



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Planning Commission Staff Report
June 27, 2022

Topic: Site Plan Review No. 2022-03, Tentative Tract Map No. 2022-02, and Density Bonus Agreement Application No. 2022-02 to allow construction of a mixed-use townhome community at 1814 and 1818 East First Street.

RECOMMENDED ACTION

1. Adopt a resolution approving Site Plan Review No. 2022-03 and Density Bonus Agreement No. 2022-02 as conditioned.
2. Adopt a resolution approving Tentative Tract Map No. 2022-02 as conditioned.

EXECUTIVE SUMMARY

Angela Meyer, representing Brandywine Acquisition Group, LLC (applicant), on behalf of David A. Colton Trust (property owner) is requesting approval of a site plan review (SPR), density bonus agreement (DBA), and tentative tract map to allow the construction of a thirty-five unit attached townhome development, six of which are proposed as live/work, with four onsite affordable units known as Cabrillo Crossing. As proposed, the project requires approval of an SPR to allow the proposed mixed-use community, a tentative tract map to allow each unit to be sold as a condominium, and approval of a density bonus agreement with one waiver from the Metro East Mixed Use (MEMU) overlay district's development standards for onsite open space pursuant to California Government Code sections 65915 through 65918 and Santa Ana Municipal Code (SAMC) Section 41-1600. Staff is recommending approval of the applicant's request due to the project's satisfying of meeting the intent of the MEMU overlay district to promote a pedestrian-oriented environment with a mix of land uses 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	1814 and 1818 East First Street – Ward 3
Nearest Intersection	First Street and Cabrillo Park Drive
General Plan Designation	District Center (DC) 3

Item	Information	
Zoning Designation	General Commercial (C-2) with the Metro East Mixed Use (MEMU) overlay district (OZ-1), Active Urban sub-district	
Surrounding Land Uses	Office (North)	
	Institutional (East)	
	Office (South)	
	Commercial and Santa Ana (I-5) Freeway (West)	
Site Size	1.40 acres	
Existing Site Development	The site currently vacant/undeveloped	
Use Permissions	Mixed-use projects permitted by the OZ-1 designation; deviations/concessions will address proposed deficiencies	
Zoning Code Sections Affected	Uses	OZ-1, Section No. 4
	Development Standards	OZ-4, Section Nos. 4.5

Project Description

The project includes the construction of a mixed-use townhome development with 1,980 square feet of commercial space. The project will contain five structures consisting of a surface parking area with 10 open/guest parking spaces and 35 townhome units, six of which are proposed to be live/work. The structures will each contain a two-car garage at ground level with residential units above, some with roof decks and others with fourth-level flex rooms. All structures will contain a four-story volume to enhance the project's urban presence. The project will include three-bedroom unit townhome (29) and three-bedroom unit townhome with home office (6), ranging in size from 1,513 to 2,379 square feet. All units will contain full kitchens, bedrooms, bathrooms, in-unit storage, and open/common (living) areas.

Open space will be provided through a publically-accessible plaza fronting First Street, as well as common onsite open space for use by the residents. Each unit will also contain roof decks and private balconies for the use of each unit's owners.

The project will feature a contemporary architectural style similar to many multiple-family or mixed-use residential communities under construction in Santa Ana and the region. Cement stucco and siding, smooth stucco finishes, exterior veneer finishes, wood framed awning, and wood guard railing will contribute to this theme. These solid materials will ensure that the project ages well for the duration of each onsite building's lifetime.

As part of the current entitlement, the applicant has submitted a tentative parcel map application to subdivide the project site into thirty-five individual condominium units, which would allow each unit to be sold for individual ownership. The applicant has prepared the required tentative parcel map, which clarifies the proposed subdivision for the proposed condominiums.

Table 2: Conformance to Development Standards

Standard	Required by the MEMU	Provided
Stories	Minimum 3, no maximum	4 stories
Minimum Site Area	1 acre	1.40 acres
Permitted Frontage	Forecourt, shopfront, gallery, or arcade	Shopfront on First Street as permitted by MEMU
Publicly Accessible Open Space	15 percent of total lot area	Less than 6 percent – <i>Requires Concession (1), Cal. Gov't Code Sec. 65915 (d)(1)</i>
Private/Common Open Space	90 square feet per unit	90 square feet per unit
Building Setbacks	10 feet (front), 5 feet (side), 5 feet (rear)	11 feet (front-north), 5 (side-east), 11 feet (side-west), 8 (rear-south)
Residential Parking	2 spaces per unit overall – every unit must be allocated at least 1 space	2 spaces per unit
Courtyard height-to-width ratios	2 to 1 (enclosed on four sides), 3 to 1 (open on one or more sides)	Complies; various ratios in excess of 2 to 1 and 3 to 1 provided
Driveway width	24 feet maximum	25 feet
Building Massing	A variety of massing, volume, and step-backs are required to increase building articulation	Complies; the building features a step-back along First Street and breaks in volume to reduce massing

