

Agenda for the Meeting of the Regular City of National City Housing Advisory Committee & Regular Planning Commission Meetings



Meeting of February 6, 2023 – 6:00 P.M.
Council Chambers, Civic Center
1243 National City Boulevard
National City, CA 91950



The Housing Advisory Committee and Planning Commission request that all cellphones, pagers, and/or smart devices be turned off during the meeting.

NOTICE: The health and well-being of National City residents, visitors, and employees during the COVID-19 outbreak remains our top priority. The City of National City is coordinating with the County of San Diego Health Human Services Agency, and other agencies to take measures to monitor and reduce the spread of the novel coronavirus (COVID-19). **The World Health Organization has declared the outbreak a global pandemic and local and state emergencies have been declared providing reprieve from certain public meeting laws such as the Brown Act.**

As a result, live webcast of the in-person meeting may be viewed on the city's website at <https://www.nationalcityca.gov/webcast>.

PUBLIC COMMENTS: There are multiple ways you can make sure your opinions are heard and considered by our Housing Advisory Committee and Planning Commission as outlined below:

Submit your public comment prior to the meeting: To submit a comment in writing, email PlcPubComment@nationalcityca.gov and provide the agenda item number and title of the item in the subject line of your email. **Public comments or testimony is limited to up to three (3) minutes.**

If the comment is not related to a specific agenda item, indicate General Public Comment in the subject line. All email comments received by 4:00 p.m. on the day of the meeting will be posted on the City website and retained as part of the official record.

Register online and participate in live public comment during the meeting: To provide live public comment during the meeting, you must pre-register on the City's website at <https://www.nationalcityca.gov/government/community-development/planning/public-comment> by 4:00 p.m. on the day of the meeting to join the National City Housing Advisory Committee and Planning Commission Meeting.

*****Please note that you do not need to pre-register to watch the meeting online, but you must pre-register if you wish to speak.**

Once registered, you will receive an email with a link from Zoom to join the live meeting. You can participate by phone or by computer. Please allow yourself time to log into Zoom before the start of the meeting to ensure you do not encounter any last-minute technical difficulties. *****Please note that members of the public will not be shown on video; they will be able to watch and listen and speak when called upon.**

Provide public comment in person. Public microphones will be muted until it is your turn to comment. Each speaker is allowed up to three (3) minutes to address the Housing Advisory Committee and Planning Commission. Please be aware that the Chair may limit the comments' length due to the number of persons wishing to speak or if comments become repetitious or unrelated. All comments are subject to the same rules as would otherwise govern speaker comments at the meeting. Speakers are asked to be respectful and courteous. Please address your comments to the Housing Advisory Committee and Planning Commission as a whole and avoid personal attacks against members of the public, Housing Advisory Committee members and Planning Commissioners, and City staff.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the Planning Department at (619) 336-4310 to request a disability-related modification or accommodation. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Welcome to the National City Housing Advisory Committee and Planning Commission meeting. The National City Housing Advisory Committee and Planning Commission conduct their meetings in the interest of community benefit. Your participation is helpful. These proceedings are video recorded.

A. HOUSING ADVISORY COMMITTEE MEETING

Roll Call

Pledge of Allegiance by Vice-Chair Castle

ORAL COMMUNICATIONS (3 MINUTE TIME LIMIT).

NOTE: Under State Law, items requiring Housing Advisory Committee action must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature.

Approval of Agenda

1. Approval of the Agenda for the Meeting on February 6, 2023

Approval of Minutes

2. Approval of the Minutes from the Special Meeting of December 5, 2022

PRESENTATIONS

OTHER BUSINESS

STAFF REPORTS

3. House National City (HNC) Opt-In Density Bonus Program Draft Regulations.

Consulting Legal Counsel

Director of Housing

Committeemembers

Chairperson

ADJOURNMENT

Adjournment to the regularly scheduled meeting on April 17, 2023 at 6:00 p.m.

B. PLANNING COMMISSION MEETING

Roll Call

ORAL COMMUNICATIONS (3 MINUTE TIME LIMIT).

NOTE: Under State Law, items requiring Planning Commission action must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature.

Approval of Agenda

1. Approval of the Agenda for the Meeting on February 6, 2023

Approval of Minutes

2. Approval of Minutes from the Meeting of January 2, 2023

PRESENTATIONS

CONTINUED PUBLIC HEARINGS

PUBLIC HEARINGS

3. Conditional Use Permit for the Operation of a Service Station at an Existing Gasoline Station Located at 2401 East Division Street (Case File No. 2022-34 CUP)

OTHER BUSINESS

STAFF REPORTS

Consulting Legal Counsel

Director of Community Development

Planning Manager

Commissioners

Chairperson

ADJOURNMENT

Adjournment to the regularly scheduled meeting on March 6, 2023 at 6:00 p.m.



Special Housing Advisory Committee Minutes

Housing Advisory Committee portion of the Special
Housing Advisory Committee/Regular Planning
Commission

Meeting of December 5, 2022

ONLINE ONLY MEETING

<https://www.nationalcityca.gov/webcast>

LIVE WEBCAST

Council Chambers, Civic Center
1243 National City Boulevard
National City, CA 91950

These minutes have been abbreviated. Video recordings of the full proceedings are on file and available to the public.

The meeting was called to order by Chair Yamane at 6:00 p.m.

Roll Call

6:03 p.m. Committee member Roman was having audio technical issues.

6:04 p.m. Committee member Roman logs off.

6:05 p.m. Committee member Valenzuela was having audio technical issues.

6:06 p.m. Committee member Valdez enters the meeting.

6:07 p.m. Committee member Valenzuela turns camera on however has audio technical issues.

6:08 p.m. Committee member Valenzuela's audio works.

6:08 p.m. Committee member Roman logs on.

6:09 p.m. Committee member Roman logs off.

6:10 p.m. Committee member Roman logs on, audio works.

Committee Members Present: Yamane, Valdez, Valenzuela, Roman, Sendt, Sanchez, Miller, Natividad, Castle.

Staff Also Present: Director of Community Development Armando Vergara, Housing Director Carlos Aguirre, Legal Counsel Elizabeth Mitchell, Planning Manager Martin Reeder, Executive Secretary Sarah Esendencia.

Approval of Agenda

1. Approval of Agenda for the Meeting on December 5, 2022.

Motion by Sendt, second by Castle, to approve the Agenda for the Meeting of December 5, 2022.

Motion carried by the following vote:

Ayes: Yamane, Valdez, Valenzuela, Roman, Sendt, Sanchez, Miller, Natividad, Castle.

Noes: None.

Abstain: None.

Absent: None.

Motion approved.

Approval of Minutes

2. Approval of Minutes from the Meeting of February 7, 2022.

Motion by Sendt, second by Valenzuela to approve the Minutes from the Meeting of February 7, 2022.

Committee member Castle abstained.

Committee member Miller abstained.

Motion carried by the following vote:

Ayes: Yamane, Valdez, Valenzuela, Roman, Sendt, Sanchez, Natividad.

Noes:

Abstain: Castle, Miller.

Absent: None.

Motion approved.

3. Approval of Minutes from the Meeting of October 17, 2022.

Motion by Sendt, second by Castle to approve the Minutes from the Meeting of October 17, 2022.

Motion carried by the following vote:

Ayes: Yamane, Valdez, Valenzuela, Roman, Sendt, Sanchez, Miller, Natividad, Castle.

Noes: None.

Abstain: None.

Absent: None.

Motion approved.

ORAL COMMUNICATION: None.

PRESENTATIONS: None.

CONTINUED PUBLIC HEARINGS: None.

PUBLIC HEARINGS: None.

OTHER BUSINESS:

4. Adoption of 2023 meeting dates.

Motion by Natividad, second by Sendt to approve the adoption of 2023 meeting dates.

Committee member Sanchez asked what page the adoption meeting dates were on.

Housing Director Aguirre welcomed Committee member Valdez. States that there will be a formal introduction for her in February.

Committee member Valdez says hello to everyone and states that she is happy to be here.

Committee member Castle welcomes Valdez.

Chair Yamane thanks Committee member Valdez for volunteering.

Motion carried by the following vote:

Ayes: Yamane, Valdez, Valenzuela, Roman, Sendt, Sanchez, Miller, Natividad, Castle.

Noes: None.

Abstain: None.

Absent: None.

Motion approved.

5. Election of Officers.

Motion by Valenzuela, second by Sanchez to nominate Committee Member Miller as Chair of the Housing Advisory Committee of 2023.

Chair Yamane asked Legal Counsel if they should vote during the Planning Commission meeting.

Legal Counsel clarifies that the Housing Advisory Committee Members and Planning Commissioners are separate and that they have different subject matter jurisdictions.

Committee member Natividad nominates committee member Roman. Second by Committee member Castle.

Committee member Roman is thankful for the nomination however, declines the nomination due to term expiring in March 2023.

Committee member Valenzuela ask for clarification in regards to current structure as it was not in the Minutes. States she is familiar with Planning Commission but not Housing Authority.

Housing Director Aguirre clarifies that a Chair would need to be elected for the next session.

Committee member motions to nominate Committee member Miller to be the Chair of the Housing Advisory Committee.

Committee member Miller respectfully accepts. Second by Sanchez.

Motion carried by the following vote:

Ayes: Yamane, Valdez, Valenzuela, Roman, Sendt, Sanchez, Miller, Natividad, Castle.

Noes: None.

Abstain: None.

Absent: None.

Motion approved.

Motion by Sanchez, second by Valenzuela to nominate Committee Member Castle as Vice-Chair of the Housing Advisory Committee of 2023.

Committee member Valenzuela nominates Committee member Sanchez.

Committee member Miller seconds the motion to nominate Committee member Sanchez.

Committee member Sanchez declines the nominations and makes a motion to nominate Committee member Castle.

Committee member Valenzuela seconds the motion by Committee member Sanchez.

Committee member Castle accepts.

Motion carried by the following vote:

Ayes: Yamane, Valdez, Valenzuela, Roman, Sendt, Sanchez, Miller, Natividad, Castle.

Noes: None.

Abstain: None.

Absent: None.

Motion approved.

STAFF REPORTS:

Legal Counsel: Congratulates Chair Yamane on the election to City Counsel. Also welcomes Committee Member Valdez.

Director of Community Development: Congratulates Committee Member Valdez.

Planning Manager: Welcomes Committee Member Valdez and looks forward to working with her. Also informs the Housing Committee Members about the Volunteer Appreciation Dinner on the 14th of December and if interested, to RSVP.

Housing Director: Congratulates Chair Yamane election on the Council and thanks her for all her service. Welcomes Committee Member Valdez and wishes everyone a happy holiday.

COMMISSIONER REPORTS:

Committee Member Castle: Nothing to report.

Committee Member Miller: Wishes everyone a happy holiday.

Committee Member Natividad: Welcomes Executive Secretary Esendencia to the staff and thanks her for her help.

Committee Member Sanchez: Nothing to report.

Committee Member Sendt: Nothing to report.

Committee Member Valdez: Nothing to report.

Committee Member Valenzuela: Welcomes Committee member Valdez and thanks everyone for their service and thanks Committee Roman for his service. Congratulates Chair Yamane.

Chair Yamane: Welcomes Committee member Valdez and thanks Committee member Roman and states that she hopes that he will consider coming back to the commission due to his experience and expertise in the field of Housing and Planning.

ADJOURNMENT by Chair Yamane at 6:38 p.m. to the meeting of December 5, 2022.

CHAIRPERSON

The foregoing minutes were approved at the Regular Meeting of February 6, 2023.



NATIONAL CITY HOUSING AUTHORITY
1243 NATIONAL CITY BLVD., NATIONAL CITY, CA 91950

HOUSING ADVISORY COMMITTEE STAFF REPORT

TITLE: House National City (HNC) Opt-In Density Bonus Program
Draft Regulations

STAFF REQUEST: This report is an opportunity for staff to share the draft regulations of the House National City Program and for members of the Housing Advisory Committee to provide comments and further direction before it considers recommending the House National City Program as part of the Focused General Plan Update later this year.

PREPARED BY: Lara Gates, Planning and Community Engagement
Consultant

BACKGROUND

The House National City (HNC) Opt-In Density Bonus Program has been prepared to incentivize the construction of new context-sensitive development that will assist the City of National City in meeting first and foremost the residents' need for new affordable housing opportunities as well as the State's Regional Housing Needs Assessment (RHNA) allocation. The HNC Program will assist in creating transit-supportive development by strategically placing new development in areas where residents will have the greatest access to mobility choices. The HNC Program will also help reduce the reliance on automobiles by siting new development in close proximity to job areas and schools. The HNC Program is also intended to also create new commercial and retail spaces along the commercial corridors for small business owners and entrepreneurs that are expected to provide services to meet residents' daily needs. Furthermore, the HNC Program incentivizes the development of larger, restricted affordable units to better accommodate National City families.

OVERVIEW

On February 7, 2022, the proposed HNC Program was presented to the National City Housing Advisory Committee and Planning Commission. The February 7th [staff report](#) provides a detailed overview of the proposed HNC Program

presented at that time. Based on comments provided by the public, as well as the Committee and Commission, additional work was completed in relation to studying unit affordability and incentivizing larger units. As such, the current draft regulations focus on creating post-density bonus units at lower affordability levels at 50 percent area median income (AMI). The HNC Program further incentivizes the development of three-bedroom units up to 80 percent AMI. In order to determine feasibility, Keyser Marston Associates (KMA) analyzed development prototypes that were developed by WSP consultants, who are the consultants leading the Focused General Plan Update.

KMA ANALYSIS AND FINDINGS

KMA evaluated the feasibility of the proposed HNC Program in terms of the Baseline Program and Additional Incentives on six (6) Test Sites (Attachment 1). In collaboration with WSP consultants, KMA tested a Base Case Scenario, reflecting maximum development yield under existing or proposed Focused General Plan Update zoning, and a Bonus Scenario, reflecting potential development yield achievable based on the requirements and incentives contained in the proposed HNC Program. The KMA feasibility analysis concluded the following:

- The proposed HNC Program is viable under certain site, planning, and market conditions. A key feasibility factor is whether developers are able to utilize the proposed Program bonus to achieve a substantial increase in total units without advancing to a significantly more costly construction type and/or parking configuration.
- The proposed HNC Program – with its combination of affordability requirements and incentives – is appropriately formulated to strike the balance between capturing the value enhancement for community benefits, rather than creating a windfall in increased land value to property owners.
- It will be important to monitor the proposed HNC Program results in terms of the mix, type, size, location, and other key features of development projects proposed and implemented.

Conclusions for the Baseline Program and Additional Incentives as measured against the six (6) Test Sites are presented below. As shown, the modifications to the Baseline Program, such as reduced parking ratio or waiver of base zone regulations, contributed to greater feasibility.

Overall Feasibility Conclusion				
	HNC Program		HNC Program + Additional Incentives	
	Baseline	Baseline + Reduced Parking Ratio	Baseline + 3-Bedroom Requirement	Baseline + Waiver of Base Zone Regulations
Public Benefit	<ul style="list-style-type: none"> Affordable Units 	<ul style="list-style-type: none"> Affordable Units 	<ul style="list-style-type: none"> Affordable Units Minimum 10% 3-Bedroom units 	<ul style="list-style-type: none"> More affordable units
Developer Incentives	<ul style="list-style-type: none"> FAR density* DIF waiver Reduced parking 	<ul style="list-style-type: none"> FAR density * DIF Waiver Further reduced parking (0.50 spaces/unit) 	<ul style="list-style-type: none"> FAR density* DIF Waiver Reduced parking Less restrictive affordability 	<ul style="list-style-type: none"> FAR density* DIF Waiver Additional waivers (e.g. setbacks, open space, lot coverage)
Proposed Level of Affordability	<ul style="list-style-type: none"> 10% @ 50% AMI (Post-bonus) 	<ul style="list-style-type: none"> 10% @ 50% AMI (Post-bonus) 	<ul style="list-style-type: none"> 10% @ 80% AMI (Post-bonus) 	<ul style="list-style-type: none"> 10% @ 50% AMI (Post-bonus)
Overall Feasibility Conclusion	Moderately Feasible	Feasible	Moderately Feasible	Feasible

*See Attachment No. 4 for more information on Floor Area Ratio (FAR) Density

PROPOSED REQUIREMENTS TO OPT-IN

To qualify for the HNC Program, a development will be required to include a certain percentage of deed-restricted affordable units, meet specific design requirements to enhance pedestrian orientation, include design and building features to help address potential off-site pollution and visual impacts, as well as provide robust tenant replacement, relocation and displacement regulations. The details of the requirements are included in the draft regulations (Attachment 2). The following is an overview of what a development is required to meet to opt-in to the HNC Program:

- Provide at least 10 percent of the post-density bonus rental dwelling units in the development, excluding any additional dwelling units allowed under a floor area ratio (FAR) bonus, for rent by very low-income households at a cost, including an allowance for utilities, which does not exceed 30 percent of 50 percent of the AMI, as adjusted for household size; or,
- Provide at least 10 percent of the post-density bonus rental dwelling units in the development as three-bedroom units, excluding any additional

dwelling units allowed under the FAR bonus, for rent by low-income households, including an allowance for utilities, which does not exceed 30 percent of 80 percent of the AMI, as adjusted for household size; and,

- Be located on a multi-family or mixed-use zoned parcel within a transit priority area (TPA) that has a base or overlay zone that allows at least 20 dwelling units per acre (Attachment 3). The following base zones are included as part of this program: MCR-1; MCR-2; MXC-1; MXC-2; MXD-1; MXD-2; RM-1; RM-2; RM-3; MXT; and,
- Be located in FAR Tier 1 or 2:
 - FAR Tier 1 means any premises where any portion of the premises is outside the Downtown Specific Plan.
 - FAR Tier 2 means any premises located on Plaza Bonita Road, within the Hospital District and along Sweetwater Road/East 30th as well as the area along 4th Avenue that is south of SR-54 that is zoned MXC-2; and,
- Replace equivalently sized existing affordable units; and,
- Require relocation assistance payments to all tenants; and,
- Allow tenants to occupy their units until six months before the start of construction; and,
- Give first right of refusal to existing tenants for comparable units in the new development; and,
- Residents living within the National City jurisdictional boundaries at the time of application shall receive priority for 75 percent of the affordable dwelling units in the development that are reserved for very low-income or low-income households; and,
- All rental replacement affordable dwelling units shall be affordable for at least 55 years through a recorded affordability restriction; and,
- Provide enhanced streetscape and design requirements for projects in close proximity to the freeway and single-family neighborhoods.

PROPOSED INCENTIVES AND WAIVERS

In order to create a density bonus program that is feasible for developers to consider using, development waivers and incentives have been incorporated into the HNC Program. The following includes the allowable incentives and waivers

that are incorporated in the draft regulations:

WAIVERS:

- Waiver of the existing FAR and a new FAR based upon whether the development is located in FAR Tier 1 or FAR Tier 2. If a mixed-use development is proposed, the FAR of the non-residential portion of the development shall not exceed the maximum FAR of the applicable base zone.
- Waiver of [Development Impact Fees](#) (DIF) and [Transportation Development Impact Fees](#) (TDIF) for all covenant-restricted affordable units and units exceeding 800 SF. Currently the DIF for multi-family units is \$1,190 per unit which includes Parks and Recreation, Library, Fire/EMS, and Police impact fees. The TDIF per residential unit is \$2,688.21, effective 7/1/22. The combined DIF and TDIF savings to be applied to covenant-restricted affordable units and units exceeding 800 SF is \$3,878.21 per unit.
- Waiver of the maximum permitted residential density of the land use designation(s) in the applicable land use plan. Density shall be limited by the allowable FAR and the requirements of the California Building Code as adopted and amended by the City of National City.
- Waiver of the following applicable base zone regulations:
 1. Minimum lot area if a qualifying development is proposed in a lot with an area of 5,000 square feet or less. See Municipal Code Table 18.21.040.
 2. Street frontage requirements, if safe and adequate access to the premises can be provided to the satisfaction of the Fire Department.
 3. Maximum lot coverage if a qualifying development is proposed on a lot with a maximum lot coverage of 75 percent or less. See Municipal Code Table 18.21.040.
 4. FAR Bonus for Residential Mixed-Use. Development utilizing the regulations in this Division shall not be eligible for other FAR or density bonuses.
 5. Maximum front setback or street side setback if the maximum is 20 feet or less.

- Waiver of the personal storage area requirement in Section 18.42.070 (A)(7) and the private exterior open space requirement in Section 18.41.040 for all dwelling units in the development.

INCENTIVES:

The HNC Program draft regulations include provisions to allow the use of up to four incentives based on the percentage and level of affordability of restricted affordable units. An incentive means any of the following:

- (a) A deviation to a development regulation, with the exception of any regulations or requirements of this Division;
- (b) Any other incentive proposed by the applicant that results in identifiable, actual cost reductions.

Items not considered incentives by the City of National City include, but are not limited to the following:

- (a) A waiver of a required permit;
- (b) A waiver of fees or dedication requirements;
- (c) A direct financial incentive;
- (d) Approval of mixed-use zoning in conjunction with a residential development;
- (e) A waiver of any of the requirements, regulations, or standards of this Division.

The number of incentives available is as follows:

- Up to three incentives for a development that includes at least 10 percent of the post-density dwelling units for very low-income households at or below 50 percent AMI.
- Four incentives for a development in which at least 10 percent of the post-density bonus covenant-restricted dwelling units are three bedrooms at or below 80 percent AMI.

Additional provisions in the use of incentives are included in the draft regulations that can be found in Attachment 2.

CONCLUSION

The proposed HNC Program is a component of the Focused General Plan Update that is moving forward concurrently. The proposed General Plan update, rezoning actions and California Environmental Quality Act (CEQA) Environmental Impact Report (EIR) necessary to adopt this program will be brought forward in the coming months for consideration by the Housing Advisory Committee and Planning Commission. The HNC Program will be incorporated as part of that action.

ATTACHMENTS:

1. Keyser Marston Associates Economic Analysis
2. House National City Draft Regulations
3. House National City Zoning Map
4. House National City Opt-In Density Program Floor Area Ration (FAR) Information Guide
5. House National City Power Point Presentation

A handwritten signature in black ink, appearing to read 'CA' with a long horizontal stroke extending to the right.

CARLOS Aguirre
Housing Authority Director



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
REAL ESTATE
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

BERKELEY

A. JERRY KEYSER
TIMOTHY C. KELLY
DEBBIE M. KERN
DAVID DOEZEMA

To: Carlos Aguirre, Director of Housing Authority
City of National City

LOS ANGELES

KATHLEEN H. HEAD
JAMES A. RABE
GREGORY D. SOO-HOO
KEVIN E. ENGSTROM
JULIE L. ROMEY
TIM BRETZ

From: KEYSER MARSTON ASSOCIATES, INC.

