

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: BILL ROSE, SUPERVISING PLANNER (PRESENTER)  
PLANNING AND ECONOMIC DEVELOPMENT  
SUSIE MURRAY, CITY PLANNER (AUTHOR)  
PLANNING AND ECONOMIC DEVELOPMENT

SUBJECT: FARMERS LANE SENIOR HOUSING REZONING TO INCLUDE  
THE SITE IN THE SENIOR HOUSING COMBINING DISTRICT,  
AND DENSITY BONUS TO ALLOW AN 18% DENSITY INCREASE  
FOR THE DEVELOPMENT A 26-UNIT CONDOMINIUM  
COMPLEX LOCATED AT 201 FARMERS LANE, ASSESSOR'S  
PARCEL NO. 014-071-093, FILE NO. PRJ16-018

AGENDA ACTION: RESOLUTION AND ORDINANCE

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RECOMMENDATION

It is recommended by the Planning Commission and Planning and Economic Development Department that the Council 1) introduce an ordinance rezoning the project site into the Senior Housing combining district; and 2) by resolution, approve a Density Bonus for the Farmers Lane Senior Housing project located at 201 Farmers Lane.

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EXECUTIVE SUMMARY

The Farmers Lane Senior Housing project (Project) proposes to construct two multi-family residential structures consisting of 26 condominium units and common area. The Project will designate five units (23%) for moderate income occupants, which qualifies the Project for an 18% density increase and two development-related concessions.

The Project will also rezone the development site into the Senior Housing combining district, which will require at least 80 percent of the units to be occupied by at least one person 55 years of age or older. In doing so, the Project will also qualify for a reduced parking requirement.

The Project includes four entitlement applications: Rezoning, Density Bonus, Tentative Map and Design Review. The Rezoning and Density Bonus items are subject to Council review and approval. The Tentative Map was approved by the Planning

Commission on July 13, 2017. Design Review will be considered by the Design Review Board on September 7, 2017.

## BACKGROUND

### 1. Project Description

The development site is located along the west side of Farmers Lane, just south of the intersection of 4<sup>th</sup> Street, Hwy 12 and Farmers Lane. The Project proposes to develop a 1.22-acre parcel with two multi-family structures inclusive of 26 condominium units and common space. This represents 0.82% of the City's 5-year goal for market rate units, and 0.63% of the 5-year goal for moderate income units.

The Project involves a Density Bonus. Five units, which represents 23% of the maximum allowable density, will be designated for moderate income occupants, defined as up to 120% of area median income. Accordingly, the Project is eligible for an 18% (four units) density increase and two concessions. The applicant has requested concessions for parking and building height.

The proposal also includes a request to rezone the site into the Senior Housing combining district. In doing so, 80% (21 units) of the total units will be required to be occupied by at least one person 55 years of age or older. The applicant may designate more restrictive requirements in the Project's Covenants, Conditions and Restrictions (i.e. raising the minimum age requirement to 62 years of age and/or require all units to comply with age restrictions).

The Project is comprised of two multi-family residential structures, a fully enclosed trash enclosure, parking and associated improvements. The larger of the two residential structures is four-stories, and is located on the northern end of the parcel adjacent to Santa Rosa Creek. It is proposed at 47-feet tall with 24 residential units. The smaller is a two-story building with two units, and is located on the southern end of the property. The floor plans range in size from 1,069 to 1,608 square feet. The exterior materials for both structures will be primarily stucco, with wood accents.

Vehicular access would be provided via a single driveway off Farmers Lane. One covered parking space will be provided for each unit, and guest parking will be provided between the structures. A trash enclosure will be located at the southwest corner of the four-story building.

Development of Farmers Lane Senior Housing will result in the removal of eight heritage trees and four non-heritage trees. The planting plan includes replacement trees, several of which have been upsized to comply with City's Tree Ordinance (City Code Chapter 17-24) and keep all replacement trees on site.

The project includes the installation of a pedestrian/bicycle path adjacent to Santa Rosa Creek, which will be available to the public.

2. Surrounding Land Uses

North: Retail and Business Services; currently developed with restaurant, retail and office uses.  
South: Medium Density Residential (8 -18 units per acre); currently developed with medical services and multi-family residential uses.  
East: Public/Institutional; currently developed with a meeting facility (church) and school  
West: Low Density Residential (2-8 units per acre); currently developed with detached single-family residential uses.

