

REQUEST FOR Planning Commission Action



PLANNING COMMISSION MEETING DATE:

SEPTEMBER 28, 2020

TITLE:

PUBLIC HEARING – ENVIRONMENTAL REVIEW NO. 2019-85 FOR DENSITY BONUS AGREEMENT APPLICATION NO. 2020-01, SITE PLAN REVIEW NO. 2020-01, SITE PLAN REVIEW NO. 2020-02, VARIANCE NO. 2020-05, AND TENTATIVE PARCEL MAP NO. 2020-02 TO ALLOW CONSTRUCTION OF A MIXED-USE DEVELOPMENT AND HOTEL AT 201 WEST THIRD STREET

Prepared by Selena Kelaher, AICP

A blue ink signature of Selena Kelaher.

Executive Director

PLANNING COMMISSION SECRETARY

APPROVED

- As Recommended
- As Amended
- Set Public Hearing For _____

DENIED

- Applicant's Request
- Staff Recommendation

CONTINUED TO _____

Planning Manager

RECOMMENDED ACTION

1. Adopt a resolution approving an addendum to the Environment Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Variance No. 2020-05 and Tentative Parcel Map No. 2020-02.
2. Adopt a resolution approving Variance No. 2020-05 for the hotel off-street parking requirements as conditioned.
3. Adopt a resolution approving Tentative Parcel Map No. 2020-02 as conditioned.
4. Recommend that the City Council:
 - a. Adopt a resolution approving an addendum to the Environment Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Density Bonus Agreement Application No. 2020-01, Site Plan Review No. 2020-01, Site Plan Review No. 2020-02, and the Disposition and Development Agreement.
 - b. Adopt a resolution approving Density Bonus Agreement Application No. 2020-01 with concessions and waivers, Site Plan Review No. 2020-01 for a mixed-use development and Site Plan Review No. 2020-02 for a hotel as conditioned.

Executive Summary

Mike Harrah, representing Caribou Industries, is requesting approval of multiple entitlements to facilitate construction of the Third & Broadway mixed-use development, consisting of two separate buildings, 171 residential units, 13,419 square feet of commercial space, and a 75-room hotel at 201 West Third Street. Specifically, the applicant is requesting approval of a density bonus agreement

(DBA), two site plan review (SPR) applications, a variance, and a tentative parcel map (TPM). As proposed, the development will include 19 very-low income units on site and requires approval of a density bonus agreement memorializing the density bonus, parking reductions, two concessions, and waivers from the Transit Zoning Code's (TZC) development standards. A variance application is also being requested to utilize the Santa Ana Municipal Code (SAMC) Section 41-1344 standards for hotel off-street parking and to allow deviations from the off-street parking access requirement. Lastly, a tentative parcel map is proposed to create two development sites and establish airspace to allow for separate interest and ownership of public parking spaces and to provide vehicular and pedestrian access to a private street through a public access easement.

Redevelopment of this site commenced in 2014, when the City initiated the process to embark upon a Public/Private Partnership to replace a dilapidated parking structure that divides Downtown Santa Ana with a development that benefitted the City. Staff is recommending approval of the applicant's request due to the project's compliance with the intent of the TZC to promote a pedestrian-oriented environment with a mix of land uses, redevelopment of underutilized land and an aging parking structure, increased employment opportunities within the City, additional property taxes, sales taxes, hotel visitor's tax revenue, the production of on-site affordable housing units, and reconstruction of a roadway that will help reconnect portions of Downtown.

The Planning Commission is the final approving body of the Tentative Parcel Map and Variance applications and would need to approve the addendum to the Environmental Impact Report (EIR) for the said actions. The recommendations of the Planning Commission on the addendum to the TZC EIR, Density Bonus Agreement (DBA), and Site Plan Review (SPR) applications will be forwarded to City Council for review. Separately, the City Council will be considering a Disposition and Development Agreement (DDA) for the sale the property for the City-owned parking structure.

