



AGENCY:	City Council
MEETING DATE:	Nov 12, 2024
DEPARTMENT:	Community Development Department
PRESENTED BY:	Marie Jones, MJC

AGENDA ITEM SUMMARY

TITLE: Receive Report and Provide Direction Regarding Priorities for Pro-Housing Zoning Amendment

ISSUE:

Increasing the housing supply is a key priority for the City Council, as outlined in the 2024-2028 Strategic Plan, which includes the goal of adding 200+ housing units by 2026. Housing affordability has become a significant challenge, with many residents finding 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.

BACKGROUND:

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law, establishing the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), 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 proceed with the following housing priorities:

1. Obtain Pro-Housing Designation from the State and Increase Zoning Flexibility

The California Department of Housing and Community Development's Pro Housing Designation includes incentives for jurisdictions that are compliant with State Housing Element Law and that have enacted Pro Housing Policies. The State's Pro-Housing designation is awarded to cities that implement enough pro-housing initiatives to secure thirty points. The City has already implemented enough pro-housing initiatives to secure twenty-three points. 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. Once awarded the Pro-Housing Designation, a city becomes eligible for state funding to support housing. This year the state gave \$33 million to eighteen pro-housing jurisdictions. Ukiah, Windsor, Rohnert Park, and Santa Rosa are all awardees.

In October, the City Council directed staff to proceed with the following key regulatory incentive programs to achieve the required thirty points.

- 1F. Eliminate minimum parking requirements 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)

The City Council decided not to pursue the following incentives at this time.

- 1B. Permit missing middle housing uses (e.g., duplexes, triplexes, and fourplexes) by right in all residential zones. (3 points)
- 1G. Zoning incentives for affordable housing in a range of housing types in high resource areas for TCAC funding. (2 points)
- 1L. Modify development standards, zoning provisions, and/or the zoning map to promote and enable greater development intensity. (1 point)
- 4D. Provide grants or low-interest loans for ADU construction for lower and moderate-income households. (2 points)

2. Purchase Land and Enter into a Public-Private Partnership for Housing Development.

The City Council also directed staff to explore purchasing land for a Public-Private Partnership for housing development, which will be explored at a subsequent City Council meeting.

ANALYSIS:

This report provides information to inform policy decision regarding 1F and 2A, namely eliminating minimum parking for residential developments and establishment of a ministerial process for multi-family and mixed-use housing. Option 2H, changing the Design Review process for multifamily projects into a ministerial process, will be brought forward to the City Council in December, as it is a significant undertaking.

1. Elimination of Minimum Parking Requirements for Multifamily Projects

The zoning code currently has no minimum parking requirement for residential development projects located within the Central Business District, and there are a number of mechanisms for reducing parking requirements in other zoning districts, although they require either approval of a Use Permit and/or meeting specific requirements. Currently the zoning code allows an applicant to request reduced parking with the following regulations:

18.36.040. B. Use of on-street parking - Exception. Available on-street parking spaces cannot be used to meet the parking requirements identified in this Chapter. An exception to this provision may be granted according to the following procedure:

1. Criteria for approval. The Minor Use Permit may be issued if it meets all of the following criteria, in addition to the findings identified in § [18.71.060](#):

- a. The maximum amount of parking which is feasible shall be provided on site.
- b. The exception shall only be granted in situations where the Director, Public Works has determined that the exception will not result in potentially unsafe conditions for vehicles or pedestrians.

- c. The Director of Community Development has determined that the project is located in an area of abundant on-street parking.

