

CITY OF RANCHO CORDOVA



JOINT MEETING OF THE RANCHO CORDOVA CITY COUNCIL AND THE RANCHO CORDOVA PLANNING COMMISSION Tuesday, February 28, 2023

**5:30 PM – Special Joint Meeting with Planning Commission/Work Session
American River Room North**

**City Hall
2729 Prospect Park Drive, Rancho Cordova**

Pursuant to California Assembly Bill 361 amending the Ralph M. Brown Act (Govt. Code 54950-54963), the City has declared a state of emergency relating to COVID-19 and imposed measures to promote social distancing.

Join the Meeting Via Zoom Link:

<https://cityofranhocordova.zoom.us/j/85982678108?pwd=TUhNVGFkdmpmRFIyeHViaHkwM1dkQT09>

Join the Meeting via the Zoom Phone Number

Zoom Phone Number: +1 669 900 6833, +1 253 215 8782, or +1 386 347 5053

Webinar ID: 859 8267 8108

Password: 578969

Instructions to Make Public Comment

Submitting Public Comment via Email

Members of the public who wish to provide public comment via email will need to submit written comments to CityClerk@cityofranhocordova.org no later than 2:00 p.m. on Tuesday, February 28, 2023. Written comments received no later than 2:00 p.m. will be distributed to the Council and the Planning Commission, filed in the record, and will not be read aloud. All comments submitted later than 2:00 p.m. will be distributed to the Council and the Planning Commission.

Listening to a Zoom Meeting by Zoom Video Conference

To make a public comment using the Zoom platform, please use the “raise hand” feature at the bottom center of the screen. Please make sure to enable audio controls once access has been

given by the City Clerk's office to speak. Please wait to be called upon by the City Clerk.

Listening to a Zoom Meeting by Phone Only

You can join a Zoom meeting via teleconferencing/audio conferencing using a cell phone or traditional landline phone. To request to make a public comment by phone press *9 to raise your hand. Please wait to be called upon by the City Clerk.

All public comments will be limited to three minutes.

If you have questions related to the Special Meeting or the use of Zoom, please contact the City Clerk's Office at (916) 851-8720 before Tuesday, February 28, 2023, at 2:00 p.m.

AGENDA

1. SPECIAL MEETING - CALL TO ORDER/ROLL CALL

Council Members Garrett Gatewood, Siri Pulipati, David Sander, Donald Terry, and Mayor Linda Budge

Planning Commission Members - Surender Devarapalli, Sergio Diaz, Lee Frechette, Robert McGarvey, Cynthia Stauss, Leroy Tripette, and Chair Anil Reddy Kondakrindi

2. PUBLIC COMMENT

At a special meeting, citizens wishing to address the Council and Planning Commission for any matter on the agenda may do so at the time the matter is discussed. Under the provisions of the California Government Code, the City Council and/or Planning Commission is prohibited from discussing or taking action on any item not on the agenda.

3. SPECIAL MEETING

- 3.1. **Subject:** Updates Regarding Recent State Housing Laws and Legislation.
Recommendation: Receive presentation, provide feedback.

4. ADJOURNMENT

ADDITIONAL INFORMATION

Special Meetings listed below are subject to change/cancellation without further notice.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council and/or Planning Commission less than 24 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council and Planning Commission. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranhocordova.org on Fridays prior to the Special Meeting.

UPCOMING MEETINGS

March 6, 2023	4:00 PM Special Meeting/Regular Meeting
March 15, 2023	5:30 PM Regular Meeting
April 3, 2023	4:00 PM Special Meeting/Regular Meeting
April 11, 2023	5:30 PM Special Meeting/Work Session
April 17, 2023	5:30 PM Regular Meeting
May 1, 2023	4:00 PM Special Meeting/Regular Meeting
May 15, 2023	5:30 PM Regular Meeting
May 23, 2023	5:30 PM Special Meeting/Work Session

If you have any technical questions related to the agenda items, please contact City Hall at (916) 851-8700.

