



CITY OF PETALUMA

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September 15, 2021

Chris Dart
Danco Group
5251 Ericson Way
Arcata, CA 95521

RE: Meridian at Corona Station
890 North McDowell
AB 2162 Streamlining Application
File No. PLSR 20-0018

Dear Chris Dart,

This letter provides approval of the Meridian at Corona Station Affordable Housing Project pursuant to Assembly Bill 2162 (AB 2162) and City Council Resolution No. 2020-179 N.C.S. The project proposes the development of a 131-unit multifamily residential development on a currently vacant 6.56-acre project site located at 890 North McDowell (APN 137-061-19). More specifically, the project proposes 131 affordable housing units within six three-story and one four-story buildings for a total of 119,355 square-foot of floor area. The affordable units (studios, one bedroom, two bedroom, and three bedrooms) will be designated as rentals for households earning between 30 percent and 80 percent of area median income (AMI), which allows for households in the Extremely Low (up to 30 percent AMI), Very Low (30 to 50 percent AMI), and Low (50 to 80 percent AMI) income categories. Additionally, the project proposes 25% of the units be designated for supportive housing and incorporates support services onsite.

The project also includes community amenity/flex space, outdoor amenities, designation of a 1.38 acre parcel to be dedicated to Sonoma Marin Area Rail Transit (SMART) for the future Corona Station, and a half acre area at the corner of North McDowell and Corona Road for future commercial development. Two points of vehicular ingress/egress will be from North McDowell, which will lead to/exit from the on-site surface parking area located on the eastern portion of the project site, most closely adjacent to the SMART railroad. The surface parking area will have 138 spaces, including at least 14 electric vehicle charging stations. Approximately 63 bike racks with a total of 126 bicycle parking spaces will be distributed throughout the site. Additionally, each studio and one-bedroom unit will include one bike hook and each two-bedroom and three-bedroom unit will include two bike hooks to provide secured bicycle parking room within the building.

**Community Development
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The project's AB 2162 Streamlining application was originally submitted to the City on November 5, 2020. Based on that submittal, staff provided a written determination of the project's eligibility for streamlining and requested corrections that were necessary to process the application. The project was re-submitted on July 22, 2021 and August 25, 2021, with materials reflecting the previously requested corrections. Based on plans and materials submitted to the City, the project has been determined to be eligible for AB 2162 ministerial review and consistent with all applicable objective development standards.

Summary of Consistency with AB 2162 Eligibility Criteria and Objective Standards

1. **Jurisdictional Applicability.** AB-2162 specifies that if the proposed housing development is located within a city with a population of fewer than 200,000 or the unincorporated area of a county with a population of fewer than 200,000 and the city or the unincorporated area of the county has a population of persons experiencing homelessness of 1,500 or fewer, according to the most recently published homeless point-in-time count, the development, in addition to the requirements of subdivision shall consist of 50 units or fewer to be a use by right pursuant to this article. The bill goes on to state that a city or county may develop a policy to approve as a use by right proposed housing developments with a limit higher than 50 units. Based on Petaluma's current population of approximately 62,000 and a homeless population of 296 based on the February 2020 point in time count, AB-2162 only applies to supportive housing projects of 50 units or less. Consistent with discretion afforded to local jurisdictions, on December 7, 2020 the City Council approved Resolution No. 2020-179 N.C.S. which established a policy to authorize an increase in the allowable units in a by right supportive housing development up to 131 units for the Meridian at Corona Station Affordable Housing Project.
2. **Affordability.** One hundred percent of the units, excluding managers' units, must be restricted to lower income households that will be receiving public funding to ensure affordability of the housing to lower income Californians. For purposes of this paragraph, "lower income households" has the same meaning as defined in Section 50079.5 of the Health and Safety Code. Additionally, the project must ensure affordability for at least 55 years. The project proposes all 131 units as affordable to households between 30 and 80 of Area Median Income (AMI) for at least 55 years, consistent with the eligibility criteria.
3. **Supportive Housing.** At least 25 percent of the units in the development or 12 units, whichever is greater, are restricted to residents in supportive housing who meet criteria of the target population. If the development consists of fewer than 12 units, then 100 percent of the units, excluding managers' units, in the development shall be restricted to residents in supportive housing. The project proposes 33 studio apartments as supportive housing units, equal to 25% of the total 131 units proposed in the project, meeting the requirement for supportive housing units.
4. **Supportive Services.** A developer of supportive housing subject must provide the local jurisdiction with a plan for providing supportive services, with documentation demonstrating that supportive services will be provided onsite to residents in the project, as required by Section 65651, and describing those services, which shall include the name of the proposed entity or entities that will provide supportive services, the proposed funding source or sources for the provided onsite supportive services, and the proposed staffing levels. Danco has provided a copy of a memorandum of understanding with LifeSteps to provide case

