



## STAFF REPORT

**DATE:** October 8, 2019

**TO:** Bryan Montgomery, City Manager

*Approved and Forwarded to the City*

**FROM:** Kenneth W. Strelo, Principal Planner

**SUBJECT:** **Twin Oaks Senior Residence Mixed-Use Project (CUP 02-19, DR 07-19, and DBA 01-19) – Request for approval of a Conditional Use Permit, Design Review, and Density Bonus Housing Agreement to construct a mixed-use project including 130 affordable senior apartment units and 5,667 sq. ft. of commercial space located at 2605 Main Street.**

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### Summary

This is an application by Highridge Costa Development Company, LLC, (“Applicant”) requesting approval of the following (“Project”):

- 1) A Conditional Use Permit to develop a mixed-use project on an approximately 5.85-acre site consisting of a 3-story, 130-unit, age-restricted (62 and up) and affordable senior apartment complex with 5,667 sq. ft. of 1-story, street-fronting commercial space (CUP 02-19);
- 2) Design Review of site development and building architecture (DR 07-19); and
- 3) A Density Bonus Housing Agreement to allow a maximum 35% increase in density (or apx. 98 units to 130 units) per Oakley Municipal Code section 9.1.412 Residential Density Bonus and Incentives (DBA 01-19).

The project site is located at 2605 Main Street and is zoned General Commercial (C) District. APN: 035-011-030.

### Staff Recommendation

Staff recommends the City Council approve the project titled, “Twin Oaks Senior Residence Mixed-Use Project (CUP 02-19, DR 07-19, DBA 01-19)” with the following actions:

- Adopt a Resolution adopting the Mitigated Negative Declaration and approving the Conditional Use Permit and Design Review, as conditioned; and
- Adopt a Resolution 1) confirming the proposed Density Bonus Housing Agreement (“Agreement”) between the City of Oakley and the Applicant is in conformance with state law, and 2) approving and authorizing the City Manager to execute said Agreement.

### **Fiscal Impact**

None. This is a developer funded account. All Staff time and City of Oakley generated materials are charged to the account.

### **Background**

#### **General Plan**

- *Commercial (“CO”)* – The “CO” designation allows for a broad range of commercial uses typically found adjacent to residential neighborhoods, downtowns, and freeways. The particular form of commercial zoning for different areas of the City depends, among other factors, on the characteristics of surrounding land uses.

#### **Zoning**

- General Commercial (C) District – The purpose of the C District is to create and maintain major commercial centers accommodating a broad range of commercial uses (e.g., office, retail, and personal services) of community-wide or regional significance typically found adjacent to or along major travel corridors, such as Main Street, O’Hara Avenue, Laurel Avenue and Empire Avenue. Permitted and Conditionally Permitted Uses in the C District include those also listed in the Retail Business (RB) District ([Oakley Municipal Code \(“OMC”\) subsections 9.1.506\(b\)17 and \(c\)14](#), respectively. [OMC subsection 9.1.504\(c\)17](#) allows “Mixed-use (multifamily residential in conjunction with commercial)” after issuance of a conditional use permit.

#### **Existing Conditions and Surrounding Land Uses**

The 5.85-acre project site is located on the south side of Main Street, just east of Oakley Town Center. This shopping center is anchored by the Lucky Supermarket and Rite Aid, and consists of approximately 109,000 sq. ft. of retail, restaurant, grocery, and financial services space. Main Street (a 4-lane arterial with raised median) borders the project site on the north. Single-family residential neighborhoods are farther north beyond Main Street, and directly east of the site and south of the site beyond an existing storm water detention basin

and vacant parcels of land. Summer Creek Place, an existing 1- and 2-bedroom, ground-level, senior apartment complex lies to the southwest of the site and directly south of the shopping center. As it currently exists, the site is mostly vacant and routinely maintained to keep down weeds. Three mature coastal oak trees, various smaller trees, and remnant vineyards also exist on the site. Figure 1 shows a Google Earth aerial view of the project site and surrounding properties.