3. Existing Land Use – Project Site

The 1.22-acre Project site is currently undeveloped and has recently been used by the City of Santa Rosa as a staging area for construction projects. The site is generally flat, vegetated with several trees, including significant heritage trees, shrubs, grasses and riparian vegetation along the creek.

4. Project History

On November 18, 2008, the Council approved a General Plan Amendment and Rezoning of the subject site changing the land use designation to Medium Density Residential and the zoning to the R-3-18 (Multi-family Residential) zoning district.

On July 23, 2015, the Waterways Advisory Committee (WAC) reviewed the project.

On November 19, 2015, the Design Review Board (DRB) reviewed the Project plans as a Concept item. Refer to the Board/Commission/Committee Review and Recommendations section of this report for more details.

On March 29, 2016, a Development Review Pre-Application Meeting was held with City staff. The purpose of the meeting was to offer the applicant an interdepartmental staff review of the conceptual design.

On July 6, 2016, a Neighborhood Meeting was held to introduce the Project to nearby neighbors. Refer to the Neighborhood Comments section of this report for more details.

On July 19, 2016, the Project applications were submitted to Planning and Economic Development.

On December 8, 2016, a letter was sent to the applicant identifying issues and additional information necessary to continue processing the applications.

On March 8, 2017, the applicant submitted a response letter coupled with the requested additional information and application materials.

On July 13, 2017, the Planning Commission (Commission) considered the Project and adopted three resolutions recommending the Council adopt an ordinance to rezone the property into the Senior Housing combining district; recommending the Council approve a Density Bonus allowing an 18% density increase and two concessions; and approving a Tentative Map for 26 condominium units.

On September 7, 2017, the DRB will review the Project for Preliminary Design Review.

#### PRIOR CITY COUNCIL REVIEW

Not applicable.

#### ANALYSIS

##### 1. General Plan

The General Plan land use designation for the site is Medium Density Residential which allows a density of 8-18 units per acre. The following General Plan goals and policies are applicable to the Project:

#### **LAND USE AND LIVABILITY**

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|---------|---|
| LUL-E   | Promote livable neighborhoods. Ensure that everyday shopping is within walking distance of most residents.  |
| LUL-F-3 | Maintain a balance of various housing types in each neighborhood and ensure that new development does not result in undue concentration of a single housing type in any one neighborhood. Downtown is excepted. |
| LUL-A   | Foster a compact rather than a scattered development pattern to reduce travel, energy, land, and material consumption while promoting greenhouse gas emission reductions citywide.                              |

#### **URBAN DESIGN**

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| UD-A | Preserve and enhance Santa Rosa's scenic character, including its natural waterways, hillsides and distinctive districts. |
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UD-F-2 Protect natural topographic features such as hillsides, ridgelines and mature trees.

UD-G-2 Locate higher density residential uses adjacent to transit facilities, shopping and employment centers, and link these areas with bicycle and pedestrian paths.

## **HOUSING**

H-A Meet the housing needs of all Santa Rosa residents.

H-C Expand the supply of housing available to lower income households.

H-C-11 Provide opportunities for higher density and affordable housing development on regional/arterial streets and for convenient access to transit.

H-D Provide housing for households with special needs.

H-D-11 Encourage the development of affordable housing for the elderly, particularly for those in need of assisted and skilled nursing care. Continue to provide funding and offer incentives such as density bonuses, reduced parking requirements, design flexibility, and deferred development fees.

H-F-4 Continue to implement the City's Density Bonus Ordinance, consistent with State Law.

H-F-5 Utilize the design review checklist to expedite affordable housing developments through the Design Review process.

H-G Develop energy efficient residential units.

## **TRANSPORTATION**

T-K-1 Link the various citywide pedestrian paths, including street sidewalks, downtown walkways, pedestrian areas in shopping centers and work complexes, park pathways, and other creekside and open space pathways.

T-K-2 Allow the sharing or parallel development of pedestrian walkways with bicycle paths, where this can be safely done, to maximize the use of public right-of-way.

T-L Develop a citywide system of designated bikeways that serves both experienced and casual bicyclists.