A webcast of this meeting will be available for viewing via video streaming from the City's website within 48 hours of adjournment of this meeting.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 24 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Stacy Leitner, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the February 28, 2023 Special Joint Meeting of the Rancho Cordova City Council and the Rancho Cordova Planning Commission was posted and available for review on February 24, 2023 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranhocordova.org.

Signed February 24, 2023 at Rancho Cordova, California.



Stacy Leitner, CMC
City Clerk

MEMORANDUM



ITEM 3.1.

DATE: February 28, 2023
TO: Honorable Mayor, Council Members, and Planning Commissioners
FROM: Stefan Heisler, Housing Manager
Darcy Goulart, Planning Manager
Adam Lindgren, City Attorney
SUBJECT: UPDATES REGARDING RECENT STATE HOUSING LAWS AND LEGISLATION

RECOMMENDATION

Receive presentation, provide feedback.

RESULT OF RECOMMENDED ACTION

The City Council and the Planning Commission will receive a presentation from the City Attorney regarding prominent new housing laws passed in the last three years and request Council and Planning Commission feedback on project approval processes.

BACKGROUND

The California State Legislature has adopted numerous laws in recent years aimed at addressing the current statewide housing crisis. These laws have affected how local jurisdictions plan for housing, review housing development applications, and in some cases limit local control in approving or denying projects.

This presentation will focus on the following new laws: SB 35, changes to the State's Housing Accountability Act, SB 330, changes to Density Bonus Law, changes to General Plan Housing Element rules, SB 6 & AB 2011. A brief description of these new laws is provided below, further details are provided in the presentation.

SB 35 allows for a streamlined ministerial, or staff level, approval process of multifamily residential projects that satisfy certain requirements. This law applies to all jurisdictions that have not issued building permits for their annual share of the current regional housing needs allocation, and is in effect for Rancho Cordova and nearly all jurisdictions in California. Housing Accountability Act changes include new limitations on when a jurisdiction can disapprove of a housing project and certain project review timelines. SB 330 similarly modifies the Housing Accountability Act to limit disapproval of qualifying projects and provides a new preliminary application pathway that locks in development standards that can be used to review certain projects.

Density Bonus Law provides a standard ability for developers of affordable units to receive

specific density bonuses to build additional units within their development projects, and incentives that provide relief from certain local development standards. Recent changes have increased the amount of bonuses, incentives, and waivers available.

Changes to the General Plan Housing Element highlighted in this presentation include changes as a result of AB 1397, which allows projects including a specified amount of affordable housing to go through a by-right approval process when proposed for sites that have been identified for lower-income housing in multiple successive housing element cycles.

SB 6 & AB 2011 are new complementary laws passed in 2022 that allow housing uses in a broader range of principal use areas (e.g. office, retail, or parking), require prevailing wages, and require projects to comply with various other development standards. These two laws differ in which housing projects qualify, where they are located, and other labor standard requirements.

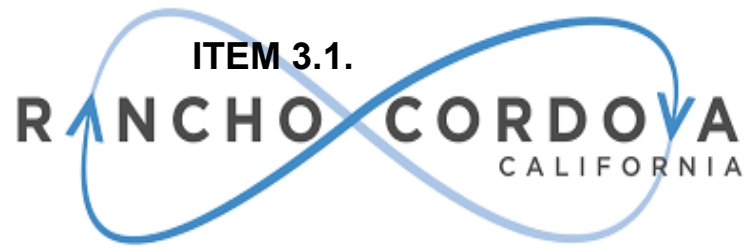
FISCAL IMPACT AND FUNDING SOURCE

There is no fiscal impact for this discussion.

ATTACHMENT(S)

1. Presentation

ITEM 3.1.



