



City of Culver City

Staff Report

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PC- Review and Discussion of Proposed Zoning Code Revisions to Streamline the Residential Mixed Use Entitlement Process.

Meeting Date: January 6, 2022

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

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

Public Notification: (E-Mail) Meetings and Agendas - Planning Commission (12/29/2021).

Department Approval: Sol Blumenfeld, Community Development Director (12/10/2021)

RECOMMENDATION:

Staff requests the Planning Commission receive and discuss proposed revisions to the Zoning Code regarding mixed use residential entitlement process streamlining and direct staff to return with a draft Zoning Code Amendment for Planning Commission consideration at a future meeting.

BACKGROUND/DISCUSSION

On August 11, 2021, the Planning Commission considered methods to streamline the mixed-use entitlement process to foster additional housing production and promote housing affordability. It was clarified that the focus of the text amendment, at this time, was on mixed use development, as the General Plan Update process was underway and many development issues, including density in the residential zones, was still being determined. It was also noted that the issue of mixed-use development density had been addressed in a recent Mixed-Use Ordinance Amendment but that streamlining mixed use development projects remained an open issue. The Planning Commission discussion on streamlining and affordability focused on the following:

- Consistency with CEQA Exemptions
- Feasibility of streamlining incentives for mixed use affordable housing projects

- Production of robust design guidelines for mixed use ministerial projects
- The level of housing affordability needed to address the lowest income categories

Proposed Options to Consider Related to Streamlining

1. Consideration of 20% low- income affordability threshold for mixed use projects

Culver City could apply a 20% threshold to all mixed-use projects to facilitate affordable housing production since many projects already provide this level of affordability as part of the Community Benefit and State Density Bonus density incentive provisions but are still subject to discretionary review. The City’s financial consultant Keyser Marston Associates, Inc. (KMA), advised that the City could consider existing benchmarks for affordability thresholds such as State legislation AB1397. AB1397 requires that any project where 20% of the units are affordable to lower income households be reviewed ministerially when a proposed project site has been rezoned to meet HCD standards¹. The 20% threshold is financially feasible as projects with an affordable component are required to provide a minimum level of affordability.

The minimum percentage of affordable units to receive a Municipal Code Community Benefit is 15%. State density bonus typically starts between 10% and 20%. Since projects seeking a local density bonus under community benefits are already close to the 20% threshold, it can be safely assumed that most mixed-use affordable housing projects will meet the 20% threshold as they typically also pursue a state density bonus incentive.

2. Consideration of Project Size for ministerial review

The 20% exemption suggested above could be applied to projects of any size or alternatively a project size threshold could be established.

For example, the Planning Commission could consider allowing ministerial review for projects with 250 or fewer units to address benefiting large projects. The recently approved mixed-use project at 11111 Jefferson had 230 units.

If the City decided to allow certain larger projects by right, that are not already exempt by the California Environmental Quality Act (CEQA), it would also be necessary to conduct environmental review during the zone text amendment phase to ensure proper environmental clearance under CEQA. CEQA has also been seen by the development community as an impediment to increased housing production. State law has allowed for CEQA exemptions under limited conditions as described below in this report.

The following table summarizes potential outcomes of establishing ministerial review for larger projects of 250 or fewer units.

Table 1: Ministerial Review Effects

Summary	Impact	Outcome
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<p>20% affordable housing projects exempt for projects of 250 Units or fewer</p>	<p>Most mixed use projects ministerial</p>	<ul style="list-style-type: none"> • Requires some form of design checklist for all mixed-use projects • More robust public input required in production of design guidelines • Reduced cost due to reduced entitlement timeframes and permit fees
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Senate Bill Review

In September of 2021, the State legislature approved, and Governor Newsom signed into law, three Senate Bills (SB), SB8, SB9, and SB10. These bills become effective January 1, 2022. These items are summarized below relative to mixed-use development streamlining.

Senate Bill 8

Senate Bill 8 updated the Housing Crisis Act of 2019 to accomplish the following:

- Clarify what qualifies as a “Housing Development Project”.
- Provide a three-and-one-half year grace period for approved affordable housing projects that have not yet started construction to be held to a previous ordinances, policies, and codes.
- Clarify that relocation benefits and right of first refusal for tenants of protected units only qualify if the occupants themselves are low-income households.
- Clarify that relocation benefits are not provided to short term rental occupants.
- Clarify other exemptions from right of first refusal including replacement of single-family units with another single-family unit and housing developments where 100 percent of the units are reserved for lower income households.

