



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: PUBLIC HEARING – Appeal of the Planning Commission’s Decision to: 1) Overturn the Planning Commission’s Decision to Deny Plot Plan No. 995, Tentative Tract Map No. 82890, 82891, 82892; 2) Acknowledge and Approve a Notice of Intent To Adopt a Mitigated Negative Declaration; and 3) Conduct a First Reading by Title Only of an Ordinance Approving and Adopting a Development Agreement between the City of Commerce and City Ventures Homebuilding, LLC for the properties located at 5550 Harbor Street, 5625 Jillson Street and 5555 Jillson Street

MEETING DATE: OCTOBER 20, 2020

RECOMMENDATION:

That the City Council conduct a public hearing, receive input from the public, consider the staff presentation, as well as information discussed herein; and

1) Overturn the Planning Commission’s Decision to Deny Plot Plan No. 995, Tentative Tract Map No. 82890, 82891, 82892, by passing and approving the attached Resolution to grant Applicant’s Appeal and Approve Plot Plan No. 995, Tentative Tract Map No. 82890, 82891, 82892;

2) Acknowledge and Approve a Notice of Intent To Adopt a Mitigated Negative Declaration; and

3) Conduct a First Reading, by waiving full reading, and read by Title Only, of an Ordinance Approving and Adopting a Development Agreement between the City of Commerce and City Ventures Homebuilding, LLC for the properties located at 5550 Harbor Street, 5625 Jillson Street and 5555 Jillson Street

PUBLIC NOTICE REQUIREMENTS:

Chapter 19.39.220 of the Commerce Municipal Code (“CMC”) requires the City of Commerce (the “City”) to publish a notice of the appeal including the time and place of the public hearing in a newspaper of general circulation in the City not less than ten (10) days

prior to the date of the public hearing. Said notice was published in the Los Cerritos News on October 9, 2020.

EXECUTIVE SUMMARY:

The City Council (“Council”) of the City of Commerce will consider an appeal by Kim Prijatel (“Applicant”), representing City Ventures, to reconsider the Planning Commission’s Denial that would have allowed for the construction of 133 single-family attached residential units on three parcels to be known as Rosewood Village, and located adjacent to City Hall and the Brenda Villa Aquatic Center, respectively.

On July 16, 2019, the City Council considered and adopted a Resolution approving an Agreement to Sell Land and Escrow Instructions between City Ventures Homebuilding, LLC, and the City of Commerce, for property discussed herein.

Shortly thereafter, and in December 2019, the applicant submitted a three-phased housing project. The Project includes the following discretionary approvals: 1) Plot Plan Review for a new Multi-Family Housing project, 2) Tentative Tract Map 82890 – creating a lot to contain 37 residential units; 3) Tentative Tract Map 82891 – creating a lot to contain 31 residential units; 4) Tentative Tract Map 82892 – creating one lot to contain 65 residential units; 5) Demolition – demolition of all existing structures on the three sites, and 6) City Council to consideration and approval of a Development Agreement – covering the details of the City’s sell of the land known as Assessor’s Parcel Numbers (APN) 6335-025- 902, 903, 905, and 906, to City Ventures for the development of 133 single-family attached dwelling units.

Pursuant to Chapter 19.39.650 (Applicability) of the Commerce Municipal Code (CMC), a Plot Plan Review is required for the construction of any housing development project containing five or more dwelling units.

After hearings on this proposal took place on July 20th, August 31st, and on September 28, 2020, the Planning Commission (“Commission”) determined it could not make the required findings under the CMC to approve a Plot Plan and Tentative Tract Map, and denied Plot Plan No. 995 and Tentative Tract Map No’s. 82890, 82891, and 82892. The Project Applicant is appealing the Planning Commission’s determination to the City Council. Said presentation to the Council will be based on the information presented herein, including relevant City Staff Report(s), public testimony and testimony provided by City staff and members of the Planning Commission during the July 20, 2020, August 31, 2020 and September 18, 2020, Planning Commission hearings.

DISCUSSION:

ENVIRONMENTAL SETTING:

The Project site consists of three (3) developed sites described below:

Site 1A – Harbor (5550 Harbor Street) is an asymmetrical-shaped lot approximately 1.98-acres in size, and including the parking area used in conjunction with the Brenda Villa Aquatic Center. The site is flat and currently developed with a one and one-half story,

27,376-square-foot office building built in 1956, known as the North Annex along with an asphalt parking lot associated with the Aquatic Center.