Table 1: Project and Location Information

Item	Information	
Project Address	201 West Third Street	
Nearest Intersection	Third Street and Broadway	
General Plan Designation	District Center (DC)	
Zoning Designation	Transit Zoning Code (Specific Development No. 84), Downtown sub-zone	
Surrounding Land Uses (Exhibit 2)	Commercial (North)	
	Commercial (East)	
	Commercial and Parking and Residential (South)	
	Commercial (West)	
Site Size	1.41 acres combined (Parcel 1: 0.89 acres; Parcel 2: 0.52 acres)	
Existing Site Development	3-level public parking structure with 440 spaces	
Use Permissions	Mixed-use projects permitted by Section 41-2006 and Section 41-2007 of the SAMC.	
Code Sections Affected	Uses	DBA required pursuant to SAMC Sec. 41-1600; SPR required pursuant to SAMC Sec. 41-2007; VAR required pursuant to SAMC Sec. 41-632; TPM required pursuant to SAMC Article V.
	Development Standards	Transit Zoning Code, SAMC Sec. 41-2011, 41-2022 and 41-2023

Project Description

The project proposes demolition of the City-owned public parking structure at 201 West Third Street and construction of a mixed-use development and hotel on two sites (Exhibits 3 through 9). In addition, Sycamore Street would be reconstructed between Third and Fourth Streets. A full description of each building's conformance to development standards is provided in Exhibit 10 to this staff report.

Table 2: Project Summary

Item	Mixed-Use Development (Parcel 1)	Hotel (Parcel 2)
Units/Rooms	171 units	75 rooms
Building Square Footage (SF)	197,726 SF	63,069 SF
Unit Mix/Room	95 studios 51 one-bedrooms 25 two-bedrooms	66 standard rooms 9 suites
Unit SF	547 to 722 SF one-bedrooms 625 to 968 SF one-bedrooms 1,002 to 1,637 two-bedrooms/penthouse	418 to 527 SF standard rooms 855 SF suites
Commercial SF	13,419 SF (520 to 3,692 SF units)	N/A
Height & Stories	16 stories, 193'-10"	10-stories
Parking	196 spaces 1 space/1 bedroom and 2 spaces/2 bedroom	83 spaces 1 space per room + 1 space per 10 rooms
Open Space/ Amenities	1 st floor: 731 SF lobby and 727 SF lobby 3 rd floor: 1,184 SF public outdoor deck 4 th floor: 731 SF fitness room, 730 SF outdoor deck 5 th floor: 733 SF event space, 3,901 outdoor deck 16 th floor: 2,925 SF rooftop pool deck	1 st floor: 4,046 SF lobby 3 rd floor: 734 sf public outdoor area 4 th 6 th 8 th floors: 287 SF guest terrace 5 th 9 th floors: 287 SF amenity space 7 th floor: 287 SF meeting room 10 th floor: 3,722 SF seating area, 853 SF meeting room and 287 SF terrace

Parking

A total of 490 parking spaces will be provided for the entire development: 211 public parking spaces, 196 residential parking spaces, 83 hotel parking spaces (41 standard spaces and 42 mechanical stacker (lift) spaces). Vehicular access to the public, residential, reserved hotel valet parking, and mechanical stackers (lifts) will be from a City alley immediately north of the site between Third and Fourth streets. Pedestrian access to and from the parking structure is provided from stairs and an elevator that lead to a lobby that is accessible from Sycamore Street. A hotel valet parking drop-off zone will be on Sycamore Street immediately adjacent to the hotel lobby. One subterranean level of parking below Sycamore Street will span the entire development site, and eight levels of above-grade parking will be provided. The lower levels of the parking structure (Levels P1 through 5) are reserved for 211 public parking spaces and 37 hotel valet parking spaces. The upper levels of the parking structure (Levels 5 through 8, 196 spaces total) are reserved for the residential development. A total of 83 hotel parking spaces will be provided through a combination of 42 parking lifts, 4 ADA parking spaces, and the 37 reserved valet parking spaces within the adjacent parking structure (Levels P1, 4 and 5).

Architecture & Amenities

The architectural style of the development is California Contemporary, which is one of the six architectural styles permitted by the TZC. The mixed-use building has been designed as three distinct masses, with an open roof deck at the fourth and fifth levels to provide views of the W.H. Spurgeon Building's clock tower to the north. The three recessed and projecting volumes have separate architectural elements to create the appearance of multiple masses rather than one single structure. The corner of Broadway and Third Street features a public plaza that will include a statement evergreen tree. The building's ground level details, such as tan masonry brick street walls and recessed retail entrances, will link the project to the existing environment and is similar to the buildings that characterize Downtown Santa Ana. The middle building mass is comprised mainly of the parking structure, which will be screened with angled perforated metal panels with a brass finish. The upper portion of the building contains the residential units with floor-to-ceiling glass windows and balconies that span each level. The portions of the lower level roofs visible from above will incorporate artificial green roofs and water infiltration planters.

