



Legislation Details (With Text)

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**File created:** 3/14/2022      **In control:** City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency

**On agenda:** 5/2/2022      **Final action:** 5/2/2022

**Title:** SUBJECT: Public Hearing to Consider a Resolution Approving General Plan Amendment #22-02 and Environmental Review #22-14 (Mitigated Negative Declaration), and the Introduction of an Ordinance for Zone Change #430 for Approximately 4.59 Acres Located on the East Side of Parsons Avenue, Approximately 300 Feet South of Yosemite Parkway (Hwy 140); and Approval of a Legislative Action Agreement for the Project

REPORT IN BRIEF

Request for City Council approval to change the General Plan Land Use Designation from Thoroughfare Commercial (CT) to High-Medium Density (HMD) Residential and change the Zoning designation from Thoroughfare Commercial (C-T) to Medium Density Residential (R-3-1.5) for approximately 4.59 acres generally located on the east side of Parsons Avenue, approximately 300 feet south of Yosemite Parkway (Hwy 140), including the adoption of a Mitigated Negative Declaration and approval of a Legislative Action Agreement.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting Resolution 2022-21, A Resolution of the City Council of the City of Merced, California, Approving a Mitigated Negative Declaration (Environmental Review #22-14) for General Plan Amendment #22-02 and Zone Change #430 for approximately 4.59 acres of land generally located on the east side of Parsons Avenue, south of Yosemite Parkway (Hwy 140) (1808 Parsons Avenue) and approving General Plan Amendment #22-02 changing the General Plan land use designation from thoroughfare Commercial (CT) to High-Medium Density (HMD) Residential and approving a Legislative Action Agreement for General Plan Amendment #22-02 and Zone Change #430; and,

B. Introducing Ordinance 2540, an Ordinance of the City Council of the City of Merced, California, amending the Official Zoning Map by rezoning approximately 4.59 acres of land generally located on the east side of Parsons Avenue, south of Yosemite Parkway (Hwy 140) (1808 Parsons Avenue) from thoroughfare Commercial (C-T) to Medium Density Residential (R-3-1.5); and,

C. Approving the Legislative Action Agreement and authorizing the City Manager or Deputy City Manager to execute the necessary documents.

Sponsors:

Indexes:

Code sections:

**Attachments:** 1. Location Map.pdf, 2. Site Plan.pdf, 3. Visionary Home Builders Project Description, 4. Floor Plans.pdf, 5. Building Elevations.pdf, 6. Planning Commission Resolution #4088, 7. Planning Commission Staff Report #22-200, 8. Draft City Council Resolution.pdf, 9. Draft Ordinance.pdf, 10. Legislative Action Agreement, 11. Draft Presentation

Date	Ver.	Action By	Action	Result
5/2/2022	1	City Council/Public Finance and Economic Development	approved	Pass

Authority/Parking  
Authority/Successor Agency to the  
Redevelopment Agency

*Report Prepared by: Julie Nelson, Senior Planner, Development Services Department, Planning Division*

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## REPORT IN BRIEF

Request for City Council approval to change the General Plan Land Use Designation from Thoroughfare Commercial (CT) to High-Medium Density (HMD) Residential and change the Zoning designation from Thoroughfare Commercial (C-T) to Medium Density Residential (R-3-1.5) for approximately 4.59 acres generally located on the east side of Parsons Avenue, approximately 300 feet south of Yosemite Parkway (Hwy 140), including the adoption of a Mitigated Negative Declaration and approval of a Legislative Action Agreement.

