



PLANNING COMMISSION STAFF REPORT
Meeting Date: September 20, 2022

To: Town of Truckee Planning Commission

From: Laura Dabe, Associate Planner

RE: Application #2021-00000097/DP-PD AMD-UP-ZC (Soaring Ranch Phase 3; 10701 Soaring Way (APN 019-620-067-000); Applicant: J-MAR 2, LLC; Owner: JMAR-3, LLC; Agent: Rob Wood, Millennium Planning and Engineering

Approved by: Denyelle Nishimori, Community Development Director

At the August 16, 2022 Planning Commission hearing, review of the Soaring Ranch Phase 3 project (Town of Truckee Application #2021-00000078) was continued at the request of the applicant (see Attachment 1 – Continuation Request).

On September 1, 2022, the applicant team submitted a revised Affordable Housing Plan requesting two density bonus concessions as part of the proposed project. These include the following requests: 1) Waiver of the Town's private exterior space requirements for second-story residential units; and 2) Removal of the requirement to construct or provide additional funding for development of a roundabout at the Highway 267/Brockway Road/Soaring Way Intersection. (See Attachment 2 – Revised Affordable Housing Plan and Attachment 3 – Revised Plan Sheets). These concessions are requested in addition to the parking reductions previously requested by the applicant, as discussed in the Planning Commission staff report dated August 16, 2022. (See Attachment 4 – Planning Commission Staff Report Dated August 16, 2022 with Draft Resolution 2022-12.)

State Density Bonus Law

Under Development Code Section 18.212.070 (Bonus, Concessions and Incentives for Lower Income Residential Project), three density bonus concessions or incentives are allowed for projects that include at least 24 percent of the dwelling units for lower income households. The applicant is proposing 24 percent of the units to be restricted for rent to lower-income households; therefore, the project qualifies for three density bonus concessions under this section.

Section 18.212.040 (Concessions and Incentives for Physical Development), Subsection B (Parking Reduction) states that the review authority shall reduce the off-street parking requirements for projects which apply for a density bonus, and that the parking reduction is exclusive of concessions and incentives approved pursuant to Section 18.212.030 (Concessions and Incentives for Cost Reduction). Therefore, staff has determined that the parking reductions do not count as one of the three allowed density bonus concessions for the project.

The revised Affordable Housing Plan requests approval of two density bonus concessions under Development Code Section 18.212.030 (Concessions and Incentives for Cost Reduction), which allows a reduction in site development standards or a modification of zoning code requirements or architectural design requirements that results in identifiable, financially sufficient, and actual cost reductions to provide for affordable housing costs or rents, as well as other regulatory incentives or concessions proposed by the developer or the Town that result in identifiable, financially sufficient, and actual cost reductions. In order to be eligible for a concession or incentive under this section, the applicant is required to file a request for

the concession in conjunction with the required land use permit application and density bonus request identifying the requested density bonus, along with the factual and legal basis for the request, the requested incentive(s), any requested waivers, reductions, or modifications of development standards requested by the applicant. The applicant shall also provide written documentation showing that the concession or incentive is necessary to provide for affordable housing costs or rents.

The review authority is required to grant a concession under this code section unless the review authority makes one or more of the following findings based on substantial evidence:

1. The concession or incentive is not consistent with the applicable provisions of Section 65915 of the Government Code (Density Bonuses and Other Incentives);
2. The concession or incentive does not result in identifiable, financially sufficient, and/or actual cost reductions;
3. The concession or incentive is not required in order to provide for affordable housing costs, as defined in Section 50052.5 of the Health and Safety Code, or for rents for the targeted units;
4. The concession or incentive would have a specific adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households;
5. The concession or incentive would have an adverse impact on any real property that is listed in the California Register of Historical Resources;
6. The concession or incentive would be contrary to state or federal law.

The revised Affordable Housing Plan requests approval of the two density bonus concessions under Section 18.212.030, as discussed below.

Waiver of Private Exterior Space Requirements

Under Development Code Section 18.58.180 (Multi-Family Residential Projects), Subsection A.2 (Private Exterior Space), multi-family residential projects are required to provide exterior space which is private and immediately accessible to the dwelling unit it is designed to serve in one of the following configurations: a balcony (at least 60 square feet), deck (at least 90 square feet), or patio (at least 90 square feet).

The Soaring Ranch Phase 3 project proposes balconies for the residential units on the upper floors of the four buildings. However, the applicant team has identified that a number of the second-floor balconies conflict with first-floor design elements. The applicant team provided an exhibit showing the requested removal of a total of 11 of the second story balconies, as summarized below:

- Building H: 5 units
- Building I: 2 units
- Building J: 1 unit
- Building K: 3 units

As noted above, the proposed project qualifies for up to three density bonus concessions, and the review authority is required to grant a requested concession unless one of the findings based on substantial evidence referenced in the "State Density Bonus" section above can be made. These include the finding that the concession or incentive does not result in identifiable, financially sufficient, and/or actual cost reductions. At time of publication of this memo, the applicant team has not provided reasonable documentation to show that the requested concession would result in identifiable, financially sufficient, and/or actual cost reductions. Without this information, staff does not believe the Planning Commission can make the findings to grant the concession. However, if the applicant team provides reasonable

documentation for the Planning Commission to consider in support of this concession request, it is staff's opinion that the findings to approve the requested concession could be made.

