



AGENCY:City CouncilMEETING DATE:December 9, 2024DEPARTMENT:CDDPRESENTED BY:Marie Jones, MJCEMAIL ADDRESS:marie@mariejonesconsulting.com

# AGENDA ITEM SUMMARY

<u>TITLE</u>: Receive Report and Provide Direction Regarding Priorities for achieving Pro-Housing Strategy 2H. Elimination or replacement of Subjective Design Standards with Objective Design Standards for Ministerial Review of Multifamily Housing Projects.

## ISSUE:

Addressing the housing shortage is a critical priority for the City Council, as outlined in the <u>City of Fort Bragg Strategic Plan 2024-2028</u>, which includes the ambitious goal of adding over 200 housing units by 2026. This initiative aims to develop housing incentives that encourage property conversions and the creation of additional housing opportunities.

The growing housing affordability challenge has left many residents struggling to purchase or rent homes. Fort Bragg faces a significant shortage of both rental and for-sale properties, a situation exacerbated by the city's increasing appeal as an ideal place to live, work, and retire. Addressing this issue is essential to ensure that housing remains accessible to all community members and supports the City's long-term goals for sustainable growth and economic vitality.

# **BACKGROUND:**

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law, which provided \$350 billion in emergency funding for states, municipalities, counties, tribes, and territories across the nation. The City of Fort Bragg was allocated \$1,744,162 in ARPA funds. Following a Spring Survey of community priorities, the City Council approved the reallocation of these funds from the Broadband project to four key areas, with 50%, or \$800,000, dedicated to housing.

On October 15, 2024, City Council directed staff to obtain <u>Pro-Housing Designation</u> from the State. The program rewards cities that adopt zoning and land use regulations that make housing development easier, cheaper, and faster. Cities select from a list of proven programs that focus on by-right permitting, reducing regulations, simplifying design review, reducing impact fees, providing financial subsidies, land, and more. The City has already implemented enough pro-housing initiatives to secure twenty-three out of the required 30 points. Once awarded the Pro-Housing Designation, Fort Bragg would become eligible for state funding to support housing. The City Council directed staff to implement the following Pro-Housing policy changes:

• 1F. Eliminate minimum parking requirements for residential development. (2 points)

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- 2A. Establish a ministerial approval process for multifamily and mixed-use housing. (3 points)
- 2H. Replace subjective development and design standards with objective development and design standards (as shown in attachment 2) that simplify zoning clearance and improve approval certainty and timing. (1 point)
- 3A. Waive or reduce development impact fees for residential projects that include units affordable to Lower-Income Households. (3 points)

The City Council met on November 12<sup>th</sup> and provided direction regarding 1F and 2A, namely eliminating minimum parking for residential developments and establishment of a ministerial process for multi-family and mixed-use housing.

## ANALYSIS:

This report provides information to inform policy decisions regarding <u>Option 2H Changing</u> the Design Review process for multifamily projects into a ministerial process.

## **Design Review Requirements for Multifamily Projects**

The zoning code currently requires Design Review for residential development projects of 3 or more units, as noted below in section 18.71.050B1 (17.71.050)

#### **1. Improvements subject to Design Review by the Commission.**

a. The following improvements shall always require Design Review by the Commission:

i) **A project resulting in 3 or more residential dwelling units on a single parcel**, including apartments, condominiums, townhouses, and other multifamily residential development projects.

ii) All nonresidential development projects, including commercial, office,

and industrial structures or additions of more than 250 square feet;

iii) The aesthetic impact of grading or filling of land.

**Current Process.** Currently the Design Review process is a bit cumbersome because the Citywide Design Guidelines are long and subjective and sometimes vague in their requirements. This results in uncertainty for applicants as to if their proposed project meets the design guidelines or not. The Citywide Design Guidelines currently offer leeway for subjective interpretation and judgement by the City Council, Planning Commission and Acting Community Development Director when approving or denying an appeal, Design Review Permit, or Administrative Design Review Permit respectively. Design Review requires a Public Hearing, and the decision is made by the Planning Commission, while Administrative Design Review is completed by the Acting Director of CDD without a public hearing. The process for Design Review, from submittal of a complete application to permit review (approval or denial), usually takes from two to three months.

**Relevant Law**. The State has enacted several new laws to increase housing supply and affordability and reduce obstacles to housing production. As a part of this effort, State law (Government Code section 65589.5 the Housing Accountability Act) makes it very difficult to deny a proposed housing project that complies with applicable, objective general plan, zoning, and subdivision standards and criteria, including <u>design</u> review standards, in effect at the time that the application.

