



STAFF REPORT

PLANNING COMMISSION MEETING

January 23, 2024

TO: Honorable Chair and Commissioners

FROM: David Loya, Director of Community Development

PREPARER: David Loya, Director of Community Development

DATE: January 18, 2024

TITLE: **Consider Outstanding General Plan Recommendations**

RECOMMENDATION:

Staff recommends the Commission consider several outstanding recommendations that may be incorporated into the final General Plan.

INTRODUCTION:

The Planning Commission held a meeting on December 12, 2023, that encompassed the final recommendations to the draft General Plan prior to its publication for the purposes of environmental review. The December 12, 2023, version of the General Plan has been published for that purpose. During the public review period, the Council and Commission may wish to make final edits to the General Plan. This meeting is being held to consider several minor changes that may be incorporated into the final General Plan version before adoption.

DISCUSSION:

The Planning Commission should consider the topics that were held over after the December 12, 2023, meeting, as well as any other clean-up topics prior to making a recommendation to the City Council on the final adoption of the General Plan. This staff report is intended to initiate the discussion and establish a way to track recommendations of the Commission (Attachment A). Staff recommends the Commission take action to amend the General Plan after the public comment period on the Environmental Impact Report (EIR) has lapsed. Staff reports will track the topics and decisions.

This Staff report begins with the Resource Conservation Element topics, three Land Use designation changes, matters that have been raised by the public since the December 12 version, and home ownership. The December 12 version of the General Plan is available at <https://www.cityofarcata.org/974/General-Plan-Updates>.

Resource Conservation Element

The Resource Conservation Element changes were included in several meetings leading up to the December 12 recommendation, but the Planning Commission was not able to discuss the proposed changes (Attachment B). All of the changes have been recommended by the Creeks and Wetlands Committee or Environmental Services staff in consultation with the Chair of the Committee. The

policy in the Resource Conservation Element is too detailed for policy language, and all of the detail recommended for removal is duplicated in the zoning ordinance. Staff recommends removing the duplication and simplifying the policy.

Land Use Amendments

The Land Use map has been modified several times during the General Plan update process. Most of the changes were based on staff analysis and recommendation. Some of the proposed changes were initiated by landowners. Since the City is considering a comprehensive overhaul of the land use designations, now is the time to consider any other minor changes. The follow three modifications were brought forward by property owners looking to develop in the City, and these changes incentivize their investment.

Mad River Business Park (APNs 507-531-013 and 507-531-014)

Staff recommends amending the Land Use Designations for two parcels in the Mad River Business Park to align with other changes the Commission has already made (Attachment C). These properties are subject to a Development Agreement that will expire in 2025. The owner wishes to develop the properties for commercial mixed use, which is allowed under the Development Agreement. However, when the Agreement expires, the properties would require a zone change to allow residential or mixed-use development. The Giuntoli/Valley West will benefit greatly from the vibrancy associated with mixed-use, and the neighborhood is in need of new investment both by public and private parties. This land use designation change would benefit the City.

3028 Alliance Road (APN 507-092-035)

The subject property is a vacant parcel that is currently zoned Residential Low density (Attachment D). The owner would like to develop the site at a density allowed by the low-density district as modified by state Accessory Dwelling Unit law. However, they propose a multi-family design, instead of a single-family or duplex design, as is currently allowed under the zoning district. The applicant has asked the Commission to weigh in on a rezone to Residential Medium density. If the Commission wishes to explore this in more detail, staff recommends the surrounding properties on 30th Street be considered for upzoning as well.

Housing and Homeownership

City Council and the Planning Commission have both asked staff to bring forward ways in which the City can increase homeownership opportunities. Homeownership can have a positive impact on both families and communities, and encouraging opportunities for ownership has been a key concern from the community. Homeownership benefits families by helping them build economic security and stability as well as a sense of belonging, and it's beneficial to communities because it contributes to vibrancy, economic growth, and job creation. In Arcata, single family housing (detached/attached) makes up approximately 48% of the total housing stock, however only 33.2% of Arcata's housing is owner-occupied (*2022 American Community Survey 5-year Estimates*).

There are several ways that the City has encouraged homeownership, and several new ideas the City is looking to implement to support homeownership opportunities in the future. The State also recently passed new laws that have the potential to also increase opportunities for ownership.

Community Land Trust

The City, using inclusionary zoning as well as funding from the former Redevelopment Agency, partnered with the non-profit Housing Humboldt to create the Humboldt Community Development Land Trust which developed 22 Community Land Trust (CLT) units (Plum Village, Janes Creek Meadows, and Windsong). The land trust retains ownership of the land and sells the homes to

qualified income-eligible households. In exchange for the opportunity to buy the home at an affordable price, the homeowner agrees to sell the home at an affordable price to the next buyer. Most CLT buyers utilize the City's Homebuyer Assistance Program for downpayment assistance.