Date: September 15, 2022

Subject: Financial Feasibility Evaluation – House National City

SAN DIEGO
PAUL C. MARRA

I. INTRODUCTION

Background

The City of National City (City) is currently in the process of a Focused General Plan Update (FGPU) with assistance from WSP USA (WSP) and Gates Planning Strategies (GPS) (collectively, Consultant Team). As part of the FGPU effort, the City and Consultant Team engaged Keyser Marston Associates, Inc. (KMA) to conduct financial feasibility analyses related to the proposed opt-in House National City Program (Program). The goal of the proposed Program is to increase the supply of affordable housing, incentivize housing within Transit Priority Areas (TPAs), increase transit ridership, and provide additional community benefits. The draft Program currently under review includes certain requirements such as affordable housing set-asides and a unit mix that incorporates larger family units. In exchange, eligible projects would receive incentives such as Floor Area Ratio (FAR)-based density, reduced parking ratios, fee waivers, and waiver of base zone regulations. The Program's requirements and incentives as of the date of this report are summarized below.

To: Carlos Aguirre, Director of Housing Authority
 City of National City
 Subject: Financial Feasibility Evaluation – House National City

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Summary of Proposed House National City Program	
Requirements	<ul style="list-style-type: none"> • Within Program-designated FAR Tier 1 or FAR Tier 2 zones • Set-aside of 10% of total post-bonus units @ 50% Area Median Income (AMI)
Incentives	<ul style="list-style-type: none"> • FAR-based density • Development Impact Fee (DIF) waiver • Reduced parking to allow for 1.0 parking space for units above 800 SF and 0.50 parking space for units under 800 SF • Further reduced parking ratio of 0.50 parking spaces for all units

KMA Methodology

To assess the financial feasibility of the proposed Program, KMA performed the following tasks:

- Reviewed potential development concepts prepared by WSP for six (6) test sites (Test Sites) within the Program’s qualified FAR Tier zones. These Test Sites were selected because they represent a variety of characteristics in the National City real estate market, including site location, zoning, density, lot size/coverage, design standards, and setback requirements.
- Collaborated with WSP to formulate two (2) multi-family rental development prototype scenarios for each Test Site: (a) a Base Case Scenario, reflecting maximum development yield under existing zoning, and (b) a Bonus Scenario, reflecting potential development yield achievable based on the requirements and incentives contained in the proposed Program.
- Conducted market research for the National City and South Bay multi-family residential market, including market rents, comparable land sales, and project values.
- Prepared financial pro forma models for each pair of Base Case/Bonus Scenarios for each Test Site to measure the impact of the Program on development economics. In some cases, KMA determined that some Base Case Scenarios were not feasible under current market conditions. As a result, KMA also determined the required increase in market rent (“break-even rent”) for the Base Case Scenario to become economically feasible.
- Prepared a series of alternative financial pro forma models reflecting additional developer incentives (Additional Incentives) such as:

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- (a) Reduced required parking ratio to 0.50 parking spaces for all units
- (b) Less restrictive affordability, i.e., providing a minimum of 10% three-bedroom units in exchange for less restrictive affordability (10% @ 80% AMI post-bonus)
- (c) Waiver of base zone regulations such as setback, lot coverage, and street frontage requirement

January 2023 Addendum

It is important to note that after the date this memorandum report was originally published, California Governor Gavin Newsom approved Assembly Bill No. 2097 (AB 2097) on September 22, 2022. AB 2097 prohibits a public agency from imposing any minimum parking requirement on any residential, commercial, or other development project that is located within one-half mile of public transit. AB 2097 has only been in effect since January 1, 2023; therefore, there is little concrete evidence available regarding how it will impact development economics for individual multi-family development proposals. However, it is the KMA view that developers are unlikely to propose multi-family projects in National City with extremely limited or no parking in the near-term. As demonstrated in this report, the KMA financial analyses conclude that reduced parking ratios, where accepted by the marketplace, positively impact project feasibility.

Report Organization

This executive summary memorandum report is organized as follows:

- Following this Introduction, Section II presents the KMA key findings.
- Section III presents the financial pro forma methodology.
- Section IV reviews key factors for Program viability and development feasibility.
- Finally, Section V presents Limiting Conditions governing the KMA feasibility evaluation.

II. KEY FINDINGS

The KMA key findings from the financial feasibility evaluation are summarized in the table below.

To: Carlos Aguirre, Director of Housing Authority
City of National City

Subject: Financial Feasibility Evaluation – House National City

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Overall Financial Feasibility Conclusions

- **The proposed Program is viable under certain site, planning, and market conditions.** A key feasibility factor is whether developers are able to utilize the proposed Program bonus to achieve a substantial increase in total units without advancing to a significantly more costly construction type and/or parking configuration.
- **The proposed Program is formulated to strike the balance between capturing the value enhancement for community benefits** – rather than creating a windfall in increased land value to property owners.
- **It will be important to monitor Program results in terms of the mix, type, size, location, and other key features of development projects proposed and implemented under the Program.** This will enable the City, in coordination with property owners, developers, and other key stakeholders, to determine if the Program is delivering the desired community benefits while also enabling project feasibility.
- **The Baseline Program’s waiver of Development Impact Fees (DIFs) contributes to higher project feasibility.** The waiver of DIFs for all covenant-restricted affordable units and units larger than 800 SF reduces the estimated development costs of the project, thereby enhancing financial feasibility.
- **The Baseline Program is more feasible when parking ratio is reduced to 0.50 parking spaces per unit.** Parking ratio is a large factor that impacts a project’s feasibility. KMA tested a range of parking ratios ranging from zero to 1.00 per unit in the Bonus Scenarios, finding that projects with a lower parking ratio experienced greater financial feasibility. KMA believes that the proposed minimum parking ratio of 0.50 allows an option for projects to enhance feasibility in exchange for providing affordable and/or family units. However, to date there is limited experience outside of dense urban areas with multi-family housing development with fewer than 1.00 parking space per unit. Therefore, the market may react slowly to this incentive, i.e., gradually introduce projects with lower parking ratios over time.
- **The Program’s Additional Incentive of 10% @ 80% AMI post-bonus units in exchange for a minimum of 10% three (3)-bedroom units is moderately feasible.** The requirement of three-bedroom units is likely to negatively impact the feasibility of a project due to the lower achievable rents per SF and higher operating expenses. Therefore, KMA believes that allowing less restrictive affordability will help offset the financial impact of requiring three-bedroom family units.

Overall Financial Feasibility Conclusions

- **The Program’s Additional Incentive of waiver of base zone regulations contributes to higher feasibility.** Potential waivers of base zone regulations – such as maximum lot area, street frontage requirements, minimum lot coverage, and front/side setbacks – allow for more market-rate and affordable units to be developed on a site. While the higher project density associated with the additional units may increase project construction costs on a per-SF basis, the additional rental income and greater economies of scale will help improve project feasibility.

It is important to note that density bonuses do not always result in improved economics for multi-family development projects. In many cases, developers are already maximizing the achievable building height and density within the most feasible construction type (e.g., wood, steel, or concrete) and parking configuration (e.g., surface, tuck-under, wrap, podium, or subterranean). Additional height or density may trigger a change in construction type, causing the project to be more expensive to build. Depending on the site location and surrounding market, a taller, denser building may or may not be able to achieve higher market rents to offset the higher construction costs. The KMA feasibility analyses assume that the Bonus Scenarios will result in projects with smaller average unit sizes and more amenities than their corresponding Base Case Scenarios. Where these factors support higher market rents in the Bonus Scenario, the Program’s density bonus is likely to improve the economic feasibility of a multi-family development.

III. FINANCIAL PRO FORMA METHODOLOGY

This section provides an overview of the KMA financial pro forma methodology used to conduct the comparative evaluation of the Base Case vs. Bonus Scenarios.

1. KMA participated in discussions with WSP, GPS, and City staff that resulted in the identification of potential development concepts for six (6) Test Sites within the Program’s FAR Tiers. FAR Tier 1 refers to sites where any portion of the premises is located outside the Downtown Specific Plan. FAR Tier 2 encompasses any premises located on Plaza Bonita Road, within the Hospital District, and along Sweetwater Road/East 30th, as well as the area along 4th Avenue that is south of State Route 54 (SR54) that is zoned MXC-2.
2. WSP formulated two (2) multi-family rental development prototype scenarios for each Test Site:
 - (a) A Base Case Scenario, reflecting maximum development yield under either (1) existing zoning or, when applicable, (2) the new proposed zoning as part of the FGPU. The Base Case Scenarios

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ranged in density from 21 to 75 units per acre. These range from Type V (wood) townhomes with tuck-under parking to Type V (wood) apartments with podium parking.

- (b) A Bonus Scenario, reflecting potential development yield achievable based on the requirements and incentives contained in the proposed Program. The Bonus Scenarios ranged in density from 56 to 176 units per acre.
3. KMA prepared financial pro forma models for each pair of Base Case/Bonus Scenarios, for each Test Site, in order to measure the impact of the Program requirements and incentives on development economics. Financial feasibility was measured in terms of residual land value. Residual land value is defined as the maximum land value supported by a proposed development. It is calculated by estimating total project value upon completion and subtracting the estimated total development costs (other than land acquisition costs) required to develop the project. All development concepts were tested as rental housing, reflective of recent multi-family development trends in the National City and South Bay markets. All Base Case pro formas were modeled as economically feasible projects in order to provide an appropriate starting point for comparison with the Bonus Scenario pro forma under the proposed Program. As stated previously, some Base Case Scenarios were not feasible under current market conditions. KMA determined that in order for the Base Case Scenarios to achieve financial feasibility, current market rents must increase between 4% and 28% over prevailing market rents in the current market.
- (a) Bonus Scenarios assumed the following:
- Waiver of existing units/acre density limit and a new FAR density limit based on whether the development is located in FAR Tier 1 or FAR Tier 2.
 - Waiver of parking requirements to allow one (1) parking space for units larger than 800 SF and 0.50 parking spaces for units less than 800 SF.
 - Waiver of DIFs for all covenant-restricted affordable dwelling units and all dwelling units that exceed 800 SF.
- (b) KMA analyzed Additional Incentives on select Sites such as: (1) waiver of parking requirements to allow for 0.50 parking spaces per unit for all units; (2) provision of a minimum of 10% three-bedroom family units in exchange for 10% @ 80% AMI post-bonus units; and (3) waiver of base zone regulations, including street frontage requirements, lot coverage, and setback requirements.

- (c) KMA compared the residual land value outcomes of the Base Case Scenarios versus the corresponding Bonus Scenarios. Based on an analysis of current market data, KMA determined that comparable land values for multi-family development in the City are approximately \$60 per SF land area (order-of-magnitude estimate). In order for the proposed Program to be feasible for a development project, the Bonus Scenario would need to generate a higher residual land value than the Base Case Scenario. In cases where the Bonus Scenario generated a higher residual land value than the Base Case Scenario, KMA concluded that it would be feasible for a developer to opt into the proposed Program.
- (d) Conclusions for the Baseline Program and Additional Incentives as measured against the six (6) Test Sites are presented below. As shown, the modifications to the Baseline Program, such as reduced parking ratio or waiver of base zone regulations, contributed to greater feasibility.

Overall Feasibility Conclusion				
	Baseline Program		Additional Incentives	
	Baseline	Baseline + Reduced Parking Ratio	Baseline + 3-Bedroom Requirement	Baseline + Waiver of Base Zone Regulations
I. Public Benefit	<ul style="list-style-type: none"> Affordable units 	<ul style="list-style-type: none"> Affordable units 	<ul style="list-style-type: none"> Affordable units Minimum 10% 3-bedroom units 	<ul style="list-style-type: none"> More affordable units
II. Developer Incentives	<ul style="list-style-type: none"> Far density DIF waiver Reduced parking 	<ul style="list-style-type: none"> FAR density DIF waiver Further reduced parking (0.50 spaces/unit) 	<ul style="list-style-type: none"> FAR density DIF waiver Reduced parking Less restrictive affordability 	<ul style="list-style-type: none"> FAR density DIF waiver Additional waivers (e.g., setbacks, open space, lot coverage)
III. Proposed Level of Affordability	<ul style="list-style-type: none"> 10% @ 50% AMI (Post-bonus) 	<ul style="list-style-type: none"> 10% @ 50% AMI (Post-bonus) 	<ul style="list-style-type: none"> 10% @ 80% AMI (Post-bonus) 	<ul style="list-style-type: none"> 10% @ 50% AMI (Post-bonus)
IV. Overall Feasibility Conclusion	Moderately Feasible	Feasible	Moderately Feasible	Feasible

IV. KEY FACTORS CONTRIBUTING TO PROGRAM VIABILITY

The following section presents the KMA conclusions regarding certain project characteristics and Program features that will encourage developers to opt into the proposed Program.

Developers will be more likely to opt into the proposed Program when:

- There is sufficient market acceptance and support for projects with lower parking ratios.

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- Higher market rents on a per-SF basis can be achieved for smaller units in multi-family or mixed-use buildings by offering a variety of project amenities.
- The project is able to utilize greater density under the Program to provide additional units without advancing to a more costly construction type and/or parking configuration.

Based on the feasibility analyses, KMA concludes that the following proposed Program features demonstrate a positive impact on overall project feasibility:

- DIFs are waived for all covenant-restricted affordable units and units larger than 800 SF.
- The number of affordable units does not exceed 10% of post-bonus unit total.
- Parking ratio is reduced to a minimum of 0.50 parking spaces per unit.
- Waivers of base zone regulations are available in order to increase the number of units developed on the site.

V. LIMITING CONDITIONS

1. KMA has made extensive efforts to confirm the accuracy and timeliness of the information contained in this document. Although KMA believes all information in this document is correct, it does not guarantee the accuracy of such and assumes no responsibility for inaccuracies in the information provided by third parties.
2. The findings are based on economic rather than political considerations. Therefore, they should be construed neither as a representation nor opinion that government approvals for development can be secured. No guarantee is made as to the possible effect on development of current or future Federal, State, or local legislation including environmental or ecological matters.
3. The analysis, opinions, recommendations, and conclusions of this document are KMA's informed judgment based on market and economic conditions as of the date of this report. Due to the volatility of market conditions and complex dynamics influencing the economic conditions of the building and development industry, conclusions and recommended actions contained herein should not be relied upon as sole input for final business decisions regarding current and future development and planning.

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4. Development opportunities are assumed to be achievable during the specified time frame. A change in development schedule requires that the conclusions contained herein be reviewed for validity. If an unforeseen change occurs in the local or national economy, the analysis and conclusions contained herein may no longer be valid.
5. Any estimates of development costs, project income, and/or value in this evaluation are based on the best available project-specific data as well as the experiences of similar projects. They are not intended to be predictions of the future for the specific project. No warranty or representation is made that any of these estimates or projections will actually materialize.
6. It has been assumed that the value of the property will not be impacted by the presence of any soils, toxic, or hazardous conditions that require remediation to allow development. Additionally, it is assumed that perceived toxic conditions (if any) on surrounding properties will not affect the value of the property.
7. KMA is not advising or recommending any action be taken by the City with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues).
8. KMA is not acting as a Municipal Advisor to the City and does not assume any fiduciary duty hereunder, including, without limitation, a fiduciary duty to the City pursuant to Section 15B of the Exchange Act with respect to the services provided hereunder and any information and material contained in KMA's work product.
9. The City shall discuss any such information and material contained in KMA's work product with any and all internal and/or external advisors and experts, including its own Municipal Advisors, that it deems appropriate before acting on the information and material.

Gates Planning Strategies MEMORANDUM

DATE: 11/30/2022

PREPARED BY: Lara Gates, Planning and Community Engagement Consultant

SUBJECT: House National City Program: Draft Regulations

The following memorandum provides details for the draft House National City Program regulations. The following sections are included in the draft regulations for consideration:

- Purpose, Intent, and Definitions;
- Application of House National City Regulations;
- Required Replacement of Existing Affordable Units;
- Tenant Benefits, Rights, and Obligations;
- Incentives in Exchange for Transit Priority Area Affordable Housing;
- Required Provision of Affordable Dwelling Units;
- Supplemental Development Regulations
- Proposed Glossary Terms

Chapter 18.49

FLOOR AREA RATIO BONUS REGULATIONS

Sections:

18.49.010 Purpose.

18.49.020 Definitions.

18.49.030 Application of House National City Regulations.

18.49.040 Required Replacement of Existing Affordable Units.

18.49.050 Tenant Benefits, Rights and Obligations.

18.49.060 Incentives in Exchange for Transit Priority Area Affordable Housing.

18.49.070 Required Provision of Affordable Dwelling Units.

18.49.080 Supplemental Development Regulations.

18.49.10 Purpose.

- A. The purpose of these regulations is to provide a floor area ratio-based density bonus incentive program for development within areas served by transit that provides housing for very low-income or low-income households and other community benefits. These regulations are intended to materially assist in providing adequate housing for the community, to provide a balance of housing opportunities within the City of National City with an emphasis on housing near transit, and to provide community benefits that assist

with uplifting the quality of life for residents and reducing the impacts of gentrification and tenant displacement. For purposes of this opt-in program, two floor area ratio (FAR) tiers (Tier 1 and Tier 2, as described below) would apply and would supersede the dwelling unit per acre maximums allowed by the base zones. The following base zones are included as part of this program: MCR-1; MCR-2; MXC-1; MXC-2; MXD-1; MXD-2; RM-1; RM-2; RM-3; MXT. These regulations do not implement California Government Code Section 65915 (State Density Bonus Law), which is implemented through Chapter 18.48 (Density Bonus and Affordable Housing Incentives).

18.49.020 Definitions.

- A. For purposes of this Division, the following definitions shall apply:
 - 1. FAR Tier 1 means any premises where any portion of the premises is outside the Downtown Specific Plan area.
 - 2. FAR Tier 2 means any premises located on Plaza Bonita Road, within the Hospital District, and along Sweetwater Road/East 30th Street, as well as the area along 4th Avenue, located south of SR-54, which is zoned MXC-2.

18.49.030 Application of House National City Regulations.

- A. At the request of the applicant, the regulations in this Division shall apply to any development within the areas defined as FAR Tier 1 or 2. Parcels shall be zoned for twenty dwelling units per acre or higher. A land use designation that is residential or mixed-use or a residential or mixed-use overlay zone shall be required. Furthermore, all of the following requirements shall be met in order to utilize the House National City Program provisions:
 - 1. The development includes dwelling units affordable to very low-income or low-income households, in accordance with Municipal Code Section 18.48.020 and the following criteria:
 - (a) Within the categories of very low-income or low-income households, affordable dwelling units may be further targeted or restricted for senior citizens, as defined in California Civil Code Sections 51.3 and 51.11.
 - (b) Within the very low-income category, affordable dwelling units may be further targeted or restricted for transitional foster youth, as defined in Section 66025 of the California Education Code; disabled veterans as defined in Section 18541 of the California Government Code; or homeless persons as defined in the McKinney-Vento Homeless Assistance Act.
 - (c) A portion of the total dwelling units in the development shall be reserved for very low-income or low-income households, in accordance with Municipal Code Section 18.48.020.
 - 2. The dwelling units within the development shall not be used for a rental term of less

than 30 consecutive days.

3. Projects will be required to hold a minimum of one publicly-noticed community workshop to solicit input on the proposed development.

B. The regulations in this Division shall not apply to the following types of development:

1. Development that proposes to concurrently utilize the density bonus provided in Chapter 18.48 (Affordable Housing Regulations). Existing development that was constructed in accordance with the Affordable Housing Regulations and an applicant proposes to construct additional dwelling units through a new development application may utilize this Division to add gross floor area and density if the existing development was constructed using the maximum density bonus available based on the affordability level of the development.
2. Development that includes visitor accommodations, except a single room occupancy (SRO) hotel.

C. The regulations in this Division may be utilized to add gross floor area (GFA) to an existing development through the construction of additional dwelling units. The additional gross floor area allowed shall be determined as follows:

1. The additional GFA is determined by multiplying the remaining lot area by the applicable FAR. The remaining lot area is the difference between the lot coverage of the existing development and the lot area.
2. The minimum number of dwelling units is determined by multiplying the maximum number of dwelling units that could be constructed on the remaining lot area by 0.80.
 - (a) For this calculation, the maximum number of pre-density bonus dwelling units that could be constructed on the remaining lot area is calculated by dividing the remaining lot area by the maximum permitted density under the base zone.
 - (b) If the number calculated for the minimum number of dwelling units exceeds a whole number by more than 0.50, the minimum number of dwelling units shall be rounded up to the next whole number.

D. The regulations in this Division may be utilized to add GFA for residential development to an existing non-residential development through the conversion of existing non-residential space to permanent rental or for-sale dwelling units.

E. The required number of affordable dwelling units shall be calculated in accordance with Section 18.49.070. To calculate the required number of affordable dwelling units, all density calculations resulting in fractional units shall be rounded up to the next whole

number. Existing covenant-restricted affordable dwelling units shall not be counted towards the affordable housing requirement in this Division.

- F. The regulations in this Division shall not supersede the regulations of any other Municipal Code Section unless specified.

18.49.040 Required Replacement of Existing Affordable Units.

- A. An applicant is ineligible for any incentive under this Division if the premises on which the development is proposed contains, or during the seven years preceding the application, contained, rental dwelling units that have had the rent-restricted by law or covenant to persons and families of low income or very low income, or have been occupied by persons and families of low income or very low income unless the proposed development replaces the affordable dwelling units, and either:
 - 1. Provides affordable dwelling units at the percentages set forth in Section 18.48.020 (inclusive of the replacement dwelling units), or
 - 2. Provides all of the dwelling units in the development as affordable to low-income or very low-income households, excluding any manager's unit(s).
- B. The number and type of required replacement affordable dwelling units shall be determined as follows:
 - 1. The development shall replace all existing or demolished protected dwelling units on the premises.
 - 2. The protected dwelling units shall be replaced as follows:
 - a. For a development containing any occupied protected dwelling units, the development must:
 - (a) Contain at least the same number of replacement protected dwelling units, of equivalent size and bedrooms, and must be made affordable to and occupied by persons and families in the same or a lower income category as the occupied protected dwelling units.
 - (b) For unoccupied protected dwelling units in the development, the replacement protected dwelling units shall be made affordable to and occupied by persons and families in the same or lower income category as the last household in occupancy.
 - (c) If the income category of the last household is unknown, it is presumed that the protected dwelling units were occupied by very low-income and low-income renter households in the same proportion of very low-income and low-income renter households to all renter households within the City of National City, as determined

by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database, and replacement protected dwelling units shall be provided in that same percentage.

