



STAFF REPORT

PLANNING COMMISSION MEETING

March 14, 2023

TO: Honorable Chair and Commissioners

FROM: David Loya, Director of Community Development

PREPARER: David Loya, Director of Community Development

DATE: March 08, 2023

TITLE: Consider a Recommendation to the City Council on the General Plan Updates

RECOMMENDATION:

Staff recommends the Planning Commission establish a meeting framework that will satisfy the Council's directive to provide a recommendation on the General Plan Updates, including the Gateway Area Plan, and the Form-Based Code for the Gateway Area by July. Once the framework is developed, Staff recommends the Commission apply it to the remainder of the Land Use Element to complete its review.

INTRODUCTION:

At the March 1, 2023, meeting, the City Council received an update on the Form-Based Code (Code) engagement, as well as the engagement process for the overall General Plan planning effort. At that meeting, they directed staff to stop the remaining planned Code engagements; to prepare a draft of the Code for public review as soon as possible; and to receive a Commission recommendation on the General Plan and Code amendments in July of 2023. This meeting will focus on organizing the outstanding reviews to provide the recommendations in the timeframes established by the Council. In addition, this meeting will be an opportunity to complete a review on the Land Use Element, and potentially start on review of the Circulation Element.

DISCUSSION:

This item addresses both process decisions and content decisions. Staff recommends the Commission address them in order.

Process

Framework - The Commission has reviewed several General Plan Elements to date. However, there are still several Elements outstanding. And the Code is still under development. Staff has identified a schedule to bring the draft Elements for review that will meet the Council's direction (Attachment A). However, to meet July recommendation milestone, the Commission will need to adopt a framework to efficiently, and effectively arrive at recommendations for each Element on the date their review is scheduled, recognizing that lower priority items may need to be considered at a later date.

Staff recommends the Commission first spend some time discussing process to build consensus around the purpose, objectives, and method. Recognizing that the only way to meet milestone is to ensure that each meeting resolves in a recommendation on the subject matter that is planned for that meeting. To do this we will need to be disciplined in our work and focused on narrowing conversations that lead to conclusion.

Staff is working on a recommendation for the framework, which will be emailed to Commissioners and released on the City's SIRP website on Friday, March 10, 2023. This framework is being developed in consultation with the Vice-Chair, City staff, and our consultants to ensure the decision making process is efficient, equitable, and achieves the Council goal that was set for the project.

The process will be designed to ensure deliberations lead to actionable explicit results. The work will concentrate on high priority matters. And the structure will ensure that changes and different opinions can be either resolved efficiently, identified as high-priority that need further discussion, or minor matters that can be resolved after the July milestone is met.

The Commission will review, modify, and adopt the framework as an explicit agreement on process prior to implementing it.

Timeline and Topics - The Commission has two Saturday Study Sessions planned for the now cancelled Code engagements. Staff recommends the Commission retain these dates for Study Sessions to complete other necessary work. The Commission has a Study Session scheduled for March 18 at 8:00 a.m. in the Council Chambers. Staff recommends the Commission hold that time for a special meeting to cover the balance of the topics scheduled for tonight, the discussion on the Gateway Mobility Chapter, with attention to the K/L Couplet, and if possible, to get a start on the next topics scheduled for the April 11 meeting (Attachment A). Staff recommends the Commission hold the April 22 Study Session timeslot to review components of the Code and provide direction to finalize the draft.

Staff recommends the Commission consider the topics (Attachment A) and confirm or modify as necessary. Specifically, the Commission identified several subject areas that it wished to cover in preparation for the Gateway plan. Given the timeframe allotted for the Commission's recommendation, Staff suggests the Commission revisit the list of items and determine if all of them are high enough priority to retain. Staff recommends this decision be made after agreeing on the framework for decision making.

Content

The Commission is currently reviewing the Land Use Element (Attachment B). There were several points raised at the last meeting, some of which had follow up. Policy LU-2 Objective was updated to reflect "established and planned neighborhood design elements" instead of established neighborhood character. Policy LU-2a was updated to reflect that most Residential Low-density parcels could have up to four units in most cases. LU-1c was modified based on the discussion. Policy LU-1d was not modified to amend the term Infill Opportunity Zone because the change lacked majority interest, but the term was changed throughout the document to reflect the current adopted term in the Housing Element. LU-1i was amended to reflect the discussion that the Plaza is historic. LU-1j was modified. There were several other items discussed that staff did not note majority support for amendments.