The hotel is a contemporary building designed generally as a single mass. The building will also feature a 4,046-square foot ground-level lobby, 300-square foot meeting space on the seventh floor, 853-square foot meeting room on the tenth floor, 300-square foot amenity rooms, outdoor terraces and balconies, and a roof deck with a kitchen and outdoor seating that will overlook Downtown Santa Ana. It is proposed that the rooftop will be accessible to the public and provide food and beverage service. The exterior of the building includes high quality material such a white marble with contrasting grey metal panels and bronze window frames that will create a visual icon within Downtown Santa Ana. The upper levels will be recessed from the base of the building creating a publicly accessible deck and private hotel room decks on the third level that overlook Sycamore Street.

Public wall art is proposed on each elevation of the residential building and at the ground level of the south elevation (along Third Street) of the hotel building. To promote walkability, sidewalks ten feet in width will be provided along base of the buildings, benches will be installed at the corners of Sycamore and Third Street, and new Sycamore trees along Sycamore Street will be planted. With proper permits and approvals, it is intended that Sycamore Street could be closed temporarily for events such as a farmer's market or artisan fair, with City approvals.

Project and Site Background

Site Background

The site's existing public parking structure was constructed in the early 1980s. The structure consists of 440 parking spaces (an approximately 146,055-square foot, three-level structure) that provides both daily and monthly public parking. The parking structure is in need of significant repairs to fix structural shoring, drainage, circulation and outdated parking equipment issues.

Setting

The TZC was adopted in July 2010 and updated in 2019; it provides a framework for transit-oriented mixed-use, residential, commercial, and limited industrial activities in a large section of central Santa Ana. The Downtown sub-zone in which the project is proposed allows a variety of mixed-use developments intended to contribute to creating a dynamic, transit-oriented area for residents, business owners, and visitors, and to lessen the need for automobile dependence. The project site is not within the Downtown National Register District; however, the boundary of the Downtown National Register District surrounds the project site to the north, west, east and a portion of the south.

Planning for the OC Streetcar began in 2008. The fixed-guideway will traverse 4.15 miles throughout Santa Ana and will serve as a last-mile connection from the Santa Ana Regional Transportation Center through Downtown and to the City of Garden Grove. The project is currently under construction and is expected to be operational in 2022. An OC Streetcar stop is planned at Fourth Street between Broadway and Sycamore Street, which is one block from the subject site.

Request for Qualifications

In 2014, City Council directed the Planning and Building Agency to release a Request for Qualifications (RFQ) searching for a developer that would reconstruct the site's parking, develop the site, and include a hotel component. Five proposals were received in response to the RFQ and only the Caribou Industries proposal included a hotel. In 2017, the City entered into an Exclusive Negotiation Agreement (ENA) with Caribou Industries for the Third & Broadway project. Since then the Community Development Agency has been working with Caribou Industries to complete the DDA regarding the sale of the property and reconstruction of public parking spaces. Following the Planning Commission's review of the entitlements for redevelopment of the site, the DDA will be presented to the City Council for review and approval.

Analysis of the Issues

Site Plan Review

Section 41-2005 of the SAMC requires developments proposing over four stories in height to submit a SPR application to the Planning Commission. As the buildings in the proposed development are proposed to be 16 and 10 stories, approval of two individual SPR applications is required.

The mixed-use development will be a 16-story urban building within the Downtown zone and will not be detrimental to the harmonious development of the City or impair the desirability of investment or occupation of the Downtown neighborhood. The development will facilitate the replacement of a parking structure with no features of pedestrian interest with a multi-story building with pedestrian oriented retail, service, and residential uses. In addition, the inclusion of 19 very-low income housing units creates housing opportunities for very-low income households within a highly amenitized mixed-income development. Conditions of approval for public art, public access to the fifth floor deck and community room, and compliance with a parking management plan are included in the SPR.