- b. If all of the affordable dwelling units are vacant or have been demolished within the last seven (7) years preceding the application, the development must:
 - (a) Contain at least the same number of replacement affordable dwelling units, of equivalent size and bedrooms, as existed at the high point of those units in the seven-year period preceding the application, and must be made affordable to and occupied by persons and families in the same or a lower income category as those in occupancy at that same time.
 - (b) If all of the protected dwelling units are vacant or have been demolished within the seven years preceding the application, the development must contain at least the same number of replacements protected dwelling units, of equivalent size and bedrooms, as existed at the high point of those units in the seven-year period preceding the application and must be made affordable to and occupied by persons and families in the same.
 - (c) If the income categories are unknown for the high point, it is presumed that the dwelling units were occupied by very low-income and low-income renter households in the same proportion of very low-income and low-income renter households to all renter households within the City of National City, as determined by the most recently available data from the United States Department of Housing and Urban Development's Comprehensive Housing Affordability Strategy database, and replacement dwelling units shall be provided in that same percentage.
3. All replacement affordable dwelling unit calculations resulting in fractional units shall be rounded up to the next whole number.
4. All rental replacement affordable dwelling units shall be affordable for at least 55 years through a recorded affordability restriction documented by written agreement, and a deed of trust securing the agreement, entered into by the applicant and the National City Housing Authority.
5. Any existing residents will be allowed to occupy their dwelling units until six months before the start of construction activities with proper notice, which shall occur at least 12 months prior to the anticipated date of termination. The property owner shall deliver a notice of intent to terminate to the Housing Authority and to each tenant household.

6. The applicant agrees to provide relocation benefits to the occupants of those affordable residential dwelling units, and the right of first refusal for a comparable dwelling unit available in the new housing development at a rent affordable to very low- or low-income households.
 - (a) The displaced occupants are entitled to payment for actual moving and related expenses that the Housing Authority determines to be reasonable and necessary.
 - (b) For any very low- or low-income household displaced by conversion, the applicant shall pay to such household an amount in accordance with Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 of the California Government Code.
 - (c) For a development, residents living in the jurisdictional boundary limits of National City at the time of application shall receive priority for 75 percent of the affordable dwelling units in the development that are reserved for very low-income or low-income households.
7. All for-sale replacement protected dwelling units shall be subject to the following provisions:
 - (a) The initial occupant of all for-sale affordable protected dwelling units shall be a very low-income or low-income household.
 - (b) Prior to, or concurrent with, the sale of each protected dwelling unit, the applicant shall require the buyer to execute and deliver a promissory note in favor of the National City Housing Authority so that the repayment of any initial subsidy is ensured.
 - (c) Each for-sale protected dwelling unit shall be occupied by the initial owner at all times until the resale of the protected dwelling unit.
 - (d) Upon the first resale of a protected dwelling unit, the seller shall comply with all conditions regarding the sale of a dwelling unit, as applied by the National City Housing Authority, and as set forth in California Government Code Section 65915(c)(2).
- C. The applicant shall provide existing residents of protected dwelling units with all of the following:
 1. The ability to occupy their units until six months before the start of construction activities with proper notice, pursuant to California Government Code Sections 7260

through 7277. Any existing residents will be allowed to occupy their dwelling units until six months before the start of construction activities with proper notice, which shall occur at least 12 months prior to the anticipated date of termination of tenancy. The property owner shall deliver a notice of intent to terminate tenancy to the National City Housing Authority and to each tenant household.

2. To those households that remain in a protected dwelling unit, the applicant shall provide:
 - (a) Relocation benefits pursuant to consistent with the requirements of California Government Code Sections 7260 through 7277 for public agencies. The applicant or applicant's agent shall engage a qualified third-party contractor or consultant to oversee the provision of the required relocation benefits. The third-party contractor or consultant shall provide a letter to the National City Housing Authority certifying compliance with the relocation benefits requirements after completion of the relocation process.
 - (b) A right of first refusal for a comparable dwelling unit available in the new development affordable to the household at an affordable rent or affordable housing cost based on household income in accordance with Table 143-12A.
 - (c) Residents living within one mile of the development at the time of application shall receive priority for 75 percent of the affordable dwelling units in the development that are reserved for very low-income or low-income households.

18.49.50 Tenant Benefits, Rights, and Obligations.

- A. The subdivider of a condominium conversion project shall provide the benefits specified in Section 18.30.090 (C) to persons whose tenancy in very low- and low-income units in a project the subdivider terminates due to the condominium conversion.
- B. The applicant shall provide a relocation assistance payment to all tenants of the project including:
 - a. The relocation payment shall be three months' rent based on the current National City "fair market rent" for apartment size, as established by the U.S. Department of Housing and Urban Development.
 - b. The relocation payment shall be paid no later than the day on which the applicant gives notice to the tenant to vacate the premises and shall be based upon the fair market rent at the time of the notice.
 - c. The applicant shall provide relocation benefits consistent with the requirements of California Government Code Sections 7260 through 7277 for public agencies.
 - d. The applicant or applicant's agent shall engage a qualified third-party contractor or consultant to oversee the provision of the required relocation benefits.

- e. The third-party contractor or consultant shall provide a letter to the National City Housing Authority certifying compliance with the relocation benefits requirements after completion of the relocation process.
- C. Any existing tenants in the project will be allowed to occupy their dwelling units until six months before the start of construction activities with proper notice, which shall occur at least 12 months prior to the anticipated date of termination of tenancy. The property owner shall deliver a notice of intent to terminate tenancy to the National City Housing Authority and to each tenant household.

18.49.060 Incentives in Exchange for Transit Priority Area Affordable Housing.

An applicant proposing development that is consistent with the criteria in Section 18.49.030(A)(C) shall be entitled to the following incentives:

- A. Waiver of the existing FAR and a new FAR based upon whether the development is located in FAR Tier 1 or FAR Tier 2. If a mixed-use development is proposed, the floor area ratio of the non-residential portion of the development shall not exceed the maximum floor area ratio of the applicable base zone.
- B. Waiver of the maximum permitted residential density of the land use designation(s) in the applicable land use plan. Density shall be limited by the allowable floor area ratio and the requirements of the California Building Code as adopted and amended by the City of National City.
- C. Waiver of Development Impact Fees for all covenant-restricted affordable units and units exceeding 800 SF.
- D. Waiver of the following applicable base zone regulations:
 - 1. Minimum lot area if a qualifying development is proposed in a lot with an area of 5,000 square feet or less.
 - 2. Street frontage requirements, if safe and adequate access to the premises can be provided to the satisfaction of the Fire Department.
 - 3. Maximum lot coverage if a qualifying development is proposed in a lot with a maximum lot coverage of 75 percent or less.
 - 4. Floor Area Ratio (FAR) Bonus for Residential Mixed-Use. Development utilizing the regulations in this Division shall not be eligible for other FAR or density bonuses.
 - 5. Maximum front setback or street side setback if the maximum is 20 feet or less.

- E. Waiver of the personal storage area requirement in Section 18.42.070 (A)(7) and the private exterior open space requirement in Section 18.41.040 for all dwelling units in the development.
- F. Use of up to four Affordable Housing Incentives. An applicant utilizing the regulations in this Division shall be entitled to incentives for any development for which a written agreement and deed of trust securing the agreement is entered into by the applicant and the National City Housing Authority.
1. An incentive means any of the following:
 - (a) A deviation to a development regulation, with the exception of any regulations or requirements of this Division;
 - (b) Any other incentive proposed by the applicant that results in identifiable, actual cost reductions.
 2. Items not considered incentives by the City of National City include, but are not limited to the following:
 - (a) A waiver of a required permit;
 - (b) A waiver of fees or dedication requirements;
 - (c) A direct financial incentive;
 - (d) Approval of mixed-use zoning in conjunction with a residential development;
 - (e) A waiver of any of the requirements, regulations, or standards of this Division.
 3. An incentive requested as part of a development meeting the requirements of this Division shall be processed according to the following:
 - (a) Upon an applicant's request, a development that meets the applicable requirements of this Division shall be entitled to incentives unless the City makes a written finding of denial based upon substantial evidence, of any of the following:
 - i. The incentive is not required in order to provide for affordable housing costs, as defined in California Health and Safety Code Sections 50052.5 and 50053;
 - ii. The incentive would have a specific adverse impact upon public health and safety as defined in Government Code Section 65589.5, the physical environment, including environmentally sensitive lands for which there is no

feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to very low-income and low-income households;

iii. The incentive would be contrary to state or federal law. Requested incentives shall be analyzed in compliance with the California Environmental Quality Act (CEQA) and no incentive shall be granted without such compliance.

(b) The granting of an incentive shall not require a General Plan amendment, zoning change, a development permit, or other discretionary approval.

(c) When a development permit is otherwise required, the decision to deny a requested incentive shall be made by the decision maker for the development permit.

4. The number of incentives available is as follows:

(a) Three incentives for a development that includes at least 10 percent of the post-density dwelling units for very low-income households at or below 50 percent area median income (AMI).

(b) Four incentives for a development in which at least 10 percent of the post-density bonus covenant-restricted dwelling units are three bedrooms at or below 80 percent AMI.

G. Affordable Housing waivers may be granted, except that waivers cannot be used to deviate from the requirements of this Division. An applicant utilizing the regulations in this Division shall be entitled to a waiver for any development for which a written agreement and a deed of trust securing the agreement is entered into by the applicant and the National City Housing Authority.

1. A waiver means a request by an applicant to waive or reduce a development standard that physically precludes construction of development meeting the criteria of this Division.

2. Upon an applicant's request, a development that meets the applicable requirements of this Division shall be entitled to a waiver unless the City makes a written finding of denial based upon substantial evidence, of any of the following:

(a) The waiver would have a significant, quantifiable, direct, and unavoidable impact upon health, safety, or the physical environment for which there is no feasible method to mitigate or avoid the impact;

(b) The waiver would be contrary to state or federal law. Requested waivers shall be

analyzed in compliance with CEQA as set forth in Chapter 12, Article 8, and no waiver shall be granted without such compliance; or,

3. The granting of a waiver shall not require a General Plan amendment, zoning change, development permit, or other discretionary approval.
4. There is no limit on the number of waivers an applicant may request.

18.49.070 Required Provision of Affordable Dwelling Units.

- A. An applicant requesting the application of the regulations in this Division shall provide a written agreement to provide affordable dwelling units, entered into by the applicant and the National City Housing Authority and secured by a deed of trust, that meets the following requirements:
 1. Provides at least 10 percent of the post-density bonus rental dwelling units in the development, excluding any additional dwelling units allowed under a floor area ratio bonus, for rent by very low-income households at a cost, including an allowance for utilities, which does not exceed 30 percent of 50 percent of the AMI, as adjusted for household size.
 2. Provides at least 10 percent of the post-density bonus rental dwelling units in the development as three-bedroom units, excluding any additional dwelling units allowed under the FAR bonus, for rent by low-income households, including an allowance for utilities, which does not exceed 30 percent of 80 percent of the AMI, as adjusted for household size.
 3. For rental dwelling units to be counted as affordable and meet the requirements of this Division, the following qualifying criteria shall be met:
 - (a) The affordable dwelling units shall be comparable in bedroom mix and amenities to the market-rate dwelling units in the development, as determined by the National City Housing Authority, except that the affordable dwelling units shall not be required to exceed three bedrooms per dwelling unit. The affordable dwelling units shall have access to all common areas and amenities provided by the development. The square footage and interior features of the affordable units shall be good quality and consistent with current building standards for new housing in the City of National City.
 - (b) The affordable dwelling units shall remain available and affordable for a period of at least 55 years, unless 100 percent of the dwelling units in the development are affordable and the development is owned and operated by an institution of higher education, including a community or junior college, college or university, or a religious institution-affiliated housing development project, as defined in California

Government Code Section 65913.6, in which case the affordable dwelling units shall remain available and affordable for a period of at least 25 years.

- B. Nothing in this Division shall preclude an applicant from using affordable dwelling units constructed by another applicant to satisfy the requirements of this Division, including contracting with an affordable housing developer with experience obtaining tax-exempt bonds, low-income housing tax credits, and other competitive sources of financing, upon approval by the National City Housing Authority.

18.49.080 Supplemental Development Regulations

Development utilizing the regulations in this Division must comply with the following Supplemental Development Regulations and may not utilize incentives or waivers provided in Section 18.49.060 to deviate from the requirements in Section 18.48.080.

- a) Pedestrian Circulation Space. All development shall include the following pedestrian circulation improvements:
 - 1. Sidewalk Widening. A sidewalk widening enlarges a pre-existing or required sidewalk to a minimum of 10 feet in width measured perpendicular to the street. For a premise that is less than 25,000 square feet, an applicant may elect to provide public seating and pedestrian-oriented lighting, in lieu of a sidewalk widening.
 - 2. At least one, 24-inch box canopy tree is required for each 25 feet of street frontage on each side of the required sidewalk. Palm trees are prohibited.
 - 3. Above-ground utility placement within the sidewalk and/or pedestrian path is prohibited.
 - 4. Gated entryways and street yard fencing are prohibited.
 - 5. Green or cool roofs are defined as a roof with high reflectivity and emissivity that improves the energy efficiency of a building that has minimum reflectance of 0.70 and a minimum emittance of 0.75
- b) Buffer from Adjacent Freeways. Development on premises within 100 feet of a freeway shall comply with the following:
 - 1. A 10-foot minimum landscaped buffer shall be provided between the residential and commercial uses and the freeway; and
 - 2. Outdoor areas such as balconies, patios, parks, plazas, and other spaces occupied by residents, customers, or members of the public shall be oriented away from the

freeway.

c) Transition to Adjacent Residential Single-Unit Zones. Development on premises directly adjacent to a Residential Single-zoned parcel, including RS-1; RS-2; RS-3, and RS-4, where an existing dwelling unit is located on the adjacent premises, shall comply with the following criteria:

1) Incorporate a transition plane in the development that does not exceed a 65-degree angle.

a. The transition plane for the development shall start from the shared property line with the RS zone and extend 1/3 of the lot depth.

DRAFT

Proposed Glossary Terms:

Low Income: Low income means any household whose income exceeds 50 percent but does not exceed 80 percent of the median income as adjusted for household size as defined by the U.S. Department of Housing and Urban Development for the San Diego Standard Metropolitan Statistical Area.

Transit Priority Areas (TPA): Transit priority area means the area defined in California Public Resources Code Section 21099, as may be amended, or an area within one-half mile of a major transit stop that is existing or planned, if the planned major transit stop is scheduled to be completed within the planning horizon included in a Transportation Improvement Program.

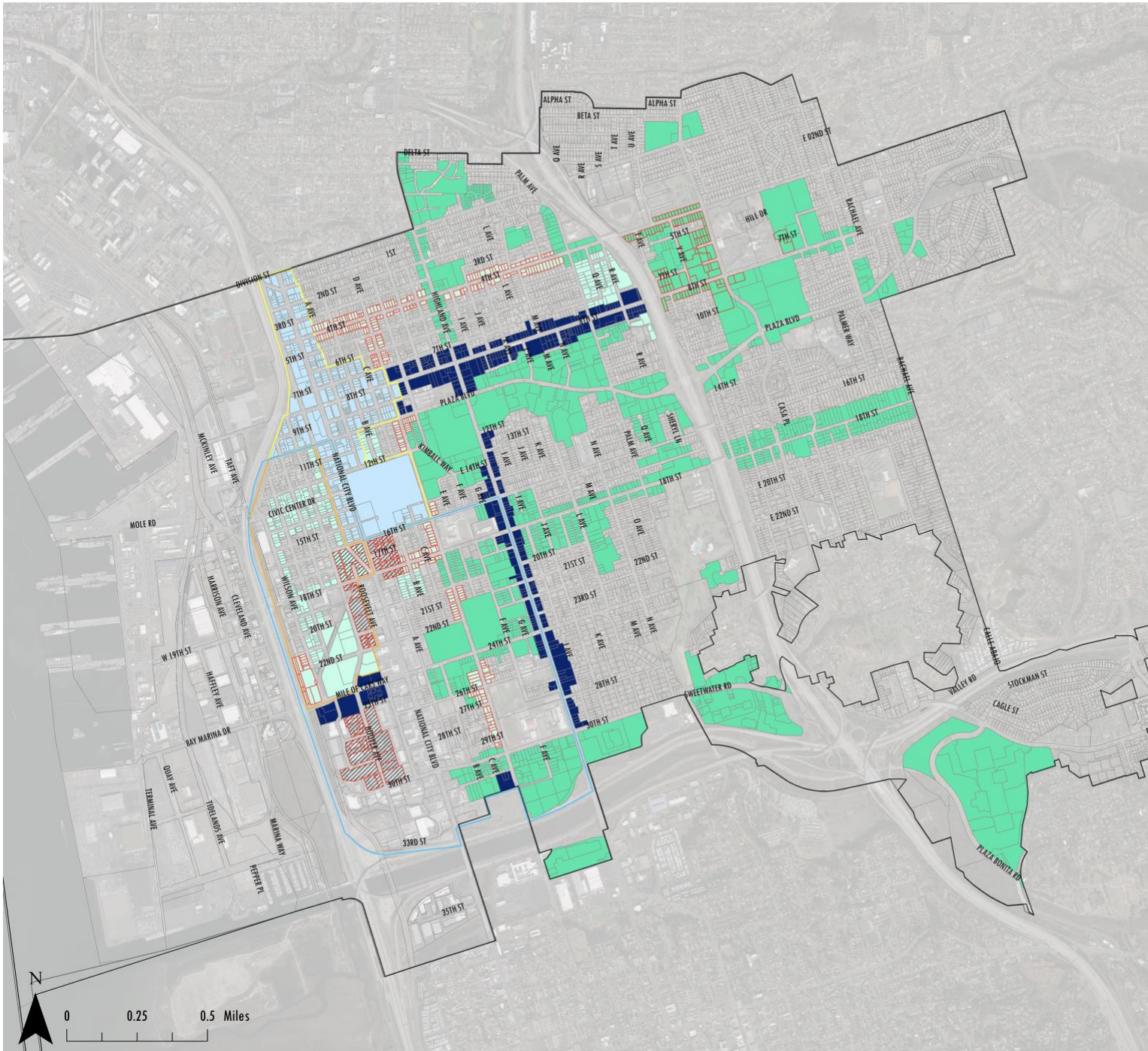
Very Low Income: Very low income means any household whose income does not exceed 50 percent of median income as adjusted for household size as defined by the U.S. Department of Housing and Urban Development for the San Diego Standard Metropolitan Statistical Area.

DRAFT

**FOCUSED GENERAL
PLAN UPDATE**

**HOUSE NATIONAL CITY
RECOMMENDATIONS**

DRAFT FOR ADMINISTRATIVE REVIEW
JANUARY 28, 2022

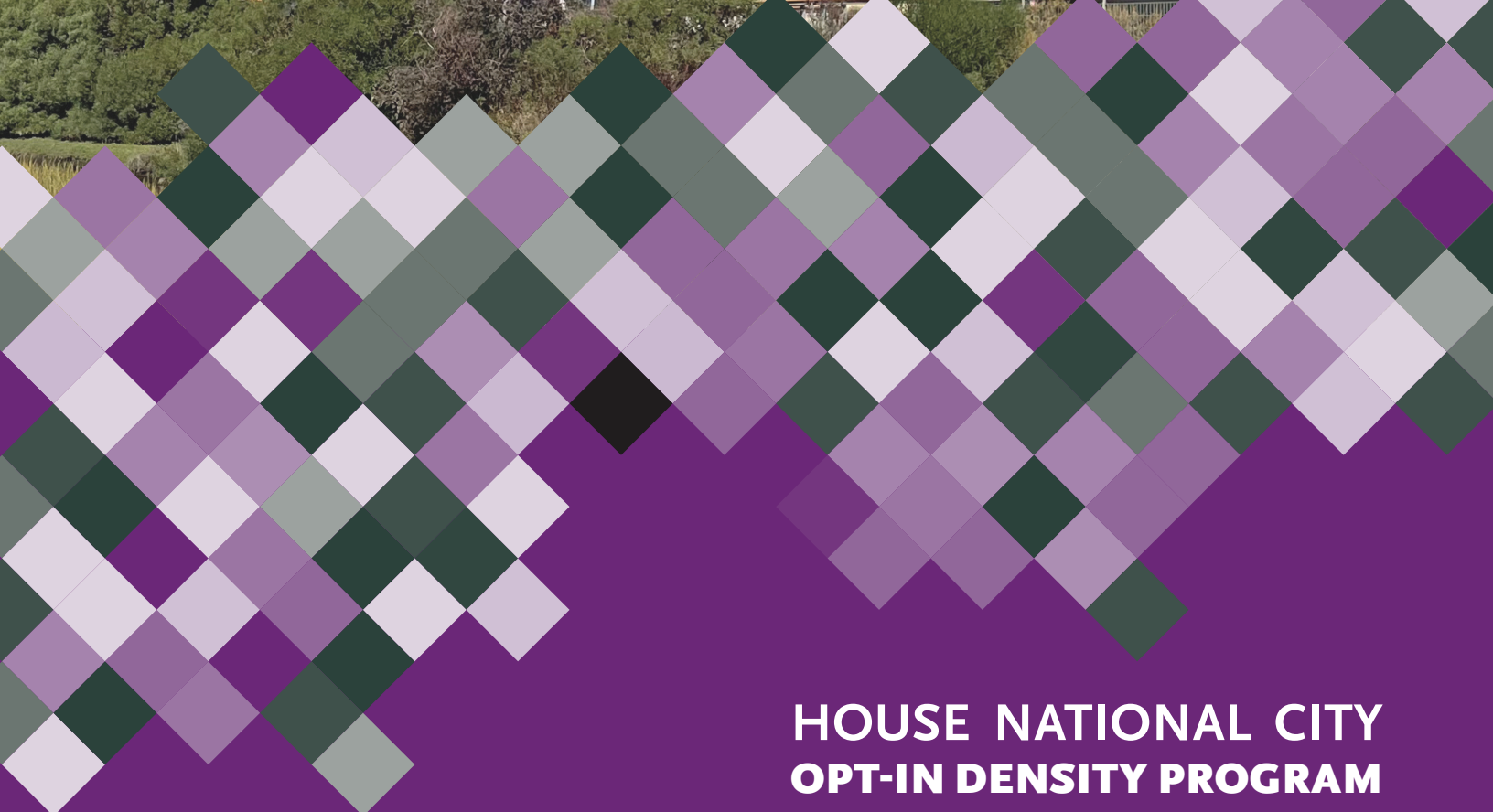


Legend

- Parcels
- Westside Specific Plan Boundary
- TODD Boundary
- Downtown Specific Plan Boundary
- Downtown FAR Program (Existing)
- FAR Tier 1 (FAR Bonus 2.5)
- MCR-1
- MCR-2/TOD
- RM-1
- MXT
- FAR Tier 1 (FAR Bonus 4)
- MXC-1
- MXD-1
- RM-2
- RM-3
- MXD-2
- FAR Tier 2 (FAR Bonus 4)
- MXC-2
- Rezoning**
- Rezoning Recommendation*
*Color indicates FAR Bonus per new zone
- Mixed Use Overlay**
**FAR Bonus 2.5