SB 8 provides additional protections to renters and affordable units that facilitate affordable housing streamlining efforts.

Senate Bill 9

Currently, Culver City does not allow more than one single-family dwelling unit on an R1 zoned lot apart from a qualifying Accessory Dwelling Unit (ADU) and/or Junior Accessory Dwelling Unit (JADU). SB 9 requires local agencies to allow up to two single-family dwelling units on a R-1 zoned property in addition to an ADU and JADU. SB 9 also introduces the concept of urban lot splits where an existing single-family zoned parcel can be subdivided into two lots of at least 1,200 square feet and no parcel being less than 40 percent the size of the original lot. Up to two dwelling units would be permitted per new parcel for a total of four units. ADUs and JADUs would not be required to be permitted on lots where urban lot split provisions are utilized. SB 9 ensures that existing protected units and rental units that have been occupied in the past three years are exempt.

On December 10, 2021, the City Council held a special meeting to discuss future implementation of SB 9 in Culver City and directed staff to return to Council with an implementation ordinance. However, since SB 9 only applies to single-family zoned properties, it does not relate to mixed-use development streamlining.

Senate Bill 10

SB 10 allows a City to zone up to 10 units per parcel with a CEQA exemption. The City can identify an area best suited for these types of development to minimize neighborhood impacts and to avoid spot zoning. SB 10 specifically targets lower density areas of the City. Most of Culver City’s commercial corridors have an underlying density of 35 dwelling units per acre, up to 65 dwelling units per acre with Community Benefit, and approximately 80 or dwelling units per acre or greater when used in conjunction with State Density Bonus law and incorporating micro units in a project. Therefore, SB 10 may help to facilitate mixed-use development projects when a lot is greater than 5,000 square feet, the minimum size for a mixed-use development, but less than 12,445 square feet where the base density would yield less than 10 dwelling units. There is at least one current lawsuit challenging SB10 so the future of the bill is uncertain.

Environmental Clearance for Mixed Use Streamlined Projects

Table 2 describes CEQA review and required code changes relative to mixed use project size.

Table 2:

Project Size	6 Units	10 Units	11 to 250 Units
CEQA Requirement	Exempt	Exempt with Ordinance	Non-Exempt
CEQA Exemption	CEQA Section 15303	SB10	Requires adoption of Council Resolution to exempt projects of 250 Units or fewer
Required Text Amendments ²	Amendment of Mixed-Use Ordinance to eliminate SPR requirements		

The table highlights that the only option for addressing CEQA exemption and streamlining for larger mixed-use projects is through a City Council approved resolution zone code amendment to the Site Plan Review provisions/procedures.

Design Checklist

The Planning Commissioners expressed interest in establishing a design checklist for ministerial approval of larger multi-family projects. The following provides a preliminary design checklist for discussion consistent with the scope of AB1397³ which provides in part that such guidelines should be as objective as possible to facilitate ease of application. The checklist has been organized into project components of 1) Improvements at Grade, 2) Exterior Walls and Setbacks, 3) Building Program, 4) Mobility Related Design, and 5) Roof Top and Roofline.

FOR DISCUSSION

Project Design Checklist

1. Improvements at Grade

- Building transparency at grade with significant retail frontage contributing to streets
- Appropriately scaled and retail frontage and retail sign placement and design
- Retail focused along primary street frontage to activate adjacent street
- Pedestrian related improvements including landscaping, special paving, and street furniture
- Pedestrian scale lighting on site, on retail frontage, with bollards or other locations
- Trellis and other shading devices
- Areas for outdoor dining
- Creative step backs at grade and floors above to allow building light penetration and to produce building niches for open space and landscape treatment
- Building articulation to vary building form and prevent monolithic structures
- Varied use of materials at grade
- Varied drought tolerant and low maintain landscaping, hardscape, planting trellis' and green screens
- Use of public art at grade and accessible to the public as a pedestrian amenity.

