

Community Development Department

March 22, 2004

A regular meeting of the Planning Board of the City of Burbank was held at the City Council Chambers on the above date. Chair Gabel-Luddy called the meeting to order at 6 p.m.

INVOCATION Ms. Taylor gave the invocation.

FLAG SALUTE Mr. Jackson led the flag salute.

ROLL CALL	<u>Members Present</u>	<u>Also Present</u>
	Emily Gabel-Luddy, Chair Margaret Taylor, Vice-Chair Greg Jackson Mitchell Thomas Dan Humfreville	Michael Garcia, Assistant City Attorney Dave Starr, Fire Marshall Sue Georgino, Community Development Director Tom Lim, Principal Plan Check Engineer Greg Herrmann, Assistant Community Development Director/Transportation Ruth Davison-Guerra, Assistant Community Development Director/ Housing and Redevelopment Duane Solomon, Housing Development Manager Maribel Frausto, Sr. Redevelopment Project Manager Art Bashmakian, Assistant Community Development Director/City Planner Roger Baker, Deputy City Planner Joy Forbes, Principal Planner Michael Forbes, Senior Planner Agnes R. Tessier, Senior Secretary
	<u>Members Absent</u>	
	None	

EXPLANATION OF PROCEDURES Chair Gabel-Luddy explained the Planning Board procedures to the audience.

APPROVAL OF MINUTES Mr. Thomas noted Page 2 referred to Ms. Taylor as Mr. Taylor. Mr. Humfreville moved to approve the minutes with Page 2 modification, seconded by Ms. Taylor, carried by a vote of 4-0 (Mr. Thomas abstained).

HEARINGS

1. Conditional Use Permit 2003-31 (3120 West Burbank Boulevard) Mr. Bauer (Infiniti Custom Design) applied for a conditional use permit (CUP) to allow motorcycle sales at 3120 West Burbank Boulevard (C-3 Zone). The business would sell custom designed and manufactured motorcycles. All manufacturing and assembly would be conducted at another

location. No engine repair or maintenance is proposed on the site. Burbank Municipal Code (Code) Section 31-502 requires approval of a conditional use permit for a motorcycle dealer, including minor repair and testing.

(Pursuant to the California Environmental Quality Act (CEQA) Guidelines and Section 15301 of the CEQA Guidelines, this project was been determined to not have a significant effect on the environment, and therefore it is exempt from the provisions of CEQA.)

Staff Report
Joy Forbes (JF)

Ms. Forbes presented this item to the Board.

Applicant Presentation
Dean Bauer

Mr. Bauer stated he was a lifelong resident of Burbank and that his family owns most of the block where the business is located. He has a background in design/animation and designed for a major motorcycle. He wants to design motorcycles for himself. The front of the building is proposed for display of assembled bikes. The rear area would have racks for storage and would be used for aesthetic adjustments (new mirror, trim, etc.). There will not be any test driving of motorcycles.

Board Questions & Applicant Answers

1. Is the business operating now without a conditional use permit?
No. The back room has been used for hobbies. This would not be a high volume business. The bikes cost approximately \$50k and do not sell that rapidly.
2. Are you amenable with Condition of Approval (COA) No. 4 that prohibits motorcycle repair?
Yes, no repair will be conducted.
3. Confirm there will be no power tools on site.
No power tools will be used.
4. Is business with customers by appointment only?
Applicant is out of the office much of the time and people would need to call before showing up at the shop.
5. Do the bikes arrive at the shop already assembled?
Yes. All fabrication, painting, and assembly takes place in Riverside.
6. How many bikes would there be in the shop at any one time?
Three to five.
7. Are you agreeable to a COA to prohibit bike assembly?
Yes. Applicant would prefer vague language being avoided.
8. Are you agreeable to a COA prohibiting storage of bikes?
Yes.
9. How will parking work given the restaurant use?
Parking demand is very low, restaurant uses little and there is very low volume of customers for shop.

10. Why is there a “no parking” sign in back area?
Some time ago there was an issue with non site-related cars being parked over night.
11. Would you agree to the sign reading “customer only parking”?
Yes.
12. Is the assembly of bikes for sales only?
Yes.
13. Are the bike engines started to unload or move?
No. Applicant is agreeable to a COA prohibiting having any bikes on the residential streets.

