

**STAFF REPORT – PLANNING
CITY OF TEMECULA
PLANNING COMMISSION**

TO: Planning Commission Chairperson and Members of the Planning Commission

FROM: Luke Watson, Deputy City Manager

DATE OF MEETING: December 1, 2021

PREPARED BY: Sara Toma, Associate Planner I

PROJECT SUMMARY: Long Range Planning Application Number LR18-1684, an amendment to Title 17 (Zoning) of the Temecula Municipal Code to revise the multi-family definition and to establish objective design standards that will apply to any housing development project or mixed used housing project that, pursuant to State law, requires ministerial approval or where the housing development project is subject to discretionary review but a Specific Plan or PDO does not otherwise set forth objective design standards applicable to the project.

CEQA: In accordance with the California Environmental Quality Act (“CEQA”), the proposed Ordinance has been deemed to be exempt from further environmental review as there is no possibility that the proposed Ordinance would have a significant impact on the environment pursuant to State CEQA Guidelines Section 15061(b)(3). The proposed Ordinance revises the multi-family definition so that it applies to any housing project with two or more units and requires that multi-family and mixed-use housing developments comply with objective design standards. These Ordinances will not result in any increase in the intensity or density of any land use above what’s currently allowed. Moreover, Government Code Sections 65852.21(j) and 66411.7(n) provide that an ordinance adopted to implement SB 9 is not a project under CEQA. Staff is recommending that a Notice of Exemption be prepared and be filed in accordance with CEQA Guidelines.

RECOMMENDATION: Staff recommends that the Planning Commission adopt a Resolution recommending that the City Council adopt (1) a Resolution adopting the Objective Design Standards for Multi-Family and Mixed-Use Developments and (2) an Ordinance of the City Council of the City of Temecula Amending Title 17 (Zoning) of the Temecula Municipal Code to revise the multi-family definition and require that multi-family and mixed-use developments comply with objective design standards

and make the finding that this Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) and Government Code Section 65852.21(j) and 66411.7(n) (Long-Range Project No. LR18-1684).

BACKGROUND SUMMARY

In recent years, the State of California has adopted various housing laws that streamline housing approvals. Specifically, the legislature has taken steps to reduce the amount of subjective discretion jurisdictions have to deny or reduce the density of residential and residential-mixed-use projects. Instead, in certain contexts. In that regard, towns, cities, and counties are developing standards to be in conformance with state laws of streamlining housing approvals while still ensuring quality development projects that can be easily adapted within their city's existing architecture styles.

To meet the State's requirements, as well as the City's Housing Element goals and policies of providing adequate housing for all Temecula residents, staff has placed considerable effort to attain State funding to put in place programs that would further streamline housing production while maintaining the City's architectural styles to provide high quality housing developments.

In the Fall of 2019, the Department of Housing and Community Development ("HCD") awarded the City's Community Development Department funding under Senate Bill ("SB") 2 Planning Grants Program in the amount of \$310,000 (three hundred ten thousand dollars) for four (4) different planning projects. One of the projects is the Objective Design Standards. The project is funded by the SB 2 Grant.

Development of the Objective Design Standards

The development of the Objective Design Standards document has been a year-long process of working with internal departments, a consultant, and with the guidance of Planning Commission and City Council infill subcommittees. Staff has done extensive research of existing City documents that pertain to design standards for multi-family housing, such as the city-wide Design Guidelines, Municipal Code, state laws, and any other research items pertaining to the design standards to elevate the quality of the document.

Staff worked with the consultant to establish 12 potential architectural styles for the Objective Design Standards (sometimes referred to as "ODS"), and following six styles were ultimately selected:

- | | |
|-------------------------------|---------------------------|
| 1. Mission – Spanish Colonial | 4. American Rural |
| 2. Craftsman | 5. East Coast Traditional |
| 3. Tuscan | 6. Italianate |

Working with these six styles, staff developed objective standards for new multi-family and mixed-use residential developments that would be applicable city-wide for projects requesting approval through a streamlined or ministerial process, or for projects that allow for discretionary review, but for which no other objective design standards exist.

Infill Subcommittee Meetings

In October 2020, staff and consultant met with the City Council Infill Subcommittee to present the initial 12 architectural styles to obtain guidance on the direction of the project. Staff recommended the inclusion of six architectural styles in the objective design standards, and the Subcommittee agreed with this recommendation and agreed that the styles are consistent with existing city architecture within the city. Since the October 2020 meeting, staff made substantial progress on the project and in September 2021, staff met with the Council Subcommittee again to present the draft document. The Council Subcommittee was delighted with staff's progress and directed staff to establish standards that would lead to higher quality product for multi-family and mixed-use development.