The hotel conforms to the building form, character and quality of the Downtown zone. The hotel will be the first in Downtown and can cater to individuals doing business at the nearby government facilities and office buildings. Additionally, the hotel will make Downtown Santa Ana available as an overnight destination to those visiting the Orange County area. The development site is accessible to the OC Streetcar, Santa Ana Regional Transportation Center, and local bus routes. Redevelopment of the superblock into two development sites with a new sidewalk and street grid will link the existing Artist Village and west-end commercial uses with the rest of Downtown to help activate the area.

Furthermore, the development is consistent with General Plan Land Use Element Goals 1, 2, 3 and 4 and several policies (Policies 1.1, 3.7, 3.1 and 4.5 and 5.1) which aim to promote development within the City's District Centers, redevelop and revitalize the City's urban areas within close proximity to transit and promote land uses that enhance the City's economic and fiscal viability. The proposed mixed-use and mixed-income community and hotel satisfies the goals by providing onsite affordable units in a highly-amenitized development and in Downtown, reducing the need for automobile dependence by encouraging transit ridership and generating sales tax and hotel tax revenues.

State Density Bonus Law

The applicant is proposing to dedicate 11 percent of the total units (19 units, including 10 studios, 6 one-bedrooms, and 3 two-bedrooms) to be attainable to very-low income households. Therefore, the project is eligible for a density bonus, concession/incentives, waivers and parking reductions per state law (California Government Code Section 65915) in exchange for providing affordable units onsite. To ensure that the units are dedicated as affordable for a period of a minimum of 55 years the applicant will enter into a DBA with the City (Exhibit 10).

The law also restricts the ability of local jurisdictions to require studies to "justify" the density bonus and requested incentives/waivers. The law places the onus on local jurisdictions to prove that the incentives/concessions or waivers are not financially warranted and requires substantial evidence determining that granting the concessions and waivers would cause detriment to public health, safety, the physical environment, or any property that is listed in the California Register of Historical Resources.

Density Bonus

Under the State's Density Bonus Law, developers providing 11 percent very-low income units may request a numerical density bonus of 35 percent from the base density (California Government Code Section 65915 (f)(2)). The General Plan land use designation for the site is District Center, which allows 90 dwelling units per acre and a maximum floor area ratio of 3.0. Based on the site area of 1.41 acres at 90 dwelling units per acre, 127 units are allowed. In exchange for providing 11 percent very-low income units on site, an additional 45 units are permitted through a density bonus. Therefore, the project proposes a total of 171 units with a total floor area ratio (FAR) of 4.2 for the development site. Application of the floor area ratio maximum would physically preclude development of on-site affordable housing units.

Table 3: Density Bonus Calculation

Density or Bonus	Allowed for Project	Provided
Base Density	127 units (1.41 acres x 90 units/acre)	127 Units
35-Percent State Density Bonus	45 units (127 x 0.35)	+44 Units
Total Units	172 units maximum	171 units proposed

Concessions and Waivers

To help make providing onsite affordable units feasible, the State law allows developers constructing 11 percent very-low income units seek up to two incentives/concessions (California Government Code Section 65915 (d)(2)(B)), and an unlimited number of waivers (California Government Code Section 65915 (e)(1)), which are essentially variances from development standards that would help the project be built. A concession may be a reduction in a site development standard, modification to a zoning code requirement or a modification to architectural design requirement that results in identifiable cost reductions. A waiver is for a standard that would physically preclude development from being built at the permitted density and with the granted concession/incentives. A development standard is defined in California Government Code Section 65915 as a site or construction condition, including, but not limited to, a height limitation, a setback requirement, FAR, an on-site open space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter or other local condition, law, policy, resolution or regulation.