18.36.080 - Reduction of Parking Requirements

A. Shared on-site parking.

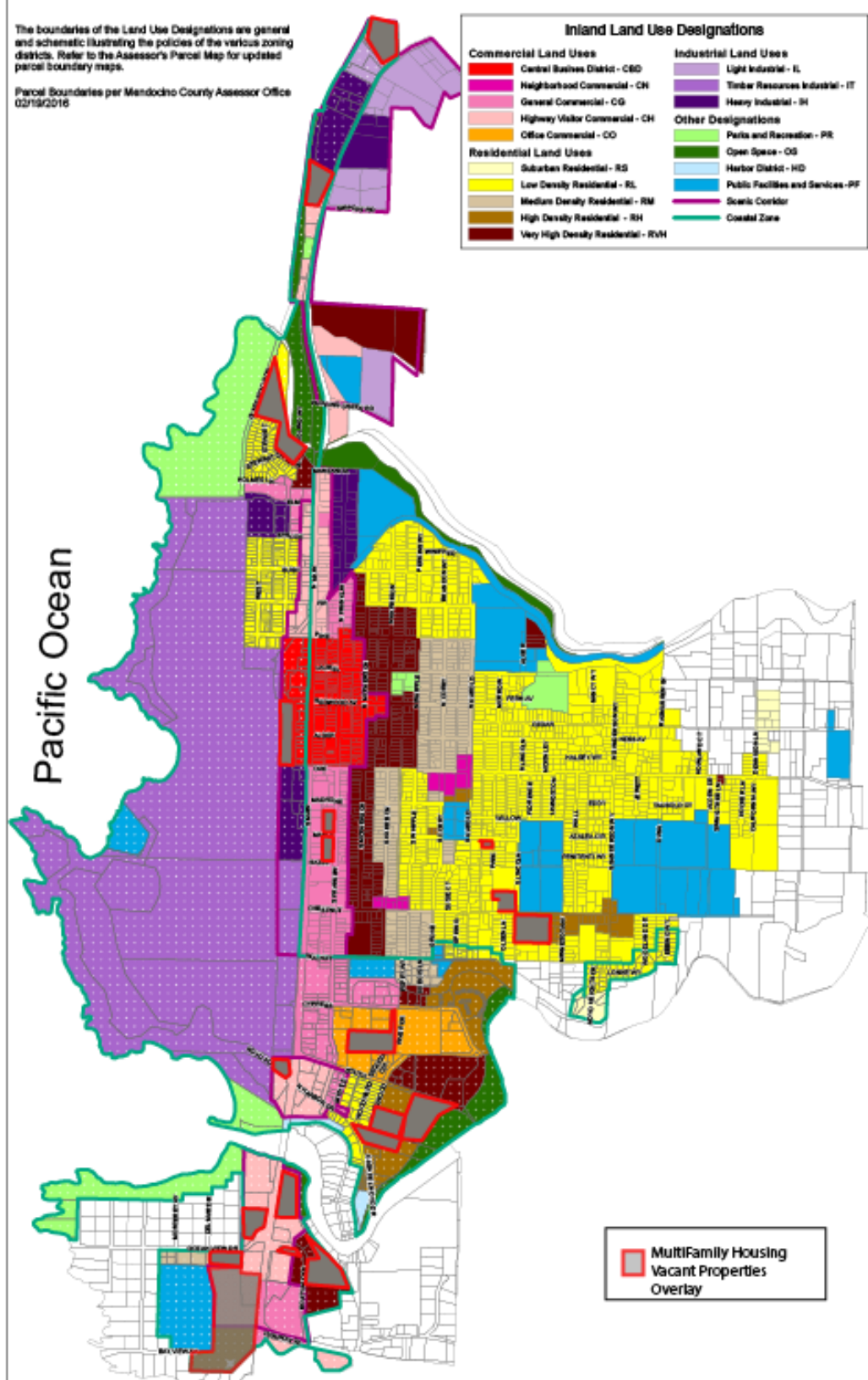
1. Where 2 or more adjacent uses have distinct and differing peak parking usage periods (e.g., a theater and a bank), a reduction in the required number of parking spaces may be allowed through Minor Use Permit approval granted in compliance with § [18.71.060](#).
2. Approval shall also require a recorded covenant running with the land, recorded by the owner of the parking lot, guaranteeing that the required parking will be maintained exclusively for the use served for the duration of the use.

