

# REPORT TO CITY COUNCIL

City of Nevada City  
317 Broad Street  
Nevada City, CA 95959  
[www.nevadacityca.gov](http://www.nevadacityca.gov)

JUNE 24, 2020

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**TITLE:** A Resolution Approving a Site Plan and Architectural Review application for development of the 56-unit affordable housing project at 170 Ridge Road

**RECOMMENDATION:**

- Pass Resolution 2020-XX, approving the Site Plan and Architectural Review application for a proposed 56-unit affordable housing project at 170 Ridge Road, subject to Conditions of Approval, pursuant to Sections Section 17.88.010 and 17.88.040, of the City Municipal Code
- Review, approve and authorize the Mayor to sign a letter in support of the Cashin's Field Affordable Housing Development at 170 Ridge Road, Nevada City, CA.

**CONTACT:** Amy Wolfson, City Planner

**BACKGROUND / DISCUSSION:** The applicant approached the City in late February 2020, when they determined the project site met several criteria for eligibility for funding by the California Tax Credit Allocation Committee (TCAC). TCAC allocates federal and state tax credits to develop affordable rental housing projects serving low-income households. TCAC verifies ensures the continued affordability and habitability of the developments for the succeeding 55 years.

In order to introduce the project to the community, the developer held a community meeting on May 26, billed as a joint Planning Commission/City Council meeting and administered virtually due to the COVID-19 crisis. In response to public concerns regarding congestion and traffic safety, some of which were echoed by the City Engineer and the City Division Fire Chief, the applicant re-evaluated the site plan and submitted an updated traffic study. The revised plan includes a second access point to the east of the original access point and also includes a lengthened two-way left-turn pocket within Ridge Road. Application materials were distributed to stakeholder agencies for their review and comment on May 22, 2020. Agency comments have been incorporated into the Conditions of Approval as appropriate.

**PROJECT DESCRIPTION:** Application to the Planning Commission for Architectural Review and Site Plan review for the development of a 56-unit apartment complex in six buildings at 170 Ridge Road. The approximate square footage of the complex is 57,000 square feet and will feature a mix of eleven one-bedroom units, thirty two-bedroom units, and fifteen three-bedroom units. All units are proposed to be affordable to low, very low, and extremely low income households (exclusive of a manager's unit) as follows:

***UNIT COUNT***

***INCOME LEVEL***

<b>6</b>	Extremely low (30% of median income)
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6 Very low (40% of median income)

28 Very low (50% of median income)

15 Low (60% of median income)

1 Manager's Unit (not income-restricted)

For reference the US Census Bureau American Community Survey (ACS) 5-year estimates currently reflect Nevada City's median income at \$43,098. This number is adjusted every year.

Building material will include fiber-cement siding material in a mix of board and batten and vertical lap styles. Roof material will be standing seam metal and windows will be vinyl in a vertical, single-hung style.

As a project with 100% of units affordable (exclusive of a manager's unit) to low income households at a 55 year affordable housing deed restriction, it is eligible for up to an 80% density bonus pursuant to California's Density Bonus Law (Gov. Code § 65915). Staff has determined that the project meets all of SB-35's criteria for a streamlined, ministerial approval process, and has also determined that the project meets all the City's zoning and other regulatory ordinances with adherence to Conditions of Approval, attached. Both SB-35 and the Density Bonus Law are further discussed below. Projects subject to SB-35 are only required to provide parking at a 1 space: 1 unit ratio. The applicant is proposing 81 parking spaces and is therefore exceeding the required parking ratio. Also under the Density Bonus Law the project is entitled to up to four concessions, which would allow for the project to exceed up to four of the City's development standards. For this project, the applicant is requesting to exceed the 40-foot height limitation for up to 46 feet, and a concession to encroach within the standard 10-foot street side yard setback and within the standard 25-foot front yard setback by up to 8-feet.

