



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Planning Commission Staff Report
June 10, 2024

Topic: Tentative Tract Map No. 2023-05 and Density Bonus Agreement No. 2024-01 (1921 W. Washington Avenue)

RECOMMENDED ACTION

1. Adopt a resolution approving Tentative Tract Map No. 2023-05 as conditioned.
2. Adopt a resolution approving Density Bonus Agreement No. 2024-01 as conditioned.

EXECUTIVE SUMMARY

Habitat for Humanity of Orange County (applicant & property owner), is requesting approval of Tentative Tract Map (TTM) No. 2023-05 and Density Bonus Agreement (DBA) No. 2024-01 to allow the construction of a six-unit, for-sale residential development, proposed to be 100-percent affordable restricted to low income households earning less than 80-percent of the area median income (AMI). The proposed project would be located at 1921 W. Washington Boulevard, within the Artesia Pilar Neighborhood. As proposed, the project requires review and approval of a TTM for condominium purposes as the development is proposed as a for-sale project. In addition, the project will utilize waivers from development standards and/or development concessions through the density bonus agreement pursuant to California Government Code sections 65915 through 65918 and Santa Ana Municipal Code (SAMC) Section 41-1600 through 41-1607. Moreover, the project requires approval by the Planning Commission and City Council for a density bonus to allow up to 16.22 dwelling units per acre (du/ac). Staff is recommending approval of the applicant's request due to the project's satisfying the intent of the General Plan to promote a pedestrian-oriented environment, and because the project will provide additional affordable and market-rate ownership housing stock to the community.

DISCUSSION

Table 1: Project and Location Information

Item	Information	
Project Address and Council Ward	1921 W. Washington Blvd – Ward 5	
Nearest Intersection	Washington Street & English Street	
General Plan Designation	Low Density Residential (LR-7)	
Zoning Designation	Two-Family Residence (R-2)	
Surrounding Land Uses	North	Single-Family Residential
	East	Multi-Family Residential
	South	Single-Family Residential
	West	Multi-Family Residential
Property Size	0.37-acres (16,109 square feet)	
Existing Site Development	Vacant (demolition permits finalized on 1/26/24)	
Use Permissions	Two-Family Residential (R-2)	
Zoning Code Sections Affected	Uses	Article XVI.I (Density Bonus); SAMC Section 41-247
	Development Standards	Two-Family Residential (R-2)

Project Description

The project includes the construction of three new duplex buildings that would accommodate six 100-percent affordable, for-sale residential units. The front two duplex buildings (Units 1-4, closest to Washington Avenue) are designed with a similar floor plan and each contain the same square footage of approximately 1,859-square-feet (net floor area) for each unit. The rear duplex building (Units 5 & 6) will consist of 3,446 square-feet of floor area. In total, all new floor area onsite will be 10,882 square-feet. Units 1-4 each will consist of three bedrooms, two and a half restrooms, a kitchen, living room, and in-unit laundry facilities. Unit 5 will consist of 1,165 square-feet with three bedrooms, two restrooms, a living room, a dining room, a kitchen and a balcony. Unit 6 will consist of one 1,168-square-foot ADA compliant unit with three bedrooms, two restrooms, a dining room, living room, kitchen, and in-unit laundry facilities. Onsite there will be a total of 15 parking stalls, which consist of two garage stalls per unit (tandem spaces for Unit 5) and three guest surface spaces (one ADA compliant space). All six units are proposed to be affordable to low-income households earning less than 80-percent of the area median income (AMI), which is currently set at \$129,000, adjusted for a four-person household size, as published by California Department of Housing and Community Development (HCD).

The project architecture features a traditional farmhouse style. The overall design, massing, features, and materials of the new construction will be compatible with and complement the variation of styles within the neighborhood. The farmhouse architectural style would include exterior horizontal and vertical board siding, exterior wood finishes, vinyl frame hung windows, wood eave brackets, wood trellises, decorative light fixtures, an

enhanced frontage-facing porch area for Unit 1 and porticos for the remaining units. Moreover, the structure is designed to fully screen all mechanical equipment with the inclusion of walls or enhanced landscaping screens. Overall, the project will include a design and quality construction materials that will ensure that the project ages well for the duration of the building's lifetime.