Public Testimony

Roland Armstorff
1226 North Ontario St.

Mr. Armstorff stated he is opposed to the proposal. The business is operating falsely, it builds, repairs, and sells bikes on the premises. There have been lathes and loud machines and engines revved. Test bikes have raced up and down Ontario. Prior to complaint to City, Fairview was used.

A petition with 47 signatures was presented to the Board in opposition to the project.

Board Questions asked of Mr. Armstorff:

1. The applicant tests bikes on the residential street?
Yes, sometimes two at a time.
2. Describe vehicles.
They are beautiful, metallic, very long with pitchfork-type front ends for front and banana seats.
3. How are the bikes identified as belonging to the shop?
Applicant has been seen on a bike.
4. When did the test driving stop?
On Ontario it stopped about a month ago after a call to the City, but still on-going on Fairview Street.
5. Did the test driving occur during business hours?
It has occurred on Sunday afternoons and evenings.
6. How many times did you observe the testing?
Six times prior to complaining to City.
7. Have you spoken with the applicant?
No.
8. What was said to the people solicited to sign petition?
That it was in opposition of the CUP for motorcycle sales, etc.

Applicant Response
Dean Bauer (DB)

Mr. Bauer stated he doesn't understand Mr. Armstorff's statements, they are untrue. He believed people reacted to the public notice sent out.

Board Questions

1. Do you own/ride motorcycles?
Applicant owns a Harley. Harleys are not loud. He does not ride the bikes he designs. (DB)
2. Are there complaints on file with the City?
None on file in the License & Code Services Division. There is no active code enforcement case, nor anything logged in. (JF)
3. Have you ever ridden on the adjacent residential streets?
Don't make a habit of it, but have done it. Customers do not test drive the bikes. Starting the engines would devalue the collectability of the bikes. (DB)
4. Are there any other bike repair businesses along Burbank Boulevard?
No. (DB)
5. What portion of this use requires a CUP?
The sales with incidental repair. Repair alone would only be allowed in the Manufacturing Zone.

Board Deliberations

Mr. Jackson understood Mr. Armstorff's concern about loud vehicles. He toured the site and talked to the southerly adjacent neighbor "Doug" who was unconcerned and accepting of the proposal with the COA. He was concerned that the applicant said one thing and Mr. Armstorff's testimony was contradictory.

Ms. Taylor was also concerned about the conflicting testimony and the long term use. She speculated a six month review or sunset clause might be called for. She thought the petition signatures were likely in response to the idea of a "motorcycle sales and repair," being a noisy business. The letter of opposition doesn't complain about the current operation, only the proposed.

Mr. Humfreville thought that COA No. 6 addresses concerns about bikes operating on residential streets. He was supportive of approving the proposal.

Mr. Thomas noted that with the layout of the small shop, expansion would not be feasible. COA No. 9 would address prohibition of noisy tools. He wanted engine starting and assembly prohibited. Mr. Thomas asked the effect of a sunset provision and Mr. Bashmakian stated the CUP would expire and a new one would have to be approved to continue use.

Chair Gabel-Luddy was in support of the project. She surmised there were appropriate COA to regulate the use.

Motions

Mr. Thomas moved to modify COA No. 4 to add "assembly" to the uses prohibited, seconded by Ms. Taylor, carried by a vote of 5-0.

After initiation of a motion precluding engine ignition by Mr. Thomas, Mr. Humfreville stated his concern that buyers could not drive off the lot, Ms. Taylor stated the applicant purports the bikes are taken in trailers, and Chair Gabel-Luddy suggested the purchaser who wants to drive bike from business could so from Burbank Boulevard. Ms. Forbes suggested new modification language, and thus,

Mr. Thomas moved to modify COA No. 6 to add “or alley” at end of first sentence, delete second sentence, and add a new sentence, “Motorcycle engines shall not be started,” seconded by Ms. Taylor, carried by a vote of 5-0.

Ms. Taylor moved to amend COA No. 3 to state the hours of operation would be limited to 8 a.m. to 6 p.m. (after applicant requested initial 9-5 proposal, be changed), seconded by Mr. Thomas, carried by a vote of 5-0.

