



CITY OF MONTCLAIR
PLANNING COMMISSION MINUTES
REGULAR ADJOURNED MEETING
Monday, July 28, 2008

CITY COUNCIL CHAMBERS
5111 Benito Street, Montclair, California 91763

CALL TO ORDER

Chairman Flores called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

Commissioner Johnson led those present in the salute to the flag.

ROLL CALL

Present: Chairman Flores, Vice Chairman Vodvarka, Commissioners Johnson, Lenhart, and Sahagun, Community Development Director Lustro, City Planner Diaz, and City Attorney Robbins.

Excused: Associate Planners Lai and Frazier-Burton.

MINUTES

The minutes of the July 14, 2008 meeting were presented for approval. Commissioner Lenhart moved, Commissioner Johnson seconded, there being no opposition to the motion, the minutes were approved 5-0.

ORAL AND WRITTEN COMMUNICATIONS

None.

AGENDA ITEMS

6.a PUBLIC HEARING - CASE NUMBER 2008-14

Project Address: SEC Mills Avenue and Kingsley Street
Project Applicant: National Community Renaissance of California
Project Planner: Mike Diaz, City Planner
Request: General Plan and Holt Boulevard Specific Plan
Amendments and Precise Plan of Design

City Planner Diaz reviewed the staff report.

Commissioner Johnson inquired whether National CORE is the same organization that managed the other buildings that the Commission looked at about one year ago in Fontana and Rialto. Director Lustro confirmed that when the Commission went out on a tour of various projects the company was then named Southern California Housing Development Corporation and have since merged with another company and became National Community Renaissance of California. It is the same entity and development team that staff worked with on the San Antonio Vista apartments located at the end of Pradera Avenue.

Director Lustro stated that he met with Councilmember Paulitz prior to the meeting regarding his concerns about the project and wanted to let the Commission know what those concerns were. One of his concerns was the density of the project. As noted in the staff report, the project is proposed at 28.5 units per acre as one of the proposed development incentives, per the density bonus ordinance. Councilmember Paulitz felt the project should not be any denser than the San Antonio Vista project on Pradera Avenue, which was 20 units per acre. Reducing the density to that level will reduce the unit count by almost one-third. Rather than 50 units, there would be 35 units. Another issue was the minimum size of the units proposed in the project. The Municipal Code calls out a minimum floor area for two-bedroom units of 1,200 square feet and a minimum floor area for a three-bedroom unit of 1,400 square feet. In the proposed project, two-bedroom units range from approximately 750 to 950 square feet and three-bedroom units from 1,025 to 1,150 square feet. These are two more development incentives for the project, but not significantly unlike the development incentives that were granted for the San Antonio Vista project. In that project, the smallest two-bedroom units were 980 square feet and the smallest three-bedroom units were 1,120 square feet. Another issue brought up was the common open space. On the San Antonio Vista project, there was, per the plans submitted, just under 20 percent of the total site area designated as common open space. The proposed project, as indicated in the staff report, has a total outdoor common open space at 25-26 percent, so there is more common open space provided in this project than there was at San Antonio Vista. Associated with that was landscaping. Councilmember Paulitz's said that it appeared there wasn't sufficient landscaping. In fact, per the plans submitted, there is just under 20,000 square feet of landscaping on the proposed project, which is about 25 percent of the total site area, exceeding what would normally be required and is more than what is on the San Antonio Vista project. Director Lustro stated that the last concern, but