*Figure 1. Aerial View of Project Site and Surrounding Properties*



## **Project Description**

### **Conditional Use Permit**

Issuance of a Conditional Use Permit ("CUP") is required prior to operation of a mixed-use project (consisting of multifamily residential in conjunction with commercial) in the C District. A CUP is an application to establish a land use within a zoning district that does not allow establishment "by right", but does allow the granting of a land use permit after a public hearing. [OMC section 9.1.1602 \(Variance and Conditional Use Permits\)](#) sets forth the application requirements, procedures, and standards Staff follows when processing a CUP.

The proposed application is requesting approval of a mixed-use project consisting of multifamily residential in the form of affordable, age-restricted apartments (130 units) combined with a partial commercial frontage (5,667 sq. ft.). The 130 units would result in a density of 22.22 dwelling units per gross

acre, and be age-restricted for residents 62 years and older. This density would be consistent with the M-17 District density of 16.7 dwelling units per gross acre when subject to the proposed Density Bonus Housing Agreement allowing an increased density of 35% ( $16.7 + (16.7 \times .35) = 22.55$ ).

### Design Review

The Design Review Ordinance ([OMC section 9.1.1604](#)) contains duties and procedures for review and approval of a Design Review application. OMC section 9.1.1604(d) requires that when a developer proposes a project in a commercial zoning district that the design review shall be undertaken by the Planning Commission<sup>1</sup> and be heard as a public hearing. The proposed new development fits the criteria above and requires Design Review approval in the setting of a public hearing. The proposed design review covers all of the physical development of the project, such as site planning, building architecture and massing, colors and materials, landscaping, and walls and fencing.

### Proposed Site Plan

The proposed project is designed with parking and drive aisles between the buildings and property lines, and an active courtyard at the center between the buildings. Vehicle access is derived off of Main Street from a driveway separated with the main project entry sign. Additional access between the site and Oakley Town Center to the west may be made available in the future dependent upon agreement between the property owners. Also, an Emergency Vehicle Access ("EVA") is proposed at the terminus of Edgewood Drive to the east of the project site. This EVA would be blocked off to non-emergency vehicles. The rear (southern) portion of the site will be developed as a passive park with a preserved oak tree, walking paths, and landscaping.

Development specs for the proposed project consist of a 3-story apartment building with 130 units (98 1-bedroom; 32 2-bedroom), and 188 parking spaces (133 for residents, 33 for visitors, and 22 for shoppers). There is over 63,000 sq. ft. of open area and apx. 16,000 sq. ft. of landscaping throughout the site. The building area totals approximately 114,000 sq. ft. The entire ground floor frontage of the project along Main Street consists of the public retail portion in the northwest corner of the building (5,667 sq. ft.), and other uses related to the residential portion of the project, such as the leasing office, lobby, clubhouse, common area, library, fitness, conference and storage rooms, and laundry facilities. The resident courtyard, located at the center of the site, includes a majority of the on-site resident amenities, including the pool and pool cabanas, spa/hot tub, BBQs, shuffle board, bocce court, garden furniture, vegetable beds, and two of the three preserved oak trees with protected canopy drip lines (i.e. no

