, the tax credit equity investor, owning 99.9 percent interest, and the general partner, Burbank Housing Development Corporation, through a single-purpose entity owning 0.01 percent interest.

Vehicular ingress/egress will be from a single point on Caulfield Lane, which will lead to/exit from the on-site surface parking area located on the western portion of the project site. The surface parking area will have 67 spaces with 22 of the spaces being tandem spaces in order to efficiently utilize the project site area. Eleven (11) of the tandem parking spaces will be assigned to specific

households in need of two spaces. Of the 67 spaces, seven will have electric vehicle charging stations and six spaces will be designated disabled parking spaces. A total of at least 38 bicycle parking spaces will be located inside a secured bicycle parking room within the building.

The project will be constructing a 10-foot-wide trail improved to a Class I bicycle facility standard (concrete surface, gravel shoulders, two divided travel lanes) that will run adjacent to the river for the length of the property's river frontage. This trail has been envisioned by both the General Plan and the Bicycle and Pedestrian Plan as a trail that would eventually connect Downtown to the SMART Pathway on the east side of U.S. Highway 101. Due to the site constraints with the river and associated riparian corridor, the proposed Class I river trail will feature an eight-foot-wide paved width instead of the typical 10-foot-wide paved width. Where possible, the trail would be expanded to 10 feet in width.

Streetscape improvements are proposed along the project's Caulfield Lane frontage including the installation of a sidewalk, curb and gutter, landscaping, street trees and the installation of a Class I bicycle facility. The Caulfield Lane bicycle facility will provide direct access to the river trail and will provide a fork that will connect to the new bridge crossing the river. The Caulfield Lane bicycle facility will also connect to the existing Class I facility on Petaluma Boulevard South. Improvements have already been installed along the project's Petaluma Boulevard South frontage including curb, gutter, sidewalk, a bus stop and bicycle facilities.

It should be noted that the current project site plan does not reflect the river trail or the Caulfield Lane bicycle facility since the ultimate locations are currently being refined. Staff has viewed proposed alignments of the river trail and the Caulfield Lane on a draft plan. The final version of this plan, however, was not ready in time for the Planning Commission materials distribution. It should be noted that the alignment of the river trail will push the building and the parking lot slightly closer to Petaluma Boulevard South.

Landscaping improvements are proposed throughout the project site. Landscaping consisting of eight tree species and a variety of shrubs, grasses and groundcovers will be installed along the project's street and river frontages, within the surface parking area, in common open spaces and around the perimeter of the building. The landscaping and trees will largely require very low to low watering with the exception of four of the tree species that will require moderate watering.

SENATE BILL 35 STREAMLINING APPLICATION REVIEW

Within the first 30 days of an application for SB-35 streamlining review, staff reviews the project application materials and plans in order determine what materials and information may be needed to determine whether a project is eligible for streamlined review. Staff has completed the initial 30-day review of the project utilizing the objective standards that are applicable to the project. The objective standards under which the subject project was reviewed are the IZO and applicable standards from the General Plan.

Staff determined that the project may be eligible for streamlining based on applicable criteria. However, staff requested the following additional information to determine compliance with applicable objective review standards:

- Additional exhibits were requested to determine the project’s compliance with building height standards for the MU1A zoning district
- Clarification of the amount of common open space provided by the project for consistency with common open space requirements outlined in the IZO
- Details on proposed parking lot lighting and parking lighting standards to determine consistency with adopted standards
- Clarification of the locations and types of existing trees and their associated driplines for consistency with the City’s tree preservation requirements
- Plans documenting the alignment of the proposed bicycle facilities on Caulfield Lane and Petaluma Boulevard South, as well as the alignment of the river trail to ensure consistency with City standards
- Revised plans to confirm consistency with Fire Code access requirements
- Certification that the project proponent will provide for prevailing wages for the project’s future construction workers as per the requirements of SB-35

The following summarizes staff’s review of the project in relation to the applicable objective standards. An object standard does not involve personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal. Prior to submittal, the objective standards that were in place, and applicable to the project, were the General Plan and IZO.

General Plan

The project site has a General Plan land use designation of Mixed Use. Maximum Floor Area Ratio (FAR) including both residential and non-residential uses is 2.5, and the maximum residential density is 30 dwelling units per acre. The multi-family residential project is consistent with the development types anticipated under the Mixed Use designation, as well as the allowed maximum allowed FAR and dwelling unit density. The project’s FAR is 0.72 and its dwelling unit density is 24 units per net acre. Additionally, the provided on-site parking is located in a common surface parking area.