NATIONAL CITY

CALIFORNIA • 1887



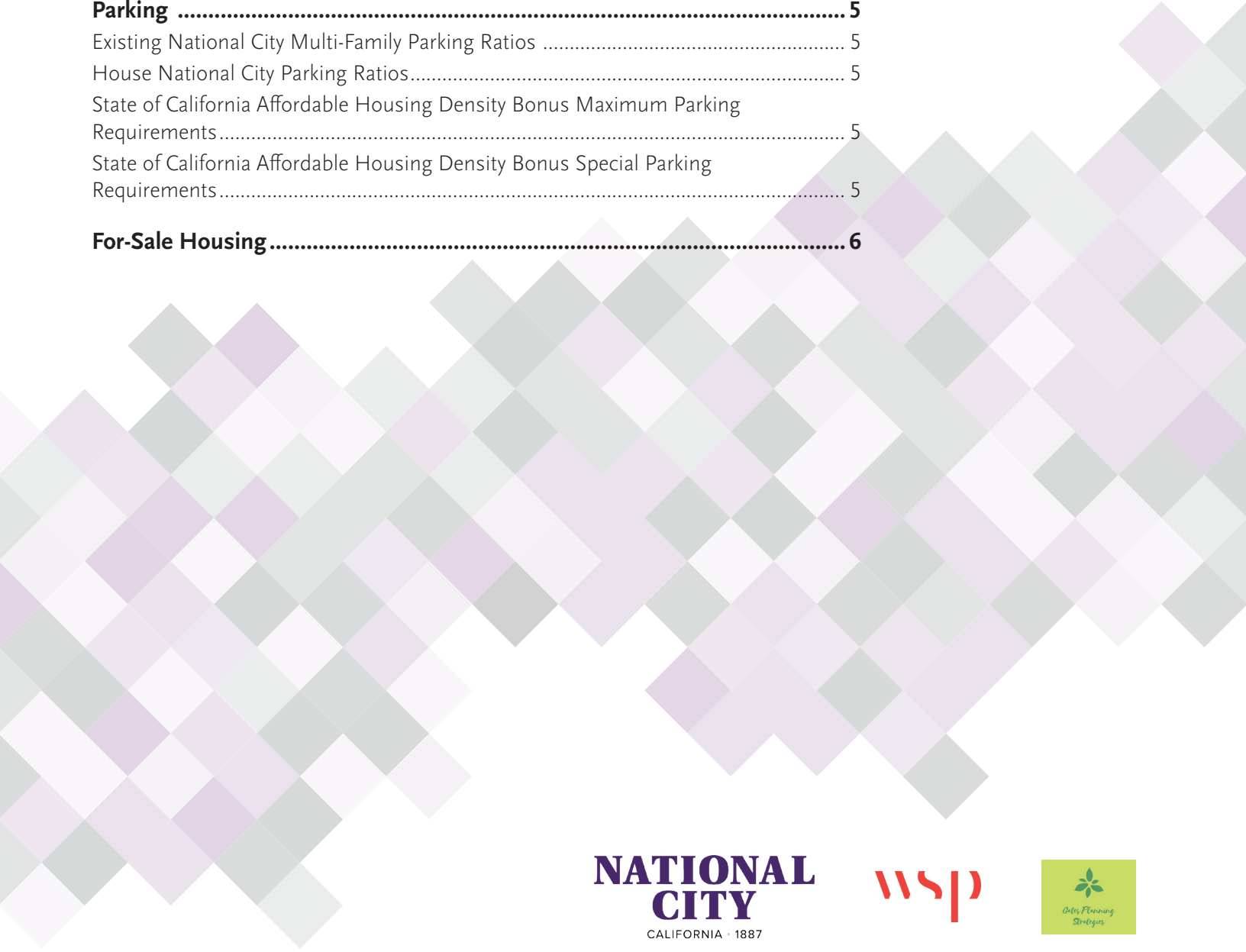
HOUSE NATIONAL CITY OPT-IN DENSITY PROGRAM

(FAR) Floor Area Ratio Information Guide

January 2022

Contents

- What is House National City? 1
- What is Floor Area Ratio? 1
- Comparison of FAR Opt-In Program to Existing Dwelling Unit per Acre Code Requirements 2
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What is House National City?

House National City is a new program to incentivize affordable and mixed-income housing in strategic areas across the city. In exchange for affordable housing, qualifying projects receive a Floor Area Ratio (FAR) bonus.

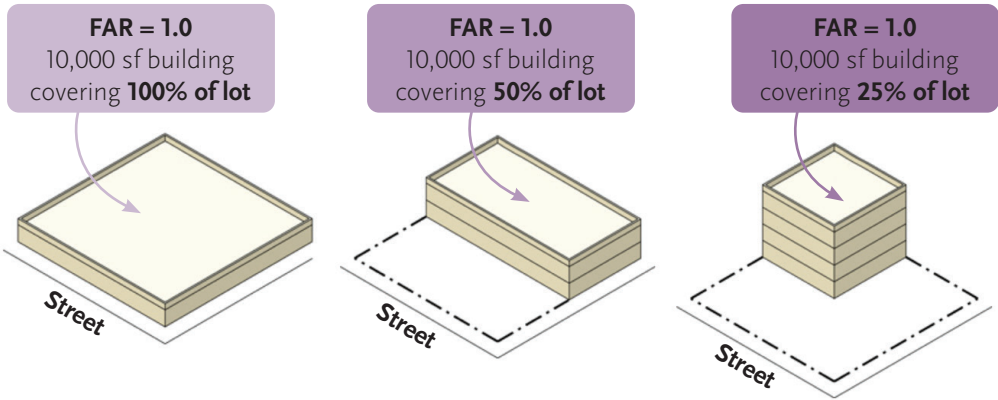
What is Floor Area Ratio?

Cities regulate future development in a variety of ways, including density and intensity. Density is calculated by dividing the total number of units by a project’s acreage resulting in dwelling units per acre (du/ac). Another method of regulating density is FAR.

The floor area ratio (FAR) is the measurement of a building’s floor area in relation to the size of the lot or parcel that the building is located on. FAR is expressed as a decimal number and is derived by dividing the total area of the building by the total area of the parcel.

$$FAR = \frac{\text{Building Area}}{\text{Lot Area}}$$

FAR helps regulate building bulk and mass. A higher FAR indicates greater building volume. FAR can be used with other development standards, such as building heights, lot coverage, and lot area to reflect the community’s desired arrangement and form of development. FAR creates development flexibility for much needed housing units.



How will FAR be used for the House National City Program?

Projects that qualify under House National City will use this FAR calculation method for regulating development intensity instead of a dwelling unit per acre basis, which limits the number of new houses that can be built and creates a challenge to providing affordable housing. Allowable heights will be dictated by the maximum limits in National City’s adopted zoning code.

Comparison of FAR Opt-In Program to Existing Dwelling Unit per Acre Code Requirements

The FAR calculation is based on two tiers that include three different levels of FAR intensity. Based on the location in National City, Tiers 1 and 2 include FARs of 2.5 and 4.0.

Development Calculation Examples

The following examples show how the new development calculation will work.

2.5 FAR

This Tier will be focused on lots within the Westside Specific Plan where existing densities allow 24 dwelling units per acre and 45 dwelling units per acre based on the zone. The maximum FAR under the zoning code is 0.6 FAR.

For this tier, it will include the following zones:

- ★ MCR-1¹ zone which has a maximum height limit of 3 stories and 50 feet.
- ★ MCR-2¹ zone which has a maximum height limit of 5 stories and 65 feet.
- ★ RM-1² zone which has a maximum height limit of 4 stories and 45 feet.
- ★ Proposed Mixed-Use Transition (MXT) which would have a maximum height limit of 4 stories and 45 feet.
- ★ Proposed mixed-use overlay zone of 24 du/ac which would have a maximum height limit of 5 stories and 65 feet.

Development comparison for a 10,000 square foot lot or 0.23 acres

Under existing zoning on a 10,000 SF lot the following would be allowed:

Lot Area	Allowed Density	Maximum Number of Units
10,000 sf	24 du/ac	6 units
10,000 sf	45 du/ac	10 units

Under the proposed 2.5 FAR program:

- ★ On a 10,000 square foot lot, the maximum size of the building cannot exceed 25,000 square feet.³
- ★ If the average unit size is 800 square feet, the typical project could average 20 units.⁴

¹ The MCR-1 and MCR-2 zones provide an area within the Westside Specific Plan area for either commercial or multi-family residential development or a commercial and multi-family development constructed on a single parcel or as components of a single development on an assemblage of parcels.

² The RM-1 zone provides for low-rise, medium density multiple family residential areas and is a transitional zone between higher density residential uses and lesser intensity single-family areas.

³ This is derived by multiplying the lot size of 10,000 sf by 2.5 FAR which equals 25,000 sf and typically is built within a building that is 2 to 5 stories in height.

⁴ The project's area is reduced by 35% for non-habitable areas such as hallways, open space, etc, (maximum 16,250 sf).

AT A GLANCE



10,000 sf
lot size



2.5
FAR



25,000 sf
building size



2-5
stories

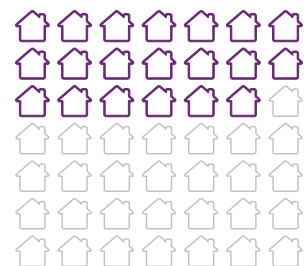


800 sf
unit size



35%
non-habitable areas

20
units



AT A GLANCE



10,000 sf
 lot size


4.0
 FAR


40,000 sf
 building size


3-5
 stories


800 sf
 unit size


35%
 non-habitable areas

33
units



4.0 FAR

This Tier will be focused in the areas around 18th Street, Highland Avenue, Civic Center Drive, and Hoover Avenue where existing densities allow up to 48 dwelling units per acre. The maximum FAR under the zoning code is 1.0 FAR for single-use and 2.0 FAR for mixed-use.

For this tier, it will include the following zones:

- ★ MXC-1⁵ zone which has a maximum height limit of 3 stories and 50 feet.
- ★ MXD-1⁶ zone which has a maximum height limit of 5 stories and 65 feet.
- ★ RM-2⁷ zone which has a maximum height limit of 6 stories and 65 feet.
- ★ RM-3⁸ zone which has a maximum height limit of 9 stories and 95 feet.
- ★ MXC-2⁹ and MXD-2¹⁰ zones which have a maximum height limit of 5 stories and 65 feet.

Development comparison for a 10,000 square foot lot or 0.23 acres

Under existing zoning on a 10,000 SF lot, the following would be allowed:

Lot Area	Allowed Density	Maximum Number of Units
10,000 sf	48 du/ac	11 units

Under the proposed 4.0 FAR program:

- ★ On a 10,000 square foot lot, the maximum size of the building cannot exceed 40,000 square feet.¹¹
- ★ If the average unit size is 800 square feet, the typical project could average 33 units.¹²

⁵ The MXC-1 zone supports the creation of mixed-use corridors at a scale compatible with adjacent single-family residential neighborhoods and creates a pedestrian-oriented development that enhances the quality of life within the corridor and for adjacent residential neighborhoods.

⁶ The MXD-1 zone supports the creation of mixed-use districts at a scale compatible with adjacent single-family residential neighborhoods. A mixture of land uses within the zone will support a neighborhood feel and increase the ability for workers and residents to walk to destinations.

⁷ The RM-2 zone provides for low- to mid-rise, high density (24 to 48 dwelling units per acre) multiple family residential.

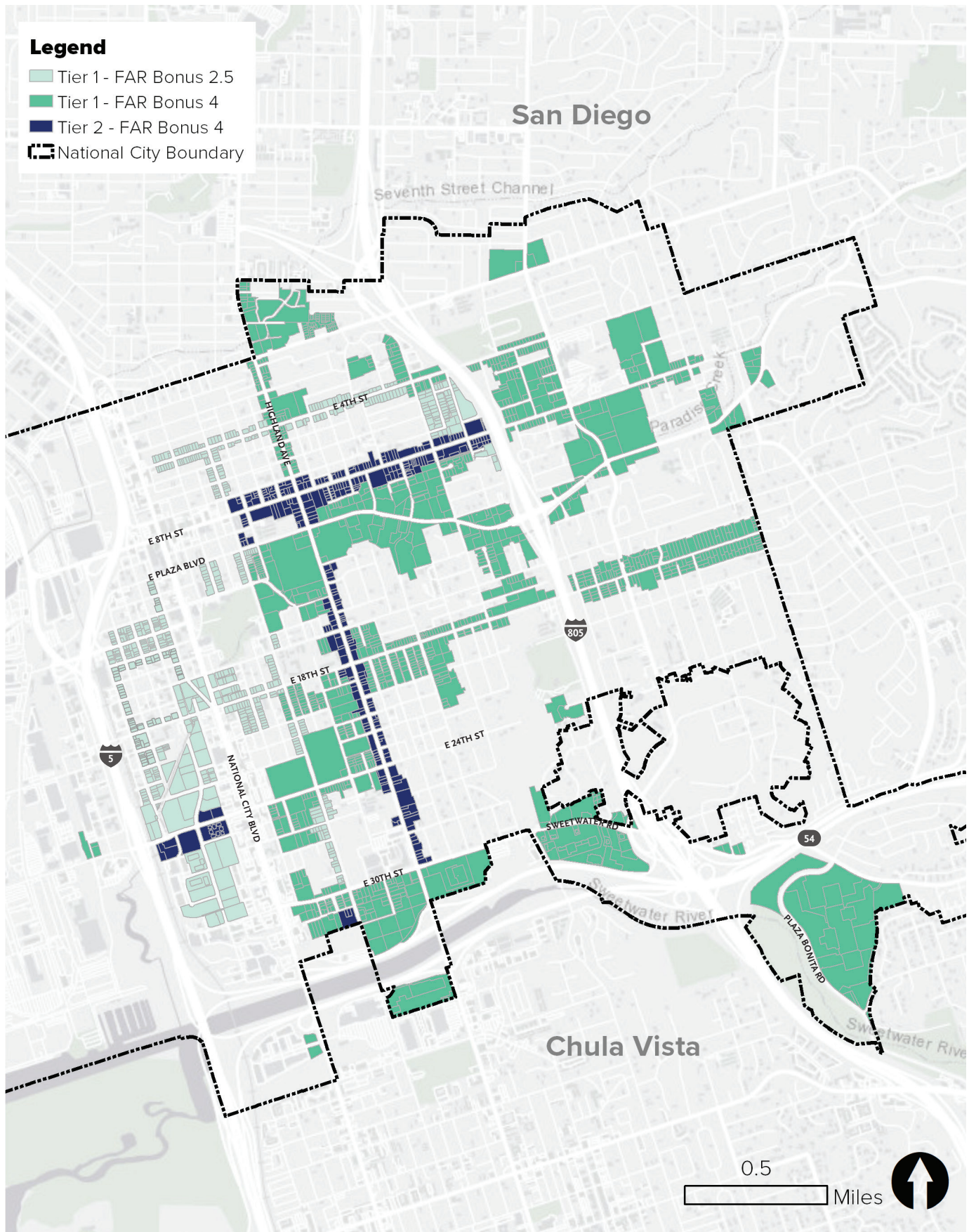
⁸ The purpose of the RM-3 zone is to provide for mid- to high-rise, very high density (49 to 75 dwelling units per acre) multiple family residential.

⁹ The MXC-2 zone supports the creation of mixed-use corridors that function as important activity centers within the community. Development in the zone is intended to create vibrant places at an urban scale.

¹⁰ The MXD-2 zone supports the creation of mixed-use districts that serve as primary activity centers within the city. These activity centers will function as twenty-four-hour neighborhoods for residents, workers, and visitors.

¹¹ This is derived by multiplying the lot size of 10,000 by 4.0 FAR which equals 40,000 and typically is built within a building that is 3 to 5 stories in height.

¹² The project's area is reduced by 35% for non-habitable areas such as hallways, open space, etc, (maximum 26,000 sf).



House National City Proposed Tiers Map

Parking

The following is a comparison of parking ratios under the existing National City Parking requirements, the State of California’s Affordable Housing bonus programs as well as the proposed House National City program:

EXISTING NATIONAL CITY MULTI-FAMILY PARKING RATIOS



**Conveniently located guest parking of ½ space per unit for 20 units or less, plus ¼ space for each unit over 20. Half of the required parking spaces may include parking spaces on dedicated public streets along the sides of the streets that are adjacent to the site.*

HOUSE NATIONAL CITY PARKING RATIOS



STATE OF CALIFORNIA AFFORDABLE HOUSING DENSITY BONUS MAXIMUM PARKING REQUIREMENTS



STATE OF CALIFORNIA AFFORDABLE HOUSING DENSITY BONUS SPECIAL PARKING REQUIREMENTS

★ Rental/for sale projects with at least 11% very low income or 20% lower-income units, within 1/2 mile of accessible major transit stop: .5 spaces

The following allow for no parking to be included in a project:

- ★ Rental projects 100% affordable to lower-income, within 1/2 mile of an accessible major transit stop
- ★ Rental senior projects 100% affordable to lower-income, either with paratransit service or within a 1/2half-mile of accessible bus route (operating at least eight times per day)
- ★ Rental special needs projects 100% affordable to lower-income households, either with paratransit service or within 1/2half-mile of accessible bus route (operating at least eight times per day)
- ★ Rental supportive housing developments 100% affordable to lower-income households

For-Sale Housing

During the December 8, 2021 Community Workshop, community members inquired about including incentives to promote for-sale housing as part of the House National City program. Typically, the decision whether to develop rental or for-sale housing is not included in this type of regulatory framework and other tools may be provided through the City’s Housing Authority to promote new for-sale housing development.

In order to respond to the community, as part of the House National City regulations, the State of California’s affordable housing density bonus incentives for for-sale housing have been included to provide information and a framework for potential for-sale housing developers.

The following is stipulated in State Government Code but is included in the House National City regulations listed below.

Affordable for sale units must be sold to the initial buyer at an affordable housing cost. Housing-related costs include mortgage loan payments, mortgage insurance payments, property taxes and assessments, homeowner association fees, reasonable utility allowance, insurance premiums, maintenance costs, and space rent.

Very low-income units	Housing costs may not exceed 30% to 50% of the area median income for a household size suitable for the unit
Lower-income units	Housing costs may not exceed 30% to 70% of the area median income for a household size suitable for the unit
Moderate-income units	Housing costs may not exceed 30% to 110% of the area median income for a household size suitable for the unit

Buyers must enter into an equity sharing agreement with the city or county unless the equity sharing requirements conflict with the requirements of another public funding source or law. The equity sharing agreement does not restrict the resale price but requires the original owner to pay the city or county a portion of any appreciation received on resale.

The city/county percentage of appreciation is the purchase price discount received by the original buyer, plus any down payment assistance provided by the city/county. (For example, if the original sales price is \$300,000, and the original fair market value is \$400,000, and there is no city/county down payment assistance, the city/county subsidy is \$100,000, and the city/county’s share of appreciation is 25%).

Focused General Plan Update

Housing Advisory Committee Meeting

February 6, 2023



**NATIONAL
CITY**
CALIFORNIA · 1887



FGPU Purpose



1

Update 2011
General Plan

2

Address new
state legislation
related to
housing, land
use,
transportation,
safety, and
climate change

3

Reflect local
planning
efforts

4

Address
changing
regional
context and
forecasted
future growth

5

Provide
residents and
businesses the
opportunity to
shape the
future direction
of the City



Scope of the Focused General Plan Update

- Focused Policy Updates
- Supporting Updates to Codes, Ordinances, and Development Standards
- Environmental Review

- Policies**
- Housing Element
 - Land Use Element
 - Transportation Element
 - Safety Element
 - Climate Action Plan

- Codes, Ordinances, & Development Standards**
- Zoning Code
 - Specific Plans
 - Objective Design Standards

- Environmental Review**
- Supplemental Program Environmental Impact Report (SEIR)



Project Milestones

Milestone	Date
Project Kick-Off	March 2020
Phase 1 Outreach	August/September 2020
Draft Housing Element	January 2021
Draft Land Use and Transportation Existing Conditions	March 2021
Phase 2 Outreach	March 2021
24 th Street Transit Oriented Development Overlay Approved	June 2021
Housing Element Adopted	August 2021
Housing Element Certified by California Dept. of Housing and Community Development (HCD)	November 2021



Project Milestones – Completed-Continued

December 2021

- Collect comments on interactive map through December 22.