Site 1B – Jillson 1 (5625 Jillson Street) is an asymmetrical-shaped lot approximately 1.33- acres in size. The site is flat and currently developed with a one and one-half story, 19,629-square-foot, light industrial, warehouse and attached office building constructed in 1949 and associated asphalt parking area, which is also used as a transitional storage area for miscellaneous household debris, and known as the Provisor Building.

Site 2 – Transportation Center (5555 Jillson Street) is rectangular-shaped and approximately 2.43-acre lot. The site is developed with the City of Commerce Transportation Center office building, vehicle maintenance bays and a two-story parking structure with a ramp built in 1997.

PROJECT DESCRIPTION

The Project consists of the development of 133 single-family attached residential units on three lots to be known as Rosewood Village. As proposed, the project will be developed in three phases, as described as follows. Phase 1 of the Project will be Site 1A – Harbor (5550 Harbor Street) location. Phase 2 will be the Site 1B – Jillson 1 (5625 Jillson Street) location, and the Site 2 – Transportation Center (5555 Jillson Street) location will be Phase 3.

Site 1A – Harbor (5550 Harbor Street). On this site, it is anticipated the development of 37 single-family attached residences with private garages for two vehicles, private drive aisles, sidewalks, guest parking areas, and common landscaped areas. The buildings are proposed to be designed as three-story structures. The Project site will be accessible with prominent entrances/exit along Harbor Street.

The housing product includes five (5) three-story buildings, comprised of four (4) eight-plex buildings and one (1) five-plex building. Recommended are two-floor plans, ranging in size from 1,394-square-feet to 1,670-square feet. Each home will have a two-car garage, in one of two configurations; one with tandem parking, and the other with side by side parking. The living space on the second level will benefit from an outdoor space provided by a private balcony.

The architectural style of the building is proposed as Agrarian with Composition Shingle roofs and stucco walls. Accent features include siding and board and batten at select locations, horizontal wood-like railing, vertical metal railing, wood post, trellis, and coach lights.

Site 1B – Jillson 1 (5625 Jillson Street). On this site, it is anticipated the development of 31 single-family attached residences with private garages, private drive aisles, sidewalks, guest parking areas, and common landscaped areas. This portion of the development is intended to compliment a possible future development at the Transportation Facility that is part of this evening's consideration under Tract Map 82892. As proposed, this phase would connect via a private drive aisle along the westerly boundary of this site.

The housing product includes four (4) three-story buildings, comprised of one (1) four-plex building, one (1) seven-plex building, one (1) nine-plex building, and one (1) eleven-plex building. There are two-floor plans, ranging in size from 1,417- square-feet to 1,670-square feet. Each home will have a two-car garage, one with tandem parking, and the other with side by side parking. The living space on the second level will benefit from an outdoor space provided by a private balcony. The architectural style of the building is proposed as Progressive Spanish with S-Tile roofs and stucco walls. Accent features will include bay windows at select locations, shaped stucco soffits, decorative corbels, vertical metal railing, and coach lights.

Site 2 – Transportation Center (5555 Jillson Street). On this site, it is anticipated the development of 65 single-family attached residences with private two-car garages, private drive aisles, sidewalks, guest-parking areas, and common and private landscaped areas. As discussed above, this development is intended to compliment and serve as an extension to the adjacent 31 units, with internal driveways being shared with Site 1B. Of note, the site will be accessible with an entrance/exit along Jillson Street. The housing product includes eight (8) three-story buildings, comprised of three (3) six-plex buildings, one (1) eight-plex building, two (2) nine-plex buildings, one (1) ten-plex building, and one (1) eleven-plex building. There are two-floor plans, ranging in size from 1,417-square-feet to 1,670-square feet. Each home will have a two-car garage, one with tandem parking, and the other with side by side parking. The living space on the second level will benefit from an outdoor space provided by a private balcony. The architectural style of the building is proposed as Progressive Spanish with S-Tile roofs and stucco walls. Accent features will include bay windows at select locations, shaped stucco soffits, decorative corbels, vertical metal railing, and coach lights. An image of the project sites is shown below, outlined in blue:



ON-SITE PARKING

Section 19.21.040 – Number of Parking Space Required of the Commerce Municipal Code outlines the City’s minimum parking requirements for various land use classifications. In this case, two parking spaces are required for each residential unit within a garage.

The Project requires 266 parking spaces (two spaces per unit) and will provide 266 parking spaces (two parking spaces per unit within a garage). As such, the proposed number of parking spaces per unit will be met as proposed per the City’s requirements as provided in Table 19.21.040A (Off Street Parking Requirements) of the CMC.

