



City of Culver City

Staff Report Details (With Text)

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Attachments: 1. 2021-08-11_ATT - Bill Text SB35, SB375, AB1397, AB2162.pdf

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PC- Review and Discussion of Proposed Revisions to Streamline the Multifamily Housing Entitlement Process.

Meeting Date: August 11, 2021

Contact Person/Dept: Michael Allen/Current Planning Manager
William Kavadas/Assistant Planner

Phone Number: (310) 253-5727 / (310) 253-5706

Fiscal Impact: Yes No **General Fund:** Yes No

Public Hearing: **Action Item:** **Attachments:**

Public Notification: (E-Mail) Meetings and Agendas - Planning Commission (08/06/21).

Department Approval: Sol Blumenfeld, Community Development Director (08/05/2021)

RECOMMENDATION:

Staff requests the Planning Commission receive and discuss proposed revisions to the Zoning Code regarding multifamily housing entitlement streamlining, and direct staff to return with a final draft Zoning Code Amendment for Planning Commission’s approval at a future meeting.

BACKGROUND/DISCUSSION

As part of its ongoing review of state legislation related to multifamily affordable housing production to address the statewide housing crisis, staff has reviewed and identified several potential Zoning Code Amendments and measures to address environmental review to streamline the multifamily housing entitlement process. Housing production and housing affordability are generally related to the costs of land, construction, and the duration of the approval process which impact cost. The cost of entitlement review and approval is factored into costs for housing development and longer entitlement processing times typically result in more costly housing. By reducing the timeline for the development review process, the City can foster additional housing development, increase developer certainty, and create more opportunities for affordable housing.

The City's review of multifamily development projects is generally tied to conformity with the General Plan, the zone in which the project is located, and review thresholds prescribed in the Zoning Code. If a project conforms to the zone and the General Plan the process and timeline for project review is determined exclusively by development standards in the Zoning Code.

Single Family homes are generally not subject to discretionary review, however multifamily development is reviewed in the Zoning Code under Section 17.540.010 -Site Plan Review (SPR); Sections 17.560.010 Comprehensive Plans (CP)- and applicable local and State Density Bonus law - Community Benefits in the Mixed-Use Ordinance, Section 17.400.065. A project may also be subject to certain permits such as Conditional Use Permits and Administrative Modifications depending upon the project development program and developer requests for relief from certain development standards

The overall range of costs for processing a Site Plan Review is summarized as follows:

- Site Plan Review \$20,000
- Tentative Map \$15,000
- Administrative costs \$5,000
- Technical studies/fees \$50,000-100,000

Total: \$90,000 -140,000

Comprehensive Plans generally are more complicated than SPR's because they involve sites of 1 acre or greater but allow more development flexibility which developers often need due to site constraints. The costs associated with CP's are:

- Comprehensive Plan Review \$30,000
- Contract Staff for Project Management \$30,000
- Tentative Map \$15,000
- Administrative costs \$5,000
- Technical studies/fees \$50,000-100,000

Total: \$130,000 -170,000

Therefore, there are potential permit costs savings ranging for SPR from \$90,000 to \$140,000 and from \$130,000 to \$170,000 when either SPR or CP, respectively, are eliminated from the overall

development process, and there are other cost savings related to earlier project completion which are also substantial.

Similarly, the scope of environmental review has cost implications in project entitlements that impact housing production and affordability. A “project” as defined in the California Environmental Quality Act (CEQA) is subject to different thresholds for environmental review with different review timelines. A project may require ministerial review, a negative declaration or mitigated negative declaration or require the preparation of an Environmental Impact Review (EIR) pursuant to CEQA. A ministerial review is typically completed quickly in the project development review. A negative declaration or mitigated negative declaration generally involves production of technical studies, like traffic, and requires several months of production and review time. An EIR analyzes all aspects of a project that may have a significant impact on the environment and often takes a year or longer to complete. This has cost implications and also impacts housing affordability and production

In order to reduce development costs and increase housing production and affordability, the City can eliminate or modify these permit processing requirements. Rather than eliminating the processes entirely, the City can consider increasing the threshold for discretionary review of multifamily housing projects and lean on new state legislation related to CEQA exemptions.