Ms. Taylor again stated a six month review is desirable. Mr. Jackson thought COA No. 10 regarding CUP modification/revocation covered any future problems neighbors might have. Mr. Thomas thought neighbors would bear the onus and liked a six month review. Chair Gabel-Luddy also thought the public notice neighbors received lead them to believe a different intensity use than proposed was requested.

Ms. Taylor moved to add a COA to require a six month review/status report with public notices sent to a 500’ radius of the site, seconded by Mr. Thomas, carried by a vote of 5-0.

Mr. Thomas moved to approve the CUP and adopt the relevant resolution, seconded by Ms. Taylor, carried by a vote of 5-0.

2. Zone Text
Amendment (ZTA)
2003-4 (Inclusionary
Zoning)

The City of Burbank is proposing an inclusionary zoning ordinance that would amend Chapter 31 of the Burbank Municipal Code and require all residential development (over four units) to provide affordable units in perpetuity.

Burbank is facing an affordable housing crisis as housing supply continues to lag behind housing demand. Rents have increased by over one-third over the past four years, with many renters forced to combine households or move out of the City to lower cost areas. Combined with a demographic shift toward a greater number of large families with children, the City has witnessed dramatic increases in overcrowding among its renter population. And with median for-sale housing prices exceeding \$400,000, homeownership is out of reach for all but upper income households.

Recent housing analysis (1999 Housing Needs Assessment, Housing Element Update, 2000 Census Data and 2001 Housing Profile) revealed the disparity between housing availability and community needs and the current market conditions. Consequently, a Blue Ribbon Task Force on Affordable Housing was formed by the City Council and Redevelopment Agency. The Task Force was charged with taking a comprehensive look at the City's affordable housing needs and providing recommendations to expand Burbank's stock of affordable housing. The Council supported the Task Force recommendations, and in March 2003, City Council directed staff to prepare an inclusionary housing ordinance within specific parameters. Community forums were held, joint meetings with staff from various cities, and exhaustive analysis was conducted to draft an ordinance that would embrace the needs of the community.

Staff Report
Joy Forbes (JF)

Ms. Forbes presented this item to the Board, summarizing the actions, analysis, and concluding recommendations leading up to the proposed ZTA. She pointed out that the proposed ordinance was a result of a comprehensive approach utilizing feedback and recommendations from the broad interdisciplinary and community representational members of the Blue Ribbon Task Force, Planning Board, City Council, staff, consultants, community based organizations and companies, and other cities' representatives. Thorough community outreach was conducted embracing all interested parties and the proposed ordinance was systematically refined to provide the Burbank community with a practical approach in meeting the demands of providing affordable housing in the years to come.

**Board Questions &
Staff Answers**

1. How would this proposal tie into density bonus program?
The City would have the same regulations as the state program.
2. Would the affordable housing be based on the number of units?
Yes.
3. During the first phase-in year, how many affordable units would have to be built for a 20 unit project?
Ten percent, or two units.
4. Explain the trust fund logistics and how the Burbank Housing Corporation figures in.
The trust fund would take in in-lieu fees for affordable housing developers pay when opting not to construct affordable housing units. These funds would supplement and be combined with other funds, i.e., Redevelopment Housing funds, to fund housing development or rehabilitation through Burbank Housing Corporation.
5. Is there any thought about giving preference to people who work in Burbank for the affordable housing, e.g., teachers, nurses, police, etc.?

Focused marketing can be directed at Burbank residents or a particular work force.

Chair Gabel-Luddy shared some of her experience on the Blue Ribbon Affordable Housing Task Force Committee. Ms. Forbes told the Board staff seeks input and recommendation from the Board to pass on to Council.

City Consultant
Kathe Head
Keyser Marston

Ms. Head gave a summary of the financial analysis and recommendations her firm contributed to the proposal. She stated the in-lieu fee is approximated as close as possible to determine on-site cost and should serve the intent of the ordinance. Analysis was conducted examining market rate, affordable cost, and gap between affordable and market rate housing. The cost to construct a unit was determined most equitably by square footage. Her firm then helped staff determine credits for deeper affordability development. A sliding scale was then formulated based on number of units and size to lend feasibility to ordinance.