Table 3: Density Bonus Calculation

Density or Bonus	Allowed for Project	Provided
Base Density	126 units (1.40 acres x 90 units/acre base density used as a standard for developments in areas designated DC by the General Plan Land Use element)	35 units
35-Percent State Density Bonus	+43 units (125 x 0.35)	0
35-Percent Bonus Provided by the Housing Opportunity Ordinance	+43 units (125 x 0.35)	0
Total Units	211 units maximum	35 units proposed

Although the project is proposing a total number of units (35) that is below the maximum City-prescribed density for the project site based on its acreage, the developer is able to seek a concession because it is a mixed-income community with onsite affordable units. The City's Affordable Housing Opportunity and Creation Ordinance (AHOCO) allows developers to request up to two concessions to facilitate construction of affordable housing. However, none of the concessions listed in the HOO are being requested by the applicant. Instead, the one requested concession is permitted by Section 65915 et al. of the California Government Code (Density Bonuses and Other Incentives). Pursuant to California Government Code sections 65915 (d)(1) and 65915 (e)(1), a local jurisdiction

is limited in its ability to deny the requested concessions and is preempted from denying the Density Bonus Agreement application.

Background

The Metro East Mixed Use overlay district was adopted in 2007 as a result of interest in developing mixed-use residential and commercial projects in its project area. The regulating plan, which establishes land uses and development standards, allows a variety of housing and commercial projects, including mixed-use residential communities, live/work units, hotels, and offices. The Metro East Mixed Use overlay district was modified and expanded in 2018 to include areas along East First Street between Grand Avenue and the Santa Ana (I-5) Freeway. Since its adoption, the district has resulted in four mixed-use communities built or under construction, with two more entitled and unbuilt.

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 three incentives/concessions and an unlimited number of waivers, 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. Recent revisions allow affordable housing developers to request incentives/concessions and/or waivers for affordable or mixed-income developments, even if they do not require a numerical density bonus. Moreover, 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.

Analysis of the Issues

Site Plan Review

Section 8 of the MEMU regulating plan, Implementation, requires the Planning Commission to review an application for development subject to the provisions of the overlay district. Upon review of the required Site Plan Review (SPR) application, the Planning Commission may take the following actions: approve, approve with conditions, or deny the SPR. The City’s Development Review Committee has reviewed the project and finds that it is in compliance with the majority of development standards contained within the MEMU regulating plan, with the exception of the publicly accessible open space standard requested by the applicant indicated in this report.

Density Bonus Agreement

In addition, Section 41-1607 of the Santa Ana Municipal Code requires an application for a density bonus agreement containing “deviations” (incentives/concessions and/or waivers) to be approved by the Planning Commission. The following subsections analyze the applicant’s request for both the Site Plan Review and the Density Bonus Agreement applications.

The MEMU regulating plan requires that publicly-accessible open space be provided along main street-facing façades. Because the project has frontage on only one street, meeting this requirement would result in the building being pushed back significantly from First Street and would render almost the first 1/4 of the site’s depth unusable for building area, resulting in the developer reducing the number of unit or reducing the square footage for private or common open space area. Moreover, in order to maintain the current proposed unit count, the developer would be required to construct additional levels, resulting in a different type of construction (steel-frame/Type I versus wood/Type III), further increasing development costs. If the publically accessible open space standard were applied as written, the result would be a significant loss of units and parking area. Pushing the building back would also reduce the contribution to creating a more urban, walkable environment. The Applicant intends to compensate for this reduction by designing the community so that each unit contains ample onsite private open space and by providing a commercial component along First Street that will activate the street frontage.

When analyzed cumulatively, the requested concession could be avoided if the project were constructed using a different site plan and building type. If the project were designed with a multi-level parking and/or subterranean parking structure, or if the applicant used different building materials (non-combustible, Type I) to construct a taller project, additional area on site would become available to provide the publicly-accessible open space. However, these changes would increase development costs, resulting in the affordable housing project becoming financially infeasible due to the significantly-increased financial implications of using Type I construction.

Tentative Tract Map

Subdivision requests are governed by Chapter 34 and Chapter 41 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 subdivide for condominium purposes, as the proposed development consists of 35 townhome units. Upon completion of the subdivision, the lots will continue to be utilized for residential use in the form of attached tuck-under unit type structures. In reviewing the project, staff determined that the proposal as conditioned is consistent with the various provisions of the City's Zoning Code and General Plan, including lot size, lot coverage, and parking. Further conditions of approval have been included to bring the site's landscaping, architectural design, and Covenants, Conditions and Restrictions to be in compliance with all applicable standards of the SAMC. Further, no adverse environmental impacts to fish or wildlife populations were identified as the project site is located in a built-out, urbanized area. The project will also maintain all required easements. Finally, the tentative tract map was found to be consistent with the California Subdivision Map Act and Chapter 34 of the Municipal Code.