Besides the required off-street parking requirements per unit, the applicant proposed additional guest parking intermittently throughout the sites. During the July public hearing with the Planning Commission, staff presented a guest-parking layout based on one open guest parking space for every two residential units. When submitted, staff at the time determined a parking schematic that was based on a project that is considered a traditional multi-family housing project. After reviewing the Zoning Code, and discussing with the Applicant, it was clarified, that the proposal as designed is considered a Dwelling, Single-Family (“SFR”) Attached, similar to a townhome. Per Code, projects considered under the development standards of 19.47.030A, the Housing Opportunity Overlay Zone (“HOO”), an Attached Single Family Dwellings could include attached townhomes, townhouses, courtyard, and/or cluster housing.

When reviewing the Zoning Code to determine guest parking, the Director noted an inconsistency in the applicability of the guest parking requirements when reviewing both Chapters 19.21.040A (multi-family guest parking) and 19.47.030A (HOO Parking Requirements). The first regulates guest parking for traditional multi-family projects, while the second regulates parking in the Housing Opportunity Overlay. Further, the HOO defines an SFR, as possibly being attached, but the parking requirement is silent on attached SFR’s. As such, when the project was submitted, it was decided to apply the higher guest-parking requirement (66 spaces), that is typical of a multi-family housing projects such as the one located at the Northeast corner of South Eastern Avenue and Harbor Street.

Although, an inconsistency within the Zoning may exist, both the applicant and staff believe the concern regarding guest parking was addressed with this proposal. During the vetting process with the Planning Commission, the plans were revised to increase the number of guest parking spaces up to 54, where a total of 49 were previously proposed.

PROJECT DESCRIPTION FOR THE TENTATIVE TRACT MAPS

As part of the development process, the applicant is requesting approvals on the following Tentative Tract Maps:

- Tentative Tract Map 82890 – creating one (1) lot for 37 residential units;

- Tentative Tract Map 82891 – creating one (1) lot for 31 residential units;
- Tentative Tract Map 82892 – creating one (1) lot for 65 residential units;

Tentative Tract Map 82890 - The Map creates a single 1.98-acre parcel for the development of 37 single-family attached residential units. Access will be taken from the existing driveway on Harbor Street. The new parcel includes the area currently used for parking for the Brenda Villa Aquatic Center. Fifteen (15) new guest parking spaces will be created to serve the development.

Tentative Tract Map 82891 - The Map creates a single 1.33-acre parcel for the development of 31 single-family attached residential units. Access is taken from a single driveway off Jillson Street, which will serve both this map and TTM-82892. Three (3) private streets will serve the interior of the property.

Tentative Tract Map 82892 - The Map creates a single 2.43-acre parcel for the development of 65 single-family attached residential units. Access is taken from driveway serving TTM-82891 off Jillson Street. Four (4) private streets will serve the interior of the property.

DEVELOPMENT AGREEMENT

On April 17, 2018 the City Council considered and approved procedures and requirements for the processing of Development Agreements. A Development Agreement is essentially a planning tool that allows public agencies greater latitude to advance local planning policies, sometimes in new and creative ways. Development Agreements are contracts negotiated between project applicants and public agencies that govern the land uses that may be allowed in a particular project. These are subject to negotiation, and land uses must still be consistent with the local planning policies set forth in a city's general plan or applicable specific plan.

Development agreements are not required, however when parties agree to participate in one, allowable land uses, and other terms and conditions of approval are negotiated between the parties, subject to the approval of the municipality. These agreements may allow for developments to vary from otherwise applicable zoning standards and land use requirements; however, they must still advance a city's planning goals and policies.

In this case, a Development Agreement is being considered because the applicant is requesting to enter into agreement with the City to purchase land, and would like the development standards discussed within this report as part of their development. More specifically, the applicant has worked closely with the Department to ensure parameters are in place to ensure an agreement will cover the development of the site in close compliance with the provisions as set forth in the Housing Opportunity Overlay Zone (HOO).

Planning Commission Meetings and Determination

Staff from Economic Development and Planning presented the matter to the Planning Commission over three meetings in order to obtain a decision from the Planning

Commission. Meetings were held on July 20th, August 31st, and September 28th, respectively. Below is a summary of the items/concerns shared by the Commission.

- Concern regarding the location, parking, scope and timing of the proposal

During the first meeting in July, the Planning Commission informed staff that the proposal is considerable in scope, which merits the proper vetting by community members via a community meeting. So on August 20, 2020, Planning staff and the Developer held a virtual meeting to discuss the proposal. A total of 20 individuals participated in this noticed community meeting. Questions and comments centered on affordability, density of the project, sale versus rental, and the loss/need for parking. Other minor comments included discussion on window placement, and location of utilities.