## RECOMMENDATION

**City Council** - Adopt a motion:

- A. Adopting **Resolution 2022-21**, A Resolution of the City Council of the City of Merced, California, Approving a Mitigated Negative Declaration (Environmental Review #22-14) for General Plan Amendment #22-02 and Zone Change #430 for approximately 4.59 acres of land generally located on the east side of Parsons Avenue, south of Yosemite Parkway (Hwy 140) (1808 Parsons Avenue) and approving General Plan Amendment #22-02 changing the General Plan land use designation from thoroughfare Commercial (CT) to High-Medium Density (HMD) Residential and approving a Legislative Action Agreement for General Plan Amendment #22-02 and Zone Change #430; and,
- B. Introducing **Ordinance 2540**, an Ordinance of the City Council of the City of Merced, California, amending the Official Zoning Map by rezoning approximately 4.59 acres of land generally located on the east side of Parsons Avenue, south of Yosemite Parkway (Hwy 140) (1808 Parsons Avenue) from thoroughfare Commercial (C-T) to Medium Density Residential (R-3-1.5); and,
- C. Approving the Legislative Action Agreement and authorizing the City Manager or Deputy City Manager to execute the necessary documents.

## ALTERNATIVES

1. Approve, as recommended by the Planning Commission and staff; or,
2. Approve subject to modifications as conditioned by City Council; or,
3. Deny; or,
4. Refer back to staff for reconsideration of specific items (to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

## AUTHORITY

Title 19 of the Merced Municipal Code outlines environmental review procedures and California

Government Code Section 65358(a) grants authority to amend all or part of an adopted General Plan. Merced Municipal Code Section 20.80 and 20.82 outlines procedures for zone changes and General Plan Amendments.

### CITY COUNCIL PRIORITIES

Infill Development is listed as a part of FY 2021-22 Council Goals and Priorities as part of Element 5, Future Planning.

### DISCUSSION

#### Project Description & Site Design

The project site consists of approximately 4.59 acres located on the east side of Parsons Avenue, south of Yosemite Parkway (Hwy 140) (Attachment 1). The applicant, Visionary Home Builders of California, is requesting a General Plan Amendment to change the General Plan land use designation from Thoroughfare Commercial (CT) to High-Medium Density (HMD) Residential and a Zone Change to change the zoning from Thoroughfare Commercial (C-T) to Medium Density Residential (R-3-1.5). These changes would allow for the construction of a 108-unit affordable housing complex.

In addition to the 108 apartments, the proposed project would include a community center/office building, a sports court, playground area, and associated parking. The apartment buildings would be enclosed by a 6-foot tall wrought-iron fence (see the Site Plan at Attachment 2). Of the 108 units, 107 would be affordable and one unit would be for an on-site manager. The Community/Office building would provide an area for a Head Start Program and other amenities for the tenants. Refer to the project description provided by Visionary Home Builders at Attachment 3.

The site would be comprised of five three-story buildings along with the single-story community/office building (refer to the Site Plan at Attachment 2). There are two building types - Building Type A (21 units) and Type B (24 units). There are four Type A buildings and one Type B. Building Type A includes 21 units (7 units per story) and Building B includes 24 units (8 units per story). There is a mixture of one-, two-, three-, and four-bedroom units throughout the complex. The Table below shows the number of bedrooms and bathrooms by unit type within each building as well as the number of total units of each type within the complex. Floor plans are provided at Attachment 4.

Unit No.	Bedrooms	Baths	No. of Units
A1	1	1	6
B1	2	1	30
B1-Alt	2	1	30
C-1	3	1.5	30
D1	4	2	12
TOTAL			108

All of the apartment buildings would have the same building elevations which incorporate a mixture of colors and materials to provide visual interest as shown on the building elevations provided at Attachment 5.

Access to the site is from Parsons Avenue. There are two driveway entrances with the main entrance being the northern driveway and the southern driveway for emergency vehicle access. As shown on the Site Plan at Attachment 2, the Community Building is located near Parsons Avenue between the two driveways. The five apartment buildings would be enclosed by a 6-foot-tall wrought-iron fence. There would be automatic gates to allow access into the apartment complex as well as pedestrian access gates.

A tot lot/playground are proposed at the center of the project site, between two of the apartment buildings. The site plan also shows an open space area along the northern property line and within the circular drive aisle at the rear of the site. The site would provide 184 parking spaces which meets the requirements of the Zoning Ordinance.

#### General Plan Compliance and Policies Related to This Application

The proposed project would comply with the General Plan designation of High-Medium Density (MD) Residential (12 to 24 units per acre) and the zoning designation of R-3-1.5 if the requested General Plan Amendment and Zone Change are approved.