B. Reduction of required parking. The Director may reduce the number of parking spaces required by § [18.36.040](#) (Number of Parking Spaces Required), through the granting of a Minor Use Permit in compliance with § [18.71.060](#), based on quantitative information provided by the applicant that documents the need for fewer spaces (e.g., sales receipts, documentation of customer frequency, information on parking standards required for the proposed land use by other cities, etc.). Parking requirements may be reduced, by the review authority, where the project facilitates bicycle use by providing bicycle storage, lockers, changing rooms and showers and/or bicycles for employee use.

C. Central Business District (CBD) Special Parking Combining Zone. There are no minimum automobile parking requirements for areas within the CBD shown on the CBD Special Parking Combining Zone Map.

The elimination of parking requirements for all multifamily projects would extend the no-parking requirement from the CBD to multifamily housing in other zoning districts of the City where multifamily housing is allowed. It would eliminate parking requirements, for multifamily projects only, in about one-third of the City. However, many of these areas are already developed with housing and so would likely not be impacted by the change in a significant way, because it would be difficult to consolidate parcels of sufficient size to actually provide multifamily housing in much of the already developed areas of town. Therefore, Map 1, on the following page, illustrates the vacant and underdeveloped parcels, which could be developed into multifamily housing and could therefore result in a parking deficit in the immediate vicinity of these parcels.

Map 1: Vacant Parcels, Which could be Developed for Multifamily Housing and for Which Minimum Parking Requirements Could be Eliminated (Red Outline with Grey Background)



There are policy pros and cons in terms of anticipated and unanticipated effects of this policy change.

Cons

- The elimination of minimum parking requirements could result in parking shortages in neighborhoods immediately adjacent to parcels with new multifamily housing. This could result in more of an “urban parking experience” in that residents and customers would not be able to park immediately adjacent to their home or place of business. They would instead have to search for parking and walk a block or two to their destination.
- Some businesses may have reduced sales, as some customers may not shop if they cannot park right in front of the business.
- Some residents and businesses will complain about increased competition for limited on-street parking.

Pros

- Land, which would be dedicated to parking, could instead be utilized for housing, which in turn would allow the developer to build the maximum number of permitted units on the property. It is not feasible for developers to build the maximum number of allowable units because height limits and parking requirements conspire to make the actual achievable density in any zoning district about 50% of the maximum permissible density.
- Housing prices and rental rates may decline as more units are built.
- Additional housing units could help the local economy as it would help businesses to attract talent from out of the area.

Some sample ordinance language options are offered below.

1. The City Council could change the Parking Table 3-7 as follows.

TABLE 3-7 - PARKING REQUIREMENTS BY LAND USE (Continued)		
Land Use Type: Recreation, Education, and Public Assembly	Vehicle Spaces Required	
	Minimum	Maximum
Mobile home Outside of mobile home park	1 space for each unit.	-
Mobile home Within a mobile home park	No minimum Parking Requirement, 1 space for each unit, plus 0.5 guest parking space.	-
Multifamily housing and live/work unit	No minimum Parking Requirement. Under 2 bedrooms: 1 space per unit.	2.25 spaces per unit.

TABLE 3-7 - PARKING REQUIREMENTS BY LAND USE (Continued)		
Land Use Type: Recreation, Education, and Public Assembly	Vehicle Spaces Required	
	Minimum	Maximum
	2 bedrooms or more: 2 spaces per unit.	
Organizational house, rooming or boarding house, residential care facility, co-housing	No minimum Parking Requirement. 0.5 spaces per bedroom.	1 space per bedroom.
Second dwelling unit	See § 18.42.170 (M).	See § 18.42.170 (M).
Single-family dwelling	No Minimum Parking Requirement. 2 spaces	4 spaces

2. Alternatively, the minimum parking requirement could include conditions. For example, the City Council could consider folding that goal of replacing the lost parking with additional residential units into the revised ordinance itself (see below)

