

TO: Andrew P. Powers, City Manager

FROM: Kelvin Parker, Community Development Director

DATE: June 20, 2023

SUBJECT: **Proposed 333-Unit Mixed-Use Apartment Complex – 2150 W. Hillcrest Drive**

RECOMMENDATION:

1. Adopt resolution to certify the Final Environmental Impact Report (EIR) 2022-70774-EIR in accordance with the California Environmental Quality Act (CEQA); and approve General Plan Land Use Element Amendment (LU) 2021-70169-LU, Zone Change (Z) 2022-70776-Z; Specific Plan (SP) 2022-70778-SP; Development Agreement (DAGR) 2022-70777-DAGR; Development Permit (DP) 2022-70773-DP, and Protected Tree Permit (PTP) 2022-70780-PTP.
2. Adopt resolution to approve Special Use Permit (SUP) 2022-70779-SUP.
3. Read ordinance in title only, waive further reading, and if no objection, introduce ordinance to approve Zoning Change (Z) 2022-70776-Z and Specific Plan (SP) 2022-70778-SP.
4. Read ordinance in title only, waive further reading, and if no objection, introduce ordinance to approve Development Agreement (DAGR) 2022-70777-DAGR.

FINANCIAL IMPACT:

No Additional Funding Requested. Minimal staff time required to prepare the report is included in the Adopted FY 2022-23 General Fund Budget.

BACKGROUND:

Prescreen

On April 27, 2021, a Residential Capacity Allocation (RCA), 2021-70168-RCA, and initiation of a General Plan Amendment, 2021-70169-LU, for the above project was authorized by City Council through the adoption of Resolution No. 2021-014 which allocated 246 multi-family units for the residential portions of the project. In addition, City Council also allowed concurrent processing of entitlement applications with legislative actions for this project.

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On March 14, 2022, a Pre-Application was submitted. Staff met with the applicant and provided development requirements and other feedback on the project design. On March 29, 2022, City Council approved an extension of time to submit its formal application for the proposed project at the site.

On August 9, 2022, the applicant began submitting the subject formal applications, which are listed in the “Recommendation” section of this report.

Planning Commission

The proposed project was presented at the Planning Commission hearing on June 5, 2023 (Attachment #1). During the hearing, six public speakers commented on the project:

- Two representing the Southwest Mountain States Regional Council of Carpenters (SWMSRCC) requested the project be required to utilize locally based union labor, particularly at the apprenticeship level to encourage local investment and reduce traffic to the work site.
- One representative of Many Mansions spoke in favor of the project and its inclusion of affordable housing units, and further commented that additional features or services for children would be beneficial.
- One representative of the Chamber of Commerce spoke in favor of the project, including its design and amenities offered.
- Two residents of the same household stated they lived near the project site and expressed concerns over the size of the development, risk of overcrowding, burden on water and electricity resources, and traffic and parking impacts. Both also noted that the design was appealing.

Planning Commissioners asked questions about the equitable distribution of affordable units. Although equitable distribution is a state statutory requirement, the Planning Commission moved to revise the resolution to strengthen the conditions related to equitable appearance and distribution of affordable units by changing a few instances of the word “should” to “must”. Other questions were related to the necessity of the specific plan, the amount of private open space proposed in comparison to Thousand Oaks Municipal Code (TOMC) regulations, opportunities to regulate parking, and how the proposed General Plan update designates the site in its current draft state. Concerns regarding the site’s height and density were expressed, along with appreciation for the affordable units provided, location in proximity to a growing job base, surplus bicycle and scooter infrastructure that included electrical connections for e-bikes, and the overall design of the project.

In addition, after the packet was distributed, several corrections to the Planning Commission agenda packet were made. A list of errata and updates to materials made since the Planning Commission meeting is included as Attachment #2.

Project Site and Setting

The project site consists of one parcel totaling 8.28 gross acres at 2150 West Hillcrest Drive, currently developed with a vacant commercial office building, surface parking areas, and landscaping as shown below in Figure 1.

The project site is surrounded by developed urban uses and generally located north of US 101, east of Rancho Conejo Boulevard and a Chevron gas station and mini mart, south of Hillcrest Drive, and west of an existing multifamily apartment complex known as “The Linden Apartments.”

Figure 1: Existing Conditions



Source: GIS 2023

The topography of the site descends slightly from the northeast corner of Hillcrest Drive to the rear of the developed area which abuts a row of existing trees and the South Branch Arroyo Conejo (a channelized drainage course).