Farmers Lane Senior Housing implements several goals policies of the General Plan. The Medium Density Residential land use designation is intended for specific areas where higher density is appropriate. Pursuant to General Plan Policy H-F-4, which provides for continued implementation of the City's Density Bonus Ordinance, the Project proposes 26 for-sale, condominium units, of which five will be designated for moderate income owners.

The Project includes a request for an 18% density increase. The request is consistent with State Law, which allows development at densities higher than allowed by the General Plan land use designation in return for affordable units. Several General Plan goals and policies relate to housing, both affordable and for the elderly. In addition to providing five for-sale units for moderate income owners, 80% of the units will be required to be occupied by at least one person 55 years of age or older. The applicant may opt for more restrictive requirements (i.e. increase the minimum age to 62 years of age and/or require all units to be occupied by people who meet the age requirements),

The Project proposes higher density housing along an arterial street and provides housing opportunities within walking distance of public transportation, three commercial centers, schools and recreation areas. The commercial centers offer a grocery store, dining, and a variety of other retail and commercial services.

The site is physically suitable for the increased density. Emergency services, water and sewer, and other utilities are available at the site.

## 2. Citywide Creek Master Plan

The Santa Rosa Creek Watershed drains approximately 78.6 square miles, including agriculture, parks and open space, and urban land uses. The Citywide Creek Master Plan (CCMP) divides Santa Rosa Creek into eight reaches. The Project site is located within Reach 3, which spans from Farmers Lane to E Street.

Reach 3 is fairly natural and is recommended for preservation, due to its value as fish and wildlife habitat. Enhancements including removal of invasive species and replanting with natives are recommended. The Project includes the installation of several native trees within the creek setback area.

The CCMP also embraces the concept that waterways are important for multiple uses, including recreational uses. The Project will install a bicycle/pedestrian pathway adjacent to the creek.

The WAC reviewed the project plans on July 23, 2015. During the review, there was a lot of discussion regarding the pathway connection for the four-story building to the creek path. In general, the WAC indicated support.

3. Zoning

The Project site is located within the R-3-18 (Multi-family Residential) zoning district, which is consistent with the General Plan land use designation. This zoning designation is applied to areas appropriate for residential neighborhoods with medium and higher residential densities. It is intended to provide a full range of choices in housing types, and to improve access to affordable housing.

The zoning for surrounding properties includes:

North: CG (General Commercial) district  
South: R-3-18 (Multi-Family Residential) district  
East: R-1-6 (Single-Family Residential) district  
West: R-1-6 (Single-Family Residential) district

The following Zoning Code sections are applicable to the Project:

Rezoning

The Project proposes to modify the existing R-3-18 (Multi-family Residential) zoning district by including the site in the Senior Housing combining district. The Senior Housing (-SH) combining district is intended to create a zoning district for senior housing.

Zoning Code Section 20-28.080 sets forth a process through which property may be rezoned specifically to accommodate housing for older persons within the City in compliance with Federal and State Fair Housing Law and establishes a clear set of requirements for senior housing. A senior housing project must enter into a regulatory agreement with the City prior to recording the Final Map. The regulatory agreement will require verification of occupancy in a format approved by the Executive Director of the Housing Authority.

Zoning Code Section 20-64.030 discusses Rezoning requirements. A request to rezone requires a recommendation from the Commission to the Council for the approval of a proposed amendment. On July 13, 2017, the Commission voted unanimously (7-0) approving a recommendation to the Council to rezone the site into the Senior Housing combining district.

Density Bonus

Zoning Code Chapter 20-31 sets forth the City's Density Bonus regulations. It is intended to provide incentives for affordable housing. Pursuant to both Zoning Code Section 20-31.060 (A) and Government Code § 65915 (State of California density bonus regulations), because this housing developer is electing to

designate 23% of the maximum allowable units for moderate income occupants, the Project is entitled to two concessions and an 18% density increase. The applicant is requesting concessions for building height and parking. The proposed 26 residential units includes the maximum 18% density increase.

The affordability contract is under the purview of the Housing Authority. The contract will be drafted in collaboration with the City Attorney's Office. Housing and Community Services will perform the income verification for the initial and subsequent buyers of the affordable units. Income verification will require buyers (all member of the household age 18 or older) to submit proof of income and assets, as applicable.