Low-income Homebuyer Projects

The City assisted two homeownership projects, unrelated to the CLT program, using HOME and Community Development Block Grant funding. These were the 18 Courtyard townhomes, 8 of which were sold to income-qualified buyers, and the 16 Sandpiper Park mobilehome units which were sold to very-low-, low-, and moderate-income buyers.

Homebuyer Assistance Program

Since 2002, Arcata's Homebuyer Assistance Program has helped 129 families/individuals purchase a home, most of which were first-time homebuyers.

In the past few years there have been several factors hindering the success of the Homebuyer Assistance Program including high home prices, lack of homes on the market, increasing interest rates, and one of the City's primary grant funding sources, HOME, pausing their program for multiple years. Even with these challenges the City has been adept at finding ways to continue to assist homebuyers in our community. The community development department currently runs a Homebuyer Downpayment Assistance Program for Community Land Trust acquisition.

Manufactured/Mobilehome Ownership

The City was recently awarded a CalHome grant in order to provide funding to assist home buyers with the purchase of a manufactured home.

Another recent award the City received is the Manufactured Housing Opportunity and Revitalization (MORE) grant which is focused on rehabilitation or replacement of older mobilehomes in parks.

Community Benefits Program

Owner-occupancy is included in the Design Element as part of the Community Benefits Program to encourage the development of owner-occupied housing.

Policy D-8d Owner-occupied affordable housing as a community amenity. Encourage new home ownership opportunities to households of all income levels. Include deed-restricted affordable housing opportunities for low- and moderate-income households. Encourage a range of ownership opportunities including condominiums, townhouses, and other alternative ownership models. Provide strong incentives through community benefits program for owner occupancy.

Inclusionary Zoning Policy

Inclusionary zoning requires a percentage of new housing units to be affordable to people of various income levels. The Planning Commission has discussed details of an inclusionary zoning policy at their meetings on August 8, 2023, October 10, 2023, and November 14, 2023. Inclusionary zoning was also discussed at the joint study session with the City Council on September 26, 2023. The City Council decided at their January 17th meeting to follow the percentage established by the Planning Commission recommendation with a threshold trigger of 15, instead of 30, units.

State Density Bonus

State Density Bonus law changed as of January 1, 2024, with the passage of AB 1287. It now requires cities to grant four incentives or concessions for a project that includes at least 16% of the units for very low-income households or at least 45% for persons and families of moderate income

in a development in which the units are for sale. It also allows the density bonuses for different categories to be added to one another allowing for a potential doubling of density.

New State Housing Laws

There are several new state housing laws aimed at increasing ownership. Staff has not yet fully reviewed all the newly passed housing laws, but some that have potential to increase ownership opportunities include:

SB 684 Ministerial approval of up to 10-unit housing projects on small sites

AB 1033 Local governments can allow property owners to sell Accessory Dwelling Units (ADUs) separately as condos

AB 1287 Additional density bonuses for very-low or moderate income units

Recommendations of the Public

Several members of the public have made recommendations. This section reflects those recommendations and provides a staff response and recommendation.

Growth Management Policy GM-3

The commentor suggested further shrinking the Sphere of Influence. Staff has previously reported that the Local Agency Formation Commission (LAFCo) had worked with staff to reduce the Sphere, which technically is the area outside the City that is planned for annexation. Staff understood that LAFCo was not willing to recommend further reductions but have since learned that LAFCo is open to the modification. Staff recommends the Commission support reducing the Sphere of Influence.

This change will not affect the environmental analysis.

Land Use Implementation Measure LU-9

The commentor recommended deleting LU-9, which is a commitment to consider rezoning to allow mixed uses and more housing in the Residential Low districts around CalPoly. The Commission initiated and approved LU-9. Does the Commission wish to reconsider this measure?

This change will not affect the environmental analysis.

Open Space policy OS-1e

The Commentor stated concerns about the language added to the end of OS-1e that was pulled from the Gateway Area Plan that states that the City's policy is to allow mitigation for low quality patches that technically qualify as environmentally sensitive habitat, such as wetlands, for higher quality habitat that will be protected in perpetuity. This is current practice throughout the City, but it is not acknowledged explicitly in policy. As written, the policy allows for the type of mitigation the City has done for decades. Staff recommends leaving the policy as is or providing some context to better explain the purpose of the policy.

This change will not affect the environmental analysis.

Trail policy GA-7i

The commentor suggested that GA-7i from the Gateway Plan, which was moved to CM-5e, should remain in the Gateway Plan and that it should emphasize no net loss of Class I trails. The Planning Commission recommended moving the policy to the Circulation and Mobility Element so it now applies citywide, which includes the Gateway Area. The policy still has the same impact as it did in the Gateway Area, and now it has equal impact on Class I trails throughout the City. Staff

recommends the Commission keep their original recommendation, which staff believes addresses the comment.

ATTACHMENTS:

- A. GP Amends Tracking (PDF)
- B. Resource Cons EI (DOCX)
- C. MRBP (PDF)
- D. 3028 Alliance (PDF)