The overall project site provides an opportunity for additional housing and development that would otherwise continue to remain as a vacant, under-utilized parcel. These improvements will help to enhance the quality of life in the surrounding community by providing 35 units of for-sale, market-rate and affordable housing, with four onsite units. The proposed project is part of the Metro East Mixed Use overlay district and has been designed to incorporate significant design features, articulating elevations in order to minimize any visual impacts on surrounding land uses. Furthermore, the project has been designed to be compatible with the scale of other residences in the area and is consistent with Policies LU 1.1 (Compatible Uses), 1.2 (Homeownership Opportunities), 1.5 (Diverse Housing Types), 1.6 (Transit Oriented Development), 1.8 (Development Tradeoffs), 2.5 (Benefits of Mixed-Use), 2.10 (Smart Growth), 3.4 (Compatible Development), 3.6 (Focused Development), 4.1 (Complementary Uses), 4.2 (Public Realm), 4.5 (VMT Reduction), and 4.7 (Diverse Communities) of the Land Use Element that supports new development which is compatible in scale and character with existing development in the area. The development of this vacant lot also supports Policy 1.3 of the Housing Element that promotes a complementary mix of land uses that improves the character and stability of neighborhoods.

Affordable Housing Opportunity and Creation Ordinance

The proposed development is subject to the requirements of the City's Affordable Housing Opportunity and Creation Ordinance (AHOCO), which allows developments in the Metro East Mixed Use overlay district to provide onsite affordable units at the rate of ten percent

(10%) of the entire unit count. As the community consists of 35 units, 3.5 units onsite would need to be built and sold to moderate-income households.

The developer is proposing to satisfy the AHOCO by providing four (4) onsite units for sale to moderate-income households. These units will be dispersed throughout the community and will each contain three bedrooms and will range in size from 1,513 to 1,848 square feet in size. The developer's Inclusionary Housing Plan has been reviewed and approved by the City's Housing Division.

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 1,000-foot notification radius map, and the site posting are provided in Exhibit 12.

In addition, staff contacted the provided contacts for the Lyon Street Neighborhood Association to ensure they were aware of the project and public hearing. In addition, the applicant held a community meeting in conformance to Sunshine Ordinance notification requirements in place at the time the application was submitted on November 30, 2021 at 6:00 p.m. to discuss the project with community members and surrounding property owners. Participants asked questions about the project timing and construction impacts, but no significant issues were raised by participants during the meeting. At the time this report was printed, no issues of concern were raised regarding the proposed development.

ENVIRONMENTAL IMPACT

In accordance with the California Environmental Quality Act (CEQA), the recommended action has been determined to be adequately evaluated in the previously certified Subsequent Environmental Impact Report (EIR) No. 2018-15 (State Clearinghouse No. 2006031041) as per Sections 15162 and 15168 of the CEQA guidelines. All mitigation measures in EIR No. 2018-15 and associated Mitigation Monitoring and Reporting Program (MMRP) have been enforced and continue to apply to the proposed project. As required by the MMRP, a traffic impact analysis was performed to analyze any potential changes in area traffic as a result of the proposed development. The study concluded that no additional significant impacts would trigger the requirement for additional environmental review. In addition, a health risk assessment (HRA) was prepared to identify any impacts from developing a residential community near a major freeway. The HRA finds that no mitigation measures are required for the project other than installing and routinely maintaining high efficiency Minimum Efficiency Reporting Value (MERV) filters of MERV 13 or better as indicated by the American Society of Heating Refrigerating and Air Conditioning Engineers (ASHRAE) Standard 52.2, in the intake of ventilation systems. In considering additional analysis, the applicant submitted additional studies,

including phase I and II site analyses, shade and shadow analysis, noise analysis, and a fiscal impact and economic benefit analysis.

As outlined in this staff report, the project is consistent with the City's General Plan and the MEMU regulating plan. Further, it is consistent with the density bonus provisions outlined in the City's AHOCO Ordinance. The project site is located within city limits and is less than five acres in size. It is already in an urbanized setting surrounded by urban uses, and the project has not been identified as habitat for endangered, rare or threatened species.

FISCAL IMPACT

There is no fiscal impact associated with this action.

EXHIBIT(S)

1. Resolution Approving SPR No. 2022-03 and DBA No. 2022-02 as conditioned
2. Resolution Approving TTM No. 2022-02 as conditioned
3. Vicinity Zoning and Aerial View
4. Site Photo
5. Site Plan
6. Unit Floor Plans
7. Building Elevations
8. Building Perspectives
9. Landscape Plans
10. Tentative Tract Map
11. Air Quality and Health Risk Assessment
12. Sunshine Ordinance Community Meeting Materials
13. Draft Density Bonus Agreement
14. Copy of Public Notice

Submitted By:
Mario Arellano, Associate Planner

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