



City of Culver City

Mike Balkman Council
Chambers
9770 Culver Blvd.
Culver City, CA 90232

Staff Report Details (With Text)

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Title: CC - PUBLIC HEARING: Adoption of a Resolution Approving Density and Other Bonus Incentives (DOBI) to Allow Construction of a 34-Unit Residential Mixed-Use Development Including Two Very-Low-Income Units and Four Workforce Housing Units and Ground Floor Commercial Uses at 9763 Culver Boulevard and 9814 Washington Boulevard (Project).

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2022-09-19_ATT-1 Resolution 9763 Culver DOBI.pdf, 2. 2022-09-19_ATT-2 SPR DOBI 9763 Culver Blvd Vicinity Map.pdf, 3. 2022-09-19_ATT-3 SPR DOBI 9763 Culver Blvd PC Resolution.pdf, 4. 2022-09-19_ATT-4 SPR DOBI 9763 Culver Blvd PC Staff Report.pdf, 5. 2022-09-19_ATT-5 SPR DOBI 9763 Culver Blvd PC Draft Minutes.pdf, 6. 2022-09-19_ATT-6 SPR DOBI 9763 Culver Blvd Preliminary Development Plans.pdf

| Date | Ver. | Action By | Action | Result |
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| 9/19/2022 | 1 | City Council Meeting Agenda | | |
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CC - PUBLIC HEARING: Adoption of a Resolution Approving Density and Other Bonus Incentives (DOBI) to Allow Construction of a 34-Unit Residential Mixed-Use Development Including Two Very-Low-Income Units and Four Workforce Housing Units and Ground Floor Commercial Uses at 9763 Culver Boulevard and 9814 Washington Boulevard (Project).

Meeting Date: September 19, 2022

Contact Person/Dept.: Jose Mendivil, Current Planning/CDD
Erika Ramirez, Current Planning/CDD

Phone Number: 310-253-5757, 310-253-5727

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

Attachments: Yes ☒ No ☐

Commission Action Required: Yes ☒ No ☐ **Date:** August 10, 2022

Commission Name: Planning Commission

Public Notification: (E-Mail) Meetings and Agendas - City Council (09/14/2022); (Posted) City Website (08/29/2022); (Mailed) Property owners and occupants within a 500-foot radius

(08/29/2022); (Sign Posted) at Project Site along Culver and Washington Blvds (08/29/2022).

Department Approval: Sol Blumenfeld, Community Development Director, (09/01/2022)

RECOMMENDATION

Staff recommends the City Council adopt a resolution approving Density and Other Bonus Incentives to allow construction of a 34-unit residential mixed-use development including two very-low-income units and four workforce housing units and ground floor commercial uses at 9763 Culver Boulevard and 9814 Washington Boulevard.

PROCEDURES

1. The Mayor seeks a motion to receive and file the affidavit of publication and posting of the public hearing notice.
2. The Mayor calls on staff for a brief staff report and City Council poses questions to staff as desired.
3. The Mayor seeks a motion to declare the public hearing open and the City Council receives public comment.
4. The Mayor seeks a motion to close the public hearing after all testimony has been presented.
5. The City Council discusses the matter and arrives at its decision.

BACKGROUND

The Project Site at 9763 Culver Boulevard and 9814 Washington Boulevard is approximately 0.29 acres and is directly east of the Kirk Douglas Theatre (KDT). It is comprised of two through lots with frontages on both Culver and Washington Boulevards and is north of Culver City City Hall:

- West lot - a 6,950 square foot parcel containing a vacant, single family house, and
- East lot - a 5,935 square foot parcel containing a building with restaurant tenant spaces.

The West lot is currently owned by the City of Culver City and existing Project Site addresses include 9733 / 9739 Culver Boulevard and 9810 Washington Boulevard for the East lot and 9814 Washington Boulevard and 9763 Culver Boulevard for the West lot.

On January 13, 2022, the City issued a Request for Proposals (RFP) for a market rate and affordable housing, and arts related development on the Property. On April 11, 2022, the City Council selected REthink Development's (Applicant) proposal and the Applicant proceeded with project entitlements. On June 14, 2022, the Applicant submitted Site Plan Review (SPR) and Density and Other Bonus Incentives (DOBI) applications to the Current Planning Division. The proposed mixed-use project

incorporates density bonuses to allow 34 units of which six are deed restricted at two very-low-income and four workforce.

The restaurant building will not be demolished and will remain open during construction. An addition of 2,724 SF on the ground floor is for an arts and cultural space. The intent of the space is to enhance and complement the live theater offerings at the Kirk Douglas Theatre (KDT). The arts and cultural space, with high ceilings and an open design, is offered to the Center Theatre Group (CTG) or another arts/cultural organization, providing added opportunities to engage in the arts in downtown Culver City.

