

**PLANNING COMMISSION REGULAR MEETING  
COUNCIL CHAMBERS, RICHMOND CITY HALL**  
450 Civic Center Drive, Richmond, CA  
April 18, 2019  
6:30 p.m.

**COMMISSION MEMBERS**

Marilyn Langlois, Chair  
Nancy Baer  
Claudia Garcia  
David Tucker  
Andrew Butt, Vice Chair  
Jen Loy  
Michael Huang

The regular meeting was called to order by Chair Langlois at 6:31 p.m.

**ROLL CALL**

**Present:** Chair Marilyn Langlois, Vice Chair Andrew Butt; Commissioner Claudia Garcia, Yu-Hsiang (Michael) Huang and David Tucker

**Absent:** Commissioner Nancy Baer and Jen Loy.

**INTRODUCTIONS**

**Staff Present:** Planning Staff: Planning Staff: Roberta Feliciano (Planner II), Lina Velasco (Planning Director), and Carlos Privat (Senior Assistant City Attorney)

**MINUTES –**

February 21, 2019

**ACTION: It was M/S/Community (Garcia, Tucker) to approve the Minutes of February 21, 2019; which carried by the following vote: 4-0-2-1 (Ayes: Butt, Garcia, Huang, Tucker; Noes: None; Absent: Baer, Loy; Abstentions: Langlois).**

**AGENDA**

Chair Langlois provided an overview of meeting procedures for speaker registration, public comment, and public hearing functions. She said items approved by the Commission may be appealed in writing to the City Clerk by Monday, April 29, 2019, by 5:00 p.m. and she announced the appeal process after each affected item, as needed.

**CONSENT CALENDAR –**

Chair Langlois gave a brief overview of the consent calendar’s policies and procedures.

- 1. PLN19-049: Hacienda Senior Apartments CUP PUBLIC HEARING** to consider a Conditional Use Permit for a parking reduction, Tentative Parcel Map for a lot split, and Design Review Permit to rehabilitate the existing apartment building for affordable senior housing at 1300 Roosevelt Ave. (APN: 534-370-028). CM-5, Commercial Mixed-Use,

Activity Center District. Richmond Housing Authority, Mercy Housing California, applicant Planner: Roberta Feliciano Tentative Recommendation: Conditional Approval

- 2. **PLN18-057: Mike’s Auto Body Commercial Addition** PUBLIC HEARING to consider a Conditional Use Permit a Design Review Permit to construct a 9,000 square foot addition to an existing auto body shop located at 3230 Auto Plaza (APN: 405-330-003). CR, Regional Commercial District. Rose Family Properties LLC, owner; Mike Rose’s Auto Body, applicant Planner: Hector Lopez Tentative Recommendation: Conditional Approval
- 3. **PLN17-236: Powerplant Park CUP** PUBLIC HEARING to consider adoption of an Initial Study/Mitigated Negative Declaration (IS/MND), Mitigation Monitoring and Reporting Program (MMRP), and a Conditional Use Permit for a proposed cannabis production facility that includes 45 greenhouses, a nursery, processing center, and support facilities, including a café at Northwest Corner of Richmond Parkway and Goodrick Avenue (APNs: 408-220-003, -023, -024, -025, -026, -032, -033, -034, -039, -041, -042, -043, -049, and -050). Documents are available online at [www.ci.richmond.ca.us/powerplantpark](http://www.ci.richmond.ca.us/powerplantpark) IA, Industrial Agriculture District. Richmond Development CO, Joe and Heidi Shekou, Doommas Enterprises LLC, owner; Powerplant Park Inc., applicant Planner: Lina Velasco Tentative Recommendation: Conditional Approval

Director Velasco announced that there were three public speakers for this item and that they were all in support of the project.

Vice Chair Butt declared that he had a conflict of interest with this item and he recused himself from the vote.

Chair Langlois requested confirmation from Staff that the project complied with the latest General Plan amendments. Director Velasco stated that it did comply with all updated amendments.