In September 2020, staff and consultant met with the Planning Commission Infill Subcommittee to kick-off the project and present staff's initial 12 architectural styles with staff's recommendation of the selected six styles and to obtain guidance on the direction of the project. The Subcommittee supported staff's recommendation and was interested in further development of the standards. In October 2021, staff and consultant presented to the Subcommittee the draft document.

RELATIONSHIP TO STATE HOUSING LEGISLATION

Housing Accountability Act

Originally passed by the California Legislature in 1982, the Housing Accountability Act ("HAA") (Government Code Section 65589.5) is designed to promote and encourage infill development and streamline housing approval processes. Over the intervening years, additional legislation and case law have clarified and refined its implementation and scope. In short, the HAA limits local jurisdictions' (cities and counties) authority by requiring that decision makers base the denial of a conforming housing development project on a very specific set of findings established by state law.

At its core, the HAA requires that when a proposed housing development project meets all "applicable, objective general plan and zoning standards and criteria, including [objective] design review standards," the local agency cannot "disapprove the project" or "approve it upon the condition that the project be developed at a lower density" unless the agency makes two specific findings:

1. The project would have a specific adverse impact on the public health or safety unless the project were disapproved or developed at a lower density; and
2. There is no feasible method of mitigating or avoiding the impact other than disapproval or reduction in density.

Pursuant to the HAA, a "housing development project" includes affordable or market-rate multifamily residential projects, specified mixed-use, and transitional or supportive housing. The various requirements in the HAA apply to all these types of projects, as well as emergency shelters. Although the term is not defined in the statute, *objective* standards generally include quantifiable requirements (such as building height, size, setbacks, and parking requirements) and other standards that do not require anyone to exercise personal or subjective judgment to determine compliance.

Senate Bill (“SB”) 35

California State Senate Bill (“SB”) 35 (Government Code Section 65913.4), which went into effect on January 1, 2018, was part of a comprehensive bill package aimed at addressing the State’s housing shortage and high costs. SB 35 requires cities and counties to streamline review and approval of eligible affordable housing projects through a ministerial approval process, exempting such projects from environmental review under the California Environmental Quality Act (“CEQA”). This process does not allow public hearings to consider the merits of the project; rather only design review or public oversight of the development is allowed, which must be objective and strictly focused on assessing compliance with criteria required for streamlined projects as well as objective design review of the project (Section 65913.4(c)(1)). SB 35 required the availability of a streamlined ministerial approval process for multifamily residential developments in jurisdictions that have not yet made sufficient progress toward meeting their regional housing need allocation (RHNA) goal for construction of above-moderate income housing and/or housing for units below 80% area median income (AMI). Currently, surrounding communities, including Temecula, have not met their RHNA goals for affordable housing below 80% AMI. Therefore, at this time, projects providing on-site affordable housing at 80% AMI are eligible for streamlining in City of Temecula provided they meet all the eligibility criteria. Cities are allowed to establish objective design standards for multifamily residential development that apply to State law.

Senate Bill (“SB”) 330

California State Senate Bill (“SB”) 330 Housing Crisis Act of 2019, which went into effect on January 1, 2020, and will sunset on January 1, 2025. The act amends existing state laws and creates new regulations around the production, preservation, and planning of housing. SB 330 will affect both project planning procedure and community planning outcomes by restricting local rules that limit housing production and further strengthens the Permit Streamlining Act adopted in 1977 (Government Code Section 65920 et seq.) and HAA.

The intent of the Housing Crisis Act is to create certainty in the development of housing projects, speeding up the review of these projects, and to create restrictions on new local regulations. SB 330 prohibits cities and counties, including the electorate (by using its local initiative or referendum power), from establishing rules that would effectively:

- Change the land use designation or zoning of parcels to a less intensive use or reducing the intensity of the land use within an existing specific or general plan or zoning district below what was allowed under the land use designation as of January 1, 2018
- Impose or enforce a moratorium on housing development within all or a selection of the local agency’s jurisdictions
- Impose or enforce new design standards established on or after January 1, 2020, that are not objective standards
- Establish or implement limits on permit numbers issue by the city or county unless the limit was approved before January 1, 2005, in a “predominantly agricultural County.”

Senate Bill (“SB”) 9

California State Senate Bill (“SB”) 9, Ministerial Approval of Duplexes and Urban Lot Split, will go into effect January 1, 2022. SB 9 generally requires cities to ministerially approve, within

single-family residential zones, housing developments containing no more than two residential units and parcels maps for urban lot splits. Ministerial approval means that the City cannot impose ad hoc conditions of approval that reflect an exercise of the City's discretion. Further, the City cannot deny an application solely because it "proposes adjacent or connected structures provided that the structures meet building code safety standards and are sufficient to allow separate conveyance." The City may impose objective zoning standards, subdivision standards, and design standards, provided that the objective standards do not preclude the development of up to two units of at least 800 square feet in floor area. Objective standards, as defined by the law, means standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal.