management services onsite for the 33 supportive housing units. These services include but are not limited to working with special needs residents to develop and implement an individualized service plan, goal plan or independent living plan, as well as providing specialized educational classes. Education will include green education; budgeting and money management and counseling; parenting; life skills training; and employment and job training skills. Case Management support will also provide housing outplacement services; transportation counseling; benefits counseling and advocacy; education assistance/benefits information; eviction prevention counseling and advocacy; peer advocacy groups; and medication management. The Case Manager will provide linkages through Sonoma County's Full Service Partners for physical health care, mental health care, substance use services; family law; legal assistance; domestic violence counseling; safety planning; and access to basic needs such as food and clothing. All residents will be assisted with transportation planning for off-site services.

5. **Onsite Supportive Services.** Based on the size of the proposed project with greater than 20 units, the project must provide at least 3 percent of the total nonresidential floor for supportive services that are limited to tenant use, including but not limited to, community rooms, case management offices, computer rooms, and community kitchens. The project proposes approximately 3,135 square feet of the ground floor of Building #5 for onsite supportive services, including a community room, community kitchen, computer room, fitness room, laundry facilities, case management offices, and treatment offices. As proposed, this area exceeds the required 3 percent of the total nonresidential floor area provided for supportive services for tenant use.
6. **Demolition of Residential Units.** The project does not propose to demolish any existing residential units.
7. **Amenities.** All units within the development include at least one bathroom and a kitchen with a stovetop, sink, and refrigerator.
8. **Zoned or Planned Residential Use.** The subject property is zoned Mixed Use 1B (MU1B) and has the General Plan land use designation of Mixed Use. The Mixed Use General Plan designation allows for residential development with a maximum density of 30.0 units/net acre and a maximum floor area ratio (FAR) of 2.5. The mostly multi-family residential project complies with both standards with an approximate FAR of 0.53 and a dwelling unit density of 25 units per net acre. Pursuant to the Petaluma Implementing Zoning Ordinance, multi-family residential development in the MU1B zoning district is allowed with a Conditional Use Permit. However, pursuant to AB-2162, the applicant is not subject to a Conditional Use Permit if it complies with the objective planning standards.
9. **Parking.** Consistent with Government Code Section 65654, if the supportive housing development is located within one-half mile of a public transit stop, the local government shall not impose any minimum parking requirements for the units occupied by supportive housing residents. The project site is adjacent to the future Corona SMART station and includes dedication of a 1.38 acre parcel to facilitate construction of the planned rail station. Although not required based on the location adjacent to the future rail station, the project proposes 138 onsite parking spaces
10. **Density Bonus.** As specified in AB 2162, the ministerial streamlined review of the project does not preclude approval of a density bonus for the project. The project was determined to

meet the objective requirements of Chapter 27 of the Implementing Zoning Ordinance to qualify for up to a 35% density bonus and three development concessions. While the project density does not exceed the base 30 units per acre allowed in the Mixed Use land use designation, the applicant has requested to apply the concessions to maximum building height above 30 feet and for onsite parking reduction.