The Floodway designation applies to a very narrow strip of land on the project site adjacent to the river. The Floodway delineates the channel of the Petaluma River or other watercourse and the adjacent land areas that must be reserved in order to discharge the “base flood” without cumulatively increasing the water surface elevation more than one foot. No new development is allowed in areas designated Floodway.

The Flood Plain Land Use Overlay is also located on a very narrow strip of land on the project site adjacent to the river. The Floodplain represents lands subject to periodic inundation in a 100-year storm event, as defined by the FEMA Flood Insurance Rate Maps. The Floodplain delineation is intended as an overlay for informational purposes and to distinguish properties subject to regulations outlined in the IZO.

The project is consistent with the regulations established under both the Floodway designation and the Flood Plain Overlay. No development, site improvements, grading or any other proposed work on the project site will be located in these areas.

Furthermore, the General Plan and the Bicycle and Pedestrian Plan envision Class II bicycle facilities (on-street, striped travel lane with signs) along both the Caulfield Lane and Petaluma Boulevard frontage. As previously outlined, the project will be implementing the bicycle facilities with the construction of a Class I and Class II facility on Caulfield Lane. The bicycle facilities have already been installed along Petaluma Boulevard South. The project will also be implementing the envisioned river trail as previously outlined. The project is consistent with the circulation/bicycle and pedestrian facilities envisioned in the General Plan.

Overall, the project complies with the objective goals and policies of the General Plan by providing an infill multi-family project at an underutilized site in the Urban Growth Boundary. The project will be developed in a fashion that is consistent with the development envisioned for the site by the General Plan. Additionally, the affordable housing project is providing a housing type at the extremely low, very low and low-income household levels. These are housing types that the city needs to produce in order meet Regional Housing Needs Assessment numbers.

Implementing Zoning Ordinance

The project site is zoned Mixed Use 1A (MU1A) under the Implementing Zoning Ordinance (IZO). This zone is applied to areas intended for pedestrian-oriented, mixed-use development with ground-floor retail or office uses adjacent to the Downtown Core, and in other areas of the city where existing auto-oriented commercial areas are intended for improvement into pedestrian-oriented mixed-use development. This zone is applied to parcels located along corridors such as East Washington Street, Petaluma Boulevard, Bodega Avenue and Lakeville Street. The parcels in these zones vary in size and are typically located adjacent to residential zones. The MU1 zone is consistent with and implements the Mixed Use land use classification.

A residential multi-family land use ordinarily has a conditional use permit requirement in the MU1 zoning district; however, the conditional use permit requirement is not applicable to projects eligible for the permit streamlining provisions of SB-35. Consequently, the conditional use permit requirement of the IZO will not apply to the project provided that the project is ultimately determined to be eligible for streamlining under SB-35.

The project has been largely found to be consistent with the development standards/objective design standards of the Implementing Zoning Ordinance; however, more information was requested of the applicant in the 30-day letter in order to determine whether the project is consistent with the applicable height limits. Table 1, immediately below, contains a summary of applicable IZO development standards.

TABLE 1 – COMPLIANCE WITH MU1A ZONE DEVELOPMENT STANDARDS		
STANDARD	REQUIRED/ALLOWED	PROPOSED
Lot Coverage	2.5 Max FAR	0.72 FAR
Front Setback	0 feet	Minimum 25.66 feet from Petaluma Blvd S, Minimum 132 feet from Caulfield Lane
Side Setback	N/A	N/A
Rear	N/A ¹	Minimum 2.25 feet from the top of riverbank
Building Height	30-45 feet max ²	41 feet, 10 inches max ³
Usable Open Space	30 square feet/unit ⁴	86.22 square feet/unit for private open space; the total common open space area is not yet known
Vehicular Parking	50 spaces minimum ^{5,6}	67 spaces
Bicycle Parking	5 spaces	38 spaces

- 1) No specific setback is established from the Petaluma River.
- 2) When the building is more than 30 feet from an abutting property line, one additional foot of height is permitted with each additional foot of setback over 30 feet for a maximum building height of 45 feet.
- 3) If the project's height exceeds the maximum allowed height. One of the allowed Residential Density Bonus Concession/Incentives will be utilized for building height.
- 4) The minimum depth of usable open space is 3 feet. Usable common open space is strongly encouraged.
- 5) For the subject project, SB 35 requires a minimum vehicular parking ratio of one space per unit
- 6) Tandem spaces no more than two spaces deep are allowed by SB35. Twenty-two tandem spaces are proposed.