Board Questions

1. Have you read the letter from the Building Industry Association (BIA) that suggests using residential property for another use?
Yes. Some properties are inherently residential or commercial. Property that could be used for either, should be effectively utilized. The proposed ordinance will not bring down any property values. There is a big gap between commercial and residential property values.
2. How will market rates be affected, how will inclusionary zoning be regulated, and what other cities have it?
The market rate will not be driven up by this ordinance. The developers must know the ground rules and they would rather not have this ordinance, but they will adjust. They are not underpricing units now, so they will not overprice after ordinance. Given contemporarily high land values, it is a good time to introduce the ordinance. There are 106 jurisdictions in California with inclusionary housing. It is well accepted in Bay area culture, but is new to Southern California excepting a few areas. Newport Beach has had it for 30 years. Regulation comes through experience. There are measures in place for the ordinance to allow for adjustments. Pasadena has an ordinance in place, but Glendale does not.
3. How long will it take before the new regulations become accepted and they are part of the "landscape"?
Probably three to five years.
4. How many low income units have been constructed since the inception of this ordinance in Pasadena?

- There have been 85 units constructed.
5. Has it made a difference?
 No. The idea is to ramp up over time. A successful ordinance offers incentives.
 6. How does a City keep up with market rates?
 It is a fundamental problem—the rates change quickly. Pasadena’s ordinance has a provision that allows it to change every two years. The proposed ordinance would allow change every year.
 7. Do the affordable housing property owners realize market value eventually?
 No. Their property values increase at median income level. The owners will change, moving in an out. The intent is to help the low-income group of people, not specific individuals/families.
 8. How does this disadvantage small developers?
 The proposed tiered system allows developers to pay the fee by right. The essential goal is not to make development unfeasible, but rather to promote affordable housing.
 9. Explain the three tiers/incentives proposed in the ordinance.
 The incentives/concessions offered enhance project viability from the developer’s perspective and concurrently promotes more affordable housing, while maintaining a consistent level of quality of life for residents. The three tiers of incentive/concessions offered correspond with the level of impact on the community and require administrative or discretionary approval: Community development Director, Planning Board, and/or City Council.
 10. How much is the in-lieu fee?
 Ms. Forbes provided a table explaining the the in-lieu fee structure based on projects size and whether the project units are owned or rented:

<u>Project Size</u>	<u>Fee/Sq. Ft. Gross Livable Area</u>	
	<u>Owner</u>	<u>Rental</u>
14+ units	\$12.60	\$15.30
10-13 units	\$10.40	\$12.60
5-9 units	\$7.10	\$8.60
1-4 units	exempt	exempt

11. Is there incentive to construct the affordable units versus paying the in-lieu fee?
 Yes.
12. Is there a state mandate for inclusionary housing?
 There is no law, or anything on the books yet.
13. Will the state density bonus take care of affordable housing?

No, it clashes with development standards and does not promote affordable housing specifically, rather housing in general. Inclusionary housing facilitates large scale affordable housing projects.

Public Testimony

Simon Simonian
1079 East live Avenue
Burbank CA 91501

Mr. Simonian stated the cost of housing has risen due to the increased construction cost per square feet built, City fees, and Measure One. The developer should not have to foot the bill. Developers will pass the cost onto others resulting in increased non-affordable housing costs.

Armen Simonian
1079 East live Avenue
Burbank CA 91501

Mr. Simonian stated first there was Measure One, then an IDCO, a compatibility ordinance, now this ZTA. It is frustrating to residents. This will affect prices. If a developer has to pay \$50k to \$100k more, they will pass on the fee. This is all to the benefit of the low-income people and the regulations should be geared to multi-million dollar developers.

Tony Rondinelli
450 Elm Street

Mr. Rondinelli stated he is in favor of more affordable housing, but not of this ordinance. This ordinance would penalize those who want to build. It does not address the problem. This is a “hot dog” analogy. It would take from one to give to another. Because everyone (other cities) is doing it is not a reason to pass this ordinance. There is not much development possible in Burbank, and this will not promote housing, but will deter building.

Mark Barton

How does the ZTA relate to market change?

No more public speakers.

Chair Gabel-Luddy

Chair Gabel-Luddy noted two of the public speakers thought fees would increase housing rates, thought developers would raise their prices, and more fees would result.

**Consultant Response
& Board Interatction**
Kathe Head

Ms. Head clarified that developers don’t set the selling price based on the cost of construction. The price is set by what the market will allow.