certainly not the least, because it was a very important issue for Councilmember Paulitz, was parking. On the San Antonio Vista project, we required two parking spaces for every unit, all uncovered. As a 75-unit project we required 150 parking spaces. There were no designated guest spaces, just a straight 2-to-1 parking ratio. On the proposed project, there are 50 units and using the same ratio, there would be 100 parking spaces. Staff has had a number of conversations with the applicant to make the site plan work and try to include the amenities that staff and the applicant felt were important. As a result, 86 parking spaces are proposed. That is a little over 1.5 spaces per unit. One of the primary reasons that staff felt this would be satisfactory as a development incentive was based largely on our observations of the San Antonio Vista project over the past number of months, which has been 100 percent occupied. During staff visits to that particular project during hours of the day when most of the residents were presumed to be home, staff found 20 to 25 percent of the parking spaces to be unoccupied, which translates into no more than 120 spaces being occupied at any time. That leads staff to believe that the resident population on that particular project, which would be essentially identical to what is being proposed, owns less than two cars per unit, so staff felt there is some flexibility with regard to the number of parking spaces. Councilmember Paulitz's comment was that he would prefer to see at a minimum, two parking spaces for every unit, for a total of 100 spaces.

Chairman Flores commented he did not realize the difference in the numbers. He was thinking first to get rid of the shopping center because it has been deteriorating, but after listening to Councilmember Paulitz's comments and looking at some of the numbers, he felt the Commission needed to get a little closer to what is going on. The plans included everything that needed to be there, but the house plans were so small that you needed a magnifying glass to see them and there were no dimensions on the plans.

Commissioner Sahagun asked if any more letters were received from the public. City Planner Diaz replied that the one letter already copied to the Commission was the only written correspondence received and there was one phone call from the store owner to the north, across Kingsley, who had questions about the project and what was going to happen to the tenants when the building was demolished. Commissioner Sahagun commented that he was comfortable with less parking, but would like to know about the bus routes and what stores will be around for the residents. Director Lustro stated that there is an Omnitrans bus route that runs along Holt Boulevard, he believed Line 61, that actually runs as far east as Ontario International Airport, and west to the Pomona Transcenter, where there are connections to Foothill Transit and access to downtown Los Angeles and points west. The old Food 4 Less grocery store at the northwest corner of Holt Avenue and Indian Hill Boulevard was recently remodeled into a grocery store named El Super, a chain of Latino grocery stores based in Los Angeles. Director Lustro stated that it would certainly be within walking distance of this project.

Commissioner Sahagun asked if there was anything similar to the senior Omni transit bus for the residents of this project, other than a taxi or other type of service. Director Lustro stated the Golden Express that the city operates is available for the senior project, but there was no public transit along Mills Avenue so residents wishing to take

advantage of public transit at the proposed project would have to walk a little over a block to get to the bus lines on Holt Boulevard.

Commissioner Vodvarka commented that Councilmember Paulitz brought up some issues he did not even think of and he did not understand how they think they can get away with so little parking for a project that large. Most people today have two cars and if they have kids they will have cars so there will not be enough room to park. Director Lustro commented that this is not a market rate project and, while he was not suggesting that folks with limited income may not necessarily have two cars, he urged the Commission to remember that this project is unlike most of the triplex and four-plex projects in the City, not professionally managed such as this one. There are fairly strict screening regulations that go into residents being able to reside in this particular development and there may or may not be a restriction on the number of cars they can have. The idea of affordable housing is to allow people to pay less than market rent in order to get on their feet and eventually move into something that is a step up. Although this is going to be a nice project, eventually most individuals or families will be interested in moving into a condo or single family house at some point down the road. He could not speak to what the average stay would be of a resident in a development that is managed by National CORE, but he thought it should be looked at a little bit differently in that they are not necessarily folks who are going to be there for 15 or 20 years. The idea is that they will increase their earning ability and be able to move on to something else. Again, with respect to the parking, the experience that staff has had with the other family project was a factor in us giving direction to the applicant and the architect on this project to reduce the parking to something less than 2-to-1.

Commissioner Sahagun asked about the single unit and whether staff was going to be there to be sure that a family of two will not move into a single bedroom unit. Director Lustro stated that the one bedroom unit is reserved for the site manager. Commissioner Sahagun asked to clarify that the two-bedroom and three-bedroom units will have restrictions on how many people can move in. Director Lustro stated that the applicant has certain qualifications and guidelines that a family has to meet. Commissioner Sahagun commented that he felt it would eliminate vehicles.