If the Commission determines that the findings to approve the requested concession can be made, staff recommends revising Condition of Approval #83 in Draft Resolution 2022-12 to add the following language:

- *A waiver of the private exterior space requirements for 11 second-story units (5 units in Building H, 2 units in Building I, one unit in Building J and three units in Building K) is granted in compliance with Development Code Section 18.212.030 (Concessions and Incentives for Cost Reduction). The 11 units are identified in the exhibit prepared by the applicant team, as discussed in the Planning Commission memo dated September 20, 2022 and attached to the draft Affordable Housing Plan.*

Additionally, staff recommends amending Condition of Approval #97 as follows:

97. The project shall comply with the private exterior space requirements for multi-family residential projects per Development Code Section 18.58.180.A.2 (Private exterior space), except as modified by Condition of Approval #83. A private exterior space (i.e., deck, balcony or patio) is required for each residential unit with the exception of the 11 second-story residential units identified in Condition of Approval #83. The exterior space shall be provided as a private and immediately accessible area to the dwelling unit it is designed to serve. **(Development Code Section 18.30.180)**

As noted in the applicant's Revised Affordable Housing Plan, the Commission could also choose to approve a waiver of private exterior space requirements for second-story residential units in a mixed-use project under the provisions of Development Code Section 18.58.140 (Mixed-Use Development), Subsection D.5 (Additional Incentives), which states that the review authority for a mixed-use project may waive the multi-family residential standards of Section 18.58.180 for second-story residential units above commercial/industrial uses. However, this waiver only applies to buildings which have ground-floor commercial uses. As proposed, two of the four buildings within the Soaring Ranch Phase 3 project are mixed-use buildings (Building H, which has 4,891 sf of ground floor retail space, and Building K, which has 2,943 sf of ground floor retail space). The other two buildings (Buildings I and J) are proposed with only residential uses. Under the provisions of Development Code Section 18.58.140, the Planning Commission could waive the second-story balcony requirements for Buildings H and K, but this waiver would not be applicable for Buildings I and J.

Since the applicant's interest is in waiving the balcony requirements in all four buildings, it is staff's recommendation that the Commission grant the waiver request for all four buildings under the density bonus concessions, which provides more flexibility to waive development standards, if the Commission determines that the findings to approve the density bonus concession can be made based on the submittal of reasonable documentation to support the concession request. If the Commission does not find that the density bonus concession can be granted, then staff recommends that the Commission consider waiving the requirement for second-story balconies in the two mixed-use buildings (Buildings H and K) under the provisions of Development Code Section 18.58.140.

Waiver of Infrastructure Requirements

The applicant has requested a modification of the roundabout infrastructure requirements that would otherwise be required for the Soaring Ranch Phase 3 project. These requirements are identified in Condition of Approval #56 of Draft Resolution 2022-12, which states:

56. *Prior to Parcel Map recordation, the completion of a Lot Line Adjustment, Subdivision Map recordation, or building (including grading) permit issuance for Phase 3, consistent with*

Chapters 5 and 7 of the Joerger Ranch Specific Plan (JRSP) where it outlines the requirement for each parcel to pay its “proportional fair share” of actual common infrastructure costs that are required by the JRSP and to provide proof of payment to the Town, the project proponents shall provide documentation of the agreement between all JRSP property owners regarding the fair share funding of the common infrastructure outlined in the JRSP and the Town General Plan Table CIR-5, item 25, particularly the roundabout at SR 267/Brockway Road/Soaring Way. The agreement documentation must include, but not be limited to:

- a. Identification of all parties involved in the agreement;*
- b. Recent (no more than one year old) cost estimate for the roundabout intersection improvements, as approved by the Town;*
- c. Funding mechanism for each property to pay its fair share of the common infrastructure improvements (i.e. how are funds being provided by each property and where are the funds being held until used to construct the intersection improvements); and*
- d. Details of the agreement addressing the rights of each property owner to access the funds in the event that development on any given parcel triggers the need to construct the intersection improvements.*

As an alternative to the private fair share funding agreement, prior to Parcel Map recordation, the completion of a Lot Line Adjustment, Subdivision Map recordation, or building (including grading) permit issuance, the project proponent may enter into a reimbursement agreement with the Town of Truckee requiring the project proponents to provide upfront capital for the Town to plan, design, permit, and construct a roundabout at the SR267/Brockway Road/Soaring Way intersection. The capital funds provided by the project proponents would be reimbursed by the Town’s AB1600 Traffic Impact Fee program over a term specified in the agreement. Either agreement will require review and approval by the Town to ensure it meets the requirements of the JRSP.

