

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

**TO:** Planning Commission Chairperson and members of the Planning Commission

**FROM:** Luke Watson, Director of Community Development

**DATE OF MEETING:** October 7, 2020

**PREPARED BY:** Brandon Rabidou, Case Planner

**PROJECT SUMMARY:** Planning Application Number PA20-0345, a Development Plan for a 77-unit affordable multi-family housing community consisting of two residential buildings, a community building and tuck-under parking located at 28715 Las Haciendas Street

**RECOMMENDATION:** Adopt a Resolution approving the project subject to Conditions of Approval

**CEQA:** Categorically Exempt  
Section 15162, Subsequent EIRs and Negative Declarations  
Section 15182, Projects Pursuant to a Specific Plan

**PROJECT DATA SUMMARY**

**Name of Applicant:** Community HousingWorks (CHW)

**General Plan Designation:** Specific Plan Implementation (SPI)

**Zoning Designation:** Uptown Temecula Specific Plan, Creekside Village (CV)

**Existing Conditions/  
Land Use:**

Site: Vacant/ Specific Plan Implementation (SPI)

North: Various Automotive Repair Shops/ SPI

South: Various Businesses (Including Automotive Repair)/ SPI

East: U-Haul Storage & RV Sales/ SPI

West: Various Automotive Repair Shops/ SPI

	<u>Existing/Proposed</u>	<u>Min/Max Allowable or Required</u>
<b>Lot Area:</b>	2.5 acres/1.97 acres	10,000 square foot minimum
<b>Total Floor Area/Ratio:</b>	Vacant/0.94 FAR	No maximum or minimum identified.
<b>Landscape Area/Coverage:</b>	Vacant/ 28,746 Square feet (33%)	N/A (based on Design Guidelines)
<b>Parking Provided/Required:</b>	Zero Spaces/88 Spaces (on site)	135 Spaces Required (see further analysis below)

## AFFORDABLE HOUSING

Located in Affordable Housing Overlay Zone (AHOZ)? ☒ Yes ☐ No

AHOZ Gain/Loss: + 77 Units

## BACKGROUND SUMMARY

During the late 2000's economic downturn, the City recognized that the Jefferson Avenue Corridor faced several economic hardships. Consequently, the City embarked on community outreach to determine the future of the area. From 2012 to 2015, the City conducted six public visioning workshops and seven steering committee workshops. From these meetings, the Uptown Temecula Specific Plan was developed, which allowed new uses to be introduced into the area (including by right residential housing), while allowing existing uses to continue operations. A total of 36 public meetings were held prior to the adoption of the Uptown Temecula Specific Plan. The Uptown Temecula Specific Plan was adopted by the City Council on November 17, 2015.

On February 25, 2020, Community HousingWorks (CHW) submitted Planning Application No. PA20-0345, a Development Plan for a 77-unit, 100% affordable multi-family housing community consisting of two residential buildings, a community building and tuck-under parking located at 28715 Las Haciendas Street. The project consists of the following affordability breakdown:

<b>Area Median Income</b>	<b>Tax Credit Regulatory Agreement</b>
Extremely Low (30% AMI)	24
Very Low (50% AMI)	8
Low Income (60% AMI)	44
<b>Total Restricted Units</b>	<b>76</b>

The 77<sup>th</sup> unit is designated for the on-site professional who will manage the multi-family housing complex.

The project is located within the Creekside Village zoning district of the Uptown Temecula Specific Plan.

On May 26, 2020, the Temecula City Council approved a loan agreement with Las Haciendas Housing Associates, L.P. to facilitate the creation of affordable housing units. The funds would come from the Successor Agency to the Temecula Redevelopment Agency. The total City contribution to the project is approximately \$10,130,000.

Per the Uptown Temecula Specific Plan approval process for Development Plans, a Notice of Intent to approve the project was mailed to property owners within 600' of the proposed project on or around June 15, 2020. Prior to the proposed decision date (June 25, 2020), staff received comments from concerned property owners and businesses around the project. Additionally, some concerned property owners and businesses requested a public hearing. Per the Uptown Temecula Specific Plan approval process, the item was scheduled for a public hearing before the Planning Commission.

Prior to the Planning Commission meeting, staff requested that CHW provide a forum for concerned constituents to discuss issues related to the project. The current public health orders related to the COVID-19 pandemic required this meeting to be held in a digital format. On July 28, 2020, CHW hosted a virtual community meeting. Invitations to the community meeting were provided to surrounding property owners in advance of the community meeting. At the community meeting, CHW presented the project and was available to answer questions and address concerns. City staff also attended the meeting to be available as a resource for the applicant and the public. Only one public comment was provided and it was related to the process to apply for affordable housing.

Staff has worked with the applicant to ensure that all concerns have been addressed, and the applicant concurs with the recommended Conditions of Approval.