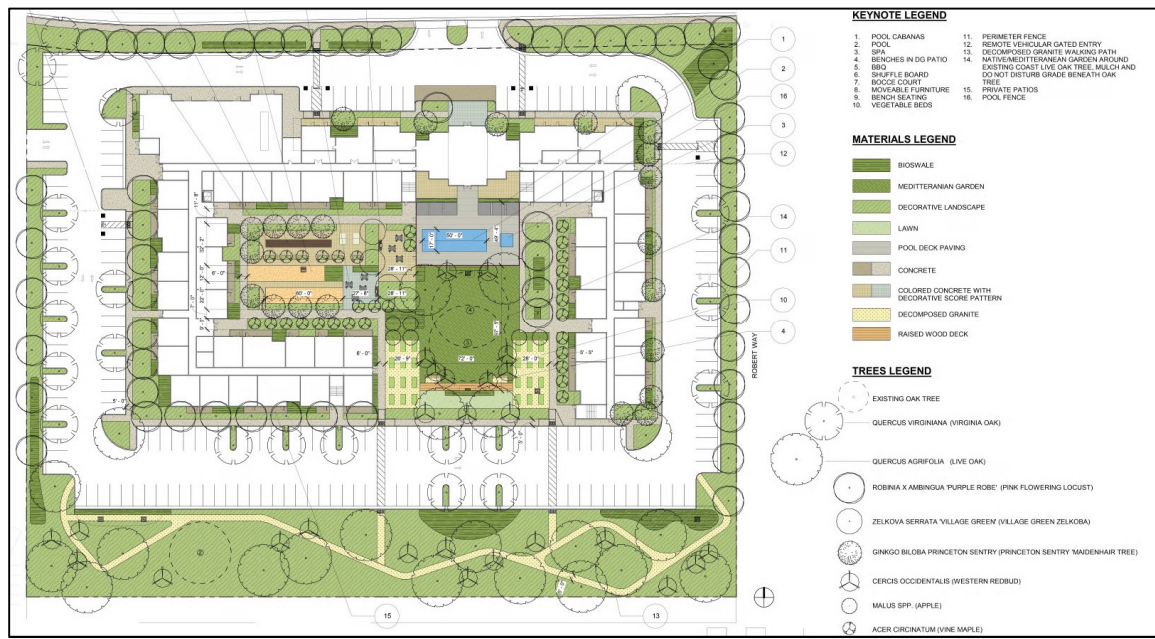
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<sup>1</sup> City Council acts as the Planning Commission per Ordinance No. 06-09



access beneath or activity beneath). Figure 2 shows a color landscape plan that provides a visual representation of the general layout as described above.

Figure 2. Landscape Plan



## Architecture

As seen in the Applicant's Plans, the project architect (SVA Architects) sought inspirations for the design by studying architectural expressions and main elements on buildings within the City of Oakley, specifically newer architecture along Main Street. Several Oakley buildings are shown on the plans as inspiration for the project design, including City Hall and the buildings across the street in the downtown plaza (La Costa and Buon Appetito), Fire Station 51 (O'Hara Avenue), and Grocery Outlet. As a result, proposed building architecture mainly consists of tiled roof, white and earth-tone fine sand-finished Stucco, and stone veneer. Front-facing gables, smaller pyramid tower elements, and color block style main walls make up the building massing. Where additional space is located between windows, false shutters are often used to reduce the amount of blank wall. Decorative black-coated metal is often used as balcony barriers and it matches other detail elements such as external light housings.

The plans include color elevations as well as 3D perspective renderings. Main Street's frontage of the project shows the retail to the right with a slightly different roofline, which was done intentionally to distinguish it from the residential units and related non-unit uses (e.g. library, leasing office). Figures 3 and 4 show examples of the 3D perspective renderings from the project frontage and an aerial from the northeast looking southwest.

Figure 3. Main Street 3D Perspective



Figure 4. 3D Perspective Rendering from NE Looking SW



### Landscaping and Fencing

The proposed landscape plan is provided as an illustration and includes a legend and notes. There are eight species of trees proposed to be planted and three existing coastal live oaks proposed to be preserved onsite. A Mediterranean garden with an additional 15 plant species is proposed. This garden will use naturally drought tolerant plants that show seasonal color. Decorative landscaping proposed throughout the site will be used to tie buildings and open spaces together. An additional 11 plant species will make up these areas, which will focus on lush flowering plants, ornamental grasses, and groundcovers. Vehicle gates and perimeter fencing are proposed as ornamental, black steel fencing, similar in appearance to traditional wrought-iron design.