Note that based on the active project applications within the JRSP (Soaring Ranch Phase 3 and Joerger Parcel 2), the SR267/Brockway Road/Soaring Way is not required to be improved to a roundabout at this time, but one of the two options outlined above for a funding agreement is still required to address each project’s proportional fair share of the common infrastructure improvement costs. However, if land use entitlements are received by other projects in the area (Joerger Parcel 4 or others) prior to this project acquiring building permits, an updated traffic study will be required to determine if additional improvements to the SR 267/ Brockway Road/ Soaring Way intersection are necessary to maintain adequate Level of Service (LOS). Should the study identify that LOS standards are not met at the SR 267/Brockway Road/ Soaring Way with the inclusion of the additional development, a multi-lane roundabout shall be constructed at the intersection prior to issuance of any Certificates of Occupancy. Issuance of Certificates of Occupancy may be allowed by the Town Engineer prior to the completion of the roundabout construction if adequate securities are in place and/or construction has commenced.

Development on the parcels within the Joerger Ranch Specific Plan area is subject to the requirements of the Joerger Ranch Specific Plan adopted March 24, 2015, per Town Council Resolution 2015-09. The Specific Plan outlines a number of aspects, guidelines, and requirements for the community, including the identification of infrastructure improvements required for each parcel and the implementation/phasing of those improvements as development occurs.

Per Chapter 7 of the Specific Plan, an aspect of the infrastructure improvements that each property owner is responsible for are intersection improvements to the State Highway 267/Brockway Road/Soaring Way intersection. The identified scope of the improvements at that intersection is based on future traffic studies that are required prior to land use approvals/development on each property. Chapter 5 of the Specific Plan references the Town General Plan Table CIR-5, item 25, which outlines required improvements to that

intersection including a “roundabout or additional through and turning lanes.” As part of development on Parcel 1 of the Specific Plan, interim intersection improvements were constructed, which included signal improvements and additional turning lanes (no more than one turning lane per direction) to meet the traffic demand of the first phase of projects on that property. Intersection improvements (additional single lanes for each movement or a roundabout) are identified as a requirement of each of the parcels within the Specific Plan and ultimately the entire development will trigger the requirement for a roundabout at that intersection. Since all the additional single lane turning lanes have been constructed as an interim improvement, the remaining intersection improvement is a roundabout.

To ensure that no individual project or parcel is financially overburdened by infrastructure requirements, the Specific Plan requires that each parcel pay its “proportional fair share” of actual common infrastructure costs that are required by the Specific Plan and to provide proof of payment to the Town (reference Chapter 5 and Chapter 7 of Specific Plan). Condition of Approval #56 was included in Draft Resolution 2022-12 to address these requirements. Through the density bonus concession, the applicant has requested that the requirements to address the fair share funding requirements for construction of the infrastructure improvements not be required as part of the Soaring Ranch Phase 3 project. It was Town staff’s understanding that the applicant was aware of the infrastructure requirements and intended to comply with those requirements, and only became aware that the applicant did not want to comply with the infrastructure requirements when the density bonus concession request was submitted on September 1, 2022.

The proposed project qualifies for up to three density bonus concessions, and the review authority is required to grant a requested concession unless one of the findings based on substantial evidence referenced in the “State Density Bonus” section above can be made. These include the finding that the concession or incentive does not result in identifiable, financially sufficient, and/or actual cost reductions. The applicant team has not provided reasonable documentation to demonstrate that the requested concession would result in identifiable, financially sufficient, and/or actual cost reductions. Without this information, staff does not believe the Planning Commission can make the findings to grant the concession. However, if the applicant team provides reasonable documentation for the Planning Commission to consider in support of this concession request, it is staff’s opinion that the findings to approve the requested concession could be made.

If the Commission determines that the findings to approve the requested concession can be made, staff recommends removing Condition of Approval #57 from Draft Resolution 2022-12.

Staff Summary

Staff has determined that the project qualifies for up to three density bonus concessions pursuant to Development Code Sections 18.212.070 (Bonus, Concessions and Incentives for Lower Income Residential Project) and 18.212.030 (Concessions and Incentives for Cost Reduction), in addition to the parking reductions allowed pursuant to Section 18.212.040 (Concessions and Incentives for Physical Development), Subsection B (Parking Reduction).

Based on the fact that, as of the preparation of this staff report, reasonable documentation has not been submitted by the applicant team to demonstrate that the two requested concessions would result in identifiable, financially sufficient, and/or actual cost reductions, staff does not believe the Planning Commission can make the findings to grant the two requested concessions at this time. However, if the applicant team provides reasonable documentation for the Planning Commission to consider in support of the concession requests, it is staff’s opinion that the findings to approve the requested concessions could be made.

If the Commission determines that the findings to approve the requested concessions can be made, staff recommends revising Draft Resolution 2022-12 to amend Conditions of Approval #83 and #97 and to remove Condition of Approval #57 from the resolution, as discussed in this memo.

ATTACHMENTS

Attachment 1 – Continuation Request

Attachment 2 – Revised Affordable Housing Plan with Exhibit Showing Requested Balcony Waivers

Attachment 3 – Revised Plan Sheets

Attachment 4 – Planning Commission Staff Report dated August 16, 2022 with Draft Resolution 2022-12