Table 4: Requested Incentives/Concessions/Waivers

TZC and General Plan Standards	Requirement	Provided
Floor Area Ratio (FAR)	3.0 - Downtown District Center	4.2 FAR – Requires Waiver, Cal. Gov't Code Sec. 65915 (e)(1)
Sec. 41-2011(a) – Height	The Line Block building type permits a maximum of 10 stories	16 stories – Requires Waiver, Cal. Gov't Code Sec. 65915 (e)(1)
Sec. 41-2023(f) – Open Space	<ol style="list-style-type: none"> The common open space shall be designated as a courtyard, or in the front as a forecourt. This area shall be equal to 15% of the lot and shall be open to the sky. Minimum courtyard width of 20'0" when running EW and 15'0" when running NS. 20'0" wide courts only permit architectural projections on two opposing sides. Private open space for each dwelling unit and no less than 50 SF and not less than 6'0" in each direction. Private open space can be substituted for common open space or common interior space at an equivalent square footage. The minimum dimension of this space shall be 15'0" in each direction. 	Common open space is not proposed as a courtyard or forecourt – Requires Concession 1 of 2, Cal. Gov't Code Sec. 65915 (d)(1)
Sec. 41-2023(i) – Massing	Max. Ratios of each Story: <ol style="list-style-type: none"> Ground Floor – 100% Level 2 – 100% Level 3-5 – 85% Level 6 + – 85% 	Level 3 is proposed at 94% – Requires Concession 2 of 2, Cal. Gov't Code Sec. 65915 (d)(1)

The property is within a height exempt zone. However, in the TZC Downtown zone, the Lined Block building type limits structures to a 10-story maximum, but the building is proposed to be 16-stories (193 feet, 10 inches). A waiver from the maximum number of stories is needed for the project. The six additional stories are needed to make construction of a mixed-income high-rise development financially feasible. A designed four upper story levels are needed to accommodate space for 19 on-site affordable units and 44 density bonus units. Efforts to maintain views of the W.H. Spurgeon Building's clock tower to the north of the site have been made by recessing the building mass at the fourth and fifth levels and providing a publicly accessible deck that will provide views of Downtown. In addition, the public parking stalls account for one below-grade and four above-grade levels of the building, adding to the overall height of the development. The application of the 10-story maximum building height standard would physically preclude construction of the mixed-income project.

The project's open space is designed as open roof decks rather than courtyards or forecourt, as required by the TZC. Construction of a courtyard or forecourt would substantially increase engineering costs, and the development would need to be completely redesigned. This would reduce the number of units that could be constructed on the site and therefore reducing the number of affordable housing units that would result from the project. The project exceeds the 15 percent of common and private open space requirements in regards to quantity of open space provided as a total of 10,685 square feet of common open space and 7,550 square feet of private decks are provided.

The intent of specifying the massing for each level of a building is to maintain the building form of each building type. A maximum of 85 percent total coverage of the third level is permitted and 94 percent coverage is proposed. In order to maximize the number of parking stalls provided, the building footprint needs to span the building site at level three (cover 94 percent of the site). However, the urban form that the Line Block building type strives for through massing is still achieved due to the overall larger scale of the building. In addition, the levels 4 through 16 meet the prescribed massing standards. The overall building form and design is typical of the Line Block building type and typical of buildings found in a downtown urban environment. A reduction in massing at the third level would result in a reduction in public parking and reduce the financial feasibility of redeveloping the site and providing 19 on-site very-low income units. Overall, the mixed-used and mixed-income nature of the development supports the goals of the TZC.

Mixed-Use Building Parking

The density bonus law entitles developers to reduced parking standards. Pursuant to California Government Code Section 65915 (p)(1), residential developments providing eleven percent on-site affordable housing units at very-low income levels are entitled to provide on-site parking at the ratio of 1 stall for studio or one-bedroom units, and 2 stalls for two-bedroom units, inclusive of handicapped and guest parking. The applicant has elected to exercise the option to provide this parking ratio pursuant to the California Government Code Section (p)(1) therefore, a total of 196 parking spaces are provided. It is anticipated that employees and patrons for the commercial businesses will utilize the public parking spaces available on site and throughout Downtown.

Table 5: Mixed-Use Parking

Number of Units & Type	Required Parking Per Cal. Gov't Code Section 65915(p)(1)	Provided Parking
95-Studios	95 space	95 spaces
51 One Bedrooms	51 spaces	51 spaces
25 Two Bedrooms	50 spaces	50 spaces
Total	196 spaces	196 spaces

It is also important to note that under California Government Code Section 65915 (p)(4) upon request of a developer, residential developments providing 11 percent very-low income units and located within one-half mile of a major transit stop are entitled to a parking requirement of only 0.5 spaces per bedroom. The project is within 0.15 miles of the OCTA bus routes 53/53x stop at Main Street and Fourth Street, route 55 stop at Main Street and First Street and route 64/64x stop at Main Street and First Street. As such, the project is entitled to an even lower parking ratio than proposed under which a total of 98 parking spaces would be required for the 171-unit development. However, the applicant is providing 196 parking spaces, which would be an excess of 98 spaces if California Government Code Section 65915(p)(4) were exercised.

