



STAFF REPORT PLANNING COMMISSION MEETING

October 10, 2023

TO: Honorable Chair and Commissioners

FROM: David Loya, Director of Community Development

PREPARER: David Loya, Director of Community Development

DATE: October 04, 2023

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

RECOMMENDATION:

Staff recommends the Commission consider changes to the Community Benefits program and Inclusionary Zoning based on the September 26, 2023, Joint Study Session with the Council, as well as amendments to the Commercial Mixed body of policy related to the Commission's decision to collapse Commercial General into Commercial Mixed-Use. The Commission may also consider other topics related to the General Plan 2045 update.

INTRODUCTION:

The Commission has been refining its recommendation to Council based on input from the Council at two Joint Study Sessions held August 22 and September 26, 2023. Specifically, the Council requested additional input on the Community Benefits program and the proposal for Inclusionary Zoning. Specifically, the Council wanted the points system revised and to consider whether to move any benefits to zoning requirements. The Council also discussed the desire to broaden Inclusionary Zoning to address workforce housing. The Commission has also asked for changes in the Land Use designations to eliminate Commercial General and redesignate those parcels Commercial Mixed-Use. This triggered several other changes for which the Commission should make a recommendation.

DISCUSSION:

Staff has prepared a starting point for discussing changes to Community Benefits, Inclusionary Zoning, and Commercial Mixed-Use policy. We will consider them in order.

Community Benefits

At the September Study Session, several Councilmembers expressed the need to revisit the points system for the Benefits program. The Council also gave specific direction regarding eliminating some of the benefits. Staff has prepared a recommendation for switching to a more simplistic points system that is based on priority instead of points. The details were still under development as of this writing. Staff will provide a verbal update at the meeting.

One way to simplify the program is to reduce the number of benefits. The Community Benefits list (Attachment A) was amended by staff for a discussion starter. Staff would encourage

Commissioners to list their top five benefits in rank order prior to the meeting to facilitate conversation.

Community Benefits as Standards

The Commission has discussed the concept of moving several community benefits to the zoning code and enforcing them as standards previously. The recommendation previously was to keep them as benefits. The Commission should determine whether to reverse that prior decision.

Inclusionary Zoning

The Commission has studied this issue at several hearings. Commissioners should review the record for information on inclusionary zoning, including the staff report and video from the August 8, 2023, meeting. This context will assist with a recommendation to address the Council’s comments at the September 26 Study Session.

The Council had competing desires to increase the percentage of inclusionary units and simultaneously avoid interfering with the Gateway planning work due to the provisions of State Density Bonus Law. The following proposal avoids interacting with Density Bonus by adding a moderate-income category (Table 1). This proposal preserves the Commission’s original recommendation for low and very low-income households. However, the Commission may wish to revisit this based on further investigation into the effect of inclusionary zoning at various development densities (Table 2).

Table 1. Inclusionary Zoning Proposed Amendment.

Household Income	% Affordable	Requirement
Very-Low (50% AMI)	4%	Pick one
Low (80% AMI)	6%	Pick one
Moderate (120% AMI)	10%	Required

This proposal would require a developer that triggers inclusionary zoning to provide 10% of the units to households earning less than 120% area median income, as well as either 4% to very-low income households or 6% to low-income households.

The overlap between the current PC recommendation and the State Density Bonus law effectively trigger Density Bonus for every project up to 95 units, at which point there is a one unit difference between the low income category requirements. In short, the PC recommendation has the same effect as the State Density Bonus law.

Table 2. Affordability comparisons between inclusionary zoning and density bonus.

Affordability Option	% affordable	unit count	
		30	50
Orig recommendation VL	0.03	1	2
Orig recommendation L	0.06	2	3
PC recommendation VL	0.04	2	2
PC recommendation L	0.09	3	5
Density Bonus VL	0.05	2	3
Density Bonus L	0.1	3	5

Adding a moderate income rental category begs the question as to rental rates. Using two methods generally acceptable and data provided by the California Department of Housing and Community Development (HCD), the moderate income rent limits for various household sizes are lower than market rate in Arcata. These are still significantly higher than rents restricted to low and very low income households (Table 3).

Table 3. Rent limits for moderate income households using two methods.