TABLE 3-7 - PARKING REQUIREMENTS BY LAND USE (Continued)		
Land Use Type: Recreation, Education, and Public Assembly	Vehicle Spaces Required	
	Minimum	Maximum
Mobile home Outside of mobile home park	1 space for each unit.	-
Mobile home Within a mobile home park	No minimum Parking Requirement per section 18.36.080.D, otherwise 1 space for each unit, plus 0.5 guest parking space.	-
Multifamily housing and live/work unit	No minimum Parking Requirement per section 18.36.080.D, otherwise: Under 2 bedrooms: 1 space per unit. 2 bedrooms or more: 2 spaces per unit.	2.25 spaces per unit.
Organizational house, rooming or boarding house, residential care facility, co-housing	No minimum Parking Requirement per section 18.36.080.D, otherwise: 0.5 spaces per bedroom.	1 space per bedroom.
Second dwelling unit	See § 18.42.170 (M).	See § 18.42.170 (M).
Single-family dwelling	2 spaces	4 spaces

18.36.080 - Reduction of Parking Requirements

D. Multifamily Residential Parking Reduction. Multifamily residential development projects of three units or more shall have no minimum parking requirement (Table 3-7), if the project also includes the following:

1. At least fifty percent of the land that would have been required for parking shall instead be developed for housing units, with the same average unit density, size, and height as the remainder of the project, and
2. The remainder of the land that would have been dedicated to parking shall instead be used for other amenities to the multifamily housing development such as landscaped gardens, patios, playgrounds, PV, community clubhouse, management quarters, and other similar residential accessory uses and/or stormwater infiltration/open space.

2. Establish a Ministerial Approval Process for Multifamily and Mixed-Use Housing.

Currently multifamily projects proposed for some zoning districts are permitted by right while those in other zoning districts must get a Use Permit through the Planning Commission. These two types of projects are processed very differently and it's important to understand the distinction:

1. **Permitted by Right.** A project that is permitted by right does not need a planning permit. Therefore:
 - a. It does not go to the Planning Commission for a public hearing.
 - b. Neighbors are not notified about the project.
 - c. It goes through a plan check process in the Community Development Department, wherein the project's compliance with the zoning code is checked and the applicant is required to make changes to the project until compliance is assured.
 - d. No environmental review (CEQA) is prepared because all ministerial projects (projects permitted by right) are exempt from CEQA.
 - e. If the City Council retains the Design Review permitting requirement for multifamily housing, projects would still go to hearing, the neighbors would still be notified and CEQA would be required. If the City Council decides to proceed with a design review checklist (no permit) as a ministerial action, the design of the project would also be reviewed by the Community Development Department staff and all the above points (a-d) would apply instead.
 - f. All projects that are permitted by right in the Coastal Zone would still be required to get a Coastal Development Permit and the project would still have to go to hearing, the neighbors would still be notified and CEQA would be required.
2. **Use Permit Required.** A project that requires a Use Permit would have to go through all the following steps:
 - a. Neighbors and resource agencies are notified about the project.
 - b. Staff prepare a hearing notice, staff report, environmental analysis, resolution for the project.
 - c. Neighbors are notified of the hearing.
 - d. The Planning Commission holds a hearing in which they must make findings that the project is compatible with the surrounding uses, is not detrimental to health and safety and is in conformance with the zoning code and General Plan.
 - e. If the project also requires a Coastal Development Permit and/or Design Review, all the permits are reviewed and brought to hearing simultaneously.

Currently the LUDC requires a use permit for multifamily housing and mixed-use housing in some zoning districts and allows them by right without a use permit for other zoning districts, as follows:

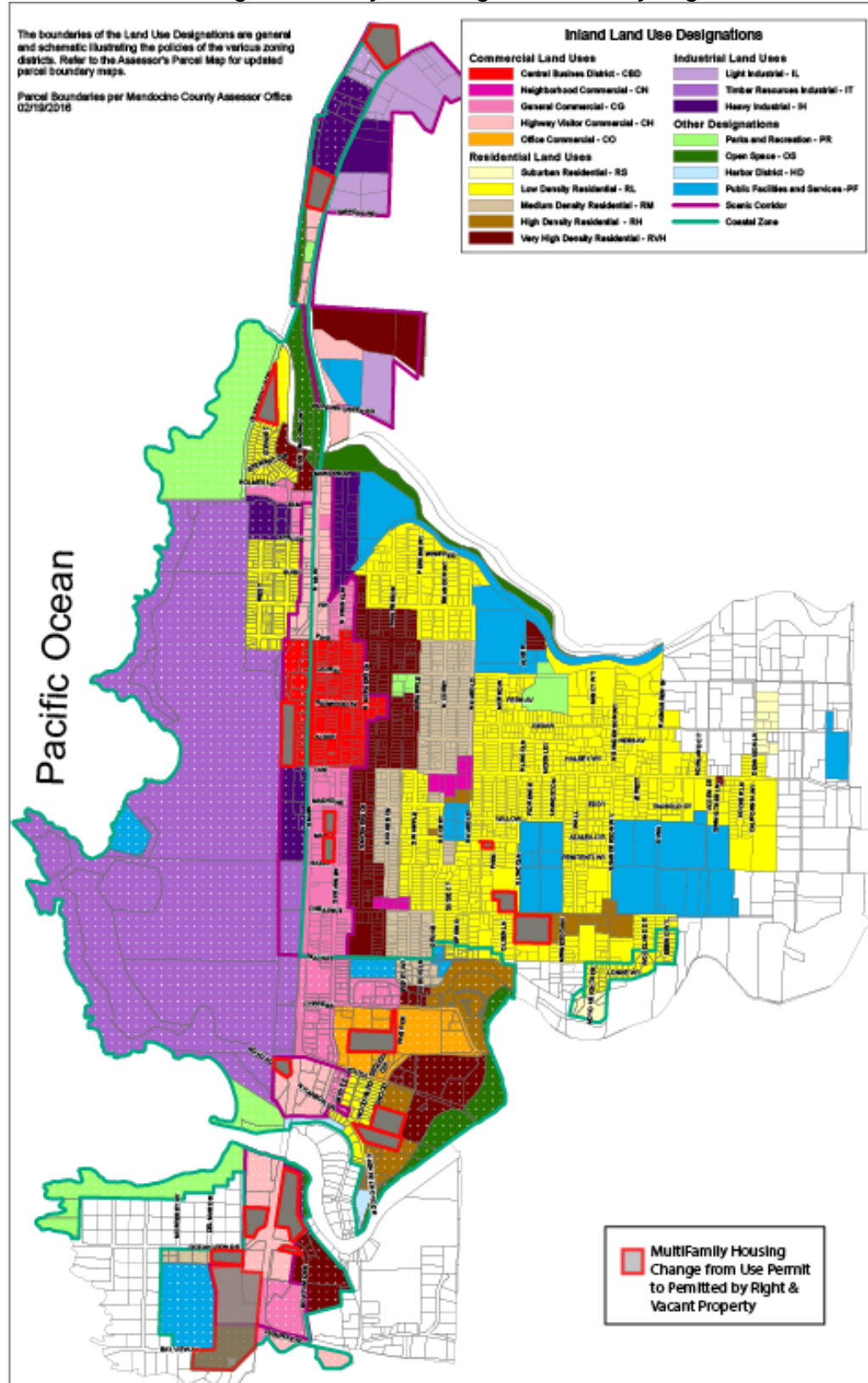
Table 1: Permitting Requirements for Multifamily and Mixed-Use Housing by Zoning District				
	ILUDC		CLUDC	
	Permitted by Right	Requires a Use Permit	Permitted by Right	Requires a Use Permit
Multifamily Housing	Very High Density (RVH), Neighborhood Commercial (CN)	High Density (RH), Medium Density (RM), Office Commercial (CO), Central Business District (CBD), General Commercial (CG), Highway Commercial (CH)	Very High Density (RVH), Neighborhood Commercial (CN)	High Density (RH), Medium Density (RM), Office Commercial (CO), Central Business District (CBD), General Commercial (CG), Highway Commercial (CH)
Cohousing	RVH	RH, RM	NA – Not Defined	
Tiny Home Community	RVH, RH, RM	CN, CO, CG, CH	LCP amendment not yet approved. Tiny home communities are not yet allowed in the Coastal Zone.	
Residential Component of a Mixed-Use Project	CN, CO, CBD, CG, CH		CN	CO, CBD, CG, CH