The objective standards of IZO Chapter 6 (Floodway and Flood Plain Districts), Chapter 11 (Parking and Loading, Off Street), Chapter 14 (Landscaping and Screening), Chapter 17 (Tree Preservation) and Chapter 27 (Residential Density Bonus) were also analyzed in the review of the project. Chapter 18 (Public Art) does not apply to the project as the project is a residential project.

The Floodway Zoning District applies to a very narrow strip of land on the project site adjacent to the river. Only select land uses are principally or conditionally allowed in the Floodway. Most development and land uses, such as the subject project, are not allowed in the Floodway.

The Flood Plain Overlay (Chapter 6 in the IZO) also applies to a very narrow strip of land on the project site adjacent to the river. The Flood Plain Overlay is intended, in part, to minimize property damage from flood waters and safeguard public health, safety, and general welfare, as well as minimize business interruptions. Construction of new residential structures in the overlay requires elevation of the lowest habitable floor by 12 inches or more above the base flood elevation or depth number specified on the Flood Insurance Rate Map.

The project is consistent with the regulations established under both the Floodway District and the Flood Plain Overlay. No development, site improvements, grading or any other proposed work on

the project site will be located in these areas.

The project has been found to be largely consistent with the standards of IZO Chapter 11 (Parking and Loading, Off-Street). Chapter 11 outlines standards such as parking dimensions, drive aisle widths, site distance, access, driveway gradients and surfacing. Staff requested additional information regarding parking lot lighting and parking light standard locations. As previously outlined, the project complies with the parking ratio standards of SB-35, the bicycle parking requirements of IZO Chapter 11 and is installing pedestrian and bicycle circulation features consistent with the General Plan. It should also be noted that the Fire Department has concluded that the project site offers adequate access for emergency responders.

The project has been found to be consistent with the standards of IZO Chapter 14 (Landscaping and Screening) in that the project will provide landscaping along the exterior of the project site, within vehicular circulation/parking areas, adjacent to the building and in common area. Also, the selected landscaping species are well-suited for Petaluma's climate.

The project appears that it will be consistent with Chapter 17 of the IZO (Tree Preservation). However, more information was requested on the plans that will allow staff to confirm that the project will not remove any existing on-site trees and does not proposed development in the driplines of the trees.

Under Chapter 27 of the IZO (Residential Density Bonus) and State Density Bonus Law, the project is eligible to pursue development concessions/incentives. Concessions/incentives allow for the reduction of site development standards or zoning code requirements, direct financial assistance, approval of mixed-use zoning in conjunction with the Housing Development or any other regulatory incentive which would result in identifiable cost avoidance or reductions. Over 35 percent of the project's units will be offered at low income, or potentially lower levels of affordability. This will allow the project up to three development concessions/incentives under IZO Chapter 27 and State Density Bonus Law. Additionally, the project could be eligible for a residential density bonus to allow for a dwelling unit density greater than the allowed 30 units per acre. The project will not be seeking a residential density bonus since its proposed residential density is 24 units per acre.

NEXT STEPS AND CONCLUSION

The remainder of the project review will be handled at staff level. Once all required materials and information are provided by the applicant, a determination will be made by staff within 60 days of receiving the materials regarding the project's eligibility for streamlined review. Once the project is determined eligible for streamlined review, the project may proceed to the building permit stage. Standard conditions of approval will be added to staff's decision on the project to ensure all city standards are satisfied through building permit review and construction.

The Planning Commission may offer non-binding comments for consideration of the applicant regarding design considerations that would be typically considered under Site Plan and Architectural Review at the meeting. These comments could address architectural considerations such as building massing, fenestration, articulation, materials, roof forms, window opening patterns, ground-floor design and the color scheme. Other comments that the Planning

Commission could consider providing include comments related to the landscaping plan, open space programming/quality, streetscape improvements and pedestrian interest and engagement. Since these comments would be non-binding, the applicant is not obligated to integrate any such comments into the design of the project.

ENVIRONMENTAL REVIEW

All projects that qualify for streamlined ministerial review under SB-35 are exempt from the California Environmental Quality Act. Therefore, no technical studies or environmental analysis were required to review the project for consistency with the City's adopted objective standards.

ATTACHMENTS

A. Project Plans