2. Exterior Walls and Setbacks

- Extensive use of window glazing for light and air
- Varied use of window treatments and glazing systems for visual interest
- Varied use of exterior finishes for visual interest
- Building consistency with surrounding neighborhood (building placement on lot, setbacks, massing, privacy, lighting, garage entries/exits).
- Balconies of useable size and depth
- Creative building articulation and varied building wall planes
- Varied façade materials
- Landscape treatment above grade including trellis, green screen or similar
- Parking screening from surrounding neighborhood with walls or planting
- Upper floor setbacks and step backs for light, air and reduced building mass
- Building offsets to create useable open space and minimized long expanses of blank walls

3. Building Program

- Varied mix of unit types and bedroom counts
- Broad mix of unit affordability
- Community amenities/common areas

4. Mobility Related Design

- Bike parking in excess of code requirement
- Transportation demand management measures on site
- End of Trip facilities
- Car Share and Ride Share facilities on site
- Garage entry/exit located to minimize pedestrian conflict and neighborhood nuisance

5. Roof Top and Roofline

- Varied roofline height and offsets to reduce building mass
- Roof top tenant amenities

FISCAL ANALYSIS:

There are no fiscal impacts associated with discussion of mixed-use development project streamlining.

ATTACHMENTS:

1. 2022-01-06 - Planning Commission Staff Report dated August 11, 2021
2. 2022-01-06 - Planning Commission Minutes dated August 11, 2021
3. 2022-01-06 - Senate Bill 8
4. 2022-01-06 - Senate Bill 9
5. 2022-01-06 - Senate Bill 10

MOTION:

That the Planning Commission:

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

Notes:

1. Excerpt of Government Code Section 65583.2(c): Based on the information provided in subdivision (b), a city or county shall determine whether each site in the inventory can accommodate the development of some portion of its share of the regional housing need by income level during the planning period, as determined pursuant to Section 65584. The inventory shall specify for each site the number of units that can realistically be accommodated on that site and whether the site is adequate to accommodate lower-income housing, moderate-income housing, or above moderate-income housing. A nonvacant site identified pursuant to paragraph (3) or (4) of subdivision (a) in a prior housing element and a vacant site that has been included in two or more consecutive planning periods that was not approved to develop a portion of the locality's housing need shall not be deemed adequate to accommodate a portion of the housing need for lower income households that must be accommodated in the current housing element planning period unless the site is zoned at residential densities consistent with paragraph (3) of this subdivision and the site is subject to a program in the housing element requiring rezoning within three years of the beginning of the planning period to allow residential use by right for

housing developments in which at least 20 percent of the units are affordable to lower income households.

2. Related Text Amendments

The following is a running bullet point of proposed code amendments recommended by the Planning Commission in prior meetings:

- Section 17.540.010.A, Subject to Review and B, Exempt from Review: Modify Site Plan Review applicability to reflect preferred process for entitlement review.
 - Section 17.540.015.C, Designated Review Authority: Modify review thresholds to reflect preferred processes for entitlement review.
 - Section 15.10.085, Exceptions and 15.10.700, Access and Easements: Modify to give the Public Works Director the ability to approve lot access alternatives to facilitate easements for townhome subdivisions where ownership includes not only the area within the walls of the home but also the plot of land immediately surrounding the dwelling. Planning Commission could also direct staff to allow smaller condominium subdivisions to be allowed by-right while requiring townhome subdivisions to be processed through Administrative Site Plan Review to provide an additional layer of review for the more unique townhome subdivision development.
 - Section 17.500.010 Table 5-1, Review Authority: Ancillary update to reflect preferred processes for entitlement review.
 - Section 17.610.035.B, Further Division or Reduction of Parcel - Prohibited: Clarify if non-conforming parcels can be further subdivided for airspace or townhome subdivisions.
3. AB1397, Low, was adopted in 2017 to require the inventory of land for residential development. As part of AB1397, housing development projects that were at least 20% affordable were to be permitted by right on lots rezoned to meet RHNA thresholds. The law further clarifies that “use by right” does not exempt a project from design review, but the design review shall not constitute a project. To not constitute a project, the design review must be ministerial and only subject to objective design standards that do not rely on individual judgment.