Government Code Section 65915 and Zoning Code Section 20-31.080(B) both require the City to grant the concessions requested by the applicant unless the City can make a written finding, based on substantial evidence, that one or more of the following circumstances apply:

1. The concession is not required in order to provide for affordable housing costs or affordable rents.

Response: The DRB requested parapets on the four-story building to shield rooftop equipment. Without a concession for the additional two feet in building height, costly revisions to the plans would be required to reduce the height of the structure, relocated HVAC equipment, and maintain the current design.

The applicant is requesting a concession for parking requirements so the review authority does not require additional on-site parking. This is discussed in more detail in the Parking section of this report.

2. The incentive or concession would have a specific adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5 of the California [Government Code](#), upon public health and safety or physical environment or any real property that is listed in the California Register of Historical Resources and for which the City determines there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low and moderate income households.

Response: The Project site is not listed in the California Register of Historical Resources. As conditioned, the Project would not have any specific adverse impact upon public health or safety or the physical environment.

3. The incentive or concession would be contrary to State or Federal law.

Response: Neither concession would be contrary to State or Federal law.

Zoning Code Section 20-31.030 provides a list of requirements for Density Bonus applications:

- Identification of the location, acreage, and the maximum number of base units allowed under the zoning and the land use designated under the General Plan without the density bonus.

Pursuant to Government Code § 65915, each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number. Using that rounding standard, the maximum allowable density without density bonus for the 1.22-development area is 22 units. The applicant is proposing that five units, or 23%, be designated for moderate income owners, which qualifies the Project for an 18% density increase; a total of 26 units.

- Identification of the total number of units proposed, specifically identifying the density bonus units and the affordable units which will demonstrate eligibility under this Chapter.

The applicant has provided an exhibit, attached to this report, that demonstrates eligibility for Density Bonus.

- Identification of the requested concessions or incentives or a list of any alternative concessions or incentives which would provide, in the developer's opinion, an equivalent financial value to the concession or incentive requested. This requirement does not impair the applicant from substituting a new incentive or concession from what is initially proposed, but substitution may cause project delays and require revision of environmental documents, and may necessitate additional processing fees as determined by the Director of Community Development.

The applicant has requested a concession for building height. The four-story structure is proposed at 47-feet, which is two feet taller than allow by Zoning Code development standards. As discussed above, the additional two feet of building height will allow for parapets to screen rooftop equipment.

The applicant has also requested a concession for parking. The Project meets parking the requirements of Zoning Code Table 3-4 (Parking Requirements). Approval of the Density Bonus would preclude the review authority from requiring additional parking.

- A clear statement of how the requested concessions or incentives are necessary to make the proposed housing development economically feasible, and result in identifiable, financially sufficient and actual cost reductions. The information should be sufficiently detailed to enable City staff to examine the conclusions reached by the developer.

The applicant has provided a justification for the requested concessions; a copy is attached to this report. Due to costs associated with plan modifications, the shape of the parcel, and proximity to the creek, the developer would not be able to provide affordable units without concessions for building height.

Regarding parking, also discussed above, the Project will provide the required 29 parking spaces; the requested concession is to preclude the review authority from requiring additional parking.

- Other pertinent information as the Director of Community Development may require to enable the City to adequately analyze the identifiable, financially sufficient and actual cost reductions of the proposed housing development with respect to the requested additional concession or incentive and other concessions or incentives which may be made available.

The applicant has provided all additional information requested by City staff.

The Project was reviewed by staff and has been found in compliance with City and State Density Bonus regulations.

### **Development Standards**

#### Parking

Pursuant to Zoning Code Section 20-36.040, Table 3-4, as a senior housing proposal, the Project is required to provide 29 parking spaces: one space per residential unit plus one guest space for each 10 units. The Project includes 29 parking spaces, which meets these requirements. Because Zoning Code Section 20-36.050(C)(1)(a) allows the review authority to, as a condition of approval, require additional parking spaces, the applicant has requested parking as one of two concessions.

#### Building Height

Table 2-5 of the Zoning Code provides that the maximum allowable height for a building within the R-3-18 zoning district is 45 feet. The 24-unit, four-story

structure located adjacent to the creek exceeds the maximum building height by two feet. As previously discussed, the applicant has requested a concession for the additional height for parapets to screen rooftop equipment.