This change in the law requires Fort Bragg to revisit the existing Citywide Design Guidelines when applied to multi-family housing projects. To comply with state law the City must either eliminate or change subjective guidelines into <u>objective</u> design standards. Please note that per state law an "objective" standard is one that "involves no personal or subjective judgment by a public official and is verifiable by reference to criteria available and known to both an applicant and the public official." Many of Fort Bragg's current design standards are "subjective" and require personal interpretation of their meaning and application.<sup>1</sup>

**Policy Options.** The City Council could either exempt all multifamily residential projects from the Design Review Permit requirement or require objective ministerial design review, for which a staff person would follow a checklist (attachment 1) which is composed of objective design review criteria. The policy implications of both approaches are explored below.

<u>Design Review Exemption.</u> The policy implications of exempting multifamily projects from Design Review include the following:

- More flexibility in design solutions/treatments as anything would be permissible. This would likely result in both more creative/beautiful projects and a certain number of starker/uglier projects.
- Reduce the cost of construction, as project developers could select cheaper materials and include less design details on projects if they lack an aesthetic or long-term vision for their project.
- Would expedite development as the design review process would be eliminated.
- Would reduce staff time and permit fees associated with design review.
- Community pushback and consternation over the occasional bad multifamily design.

Ministerial Object Design Review.

- Objective design standards would help prevent bad design but would not necessarily ensure good design.
- Objective standards would be applied through a ministerial process by staff and may require staff training regarding terms of use in the checklist. Overall, this process would be shorter than the current design review process and would not require a public hearing.
- Denial of a project based on objective standards would require the staff person to make specific findings and could open the City up to a lawsuit by the applicant if the findings are not supported by fact. Project denials would require City Attorney advice and input.
- Staff would be subject to more criticism for approved projects which are not in

<sup>&</sup>lt;sup>1</sup> As a side note, In McCorkle Eastside Neighborhood v. City of St. Helena, (2019) the First District Court of Appeal held that discretionary design review of an otherwise permitted use is not subject to the California Environmental Quality Act (CEQA), and this would apply to both commercial and residential projects.

keeping with Fort Bragg's character.

**Methodology.** MJC reviewed the existing Citywide Design Guidelines and pulled the most important guidelines related to multifamily housing into the design checklist. Then MJC changed these subjective standards into objective standards. If the City Council approves this approach the next step would be to ask for professional input from three or four local architects. The checklist would then be brought forward to the Planning Commission for a recommendation and then come back to the City Council for adoption by resolution.

## **RECOMMENDED ACTIONS:**

Provide direction regarding the preferred approach for design review for multifamily residential projects. Some points to consider while reviewing the attached checklist include the following:

- City Council should balance the need for design control with flexibility and creativity.
- The attached objective standards are intended to not be overly prescriptive or result in a "one size fits all" set of objective design standards, which would result in monotony and repetitive design. Please confirm if you agree or if you would like to see fewer standards and which standards you would like to remove, if any.
- The City Council should review the general topics of the checklist and decide if these are the most important to regulate through objective standards. Council may decide that the Design Checklist should remain silent on some topics to allow creativity and flexibility.
- Where flexibility is needed or desired, the standards incorporate a list or menu of potential options to meet the requirement. Consider if other standards would benefit from menus of options.

## ALTERNATIVE ACTION(S):

Discuss and select alternative policy changes to achieve the Pro-Housing designation.

## FISCAL IMPACT:

The proposed zoning amendment would be funded by ARPA Funding. Changing the design review process would not have an appreciable fiscal impact, as staff time would continue to be offset by a development fee.

## ENVIRONMENTAL ANALYSIS

Council direction provided is not a project for purposes of the CEQA pursuant to Public Resource Code 21065. In addition, action taken under this item is exempt under Section 15064(b)(3) as it can be seen with certainty that there is no possibility that the action taken may have significant effect on the environment since it will not result in physical development without further action.

## **GREENHOUSE GAS EMISSIONS IMPACT:**

Encouraging more housing development within existing cities is a smart growth strategy that results in reduced miles traveled and thereby reduces greenhouse gas emissions. Additionally, as climate change results in increases in inland temperatures and fire risk, the addition of housing units on the coast will allow some people to move to the coast which is considered a climate refuge.

## CONSISTENCY:

- All regulatory changes would go through an ordinance adoption process at which time General Plan consistency will be analyzed.
- Consistent with the Strategic Plan Goal 1E:
  - Develop affordable and market-rate housing that is accessible for every arc of residents' lifetime experiences including Fort Bragg's permanent and temporary workforce, students, retirees, and newcomers who want to share our rich cultural and natural home.
  - > Develop housing incentives to encourage conversions and additional housing.

#### IMPLEMENTATION/TIMEFRAMES:

This process would also require a zoning code amendment to revise the Design Review portion of the code. It would be processed concurrently with other proposed changes and would take four months for ILUDC and 14 months for CLUDC zoning changes.

#### ATTACHMENTS:

- 1. City of Fort Bragg Objective Design Review Checklist for Ministerial Approval of Multifamily Projects
- 2. Zoning Code Compliance ministerial review checklist.

#### NOTIFICATION:

"Notify me" lists for Housing, Economic Development, Central Business District