Density Bonus

The California Density Bonus law allows developers proposing five or more residential units to seek increases in base density for providing on-site housing units in exchange for providing affordable units on site. To help make constructing on-site affordable units feasible, the law allows developers to seek up to five incentives/concessions and an unlimited number of waivers that facilitate production of units, which are essentially variances from development standards that would help the project be built without significant burden and without detriment to public health. The first version of the Density Bonus Law was adopted in 1979 and has since been amended at various times. In early 2017, the law was amended to restrict the ability of local jurisdictions to require studies to "justify" the density bonus and requested incentives/waivers and places the onus on local jurisdictions to prove that the incentives/concessions or waivers are not financially warranted.

Pursuant to the California Density Bonus law, a project's affordability level is determined by dividing the number of proposed affordable units by the allowable "base" density (i.e., 7 du/ac). Moreover, the law states that units added by a density bonus are excluded from the calculations. As outlined by Table 2 below, the base density for the 0.37-acre site at 7 du/ac is 3 units. All six units of the project are proposed to be affordable to low income households. Therefore, the project would have a 100-percent affordability rate. As such, State density bonus law allows the developer to request a maximum density bonus of 80-percent.

Due to the project's 100-percent affordability rate, the developer can seek a maximum of five density bonus concessions and unlimited waivers that assist with production of the units onsite, pursuant to Section 65915 et al. of the California Government Code (Density Bonuses and Other Incentives). In addition, California Assembly Bill No. 2345, approved September 28, 2020, revised the State Density Bonus Law originally adopted in 1979 to provide additional benefits for projects that include qualifying affordable housing.

Table 2: Density Bonus Calculation

Affordable Unit – 100% (6 units)*	Density Bonus Calculation	Units Allowed
Base Density - Duplex Dwelling Building type	0.37 acres x 7	3**
80-Percent State Density Bonus	(3 units x 0.80)	+3 Units**
Total Units Allowed		6 Units
Total Units Proposed		6 Units

*Affordable unit percentage is calculated excluding units added by a density bonus.

****AB 2501 states that any density calculations resulting units shall be rounded up to the next whole number. Applies to: Number of affordable units required to be eligible for the density bonus; Base density (i.e. the number of affordable units in the base project); and Eligible bonus units.**

The purpose of the Density Bonus Law is to encourage the development and availability of affordable housing by requiring the inclusion of affordable housing units within new developments. Pursuant to California Government Code sections 65915 (d)(1) and 65915 (e)(1), a local jurisdiction is limited in its ability to deny requested concessions and waivers and is preempted from denying the Density Bonus Agreement application. Although the City has analyzed the project and has identified several areas of concern, the conditions of approval proposed for the project are intended to address any of the project's potential impacts. Table 3 outlines the incentives/concessions and waivers requested by the applicant.

Table 3: Requested Incentives/Concessions

R-2 Standard	Requirement	Provided
Setbacks	<ul style="list-style-type: none"> Minimum rear setback of 10 feet if at least 1,200 square feet of open space areas is included. SAMC Section 41-251	<ul style="list-style-type: none"> Minimum rear setback of 6 feet. 1,204 square feet of open space is included. Requires Concession (1 of 4), Cal. Gov't Code Sec. 65915 (d)(1)(2)(B)
Front-yard Fencing	<ul style="list-style-type: none"> Residential front-yard fencing height restriction is three feet for sites fronting non-arterial streets. SAMC Section 41-610 (a)(1)	<ul style="list-style-type: none"> A four-foot approximate encroachment of a fence of up to six feet high within the front-yard area. Requires Concession (2 of 4), Cal. Gov't Code Sec. 65915 (d)(1)(2)(B)
Building Separation	<ul style="list-style-type: none"> Minimum building separation of 15 feet. SAMC Section 41-254 (a)	<ul style="list-style-type: none"> 10 feet of separation proposed between the front duplex and the center duplex. 9 feet of separation proposed between the rear duplex and the center duplex. Requires Concession (3 of 4), Cal. Gov't Code Sec. 65915 (d)(1)(2)(B)
Open Space	<ul style="list-style-type: none"> Minimum 100 square feet of private space to be provided per unit in the form of a private patio or deck. SAMC Section 41-255	<ul style="list-style-type: none"> 91 square foot balcony proposed for Unit 5. Requires Concession (4 of 4), Cal. Gov't Code Sec. 65915 (d)(1)(2)(B)
Trash Enclosure	<ul style="list-style-type: none"> Trash Enclosures: Located and screened from public streets and alleys, as well as be physically integrated with the site. SAMC Section 41-623	<ul style="list-style-type: none"> Locating the trash enclosure towards the frontage of the site and reducing the width of the drive aisle by 8-inches to 18 feet and 10-inches (18'-10") to accommodate PWA trash requirements. Requires Waiver (1 of 1) Cal. Gov't Code Sec. 65915 (e)(1)