Moderate Income Rent Limits						
HCD's 2023 Income Limits by household size:						
	1	2	3	4	5	6
mod.(120%) annual	\$70,400	\$80,450	\$90,500	\$100,550	\$108,600	\$116,650
moderate monthly	\$5,867	\$6,704	\$7,542	\$8,379	\$9,050	\$9,721
median annual	\$58,650	\$67,050	\$75,400	\$83,800	\$90,500	\$97,200
median monthly	\$4,888	\$5,588	\$6,283	\$6,983	\$7,542	\$8,100
Rent Limits based on HUD's definition of "affordable" and HH size standard of 1.5 persons per bedroom						
	OBR	1BR	2BR	3BR	4BR	
	\$1,760	\$1,886	\$2,263	\$2,614	\$2,916	
Rent Limits based on CA H&SC definition of "affordable to moderate income" (30% of 110% of AMI, §50053(b)(4)) and HH size standards (§50025(h))						
	OBR	1BR	2BR	3BR	4BR	
	\$1,613	\$1,844	\$2,074	\$2,305	\$2,489	

<https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2023.pdf>

Commercial Mixed-Use Designations

The Commission’s suggestion to absorb Commercial General parcels into the Commercial Mixed-Use Designation triggers several other changes. The land uses that were allowable in the Commercial General need to be disbursed into either Commercial Central or Commercial Mixed-Use (Attachment B). Staff will provide a verbal discussion on the rational for moving each land use into each designation at the Commission’s request.

In addition, there are some policy modifications that are necessary to incorporate the uses into policy. Staff recommends consideration of the following changes:

LU-3a Commercial – Mixed Use [C-M]. This land use designation allows high-density infill development with a high degree of flexibility around uses. This land use designation is applied to parcels suitable for infill development, redevelopment, and densification with a full range of retail, office, entertainment, and residential uses. C-M developments provide for day-to-day employment, shopping, service, and housing needs. The implementing code shall provide minimization measures for ensuring compatible uses. Residential densities allow up to 50 units per acres.

LU-3d Valley West Opportunity Area. Existing lodging land uses that serve travelers and tourists may expand their services and operations without discretionary approvals. New lodging facilities on vacant land shall obtain discretionary approval.

Additional Clean-up

The Commission may consider the following recommendation from Environmental Services based on discussions with the Creeks and Wetlands Committee. There was no formal action from the Committee on this recommendation, but Environmental Services staff recommended the changes, citing the detail is incorporated in the zoning ordinance, and the language is too detailed for policy.

Staff recommends the Commission incorporate the following changes into their recommendation.

RC-2b **Environmental Buffer Area (EBA).** A streamside protection area is hereby established along both sides of the streams identified on the City Watercourse Map. The purpose of the EBA is to remain in a natural state in order to protect stream ecosystems and their associated riparian habitat areas. ~~The EBA shall include:~~

- ~~1. In areas where existing development, as defined in the Zoning Code, is adjacent to the stream, the EBA shall be not less than 25 feet outward on both sides of the stream, measured from the top of bank.~~
- ~~2. In all other locations within the City, the EBA shall be not less than 100 feet outward on both sides of the stream, measured from the top of bank.~~
- ~~3. In locations within the City having significant areas of riparian vegetation exceeding 100 feet in width measured from the top of bank, the EBA shall be expanded to encompass all of the riparian vegetation, except in no case shall the EBA exceed 250 feet in width from the top of bank on either side of the stream.~~

RC-3a **Requirement for wetland delineation and study.** All proposed development applications shall include a site plan that shows the precise location of any wetlands that exist on the subject property. Any application for development on a parcel where wetlands may be present shall include a wetland reconnaissance or delineation report.as follows:

- ~~1. The wetland reconnaissance or delineation report shall be based upon field investigations and shall be prepared by a professional or technical expert qualified in wetlands science.~~
- ~~2. For the purposes of this plan, wetlands shall include Coastal Zone lands where one or more of the following three wetland indicators are present or non-Coastal Zone lands where two or more of the following three wetland indicators are present:
 - ~~a. source of water (surface or subsurface) which is present for sufficient periods to promote hydric soils formation or growth of hydrophytic plant species;~~
 - ~~b. hydric soils; or~~
 - ~~c. hydrophytic plants.~~~~
- ~~3. Where a wetland reconnaissance indicates the probable existence of wetlands, a detailed wetland delineation shall be required, including a map with the best available contour information showing where each of the three wetland indicators are present, why the boundary was established with data sheets to back it up, and the precise boundaries of any areas that are determined to be wetlands.~~

