

CITY COUNCIL STAFF REPORT

TO: City Council

DATE: July 14, 2025

DEPARTMENT: Community Development

PREPARED BY: MJC

PRESENTER: Marie Jones

AGENDA TITLE: Hold a Public Hearing, Receive Report and Consider 1) Adopting ILUDC and CLUDC Ordinances Changing Design Review for Multifamily and Mixed Use Projects to a Ministerial Process; and 2) Adopting a Resolution Establishing Objective Design Review Standards for Multifamily Housing Projects, in Compliance with the Housing Accountability Act and the State's Pro-Housing Criteria.

RECOMMENDED ACTIONS

- Adopt an Ordinance Amending Division 17 of the Fort Bragg Municipal Code (CLUDC 2-25) to Amend Chapter 17.71.050 - Design Review to Make Design Review for Multifamily Projects a Ministerial Process Subject to Objective Requirements Per the Housing Accountability Act; and
- Adopt an Ordinance Amending Division 18 of the Fort Bragg Municipal Code (ILUDC 5-25) to Amend Chapter 18.71.050 - Design Review to Make Design Review for Multifamily Projects a Ministerial Process Subject to Objective Requirements Per the Housing Accountability Act; and
- 3. Adopt a Resolution Adopting Objective Multifamily Design Review Standards for the Citywide Design Guidelines.

BACKGROUND

Increasing the housing supply is a key priority for the City Council, as outlined in the <u>2024-2028 Strategic Plan</u>, which includes the goal of adding 200+ housing units by 2026. Housing affordability has become a significant challenge, and many residents find it increasingly difficult to purchase and/or rent a home. The community faces a shortage of both rental and for-sale properties, driven in part by Fort Bragg's growing appeal as a place to live, retire, and work.

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. Establish minimum parking requirements that comply with density bonus law for residential development. (2 points)
- 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)

On March 24, 2025, the City Council approved an ordinance establishing density bonus law parking requirements for all multifamily housing projects regardless of whether they include affordable units or not. Additionally at this meeting the City Council provided direction not to proceed with changes to the ordinances that would make Multifamily Housing a permitted use by right (e.g. not requiring a Use Permit).

On May 28, 2025, the Planning Commission held a hearing and recommended that the City Council 1) approve ministerial design review for multifamily units; and 2) approve the proposed changes to the Citywide Design Guidelines to include objective standards for multifamily projects. The Planning Commission also recommended that the design review process include an automatic ability for project applicants to not follow some number of the required design guidelines in order to increase flexibility in the process. This recommendation has been included in the draft guidelines under the "applicability" section.

DISCUSSION AND ANALYSIS

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

The zoning code currently requires Design Review by the Planning Commission 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.

Currently the Planning Commission uses the standards of the Citywide Design Guidelines when reviewing multifamily projects for a Design Review permit. These standards offer leeway for subjective interpretation and judgement by the Planning Commission when approving or denying a Design Review Permit. However, 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, <u>objective</u> general plan, zoning, and subdivision standards and criteria, including design review standards, in effect at the time that the application was submitted. This law does not allow the City to apply the subjective standards of the Citywide Design Guidelines to the review of a multifamily housing project. Additionally, some of the Objective standards in the Design Guidelines are also somewhat open to interpretation which results in a bit of a grey area for Design Review permits.

Therefore, the City of Fort Bragg should revisit the Citywide Design Guidelines for multi-family housing projects. To comply with state law the City must either eliminate subjective guidelines 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.

The City Council further provided direction to change the City's Design Review Process as follows:

- 1. Require objective ministerial design review in the zoning ordinance for multifamily projects; and
- 2. Revise the Citywide Design Guidelines to include only objective design review criteria for multifamily projects.

The Ministerial Object Design Review standards have been developed to prevent bad design without hampering the ability to achieve good or even excellent design. In other words, they are a floor, not a ceiling, for the good design of multifamily projects.

It is notable that most multifamily projects require a Use Permit, and this means that the ministerial design review process would be elevated from a ministerial process (at the CDC Director level) to become part of the Planning Commission's public hearing for the Use Permit. However, the Planning Commission review would be limited to compliance with the objective standards.

MJC reviewed the existing Citywide Design Guidelines and pulled the most important guidelines related to multifamily housing from throughout the document into a revised section exclusive to multifamily projects in the Citywide Design Guidelines. MJC then changed the subjective standards in these guidelines into objective standards (Attachment 5).