The property will be served by NID water and City sewer. There are no natural water bodies or water conveyance features on the project site. The property is relatively flat with an average slope of approximately 5% that drains from the Zion/Ridge intersection easterly toward Searls Avenue. Earthwork required for building pad, parking lot, and drive aisle grading will involve approximately 3,734 cu. yd. of cut and 7,050 cu. yd. of fill. The perimeter and eastern half of the site exhibits coniferous forest vegetation that appears to be dominated by ponderosa pine and cedar trees. Approximately 89 trees out of 375 trees will need to be removed from the site in order to accommodate the project. Surrounding uses include a church across Ridge Road to the south, office uses to the north and across Zion Street to the west, and State Highway 20/49 to the east.

#### **REGULATORY CONSIDERATIONS:**

**CA Density Bonus Law:** (Gov. Code § 65915) provides for density bonuses for projects of lower-income housing. The City's Service Lodge zoning designation allows for multi-family residential development at a standard density of 8 dwelling units per acre. Under the Density Bonus Law, projects that are committed to providing 100% of the total dwelling

units at a rate affordable to low and very-low income families, exclusive of a manager's unit, are eligible for up to an 80% density bonus. At 4.59 acres with a 14.4 unit/acre density (including the 80% density bonus over the 8 dwelling unit per acre density standard), the subject site is eligible to support up to 67 such units. The Cashin's Field project provides a proposal for 56 units, 55 of which will be deed-restricted for eligible lower income families and will be required to be rented at affordable rates.

The Density Bonus Law also allows the developer of a 100% affordable project to take advantage of up to four concessions to site development standards, provided those concessions contribute to the affordability of the project and provided they do not create an adverse safety impact. For this project, the applicant is requesting to exceed the 40-foot height limitation with potential to go up to 46 feet, and a concession to encroach within the standard 10-foot street side-yard setback and within the standard 25-foot front yard setback by up to 8-feet. It is unclear whether this constitutes two or three concessions, but either way the developer's request for concessions is within the number permitted under state law.

**SB-35 Project Streamlining:** California Senate Bill 35 (SB-35) was signed by Governor Jerry Brown on September 29, 2017, and went into effect on January 1, 2018. SB-35 applies in cities where the State-established Regional Housing Need Allocation (RHNA) goals, have not been met. SB-35 amends Government Code Section 65913.4 and requires local entities to streamline the approval of certain housing projects by providing a ministerial approval process. The 5<sup>th</sup> cycle (2014 -2019) RHNA targets amounted to a total of 85 units, 49 of which were to be restricted to moderate and below income levels. Over the cycle, there were 17 units constructed within the City, two of which were restricted to moderate and below-moderate income levels. Therefore, the City fell short of the of both the allocated total target units (85) by 68 units and affordable units (49) by 47 units. As a result, at this time, projects such as Cashin's Field, providing 100% affordable housing, are eligible for process streamlining provided they meet all of the eligibility criteria. The City Attorney has prepared the attached memorandum outlining SB 35 criteria that project must meet to be eligible for the streamlined review under SB-35. Staff has determined that the project meets all of SB 35's criteria, except that staff is still determining whether the project meets all the City's zoning and other regulatory ordinances. Staff will complete the determination before the June 18<sup>th</sup> Planning Commission meeting agenda packet is posted. Under SB 35, the City has only 60 days to determine and document whether there are inconsistencies with objective City standards and 90 days to make a final determination on the application. Failure of the project to meet subjective design standards cannot preclude a project from being approved. However, staff has included a section in the "Conditions of Approval" document for City-agency recommendations that cannot be required of the developer, but may be requested. Staff has include a request from the Northern Sierra Air Quality Management District to include covered bicycle parking and can add additional requests from the Planning Commission if desired.