DISCUSSION/ANALYSIS:

This discussion provides a broad overview of the project details. Focused and detailed discussion on project features is contained in the staff report to the Planning Commission dated June 5, 2023 (Attachment #1). Included as attachments to the Planning Commission report are:

- Attachment #1 – Vicinity Map
- Attachment #2 – Location Map
- Attachment #3 – Aerial Photo

- Attachment #4 – Resolution for 2021-70169-LU; 2022-70773-DP; and 2022-70780-PTP
- Attachment #5 – Resolution for 2022-70779-SUP
- Attachment #6A – SP-24 Ordinance
- Attachment #6B – SP-24
- Attachment #7A – DAGR (2022-70777-DAGR) Ordinance
- Attachment #8 – Project Plans, dated May 26, 2023
- Attachment #9 – 2150 Hillcrest Drive Traffic, Circulation and Vehicle Miles Traveled Study dated November 11, 2022
- Attachment #10 – Oak Tree Report, dated May 4, 2023
- Attachment #11 – Draft EIR (2022-70774-EIR)

Attachment #1 also includes:

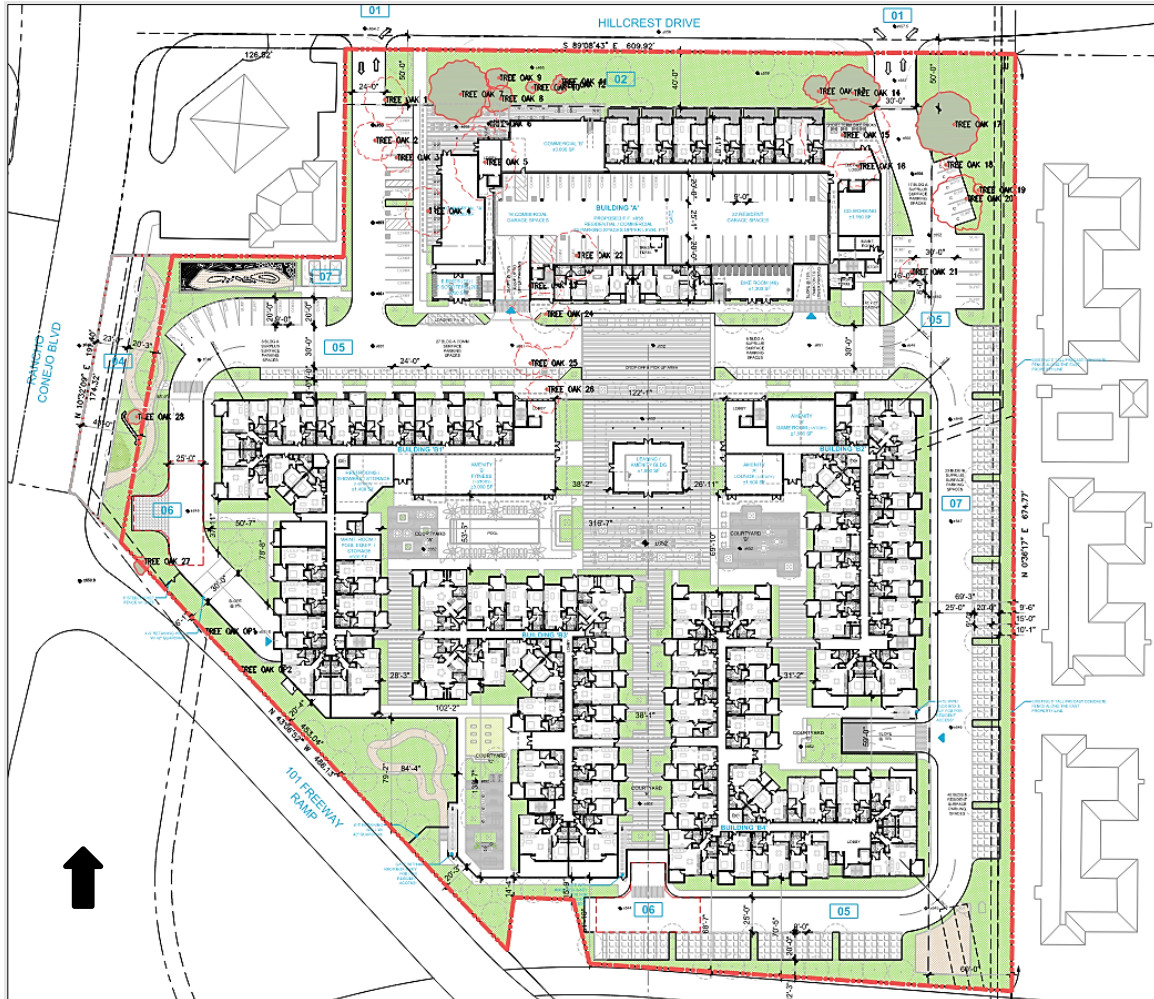
- Planning Commission Hearing Supplemental Packet 1 –
 - Draft Development Agreement 2022-70777-DAGR (Attachment #7B).
 - The Final Environmental Impact Report 2022-70774-EIR (Attachment #12).
- Planning Commission Hearing Supplemental Packet 2 –
 - Public Correspondence
- Planning Commission Hearing PowerPoint Presentation including changes to the conditions as outlined on Slide #39