~~4. If wetlands of any size are found to exist on the property, an analysis of the potential functional or habitat services of the wetlands shall be required.~~

RC-3c **Designation of Environmental Buffer Areas for Wetlands.** An Environmental Buffer Area shall be established to separate all permitted development from adjacent existing wetlands that are to be preserved in a natural state, and from new wetland areas that are created as mitigation of wetland infill. The Environmental Buffer Area's purpose is to remain in a natural state in order to protect wetland ecosystems and their associated habitat areas from destruction or degradation. The extent of the Environmental Buffer Area shall be established based upon analyses and recommendations contained in a site-specific wetland delineation study. ~~but shall include the wetland area and a setback area that shall generally range from a 50-foot minimum to a 100-foot maximum width. Specific findings, based on evidence provided for City review, shall be required for setbacks less than 100 feet in width.~~

RC-3h **Designation of wetland protection zones.** The :WSP Zone shall be applied to wetlands, wetland setbacks, wetland buffer areas and modified wetland buffer areas, as defined in the City's Zoning Code, at the time of development review and approval.

A wetlands map, maintained by the City, will show the general location of wetlands, riparian corridors, and uplands within the City limits and urban services zone. All proposed development within or adjacent to the areas identified on the map as wetlands or riparian corridors shall comply with City Wetlands Development Standards ~~and shall include the following in the development proposal:~~

- ~~1. A wetland delineation.~~
- ~~2. A mitigation plan for impacted areas.~~
- ~~3. Setback areas from delineated wetlands.~~
- ~~4. Easements for onsite delineated wetlands.~~
- ~~5. Permitted and protected uses and activities within delineated wetland areas.~~
- ~~6. Fencing to prevent livestock from degrading wetlands and riparian vegetation.~~

RC-3j **Minimum mitigation requirements for wetland impacts.** Diking or filling of a wetland that is otherwise in accordance with the policies of this General Plan, shall, at a minimum, require ~~the following mitigation measures, monitoring program, and funding.~~ mitigation measures, a monitoring program and acceptable funding.

- ~~1. A detailed restoration plan, monitoring program, and funding source for each site shall be required as part of the project application. The restoration plan shall include provisions for restoration to equal or greater wetland biological productivity and contingencies for mitigation as appropriate. The monitoring program shall include reporting requirements that document mitigation success and contingency plans as determined necessary by staff. Dedication of the land to a public agency, purchase, or other stewardship method that permanently restricts the use of the site to habitat and open space purposes, shall be required. The site shall be dedicated,~~

~~purchased, or other stewardship agreed upon, and mitigation funding shall be provided, prior to any permitted diking or filling.~~

- ~~2. Areas adequate to maintain functional capacity shall be opened to tidal action, or other sources of surface water shall be provided. This provision shall apply to diked or filled areas that themselves are not environmentally sensitive habitat areas, but would become so if, as part of a restoration program, they are opened to tidal action or provided with other sources of surface water. All of the provisions for restoration, purchase (if necessary), and dedication described under part 1 shall apply to any program or activity performed pursuant to this policy.~~
- ~~3. Mitigation shall, to the maximum extent feasible, be of the same type as the wetland to be filled (e.g., freshwater marsh for freshwater marsh, and saltwater marsh for saltwater marsh).~~
- ~~4. Where no suitable private or public restoration or enhancement sites are available, or where a wetlands mitigation bank in Arcata's Planning Area has been established that provides suitable replacement area, an in-lieu fee may be required to be paid. The fees shall be paid to an appropriate public agency for use in the restoration or enhancement of an area of equivalent productive value or surface area, or to the entity managing the wetlands mitigation bank.~~

ATTACHMENTS:

- A. Benefits Menu_v6 (DOCX)
- B. Table LU-3 amends (DOCX)