**Site Plan:** Section 17.88.010 of the City Municipal Code requires that the erection of any building other than an accessory building, for any use or uses, except single-family dwelling uses, be subject to site plan review covering the parcel or parcels to be used. Such site plans shall be approved or conditionally approved, as provided in the City

Municipal Code, and no building permit for such building shall be issued until such approval has been given. Upon the filing of the site plan, the advisory review committee of the planning commission shall review and make a written report to the commission recommending the approval, conditional approval or disapproval of the plan. If conditional approval of the plan is recommended, the report shall contain a statement of the conditions. Because the project is subject to SB-35 project streamlining, only objective code standards can be applied as a condition of project approval. Discretionary recommendations may be made as advisory request only.

**Architectural Review:** The Planning Commission, in their role as the Architectural Review Committee, is required to review proposals for the erection or exterior alterations of any structure, or the remodel, demolition, or razing of any structure. Generally, findings must be made that new structures are generally compatible with Nevada City style architecture and compatible with the surrounding neighborhood. However, due to the streamlining provisions afforded to the application by SB-35, only objective design standards outlined in our municipal code may be applied as a condition of project approval. Subjective design requests may be made as advisory recommendations only.

**Zoning and General Plan Consistency:** The base Service Lodge (SL) zoning designation allows for “all permitted uses of the R1 and R2 zoning districts” which includes multi-family dwellings. The SL zone’s “purpose” expressly states it as being consistent with the Service Lodging General Plan designation. AB-1735 provides that “the granting of a density bonus shall not require, or be interpreted, in and of itself, to require a general plan amendment, local coastal plan amendment, zoning change, or other discretionary approval.” The purpose of the Annexation (AN) combining district designation is for payment of development fees levied on those properties annexed after April 24, 1985. An estimate of impact fees has been prepared for this project and includes these additional fees.

*Scenic Corridor Combining District/Tree Removal:* The SC designation is applied to land adjacent to roads and highways considered to be particularly important to protect the existing essential character of Nevada City, and preserving the existing tree cover to the greatest extent possible, and assuring visually pleasing corridors. Most of the ground disturbance and building development is proposed to take place on the western portion of the property. Much of the development area is devoid of heavy tree cover, though a perimeter of trees lines both Zion Street and Ridge Road. Approximately 89 trees out of 375 trees will need to be removed from the site in order to accommodate the project. Landscape Architect Jo McProud has developed a landscaping plan that emphasizes tree plantings along the perimeter of the project in order to provide a visual buffer between the project and public streets. The Landscaping Plan also emphasizes native trees and vegetation consistent with requirements of the CA Model Water Efficiency Local Ordinance (MWELO). The landscaping plan appears to be consistent with minimum landscaping standards and parking lot landscaping standards. The Scenic Corridor development regulations in Section 17.62.210 of the City Municipal Code outline a set of design factors to be considered by the Planning Commission, which may be used to apply discretionary design conditions. Because the SC development regulations do not provide *for objective design standards*, any subjective design requests by the City to meet the

intent of the Scenic Corridor designation may be made as advisory recommendations only and cannot be made a condition of project approval.

*Housing Element of the General Plan:* The 2019-2027 6<sup>th</sup> cycle Regional Housing Need Allocation (RHNA) goals call for a total of 135 units to be constructed, 52 of which need to be affordable to low and very low-income households. Therefore the proposed project, with 55 units to be deed-restricted at an affordable rental rate for qualifying lower income families, will meet the City's low-income allocation targets. The project is also consistent with several other goals, objectives, and policies of the most recently adopted Housing Element including Policy 1-1-2, to support Nevada County in its administration of Section 8 rental assistance housing vouchers; Policy 1-2-4 to actively work with developers to provide rental housing for lower income households; Goal 2 to remove constraints to the development of affordable housing; Objective 2-2 to provide City residents with reasonably priced housing opportunities; Policy 3-1-2 to include other opportunities to increase the supply of affordable housing; and Policy 3-2-1 to expand near term and long term "affordable housing" opportunities for employees of existing employment centers.