Mr. Thomas proposed that developers do not engage in construction projects without an acceptable anticipation of return. Ms. Head responded that on that premise one would have to assume no land transactions would occur.

Ms. Head informed the Board that during the initial stages of the ordinance people may stop selling land with resultant diminished values concurrent with increased fees. By the City imposing fees, decisions are made with a meritorious goal and the market will adjust. The only variable is the land

value.

Ms. Taylor pointed out that some are concerned about the recent Council actions regarding development standards. Ms. Head replied she had not studied the economic impact of the IDCO and smaller lots, compatibility, design standards.

**Board Discussion with
Sue Georgino**

Ms. Georgino stated the proposed ZTA should be viewed in context. The process began approximately six months ago. Land is a limited commodity. People have land rights, but there are always land use constraints and exactions that exist. Some say that accelerated price of land is due to relaxed density requirements, no design review, etc. The City is seeing people who want to develop consistent with zoning. If density decreases will land value decrease? The City Council is concerned with land management and providing affordable housing. The proposed ordinance specifically requires the inclusionary housing units for projects of more than four units to address multiple contiguous lots being developed with many units without an affordable component. The in-lieu fee allows small units to develop. Values may decrease temporarily, but in this hot market they may not. This ordinance is a vehicle for managing the issue of and concern for more affordable housing. There is not much land left to build on. Affordable housing is needed in Burbank. She cited two individuals who work in Burbank, but cannot afford housing in Burbank, one the pastor of a church, and the other a CEO of a non-profit organization.

Mr. Jackson stated under Redevelopment state law the 20% of funds are to be set aside and used for housing. He asked how many low income units are being built in Burbank using these funds. Ms. Georgino listed current projects: Olson 10%, Cerebral Palsy 100%, Senior Artists Colony 40%, Peyton Grismer 45%. Mr. Jackson asked if it wouldn't be more effective if the Redevelopment Agency targeted 40% of its funds for affordable housing. Ms. Georgino replied it would not. She pointed out that the average cost to build per unit for the Redevelopment Agency is \$100 per unit. The high price is due to high land purchase price, tenant relocations costs, etc. This ordinance mandates future affordable housing at no cost to the community and only initial cost to the developer. The factors of the ordinance take all the variables onto consideration. From including an affordable unit requirement for small developments to offering alternatives and incentives to developers. The in-lieu fee was established relative to actual construction cost to ensure affordable units do get built. Pasadena's fees were based so low, that developers opted to pay the fee instead of build, but the fees were not representative of current market construction cost. Consequently, they are ramping up now to compensate. Mr. Jackson asked if this ordinance didn't just shift the burden to the property owner, and Ms. Georgino replied they

would be sharing the burden.

Ms. Taylor identified there have been somewhat conflicting interests and standards established recently, e.g., the second dwelling unit ordinance, the compatibility ordinance. She asked how the Board can broach a denser housing direction. Infill housing and rehabilitation seem more viable than what is proposed. She thought the Board should convey to Council this ordinance may not be the answer and other options need to be explored. The public may not be aware of the ramifications of this ordinance. The cumulative impact is unknown.

Chair Gabel-Luddy stated the emphasis needs to be placed on people who work here being able to live here. It is to the City's advantage to move this forward. She pointed out pros of project: it is a phased-in project, which eases impact; people who work in Burbank but cannot buy at market rate may be able to live here; the Burbank Housing Corporation is adept at rehabilitating housing and creating wholesome environments for residents; the City's past practice with administering programs/funds bodes well for effective administration of the proposed trust fund. She concurred with Ms. Head that the real estate developers will encapsulate the increased fees into their project prospectus in the future.

Mr. Jackson is concerned with the quality of future housing stock and community livability. Between the proposed ordinance and the state density mandate, he speculated there would be an increase of 25% in housing density in Burbank. He thought Redevelopment should increase the housing set-aside to 40%. He cited that the Cusumano built units on Olive have no low or very-low income affordable and there are none at Belmont Village.

Mr. Thomas pointed out we live in a market economy. In order to add to affordable housing stock in built-out community, density must be increased. The community doesn't want more density. The compatibility ordinance conflicts with this proposed ZTA. Only a small portion of housing would be provided to those who need it. This could be a tool to assist Burbank teachers.