Any modifications to the City’s Zoning Code related to increasing development thresholds (increasing the amount of development that is permitted without discretionary review) also requires appropriate environmental analysis. Currently, all projects of three or more units are subject to the City’s discretionary review and environmental analysis under existing land use policies of the City. Projects that exceed existing thresholds are intended to be studied on their own merits during the entitlement process.¹ Staff has researched relevant CEQA statutes that may help facilitate code revisions to increase housing production.

Overview of State Legislation Related to Housing Production

The following State legislation has resulted in new affordable housing requirements:

- Senate Bill (SB) 35 (2017) requires ministerial review of 50% affordable housing projects in cities that do not meet Regional Housing Needs Assessment (RHNA) allocation for low- and medium-income housing during the current cycle. Culver City has not met RHNA allocation for low- and medium- income affordable housing during the current 2013-2021 Cycle and is thus subject to this requirement.
- SB375 (2007) exempts Transit Priority Projects from CEQA when compliant with a sustainable community strategy that has been adopted by the local Metropolitan Planning Organization (SCAG). Affordability requirements are tied to these projects but can be offset by in-lieu fees or public open space allocation.
- Assembly Bill (AB) 1397 (2017) allow 20% affordable housing projects by-right on sites that are rezoned to accommodate RHNA requirements.
- AB2162 (2018) allows supportive housing projects by right and exempts them from CEQA when they are 100% affordable with a minimum of 25% supportive units for projects of more than 12 units or 100% supportive units for projects of less than 12 units.

Overview of CEQA Exemptions

The following State legislation has resulted in more streamlined reviews as a consequence of environmental exemptions:

- Section 15194 - Affordable Housing: One hundred percent affordable housing projects with less than 100 units and affordable for at least 30 years are exempt.
- Section 15303 - Construction and Conversion of Small Structures: Within an urbanized area, up to three (3) single-family residences and up to six (6) multi-family residences are exempt.
- Section 15315 - Minor Land Divisions: Residential subdivisions of four (4) or fewer parcels are exempt from CEQA when the following standards are met:
 - In compliance with the local General Plan and Zoning Code
 - No variance or exception is required
 - All services and access to the proposed parcels meet local standard
 - Parcel not involved in a division of a larger parcel in the previous two years
 - The parcel does not have an average slope of greater than 20%
- Section 15332 - Infill Projects: Project are exempt from CEQA if they can be considered in-fill per the following standards:
 - Consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations
 - The proposed development occurs within city limits on a project site of no more than five (5) acres substantially surrounded by urban uses
 - The project site has no value as habitat for endangered, rare, or threatened species
 - Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality
 - The site can be adequately served by all required utilities and public services

Discussion Items for Potential Code Amendments

The Commission may want to consider the following questions for proposed Code modifications to increase housing production:

1. Should there be a requirement for discretionary review based upon the number of units in market rate housing projects?
2. Should there be a requirement for discretionary review based upon the number of units in affordable housing projects?
3. Should there be new design review standards for projects of six or fewer units that are ministerially approved?

Some options to consider for thresholds for market rate and affordable housing discretionary approvals:

- 6 or less units (tied to the State law and not requiring further environmental analysis for the code amendment.
- 30 or less units (requiring new environmental analysis for a required code amendment.
- 100 or less units (requiring new environmental analysis for a required code amendment.
- 200 or less units (requiring new environmental analysis for a required code amendment.

See below for code amendments to facilitate housing production:

Section 17.540.010 [Site Plan Review] Applicability

Section 17.540.010.A describes the projects that must move forward for Administrative Site Plan Review. Residential Projects comply with the following:

1. **Residential.** The construction of a new residential project of 3 or more units, or the addition to an existing residential project that would result in 3 or more units.

Staff suggests increasing this number to six or less to align with CEQA. This number of units is consistent with the typical “small-lot” subdivision projects that the Commission often reviews.