The Commission also asked for a discussion of maximum densities given the various state laws related to housing. While there are myriad laws that taken together may have multiplying effects on density, staff has focused on three areas. Density bonus law and accessory dwelling unit (ADU) law are the two most likely to affect base density in the City. It is also possible that the Affordable Housing and High Road Jobs Act (AB 2011) may affect housing density. The following provide a

summary of impacts related to these laws. These are not comprehensive. These laws are constantly changing, and the Commission should consider keeping any discussion of them in the General Plan at a superficial level.

Density Bonus – The state has had a density bonus law since 1979. In 2020, the law was amended, and court cases in 2021 and 2022 resolved some outstanding questions about how the law works in practice. In summary, if a project reserves a percentage of units for low, very-low, or moderate income households, or if it reserves units for certain demographics (senior, foster youth, student), it is entitled to up to an 80% bonus in units above base density. In addition, the projects are entitled to up to four incentives or concessions. These could be exceptions from development standards, including an increase in building height, reduction in setbacks, or any other incentive that results in a cost reduction for the project. These concessions or incentives are decided by the developer, not the city.

Furthermore, projects that qualify for a density bonus receive waivers or reductions in specific development standards, including reduced parking, or any other standard that would prevent the development from being built at the density the developer is proposing. The developer decides which standards these may be, and the threshold for granting them is whether they can show that the development could not be built at the proposed density given the regulatory constraint. The project can require any number of waivers necessary to build at the given density. The City cannot refuse these unless they can demonstrate health and safety, property damage, cause significant environmental harm, or other equally difficult findings. The courts have ruled consistently with developers in these challenges.

The law is complex and showing the range of densities that would be allowed in each land use designation would be problematic. The example below shows the impact of eight possible density bonus unit counts on any on a single parcel, but the parameters that could be applied are shown in Attachment C. A more detailed discussion of density bonus law is provided at https://www.meyersnave.com/wp-content/uploads/California-Density-Bonus-Law_2021.pdf.

Table 1. Density Bonus Effect on Base Density four levels of percent restricted units for Very-Low Income at three levels of percent restricted units for Low Income. Low income units do not receive a bonus at 5%.

Parcel	Zoning	Acres	Units/Acre	Base Density	% Affordable	Very Low	Low
1	RM	0.5	25	13	5%	16	-
1	RM	0.5	25	13	10%	18	13
1	RM	0.5	25	13	15%	20	17
1	RM	0.5	25	13	100%	24	24

In short, if a developer invokes density bonus law, they can exceed any development standard, they can ask for concessions, and they can develop at densities of up to 80% higher than base density. There are modest streamlining requirements for density bonus projects, and the jurisdiction cannot require a reduction in units as a condition of approval.

ADUs – Accessory dwelling unit law has changed multiple times since 2017. At this point, ADUs are ministerial, are not used in determining base density, and are exempt from several development standards if certain conditions are met. The ADU law is exceedingly complex and convoluted. The state Housing and Community Development Department (Department) has published updated guidance (<https://www.hcd.ca.gov/sites/default/files/2022-07/ADUHandbookUpdate.pdf>). This review is very superficial.

In short, at least one ADU is ministerially permitted on any property that is zoned for residential use. On any lot with an existing or proposed development, a combination of one primary unit, a junior ADU, and an ADU may be built by-right (ministerially). On any property with a duplex, two additional ADUs are ministerial by-right. On any parcel with a multifamily existing or proposed development, at least two additional ADUs may be build by-right.

ADU law has had a significant impact on ADU production. The City has seen an doubling in ADU production with 2017 as the transition year. While SB 9 (small lot subdivision) could have similar density impacts, the City has not seen much interest in SB 9.

AB 2011 – AB 2011 establishes that any property where retail, commercial, or parking are permitted uses, housing can be built ministerially with few limitations. There are requirements for prevailing wage, and a few limitations. The density allowed under AB 2011 ranges from 20-70 units per acre depending on parcel size, distance from transit, and width of commercial corridor. AB 2011 projects can only be held to objective design standards.