Onsite Parking

The site is parked in compliance with California Government Code Sections 65915 (p)(1)(A), 65915 (p)(1)(B), and 65915 (p)(2)(A) and provides 15 total parking spaces or two-and-a-half (2.5) spaces per unit. Per the California Density Bonus Law, a jurisdiction cannot impose a vehicular parking ratio that exceeds 0.5 spaces per unit, inclusive of handicapped and guest parking, when the development includes a minimum of twenty-percent low-income units, is located within one-half mile of a major transit stop, and when there is unobstructed access to the major transit stop from the development. As a 100-percent affordable project and at two-and-a-half (2.5) spaces per unit, the proposed development exceeded the minimum required parking ratio by two (2) spaces per unit, or 12 parking spaces.

To proactively address any neighborhood parking impacts that could result from the project, the conditions of approval for the TTM and terms of the DBA include provisions requiring the following parking management practices, to be incorporated into the final, recorded CC&Rs, and applicable throughout the life of the project:

- Requiring onsite parking permits (such as stickers or hang-tags) for any parking in the surface guest parking spaces;
- Policies for maximum time vehicles may be parked in the surface guest spaces;
- Policies for towing unauthorized vehicles; vehicles parked in unauthorized locations, such as fire lanes; vehicles parking in surface guest parking without a sticker, hang-tag, or other identifiers; and vehicles parked longer than any maximum guest parking timeframes allowed; and

Analysis of the Issues

Density Bonus Agreement

Pursuant to Section 41-1607 of the SAMC, an application for a density bonus agreement is required to be approved by the Planning Commission for any project containing “deviations” (incentives/concessions and/or waivers). The Planning Commission’s review of the density bonus agreement is based on the following findings:

1. The proposed development will materially assist in accomplishing the goal of providing affordable housing opportunities in economically balanced communities throughout the city.
2. The development will not be inconsistent with the purpose of the underlying zone or applicable designation in the general plan land use element.

3. The deviation is necessary to make it economically feasible for the applicant to utilize a density bonus authorized for the development pursuant to section 41-1603.

Table 4: Analysis of the Requested Incentives/Concessions (4) and Waivers (1)

Standard	Analysis
Minimum Setback Requirements	<p>SAMC Section 41-251 requires a minimum rear setback of 10 feet, if at least 1,200 square-feet of open space is provided, exclusive of side-yard areas.</p> <p>As proposed, the project provides a rear setback of six (6) feet and 1,204 square feet of open space areas, excluding the side-yard areas. Strict adherence to this setback requirement would result in a reduction in the number of units that can be provided in the overall project, thus reducing the applicant's ability to achieving the full 100-percent density bonus to which the applicant is entitled under State Housing Law and affecting the feasibility to construct the project. In order to comply with the required setback requirement and maintain the current proposed unit count, the developer would be required to construct additional floor levels, which would exceed the maximum allowable height as part of the Two-Family Residential (R-2) zoning district, and would further increase development costs making the project economically infeasible. To help alleviate the setback deficiency, the project proposes a 29'-0 3/4" upper-story setback from the rear of the property to control the mass and bulk of the structure towards the rear.</p>
Front-Yard Fence Height Restriction	<p>SAMC Section 41-610 (a)(1) requires that fencing within the Front-yard area be a maximum of three feet in height on frontages that abut a non-arterial street, as designed in the Mobility Element of the General Plan.</p> <p>As proposed, the project provides a fence of up to six (6) feet within the front-yard area. Maintaining the height restriction would result in reduction in private open space for Unit 1 and trigger non-compliance of SAMC Section 41-622.5, in which no mechanical equipment, such as an AC condenser, may be located between the building wall and the side property line. In order to maintain the current proposed unit count, the developer would be required to fully redesign the site, further increasing development costs and potentially leading to a loss of residential units, and a loss of further private open space. To help alleviate this deficiency, the landscape plans provide enhanced screening proposals, which include vertical landscaping elements to ensure a harmonious transition from the front-yard's plants/shrubs to the built structure.</p>
Building Separation	<p>SAMC Section 41-254 (a) requires a minimum setback of 15 feet between primary structures.</p> <p>The proposed development is proposing a reduced setback of 10 feet between the front duplex and the center duplex, and a 9-foot setback between the center duplex and the rear duplex. In order to comply with the minimum building setback requirements, the developer would be required to provide a full redesign of the site and/or reduce the number of units provided</p>