Section 17.540.015.C Designated Review Authority

In the event that the Commission recommends making review of 6 or fewer units ministerial, Section 17.540.015.C should be amended to prescribe administrative review. per the following underline and strikeout: :

1. The proposed development project is for a residential use that contains 6 or less units~~40 or more units.~~
2. Prepare design review standards applicable for 6 or fewer units

As with Section 17.540.010.A, the Planning Commission may consider increasing the administrative thresholds so that larger residential projects still go through a level of internal review. Additional exemptions for larger residential or mixed-use projects may apply if certain affordability requirements are met, consistent with the following State laws and CEQA Guidelines:

- CEQA Guidelines Section 15194 exempts 100% affordable housing projects with less than 100 units and affordable for at least 30 years.
- SB35 (2017) requires a ministerial approval process for projects that are at least 50% affordable to low-income residents.
- SB375 (2008) exempts Transit Priority Projects from CEQA, but such projects must be compliant with the SCAG Sustainable Community Strategy.
- AB1397 (2017) requires 20% affordable housing projects to be allowed by-right on sites

rezoned to attain RHNA requirements.

- AB2162 (2018) allows supportive housing projects and exempts them from CEQA when meeting certain affordability and supportive unit ratio requirements.

Alternatively, Planning Commission could direct these larger affordable housing projects to move forward for Administrative Site Plan review to still provide a level of administrative input. Bill Text for SB 35, SB 375, AB 1397, AB 2162 are included in Attachment 1.

Tentative Parcel Maps

In the event the Commission recommends making approval of Tentative Parcel Maps an administrative approval (since the project would not be subject to Site Plan Review) for 6 or few units, staff suggests modifying Sections 15.10.085 and 15.10.700 to give the Public Works Director the ability to approve lot access alternatives. The underlying subdivision approval process would be subject to Title 17 as amended, but making lot access an administrative determination, lengthy exceptions hearing timeframes could be reduced or eliminated.

FISCAL ANALYSIS:

As a result of this item, certain projects may no longer require Administrative or Planning Commission Review. While entitlement fee intake may decrease, that income may be offset through additional opportunities for new property taxes and in-lieu parkland fees.

ATTACHMENTS:

1. 2021-08-11_ATT - Bill Text: SB35, SB375, AB1397, AB2162

NOTES:

1. Below is a list of projects that Planning Commission has reviewed between 2017 and 2021, that would otherwise would have been streamlined if the above amendments were in place at the time of project application:

Address	Project Type	Project Description
Lucerne 9300	TPM	2-Unit Condo
Higuera 4116	ASPR/TPM	2-Unit Townhome
La Salle 4225	ASPR/TPM	2-Unit Townhome
Madison 4044	ASPR/TPM	3-Unit Townhome
Bentley 3846	ASPR/TPM	4-Unit Townhome
Girard 3826	ASPR/TPM	4-Unit Condo
La Salle 4030	ASPR/TPM	4-Unit Condo
Sawtelle 4041	ASPR/TPM	4-Unit Condo
Sawtelle 4095	ASPR/TPM	4-Unit Condo

Wade 4118	ASPR/TPM	4-Unit Condo
College 3808	ASPR/TTM	5-Unit Condo
Lafayette 4080	ASPR/TTM	5-Unit Condo
Tilden 3906	ASPR/TTM	5-Unit Condo
Helms 3340	ASPR/TTM	8-Unit Condo
Jackson 4055	ASPR/TTM	9-Unit Condo
Robertson 3727	SPR/DOBI/ZCMA/AUP/AM	12-Unit Mixed Use
Washington 11141	SPR/CUP/DOBI	122-Unit Assisted Living
Washington 12727	SPR/AUP/DOBI	144-Unit Mixed Use

MOTION:

That the Planning Commission:

Receive and discuss proposed revisions to the Zoning Code regarding multifamily housing entitlement streamlining and direct staff to return with a final draft Zoning Code Text Amendment for Planning Commission's approval at a future meeting