Ms. Georgino pointed out the compatibility ordinance was not an IDCO. She suggested staff take down the Board's concerns and bring this back to the Board with more analysis and answers to questions.

Ms. Taylor stated Council is concerned with 4 by 4 development. She pondered whether it was willing to allow more density as a concession of requiring affordable housing. The Land Use Element would accurately assess

housing stock and pinpoint what is needed. She also posed the question of how this ordinance will ultimately work with the state density bonus, and how they differ.

Mr. Jackson wanted to “note and file” this item.

Mr. Thomas thought Pasadena’s housing base is one of extremes: very high priced values and very low priced values. Maybe there is another community more like Burbank (other than Santa Monica) that could be used for future analysis.

Mr. Jackson stated one idea of the Land Use Element Committee is to allow for rezoning/reuse of current commercial land for residential development in 30 years.

Mr. Humfreville thought Mr. Jackson made a valid point that housing density is a big issue in the City and this ordinance would impact density. He would like more feedback.

Chair Gabel-Luddy would like to see group(s) of people identified/targeted, i.e., teachers, the elderly, etc., that are or should be residents of Burbank as potential beneficiaries of affordable housing. She would like to see cities identified that have used this methodology successfully.

Ms. Taylor thought the approach should anticipate Council not being amenable to density changes or development standards compromise. She offered her sympathies to staff in their task to complete the work asked of them by Council in bringing this ordinance to the table. She would like to see a table/matrix identifying how the City is unable to address the affordable housing dilemma at present and possible options/alternatives.

Motion

Mr. Jackson moved to continue this public hearing to a date uncertain, seconded by Mr. Humfreville, carried by a vote of 5-0.

ORAL
COMMUNICATIONS

Tony Rondinella

Mr. Rondinella stated 35% of the housing his family provides is low income. They work with Section 8, and are not burdened. This ZTA would place an unreasonable burden on developers. There are other ways to help the people who need it.

3. Conditional Use Permit 2002-8, Variance 2002-2, and Development Review

Pursuant to the conditions of approval (COA) for this project (project approved on June 24, 2002), the landscape plan was presented to the Board for approval on December 8, 2003. At that time, the plan was not approved as the Board raised concerns and made suggested changes to the proposed plan.

2002-16
(Alameda/Hollywood
Way Substation
Landscaping Review)

The latest landscape plan was revised to address the Board's concerns.

Staff Report
Michael Forbes

Mr. Forbes presented this item to the Board. He stated the revised plan addresses the Board's previous concerns.

Board Deliberations

Mr. Thomas was concerned about the ultimate removal of the sidewalk. He was aware it was a stipulation of Caltrans, but he thought people would continue to walk there anyway. He thought the plan was improved, less grass to invite use, and the shrubs proposed were drought tolerant.

Mr. Jackson asked if the bus stop would be relocated to the east or west of Hollywood Way. Mr. Herrmann stated it would probably be by Maple Street, and thought the bus stop had already been relocated.

Chair Gabel-Luddy thought the revised plan was improved.

Motion

Ms. Taylor moved to approve the revised plan, seconded by Mr. Thomas, carried by a vote of 5-0.

ITEMS FROM
THE BOARD

Mr. Humfreville stated the ZTA is a major undertaking, density is a very sensitive issue, and it imposes a great burden on staff.

Chair Gabel-Luddy concurred and thanked staff on the well written report.

Ms. Taylor also thanked staff for their hard work.

Mr. Jackson complimented City staff, specifically Terre Hirsch, for code enforcement at the Victory Boulevard/Hollywood Way commercial property that resulted in the cleanup of unsightly debris/non-working cars. He is glad to see the progress on the Chandler Bikeway, but would have liked less pavement. He asked again about the status of the Gangi art in public places.

ITEMS FROM THE
CITY PLANNER

Mr. Bashmakian thanked the Board for their appreciation of staff work. He pointed out the art in public places work is not under Planning's purview, but he will check on the status of the Gangi work with the Park, Recreation, and Community Services Department.

The second community meeting took place regarding the view protection study. The consultant provided many alternatives. The next step is a report to

Council targeted in late May, and Council direction. The ordinance for this issue will be complex.

ADJOURNMENT

9:54 p.m.

Respectfully Submitted,

Artashes Bashmakian