### Density Bonus Housing Agreement

A Density Bonus Housing Agreement (“DBA”) is required in order to develop the site at a density greater than that allowed by the municipal code, which allows a maximum 16.7 dwelling units per gross acre (“du/ga”). Since this project is proposed to be 100% affordable, the Applicant has requested the maximum density bonus as required by [California] Density Bonus Law (GC 69915-65918) of 35%, as set forth by [OMC section 9.1.412 \(Residential Density Bonus and Incentives\)](#) subsection d.2. The density bonus calculation is as follows:

- No DBA = 98 Units: Allowable maximum density under M17 District.  $[5.85 \text{ acres} * 16.7 \text{ du/ga} = 97.70 \text{ (would be rounded to 98)}]$ .
- DBA = 132 Units: Allowable maximum density with DBA:  $[97.70 * 1.35 = 131.90 \text{ (rounded to 132)}]$ .

At 130 dwelling units, the proposed project would comply with the maximum allowable number of units when applying the 35% density bonus increase. In order to implement this increase in density, the developer and City must enter into a DBA, which the City Council must find to be in compliance with state law and approve for City Manager execution prior to recordation. Staff has included a stand-alone resolution with the DBA for consideration with this project.

### Analysis

#### Conditional Use Permit

Oakley Municipal Code subsection 9.1.1602(f) includes the findings required to be made in order to approve a conditional use permit. Compliance with each of the required findings is summarized below:

1. The site for the proposed use is adequate in size and shape to accommodate the use and all yards, spaces, walls and fences, parking, loading, landscaping and other features required by this title to adapt the use with land and uses in the neighborhood:
  - *The proposed project meets all but one of the development standards in both the C and M-17 Districts, which could both apply due to the mixed-use component of the development. The exception is building height, which is 35 feet maximum in the C District (buildings are proposed at 36 feet high). This is addressed as one of the concessions permitted in conjunction with the DBA. Adequate setbacks are provided with additional setbacks from adjacent uses created by designing the project with landscaping and parking around the perimeter.*



2. The site for the proposed use relates to streets and highways adequate in width and pavement type to carry the quantity and kind of traffic generated by the proposed use:
  - *The site fronts onto Main Street, which is already improved to its full width and includes curb, gutter and sidewalks along the project frontage. Main Street is defined as a major arterial in the General Plan.*
3. The proposed use will be arranged, designed, constructed, operated and maintained so as to be compatible with the intended character of the area and shall not change the essential character of the area from that intended by the general plan and the applicable zoning ordinances:
  - *The intended character of the area is a combination of commercial uses serving nearby residential neighborhoods and a broader commercial attraction by the nearby shopping center. The use of senior residential and fronting commercial space will be compatible with that character by not only providing additional and new commercial space, but by bolstering that space and the existing commercial uses with 130 units of active-senior residents. In addition, the site will be looked after and maintained by onsite management and will be expected and conditioned to maintain a minimum standard of aesthetics for the life of the project.*
4. The proposed use provides for the continued growth and orderly development of the community and is consistent with the various elements and objectives of the general plan:
  - *The project site has remained an essentially vacant piece of land on a major corridor for the entirety of Oakley's existence, both as a community and city. Development of this project will provide a much needed asset (affordable, age-restricted apartments) in a managed setting nearby walkable commercial uses and public transit (Tri-Delta Transit bus stops) in the form of infill development.*
5. That the proposed use, including any conditions attached thereto, will be established in compliance with the applicable provisions of the California Environmental Quality Act: (See "Environmental Review" below).