January 2022

- Brief Mayor and Council Members

February 2022

- Planning Commission and Housing Advisory Committee Presentation

March-September 2022

- Modeling of 2050 Alternatives and Traffic Analysis

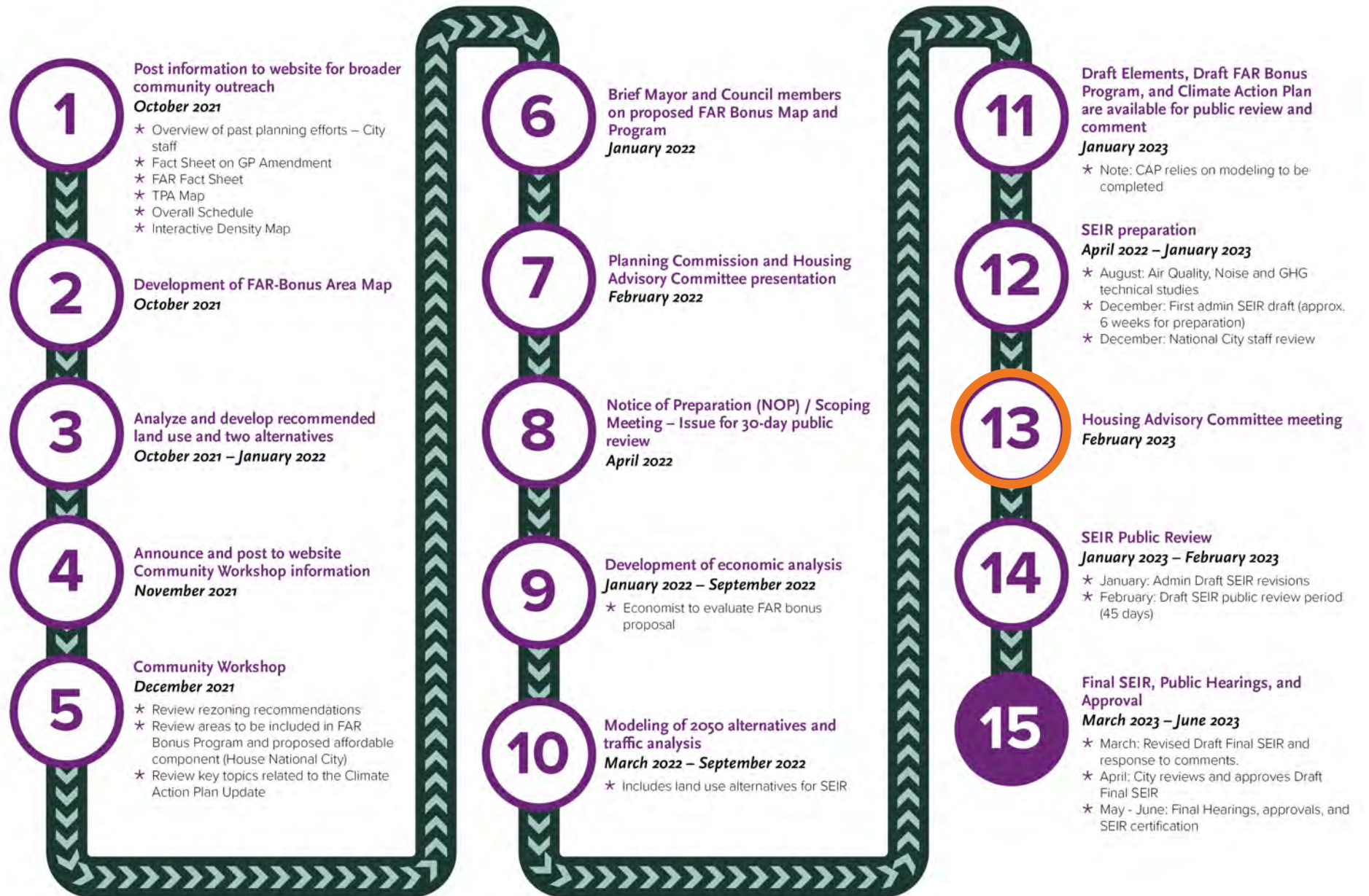
January 2023

- Economic Analysis
- Begin SEIR Preparation

February 2023

- Draft SEIR for Public Review

Project Timeline



Housing Element Goals

- Encourage the development of a diverse housing options
- Conserve the affordability of the existing housing
- Pursue strategies to address displacement
- Promote and implement fair housing practices
- Promote equal access to housing opportunities for all income levels
- Promote an economically viable, environmentally conscious, and socially equitable land use and development pattern



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NATIONAL CITY

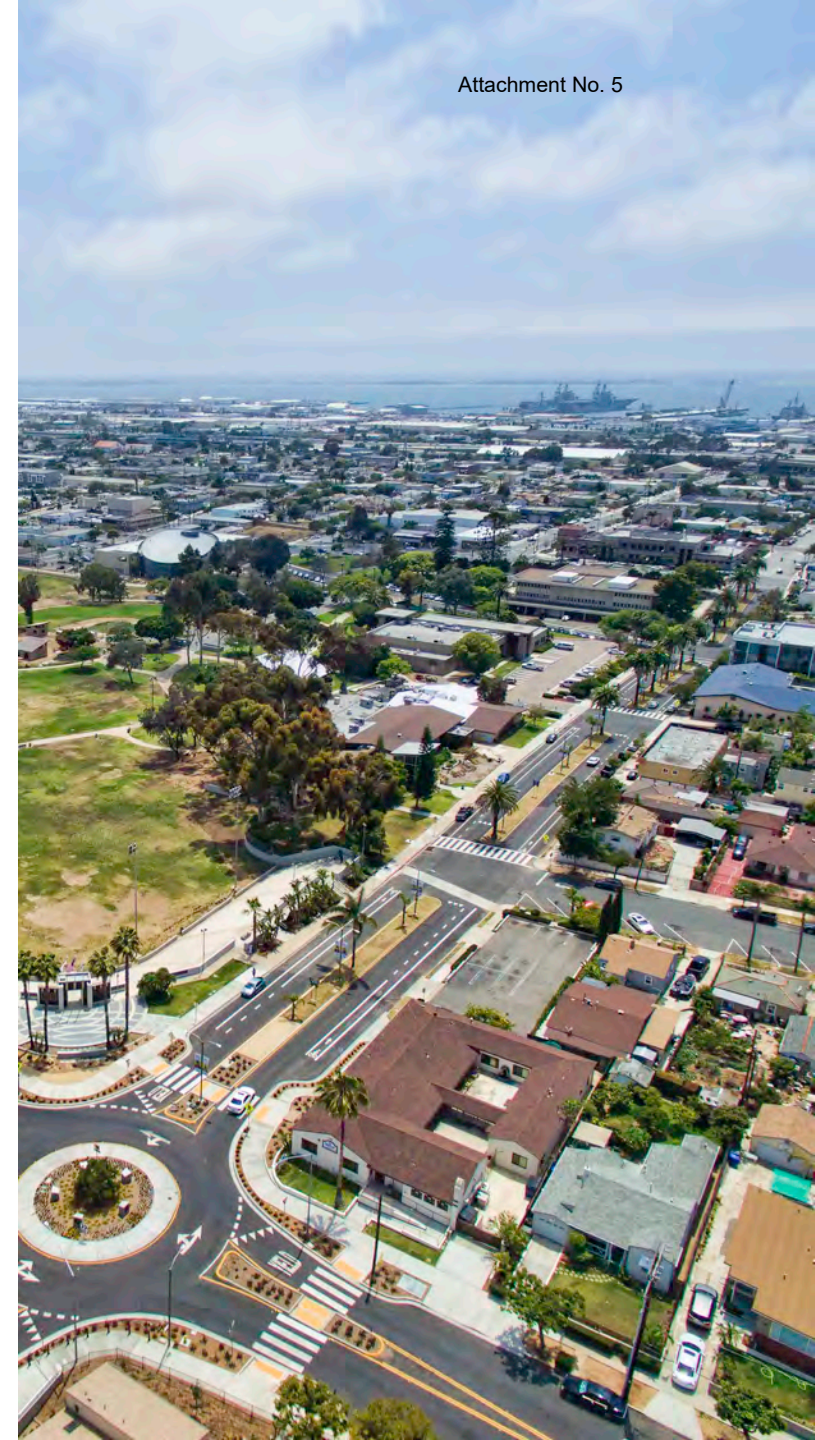
Safety Element Goals

- Minimize risks to the community from natural hazards
- Provide high-quality emergency and pre-hospital medical services
- Improve emergency disaster preparedness and response
- Minimize the risks associated with brownfields and military installations
- Coordinate effective planning and adaptation to improve the community's climate change resiliency



Land Use Element Goals

- Encourage an integrated, diverse, and balanced mix of land uses
- Promote quality of life and accommodates the needs of all people
- Ensure housing is affordable to National City residents
- Promote the development of complete neighborhoods
- Promote stronger connections between land use and transportation
- Enhance the existing community character and preserve the City's identity and vision for the future



Transportation Element Goals

- Create a universally accessible, safe, comprehensive, and integrated multi-modal system
- Increase the use of the transit system
- Encourage transit-oriented development in appropriate locations to reduce vehicular trips
- Coordinate with the regional mobility system
- Balance visitor, business, and residential parking needs to encourage economic development and create livable neighborhoods



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Element Status

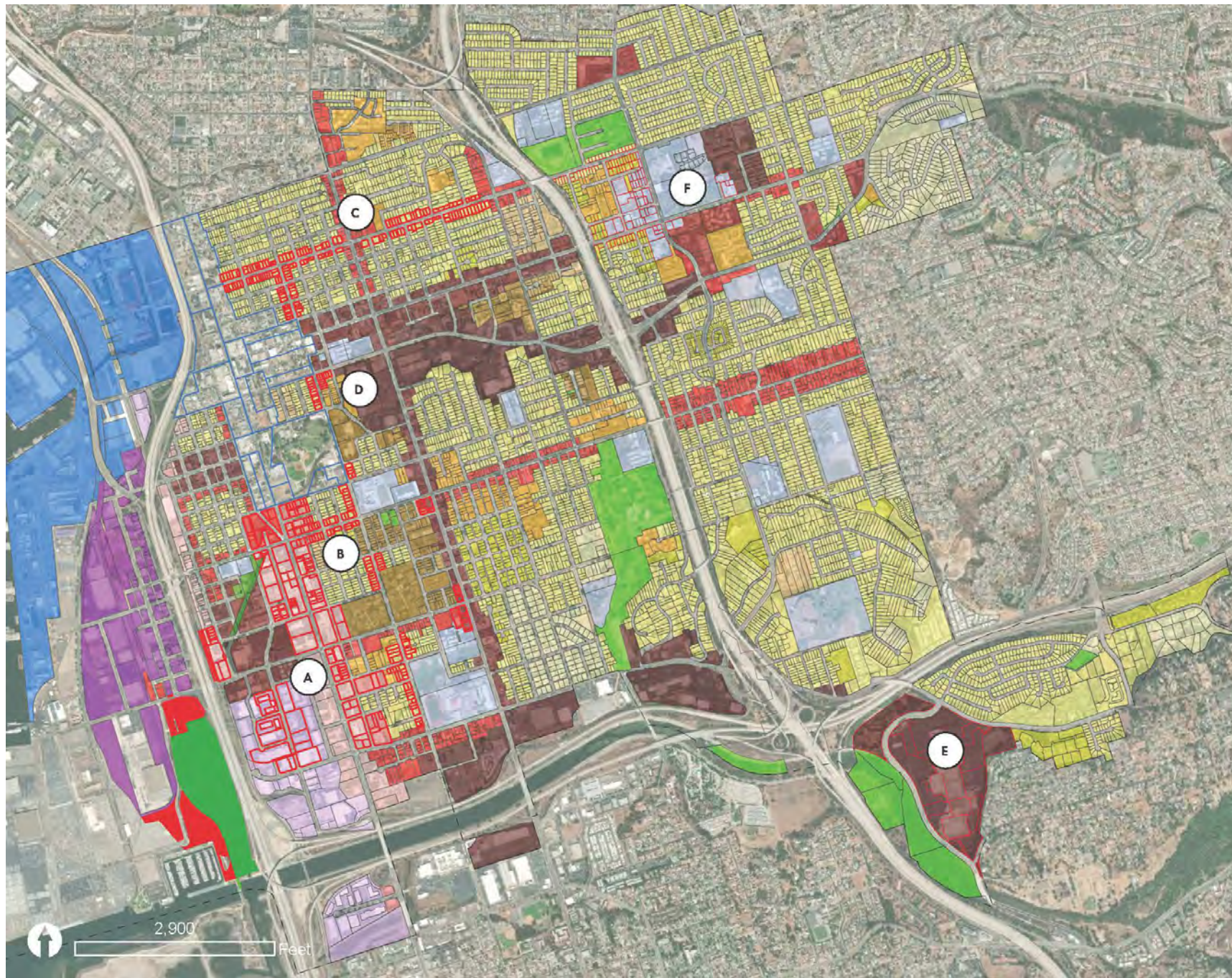
- Housing Element
 - *Completed, Certified by HCD*
- Safety Element
 - *City review completed*
- Land Use Element
 - *Admin draft completed*
- Transportation Element
 - *Admin draft completed*

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Proposed Rezoning & Overlay Zones



**FOCUSED GENERAL
PLAN UPDATE LAND USE
RECOMMENDATIONS**
DRAFT FOR ADMINISTRATIVE REVIEW
OCTOBER 28, 2021

- LEGEND**
- Study Areas**
- (A) 24th Street TODO
 - (B) 18th Street
 - (C) 4th Street
 - (D) D Avenue
 - (E) Plaza Bonita
 - (F) Hospital Area
- Evaluated Parcel

24th Street TODO

1A
Rezone to:
 MCR-1 (24 DU/AC)
 5 stories/65 ft

1B-1D
Apply:
 Mixed-use overlay of
 24 DU/AC
 5 stories/65 ft

2
 No change

3-5B
 No change

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FOCUSED GENERAL PLAN UPDATE LAND USE RECOMMENDATIONS

STUDY AREA (A):
24TH STREET TODO
 DRAFT FOR ADMINISTRATIVE REVIEW
 JANUARY 24, 2022

Legend

Downtown Specific Plan	
	Development Zone
Westside Specific Plan	
	Westside Boundary
	RE-4
	MCR-1
	MCR-2
	CL
	IC
	OSR
Current Zoning	
Residential	
	RS-1
	RS-2
	RS-3
	RM-1
	RM-2
	RM-3
Mixed-Use	
	MXC-1
	MXD-1
	MXC-2
	MXD-2
Commercial	
	CA
	CS
Industrial	
	IL
	IM
	IH
Institutional	
	I
Open Space	
	OS
Military Reservation	
	MLR
	24th Street TODO
	Study Area
	10-Minute Walkshed



18th Street

Rezone to:
Mixed-Use
Transition (MXT)

Density:
24 DU/AC

Height:
4 stories/45 ft

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FOCUSED GENERAL PLAN UPDATE LAND USE RECOMMENDATIONS

STUDY AREA (B):
18TH STREET
DRAFT FOR ADMINISTRATIVE REVIEW
OCTOBER 28, 2021

Legend

Downtown Specific Plan
Development Zone

Westside Specific Plan
Westside Boundary

Current Zoning

- Residential
 - RS-1
 - RS-2
 - RS-3
 - RM-1
 - RM-2
 - RM-3
- Mixed-Use
 - MXC-1
 - MXD-1
 - MXC-2
 - MXD-2
- Commercial
 - CA
 - CS
- Industrial
 - IL
 - IM
 - IH
- Institutional
 - I
- Open Space
 - OS
- Military Reservation
 - MLR
- 24th Street TODD
- Study Area
- 10-Minute Walkshed

(B) 18TH STREET

CURRENT USE

- » Single-Family and Multi-Family Residential
- » Arterial commercial (National City Market at 18th Street & C Avenue)
- » Religious Facility

ADOPTED ZONING

- » RS-2 (6-9 DU/AC)

ALLOWED HEIGHT

- » 2 stories/35'

EGPU RECOMMENDATION

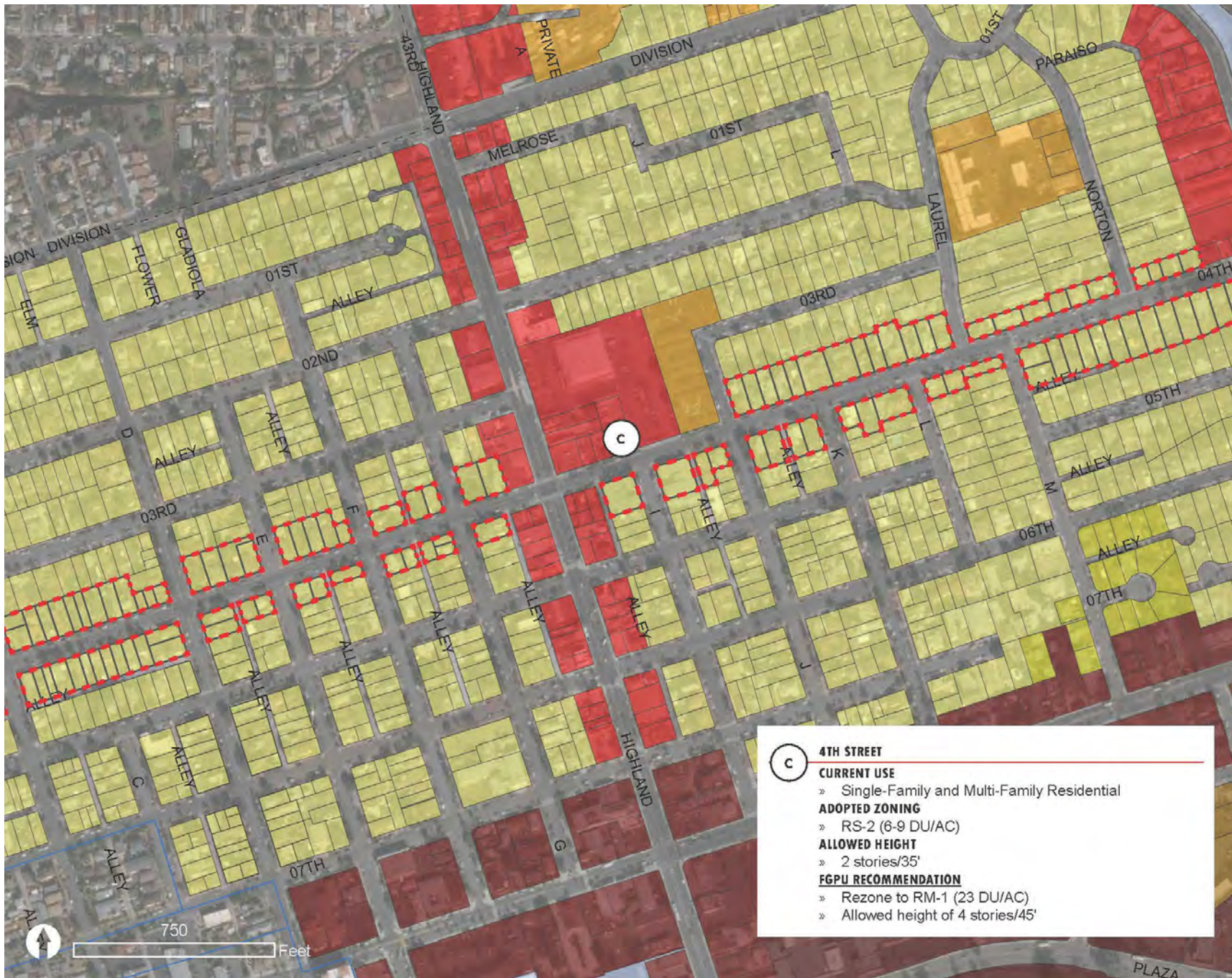
- » Rezone to Mixed Use Transition: MXT (24 DU/AC)
- » Allowed height of 4 stories/45'

4th Street

Rezone to:
Medium density,
multi-unit
residential (RM-1)

Density:
23 DU/AC

Height:
4 stories/45 ft



C 4TH STREET

CURRENT USE

- » Single-Family and Multi-Family Residential

ADOPTED ZONING

- » RS-2 (6-9 DU/AC)

ALLOWED HEIGHT

- » 2 stories/35'

FGPU RECOMMENDATION

- » Rezone to RM-1 (23 DU/AC)
- » Allowed height of 4 stories/45'

FOCUSED GENERAL PLAN UPDATE LAND USE RECOMMENDATIONS

STUDY AREA (C):
4TH STREET
DRAFT FOR ADMINISTRATIVE REVIEW
OCTOBER 28, 2021

Legend

Downtown Specific Plan

- Development Zone

Westside Specific Plan

- Westside Boundary
- RL-4
- MCR-1
- MCR-2
- CL
- IC
- OSR

Current Zoning

Residential

- RS-1
- RS-2
- RS-3
- RM-1
- RM-2
- RM-3

Mixed-Use

- MXC-1
- MXD-1
- MXC-2
- MXD-2

Commercial

- CA
- CS

Industrial

- IL
- IM
- IH

Institutional

- I

Open Space

- OS

Military Reservation

- MLR

24th Street TODD

- Study Area
- 10-Minute Walkshed

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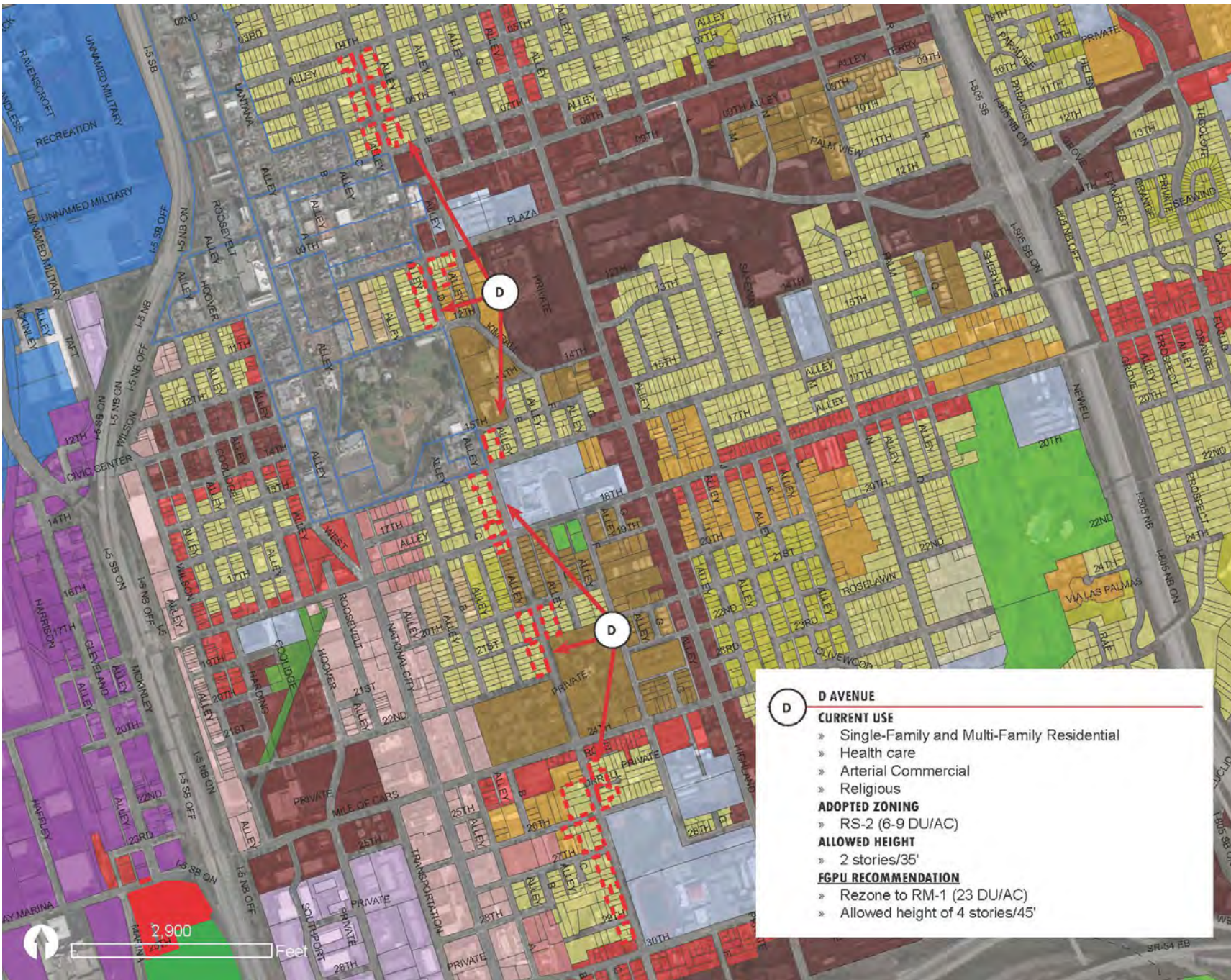
NATIONAL CITY

D Avenue

Rezone to:
Medium density,
multi-unit
residential (RM-1)

Density:
23 DU/AC

Height:
4 stories/45 ft



D D AVENUE

CURRENT USE

- » Single-Family and Multi-Family Residential
- » Health care
- » Arterial Commercial
- » Religious

ADOPTED ZONING

- » RS-2 (6-9 DU/AC)

ALLOWED HEIGHT

- » 2 stories/35'

FGPU RECOMMENDATION

- » Rezone to RM-1 (23 DU/AC)
- » Allowed height of 4 stories/45'