To address concerns regarding the requested parking incentive, the applicant prepared a parking analysis and parking management plan (PMP) (Exhibit 12). The PMP encourages transit ridership by providing transit maps with tenant move-in packets and upon demand can provide on-site valet service to maximize use of parking areas and reserve additional residential and commercial parking spaces through long-term agreements with the City for use of nearby parking structures. The parking management plan indicates that, if needed, valet service for on-site vehicle stacking for all uses could create an additional 122 parking spaces on levels P1 through 8, raising the total on-site parking supply for the mixed-used project spaces from 196 to 318. In addition, the PMP indicates that an additional 50 offsite parking spaces could be leased on a long-term basis at on-site or nearby City-owned parking structures. When implemented, this would result in an effective parking ratio of 1.86 parking spaces per residential unit with the on-site valet service, and 2.15 spaces per unit with the additional 50 offsite spaces, which would be equivalent to the 2.15 per unit parking space requirement of the TZC.

The parking study supports the parking ratio of one space for every studio and one bedroom and two spaces for every two-bedroom unit for variety of factors. These include the project's proximity to existing and future mass transit, such as standard bus service, high-capacity/express bus service, the Santa Ana Regional Transportation Center, and the under-construction OC Streetcar; the project's location within a highly-amenitized, mixed-use environment with shopping and major employment centers nearby; and proximity to nearby existing parking facilities, including parking structures, parking lots, and on-street parking.

Variance – Hotel Parking

The applicant is proposing to provide 83 hotel parking spaces, which would include 42 mechanical stackers, 4 ADA spaces, and 37 reserved parking spaces in the adjacent parking structure. The applicant is proposing use of Park Plus SpaceMaker Triple Parking Lifts, which is a mechanical stacking device that allows for three vehicles to be stacked above one another. Due to the need for

trained operation of the system, the stacker system requires use of valet operators. In addition, hotel valet parking services would be provided for 37 vehicles in the adjacent building.

Pursuant to SAMC Section 41-632, a variance for a reduction in required off-street parking and from off-street parking access requirements is required. The SAMC requires that all parking stalls be accessible and useable. The mechanical stackers do not allow for all of the parking stalls to be accessible as the system requires trained valet operators. In addition, the applicant is proposing to utilize the SAMC Section 41-1344 hotel off-street parking standard instead of the TZC's Downtown zone's non-residential off-street parking requirements.

Table 6: Hotel Parking

Off-Street Parking Standard	Required Parking 62,516 SF Building, 75 rooms	Provided
Transit Zoning Code 1 space per 400 square feet of non-residential uses	156 spaces	83 spaces; 42 stackers 37 reserved spaces 4 ADA spaces
Santa Ana Municipal Code Section 41-1344 1 space per 1 room + 1 space per every 10 rooms	83 spaces	
Requested Variance	73 spaces	

The TZC parking requirements do not differentiate between hotels and other commercial uses. Therefore, the required off-street parking for all commercial uses in the TZC Downtown zone is one parking space per every 400 square feet. Application of the TZC Downtown zone standard for the 62,516 square foot hotel would require 156 parking spaces, which would be an additional 73 spaces (46-percent variance). The SAMC Section 41-1344 hotel off-street parking requirement for hotels requires one parking space for every room plus one space per every ten rooms. Application of SAMC Section 41-1344 hotel off-street parking standard, a more apt standard, would require 83 parking spaces.

The applicant engaged the services of Urban Crossroads, a professional parking consulting firm, to prepare a parking analysis, which supports use of the SAMC Section 41-1344 hotel off-street parking standard due to the mixed-use nature and urban location of the project. In addition, the study notes that the SAMC Section 41-1344 hotel off-street parking standard is higher than other jurisdictions' standards, such as Anaheim, Costa Mesa and Buena Park's hotel off-street parking requirements, all of which are hotel-rich cities.