**ACTION: It was M/S/C (Butt, Garcia) to approve Item 1 and Item 2 on the Consent Calendar; which carried by the following vote: 5-0-2 (Ayes: Langlois, Butt, Garcia, Huang, Tucker; Noes: None; Absent: Baer, Loy).**

**ACTION: It was M/S/C (Garcia, Huang) to approve Item 3 on the Consent Calendar; which carried by the following vote: 4-0-2-1 (Ayes: Langlois, Garcia, Huang, Tucker; Noes: None; Absent: Baer, Butt, Loy)**

**BROWN ACT – Public Forum**

BRUCE BEYAERT, Chair of TRAC, reported that TRAC was celebrating their 20<sup>th</sup> year as a Committee. He confirmed that TRAC was working on 13 active projects and there was 7-miles left to complete of the Bay Trail within the City limits of Richmond. He gave a brief overview of the 13 active projects the Committee was working on.

**NEW BUSINESS**

**STUDY SESSION**

- 4. PLN14-101: Inclusionary Housing Amendments** STUDY SESSION to receive and provide input on potential amendments to Richmond Municipal Code Section 15.04.603, Inclusionary Housing ordinance, including discussion of amendments relating to on-site affordable housing percentages, development standards, the timing and phasing of new inclusionary requirements, and in-lieu fees for certain areas of the City. The ordinance would apply citywide. Planner: Lina Velasco Tentative Recommendations: Receive and Provide Comments.

Director Velasco introduced Eric Phillips with Goldfarb Lipman and David Doezema with Keyser Marston Associates who helped staff prepare and analyze proposed amendments to the Inclusionary Housing Ordinance. Staff was seeking feedback and direction from the Commission regarding the affordable housing policy options.

There were two existing policies within the Housing Element, these policies were required to be including in the City's General Plan, and they were updated every 5-years. The most recent adoption of the City's Housing Element was in May of 2015. Staff had done some analysis under the Program H-1.3.2, Inclusionary Housing Ordinance Study, which looked at best practices throughout Cities in the Bay area to learn what practices had been most effective in the production of housing. Director Velasco noted that while the inclusionary housing ordinance does not solve the City's affordable housing shortage, it can assist in the construction of more affordable units.

Director Velasco summarized that the ordinance only applied to projects that were producing 10 or more housing units. There were two ways to meet the requirements of the ordinance which were to either 1) produce the units as part of the project on site or 2) pay an in-lieu fee. The existing in-lieu fee was 7 percent of the construction cost as estimated by the Building Department.

Eric Phillips, Goldfarb Lipman LLP, noted that the City's existing affordable housing requirements applied to residential projects and not non-residential projects. He stated that the City was allowed to apply affordable housing impact fees to non-residential projects as well. He reported that due to several Supreme Court cases, a Nexus study was not required in order to impose an affordable housing requirement to residential projects but there was a cap on the amount of affordability that could be required. As of January 2018, Cities were also allowed to have inclusionary requirements that applied to rental housing developments as long as those projects meet certain standards.

David Doezema, Keyser Marston Associates, announced that his team prepared the Nexus and Feasibility Study for the City's Inclusionary Housing Ordinance. The basic idea of a Nexus Study was to look at the jobs that were added in new non-residential buildings by pay level and the need for affordable housing for low-income workers in any non-residential buildings. Based on those two components, the study then determined what the maximum fee that could be charged to non-residential projects. Keyser Marston Associates' recommended the City charge \$1 per square foot for warehouse and industrial with a commercial linkage fee. Other non-residential projects were recommended to be set at \$2 per foot in addition to the commercial linkage fee but include an exemption for projects that were adding less than 5,000-square feet of floor area.

In terms of the Financial Feasibility Analysis for residential, the analysis evaluated amounts that projects could afford to pay for sites versus land costs in the City. He stated that the definition of feasibility meant the project had a good chance of reaching completion and be constructed. He gave a brief overview of the Financial Feasibility Analysis looking at single-family detached

projects, townhomes, and apartments in various locations around Richmond. Overall it was more likely a project was deemed feasible, residential or rentals, if the project paid an in-lieu fee instead of providing affordable housing units on-site.

Vice Chair Butt voiced his concerns that the revenue or supported investment per unit dollar amounts were not accurate and did not reflect current sale prices for detached single-family residential homes south of 580. Mr. Doezema reported that there was not a lot of data to review and all estimations were based on sales within the past 10 years.

Chair Langlois requested what the profit margins were. Mr. Doezema stated that for for-sale projects the report assumed 12 percent returns for detached projects, 15 percent for attached townhomes, and for apartments 5.75 percent.