### Design Review

The proposed plans were analyzed for consistency with the adopted City of Oakley [Commercial and Industrial Design Guidelines](#) and [Residential Design Guidelines](#) ("Guidelines"), as applicable. The standards for Design Review is



found in OMC subsection 9.1.1604(f). The following aspects have been considered in Staff's analysis and provided as findings in the proposed resolution:

1. Site planning, including building siting (location), setback and orientation; entries, circulation and parking; landscape setbacks and buffers; and location of trash, loading and service areas, and mechanical equipment:
  - *The proposed project includes buildings that front Main Street, but are significantly setback from adjacent properties, which being three stories will provide a prominent street presence while minimizing the impact on neighboring uses. The parking is situated along the perimeter of the project, with an additional landscape buffer along the property lines.*
2. Architecture, including massing and grouping; facades, entries and roofs; materials and colors; and screening of trash, loading and service areas, and mechanical equipment:
  - *Architecture of the buildings takes on a Mediterranean design with low lying roofs that completely screen all roof top equipment. Sections of the buildings are color-blocked to enhance the projections and relief along the facades. The white and earth-tones combined with the stone-veneer base and color-blocks will provide a clean and sectional appearance to the building, which will assist in breaking up the horizontal length.*
3. Landscaping and site elements, including general landscape areas; entry and plaza enhancements; parking lot landscaping; walls and fences; and lighting:
  - *Landscaping is designed well with both decorative landscaping used throughout the site, and a Mediterranean garden to enhance and supplement the building architecture. The three significant and impressive coastal oak trees will be preserved and the two located more toward the center will be a focal point for the active courtyard used by the residents and their guests. Trees will line the Main Street frontage and act as a buffer between the site and properties to the east. The passive park located along the southern property line will provide a significant buffer and relaxing atmosphere for the residents.*
4. Streetscapes, including major community entries; highlighted intersections; and district entries:

- *The Main Street frontage is already improved with curb, gutter and sidewalk. The project will enhance this frontage with the addition of approximately 20 24" box trees, and a separated driveway ingress/egress that includes a low-lying project wall and sign between the in and out drives.*

### **Environmental Review**

An Initial Study and Mitigated Negative Declaration ("ISMND") have been prepared for this project pursuant to the California Environmental Quality Act (CEQA). The Notice of Intent to Adopt a MND and Initial Study was circulated for public review and comment from September 19, 2019 to October 8, 2019. It was filed with the County Clerk, and sent out to over 60 public agencies, to parties requesting such notice, and to residents and owners of properties directly adjacent to the project site. The NOI provided a summary of the project as well as methods to access the ISMND for review and comment. The ISMND is included as an attachment to this Staff Report, and available at: <https://www.ci.oakley.ca.us/ceqa-documents/>. The City Council must adopt the MND in order to approve the project. Adoption of the MND is included in the proposed Conditional Use Permit and Design Review Resolution.

### **Findings**

Draft findings for the Conditional Use Permit and Design Review are in the "Analysis" section, above, and can be found in the proposed Conditional Use Permit and Design Review Resolution. Draft findings for the Density Bonus Housing Agreement can be found in the proposed Resolution related to that agreement.

### **Staff Recommendation**

Staff recommends the City Council approve the project titled, "Twin Oaks Senior Residence Mixed-Use Project (CUP 02-19, DR 07-19, DBA 01-19)" with the following actions:

- Adopt a Resolution adopting the Mitigated Negative Declaration and approving the Conditional Use Permit and Design Review, as conditioned; and
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### **Attachments**

1. Vicinity Map
2. Public Hearing Notice
3. Initial Study/Mitigated Negative Declaration
4. Applicant's Plans
5. Proposed Conditional Use Permit and Design Review Resolution
  - a. Exhibit "A" – Mitigation Monitoring Program
6. Proposed Density Bonus Housing Agreement Resolution
  - a. Exhibit "A" – Proposed Density Bonus Housing Agreement  
(including Exhibits "A, B, and D" to Agreement)
  - b. Exhibit "C" to Agreement

### **In City Clerk's Reading File**

1. Appendices to the Initial Study/Mitigated Negative Declaration