The existing public walkway, or paseo, will be enhanced to create a more inviting public area between the new arts space and the existing restaurant building. Currently the paseo contains an area for restaurant trash bins. New landscaping and decorative paving are proposed in the paseo to create a more pleasant public space experience. The paseo runs through the middle of the Project's three-level building to the east and four-level building to the west. Project landscaping at the ground level is proposed in pockets and in planters on the upper floors. Each residential level will be surrounded with outdoor decking and light wells. A residential lobby will be located on the ground floor area. There will be no on-site parking.

On August 10, 2022, the Planning Commission approved Site Plan Review, P2022-0178-SPR, and recommended City Council approval of Density and Other Bonus Incentives, P2022-0178-DOBI, subject to conditions of approval as stated in Planning Commission Resolution No. 2022-P015 (Attachment No. 3). There were no appeals of the Planning Commission decision; therefore, the decision on the SPR is final. The Project Site is also subject to a Disposition and Development Agreement (DDA) approved by the City Council on September 12, 2022. The DDA requires development of a mixed-use project with a ground floor arts related use and residential units above that include affordable units. The approved SPR is consistent with the DDA. The DDA gives the City the authority to impose standards on a mixed-use project that differ from the standards in the Culver City Municipal Code (CCMC).

The only action before the City Council is consideration of the Planning Commission's recommendation to approve the DOBI application. The August 10, 2022 Planning Commission resolution, staff report, draft minutes, and preliminary development plans provide background discussion and information on the Project (Attachment Nos. 3 through 6).

DISCUSSION

Density and Other Bonus Incentives (DOBI) and Concessions

Culver City Municipal Code (CCMC) Chapter 17.580 - Density and Other Bonus Incentives - requires the City to follow State Density law for DOBI applications. Under State Density Bonus law, the City is required to grant up to a 50% dwelling density bonus increase if a developer agrees to reserve a percentage of affordable units for low-income households for up to 55 years. Low-income categories for affordable housing include very low income, low income, and moderate income. The State of California Housing and Community Development Department (HCD) annually establishes the income level criteria for each of the levels. Development standards such as height, setbacks, parking, and ground floor restrictions, cannot be applied if they prevent project construction with the increased density. Concessions and waivers, which are relief from these standards, shall be granted by the

City unless the City makes specified findings justifying the denial. The number of concessions and the density increase is based on the percentage of affordable units within the development. There is no limit on waivers, but they must relate to development of the affordable units. State allowed density increases, and the concessions/waivers act as incentives to provide affordable housing. Mechanisms once available to cities, including direct funding for construction of affordable housing, were eliminated with the dissolution of redevelopment agencies. Density Bonus Law is one method incentivizing market rate housing developers to provide affordable housing within an otherwise market rate development, even if such housing is a small percentage of the proposed project.

Density is calculated based on the Project's acreage of 0.293, and State Density law requiring the rounding up of fractions. The applicant is providing two very-low-income units, four workforce units, and 28 market rate units. The Project's base density increases from 35 dwellings units per acre, or 11 units, to 65 dwelling units per acre because it is providing four workforce units as a community benefit. Additionally, a micro unit density increase is applied because it provides micro units (Culver City Municipal Code (CCMC) 17.400.065.E.3 - Residential Density). The percentage of the base 11 units that are affordable (2 very low income) is 18% and the total number of incentives or concessions that the Project is entitled is identified in the chart below:

| Incentives and Concessions Tiers | | | |
|---|------------------------|-------------------|------------------------|
| <i>Number Entitled</i> | <i>Very Low Income</i> | <i>Low Income</i> | <i>Moderate Income</i> |
| 1 | 5% | 10% | 10% |
| 2 | 10% | 20% → 17% | 20%** |
| 3 | 15% | 30% → 24% | 30%** |
| ** applies to a common interest development, as defined in Section 4100 of the Civil Code | | | |

The Project is entitled to three concessions because at least 15% of the base units are very-low-income. The Applicant requests the following concessions:

1. Relief from the three-story/44 FT height limit to allow a height of 52 FT/four stories.
2. Relief from required on-site loading.
3. Relief from all required parking.

The Applicant requests the following waivers:

1. Relief from minimum unit size.
2. Relief from the maximum 25% allowed micro/studio units to allow 100% small units.

Relief from development standards under State Density Bonus law are allowed for a certain number of concessions based on the percentage and level of affordable units provided in the Project. In addition, a Project may request waivers that are necessary to make the project feasible. The City must demonstrate why the waivers are not necessary to the feasibility of the Project if the City does not approve them.

The Project's height increase is required to accommodate 34 units because the Project's lot area and geometry limit the ability to provide parking and on-site loading. The Project Site's ground floor

space is constricted due to required accommodation of the KDT transformer, craft area, and trash enclosure that take up approximately 3,195 SF. In addition, the residential lobby area is 870 SF resulting in only 2,037 SF to accommodate the mixed-use arts use. There is no room to locate parking on the ground floor.