FOCUSED GENERAL PLAN UPDATE LAND USE RECOMMENDATIONS

**STUDY AREA (D):
D AVENUE**
DRAFT FOR ADMINISTRATIVE REVIEW
OCTOBER 28, 2021

Legend

Downtown Specific Plan

- Development Zone

Westside Specific Plan

- Westside Boundary
- RL-4
- MCR-1
- MCR-2
- CL
- IC
- OSR

Current Zoning

Residential

- RS-1
- RS-2
- RS-3
- RM-1
- RM-2
- RM-3

Mixed-Use

- MXC-1
- MXD-1
- MXC-2
- MXD-2

Commercial

- CA
- CS

Industrial

- IL
- IM
- IH

Institutional

- I

Open Space

- OS

Military Reservation

- MLR

24th Street TODD

- Study Area
- 10-Minute Walkshed

TOGETHER WE

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Hospital Area

Rezone to:
Minor mixed-use corridor (MXC-1)

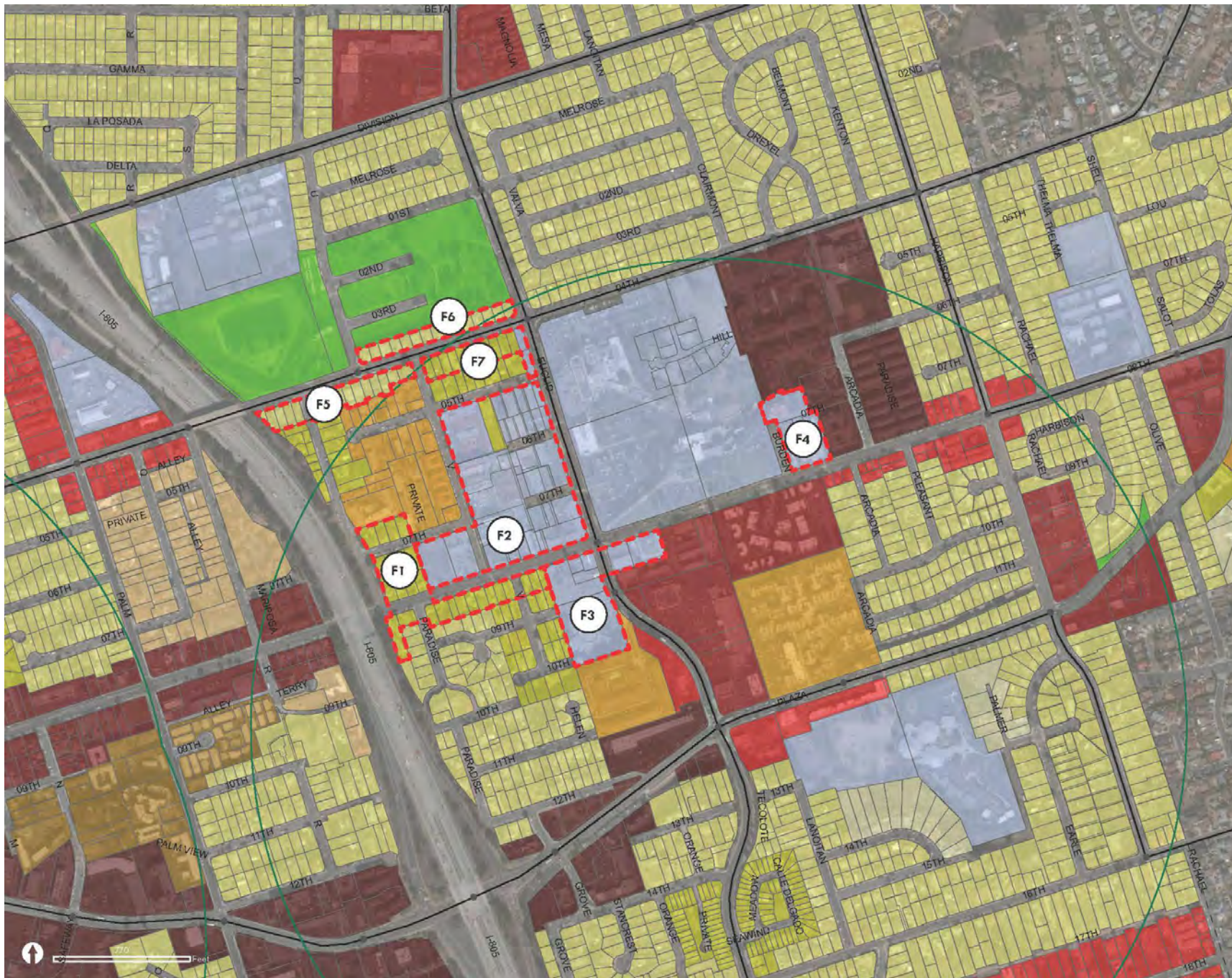
Density:
48 DU/AC

Height:
5 stories/65 ft

TOGETHER WE

PLAN

NATIONAL CITY



FOCUSED GENERAL PLAN UPDATE LAND USE RECOMMENDATIONS

STUDY AREA (F):
HOSPITAL AREA
DRAFT FOR ADMINISTRATIVE REVIEW
OCTOBER 28, 2021

Legend

	Downtown Specific Plan Development Zone
	Westside Specific Plan Westside Boundary
	RL-4
	MCR-1
	MCR-2
	CL
	IC
	OSR
Current Zoning	
Residential	
	RS-1
	RS-2
	RS-3
	RM-1
	RM-2
	RM-3
Mixed-Use	
	MXC-1
	MXD-1
	MXC-2
	MXD-2
Commercial	
	CA
	CS
Industrial	
	IL
	IM
	IH
Institutional	
	I
Open Space	
	OS
Military Reservation	
	MLR
	24th Street TODD
	Study Area
	10-Minute Walkshed



House National City (Floor Area Ratio Bonus)

- Incentivize construction of new affordable housing
 - *Meet needs of National City residents:*
 - 10% of post density units for 50% area median income or less
 - 10% of post density three-bedroom units at 80% area median income or less
 - 75% of new units to National City residents
- Relocation and replacement
- Create transit-supportive development
- Reduce reliance on cars
- Promote community serving businesses

TOGETHER WE

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NATIONAL CITY

House National City

KMA Analysis and Findings

- Reviewed multi-family rental development concepts for six test sites
- Conducted multi-family rental market research
- Prepared financial pro forma models for two development scenarios
 - *Base case (existing or proposed FGPU zoning)*
 - *Bonus (House National City Program)*
- Prepared alternative models reflecting potential additional incentives

TOGETHER WE

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NATIONAL CITY

House National City

KMA Analysis and Findings

KMA Overall Feasibility Conclusion	Baseline Program		Potential Additional Incentives	
	Baseline	Baseline + Reduced Parking Ratio	Baseline + 3-Bedroom Requirement	Baseline + Waiver of Base Zone Regulations
Public Benefit	<ul style="list-style-type: none"> Affordable units 	<ul style="list-style-type: none"> Affordable units 	<ul style="list-style-type: none"> Affordable units Minimum 10% 3-bedroom units 	<ul style="list-style-type: none"> More affordable units
Developer Incentives	<ul style="list-style-type: none"> Far density DIF waiver Reduced parking 	<ul style="list-style-type: none"> FAR density DIF waiver Further reduced parking (0.50 spaces/unit) 	<ul style="list-style-type: none"> FAR density DIF waiver Reduced parking Less restrictive affordability 	<ul style="list-style-type: none"> FAR density DIF waiver Additional waivers (e.g., setbacks, open space, lot coverage)
Proposed Level of Affordability	<ul style="list-style-type: none"> 10% @ 50% AMI (Post-bonus) 	<ul style="list-style-type: none"> 10% @ 50% AMI (Post-bonus) 	<ul style="list-style-type: none"> 10% @ 80% AMI (Post-bonus) 	<ul style="list-style-type: none"> 10% @ 50% AMI (Post-bonus)
Overall Feasibility Conclusion	<i>Moderately Feasible</i>	<i>Feasible</i>	<i>Moderately Feasible</i>	<i>Feasible</i>

TOGETHER WE

PLAN

NATIONAL CITY

House National City

KMA Analysis and Findings

Which program features have a positive impact on project feasibility?

- Waiver of DIFs
- Affordable units do not exceed 10% of post-bonus unit total
- Parking ratio at a minimum of 0.50 spaces/unit
- Waivers of base zone regulations

When are developers likely to opt into the Program?

- There is market acceptance for lower parking ratios
- Higher market rents per SF can be achieved for smaller units
- Greater density is achieved without advancing to a more costly construction and/or parking type

Is the Program feasible?

- The Program is viable under certain site, planning, and market conditions
- The Program is formulated to strike the balance between capturing the value enhancement for community benefits

TOGETHER WE

PLAN

NATIONAL CITY

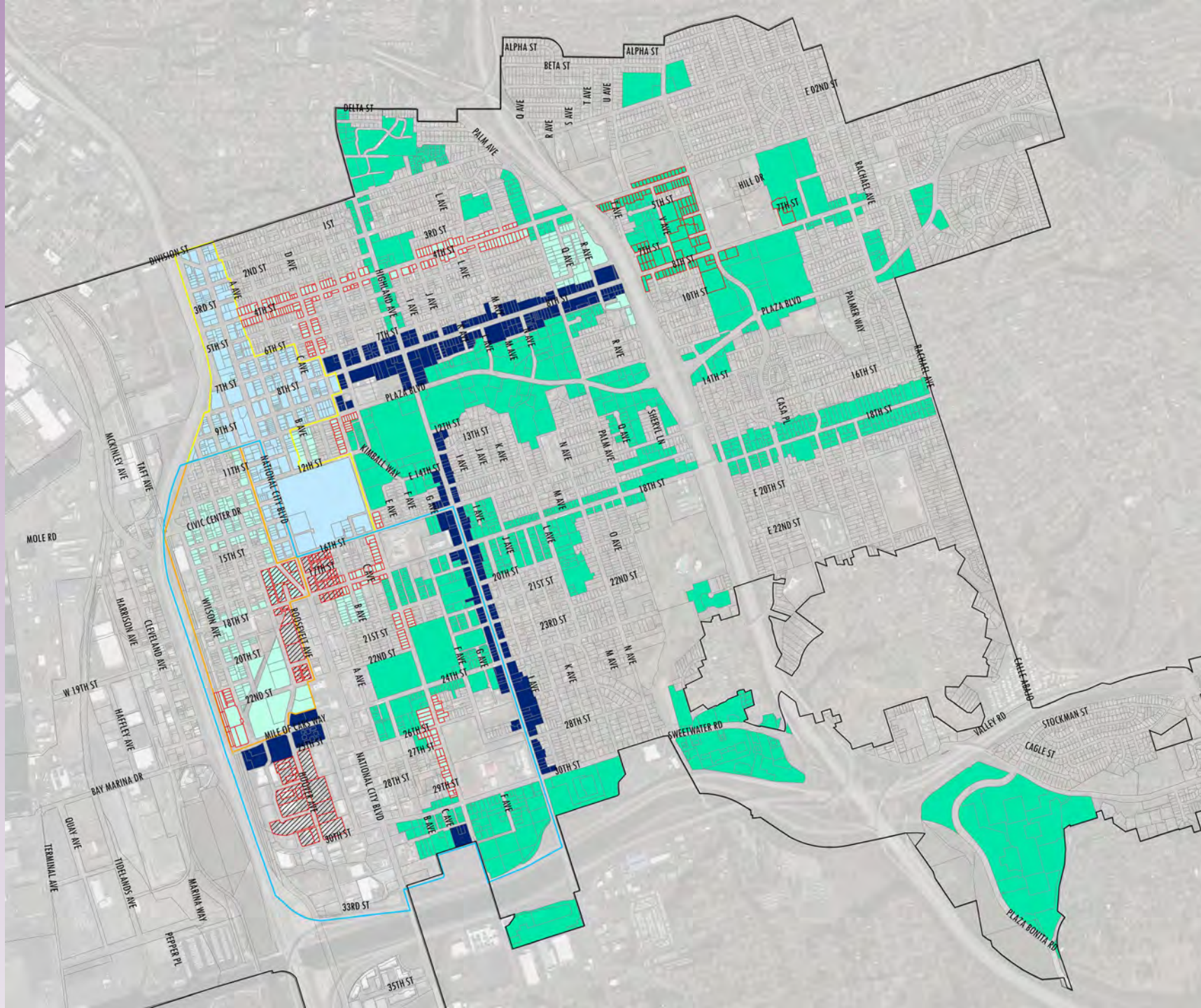
Requirements

- 10 percent of post density bonus rental units at 30 percent of 50 percent AMI; or,
- 10 percent of post density bonus rental units as 3-bedroom units, at 30 percent of 80 percent AMI
- Located on a multi-family or mixed-use parcel
 - *Within Transit Priority Area (TPA)*
 - *Allows at least 20 dwelling units per acre.*
- FAR Tier 1: Any portion of premises outside the Downtown Specific Plan
- FAR Tier 2: Located on Plaza Bonita Road, within the Hospital District and along Sweetwater Road/East 30th, along 4th Avenue south of SR-54 that is zoned MXC-2

TOGETHER WE

PLAN

NATIONAL CITY



- Legend**
- Parcels
 - Attachment No. 5
 - Westside Specific Plan Boundary
 - TOD Boundary
 - Downtown Specific Plan Boundary
 - Downtown FAR Program (Existing)
 - FAR Tier 1 (FAR Bonus 2.5)
 - MCR-1
 - MCR-2/TOD
 - RM-1
 - MXT
 - FAR Tier 1 (FAR Bonus 4)
 - MXC-1
 - MXD-1
 - RM-2
 - RM-3
 - MXD-2
 - FAR Tier 2 (FAR Bonus 4)
 - MXC-2
 - Rezoning
 - Rezoning Recommendation*
*Color indicates FAR Bonus per new zone
 - Mixed Use Overlay**
**FAR Bonus 2.5

Proposed Development Waivers

- Waiver of existing FAR
- Waiver of maximum permitted residential density of land use designation(s)
- Waiver of Development Impact Fees and Transportation Development Impact Fees for all covenant-restricted affordable units and units exceeding 800 SF
- Base Zone Regulations:
 - *Maximum lot area*
 - *Street frontage requirements, if safe and adequate access to premises can be provided to the satisfaction of Fire Department*
- Maximum lot coverage
 - *FAR Bonus for Residential Mixed-Use. Development utilizing regulations shall not be eligible for other FAR or density bonuses*
- Maximum front setback/street side setback if max is less than 20 feet.
- Personal storage area requirement
- Private exterior open space requirement

Proposed Incentives

- Up to three incentives for development that includes:
 - *At least 10% of the post-density dwelling units for very low-income households at or below 50% area median income.*
- Up to four incentives for development that includes:
 - *At least 10% of post density bonus covenant-restricted dwelling units are three bedrooms at or below 80% area median income*



Questions?



Planning Commission Minutes

Planning Commission
Meeting of January 2, 2023

ONLINE ONLY MEETING

<https://www.nationalcityca.gov/webcast>

LIVE WEBCAST

Council Chambers, Civic Center
1243 National City Boulevard
National City, CA 91950

These minutes have been abbreviated. Video recordings of the full proceedings are on file and available to the public.

The meeting was called to order by Chair Miller at 6:00 p.m.

Roll Call

Commissioners Present: Sendt, Natividad, Miller, Castle.

Commissioners Absent: Valenzuela, Sanchez.

Staff Also Present: Director of Community Development Armando Vergara, Planning Manager Martin Reeder, Associate Planner David Welch, Legal Counsel Elizabeth Mitchell, Executive Secretary Sarah Esendencia.

Approval of Agenda

1. Approval of Agenda for the Meeting on January 2, 2023.

Motion by Natividad, second by Castle to approve the Agenda for the Meeting of January 2, 2023.

Motion carried by the following vote:

Ayes: Sendt, Natividad, Miller, Castle.

Noes: None.

Abstain: None.

Absent: Valenzuela, Sanchez.

Motion approved.

Approval of Minutes

2. Approval of Minutes from the Meeting of December 5, 2022.

Motion by Natividad, second by Sendt to approve the Minutes from the Meeting of December 5, 2022.

Motion carried by the following vote:

Ayes: Sendt, Natividad, Miller, Castle.

Noes: None.

Abstain: None.

Absent: Valenzuela, Sanchez.

Motion approved.

ORAL COMMUNICATION: None.

PRESENTATIONS: None.

CONTINUED PUBLIC HEARINGS: None.

PUBLIC HEARINGS:

3. Resolution Taking Action on a Conditional Use Permit for Alcohol Sales (ABC Type 47) at a proposed restaurant (Texas Roadhouse) to be constructed at 1908 Sweetwater Road (Case File No.: 2022-23 CUP).

Motion by Castle, second by Sendt to approve the Resolution Taking Action on a Conditional Use Permit for Alcohol Sales (ABC Type 47) at a proposed restaurant (Texas Roadhouse) to be constructed at 1908 Sweetwater Road (Case File No.: 2022-23 CUP).

Presented by Associate Planner David Welch.

Applicant consultant, Steve Rawlings and Steve Durler, Director of Development Facilities were present.

Vice-Chair Castle disclosed that she had a conversation with Chair Miller in regards to the location of Texas Roadhouse that was not in-depth and has driven past the site to take a look.

Chair Miller confirmed that he and Vice-Chair Castle had briefly communicated about Texas Roadhouse. Chair Miller also states he had

briefly talked to Planning Manager Reeder about irrelevant issues concerning the property itself not the ABC license. Chair Miller also disclose that he too has driven past the site which is fenced off.

Commissioner Natividad ask Planning Manger Reeder if a notice is sent out once the server receive training.

Planning Manager Reeder replies stating that it would usually be checked during the business license process before it opens up.

Commissioner Natividad ask if the meats and vegetables will be purchased locally.

Representative Durler replies that given the size of the brand and their intent to be able to maintain the quality of the products across the United States, that there is a central purchasing where they purchase all of their products to ensure that all the standards are met across the U.S.

Motion carried by the following vote:

Ayes: Sendt, Natividad, Miller, Castle.

Noes: None.

Abstain: None.

Absent: Valenzuela, Sanchez.

Motion approved.

4. Motion by Natividad, second by Sendt to adopt Resolution 2023-01 a Resolution of the Planning Commission of the City of National City, California approving a Conditional Use Permit for Alcohol Sales (ABC Type 47) at a proposed restaurant (Texas Roadhouse) to be located at 1908 Sweetwater Road Case File No. 2022-23 CUP APN: 563-231-41.

Motion carried by the following vote:

Ayes: Sendt, Natividad, Miller, Castle.

Noes: None.

Abstain: None.

Absent: Valenzuela, Sanchez.

Motion approved.

OTHER BUSINESS: None.

STAFF REPORTS:

Legal Counsel: Wishes a Happy New Year to everyone.

Director of Community Development: Wishes everyone a Happy New Year.

Planning Manager: Wishes everyone a Happy New Year and looks forward to working with everyone this year.

COMMISSIONER REPORTS:

Vice-Chair Castle: Wishes everyone a Happy New Year.

Commissioner Natividad: Nothing to report.

Commissioner Sanchez absent.

Commissioner Sendt: Nothing to report.

Commissioner Valenzuela absent.

Chair Miller: Thanks everyone and appreciates everyone's patience as a first time Chair. Also wishes everyone a Happy New Year.

ADJOURNMENT by Chair Miller at 6:30 p.m. to the meeting of January 2, 2023.

CHAIRPERSON

The foregoing minutes were approved at the Regular Meeting of February 6, 2023.



COMMUNITY DEVELOPMENT DEPARTMENT - PLANNING DIVISION
1243 NATIONAL CITY BLVD., NATIONAL CITY, CA 91950

PLANNING COMMISSION STAFF REPORT

Title: PUBLIC HEARING – CONDITIONAL USE PERMIT FOR THE OPERATION OF A SERVICE STATION AT AN EXISTING GASOLINE STATION LOCATED AT 2401 EAST DIVISION STREET

Case File No.: 2022-34 CUP

Location: 2401 East Division Street

Assessor's Parcel Nos.: 552-302-13

Staff report by: David Welch – Associate Planner

Applicant: Emad Mousavi

Zoning designation: MXD-1 (Minor Mixed-Use District)

Adjacent use and zoning:

North: Single-family residential / MXD-1

East: Single-family residential / MXD-1

South: Single-family residential across Division St. / RS-2 (Small Lot Residential)

West: Shopping center and school across Euclid Ave. / MXD-1

Environmental review: The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA) and has been determined to be categorically exempt from environmental review pursuant to Class 1, Section 15301 (Existing Facilities) for which a Notice of Exemption will be filed subsequent to approval of this Conditional Use Permit.

Staff recommendation: Approve

Staff Recommendation

Staff recommends approval of a conditional use permit (CUP) for the operation of a service station performing oil changes, brake changes, and engine checks in conjunction with an existing gasoline station, subject to the attached recommended conditions. A service station is a conditionally-allowed use in the Minor Mixed-Use District (MXD-1) zone.

Site Characteristics

The subject property is located on the northeast corner of East Division Street and North Euclid Avenue in the MXD-1 zone. The parcel has 432 feet of frontage inclusive of both streets and is 34,961 square feet in area. The lot is developed with a gas station (Gasoline Depot) with a small market occupying a portion of a 1,502 square-foot building. A 7-Eleven market occupies the northern portion of the site in a separate building. The gas station has four existing fuel islands located along North Euclid Avenue, which house eight gas dispensers. There are twenty parking spaces located throughout the property.

Proposed Use

The applicant is proposing to operate a 967 square-foot service station at the existing gasoline station. The proposed services include oil changes, brake changes, and engine checks. All services will take place within the existing building and the hours of operation will be 9 a.m. to 8 p.m. Monday through Saturday.

Analysis

A service station is allowed within the MXD-1 zone with the issuance of a CUP. The subject business is nonconforming, in that it does not have a CUP. The proposal to add automotive service to the existing gasoline pumps and convenience market is an expansion of the existing use and, therefore, requires a CUP. However, the structure already includes automobile service bays.

Section 18.30.190 of the Land Use Code (LUC) allows for service stations and convenience stores with gasoline pumps with an approved Conditional Use Permit (CUP). Additional requirements for service stations include site planning standards, screening, building design standards, landscaping, and operational standards. The area in the service station building proposed for automotive services has been mostly recently used for storage. However, it was originally constructed for service bays and the proposal would re-establish this use.

A service station requires a minimum of one hundred feet of street frontage and a minimum site area of fifteen thousand feet. The site has 432 feet of frontage with a lot area of 34,961 square feet. Site planning standards encourage service bay doors to be located where they are not visible from major streets. However, this would be impractical since the service area is proposed for an existing building.

Since the site is already developed, staff is only recommending the maintenance of the existing landscaped areas in conformance with current standards. Other characteristics of the site are addressed in the conditions of approval to bring the property in compliance with Title 18. The site issues include an abandoned monument sign, the location of an existing ADA parking space in front of the proposed service bay doors, inappropriate modifications to the building's exterior, and inadequate trash facilities.

