

City Council Staff Report

Subject: West Oaks Apartments / Design Review, DR2022-0010, Tentative

Parcel Map, DL2023-0001 and Environmental, ENV2022-0002 -

Continued from December 12, 2023

Date: January 23, 2024

Submitted By: David Mohlenbrok, Director of Community Development

Bret Finning, Planning Services Manager

Nathan Anderson, Senior Planner

Department: Community Development

Recommendation:

Conduct a Public Hearing to Consider Testimony.

- A. Adopt a Resolution of the City Council of the City of Rocklin Approving a Mitigated Negative Declaration Of Environmental Impacts (West Oaks Apartments / ENV2022-0002).
- B. Adopt a Resolution of the City Council of the City of Rocklin Approving a Tentative Parcel Map (West Oaks Apartments / DL2023-0001).
- C. Adopt a Resolution of the City Council of the City of Rocklin Approving a Design Review (West Oaks Apartments / DR2022-0010).

Background:

Project Summary:

The project is a request for approval of a Design Review (DR2022-0010) to construct a multifamily development on approximately 15.9 gross acres. The development would be comprised of 371 units for market-rate rental. The development would consist of 15 three-story walk-up buildings, two (2) four-story apartment buildings with elevators and rooftop patios, and a one-story clubhouse with an outdoor pool, as well as associated parking and landscaping.

The project also includes a Tentative Parcel Map (DL2023-0001) to abandon existing access and utilities easements and merge the six (6) existing parcels comprising the project site into three (3) individual parcels for phasing and financing purposes.

The staff report, resolutions, and exhibits provided to the City Council on December 12, 2023 are included with this memo for additional information.

Summary of December 12, 2023 City Council Meeting:

On December 12, 2023, the City Council considered the proposed project. Following a presentation from staff, the City Councilmembers had numerous questions about the project's lack of affordability. The City Council stated that the project site was identified in the 2021-2029 Housing Element as property intended to accommodate the lower income housing need of the City's Regional Housing Needs Allocation (RHNA) site inventory capacity. City Councilmembers asked why the project is not proposing any affordability component as part of its development.

Staff responded that, since the time of the project's submittal, it has encouraged the owner to provide a minimum of 10 percent of the development as affordable. The project owner has consistently stated that the price of land, interest rates, and development costs prohibit the feasibility of any affordability in this location. Therefore, the proposed project has remained 100 percent market rate.

Young Kim with HRGA Architects addressed the City Council on behalf of the project. Mr. Kim stated that the information in the staff report is correct and that, due to numerous project expenses, such as construction of the West Oaks Boulevard bridge to access the site from the east, the acquisition of an easement for a required emergency access, and construction of a water line extension to the north, the owner is unable to provide affordability as part of this development.

Staff explained that, while it is unfortunate that the development of this site would remove an area identified for future lower income development, there are some potential replacement sites which have been identified, which staff intends to bring forward to City Council in 2024.

The City Council stated that, while uncertain whether the project would be approved without the affordability component, achieving the required affordability consistent with State requirements is extremely important. City Councilmembers asked whether the applicant would be willing to work with staff to try to provide some level of affordability. Mr. Kim stated that he is only the architect for the project, and that he cannot speak to whether the owner would be amenable to this direction. In order to provide time to work this out, the City Council directed staff to coordinate with the owner to discuss affordability options. The project was continued off calendar.

Owner Response:

On December 13, 2023, Ibrahim Salama, representing the project ownership (Black Iris Properties, LLC), contacted staff to discuss the City Council's direction. Consistent with his previous responses, Mr. Salama stated that adding affordable units makes the project economically infeasible and that he wishes to move the project forward as market rate only. Staff requested that Mr. Salama provide a formal response in writing.

On December 15, 2023, staff received a letter from attorney Marcus Lo Duca, which stated that his office had been retained by Black Iris Properties, LLC. The letter provides an explanation as to the property owner's position on this matter and requests that the City Council take final action on this project as soon as possible. The letter is included as Attachment 1.

ATTACHMENTS:

- 1. December 15, 2023 Applicant Response Letter
- 2. December 12, 2023 West Oaks Apartments Staff Report 2
- 3. Resolution A Mitigated Negative Declaration of Environmental Impacts 2
- 4. Resolution B Tentative Parcel Map 2
- 5. Resolution B Exhibit A Tentative Map
- 6. Resolution C Design Review 2
- 7. Resolution C Exhibit A Design Review