	onsite. This would result in further increasing development costs and may result in the loss of potential units onsite.
Open Space	<p>SAMC Section 41-255 requires a minimum 100 square feet of private space to be provided per unit in the form of a private patio or deck, with minimum dimensions of eight (8) feet.</p> <p>As proposed, the designated private space for Unit 5 in the form of a 13' x 7' (91 square foot) balcony is less than 100 square feet and less than eight (8) feet in minimum dimensions. Strict adherence to the 100-square-foot and eight (8) foot minimum dimension requirement would structurally encroach into the required drive-aisle, requiring a redesign of the site. This would result in further increasing development costs and may result in the loss of potential units onsite.</p>
Trash Enclosure	<p>SAMC Section 41-623 requires that trash and utility areas be screened from public streets and alleys as well as be physically integrated into the project.</p> <p>As proposed, the trash enclosure is located towards the front of the property. Strict adherence to SAMC 41-623 would require a full redesign of the site to accommodate for trash pickup located towards the rear of the property. This would further increase development cost and may result in the loss of potential units onsite. To help alleviate this deficiency, the landscape plans provided propose to screen the trash enclosure with vertical landscaping elements to ensure the structure is not visible to the street.</p>

When analyzed cumulatively, the requested concessions and waivers could be avoided if the project were designed on a different site or using a different site plan. If the project were designed on a larger site, the additional area may have allowed for compliance with the mentioned development standards such as setbacks, front-yard fencing, building separation, and open space. However, these changes would increase development costs, resulting in the housing project becoming financially infeasible due to the significantly increased financial implications of selecting an alternative project site. In addition, these changes would reduce the number of units that could be constructed on the site and therefore eliminate the affordable housing units that would result from the project. The changes would also increase development costs and reduce the financial feasibility of redeveloping the site, resulting in the affordable housing project becoming financially infeasible due to the significantly increased financial implications.

Based on the analysis provided within this report, the proposed development will materially assist in accomplishing the goal of providing additional affordable and market-rate ownership housing stock in the city and will consistent with the applicable designation in the general plan land use element. Lastly, the proposed deviations are necessary to make the project economically feasible for the applicant to utilize a density bonus authorized for the development pursuant to Section 41-1603 of the SAMC.

Tentative Tract Map Review

Subdivision requests are governed by Chapter 34 of the SAMC. Pursuant to Section 66473.5 and 66474 of the California Subdivision Map Act, applications for tentative tract maps are approved when it can be shown that findings can be made in support of the request.

Specifically, findings related to the proposal need to be made that find the project is consistent with the General Plan, the site is physically suitable for the type and density of the proposed project, the proposed project will not cause substantial environmental damage or substantially and avoidably injure fish and wildlife or their habitat, the proposed project will not cause serious public health problems, or the proposed project will not conflict with easements necessary for public access through or use of the property must be made. Using this information, staff has prepared the following analysis, which, in turn forms the basis for the recommendation contained in this report. In analyzing the applicant's request, staff believes that the following analysis warrants approval of the tentative tract map.