In addition, service stations are required to be operated in accordance with the following regulations:

- a. Uses permissible at a service station do not include body or fender work or automobile painting unless they are permissible uses within the particular zone. Dismantling of automobiles for the purpose of selling parts is prohibited.
- b. All repair work being conducted shall be within a structure which shall be attached to the existing service station facility.
- c. Adequate facilities for such repair shall be available.
- d. No outdoor storage of disabled vehicles, vehicles under repair, automobile parts, or repair equipment shall be allowed at any time.
- e. Major repairs shall be conducted only between the hours of seven a.m. and seven p.m.
- f. Operations outside permanent structures shall be limited to the dispensing of motor fuels and servicing of tires, batteries and/or automobile accessories.

These regulations are addressed in the conditions of approval. Auto body repair and automobile painting are not permitted within the MXD-1 zone and would not be authorized with this CUP request.

The following are standard considerations that must be found for the approval of a CUP:

1. Allowable Use – The proposed use is allowable within the applicable zoning district pursuant to a CUP and complies with all other applicable provisions of the Land Use Code because the use is allowable within the MXD-1 zone pursuant to a CUP and the proposed use meets the required guidelines in the Land Use Code for service stations, as discussed below.
2. General Plan Consistency – The service station use is consistent with the MXD-1 land use designation contained in the Land Use and Community Character element of the General Plan. There is no Specific Plan for the area. In addition, a service station use is consistent with the MXD-1 land use designation contained in the Land Use and Community Character element of the General Plan.
3. Compatibility, LUC and Traffic – The buildings on the site were previously analyzed for traffic impacts when constructed and any modifications to the building containing the proposed use will have to be built in compliance with the City's LUC and all applicable building and fire codes. There will be no impacts from the proposal and it will be compatible with the existing and future land uses in the vicinity.
4. Suitability – The site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints, because the proposed use will occupy a building where the use was previously conducted and only minor modifications to the existing structure will be necessary.
5. No Nuisance – Granting the permit would not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone in which the property is located, because the proposed use will be subject to conditions that limit the automotive services that may be conducted, the hours of operation, and activities permitted outdoors.
6. California Environmental Quality Act (CEQA) — The project has been determined to be exempt from environmental review under Class 1, Section 15301 (Existing Facilities). The reason for the exemption is that the proposed use will be conducted in a building that was built to accommodate the same use, which is permitted in the MXD-1 zone. As

conditioned, the proposed use will not have a direct or reasonably foreseeable indirect impact on the environment.

Findings and Conditions of Approval

The attached draft resolution contains the recommended findings and conditions of approval. The findings are discussed in items 1 through 6 above in this report. Standard Conditions of Approval have been included with this permit as well as conditions specific to service stations per Section 18.30.190 of the LUC. The conditions are proposed to ensure the use will operate in harmony with surrounding uses, will not cause a nuisance, and will benefit the community by providing a needed service.

Summary

The potential impacts of the proposed service station are minimal due to the fact that the gasoline station is existing and was originally developed with automotive service bays. Only minor modifications to the existing building and site would be required to support the applicant's request.

Options

1. Approve 2022-34 CUP subject to the conditions listed in the draft resolution, or other conditions, based on the findings listed in the draft resolution, or findings determined by the Planning Commission; or,
2. Deny 2022-34 CUP based on findings determined by the Planning Commission; or,
3. Continue the item to a specific date in order to obtain additional information.

Attachments

1. Overhead
2. Applicant's Plans (Exhibit A, Case File No. 2022-34 CUP, dated 11/15/2022)
3. Public Hearing Notice (Sent to 166 property owners & occupants)
4. Notice of Exemption
5. Draft Resolution



DAVID WELCH
Associate Planner

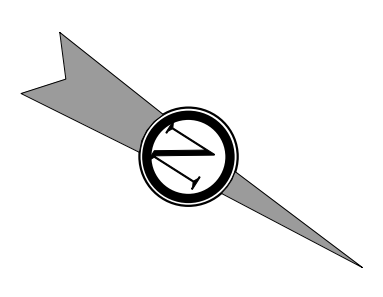
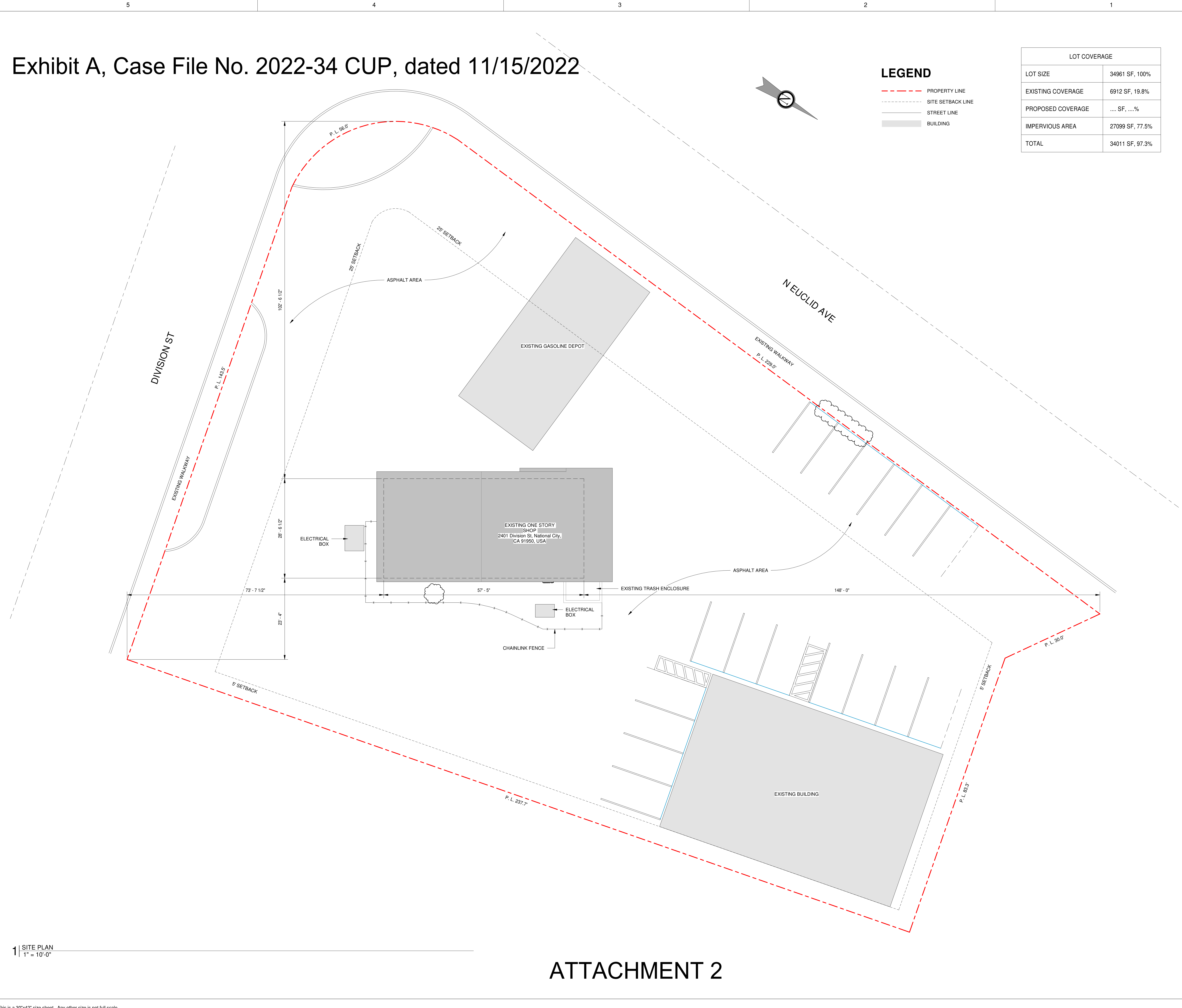
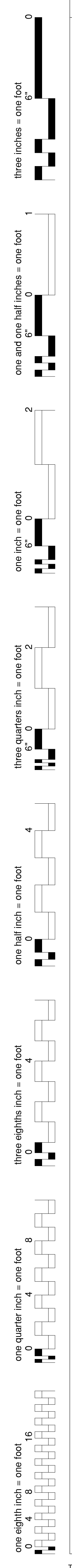


ARMANDO VERGARA
Director of Community Development

2022-34 CUP – 2401 E. Division St. – Overhead



Exhibit A, Case File No. 2022-34 CUP, dated 11/15/2022



LEGEND

- PROPERTY LINE
- SITE SETBACK LINE
- STREET LINE
- BUILDING

LOT COVERAGE	
LOT SIZE	34961 SF, 100%
EXISTING COVERAGE	6912 SF, 19.8%
PROPOSED COVERAGE	... SF, ...%
IMPERVIOUS AREA	27099 SF, 77.5%
TOTAL	34011 SF, 97.3%



7505 FANNIN STREET SUITE 440
HOUSTON, TX 77054
(713) 999 5384

SHOP WITH SERVICE STATION

2401 Division St, National City, CA 91950, USA

No.	Description	Date

SITE PLAN

Project Number	TSE-2021-3782
Date	09-09-22
Drawn By	Author
Checked By	Checker

A1.01

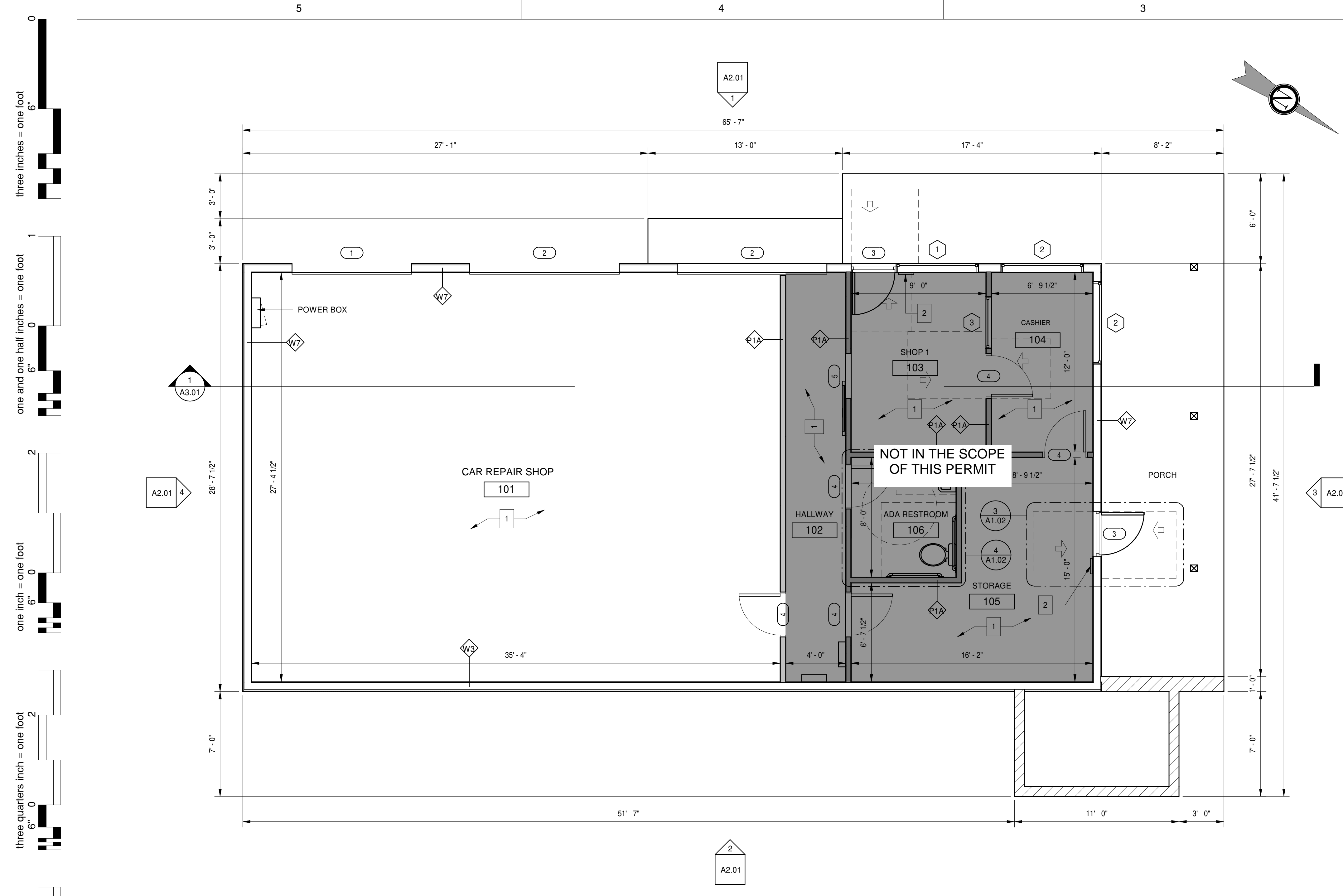
Scale As indicated

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ATTACHMENT 2

1 | SITE PLAN
1" = 10'-0"

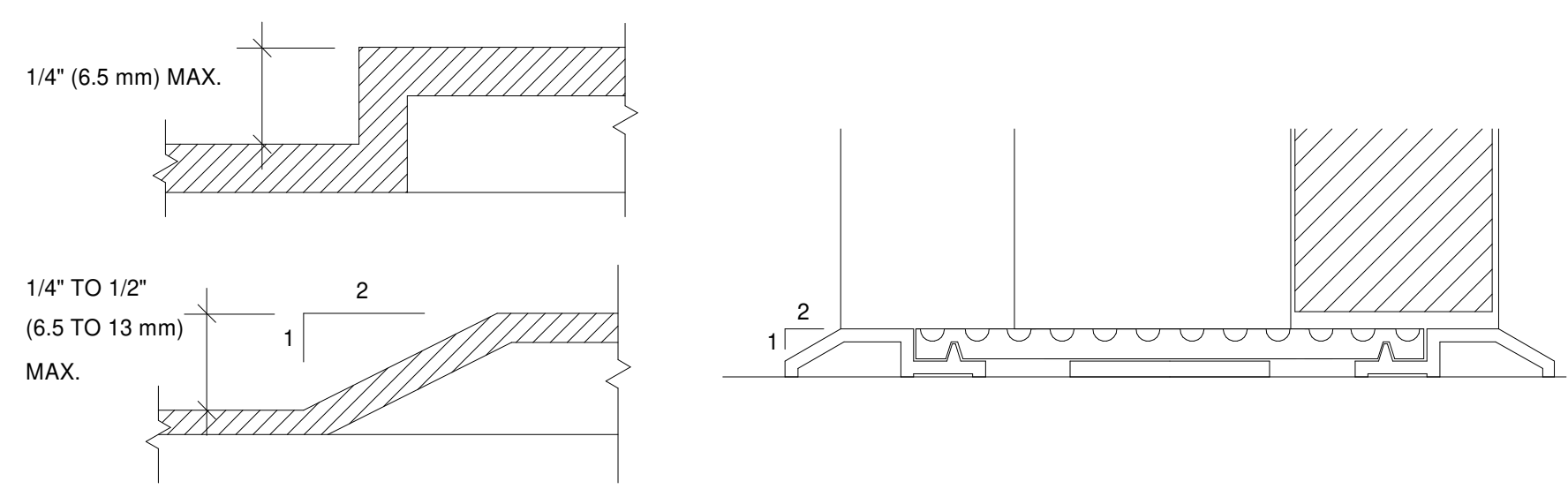
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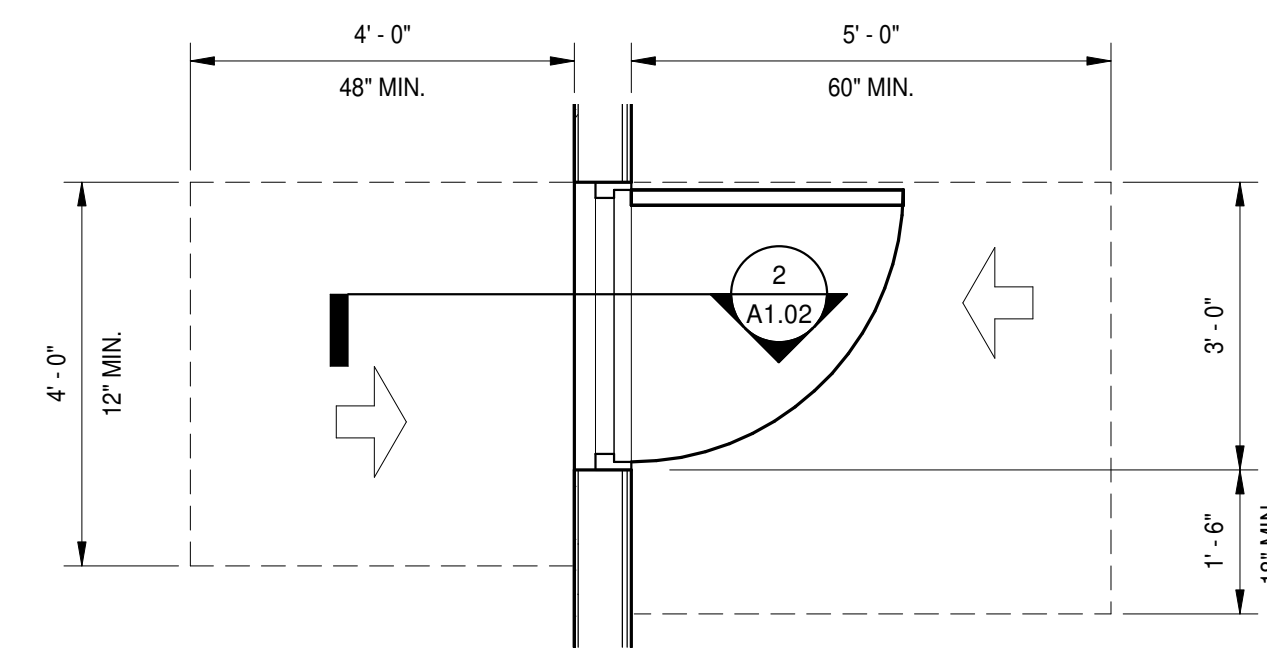
ROOM SCHEDULE		
Number	Name	Area
101	GARAGE	967 SF
102	HALLWAY	109 SF
103	SHOP 1	108 SF
104	CASHIER	81 SF
105	STORAGE	180 SF
106	ADA RESTROOM	56 SF
TOTAL AREA		1502 SF

SYMBOL LEGEND

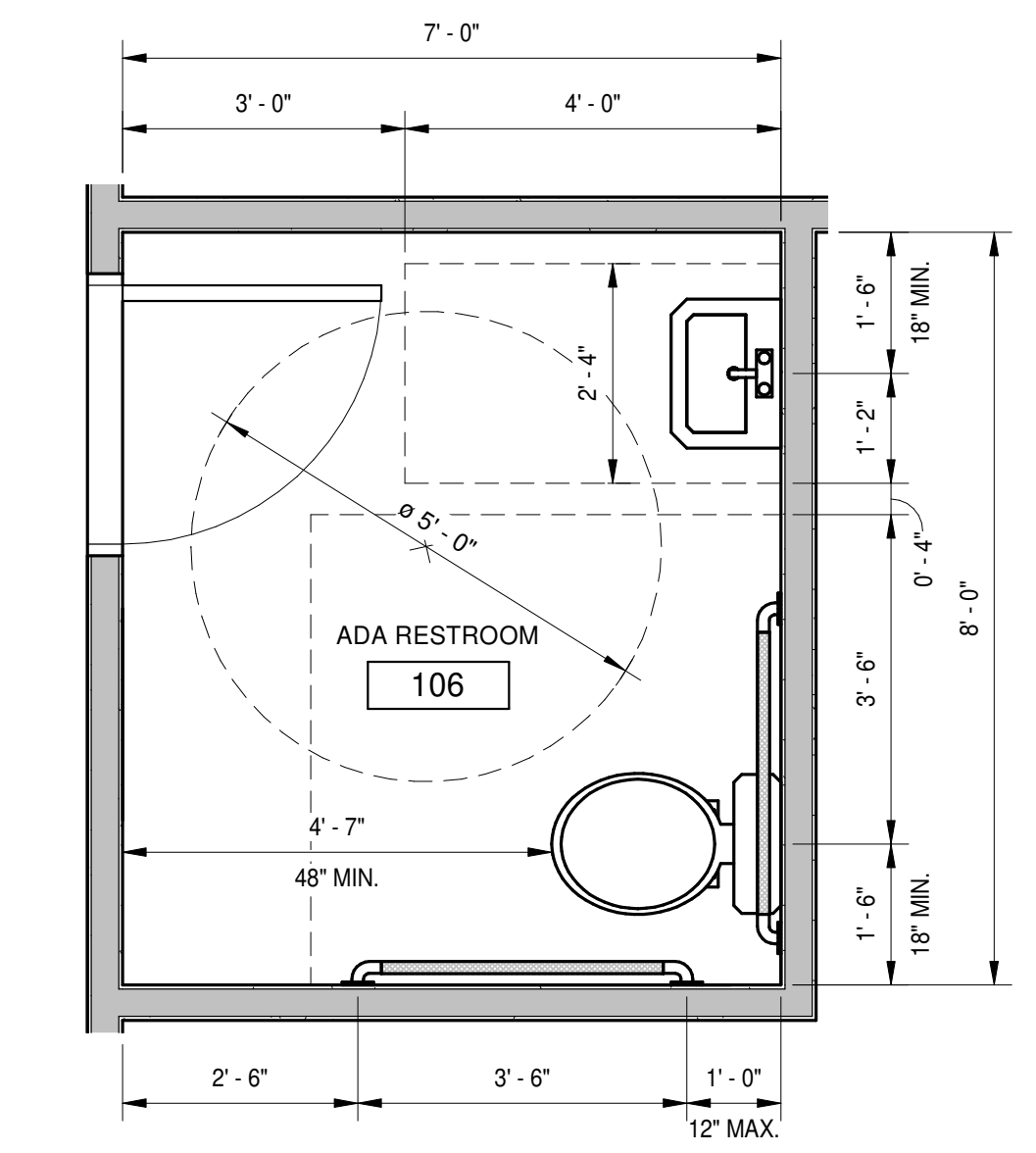
- 101 ROOM TAG
- 101A DOOR TAG
- A WINDOW TAG
- W-1 WALL TAG



2 TYPICAL THRESHOLD DETAIL
3/8" = 1'-0"



3 TYPICAL THRESHOLD
1/2" = 1'-0"



4 ADA RESTROOM
1/2" = 1'-0"

1 FLOOR PLAN
1/4" = 1'-0"

- KEY NOTES:**
- FLOORING W/ ADA COMPLIANCE TRIM
 - TACTILE SIGNS 'EXIT'