Chairman Flores opened the public hearing.

Welton Smith, Vice President, National Community Renaissance of California, the developer and the property manager for this proposed project, stated that National CORE walks a fine line when developing quality affordable housing and providing the level of parking that people need. At the same time, they have to keep in mind that a development like this requires participation from the City partner with regard to funds being committed to the project and they balance the quality of the development along with the amenities they try to provide. One of the big questions was parking and it's an issue they face every time they do a new development and he felt the best answer to the question is historical data. If we take the most recent historical data, it is San Antonio Vista, which is parked at a ratio of two parking spaces for every unit. That property, which is 100 percent occupied, has 87 registered vehicles, which means that a

large number of spaces are being left unused. They, as a company, have to make a recommendation to their City partner that they do two things: one, encourage the residents to use public transportation to the extent that it is available and, in this case, it is tremendously available, and two, not burden the facility with additional costs that are not necessary. A more recent and typical example is a senior development in the City of San Diego, called Talmadge Village on El Cajon Boulevard. This was a development with City participation with very deep affordability and they were required to do 1.5 parking spaces per unit and to date, there is about 25 percent usage of the parking facility for the simple reason that the seniors at that level of deep affordability cannot afford a vehicle and use public transportation. He thought the answer is that they provide the number of spaces that will be used without additionally burdening the property with costs that essentially, for a facility that goes unused, is the line that they walk. So, the recommendation they were making to the Commission, is that they reduce to the level of usage. This new development at 50 units is going to be parked with one parking space less than the number of parking spaces used at a development that is 50 percent bigger. Another issue brought forth by Councilmember Paulitz was the issue of unit sizes. Again, the issue of cost comes up. With development costs running the way they are, every additional square foot of unit that you build means that the project needs more money in order for it to be feasible. At the same time, we want large enough units so that our residents are comfortable and that is really important to them. The state Tax Credit Allocation Committee, which is the major funding source of affordable projects, sets minimum standards. For a one bedroom unit, it is 500 square feet; a two bedroom, 750 square feet; a three bedroom unit, 1,000 square feet. If you look at the unit sizes that are proposed, everything they have exceeds the minimums. It is not up to the standards of a top quality market rate unit, but it is significantly above the standards that are required by the Tax Allocation Committee and he felt were very comfortable for the residents. The third issue brought up by Mr. Paulitz was that of density. Whenever you build a development that has fewer than 50 units, it becomes economically infeasible to operate and that is based on their historical analysis. The development needs to be at that size to make sure that the project can sustain its operating costs. It just becomes impractical to build a project that is fewer than 50 units. They, as a developer and management company, like to staff their projects as best as they can for their residents, which means they want an on-site manager, maintenance person and provide services that help enrich residents' lives. You cannot do that when the number of units falls below 50 for the simple reason that it becomes economically infeasible. For that reason, they try not to ever do that is fewer than 50 units and if they can avoid 50, they do that as well. They have a small site and think that increasing it beyond that is unreasonable but also dropping it below 50 is a little bit of a burden on the developer to have a well run, maintained, well managed project.

With respect to Commissioner Johnson's question about who they are, he felt Director Lustro did an excellent job of answering it, but he wanted to add that they are the same company that runs the developments in Fontana. The company was known as Southern California Housing Development Corporation and in January 2006 they merged with their sister company, which was National Housing to form a company

called National Community Renaissance. Both of the companies are intact under the umbrella of National Community Renaissance.

Mae Chinn, the project architect from Onyx Architects, wanted to say that they feel they have worked closely with the Planning Division to provide a good quality design and she felt the project would be a good presence in the neighborhood. The architecture itself is quality like a market rate project. In terms of amenities, in working with a small site, they were able to provide the programming, the courtyard space, and they are looking forward to putting the project together.