The applicant is seeking approval of a tentative tract map to create one legal lot and six (6) residential condominium lot units. In reviewing the project, staff determined that the proposal as conditioned is consistent with the various provisions of the City's General Plan and the R-2 zoning district. Further, conditions of approval have been included to ensure the site's landscaping, architectural design, and Covenants, Conditions and Restrictions (CC&Rs) continue to be in compliance with all applicable standards of the SAMC and R-2 zoning district in the future. No adverse environmental impacts to fish or wildlife populations were identified as the project site is located in a built-out, urbanized area surrounded by existing development. Finally, the tentative tract map was found to be consistent with the California Subdivision Map Act and Chapter 34 of the SAMC.

The proposed development will add six new affordable for-sale housing units to the marketplace available for lower-income households. Furthermore, the City's Development Review Committee (DRC) has reviewed the project and finds that it is in compliance with the majority of development standards contained within the city's code, with the exception of the noted request for concessions/incentives and waivers to allow deviation from the code requirements aforementioned.

General Plan Consistency

The proposed project is located in the Low Density Residential (LR-7) land use designation of the General Plan, which allows for development single-family and two-family dwelling units. The land use designation allows a mix of uses, including medium and medium-high density apartments, townhomes, garden- or motor-court homes, and neighborhood- serving commercial. The proposed project proposes a density of 16.2 dwelling units per acre, exceeding the LR-7 allowable density. However, staff notes that subject to the California

Density Bonus law, developers may exceed the density permitted within the General Plan. Therefore, the project would remain consistent with the General Plan.

Moreover, the project would be consistent with several goals and policies in the General Plan. Specifically, goals 1, 2, 3, and 4 of the Land Use Element, and goals 1, 2, 3 of the Housing Element. Goal 1 of the Land Use Element (LU) encourage responsible growth by providing a land use plan that improves the quality of life and respects the existing community. Policy 1.1 of the LU asks that new projects foster compatibility between land uses to enhance livability and promote healthy life styles. Policy 1.2 and 1.5 of the LU encourage innovative development policies to expand homeownership opportunities at all income levels and quality infill residential development that provide a diversity of housing type for all income levels and age groups. Policy 1.8 of the LU encourages development tradeoff to ensure that new development project provide a net community benefit. Goal 2 of the LU supports the balance of land uses that meet Santa Ana's diverse needs. Policy 2.4 supports the balance of benefits of development with fiscal impacts on the city and on quality of life for the community. Policy 2.6 promotes rehabilitation of properties and encourages increased levels of capital investment to create a safe and attractive environment.

Goal 3 of the LU encourages the preservation and improvement of the character and integrity of the existing neighborhoods and districts. Policy 3.1 of the LU supports new development that provides a net community benefit and contributes to the neighborhood character and identity. Policy 3.2 supports the facilitation of community engagement and dialogue in policy decisions and outcomes affecting land use and development, with supplemental opportunities for proposed planning activities within environmental justice area boundaries. Policy 3.4 ensures that the scale and massing of new development is compatible and harmonious with the surrounding built environment. Policy 3.7 promotes a clean, safe, and creative environment for Santa Ana's residents, workers, and visitors.

Goal 4 supports a sustainable Santa Ana through improvements to the built environment. Policy 4.1 of the LU encourages the promotion of complete neighborhoods by encouraging a mix of complementary uses, community services, and people places within a walkable area. Policy 4.2 maintains and improves the public realm through quality architecture, street trees, landscaping, and other pedestrian-friendly amenities. Policy 4.6 supports diverse and innovative housing types that improve living conditions and promote a healthy environment. Policy 4.7 Promote mixed-income developments with mixed housing types to create inclusive communities and economically diverse neighborhoods. Policy 4.8 supports the collaboration with property owners, community organizations, and other local stakeholders to identify opportunities for additional open space and community services, such as community gardens and gathering places

Goal 1 of the Housing Element (HE), supports livable and affordable neighborhoods with healthy and safe housing conditions, community services, well-maintained infrastructure, and public facilities that inspire neighborhood pride and ownership. Policy 1.2 supports

projects that encourage neighborhood involvement and active participating in neighborhood organizations to help identify needs and implement programs aimed at beautification, improvement, and preservation of neighborhoods. To date, the project has hosted two sunshine meetings with the local neighborhood and revised the project based on cumulative community feedback and inspires pride in homeownership due to the project being for-sale.

