

ITEM V-B: Age Restricted Rezone Policy – FILE # PL15-0163

REQUEST

Adoption of an Age Restricted Rezone Policy to provide guidance for the conversion of non-residential uses to low density residential age restricted uses.

SUMMARY RECOMMENDATION

The Planning Division recommends that the Planning Commission take the following actions:

- A. Recommend that the City Council adopt a Resolution adopting the proposed Age Restricted Rezone Policy.

BACKGROUND

Recognizing a growing demand with the aging of Baby Boomers, some developers are increasing the percentage of homes they build for age-restricted or age-targeted markets. Age-targeted communities appeal to older buyers because of the style of the home and the amenities and conveniences provided, but do not restrict the age of residents. Age-restricted communities must meet the requirements of the Fair Housing Act of 1968.

In recent months, staff has received several informal inquiries to convert existing land uses within the Sierra Vista Specific Plan. The potential rezone requests ranged in size from 500 residential units to 1,200 residential units. One request had expressed the desire to eliminate schools, parks and commercially zoned lands with a gated low density residential community. The applicant has since decided not to pursue the proposed rezone, but in response to potential future requests, the Draft Guidelines are intended to be used when considering land use changes that rezone non-residential uses to age restricted residential uses. The intent of these guidelines is to articulate the City's expectations relating to age restricted proposals and are not intended to be inclusive of all City development requirements, but rather supplement those requirements by identifying or emphasizing concepts particularly important or unique to these types of potential land use changes. The proposed policy is similar to other adopted policies in the City such as the Non-Residential Conversion Policy that addresses the conversion of industrial uses to residential development and the Condo Conversion Policy.

Age-restricted communities are collections of housing units, detached or attached, for sale or for rent. These communities are regulated by the federal Housing for Older Persons Act of 1995 (HOPA). While age-restricted communities have been built for decades, the recent changes to the law give these communities greater flexibility in determining what services and amenities that they may offer their residents. These modifications allow for age-restricted developments that are smaller in size and scale, and are more attractive to the development community to construct.

EVALUATION

Rezoning within approved Specific Plans require a Specific Plan Amendment, General Plan Amendment, Development Agreement Amendments, and additional environmental review regardless of whether they are age restricted or not. Age-restricted uses do provide positive benefits to the community by providing a valuable market segment to a plan area. Age-restricted residents typically have a high rate of disposable income that increases sales tax and other benefits. On the flip side,

unique aspects of age-restricted rezones, depending on the proposal, could result in land use impacts including elimination of non-residential uses, and/or amenities such as parks. Age-restricted communities often provide a community center or other amenity. As a result there may be requests to reduce or eliminate proposed park and recreation facilities, since age-restricted uses would provide those as part of their project. While this is a great amenity, it would be privately owned and maintained and not generally accessible to the entire specific plan area. The other potential impact would be to schools. While age-restricted residential uses would pay school fees, they would not generate school age students. This would reduce ongoing funding from daily attendance. This also could impact the school district which has planned, sited and sized schools within a specific plan area, based on buildout and student generation rates of the original specific plan land uses.

In order to reduce potential impacts of age restricted uses, the proposed policy, Exhibit A, includes the following key features.

Summary of Proposed Policy:

- Maintain a neutral or positive fiscal impact;
- Continue to provide a balance of land uses and maintain the vision of the specific plan;
- Continue to provide high quality community services such as schools and parks;
- Provide for the conversion of no more than 15% of the plan area to age-restricted uses. Any request above 15% may be considered subject to Council direction;
- Age-restricted communities are allowed by right in areas already zoned low or medium-density residential. The policy only comes into effect when non-residential uses are rezoned to residential; and,
- Development Agreement amendments that shall include a waiver, or at City’s discretion a reduction of the fee deferral.

Stakeholder Outreach

City staff has heard from the Center School District opposing any age-restricted uses within the Center School District portion of the Sierra Vista Specific Plan, as well as representatives from the Building Industry Association expressing concern with adopting a policy that could limit age-restricted uses.

Staff shared the draft policy with the Building Industry Association (BIA) at its Government Affairs Committee on March 18, 2015, potentially affected developers in February, April and June 2015, and at a special stakeholder meeting at the Civic Center on May 13, 2015. Concern was expressed over the proposed 15% threshold. However, staff is supportive of a threshold with the caveat that additional age-restricted uses can be considered above 15% with Council direction.

The second item of concern was the provision for applicants to waive the fee deferral. The Sierra Vista and Creekview Specific Plan Development Agreements include a provision to allow a fee deferral of the bond sales for the CFD over a 30-year period. The fee deferral was intended to encourage development during the downturn. Attached as Exhibit B, for your information, is the Creekview DA section related to the fee deferral. Now that the economy is picking up, the City is concerned about having adequate funds in place to pay for the construction of needed facilities, such as parks, at the time they are needed. Therefore, it is recommended that any Development Agreement amendments going forward are no longer eligible for the fee deferral.

ENVIRONMENTAL DETERMINATION

The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15305, “Minor Alterations in Land Use Limitations.”

RECOMMENDATION

The Planning Division recommends the Planning Commission take the following actions:

- A. Recommend that the City Council adopt a Resolution adopting the proposed Age Restricted Rezone Policy.

Exhibits

- A. Proposed Rezone Policy.
- B. Creekview Development Agreement pages related to the Fee Deferral.