There being no one else present wishing to speak on the item, Chairman Flores closed the public hearing.

Commissioner Johnson asked Ms. Chinn about the balconies. One of the things she noticed at the Fontana site was that there was some problem with rainwater drainage from one of the balconies that was causing significant mold and stains on the side of the building. Ms. Chinn answered that they are providing a standard detail that includes outdoor deck coating with the balcony floor framing naturally tapered. The standard is one-quarter inch per foot, which provides for adequate drainage which will not cause problems. Ms. Chinn confirmed Commissioner Johnson's concern that it would drain off the edge and not off the side.

Commissioner Lenhert stated that he was the one that probably started all the fuss about the parking and he still could not see that there will be enough parking. Before he retired, he worked as a contractor for a utility company and worked around units similar to this in San Bernardino, Rialto and Ontario and you know the mess they have over there. In the beginning this will be fine, but what is it going to be ten years down the road? If you have people moving in there, there are going to be kids, what about when the kids start driving cars? Last night in that area at around 8:00 p.m., there were only six parking spaces within a few blocks of that site and one of those was on the Pomona side. There are many apartments there and those streets were all parked full. He did not get into the new gated community but looked through it and wondered what it was going to be like ten years from now. He felt it was something the Commission had to consider and if we are going to minimize all these requirements that we have had here for some time, then maybe we better re-write all the requirements.

Commissioner Johnson commented that elimination of the existing strip mall is a wonderful thing and she liked the project for that reason. Affordable housing is good; but being packed in like a sardine is not so good. She understood Mr. Smith's comments about viability and being able to sustain it. When she went out to the site a couple of times, she observed that it (the site) is really tiny for a project of this magnitude. She liked tearing down the strip mall and she would like to see a project like this on that site, but it looks like it is too much as proposed. If she knew someone who lived there and went to visit, she would not get out of the car. She has been there in the evening and drove by fast. She has been there mid-day and went a little slower and then went by this morning at 7:00 a.m. and she still would not get out of the car because

of the people in the neighborhood and people walking around with bottles of liquor at 7:00 a.m. Parking is an issue because people, not only the residents but visitors, cannot safely park and as Commissioner Lenhert said, there were only six parking spaces within a couple of blocks. She liked the project and wanted it to be there, but there needs to be more parking and you cannot really compare senior parking to family parking because seniors do not have children. She was really impressed with this organization because they run a tight ship with stringent guidelines to get in and once you get in there are a set of rules that you have to follow. She has heard that there is a long waiting list to get in and she understands why because the projects are phenomenal. That tells her that once a young family gets in there, they do not leave. She stated that she was struggling with the parking and the facility being so huge because it seems a little sardine-like.

Vice Chairman Vodvarka concurred with Commissioners Lenhert and Johnson. He commented that the residents cannot stay as long as they want, they can only stay there as long as they are low-income. As their income rises, they can be asked to leave. He stated he was scared about what will happen down the road and looking at the Fontana project and they are having problems today. He felt it needed more time at the drawing board.

Commissioner Lenhert commented that everyone can remember what the City has been through with the Foundation Areas on Bandera, Canoga, and Mills and we sure do not want to go through that again.

Commissioner Sahagun asked Mr. Smith about what is going to happen in ten years and wondered if he had any longer term history for one of his projects and whether they have remained viable or turned bad. He also asked if the income is verified each year. Mr. Smith replied that with regard to the income verification, it is annual. If a family does become over-qualified because their income increased, then they are given a stipulated period of time within which they are required to find a new place to live. With regard to historical operation of their properties, they have the parking ratios of all their family developments that they have done over the last 16 years and the oldest one is one they acquired and parked at 1.1 spaces per unit and it is a family development. He was not making that recommendation because it forces people to go park on the street, which creates the problem indicated. At 1.5 he felt the best indication is San Antonio Vista and the fact that that development, which is fully occupied, is only using 87 spaces. This project is two-thirds of the units and is proposing to develop one fewer space than that and that meant to him that there is room to grow. He thought the issue over time of families growing, he felt that those families eventually become overqualified and move up to something different which they hope is home ownership. That is something they have been tracking recently as a company to see how many residents actually move out of the developments into home ownership. Commissioner Lenhert asked how they verify what the income is. Mr. Smith responded that from what he knew, the resident is required to submit pay stubs and income tax related statements and there are actual calls to their employers to verify. That is the responsibility of property management and there is a compliance division whose sole responsibility is to make sure that the