ANALYSIS

Purpose of the Document

The Objective Design Standards provide a clear set of architectural and site design requirements for new multi-family residential, including mixed-use developments. Objective Design Standards are numeric and/or quantifiable and can be measured as opposed to subjective standards, which require interpretation. These standards will ensure development maintains the unique character and quality of design within the City of Temecula.

The State of California continues to enact new laws that accelerate housing production by streamlining the approval of housing development at the local level. The Objective Design Standards supplement the development standards of the Temecula Municipal Code and further the goals, policies, and actions of the Temecula General Plan, which encourages an elevated design and fosters an enhanced quality of life through the built environment.

Defining Objective vs. Subjective Standards

An "objective" standard is one that involves no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criteria available and knowable to both the development applicant and the public official prior to submittal. Many design standards, however, are "subjective" and require personal interpretation of their meaning and application. This interpretation, in turn, can lead to a lengthy project review and approval process. For example, a building height limit of three (3) stories is an objective standard. In comparison, a requirement that a building must blend appropriately with the neighborhood character is a subjective standard. The proposed design standards for multi-family and mixed-use developments are intended to protect Temecula's aesthetic and community character, while complying with State laws that only allow for the imposition of objective standards.

Relationship to Development Code and Applicability

All developments must comply with the standards of the Temecula Municipal Code Title 17 (Zoning). The draft ordinance amends Title 17 to revise the multi-family residential definition so that it applies to any project with two or more units. The draft ordinance also amends Title 17 to require that certain projects comply with Temecula Objective Design Standard for Multi-Family and Mixed-Use Developments.

These standards apply to all multi-family and mixed-use housing developments that, pursuant to State law, require ministerial approval or where the housing development project is subject to discretionary review but a Specific Plan or PDO does not otherwise set forth objective design standards applicable to the project. These standards would apply city-wide.

Document Organization

The Objective Design Standards are organized to offer an efficient review process for residents, property and business owners, developers and builders, architects and designers, and City staff involved in the review and approval process of multi-family and/or mixed-use development in Temecula. Staff worked closely with the consultant to structure the document in a logical order from how to use these standards, site design standards, to general building design standards. The applicant has six (6) architectural styles to select from, they are as follows:

1. Mission – Spanish Colonial Revival
2. Craftsman
3. Tuscan
4. American Rural
5. East Coast Traditional
6. Italianate

To create comprehensive design standards, staff and consultant include standards for residential mixed-use projects. The purpose of the mixed-use residential standard is to allow for a variety of housing types in Temecula that serve all types of households, while also achieving neighborhood goals for an active pedestrian realm along transit corridors, an attractive street appearance, and minimizing impacts on neighboring properties.

Mixed-use residential development is typically a multistory building with commercial uses on a ground floor, and a shared residential entry lobby, and common access areas such as hallways or stairways that lead to individual residential units above or behind the commercial uses. Parking is often shared, whether in a garage or parking lot. In certain instances, if a project is located on a large site, there may be a mixture of residential unit types, for example multifamily apartments and townhomes. In this case, each unit type shall be designed to the specific standards and guidelines of the unit type.

LEGAL NOTICING REQUIREMENTS

Notice of the public hearing was published in *The Press-Enterprise* on November 18, 2021, and posted outside City Hall.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (“CEQA”), the proposed Ordinance has been deemed to be exempt from further environmental review as there is no possibility that the proposed Ordinance would have a significant impact on the environment pursuant to State CEQA Guidelines Section 15061(b)(3). The proposed Ordinance revises the multi-family definition so that it applies to any housing project with two or more units and requires that multi-family and mixed-use housing developments comply with objective design standards. The proposed Ordinance will not result in any increase in the intensity or density of any land use above what’s currently allowed. Moreover, Government Code Sections

65852.21(j) and 66411.7(n) provide that an ordinance adopted to implement SB 9 is not a project under CEQA. Staff is recommending that a Notice of Exemption be prepared and be filed in accordance with CEQA Guidelines.

ATTACHMENTS

1. Planning Commission Resolution No. 2021-
2. City Council Ordinance No. 2022-XX - “Exhibit A”
3. City Council Resolution No. 2022-XX
4. Temecula Objective Design Standards for Multi-Family and Mixed-Use Development
5. Notice of Public Hearing
6. Notice of Exemption