## **ANALYSIS**

### Site Plan

The project is located on 2.5 acres of vacant land located between Las Haciendas Street, and Calle Cortez. As proposed, the project contains two three-story residential multifamily buildings. The project includes the following residential unit types:

<b>Unit Type</b>	<b>Number of Units</b>
1 Bedroom/ 1 Bath	15 (19%)
2 Bedroom / 1 Bath	39 (51%)
3 Bedroom / 2 Bath	23 (30%)
<b>Total Number of Units: 77</b>	

The 77 unit project provides wraparound tuck-under parking, as well as surface level parking. Most first floor units provide patios and access from the street. All units provide private open space in the form of a porch, patio, or both. The project contains a community center building that includes laundry facilities, reading areas, a computer room, a multi-purpose area, kitchen, and

offices. Adjacent to the community center building is a children's playground. The site will be fenced for safety and security.

### Parking

Parking for the proposed project is regulated by the Uptown Temecula Specific Plan and State Law (Government Code 65915(p)(1)). The following table shows the parking requirements for each standard.

<b>Standard</b>	<b>Parking Requirement</b>
Uptown Temecula SP: (All Unit Sizes)	1.75 parking spaces per dwelling
State Law: 0-1 bedroom	1 parking space
State Law: 2-3 bedrooms	2 parking spaces

In terms of parking, the project is allowed to utilize the lowest parking standard whether that comes from the Uptown Temecula Specific Plan or state law. As such, for one bedroom units, the project is only required to provide 1 parking space for those units. For the two and three bedroom units, the project is only required to provide 1.75 parking spaces per unit.

In addition to the above requirements, state law allows applicants for affordable housing projects to request a density bonus and deviations from generally applicable development standards (known as "incentives"). Here, the Applicant is proposing to build an affordable, rental housing project, where all of the units are deed-restricted for occupancy by lower-income households for 55 years, which means the Applicant is entitled to request a substantial density bonus, three "incentives," and the reductions in the number of onsite parking spaces required by the City (as described above). One of the requested "incentives" can be a reduction in the parking beyond what is allowed to be required under state law. Under the Uptown Temecula Specific Plan, the project normally would be required to provide 135 onsite parking spaces. With the reduction required by state law, however, the City cannot require more than 124 onsite parking spaces. The Applicant is requesting a further reduction of 36 parking spaces as one of their three "incentives" so that the Applicant can construct 88 parking spaces (instead of the 124 parking spaces required under the Uptown Temecula Specific Plan and state law). Separate from the required on-site parking spaces, the project will be constructing a new street that will contain 20 on-street parallel parking spaces.

<b>On Site Parking</b>	
<u>Unit Mix &amp; Parking Provided</u>	<u>Parking Spaces Required</u>
1 bedroom (1 parking space x 15 units)	15
2 bedrooms (1.75 parking spaces x 39 units)	68.25
3 bedrooms (1.75 parking spaces x 23 units)	40.25
<b>Subtotal Prior to Incentive Request</b>	124 (rounded from 123.5)
Reduction in Required Parking (Incentive)	36 parking spaces
<b>Final Total</b>	88 parking spaces required

### **Standard for Considering Requested "Incentives" under State Density Bonus Law**

State law limits the number of incentives an applicant may request, but it does not limit the extent of the deviation from the generally applicable standard that may be requested by the applicant or must be approved by the local agency. Instead, state law provides that the agency “shall grant” the incentive requested by the applicant, unless the City finds any of the following:

(A) The concession or incentive does not result in identifiable and actual cost reductions, consistent with subdivision (k), to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units to be set as specified in subdivision (c).

(B) The concession or incentive would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low-income and moderate-income households.

(C) The concession or incentive would be contrary to state or federal law.

Gov. Code § 65915(d)(1). The Applicant’s request for a 36-space reduction in required parking must be approved, unless the City makes one of the aforementioned findings.

#### Other Incentive Requests under Density Bonus Law

In addition to the above mentioned parking incentive request, the project has requested two additional incentives under state law, including a 3’ reduction on the front build to line (down from 10’ to 7’). The build to line incentive will still provide wider sidewalks than a traditional development and maintain the streetscape necessary for the Uptown Temecula Specific Plan. The final incentive is to change three units’ porches to patios on Calle Cortez due to site elevation requirements. Again, the City must grant these incentive requests under state law, unless the City makes one of the findings described above.

#### Architecture

The Uptown Temecula Specific Plan is a form based code which encourages pedestrian oriented design, activation of the street, and a focus on overall form versus specific architectural styles in order to encourage creativity and design flexibility. This project incorporates a more modern appearance which incorporates stucco, siding, and metal awnings to provide variation in the design. Patios and porches are included to activate the street and provide private open space to residents. Streetscapes for the proposed project include generously sized sidewalks, decorative street lights, large street trees and concrete finishes that will intertwine with the rest of the Uptown Temecula Specific Plan area.

#### Landscaping

The Uptown Temecula Specific Plan does not require a minimum percentage of landscaping. Instead, the plan focuses landscaping on important areas along the street, and around areas that screen parking. The proposed project includes over 28,000 square feet of landscaping which equates to 33% of the total site and is consistent with the Specific Plan Design Guidelines.