Goal 2 of the HE supports fostering inclusive community with a diversity of quality housing, affordability levels, and living experiences that accommodate Santa Ana's residents and workforce of all household types, income levels, and age groups. Policy 2.5 encourages the facilitation of diverse housing types, prices, and size of housing. The project includes duplex units that contain bedroom ratios suitable for families. Policy 2.6 supports excellence in architectural design through the use of materials and colors, building treatments, landscaping, open space, parking, and environmentally sensitive ("green") building and design practices. The project includes a high-quality farmhouse architectural design that incorporates a mix of exterior materials and enhanced landscaping.

Goal 3 of the HE supports the Increase in opportunities for extremely low-, very low-, low-, and moderate-income individuals and families to find affordable housing, and afford a greater choice of rental and homeownership opportunities. Policy 3.2 encourages expanding home homeownership opportunities for low- and moderate-income residents and workers in Santa Ana through the provision of financial assistance, education, and collaborative partnerships. The project is a 100-percent affordable housing project, providing six lower income households the opportunity to obtain homeownership status. Policy 3.5 encourages collaboration with nonprofit organizations, community land trusts, developers, and other government agencies to develop and provide affordable housing for residents. The project applicant, Habitat for Humanity of Orange County, is a non-profit housing developer and has received pre-commitment funds from the City of Santa Ana Housing Division in support of the development of six affordable for-sale units.

Approval of the requested entitlements would contribute towards the City's for-sale housing stock and provide the opportunity for six lower income households to obtain homeownership status. Moreover, the construction of this project will contribute toward a diverse yet balanced community by providing affordable housing for lower-income levels in an area rich with employment opportunities. Lastly, approval of the requested entitlements would promote residential development, enhanced/healthy life styles, and would contribute to the net community benefit by improving the local area.

Public Notification and Community Outreach

Project notifications were posted, published, and mailed in accordance with City and State regulations. Copies of the public notice, including a 2,000-foot notification radius map, and the site posting are provided in Exhibit 10. In addition, staff contacted the provided contacts for the Artesia Pilar Neighborhood Association to ensure they were aware of the project and public hearing. At the time this report was printed, no issues of concern were raised regarding the proposed development.

The project has held two Sunshine Meetings in accordance with Ordinance No. 3040. The first sunshine meeting was held on March 14, 2023, at 5:30 p.m. in the Performance Hall at El Salvador Community Center located at 1825 W. Civic Center Drive. The second sunshine meeting was held on May 30, 2023, at 5:30 p.m., also held in the Performance Hall at El Salvador Community Center located. A summary report of the meetings and provided meeting materials (PowerPoints, sign in sheets, written questions and minutes, etc.) are provided in Exhibit 9.

ENVIRONMENTAL IMPACT

In accordance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines, the project is exempt from further review per Section 15194 (Affordable Housing Exception), as this project meets all the threshold criteria set forth in Section 15192 (Threshold Requirements for Exemptions). These include size criteria, not located on a site more than five acres in area; location criteria, located within an urbanized area with a population density of at least 5,000 persons per square mile, and immediately adjacent to qualified urban uses; and includes projects that consist of the construction of 100 or fewer residential housing units that are affordable to low-income households.

The project proposed meets the criteria listed in 15194 as the project is not located on a site more than five acres, is within an urbanized area, the project site has been previously developed for qualified urban uses, the project consists of the construction of fewer than 100 residential units, and the developer has provided sufficient legal commitments to ensure continued availability and use of housing units for lower income households for a period exceeding 30 years. As such, a Notice of Exemption, Environmental Review No. 2023-44, will be filed for this project.

EXHIBIT(S)

1. Resolution Approving TTM No. 2023-05 as conditioned
2. Resolution Approving DBA No. 2024-01 as conditioned
3. Vicinity Zoning and Aerial View
4. Site Photos
5. Project Plans

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6. Landscape Plans
7. Tentative Tract Map
- 8 Draft Density Bonus Agreement
9. Sunshine Meeting Materials
10. Copy of Public Notice

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Approved By:
Minh Thai, Executive Director, Planning and Building Agency