AB 2011 is a sign of desperation. The state has been frustrated with the pace of development in meeting its housing need. In effect, the state is removing the ability of local jurisdictions to plan their communities and handing the reigns over to developers to find markets that the developers believe will pencil for housing. They are removing all the procedural steps, including public hearings, that slow, stall, or stop housing development. And, they are effectively making almost every zoning district a mixed use zone.

Staff does not recommend amending the Land Use Element to include this information. Instead, the Commission could consider a statement acknowledging the impact of current and future state laws on the City's ability to estimate density on a given parcel. The steps the state has taken over the last several years to boost housing production is a developing body of law. Anything specific encoded in policy will be outdated before long.

The Commission could consider the following:

LU-1q State mandated housing production. The City recognizes that the state's housing goals have resulted in laws that increase density above City established base density, removed discretion in housing development, required streamlining in approval processes, established by-right development for certain housing types, and has reduced local control over many land use decisions related to housing production. The City shall monitor and comment on state actions to advocate for reasonable solutions to housing production that meet both state objectives and City need for housing development that produces high-density, infill housing in mixed-use or residential projects in appropriately zoned and designated areas.

Vision Statement – The City's Vision Statement was developed through significant community outreach (Attachment D). Related engagement to date includes:

- Engagement in the last several years relevant to the SIRP includes the 2019 Climate Resilience Forum; and the 2019 Housing Element/Infill Market Study Engagement Report.
- Engagement in 2020 and 2021, including the December 2020 and February 2021 goal setting; the presentation to the HSU Associated Students Board; the Council Annual Goal Setting interviews; Council canvassing report-outs on themes from campaigning.

Community visioning at the beginning of this long-range planning effort aligned with feedback received on draft planning documents, which suggests that people who live in Arcata love Arcata for the community and amenities this place offers, but there was an interest in speaking to the need for

more support to ensure a stable and healthy future here for all. Some small tweaks to the content of the vision statement have been identified, including focusing more energy on Valley West, investing in the arts, and continuing to invest in both the mental and physical health of the community.

Common themes in the visioning engagement included:

1. Prioritizing Sustainability, efficient use of resources/land/energy.
2. Climate change/sea level rise, preparation and armoring, reducing GHGs.
3. Re-connecting with local indigenous communities.
4. Civic engagement and building power within community, including more diverse representation; Arcata connections/collaborations/communications.
5. Focusing investment beyond the core downtown into areas like Valley West-need to increase safety, address nuisances, provide services, address racial inequities.
6. Art as community beautifier and tool for healing and creative expression
7. Racial equity/Arcata for all including accessibility needs.
8. Youth/child support, care, representation, engagement
9. Sustaining/strengthening relationship with HSU
10. Thoughtful city growth-both infill and protection of greenspace, growth management.
11. Mobility and multi-modal investment (bike/ped/bus)
12. Health-mental, physical, spiritual, including youth health and homeless services.
13. Economic development, including HSU student pipeline, housing affordability, job support and training.
14. Human-centered design, including safe streets, edible landscaping, gathering spaces, art, greenspace.
15. Access to housing, affordable housing for rent and homeownership, including housing for CalPoly students, housing for seniors, housing for families.

The updates to the community vision statement are therefore minor and reflects some of the key themes that staff heard during the two visioning sessions we held in late 2020 and early 2021, as well as the results of the visioning survey, which was taken by roughly 500 participants and was open for one full calendar year.

Arcata residents and workforce that participated prioritize the environment and natural resources, as well as both living well and living sustainably. Thoughtful growth that prioritizes infill and enhancement of existing activity centers was also generally supported. Modifications to the vision statement are therefore minor and include: 1) enhancing language around infill development and activity centers; 2) creating language regarding tribal lands acknowledgment and racial equity within the City, and 3) identifying healthy communities and healthy behaviors as key to Arcata's success.

A second option drafted by Change Lab Solutions is available for review (Attachment D.2). The content is similar but reorganized.

Circulation Element – The Circulation Element draft is included here (Attachment E), but the Commission is unlikely to cover this material at this meeting. Staff will provide a detailed report for the March 18 Special Meeting, if it is held by the Commission.

ATTACHMENTS:

- A. Schedule (PDF)
- B. Draft Land Use Element (PDF)
- C. California Density Bonus Law 2021 (PDF)
- D. Revised Vision Statement (DOCX)
- D2. Vision Reorganized (DOC)