### Access/Circulation

Access and circulation to the proposed project is provided off Las Haciendas Street, Calle Cortez, and “New Street” which will be constructed by the development. New Street is required as a part of the Uptown Temecula Specific Plan in order to provide access to current and future development. Additionally, vehicular access to parking lots will be provided by an alley that accesses both Las Haciendas Street and Calle Cortez.

## **LEGAL NOTICING REQUIREMENTS**

A notice of the public hearing was published in the *SD Union Tribune* on September 24, 2020, and mailed to the property owners within the required 600-foot radius.

## **ENVIRONMENTAL DETERMINATION**

The proposed project has been determined to be consistent with the previously approved Environmental Impact Report (EIR) and is exempt from further environmental review.

Staff has determined that the proposed project is exempt from the requirements of CEQA pursuant to State CEQA Guidelines 15162 and 15182. On November 17, 2015, an Environmental Impact Report (EIR) (SCH# 2013061012) was certified in connection with the approval of the Uptown Temecula Specific Plan. The Uptown Temecula Specific Plan is divided into six planning districts, all of which allow residential uses. The Uptown Temecula Specific Plan does not contain maximum or minimum density requirements, although residential development is anticipated at a range of 20 to 60 dwelling units per acre. For planning purposes, the Uptown Temecula Specific Plan assumes a residential density of 45 dwelling units per acre in all zoning districts. The proposed project proposes to construct 77 units on 2.5 acres, which is under the 45 dwelling units per acre analyzed by the EIR. As such, the environmental impacts for the project have been evaluated by the previously adopted EIR for the Uptown Temecula Specific Plan, and no further environmental review is necessary. Staff has determined that the project is exempt from CEQA pursuant to CEQA Guidelines Section 15182 as the proposed residential development is in conformity with the Uptown Temecula Specific Plan. None of the circumstances in CEQA Guidelines Section 15162 exist to require any additional environmental review and no further documentation is necessary.

## **FINDINGS**

### Findings for approval of the project

Uptown Temecula Specific Plan, Chapter 2, Plan Administration:

That the proposed project is consistent with the objectives and applicable provisions of the Uptown Temecula Specific Plan, and the purpose of the zoning district in which the site is located.

*The project meets the objectives and applicable provisions of the Uptown Temecula Specific Plan because the project meets the goal of expanding land use options (Recommendation 2; pg.1-11) and addresses Future Action i.b. which identifies high quality urban-residential housing*

*development aligned with market forces and trends. The 2012 Keyser Marston Associates, Inc. (KMA) Jefferson Avenue Study Area Market Assessment identified residential land use as a moderately in-demand land use within the Temecula Uptown Specific Plan. That same study also identifies a potential of up to 1,368 residential units within a ten-year period. In addition to the KMA study, the Southern California Association of Governments (SCAG) recently released the City of Temecula's Draft Regional Housing Needs Assessment (RHNA) for the 6<sup>th</sup> cycle of the City's Housing Element. That analysis concluded that there is a need for 1,355 very-low income units, 799 low income units, 777 moderate income units, and 1,252 above-moderate income units within the City limits. Residential uses are identified in the Creekside Village District as a permitted use.*

That the proposed project is consistent with the City of Temecula General Plan.

*The project is consistent with the City of Temecula General Plan because it meets Housing Element Goal 2, "Provide affordable housing for all economic segments of Temecula." Additionally, the project meets Housing Policy 3.5 (pg. H-104) which states, "Provide a variety of housing opportunities that accommodate the needs of all income levels of the population and provide opportunities to meet Temecula's fair share of extremely low-, very low-, low- and moderate income housing by promoting the City's program of density bonuses and incentives." This project is an affordable housing project that will provide 24 extremely-low income units, 8 very-low income units, and 44 low income units.*

That the proposed project together with the conditions applicable thereto, will not be detrimental to the public health, safety, and general welfare of the community.

*The project will not be a detriment to the public health, safety and welfare of the community because it has been reviewed and conditioned to ensure conformance with the Development, Building, and Fire codes. These codes contain provisions designed to ensure the protection of the public health, safety, and general welfare.*

#### Legal Constraints

Traditionally, the Planning Commission would have broad authority to either make the findings set forth above and approve the project or, alternatively, to determine that it cannot make those findings and deny the project. Here, however, the City has limited authority in considering the project due to the Housing Accountability Act ("HAA"). The HAA seeks to promote the development of housing, and especially affordable housing, by limiting a city's authority to deny such projects or place overly burdensome conditions on such projects. As applicable to this project, the HAA thereby limits the City's discretion to deny or conditionally approve the project, unless the City makes the following written findings, based on a preponderance of the evidence: The project, as proposed, would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households. Unless the Planning Commission can make this finding, based on a preponderance of the evidence, the Planning Commission must approve this project.

**ATTACHMENTS:** 1. Aerial Map

2. Plan Reductions
3. PC Resolution
4. Exhibit A - Draft Conditions of Approval
5. Notice of Public Hearing
6. Draft Notice of Exemption for County Clerk