As illustrated in the table above, the use permit requirements for Multifamily housing are identical in the two codes (ILUDC and CLUDC) but varies for the other multifamily use types (cohousing, Tiny Home Community, residential component of a mixed-use project).

Map 2, on the following page, illustrates vacant parcels where Multifamily Housing would be allowed “by right” if the Council approved this approach. When reviewing the Map, City Council may consider if the establishment of multifamily housing on these vacant parcels would result in significant neighborhood opposition, incompatible uses, or a situation that is detrimental to health or safety. If not, then changing the permitting requirement from Use Permit to Permitted by Right would further the goals of the council to encourage more housing while improving the community.

Also, it is notable that the 12 of the vacant parcels are in the Coastal Zone and so would require a Coastal Development Permit and the corresponding public hearing process and CEQA review at the Planning Commission. In contrast, five vacant parcels are in the Inland Area and would truly become ministerial projects. Of course, it is possible that some of the larger underperforming already developed commercial properties would also be redeveloped for multifamily housing. There are some large underperforming commercial properties in the General Commercial zoning district that are not mapped in Map 2.

Map 2: Vacant Parcels Which Could be developed for Multifamily Housing and Would Benefit from Making Multifamily Housing Permitted by Right.



The amendments to the zoning ordinance would be simple as illustrated below:

TABLE 2-1 Allowed Land Uses and Permit Requirements for Residential Zoning Districts	Permitted use, Zoning P Clearance required Minor Use Permit required MUP (see § 18.71.060) Use Permit required (see UP § 18.71.060) Permit requirement set by S Specific Use Regulations – Use not allowed						
	PERMIT REQUIRED BY DISTRICT						Specific Use Regulations
	RR	RS	RL	RM	RH	RVH	
LAND USE (1)							

RESIDENTIAL USES

Condominium conversion - 3 units maximum per parcel	–	–	–	P	UP	UP	
Duplex	P	P	P	P	P	P	18.42.170 18.42.200
Multifamily housing, 3 units	–	–	–	P	P	P	18.42.120
Multifamily housing, 4 or more units	–	–	–	UP	UP	P	18.42.120
Co-housing, 4 or more units	–	–	–	UP	UP	P	18.42.120
Organizational housing/care facility (sorority, monastery, residential care, etc.) of more than 3,000 SF or 3 units	–	–	–	UP	UP	UP	
Tiny home/manufactured home community	–	–	UP	UP	UP	UP	18.42.110

RECOMMENDED ACTIONS:

Provide direction regarding preferred approach for changing parking and use permit regulations for multifamily development.

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. An increase in the population of Fort Bragg would result in increased requirements for services (police, fire, utilities, roads, and City Hall) which would not be recovered entirely by an increase in property taxes, as the City receives a fraction of new property taxes. However more workforce housing could make it easier for employers to grow and expand and employers pay a range of business taxes (property, business, and TOT) which would help the City's fiscal performance.

The new ordinance could result in unfunded staff time to determine a project's conformance

with the zoning code. Staff must undertake a complex and time-intensive level of analysis for multifamily projects to ensure conformance with the zoning code and the applicant should pay for this review. The City could consider establishing a Zoning Conformance fee that would replace the current Use Permit fee to cover this staff time.

GREENHOUSE GAS EMISSIONS IMPACT:

Encouraging densification and 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.

IMPLEMENTATION/TIMEFRAMES:

Four months for ILUDC and 14 months for CLUDC zoning changes.

ATTACHMENTS:

None

NOTIFICATION:

“Notify me” lists for Housing, Economic Development, Central Business District