

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: ADAM ROSS, INTERIM SENIOR PLANNER
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
MEGAN BASINGER, INTERIM DIRECTOR
HOUSING AND COMMUNITY SERVICES DEPARTMENT
SUBJECT: NORTH VILLAGE II – HOUSING ALLOCATION PLAN CONTRACT
AMENDMENT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Planning & Economic Development Department and the Housing and Community Services Department that Council, by resolution, approve an amendment to the North Village II Housing Allocation Plan Contract approved by City Council on June 5, 2012, for the North Village II Small Lot Subdivision, located at 2406 Fulton Road, pursuant to alternative compliance measures approved by the Director of Planning and Economic Development on December 7, 2020 the developer will provide eight (8) on-site affordable units to low-income households and pay the affordable housing fees for an additional eight (8) units.

EXECUTIVE SUMMARY

The applicant is seeking an amendment to the North Village II Subdivision (the Project) Housing Allocation Plan Contract (HAP Contract) previously approved by Council on June 5, 2012 (City Council Resolution No. 28113). The requested amendment is pursuant to the approval of alternative compliance measures by the Director of Planning and Economic Development on December 7, 2020 (Attachment 5). The proposed alternative compliance ensures that the Project will comply with the City's previous Housing Allocation Plan, formerly identified under Municipal Code § 21.02, which was in effect at the time of the Project's approval. Proposed alternative compliance measures include (1) providing eight (8) affordable units to low income households (80% of AML); and (2) paying the affordable housing in-lieu fee for an additional eight (8) units. The eight (8) affordable for-rent units are located on lot 36 (a six-plex structure) and lot 37 (a duplex). In addition, the alternative compliance request includes a ± 3,136 sq. ft. daycare center with a ± 3,392 sq. ft. fenced play area, which would be subject to Conditional Use Permit approval.

BACKGROUND

In March 2003, the City of Santa Rosa circulated a Draft EIR analyzing the potential impacts of the Northwest Santa Rosa 3-97 Annexation. This was a proposal to annex 26 parcels totaling approximately 154 acres from the County of Sonoma to the City of Santa Rosa. A Policy Statement, including a development plan, for the proposed Planned Community (PC, now termed Planned Development or PD districts) zoning district was also submitted for a portion of the annexation area as a component of the annexation project. This Development Plan and Policy Statement identified three development sub-areas of the Northwest Santa Rosa Annexation 3-97 one of which included the North Village II subdivision.

On December 21, 2006, the Project was taken before the Design Review Board as a concept item for preliminary board comments.

In January 2007, applications to develop the North Village II subdivision were submitted by the developer. During the review process of the North Village II project, the developer requested processing be frozen because of changes in the housing market.

In September 2010, the project review was re-activated after a request was filed by the developer, and reprocessing fees paid, to initiate the review of a slightly modified project design.

On April 14, 2011, the Planning Commission, by votes of 6-0-1-0 with Commissioner Allen Thomas absent and no other Commissioners abstaining, adopted a Supplemental Environmental Impact Report (EIR) to the Northwest Santa Rosa (NWSR) 3-97 Annexation EIR for the North Village II project (Planning Commission Resolution No. 11569) and approved a Conditional Use Permit and Tentative Map to subdivide a 17.89 acre parcel into 70 lots to accommodate the construction of 120 single-family and multi-family residential dwelling units, an onsite community center, and private open space (Planning Commission Resolution Nos. 11570, and 11571). The approval required that the Project provide thirty-one (31) affordable rental units for low-income households, and one (1) unrestricted resident manager unit, on-site for the Project.

On December 14, 2011, a HAP Contract for rental units was prepared between the City of Santa Rosa, the Housing Authority of the City of Santa Rosa, and Fulton Road Investors, LLC.

On June 5, 2012, the Council by a vote of 7-0-0-0 approved the HAP Contract for the Project (City Council Resolution No. 28113).

On June 19, 2014, the approved HAP Contract was recorded against the property in the Official Records of Sonoma County as document 2014041795.

PRIOR CITY COUNCIL REVIEW

On June 5, 2012, the Council, by resolution, approved the North Village II HAP Contract, which required the developer to provide 31 affordable rental units for low-income households, and one (1) unrestricted resident manager unit, on-site for the Project.

ANALYSIS

At the time of the Project's approval, the Housing Action Plan in effect required that residential development projects provide on-site allocated units equal to 15 percent of the total dwelling units in the development or pay Housing Impact Fees. Initially, the North Village Project was divided into two phases known as North Village I and North Village II and was to be developed by the same developer. In total, North Village Phases I and II consist of 220 units, and approved Planning entitlements conditionally required 32 affordable units to be divided between the two phases so that each phase would construct 16 affordable units in compliance with HAP.

During the economic recession starting in 2007 and in effect for years after, the North Village Project became inactive much like other development projects during that period. As a result, an alternative compliance approach was approved in the recorded North Village II HAP Contract. Since that time, North Village II was sold to North Village Investors LLC, which removed the ability to transfer the onsite affordable units from North Village Phase I to North Village Phase II.

Subsequently, North Village I included the development of 16 affordable units which were constructed and are occupied by income eligible households as required in the North Village I Project's HAP Contract as recorded in the Official Records of Sonoma County as document 2006087624 (Attachment 3). As such, Phase II is required to provide 16 qualifying units in order to comply with the approved entitlements. As proposed in the alternative compliance request (Attachment 4), the Project would be in compliance with HAP requirements contained in §21-020.070, which allows alternative compliance to payment of the housing impact fee or provision of on-site allocated units in accordance with §21-02.050 by innovative approaches endorsed by the Review Authority. In this case, 8% of the units will be dedicated affordable to low-income residents, and the project will provide alternative compliance by paying the in-lieu fees for an additional eight (8) units, while also providing a daycare center with a fenced play area.

As required by §21-02.070(D), the Director approved the alternative approach to compliance with the City's HAP based on the proposed compliance methods and the amenities cited, which include open space, walking paths, a community center with a pool, a fitness center, and a daycare facility (Attachment 5).

FISCAL IMPACT

Not applicable.

ENVIRONMENTAL IMPACT

The Project was reviewed in accordance with the California Environmental Quality Act (CEQA) and a Supplemental Environmental Impact Report (EIR) to the Northwest Santa Rosa (NWSR) 3-97 Annexation EIR for the North Village II project was adopted by the Planning Commission on April 14, 2011.

NORTH VILLAGE II – HOUSING ALLOCATION PLAN CONTRACT AMENDMENT
PAGE 4 OF 4

The proposed action is exempt from the provisions of the CEQA under CEQA Guidelines Section 15061(b)(3) and 15378 in that there is no possibility that the implementation of this action may have significant effects on the environment, and no further environmental review is required.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable

ATTACHMENTS

- Attachment 1 Council Resolution No. 28113, Adopted June 5, 2012
- Attachment 2 North Village I Recorded HAP Contract dated July 14, 2006
- Attachment 3 North Village II Recorded HAP Contract dated June 19, 2014
- Attachment 4 Applicant Request for Alternative Compliance dated October 29, 2020
- Attachment 5 Director Approval Letter for North Village II Alternative Compliance dated December 7, 2020
- Attachment 6 North Village I Final Map recorded 2006
- Attachment 7 North Village II Tentative Map approved April 14, 2011
- Resolution / Exhibit A - December 7, 2020 Acceptance of Proposed Alternative Compliance Request for Housing Allocation Plan for North Village II Project at 2406 Fulton Rd

CONTACT

Adam Ross, Interim Senior Planner
Planning and Economic Development Department
(707) 543-4705
ARoss@srcity.org