4. Neighborhood Comments

Approximately 10 neighbors attended a Neighborhood Meeting held on July 6, 2016. Since then, Planning and Economic Development has received several written public comments, and several neighbors spoke during the Commission hearing held on July 13, 2017.

Public comments related to the Density Bonus include:

<u>Comment/topic</u>	<u>Staff response</u>
Parking	The Project meets parking requirements, however, Zoning Code Section 20-36.050(C)(1)(a) allows the review authority to increase the required number of parking spaces. As such, the applicant has requested a concession for parking.
Building height & privacy	The proposed 47-foot tall, four-story structure is two feet taller than the maximum 45-foot building height allowed by Table 2-5 of the Zoning Code. The applicant has requested a concession for building height.

A summary of all public comments can be found in the Commission staff report (attached).

5. Public Improvements/On-Site Improvements

The Project includes construction of street and sidewalk improvements along the Farmers Lane frontage, including 26-foot wide driveway apron, street lights, tree wells, etc.

A Class 1 bike path shall be installed adjacent to Santa Rosa Creek. The developer shall provide a means acceptable to the City for ongoing maintenance of the path.

A detailed list of public and on-site improvements is included in the Development Advisory Report, dated April 28, 2017, approved by Commission Resolution No. 11839 for the Tentative Map.

### FISCAL IMPACT

Approval of the Project will not result in any significant fiscal impacts.

### ENVIRONMENTAL IMPACT

On July 13, 2017, the Commission found the Project in compliance with the California Environmental Quality Act (CEQA). Pursuant to CEQA Guidelines Section 15183, the Project is consistent with the General Plan, for which an Environmental Impact Report (EIR) was certified, and zoning, and there are no environmental effects peculiar to the Project or the Project site, not previously analyzed in a prior EIR. The project is also categorically exempt under CEQA Guidelines Section 15332, as in-fill development.

### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

The Project was reviewed by the Waterways Advisory Committee (WAC) on April 23, 2015. The WAC was divided in its support for the pathway that connects the four-story structure to the pedestrian/bicycle path adjacent to the creek. The policy of the Planning and Economic Department has been to permit pathways within required creek setback areas.

The DRB reviewed the Project as a Concept item on November 19, 2015, and indicated support.

The Commission adopted three resolutions approving the Tentative Map, and recommendations that Council approve both the Density Bonus and Rezoning.

### NOTIFICATION

On June 16, 2016, a Neighborhood Meeting Notice was mailed to property owners within 400 feet of the Project site.

In May 2017, a Public Hearing Notice was mailed to property owners within 400 feet of the Project site; a Public Hearing Notice was published in the Press Democrat; and a sign announcing the public hearing before the Commission was installed at the Project site, pursuant to Zoning Code Chapter 20-66.

Due to an error in noticing, the public hearing scheduled on June 8, 2017, was continued to June 22, 2017.

At the applicant's request, the public hearing was continued again, from June 22, 2017, to July 13, 2017. The public hearing sign was updated to reflect the new public hearing date.

In August 2017, a Public Hearing Notice was mailed to property owners within 400 feet of the Project site; a Public Hearing Notice was published in the Press Democrat; and a

FARMERS LANE SENIOR HOUSING REZONING  
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sign announcing the public hearing before the Council was installed at the Project site, pursuant to Zoning Code Chapter 20-66.

ISSUES

There are no unresolved issues.

ATTACHMENTS

- Attachment 1: Disclosure Form
- Attachment 2: Location Map
- Attachment 3: Project Plans (including Neighborhood Context Map, Site Photos, Site Plan, Floor Plans, Grading Plan and Landscape Plans), stamped received on March 8, 2017
- Attachment 4: Commission Staff Report, Questions & Answers, Resolutions, and Minutes (July 13, 2017)
- Attachment 5: Project Narrative and Response to Issues Letter, prepared by Steven Sharpe & Associates, both dated March 6, 2017
- Attachment 6: Affordable Units Exhibit, prepared by Hedgpeth Architects, stamped received May 24, 2017, and Affordable Unit Overview, prepared by Steven Sharpe, dated May 23, 2017
- Attachment 7: Shadow Analysis, prepared by Hedgpeth Architects, dated September 2014
- Attachment 8: Public Correspondence
- Ordinance: Rezoning
- Resolution: Density Bonus

CONTACT

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