Compared to surrounding Cities, Richmond was on the higher end of the percentage of units required for affordable housing. In terms of the existing in-lieu fees, Richmond was located within the middle of surrounding Cities, and Richmond was in line the majority of surrounding Cities that provided an option to developers to either an in-lieu fee or construct the units on site.

In summary, Keyser Marston Associates recommended requirements that include a higher percentage of units in the area south of 580. For in-lieu fees, they recommended to hold steady south of the 580 but reduce the rest of the areas until the market becomes more established. In terms of on-site production, they recommended limiting on-site units to the for-sale units south of the 580. For inclusionary percentages, they recommended to reduce the affordable unit percentage in order to promote building physical units on the site.

Mr. Phillips reviewed prior directions that were given from City Council in terms of how an ordinance was to be drafted. The main theme that came out of the City Council meeting on February 27, 2018, and the community workshop that was held on December 13, 2018, was the push to have more affordable housing units on site but with the understanding that affordability policies could not be set too high or projects simply would not get built.

Mr. Phillips expressed several recommended amendments to the existing housing ordinance which included recommendations for inclusionary housing percentages for rental, residential and non-residential projects, recommended in-lieu fees and phasing plans, commercial linkage fees, alternatives for AB 1505, affordability terms, and several others.

#### Public Comment:

Scott Littlehale, Richmond resident representing the Carpenter's Union, emphasized that getting affordable housing built was extremely important. He was supportive of the recommended amendments to the Inclusionary Housing Ordinance and hoped that all new projects would use union workers.

Discussion commenced between Vice Chair Butt and Staff about in-lieu fees, if any fees had been collected thus far, what those funds were spent on, and how an in-lieu fee could be used to attract developers. Vice Chair Butt articulated that he was in support the proposed recommendations and he particularly liked the graduated fees for the area north of 580. He was concerned that affordable units would be located in lower-income neighbors and not be included in upscale neighborhoods. He commented that a neighboring City collected their fees when the plans were submitted to Planning Staff instead of when permits were pulled and he requested that Staff explore this option.

Commissioner Garcia concurred with Vice Chair Butt about his concern, but generally agreed with all the proposed recommendations. She prioritized the acquisition and rehabilitation of units as her preferred alternatives for AB 1505. She supported the idea of having more affordable housing units be built south of 580 instead of letting developers pay the in-lieu fee.

Commissioner Tucker requested of Staff when they forecasted to see the in-lieu fund to be in the positive instead of in the negative and what the average square footage was for a unit. Director Velasco reported that Staff believed a continuous stream of revenue was going to be coming into the City due to several projects in the pipeline. Mr. Doezema explained that square footage for units varied project by project. Commissioner Tucker suggested that the ordinance include a minimum square footage for the affordable units build on-site. Commissioner Tucker was in support of encouraging affordable infill projects.

In terms of Commissioner Huang's question, Mr. Phillips stated that it was recommended that mixed-use projects containing commercial and residential be subject to the linkage fee as well as the requirements of the Inclusionary Housing Ordinance. Commissioner Huang advised that Staff compare Richmond to surrounding Cities in terms of how many housing units, market rate and affordable, had been built and present that data to the Commission and City Council. Director Velasco noted that many Cities did not have that data available because ordinances were so new but Staff would do their best to supply any information to the Commission and City Council.

Chair Langlois concurred with all previous comments made by other Commissioners. She was discouraged to know that the City could be charging much higher fees but understood that by doing that no housing projects would be built. She declared that she wanted to see the City get credit for using their in-lieu fee funds to pay for affordable housing units that were supposed to be paid for by HUD. She requested that Staff provide a break down of all projects that had paid an in-lieu fee and what the City used those in-lieu funds on. She agreed with all the proposed recommendations and suggested that all proposed fees have the ability to be adjusted as the City saw fit. She wanted to see the ordinance encourage the use of union labor and she really wanted there to be more incentives to build low or very low-income housing instead of market rate housing.

The next steps are that Staff would take the Commission's comments and return with a draft ordinance at a later date.

**7. Reports of Officers, Commissioners and Staff –**

No reports.

**8. Adjournment** - The meeting was adjourned at 8:16 p.m. to the next regular meeting on May 16, 2019.