11. **Floodplain Combining District.** The project incorporates all requirements for construction in the Floodplain Combining District as specified in Chapter 6 of the Implementing Zoning Ordinance.
12. **Objective Standards.** The project has been determined to be consistent with the objective General Plan and zoning standards. Consistent with the provisions of AB 2162, the project was processed by right without the requirement of a Conditional Use Permit for multi-family residential use in the MU1B zoning district.
13. **Resolution No. 2020-179 N.C.S.** City Council approval of Resolution No. 2020-179 N.C.S. authorized an increase in units for processing under AB 2162 for the Meridian at Corona Station Affordable Housing Project. The project has been found consistent with the following conditions of the resolution including:
 - a. The project is designed and conditioned to be an all-electric, net zero project with no new gas infrastructure and incorporating solar.
 - b. The project is designed and conditioned to include installation of at least 14 electric vehicle charging stations and EV ready infrastructure will be included for additional chargers/parking spaces.
 - c. The project incorporates a half-acre commercial pad for future development of neighborhood commercial uses such as a small grocery store, deli, or similar type uses as there is increased demand. Additionally, the proposed food truck court designed and oriented to the future SMART station will provide commercial opportunity for a coffee cart or similar food service to serve the neighborhood and support SMART ridership in the short term as the area develops.
 - d. The project will include partnership with LifeSteps to provide onsite supportive housing services and the project has been designed to incorporate approximately 3,000 square feet of ground floor space in Building #6 to house support services for residents. The applicant is encouraged to continue to seek a robust mix of onsite services to support residents, including but not limited to childcare, after school care, medical clinic, adult education, etc.
 - e. The applicant is encouraged to seek creative partnerships and funding sources to expand infrastructure, transit, and connectivity resources to the project and surrounding neighborhood beyond those items proposed in December 2020 when the AB 2162 policy was approved. Since that time Danco has partnered with SMART and the City of Petaluma to submit a Affordable House Sustainable Communities grant application to allow greater infrastructure investment in the surrounding area, including construction of the Corona SMART station, installation of a crosswalk on McDowell along the SMART

multi use path, closure of bike and pedestrian ways on McDowell and Corona, and expansion of bus service to increase headways on McDowell.

- f. The project was modified to include the half acre area for future commercial development as well as the public picnic area and food truck area in an effort to create an exterior layout that encourage flexibility to utilize the outdoor areas within the project and support additional pop up uses and events, especially those areas most adjacent to the future train station.

Conditions of Approval and Next Steps

Pursuant to Section 301(a)(5) of the State's Streamlined Ministerial Approval Process (published 2018), approval of ministerial processing does not preclude imposing standard conditions of approval as long as those conditions are objective and broadly applicable to development within the locality regardless of streamline approval. This includes any objective process requirements related to the issuance of a building permit. Conditions of approval applicable to the project have been included in Attachment A.

Projects eligible for streamlined ministerial review under AB 2162 are exempt from the provisions of the California Environmental Quality Act. The applicant has voluntarily agreed to incorporate applicable mitigation measures prepared for a previous project on the site to ensure that best practices are maintained to minimize and avoid environmental impacts as a result of the Meridian at Corona Station project. Applicable mitigation measures are incorporated into the conditions of approval.

With the issuance of this determination, the project is now eligible to proceed with the process to obtain construction permits including grading and building permits. Please contact the Building Division at 707-778-4301 or at cdd@cityofpetaluma.org for more information on grading and building permit submittal requirements.

Conclusion

Please do not hesitate to contact me at hhines@cityofpetaluma.org or at (707) 778-4316 with any follow-up questions and discussion items that result from this letter. I look forward to continuing to work together to implement the Meridian at Corona Station Affordable Housing Project.

Sincerely,



Heather Hines
Interim Community Development Director

cc: Karen Shimizu, Housing Manager
File

Attachments

Attachment A – Objective Conditions of Approval