Condition of approvals for the variance and hotel's SPR application have been added to require valet service and reciprocal parking and accesses easements within the adjacent mixed-use development site. Due to the project's proximity to public transportation options and to support the intended goal of creating a transit-oriented Downtown, staff supports use of the SAMC Section 41-1344 hotel off-street parking standard. Requiring an additional 73 parking spaces would be contrary to the goal of the TZC to create transit-oriented developments. Granting the variance will not be detrimental to the public welfare or injurious to surrounding properties with the conditions of approval applied to the project to manage parking through valet service.

Tentative Parcel Map

Subdivision requests are governed by Chapter 34 and Chapter 41 of the SAMC. Pursuant to Section 66473.5 and 66474 of the California Subdivision Map Act, applications for tentative parcel maps are approved when it can be shown that findings can be made in support of the request. Specifically, findings related to the proposal must be made to show consistency with the General Plan, conformance to all applicable City ordinances, the project site being physically suitable for the type and density of the proposed project, the proposed project not causing substantial environmental damage or substantially and avoidably injure fish and wildlife or their habitat, not causing serious public health problems, or not conflicting with easements necessary for public access through or use of the property.

The applicant is seeking approval of a tentative parcel map for condominium purposes to subdivide the 1.41-acre parcel into two parcels, create three airspace parcels and to provide public and emergency vehicle access to a private street and sidewalks (Exhibit 13). The subdivision is not to create residential condominium units for sale and ownership. The airspace parcels that are being created are referred to as condominium units and allow the parcels to have separate interests. The two parcels include Parcel 1 (the mixed-use residential building) and Parcel 2 (the hotel building). Parcels A, B, and C represent airspace parcels (set horizontal and vertical limits) of the parking areas within the structure for separate interests. The building and common areas will be managed by Covenants, Conditions and Restrictions (CC&Rs). In reviewing the project, staff determined that the proposal as conditioned is consistent with the various provisions of the SAMC and General Plan, including lot size and lot frontage. No adverse environmental impacts to fish or wildlife populations were identified as the project site is located in a built-out, urbanized area. Finally, the tentative map was found to be consistent with the California Subdivision Map Act and Chapters 34 and 41 of the Municipal Code.

California Environmental Quality Act (CEQA)

An addendum to a previously certified EIR is prepared when a lead agency is asked to approve modifications to an existing project for which an EIR has already been certified. An addendum evaluates the requested modifications and determines whether subsequent EIR review is required. Since none of the conditions specified in State CEQA Guidelines, section 15162 are present, an Addendum to the previously-certified 2010 EIR was prepared for the Third and Broadway project.

Pursuant to State CEQA Guidelines section 15164(b), an addendum to a previously-certified EIR is not circulated for public review. The Addendum is included with this staff report as Exhibit 14. Pursuant to State CEQA Guidelines section 15164(d), the Planning Commission must consider the Addendum together with the TZC's original 2010 EIR before making a decision on the project.

Previous CEQA Documentation

The 2010 TZC EIR (SCH No. 2006071100) anticipated potential development of approximately 4,075 residential units, 387,000 square feet of retail development, and an additional 15.5 acres of open space within the City. The 2010 EIR considered the environmental impacts related to

aesthetics; air quality; biological resources; cultural resources; hazards and hazardous materials; hydrology and water quality; land use; noise; population, housing, and employment; public services; transportation and traffic; utilities and service systems; and climate change. A mitigation monitoring and reporting program, findings of fact, and a statement of overriding consideration were adopted with the 2010 EIR.

2020 Third and Broadway Addendum

The Addendum focuses on the potential environmental impacts associated with the project, including the density bonus application and associated concessions and waivers, site plan review applications, variance, tentative parcel map and disposition and development agreement that might cause a change in the conclusions of the certified 2010 EIR, including changes in circumstances or new information of substantial importance that would substantially change those conclusions.

The proposed development required preparation of studies relating to shade and shadow, air quality and greenhouse gas emissions, traffic, parking, noise and vibration, Phase I environmental site assessment, hydrology, a preliminary water quality management plan, and sewer capacity (Attachments to the 2020 Addendum). All studies evaluate the proposed project as compared to the existing entitlements and were reviewed for content and accuracy by the City. In addition, the project is within a Transit Priority Area. Under Senate Bill 743, aesthetic and parking impacts cannot be considered a significant impact within a Transit Priority Area.