residents are income qualified. The Tax Allocation Committee has very stringent requirements for income verification and recertification on an annual basis. Mr. Smith commented that they do the best they can with the information they verify. Will someone slip through the cracks? Maybe, but if they cannot find it, they doubt anyone can find it because they put the residents through a very strict process.

Commissioner Sahagun stated that the question about the ten years history was not really about the parking, but about the condition, the maintenance and upkeep. What some of the Commissioners are concerned about is that the project becomes dilapidated, not managed well, and becomes an eyesore. Mr. Smith stated that they have a process of underwriting when they actually put together the financing of a project that requires that they look at all the future capital needs of any development that they build. This means they do a one-year, five-year, and 15-year capital plan. They have a man in their office whose sole responsibility is to make sure that all the future requirements of the development are capitalized, so they do a per unit replacement reserve, which anticipates the future capital needs of the development. For example, they make sure that in ten years if you have to replace HVAC or parking lot lights, there is a detailed list per project of what all the capital needs are going to be and they make sure those are funded entirely by their cash flow. The first four developments they did were in Rancho Cucamonga, and I invite you to go look at them. Those are properties that were acquired when they were 30 years old; 16 years later he would put them up against any market rate development that is near and that will speak for itself. They have to maintain their properties because it is not just their reputation that is at risk, it is the City's. The other piece of that is managing it well so that there is never graffiti; if it is there, it is removed immediately. They screen their residents. You cannot park dead cars and leave them there for three days. The big one is the replacement reserve and right now in all new developments, they allow between \$500 and \$600 per unit per year to maintain those properties so they can replace the air conditioning, heating, ventilation, parking lots, the landscaping. Commissioner Sahagun commented that he used the City of Rancho Cucamonga to compare to and wondered about cities like San Bernardino, Rialto, or others where the demographics are different; how will those projects look ten years down the line? Mr. Smith replied that they have three developments in the City of Rialto; two of them are acquisition rehabs and one is new construction. There is a new development that they are in the process of completing called Citrus Grove, where they acquired 160 condo units and have re-done them. He urged the Commission to go look at them and then go look at them five years down the road because you will see Renaissance Village, which is one of the first one they did in Rialto. They keep them up well. One of the things they try to do if it is an acquisition rehab is put money up front that restores them to a reasonable life expectancy and then maintain them really well. The properties in Fontana are all new construction. They have a property in Redlands called The Colony. They have five in the City of Palmdale, which is a very low-income area and they were all acquisition rehabs. Please look at them. He would be happy to take the Commission to see them. They look as good now as they did when they acquired them.

Commissioner Johnson commented that she remembered hearing about the capital reserve and thought it was in Rialto and it was awesome especially compared to the other buildings in the area. She asked what would be the maximum income for a family who lives there and what would be the period of time given to move. Mr. Smith answered that most of the developments that they do, residents range between 30 and 60 percent of the area median income. The rent calculation is based on a formula that targets a specific population that earns that percentage of the area median income. He can get the very specific numbers and can forward them to you by tomorrow morning. Commissioner Johnson asked that Mr. Smith forward the information to staff. Mr. Smith replied that with regard to the time given to a resident who has become over-qualified, he believed that they were given at least a couple months to move into a new area and he believed that there was some form of assistance that came with that and he said he would check with the property management staff and find out the specific timeframe and also forward that information to staff.