**ENVIRONMENTAL REVIEW:** Review under the California Environmental Quality Act (CEQA) is not required for SB-35 eligible projects because they are subject to a ministerial approval process pursuant to §15268 CEQA Guidelines. It is worth noting that §15194 CEQA Guidelines exempts affordable housing projects meeting specific criteria, which happen to closely resemble SB-35 eligibility criteria. Presumably, this was the reasoning of the State legislature for creating a streamlined review process. While not thoroughly analyzed, the project also likely qualifies for an exemption under §15332 CEQA Guidelines for those projects eligible as in-fill development.

**ADVISORY REVIEW COMMITTEE:** The Advisory Review Committee (ARC), comprised of Chair Andrews, Commissioner Bohegian, and Planner Wolfson met on June 8, 2020. Public comments taken at the meeting are attached to this staff report. After hearing a presentation from the applicant and considering public comment, the ARC made a recommendation to the Planning Commission to approve the project with a request to the developer to modify the windows on the community building so that they are vertically oriented.

**PLANNING COMMISSION:** The applicant presented the project to the Planning Commission on June 18, 2020. Public comments taken at the meeting are attached to this staff report. After hearing a presentation from the applicant and considering public comment, the Planning Commission made a recommendation to the City Council to approve the site plan and architectural review application with findings appropriate to the regulatory process under the California Density Bonus Law and project streamlining under SB-35. a request to the developer to modify the windows on the community building so that they are vertically oriented. The Planning Commission also made some subjective design suggestions, with the understanding that they are advisory only and not recommended as conditions of project approval, incorporated within the Conditions of Approval document under the heading "Respectful Requests," including the following:

- Consider a steeper roof pitch for the community building
- Consider enclosing the stairwells within the apartment buildings

- Consider porches and balconies that have a less modern aesthetic
- Invite representatives of the Nevada City Rancheria Nisenan Tribe to perform a preliminary site evaluation of the site prior to earthwork activities and notify the Nevada City Rancheria Nisenan Tribal Council if cultural resources are unearthed during any part of the site development.

The Northern Sierra Air Quality District has also requested that covered bicycle racks be incorporated into the project.

**ENVIRONMENTAL CONSIDERATIONS:** Review under the California Environmental Quality Act (CEQA) is not required for SB-35 eligible projects because they are subject to a ministerial approval process pursuant to §15268 CEQA Guidelines. It is worth noting that §15194 CEQA Guidelines exempts affordable housing projects meeting specific criteria, which happen to closely resemble SB-35 eligibility criteria. Presumably, this was the reasoning of the State legislature for creating a streamlined review process. While not thoroughly analyzed, the project also likely qualifies for an exemption under §15332 CEQA Guidelines for those projects eligible as in-fill development.

**FISCAL IMPACT:** At the June 10, 2020 meeting the City Council directed staff to prepare a commitment letter to provide a loan from its year one and year two PLHA funds to assist in financing the Cashin's Field Affordable Housing Project in the amount of \$157,730. This item is further discussed under a separate agenda item.

**ATTACHMENTS:**

- ✓ Resolution 2020-XX Approving the Site Plan and Architectural Review Application for a 56-unit Affordable Housing Project at 170 Ridge Road
- ✓ Architectural Review Application
- ✓ Recommended Conditions of Approval and Respectful Requests
- ✓ Architectural drawing: site plan and building elevations
- ✓ Civil drawings: Topographic survey; preliminary grading, drainage and utility plan; a tree removal plan (*updated June 3, 2020*)
- ✓ Landscape Plan
- ✓ Sewer Report
- ✓ Drainage Report
- ✓ Traffic Study (*updated June 4, 2020*)
- ✓ Memorandum: Cashin's Field Project's Eligibility for Streamlined, Ministerial Approval Under California State (SB 35 (2017)) (*updated June 9, 2020*)
- ✓ Public Comments from the June 8, 2020 meeting
- ✓ Public Comments received for the June 18, 2020 Planning Commission Meeting

\* See hyperlinked attachment sheet, next page.

\*\* *Note that some attachments have been reduced in scale in order to reduce the document size of the staff report. Full-scale versions are available on the City website:*

<https://nevadacity.municipalcms.com/pview.aspx?id=20900&catid=564>