ATTACHMENT 1



Housing Law Update

meyers | nave

A Professional Law Corporation



- In recent years, the Legislature has adopted numerous laws aimed at addressing the housing crisis
- Some of the laws limit local control for qualifying projects
 - Often for projects with an affordable component, but not always
- These laws are being used more and more by developers



Affordable Housing 101

- Housing that is required to be rented/sold at affordable prices to households with incomes of no greater than certain levels
- Key Measurement is Area Median Income (AMI)
 - Above Moderate Income = More than 120% AMI
 - Moderate Income = Less than 120% AMI
 - Low Income = Less than 80% AMI
 - Very Low Income = Less than 50% AMI
- In Sacramento County, for a family of four, the median income is \$102,200

- For rental unit, the tenant's housing cost (rent + utilities) cannot exceed a set value:
 - For a Very Low-income unit, the monthly housing costs may not exceed 30% of 50% of AMI divided by 12
- For ownership units, there is a cap on resale price or equity sharing to ensure continued affordability
- Deed restrictions lay out specific requirements for 45 or 55 years

SB 35

- **Allows** for streamlined ministerial approvals of multifamily residential projects that satisfy certain requirements
- Applies in cities that have issued fewer building permits than their share of the regional housing needs (“RHNA”) by income category
 - SB 35 applies in Rancho Cordova and almost every city in California

- For projects larger than 10 units, at least 10% of the units must be affordable to households making below 80% of AMI
- In cities that have met above-moderate income RHNA goal, 50% of the units must be affordable to households making below 80% of AMI

- Project site must have zoning or general plan land use designation that allows residential
 - If mixed-use, at least 2/3 of the square footage must be residential
- Project must comply with all **objective** zoning and design standards
- Project must comply with certain other standards, including cite and labor standards

- **Objective standards** involve no personal or subjective judgment by a public official and are uniformly verifiable
 - Height limits
 - Density
 - Setback requirements
- **Subjective standards** involve personal or subjective determinations
 - Conforms with neighborhood character
 - Uses similar materials to surrounding buildings

- 60 days from project submittal to determine if the project conflicts with any “objective planning standards” (90 days if the project is more than 150 units)
 - Deemed compliant if response not timely given
- Any other review must occur within 90 days (180 days for a large project)
- Ministerial Approval process, so CEQA does not apply

Streamlined Design Review Permit

- RCMC Chapter 23.137
- For projects that comply with development standards and either: 1) substantially conform with City's multifamily design guidelines, or 2) satisfy objective multifamily design guidelines
- Community Development Director must make determination within 30/60 days
 - No public hearing, but subject to appeal
 - Environmental review pursuant to CEQA required

Housing Accountability Act

ITEM 3.1. Background: Housing Accountability Act ATTACHMENT 1

- Existing law that has been on the books for a number of years
- Law's importance has grown in recent years
- Developers and “YIMBY” groups increasingly used HAA as tool to challenge housing project denials

- Jurisdiction cannot disapprove of housing project or approval at a lower density if it complies with applicable, objective standards in place at the time the application is **deemed complete**
- Jurisdiction must identify inconsistencies in writing within 30/60 days, depending on the number of units

- City can only deny a project or approve it with lower density if a preponderance of the evidence in the record demonstrates:
 - Project would have a “specific, adverse impact upon the public health or safety”
 - “Significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete”
 - No feasible method to satisfactorily mitigate or avoid the adverse impact

- Very difficult standard to meet to deny a project
- Violations subject to fines of up to \$10,000 per unit

But

- Projects are still subject to a discretionary review process, and City can impose conditions of approval that don't make a project infeasible
- Subject to CEQA review

Modifies Housing Accountability Act

- Jurisdiction cannot disapprove of housing project/approval at a lower density if it complies with applicable, objective standards in place upon complete **preliminary application**
- Preliminary application requires less than a full, complete application
 - Must contain information required by jurisdiction's checklist, which can only require certain, limited information

Modifies Housing Accountability Act

- Locks in standards earlier in the development process
 - Fees can be adjusted in accordance with the existing CPI escalator
- Complete application required within 180 days
 - Construction must start within 2.5 years (3.5 years if affordable)
- Changes to the project allowed, including increasing the number of units or square footage by up to 20%
 - Project must still comply with standards in place at the time the preliminary application submitted