The Zoning Code required parking of 41 spaces can only be accommodated by constructing subterranean levels significantly increasing the Project construction costs and impacting the ability to include affordable units. Additionally, adhering to the minimum unit size requirement prevents the Project from accommodating both 34 units and open space requirements. Open space is provided with extensive decking, providing an amenity for Project residents. The Planning Commission recommends the City Council grant the requested concessions and approve the requested waivers based on State Density Law and to permit the construction of very-low-income and Workforce housing units in the development.

DDA Reliefs

In addition to concessions and waivers, the City can provide relief from Code standards when a project is subject to a DDA. CCMC Section 17.400.065.B.5 states:

Where an Owner-Participation Agreement, Disposition and Development Agreement, Development Agreement, or similar agreement with the City or Redevelopment Agency applies to a land parcel, and the provisions of such agreement differ from the Mixed-Use Development Standards, the provisions of the agreement shall prevail.

The September 12, 2022, City Council approved DDA established the following relief from mixed use standards which prevail:

1. Relief from commercial ground floor restrictions for mixed use/establish revised ground floor uses
2. Relief from outside unit storage space per unit/establish “no required” standard for storage space
3. Relief from minimum 75% 0-setback facing Culver and Washington Boulevards/establish new standards that allows varied setbacks

The DDA provisions incorporating revised development standards is justified because the Project yields a high quality designed mixed use development with reduced parking and affordable and workforce units. No action is required regarding the above reliefs because the Council already acted on the DDA and is included as information only.

PUBLIC OUTREACH

Pursuant to the City's Community Meeting Guidelines, the applicant held two community meetings as part of its outreach to neighbors and community members for the Project. Consistent with CCMC Chapter 17.630, a notice of community meeting was mailed to all property owners and occupants within 500-feet from the Project Site boundaries. The community meetings were held virtually on Tuesday, May 3, 2022 at 7 PM and Tuesday, June 14, 2022 at 7 PM. The Planning Commission staff report summarizes the community meeting discussions (Attachment No. 4).

Comments Received During Public Comment Period

A public notice was mailed to all property owners and occupants within a 500-foot radius extended to end of City block on August 29, 2022, advising the public that a hearing was scheduled for the September 19, 2022, City Council meeting. As of the writing of this report, comments have not been submitted to the City.

ENVIRONMENTAL DETERMINATION

Pursuant to CEQA Guidelines, initial review by the Planning Commission established there are no potentially significant adverse impacts upon the environment. On August 10, 2022, the Commission adopted a Categorical Exemption (CE) pursuant to CEQA Section 15332, Class 3 - In-Fill Developments, because it is consistent with the Downtown General Plan Land Use designation, the CD Zoning standards, and State Density Law. The Project Site is on a 0.29-acre site surrounded by urban uses, developed with buildings and surface parking, and has no value as habitat for endangered, rare, or threatened species. The Project will not result in any significant effects relating to traffic, noise, air quality, or water quality because it is within the anticipated development threshold for this area. Project specific studies did not identify significant impacts and required utilities and public services is provided as determined by City departments. The Project is within the scope of the adopted CE and the circumstances under which the CE was prepared have not significantly changed, and no new significant information is found that affects the CE. Therefore, no additional environmental analysis is required.

CONCLUSION/SUMMARY

The Project is compatible with the surrounding neighborhood, adequately served by public facilities and consistent with State Density law, the General Plan, Zoning Code, and all CCMC requirements based on the Planning Commission's and staff's review and analysis of the proposed preliminary development plans and conditions of approval. The findings for Density and Other Bonus Incentives, P2022-0178-DOBI are made as outlined in the proposed City Council resolution (Attachment No. 1).

FISCAL ANALYSIS

While there are fiscal impacts related to the DDA and transfer of the Property, there is no fiscal impact to the City resulting from the Project, consisting of the DOBI, that is before the City Council.

ATTACHMENTS

1. 2022-09-19_ATT-1. Proposed City Council Resolution.
2. 2022-09-19_ATT-2. Vicinity Map.
3. 2022-09-19_ATT-3. Planning Commission Resolution No. 2022- P015 & Exhibits A & B.
4. 2022-09-19_ATT-4. August 10, 2022 Planning Commission Staff Report (without attachments)
5. 2022-09-19_ATT-5. August 10, 2022 Draft Planning Commission Minutes.
6. 2022-09-19_ATT-6. Preliminary Development Plans dated July 12, 2022.

MOTIONS

That the City Council:

Adopt a resolution approving Density and Other Bonus Incentives to allow construction of a 34-unit residential mixed-use development including two very-low-income units and four workforce units and ground floor commercial uses at 9763 Culver Boulevard and 9814 Washington Boulevard.