The addendum concludes no new or substantially greater impacts would occur with implementation of the proposed development when compared to those identified in the 2010 EIR and finds that no supplemental or subsequent EIR is required for the proposed development. Therefore, the 2010 EIR's MMRP will continue to mitigate or lessen any impacts already identified by the TZC's original 2010 EIR.

Economic Development

The Community Development Agency in coordination with Kosmont Companies estimates approximately 510 local construction jobs and \$53,000,000 in local labor income will be generated in the short-term, and \$737,000 in annual general fund revenue will be generated for the long-term.

Table 7: Estimated General Fund Revenue from Proposed Project

Summary of Annual Estimated Revenue from Project	
Property Tax (Secured & Unsecured)	\$210,000
Property Tax In-Lieu of VLF	\$130,000
Sales & Use Tax (On-Site/Direct)	\$57,000
Sales & Use Tax (Off-Site/Indirect)	\$25,000
Transient Occupancy Tax (\$90 RevPar)	\$270,000
Utility User Tax & Other Tax	\$45,000
Annual General Fund Revenues (ROUNDED):	\$737,000

Table 8: Economic Benefits of Construction for 3rd and Broadway

	Employment	Labor Income
Direct (On-Site)	475	\$49,000,000
Indirect	180	\$14,000,000
Induced	200	\$13,000,000
Total Countywide	855	\$76,000,000
Estimated City Capture	510	\$53,000,000

Table 9: Public Notification and Community Outreach

Public Notification and Community Outreach each	
Required Measures	<p>A community meeting was held on October 8, 2019 at 6:00 p.m. at 100 South Main Street in accordance with the provisions of the City's Sunshine Ordinance. Invitations/notices were mailed to property owners and occupants/tenants in a 500-foot radius from the project site. Approximately 13 members of the public attended, as well as 3 City staff. The applicant provided all the required information to the City after the meeting. Details from the community meeting were posted to the project's webpage at https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-monthly-development-project-reports/3rd-and-0.</p> <p>Notification by mail was mailed to all property owners, occupants, and other interested parties within 500 feet of the project site in accordance with SAMC requirements. Newspaper posting was published in the Orange County Reporter in accordance with SAMC requirements.</p>
Additional Measures	<p>Over the past three years the applicant has conducted one-on-one informational meetings with over twenty businesses or interested parties in an around Downtown along with outreach with the Chamber of Commerce and Downtown Inc.</p>

Conclusion

Based on the analysis provided within this report, staff recommends that the Planning Commission adopt a resolution approving (1) Addendum to the Environment Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Variance No. 2020-05 and Tentative Parcel Map No. 2020-02, (2) Variance No. 2020-05 for the hotel off-street parking requirements as conditioned, and (3) Tentative Parcel Map No. 2020-02 as conditioned. In addition, staff recommends that the Planning Commission recommend that the City Council adopt a resolution approving (1) Addendum to the Environment Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Density Bonus Agreement Application No. 2020-01, Site Plan Review No. 2020-01, Site Plan Review No. 2020-02, and the Disposition and Development Agreement; and (2) Density Bonus Agreement Application No. 2020-01 with concessions and waivers, Site Plan Review No. 2020-01 for a mixed-use development and Site Plan Review No. 2020-02 for a hotel as conditioned.



Selena Kelaher, AICP
Associate Planner

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Exhibits:

1. Resolutions (EIR Addendum, Density Bonus Agreement, Site Plan Review, Variance, Tentative Parcel Map)
2. Vicinity Zoning and Aerial Map
3. Site Photos
4. Site Plan
5. Residential Unit Floor Plans
6. Mixed-Use Building Elevations
7. Hotel Building Elevations
8. Renderings
9. Mixed-Use and Hotel Open Space
10. Conformance to Development Standards
11. Draft Density Bonus Agreement
12. Parking Analysis and Parking Management Plan
13. Tentative Parcel Map
14. 2010 Transit Zoning Code EIR Link
15. 2020 EIR Addendum and Technical Appendices Link
16. Sunshine Meeting Minutes