It was the applicant and staff's assessment that the meeting yielded some valuable information which led to a revised recommendation that included revisions to the plans to generate additional guest parking than originally proposed. In addition, a condition was added to the proposal requiring that the applicant add a covenant restriction which limits the number of vehicles a property can have within the site, as well inform them that guest parking is to be solely used for visitors only. In reference to the loss of parking for the Aquatorium, staff felt the remaining parking areas within Rosewood Park itself should be able to serve the facility accordingly.

- Discussion on Multi-Generational Housing

Loosely defined, a Multi-Generational Household is one, which contains the merging of generations under one roof. This could be a family, whose children went off to school but have now returned and postponed the purchase or rental of a home. This phenomenon is a possible reflection on a number of changes, some cultural and some financial, especially after the 2008 Great Recession. According to a USA TODAY article*, Millennials have led the movement toward multigenerational households, with the Census finding about one in three people between the ages of 18 to 34 lived with their parents in 2015. During the meeting, the Commission shared concerns that a multi-generational Household could further exacerbate the parking situation both on-site and on the street.

The applicant, City Ventures, is a developer offering a collection of housing products through the region, both adjacent to the City of Commerce and in Southern California. In discussions with the applicant, they offered that as designed, Rosewood Village is intended to offer a housing product that may not be conducive to a multi-generational household since this product is a primarily vertical development (multi-floor) with limited private open space as well as limited number of bedrooms to accommodate the necessary amenities of a multi-generational household. Furthermore, through the imposition of conditions, staff along with the applicant felt proactive measures were placed in the recommendation to limit and place notice on property owners, that all guest parking is intended to accommodate visitors, and will not be an extension of overflow parking for property owners within the development.

- Discussion on Affordable Housing and why build at the subject site

Initially the development was proposed as a market-rate development. Following the hearings in July and August, there was a bigger push to generate some affordable housing units. Following the August hearing, staff was in communication with the applicant about studying the possibility of providing an affordable component to the proposal. The results of the discussion yielded good dialogue about potentially dedicating three units as affordable. In order to further pursue this, staff suggested that it be allowed to work with the applicant to revise the Agreement of Purchase and Sale and Escrow with the City Council in order to memorialize the discussion. To ensure this, staff added a new condition that required for the applicant to work with staff to study and provide for affordable housing to the maximum extent feasible. Although, a minimum of three units were identified as affordable, staff is of the opinion that an opportunity to generate more units can occur.

[*https://www.usatoday.com/story/money/columnist/2020/07/16/multigenerational-households-rise-prepare-pros-and-cons/5447028002/](https://www.usatoday.com/story/money/columnist/2020/07/16/multigenerational-households-rise-prepare-pros-and-cons/5447028002/)

- Discussion on why housing iss proposed within the Civic Center Area (HOO) and Relocation of Transportation Building, especially during the current economic climate

In October 2013, the Housing Opportunity Overlay zone (HOO) was established to facilitate the development of housing on underutilized industrial sites in order to comply with State-mandated housing requirements. The HOO zone is intended to be applied to properties that are currently zoned Heavy Manufacturing (M-2) and permits discontinued manufacturing uses to recycle to residential development. Since its establishment, there has been interest to develop within the HOO; the proposal by City Ventures would be the first to development within this zone.

Concerns were raised regarding the location of the development occurring at the site of the existing Transportation Facility. Specifically, some Commissioners felt that the demolition and relocation of the Transportation Facility may not be a prudent decision given the current financial climate resulting from the COVID-19 Pandemic. Further, some of the Commissioners shared their thoughts that the Commission should first consider and rule on the cost and relocation of the transportation building prior to the approval of the City Venture's proposal. Staff informed the Commission that the HOO Overlay was implemented to generate housing capacity as required by the State of California through the Regional Housing Needs Allocation ("RHNA") process, while also letting them know that the proposal to relocate the Transportation Facility is more of a long-term idea that may not come to fruition if there are any unforeseen challenges such as cost to relocate and build.

Following discussions on the topics discussed herein, the Planning Commission recommended to overturn staff's recommendation and deny the Plot Plan and associated entitlements to allow for the project to move forward.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Environmental analysis was conducted according to the California Environmental Quality Act (CEQA). The analysis provided in the initial study indicates that the proposed project will not result in any unmitigable significant adverse impacts. The initial study determined that a mitigated negative declaration should be prepared for the subject project. Mitigation measures focus on the following areas: Aesthetics, Cultural Resources, Geology & Soils,

Hazards & Hazardous Materials, Noise, Public Services, Transportation, Tribal Cultural Resources, and Wildfire. Please see the attached CEQA document for complete details on the analysis and subsequent mitigation measures prepared for the project.

