



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: CONTINUED 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 (“City Ventures”) for the properties located at 5550 Harbor Street, 5625 Jillson Street and 5555 Jillson Street

MEETING DATE: NOVEMBER 17, 2020

RECOMMENDATION:

That the City Council receive an update by staff and the public; and

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

EXECUTIVE SUMMARY:

On October 20, 2020, the City of Commerce City Council (“Council”) considered 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.

During the evening of October 20, 2020, the Council conducted a public hearing and following a staff presentation, supported by testimony from the applicant and the public, the Council requested additional information pertinent to the project prior to rendering a decision. As such, the Council continued the item to the November 17, 2020, City Council meeting.

That evening's discussion provided direction to staff to study and provide updates on the following items:

- Address the possibility of generating additional affordable housing units.
- Address the possible installation of fencing and gates along the front perimeter of the property.
- Provide for garage view windows to aide in the Code Enforcement process.
- Install surveillance cameras for the project.
- Study the possibility of local hire, including union labor, if possible.

The above-referenced list is a snapshot view of issues that in staff's opinion required the most discussion.

BACKGROUND:

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 consider and approve 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 20, August 31, 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.

On October 5, 2020 the project applicant appealed the Planning Commission's determination to the City Council.

UPDATES SINCE OCTOBER 20, 2020 COUNCIL MEETING:

Affordable Housing

A key issue discussed during the evening of October 30, 2020 was the creation of affordable housing as part of the proposal. Prior to meeting with the Council and during the review by the Planning Commission, staff worked with the applicant to generate three (3) affordable residential units. Following the meeting with the City Council, direction was provided to review and consider alternatives to provide additional affordable housing. Alternatives included, increasing the number of units to three (3) units per project site, for a total of nine (9), while considering other programs, such as the City's now defunct First Time Homebuyer Program, or a silent second loan program. As a result of this directive, the project was continued in order to allow for additional time to work through the directive and return with an updated recommendation that stimulate the creation of additional housing units.

Since the hearing, the applicant has maintained dialogue with staff and discussed various alternatives that will yield the creation of nine (9) affordable units (three (3) per site). Among others, and as discussed herein, the City is considering reviving some version of the First Time Home Buyer Program which could provide for a down payment for a home buyer. Also under consideration is a Silent Second Program. Typically, a silent second would set aside a dollar amount which is the difference between the market sales price of the home, less the affordable sales price of the home, and less the buyer's down payment. The buyer would provide a minimum down payment from the buyer's own funds. The loan may not require payment while the buyer is the owner of the home and residing in the home as the buyer's principal residence. So long as the buyer remains the owner and resident of the home, portions of the loan amount would be forgiven over time, and could be fully forgiven at some point time between 30 and 40 years.

At this time, staff will require additional time to formulate a program that will be to the satisfaction of the City Council and also relevant to market conditions at the time of sale. Therefore, staff is suggesting a change to Condition Number 45 of the provided resolution and which reads:

The applicant shall work with the City to study, and if appropriate, dedicate a portion of the project to affordable housing. To the maximum extent feasible, the number of units and affordability range shall be determined at a later time.

To now read:

The Applicant shall dedicate three (3) units in each phase of the project for a total of nine (9) units for residents of the City who qualify for the City's affordable housing program. The City shall develop the program prior to the units being placed on the market and shall identify qualified individuals to Applicant.

Fences and Gates Across Front Elevations

An item regarding the installation of fencing for safety purposes along the front perimeter of the property was discussed. The applicant considered and evaluated the possibility of vehicular gates across the Harbor and Jillson sites. Due to strict fire department requirements, the installation of gates would require the redesign of the proposal in order to provide wider drive aisles to accommodate fire department apparatus, thus resulting in the loss of multiple guest parking spaces on the Harbor site as well as multiple units on the Jillson site. Added, as the matter on gates was further analyzed, it was determined that fencing and gates have the potential to impact the pedestrian oriented feel of the project as seen from the street. As an alternative, the applicant in conjunction with the City would prefer to consider a security system that may include, but not be limited to a closed circuit system ("CCTV"), or use of RING.COM, an application-based program for monitoring property in order to off-set any possible negative safety impacts.

Parking - Garage View Windows for Code Enforcement Purposes, and Guest Parking

The provided off-street parking requirements for the project drew interest during the evening of October 20, 2020. Discussed was a scenario where owners could forgo using their garages for vehicle purposes, or alternatively, may possess more than two vehicles, thus spilling-over and impacting the designated guest parking areas. As previously discussed, the applicant places restrictions/covenants on the property informing potential buyers that they are limited to two vehicles per unit. A full-disclosure of this requirement is provided to a buyer prior to the purchase of a unit. In reference to guest parking, maintenance and oversight is granted to the HOA. Specifically, the applicant will set up requirements such as a computer or application-based program to issue guest parking tickets to those visiting the site. The applicant has implemented similar programs with other developments, and with high levels of success.

Discussion on Local Hire/Union Labor and Miscellaneous items

During the public hearing with Council, a question was raised about local hire and union contractors. City Ventures is a California homebuilder focused on repositioning underutilized real estate into residential housing in supply constrained coastal urban infill areas, as well as high demand suburban locations. City Ventures is based in San Francisco and Irvine, California. It focuses on the construction of townhomes, condominiums, lofts, mixed use, live-work and single family detached homes in the Southern and Northern California coastal urban infill neighborhoods. As staff was informed, City Ventures is set up as a one-in-all development company which handles the construction process from start (planning) to end (construction). Although this is the case, the applicant did inform the Council and staff that interested sub-contractors, such as union electrician and plumbers, and the likes, are invited to apply and bid-out for sub-contracting work in these arenas. For Rosewood Village, the applicant is willing to work with staff to encourage sub-contractors to apply and be placed on said list.

CONCLUSION

During the October 20, 2020, City Council meeting, staff along with the applicant considered public testimony and determined the items discussed herein merit further discussion prior to rendering a decision. As a result, the applicant worked to primarily address the affordable housing component of the project while addressing other issues

such as guest parking and security. It is therefore staff's determination that good faith effort was made to address the most important issues heard during the October 20th Hearing, hopefully to the satisfaction of the City Council.

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 and November 17, 2020, City Council meetings; 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; or
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: Norma Copado, Assistant City Attorney

Respectfully submitted: Edgar P. Cisneros, City Manager

ATTACHMENTS:

1. October 20, 2020 City Council Staff report.
2. Planning Commission Staff Reports prepared for the July 20, 2020, August 31, 2020 and September 28, 2020 Planning Commission meetings

3. Resolution to overturn PC and approve
4. Uncodified Ordinance (Development Agreement 20-XXX)
5. Draft Development Agreement
6. Appeal Letter
7. Initial Study
8. Mitigated Negative Declaration and Mitigation Monitoring & Reporting Program
9. Purchase and Sale Agreement Council Report
10. Project Plans