A list of Land Use Goals and Policies that would be achieved with the implementation of this project are found in Finding A of Exhibit B of Planning Commission Resolution #4088 at Attachment 6.

#### Traffic/Circulation

The project site would be accessed from Parsons Avenue. This section of Parsons Avenue is a four-lane, north-south City street that currently extends south from SR 140 to beyond Childs Avenue, from which it proceeds into Merced County. There are plans to connect Parsons Avenue to other road segments to the north, eventually converting it to a main north-south road in Merced. The Merced General Plan classifies Parsons Avenue as a “minor arterial”. The Merced General Plan EIR indicated that traffic volume on Parsons Avenue between Childs Avenue and SR 140 was 9,600 (City of Merced 2010). Since no significant development appears to have occurred in the area since the EIR was released, the current traffic volume on Parsons Avenue would be approximately the same, with small increases each year based on general traffic volume increases.

The City’s General Plan establishes a Level of Service (LOS) D (reflecting a “tolerable delay”) as an acceptable level of service. According to the Transportation section of Initial Study #22-14 at Attachment G of Planning Commission Staff Report #22-200 (Attachment 7 of this report), the proposed multi-family project would generate 587 average daily trips (ADT’s).

As previously described, the *Merced Vision 2030 General Plan* shows the segment of Parsons Avenue from Childs Avenue to SR 140 (Yosemite Parkway) carried 9,600 ADT’s in 2010. This section of Parsons Avenue was a two-lane road at that time. Table 4.4 estimated that by 2030, the roadway would be expanded to four lanes and carry 43,420 ADT’s while still operating at LOS D. Given the fact that there has been no major development in the area since the 2010 analysis done

for the General Plan, and the fact that the road has been improved to 4 lanes, it's expected that this section currently operates above LOS D. Therefore, the addition of 587 ADT's would not reduce the level of service below LOS D.

Alternative transportation options are located near the project site. There is a bus stop directly across from the site on Parsons Avenue. In addition, Parsons Avenue has bicycle lanes that provide connection to the City's bicycle transportation system. There are also sidewalks along Parsons Avenue to allow pedestrian access.

### Parking

Merced Zoning Ordinance Table 20.38-1 sets forth the parking requirements for a multi-family development based on the number of units, bedrooms, and bathrooms. Based on this table, the project would be required to provide 191 parking spaces. However, Zoning Ordinance Section 20.38.050 (D) allows a 5 percent reduction in parking for multi-family and commercial uses if the site is located within 400 feet of a City-approved bus stop. There is such a stop located across Parsons Avenue from the site. Therefore, the required parking spaces are reduced to 181 spaces. The proposed site plan includes 184 spaces.

In addition to the vehicular parking required, the project would be required to provide bicycle parking in compliance with Merced Zoning Ordinance Table 20-38-4 (Condition #17 of Exhibit A of Planning Commission Resolution #4088 at Attachment 6 of this report).

### Land Use/Density Issues

The proposed multi-family development would have a density of 23 units/acre (gross). This density is consistent with the High-Medium Density (HMD) Residential General Plan designation and the Zoning designation of R-3-1.5.

### Neighborhood Impact/Interface

The project site is across the street from the Rancho San Miguel Shopping Center and is adjacent to vacant land and commercial uses to the north. To the south and east, the site is adjacent to Joe Herb Park and residential uses are also located to the east of the site. The location map at Attachment 1 shows the uses in the surrounding area.

The construction of the proposed apartment complex would add three story buildings to the site with a height of 45' at the peak of the roof. The buildings would be taller than most of the buildings in the area. The Rancho San Miguel building to the west is approximately 33 feet tall. The CVS building is approximately 28 feet tall. The buildings to the north are single story and vary in height from approximately 15 feet to approximately 28 feet tall. The residential uses to the east are approximately 15 to 20 feet tall.