7505 FANNIN STREET SUITE 440
HOUSTON, TX 77054
(713) 999 5384

SHOP WITH SERVICESTATION

2401 Division St, National
City, CA 91950, USA

No.	Description	Date

FLOOR PLAN

Project Number TSE-2021-3782
Date 09-09-22
Drawn By Author
Checked By Checker

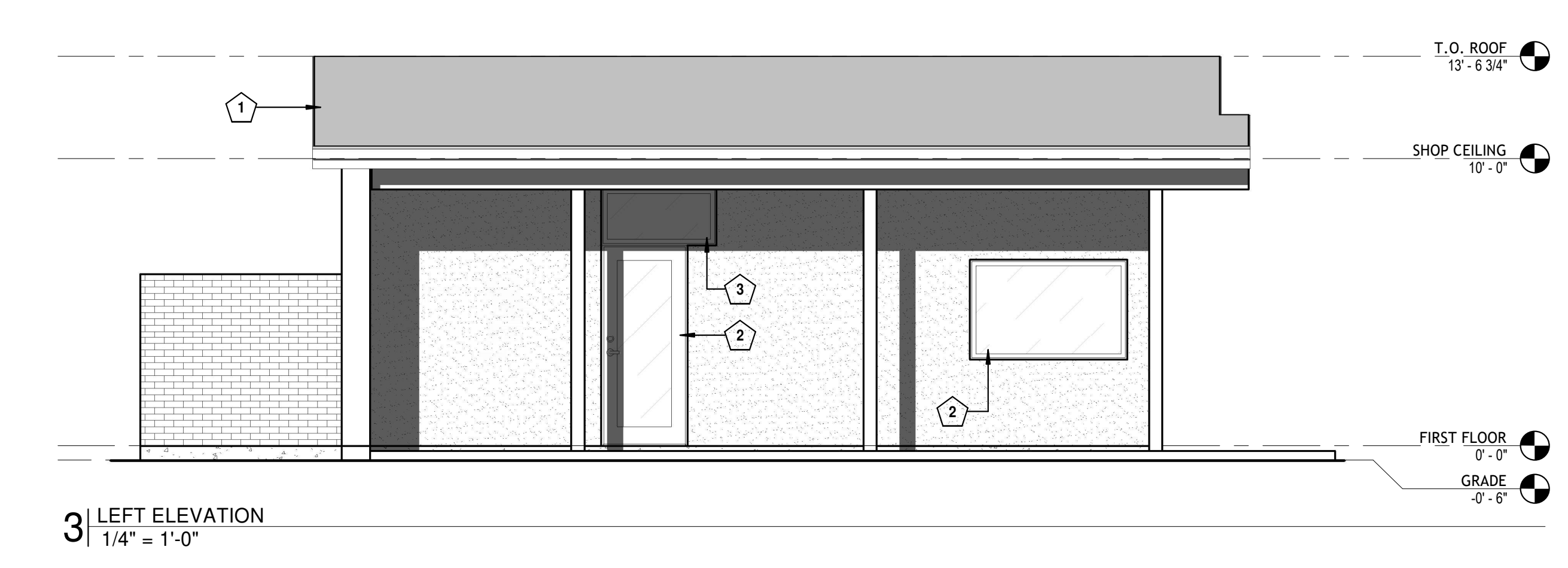
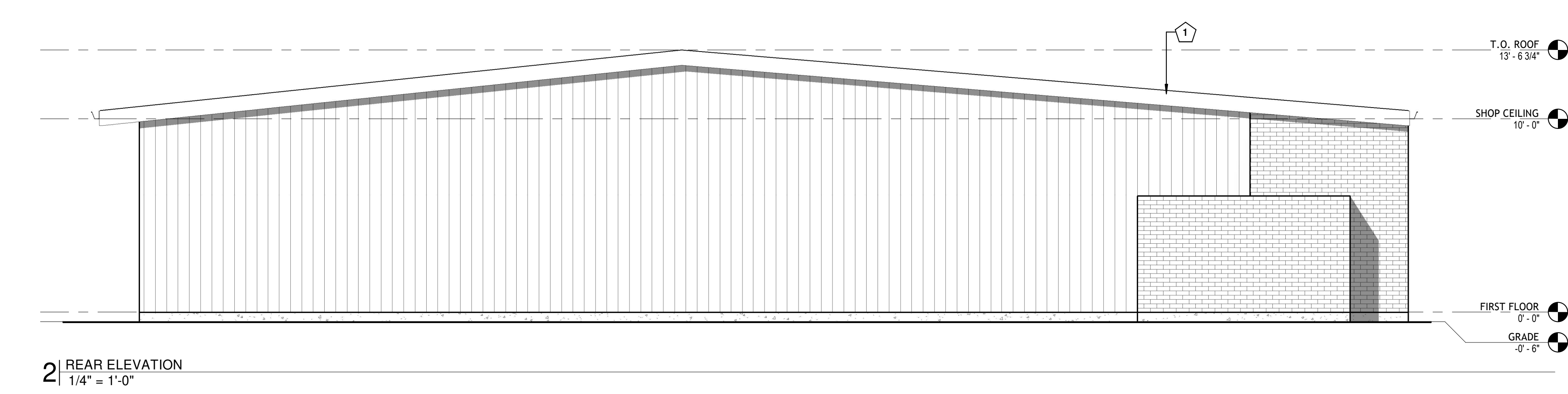
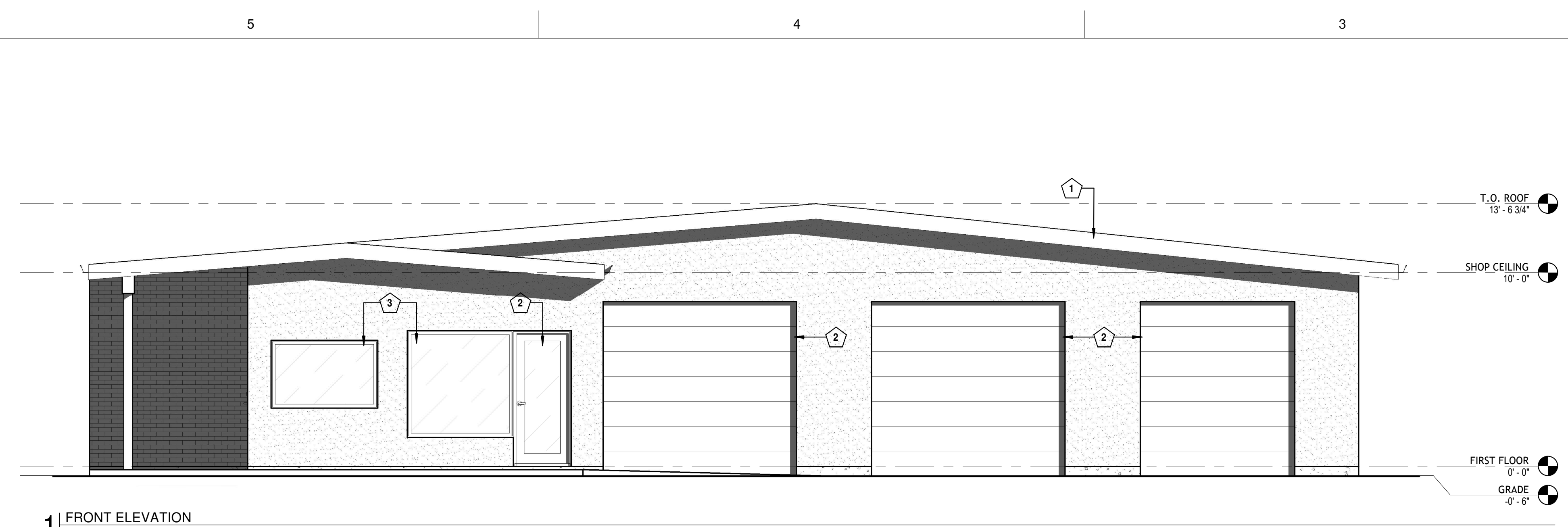
A1.02

Scale As indicated

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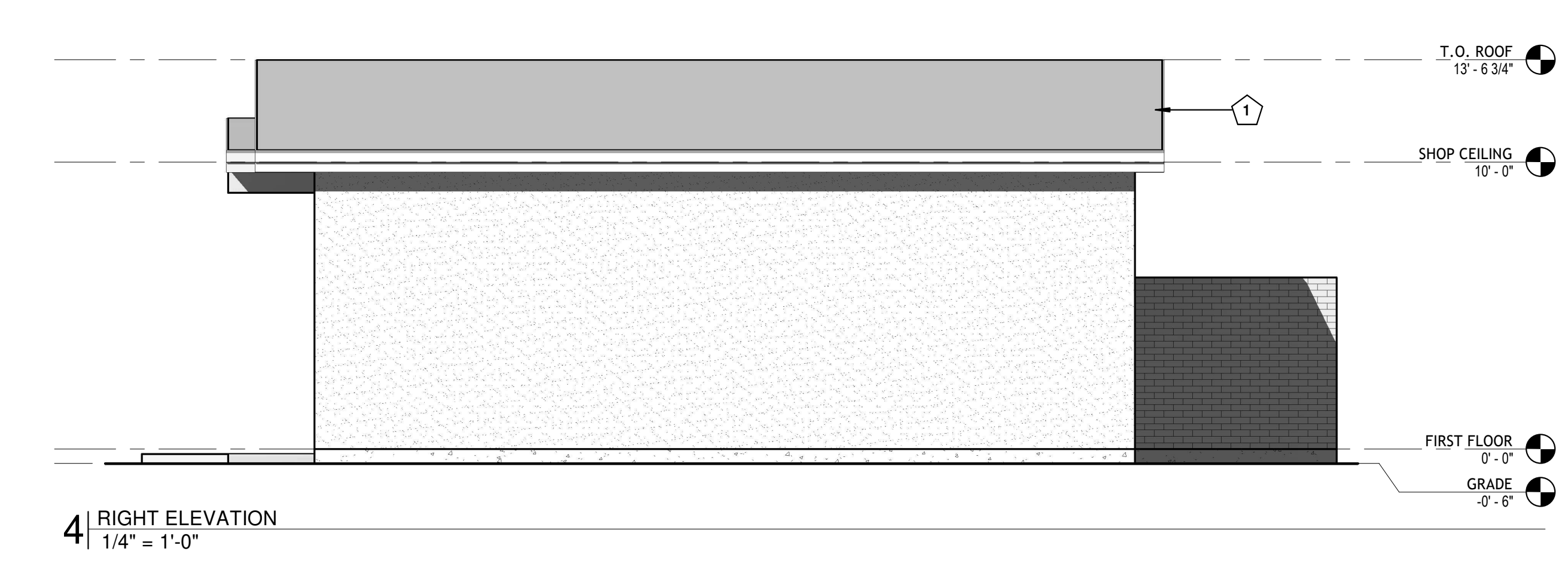
three inches = one foot
one and one half inches = one foot
one inch = one foot
three quarters inch = one foot
one half inch = one foot
three eighths inch = one foot
one quarter inch = one foot
three eighths inch = one foot
one eighth inch = one foot

0
 three inches = one foot
 6"
 1
 one and one half inches = one foot
 6"
 0
 2
 one inch = one foot
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 three quarters inch = one foot
 6"
 0
 4
 one half inch = one foot
 6"
 0
 4
 three eighths inch = one foot
 6"
 0
 8
 one quarter inch = one foot
 6"
 0
 4
 8
 one eighth inch = one foot
 6"
 0
 16



KEYNOTE LEGEND

1. EXISTING ROOF
2. EXISTING SCHEDULED DOOR
3. EXISTING SCHEDULED WINDOW



7505 FANNIN STREET SUITE 440
 HOUSTON, TX 77054
 (713) 999 5384

**SHOP WITH
 SERVICESTATION**
 2401 Division St, National
 City, CA 91950, USA

No.	Description	Date

ELEVATIONS

Project Number	TSE-2021-3782
Date	09-09-22
Drawn By	Author
Checked By	Checker

A2.01

Scale 1/4" = 1'-0"

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COMMUNITY DEVELOPMENT DEPARTMENT - PLANNING DIVISION
1243 NATIONAL CITY BLVD., NATIONAL CITY, CA 91950

NOTICE OF PUBLIC HEARING

CONDITIONAL USE PERMIT FOR THE OPERATION OF A SERVICE STATION AT AN
EXISTING GASOLINE STATION LOCATED AT 2401 EAST DIVISION STREET
CASE FILE NO.: 2022-34 CUP
APN: 552-302-13

The National City Planning Commission will hold a public hearing at their regular in person meeting after the hour of 6:00 p.m. **Monday, February 6, 2023**, on the proposed request. The meeting will be LIVE WEBCAST from the City Council Chambers, Civic Center, 1243 National City Boulevard, National City, California, on the proposed request. (Applicant: Emad Mousavi)

Due to the precautions taken to combat the continued spread of coronavirus (COVID-19), the public hearing will also be available for anyone to observe on the City's website at <http://nationalcityca.new.swagit.com/views/33>.

The applicant proposes to operate a 967 square-foot service station at an existing gasoline station. The proposed services include oil changes, brake changes, and engine checks. All services will take place within the existing building and the hours of operation will be 9 a.m. to 8 p.m. Monday through Saturday. The Planning Commission will also be requested to find the proposed project categorically exempt from the California Environmental Quality Act (CEQA) under Class 1, Section 15301 (Existing Facilities).

Information is available for review at the City's Planning Division, Civic Center. Members of the public are invited to comment. Written comments should be received by the Planning Division on or before 4:00 p.m., **February 6, 2023** by submitting it to PlcPubComment@nationalcityca.gov. Planning staff can be contacted at 619-336-4310 or planning@nationalcityca.gov.

If you challenge the nature of the proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at, or prior to, the public hearing.

NATIONAL CITY PLANNING DIVISION

ARMANDO VERGARA
Director of Community Development



COMMUNITY DEVELOPMENT DEPARTMENT – PLANNING DIVISION
1243 NATIONAL CITY BLVD., NATIONAL CITY, CA 91950

NOTICE OF EXEMPTION

TO: Assessor/Recorder/County Clerk
Attn: Fish and Wildlife Notices
1600 Pacific Highway, Suite 260
San Diego, CA 92101
MS: A-33

Project Title: 2022-34 CUP

Project Location: 2401 E. Division Street, National City, CA 91950

Lead Agency: City of National City

Contact Person: David Welch **Telephone Number:** (619) 336-4224

Description of Nature, Purpose and Beneficiaries of Project:

Conditional Use Permit for the operation of a service station at an existing gasoline station located at 2401 East Division Street.

Applicant:

Emad Mousavi
7505 Fannin Street, Suite 440
Houston, TX 77054

Telephone Number:

(833) 781-7661

Exempt Status:

Categorical Exemption - Class 1 Section 15301 Existing Facilities

Reasons why project is exempt:

There is no possibility that the proposed use will have a significant impact on the environment since the use will be conducted in a building that was built to accommodate the same use. As conditioned with the approved permit, the proposed use will not have a direct or reasonably foreseeable indirect impact on the environment.

Date: 2/2022

David Welch, Associate Planner

RESOLUTION NO. 2023-02

A RESOLUTION OF THE PLANNING COMMISSION
OF THE CITY OF NATIONAL CITY, CALIFORNIA
APPROVING A CONDITIONAL USE PERMIT
FOR THE OPERATION OF A SERVICE STATION AT AN EXISTING GASOLINE
STATION LOCATED AT 2401 EAST DIVISION STREET
CASE FILE NO. 2022-34 CUP
APN: 552-302-13

WHEREAS, the Planning Commission of the City of National City considered a Conditional Use Permit for the operation of a service station at an existing gasoline station located at 2401 East Division Street. At a duly advertised public hearing held on February 6, 2023, at which time oral and documentary evidence was presented; and,

WHEREAS, at said public hearing, the Planning Commission considered the staff report contained in Case File No. 2022-34 CUP maintained by the City and incorporated herein by reference along with evidence and testimony presented at said hearing; and,

WHEREAS, this action is taken pursuant to all applicable procedures required by State law and City law.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of National City, California, that the testimony and evidence presented to the Planning Commission at the public hearing held on February 6, 2023, support the following findings, which the Planning Commission hereby finds and determines:

1. The proposed use is allowable within the applicable zoning district pursuant to a CUP and complies with all other applicable provisions of the Land Use Code because the use is allowable within the MXD-1 zone pursuant to a CUP and the proposed use meets the required guidelines in the Land Use Code for service stations, as discussed below.
2. The proposed use is consistent with the General Plan and any applicable specific plan, because service stations are permitted, subject to a CUP, by the Land Use Code, which is consistent with the General Plan. There is no Specific Plan in the area. In addition, a service station use is consistent with the MXD-1 land use designation contained in the Land Use and Community Character element of the General Plan.
3. The design, location, size, and operating characteristics of the proposed activity would be compatible with the existing and future land uses in the vicinity,

because the buildings on the site were previously analyzed for traffic impacts when constructed and any modifications to the building containing the proposed use will have to be built in compliance with the City's LUC and all applicable building and fire codes. There will be no impacts from the proposal and it will be compatible with the existing and future land uses in the vicinity.

4. The site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints, because the proposed use will occupy a building where the use was previously conducted and only minor modifications to the existing structure will be necessary.
5. Granting the permit would not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zone in which the property is located, because the proposed use will be subject to conditions that limit the automotive services that may be conducted, the hours of operation, and activities permitted outdoors.
6. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA) and has been determined to be categorically exempt from environmental review under Class 1, Section 15301 (Existing Facilities) for which a Notice of Exemption will be filed subsequent to approval of this Conditional Use Permit. The reason for the exemption is that the proposed use will be conducted in a building that was built to accommodate the same use, which is permitted in the MXD-1 zone. As conditioned, the proposed use will not have a direct or reasonably foreseeable indirect impact on the environment.

BE IT FURTHER RESOLVED by the Planning Commission of the City of National City, California that the application for a Conditional Use Permit is approved subject to the following conditions:

General

1. This Conditional Use Permit authorizes the operation of a service station at an existing gasoline station located at 2401 East Division Street. Plans submitted for permits associated with this project shall conform to Exhibit A, Case File No. 2022-34 CUP, dated 11/15/2022.
2. Before this Conditional Use Permit shall become effective, the applicant and the property owner shall both sign and have notarized an Acceptance Form, provided by the Planning Division, acknowledging and accepting all conditions imposed upon the

approval of this permit. Failure to return the signed and notarized Acceptance Form within 30 days of its receipt shall automatically terminate the Conditional Use Permit. The applicant or owner shall also submit evidence to the satisfaction of the Planning Division that a Notice of Restriction on Real Property is recorded with the County Recorder. The applicant or owner shall pay necessary recording fees to the County. The Notice of Restriction shall provide information that conditions imposed by approval of the Conditional Use Permit are binding on all present or future interest holders or estate holders of the property. The Notice of Restriction shall be approved as to form by the City Attorney and signed by the Director of Community Development prior to recordation.

3. This permit shall become null and void if not exercised within one year after adoption of the resolution of approval unless extended according to procedures specified in the Municipal Code.
4. This permit shall expire if the use authorized by this resolution is discontinued for a period of 12 months or longer. This permit may also be revoked, pursuant to provisions of the Land Use Code, if discontinued for any lesser period of time.
5. This Conditional Use Permit may be revoked if the operator is found to be in violation of any Conditions of Approval or applicable law.

Planning

6. The service station is only permitted to conduct minor automotive repair and services including, but not limited to, oil changes, brake changes, and engine checks.
7. Major automotive repair, as defined in Chapter 18.50 of the Land Use Code (LUC), is not authorized with this CUP.
8. Uses permissible at a service station do not include body or fender work or automobile painting. Dismantling of automobiles for the purpose of selling parts is prohibited.
9. All repair work shall be conducted within the existing structure proposed to be used as a service station.
10. Adequate facilities for the repairs conducted on site shall be available. Any required permits for the installation of equipment or modifications to the structure shall be obtained prior to the commencement of service or repair activities.
11. Operations outside permanent structures shall be limited to the dispensing of motor fuels and the servicing of tires, batteries and/or automobile accessories.
12. The service of vehicles shall only be permitted between the hours of 9:00 a.m. and 8:00 p.m. Monday through Saturday.
13. Applicable permits shall be obtained for this project. Plans shall include a revised site plan indicating the relocation of the existing ADA parking space in front of the service bays in accordance with applicable law.

14. Building permits are required for exterior modifications to the building including modifications to exterior materials, the installation of service bay doors, and any installation of repair equipment requiring a permit. Any work that was completed prior to obtaining permits shall be noted in the scope of work.
15. Building permit plans for this project shall conform to all applicable development standards in the LUC.
16. A trash enclosure, in conformance with Section 7.10.080 of the National City Municipal Code, is required for this project and shall be constructed prior to the commencement of service of repair activities.
17. Plans submitted for improvements must comply with the current editions of the California Building, Electrical, Plumbing, Mechanical, and Fire Codes.
18. Existing landscaped areas shall be maintained with a mix of trees, shrubs, and ground cover. A landscape and irrigation plan shall be submitted as part of the construction permitting process. Installation of landscaping items required by the LUC, including adequate landscaped area, trees, and shrubs shall be maintained for the life of the project.
19. The operator of the business shall maintain an active business license and ensure that the business license is renewed annually.
20. Any abandoned signs on the property shall be removed prior to the issuance of any permits associated with the service station use.
21. Permits shall be obtained for any signage associated with the new service station use.

Indemnification Agreement

The Applicant shall defend, indemnify, and hold harmless the City, its agents, officers, and employees from any and all claims, actions, proceedings, damages, judgments, or costs, including attorney's fees, against the City or its agents, officers, or employees, relating to the issuance of this permit including, but not limited to, any action to attack, set aside, void, challenge, or annul this development approval and any environmental document or decision. The City will promptly notify the Applicant of any claim, action, or proceeding. The City may elect to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification. In the event of such election, the Applicant shall pay all of the costs related thereto, including without limitation reasonable attorney's fees and costs. In the event of a disagreement between the City and Applicant regarding litigation issues, the City shall have the authority to control the litigation and make litigation related decisions, including, but not limited to, settlement or other disposition of the matter. However, the Applicant shall not be required to pay or perform any settlement unless such settlement is approved by the Applicant.

BE IT FURTHER RESOLVED that copies of this Resolution be transmitted forthwith to the owner, applicant and to the City Council.

BE IT FINALLY RESOLVED that this Resolution shall become effective and final on the day following the City Council meeting where the Planning Commission resolution is set for review, unless an appeal in writing is filed with the City Clerk prior to 5:00 p.m. on the day of that City Council meeting. The City Council may, at that meeting, appeal the decision of the Planning Commission and set the matter for public hearing.

CERTIFICATION:

This certifies that the Resolution was adopted by the Planning Commission at their meeting of February 6, 2023, by the following vote:

AYES:

NAYS:

ABSENT: None.

ABSTAIN: None.

CHAIRPERSON