Chairman Flores commented that the development itself was not being questioned; the Commission knows they run a good operation and the upkeep is great. He felt what has happened is that one of the Council members had questions and the Commission, in reviewing the project a little closer, maybe should continue the item so that the Commission is in sync with Council. He did not like the parking ratio at all because we have had so many parking problems in the City already with smaller and different types of developments. It would not be right to recommend acceptance of the project as is. He felt they should postpone it.

Commissioner Sahagun suggested that the Commission approve the project and if the Council did not like it, it could override the Commission.

Director Lustro stated that Commissioner Sahagun is largely correct. Three of the items before the Commission – a recommendation for a General Plan Amendment, recommendation for a Specific Plan Amendment, and a recommendation for a density bonus – require City Council approval. The Planning Commission has the authority to approve a Precise Plan of Design, but it can be called up by the City Council for review or reconsideration. There are state requirements for the City to provide affordable housing. Montclair has done a much better job than a lot of our surrounding neighbors have and we pride ourselves on that. We do have a significant amount of affordable housing; our numbers look good for the near future. We are complying with state law on that particular point. The other thing is the city's Redevelopment Agency has a significant stake and investment in this particular project along with the other two projects, the San Antonio Vista project that National CORE has already completed and the senior project that they are getting ready to start. There is a significant amount of investment, time and financial assistance to make these projects successful. As Mr. Smith mentioned earlier with regard to the density issue, he indicated that 50 units is kind of a magic number with regard to making a project pencil. Anything less than 50 units makes it unfeasible. It does not take an architect to figure out that to be able to add more parking to this project, you will lose more units and/or common open space and/or landscaping. We start to impact other development standards on this particular

project and its aesthetic appearance and how it functions. It is not fair to compare this particular project to the multi-family neighborhoods that were mostly built in the 1960s. Whether we're talking about the Foundation Areas or non-foundation areas Commissioner Lenhert mentioned. Staff would not disagree for a moment that parking is difficult in these neighborhoods, but that is largely caused by the development standards in place back in the 1960s. Those standards required only one covered parking space per dwelling unit. Most of those neighborhoods are made up of triplexes and fourplexes that are under a variety of ownerships. A lot of those units have enclosed garages and the garages are not being used for parking vehicles, they are used for storage. Since there is no guest parking on the vast majority of those properties, there is only one place for those vehicles to park and that is in the street. One of the ways this project and the San Antonio Vista project differ from the City's typical multi-family neighborhoods is that you do not have any covered parking or enclosed parking so it allows the professional management team that National CORE hires to monitor what is going on in their parking areas. Disabled cars, cars on blocks, etc. are not allowed to stay, they will be towed away. While staff understands the Commission's concerns about parking, it needs to be looked at a little bit differently than what we're used to in this City. The density bonus ordinance was adopted by the Council just a few years ago and its primary reason was to be able to facilitate the development of affordable housing. The City recognizes that incentives are required for developers like National Community Renaissance and other companies that are in this business to develop affordable, quality housing in communities, allow the City to provide incentives to help make projects feasible, and that was the primary reason for the density bonus ordinance. The density bonus ordinance applies only to affordable housing. If a developer came in and wanted to do a market rate project, they cannot take advantage of the incentives, they would have to meet our standards.

Chairman Lenhert said he could see both sides of it and it has been several years since the Commission took the road trip. He suggested continuing the item for two weeks to give the Commission a chance to look at those again. Commissioner Sahagun commented he thought it was a good idea as well.

Commissioner Johnson moved to continue the item for four weeks until the August 25, 2008 Planning Commission meeting, seconded by Commissioner Lenhert, there being no opposition to the motion, the motion passed 5-0.

INFORMATION ITEMS

Chairman Flores commented that the car wash at Metro Honda finally got its rebar foundation poured and it is on its way.

Chairman Flores adjourned the meeting at 8:14 p.m.

Respectfully submitted,

Laura Berke
Recording Secretary