In order to ensure the site is well-maintained and remains attractive to the area, Condition #35 was added to require that the exterior of the buildings and site be regularly maintained and kept in an aesthetically pleasing manner and that any graffiti be removed in a timely manner to reduce any impacts to the neighborhood (refer to Exhibit A of Planning Commission Resolution #4088 at Attachment 6 of this report).

It should be noted that in the existing Thoroughfare Commercial (C-T) zone uses allowed as a permitted use (no discretionary review required) could include uses such as commercial recreation uses, equipment sales, gas stations, car washes, hotels, maintenance and repair services, retail uses, and restaurants. The proposed apartment complex would have on-site management and is expected to cause less impacts than some of those uses.

Public hearing notices were sent to all property owners within 300 feet of the project site. At the time of this report, staff had received one call from an adjacent property owner asking for details of the project.

### Density Bonus

In order for the project to be constructed and provide affordable units, the applicants have requested a density bonus. Although State Density Bonus Law (SDBL) allows an increase in the density of a project by right if certain affordability requirements are met, the developer is also eligible to request relief from design standards that may prevent the project from being constructed as affordable units.

The applicant has submitted a density bonus request which will be considered by the City Council separately. The applicant has not requested an increase in density, but has requested concessions and waivers to some of the design standards.

### Ownership Change

This application was submitted by Visionary Homes of California, Inc. on behalf of Evan R. Rahilly and Marlea Massey, Trustees, property owners. The property has now been purchased by Bella Vista, LLC, a subsidiary of Visionary Home Builders of California, Inc. Bella Vista, LLC will develop the property if the project is approved.

### Environmental Clearance

An environmental review of the project was conducted by Base Camp Environmental, Inc. under the direction of the City (Initial Study #22-14) in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Draft Mitigated Negative Declaration (i.e., no significant adverse environmental effects have been found that cannot be mitigated to be less than significant) is being recommended (Attachment G of Planning Commission Staff Report #22-200 at Attachment 7).

### Planning Commission Action

On March 23, 2022, the Planning Commission held a duly noticed public hearing to consider this matter. At that time, there were no speakers in opposition of the project. Representatives from Visionary Home Builders of California were present to speak in favor of the project and project information regarding their organization, other developments they have done, and operational details. The Planning Commission voted unanimously to recommend approval of General Plan Amendment #22-02 and Zone Change #430 subject to the Findings and Conditions of Approval found in Planning Commission Resolution #4089 at Attachment 6. The Planning Commission Staff Report is provided for reference at Attachment 7.

### City Council Action

After the public hearing, staff recommends that the City Council adopt the Draft Resolution at Attachment 8 approving Environmental Review #22-14 (Mitigated Negative Declaration) and General Plan Amendment #22-02, introduce the Draft Ordinance at Attachment 9 for Zone Change #430, approve the Legislative Action Agreement at Attachment 10 and authorize the City Manager or Deputy City Manager to execute the agreement.

### **IMPACT ON CITY RESOURCES**

The project would impact City services by creating additional housing units that would require typical City services. The project would be required to pay Public Facilities Impact Fees at the time of building permit issuance. However, as an affordable housing project, those fees may be reduced on a case-by-case basis. As an affordable housing project, the property owner could apply for a Welfare Exemption for property taxes that would preclude the City from collecting any special taxes for this property. Additionally, certain laws preclude the City from charging for police and fire services through the Community Facilities District (CFD). Although the City could create and assess for landscape and lighting through a maintenance district, there would be no landscape to maintain in the public right-of-way and only one or two streetlights. None of the surrounding development in this area is within a CFD or Maintenance District. The process for annexation into the CFD is costly (approximately \$25,000) and would be the responsibility of the developer. Therefore, because of these reasons, staff has determined that this project should not be annexed into the CFD.

### **ATTACHMENTS**

1. Location Map
2. Site Plan
3. Visionary Home Builders Project Description
4. Floor Plans
5. Building Elevations
6. Planning Commission Resolution #4088
7. Planning Commission Staff Report #22-200
8. Draft City Council Resolution
9. Draft Ordinance
10. Legislative Action Agreement
11. Draft Presentation