While reviewing the attached objective standards please give your thoughtful consideration to the following questions:

- 1. Are the standards truly objective?
- 2. Should any of the standards be eliminated because they are too proscriptive or too onerous?
- 3. Should any of the standards be re-worded to include more options or different options for compliance?
- 4. Are there any design issues that have not been addressed for which additional standards are needed?
- 5. Are you comfortable with the idea that applicants can select up to five standards which they do not have to comply with?
- 6. Should any of the potentially optional standards be changed to mandatory standards?
- 7. Share any language clarifications, punctuation changes, etc.

Additionally, to make the design review process for multifamily project ministerial, the Zoning Ordinance for both the Inland and Coastal Zone must be revised. Please see that attached revised zoning ordinance language (Attachment 2 and 3) which provides for ministerial design review of multifamily housing projects by the director.

Staff will also prepare a ministerial checklist to inform applicants of the design requirements and reduce the processing time/effort by staff.

FISCAL IMPACT/FUNDING SOURCE

The proposed zoning amendment is funded by ARPA Funding. Changing the design review process would not have an appreciable fiscal impact, as most staff time would continue to be offset by a developer deposit fee for the required Use Permit.

ENVIRONMENTAL ANALYSIS:

Encouraging more housing development within existing cities is a smart growth strategy that results in reduced vehicle miles traveled and thereby reduced 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.

The proposed amendment to the Coastal Land Use and Development Code is part of the City's Local Coastal Program and will be submitted to the California Coastal Commission for certification. Therefore, the proposed project is statutorily exempt from further environmental review under CEQA Guidelines 15265 Adoption of Coastal Plans and Programs.

Additionally, the proposed amendment to the ILUDC is statutorily exempt under the "Common Sense Exemption" (Section 15061b3) as follows:

- Per the City's current zoning laws multifamily projects of three or more units would continue to be required to obtain a Use Permit, and as such a full CEQA analysis for the Use Permit would continue to be prepared for each project at the time of submittal if the project is not CEQA exempt by specific project circumstances (such as in-fill lot). Additionally, CEQA does not itself require agencies to include an environmental analysis of the impacts of design as part of a CEQA review, as these are aesthetic human considerations and do not have a direct impact on the environment.
- 2. Projects of less than 3 units are currently not required to get a Use Permit (they are permitted by right) and 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) (McCorkle Eastside Neighborhood v. City of St. Helena, (2019)). So small projects are already exempt from CEQA review under this court decision whether or not they include design review.
- 3. The proposed design review guidelines would be utilized for the ministerial design approval of multifamily housing projects and the proposed revisions will make the

City's Design Review process for multifamily housing comply with State Housing Law (Government Code section 65589.5 the Housing Accountability Act).

ALERNATIVES

Provide direction to further revise the Design Review standards for multifamily housing.

ATTACHMENTS

- An Ordinance Amending Division 17 of the Fort Bragg Municipal Code (CLUDC 2-25) to Amend Chapter 17.71.050 - Design Review to Make Design Review for Multifamily Projects a Ministerial Process Subject to Objective Requirements Per the Housing Accountability Act; and
- An Ordinance Amending Division 18 of the Fort Bragg Municipal Code (ILUDC 5-25) to Amend Chapter 18.71.050 - Design Review to Make Design Review for Multifamily Projects a Ministerial Process Subject to Objective Requirements Per the Housing Accountability Act; and
- 3. A Resolution Adopting Objective Multifamily Design Review Requirements of the Citywide Design Guidelines.
- 4. Objective Design Standards for Multifamily and Residential Component of Mixed-Use Projects.
- 5. A Resolution of the Fort Bragg Planning Commission Recommending that the City Council Adopt:
 - a. An Ordinance Amending Division 17 of the Fort Bragg Municipal Code (CLUDC 2-25) to Amend Chapter 17.71.050 - Design Review to Make Design Review for Multifamily Projects a Ministerial Process Subject to Objective Requirements Per the Housing Accountability Act; and
 - b. An Ordinance Amending Division 18 of the Fort Bragg Municipal Code (ILUDC 5-25) to Amend Chapter 18.71.050 - Design Review to Make Design Review for Multifamily Projects a Ministerial Process Subject to Objective Requirements Per the Housing Accountability Act; and
 - c. A Resolution Adopting new Multifamily Design Review Requirements for the Citywide Design Guidelines.

NOTIFICATION

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