- **Prohibits** changes to a parcel on which residential use is allowed to a “less intensive use,” including “anything that would lessen the intensity of housing,” such as:
 - Reduction in height or density
 - Increased setback requirements or maximum lot coverage requirements
- **Prohibits** jurisdiction from enforcing subjective design standards established after January 1, 2020

- **Prohibits** more than five “hearings” of any kind for projects that meet all applicable, objective standards after the application is deemed complete
 - Includes public hearings, workshops, study sessions, or similar meeting
 - Includes appeals
 - Includes meetings of the City Council, Planning Commission, or any subcommittee

Density Bonus Law

- Developers who build a certain percentage of affordable units in a project are entitled to a specific density bonus
 - For example: If density for a parcel is 20 units/acre and developer received a 10% density bonus, project could have a density of 22 units/acre
- The greater the percentage of affordable units, the larger the density bonus
- Inclusionary units count toward bonus

Density Bonus Law

Affordable Unit Percentage	Very-Low Income Density Bonus	Low Income Density Bonus	Moderate Income Density Bonus
5%	20%	-	-
8%	27.5%	-	-
10%	32.5%	20%	5%
13%	35%	24.5%	8%
15%	35%	27.5%	10%
20%	35%	35%	15%
25%	35%	35%	20%
30%	35%	35%	25%
35%	35%	35%	30%
40%	35%	35%	35%
100%	80%	80%	35%

- Qualifying projects are also entitled to up to 4 **incentives** depending on the percentage of affordable units
 - An incentive is a reduction in site development standards or a modification of zoning code/design requirement
 - Examples include decreased parking, increased height, elimination of required amenities or architectural standard
- Density Bonus projects are also subject to maximum parking requirements, which can be further decreased through the use of an incentive
 - One bedroom or smaller -> 1 space
 - 2-3 bedrooms -> 1.5 spaces

- Density Bonus projects are also entitled to **waive** any development standard that **would physically prevent** the project from being built at the permitted density and with the granted incentives
 - Waiver does not require elimination of “amenities”
- There is no limit to the number of waivers a project may receive

- City is required to grant the density bonus, concession or waiver unless it would:
 - Violate state or federal law
 - Have a “specific, adverse impact upon the public health or safety”
 - Not result in identifiable and actual cost reductions (for incentives only)
- Municipal Code designates **City Council as approving authority**
- Project receiving bonus, concession, or waiver is **consistent with objective standards**

- “Policy H.1.6 – Allow housing developments with at least 20 percent affordable housing by-right on lower-income housing sites that have been counted in previous housing element cycles, consistent with AB 1397”
- Applies to sites identified in housing element that was in the past two housing elements but not developed
- Cannot be subject to conditional use permit or other discretionary review, except for design review

What is “by right” approval?

- Not subject to conditional use permit or any other discretionary review, except for design review
- Not subject to CEQA review

SB 6 & AB 2011

- New laws allow housing on sites where office, retail, or parking are a principally permitted use
 - Cannot be adjacent to industrial site
- AB 2011 creates streamlined ministerial approval process for projects that are either:
 - 100% Affordable to lower income households; or
 - Along “commercial corridor”
- SB 6 does not create ministerial approval process, but projects are subject to HAA

- Projects must have a minimum density of 30 units/acre
- Projects must comply with various other development standards, for site and project
 - For some standards there is requirement specified in the laws
 - For other standards the requirement is taken from a specified City zoning district
- All projects must pay prevailing wage, SB 6 projects must use “skill and trained workforce”

ITEM 3.1. Projects Subject to Ministerial Approval ATTACHMENT 1

- Projects that comply with City's objective standards and that satisfy the requirements of **SB 35**
- Projects that comply with the subjective design review standards are eligible for **Streamlined Design Review Permit**
- Projects located on sites identified in **housing element** that were also in the past two housing elements but which did not develop
- Projects on commercial properties that qualify for **AB 2011**

1. When and how would the Council like to receive updates on projects subject to ministerial approval?
2. How should the maximum five hearings be distributed between the Planning Commission and City Council?
3. Should the City Council remain the approving authority for all projects receiving density bonuses?