The mitigation measures are part of the Mitigation Monitoring Program and have been made part of the approval of this project. The applicant confirmed that the project description was accurate and agreed to all mitigation measures. A Notice of Intent to Adopt was submitted and filed. No State responsible agencies were identified and as a result, no Clearinghouse posting was required. Noticing was posted and published as required under the City's Municipal Code. Additional information related to the CEQA process and mitigation measures are included as attachments to this report.

The Mitigation Monitoring Program (MMP) for the subject project has been prepared pursuant to the requirements of Public Resources Code §21081.6 which, among other things, states that when a governmental agency adopts or certifies a CEQA document that contains the environmental review of a proposed project, "The public agency shall adopt a reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment. The reporting or monitoring program shall be designed to ensure compliance during project implementation."

The City of Commerce is the lead agency for the project, and is therefore, responsible for administering and implementing of the MMP. The decision-makers must define specific reporting and/or monitoring requirements to be enforced during project implementation prior to final approval of the proposed project.

The MMP includes the following: (1) mitigation measures that will either eliminate or lessen the potential impact of the project; (2) the monitoring milestone or phase during which the measure shall be complied with or carried out; and (3) the enforcement agency responsible to monitor mitigation measure compliance.

The MMP will be in place through all phases of a project including project design (preconstruction), project approval, project construction, and operation (both prior to and post-occupancy). The City will ensure that monitoring is documented through periodic reports and that deficiencies are promptly corrected. The MMP is attached to this report.

CONCLUSION

On September 28, 2020, after considering all presentations from staff, the Project Applicant, and public testimony, the Planning Commission determined that it could not make the required findings under the CMC for the approval of a Plot Plan. Accordingly, the Planning Commission voted 3-2 in favor of adopting the Resolution denying Plot Plan No. 995, Tentative Tract Map No. 82890, 82891, 82892, and declining to recommend approval of Development Agreement to the City Council. (Attachment X)

PROJECT APPLICANT FILES APPEAL:

The Project Applicant appealed the Planning Commission's determination on October 7, 2020. (Attachment 3) In the letter in support of its Appeal ("Appeal Letter"), the Project

Applicant argues that the Commission's denial was "arbitrary and unreasonable" because: (1) the proposed Project is compatible with other, nearby residential establishments; (2) no evidence was furnished to establish that the proposed project will increase traffic congestion or create traffic hazards; and (3) there is no evidence that the proposed Project would conflict with the City's vision for the future of the area when no changes to the City's General Plan related to this area have been made.

CITY COUNCIL OPTIONS:

Following the presentation of information to the City Council, staff is requesting that the Council consider the testimony discussed herein and provide direction to staff. In accordance with Chapter 19.39 Division Four of the CMC, the City Council, at its discretion, has the following options:

1. Based upon the facts and public testimony presented to the Commission and the facts and public testimony presented to the City Council, the Council **may deny the appeal and affirm the Planning Commission's decision** to deny Plot Plan No. 995 and Tentative Tract Map No. 82890, 82891, 82892 and **approve a resolution affirming the Commission's denial** including findings of fact for the City Council's consideration at the October 20, 2020, City Council meeting; or
2. Based upon the facts and public testimony presented to the Planning Commission and the facts and public testimony presented to the City Council, the City Council **may grant the appeal, overturn the Planning Commission's decision** to deny Plot Plan No. 995 and Tentative Tract Map No. 82890, 82891, 82892. **Approve a resolution overturning the Planning Commission's denial including findings of fact for the City Council's consideration;** or
3. Modify the decision of the Planning Commission.
4. Provide staff with alternative direction.

FISCAL IMPACT:

This activity can be carried out without additional impact on the current operating budget.

RELATIONSHIP TO STRATEGIC GOALS:

This agenda report relates to the 2011 strategic planning goal: "*Protect and Enhance the Quality of Life in the City of Commerce*".

Recommended and Prepared by: Jose D. Jimenez, Director of Economic Development and Planning

Reviewed by: Vilko Domic, Assistant City Manager

Approved as to form: Noel Tapia, City Attorney

Respectfully submitted: Edgar P. Cisneros, City Manager

ATTACHMENTS:

1. Planning Commission Staff Reports prepared for the July 20, 2020, August 31, 2020 and September 28, 2020 Planning Commission meetings
2. Resolution to overturn PC and approve
3. Uncodified Ordinance (Development Agreement 20-XXX)
4. Draft Development Agreement
5. Appeal Letter
6. Initial Study
7. Mitigated Negative Declaration and Mitigation Monitoring & Reporting Program
8. Project Plans
9. Purchase and Sale Agreement Council Report