Project Description

Overview

The project consists of a four-story mixed-use development (with the fourth floor of each proposed building to be stepped back from adjacent roadways and public views), encompassing 629,437 gross sq. ft. of building area, that would contain 333 multi-family residential units (including 30 very low-income affordable units and three moderate-income affordable units), common areas and amenities, 5,300 gross sq. ft. of commercial, retail, and restaurant space above semi-subterranean parking structures containing a total of 462 structured parking spaces, and 119 surface parking spaces (581 total parking spaces). Access is provided via two entry drives off Hillcrest Drive with each leading to internal roads that mostly encircle the proposed buildings (see Figure 2).

Figure 2: Proposed Site Plan



Land Use General Plan Amendment, Zone Change, and Specific Plan (2021-70169-LU; 2022-70776-Z, and 2022-70778-SP)

The project requires a General Plan Land Use Element Amendment to change the designation of the site from Commercial to Commercial/Residential as well as a change to the zoning designation from Community Shopping Center (C-3) to Specific Plan-24 (SP-24) to accommodate the proposed mixed-use development.

The zone change and specific plan are proposed by ordinance (Attachment #3). The TOMC does not currently include a zoning designation or development standards for mixed-use projects. Therefore, a specific plan is necessary to establish a zoning allowance, specific development and design provisions, permitted land uses, infrastructure requirements, implementation measures, and other criteria to ensure the project remains consistent with the General Plan (Attachment #4).

Density and Unit Mix

Per the proposed General Plan land use and zoning designations for the site, the subject property has a maximum allowed base density of 30 units per net acre, therefore allowing 246 dwelling units on the subject site (8.19 net acres x 30 units per acre = 245.7 units, rounded up), as allocated under 2021-70168-RCA. The maximum density for this project *without* a density bonus is 246 dwelling units.

The project is proposing 11 percent of the 246 base units be designated as affordable units in the very low-income category. This percentage is applied to the base 246 units, which equates to 28 affordable very-low-income units, entitling the applicant a 35 percent density bonus according to State Density Bonus Law. This bonus translates to 87 density bonus units for a total of 333 maximum dwelling units allowed. The project proposes a total of 333 dwelling units, inclusive of all proposed affordable units, through the unit mix described in Table 1, below.

Table 1 – Unit Mix

Unit Type	Number of Units	Percentage of Total Units	Affordable Units	Average Sq. Ft.
1-Bedroom	140	42%	17 Very-Low + 2 Moderate	732
1-Bedroom with Den	40	12%	0	872
2-Bedroom including 2 Live/Work	125	37.5%	11 Very-Low + 1 Moderate	1,107
3-Bedroom	28	8.4%	2 Very-Low	1,430
TOTAL	333		33	948

In addition to the 28 “Very-Low”-income restricted units, the applicant has agreed to provide two additional “Very-Low”-income restricted units, and three additional “Moderate”-income restricted units, for an overall total of 33 affordable units, five above the minimum amount required to qualify for the 35 percent density bonus. The remainder of the units will be offered at market-rate which is the “Above Moderate” income level. Once building permits are issued for the development, each unit will count towards the City’s 6th Regional Housing Needs Assessment (RHNA) cycle, ending in 2029.

Building Form and Design

The project would create a mixed-use residential apartment community comprised architecturally of two buildings. The northerly building, fronting West Hillcrest Drive (Building A), would be mixed-use, with three levels of apartments above a ground floor of parking garage encapsulated by residential units and two commercial tenant spaces. Design features for this building include a first-floor stepback at the northeast corner, a fourth-floor roof deck, second-floor roof decks on the north and south sides, a fourth-floor stepback above the entire north and west facades, trellises above the commercial areas, and a variety of material changes throughout.

The second podium building (Building B) would include residential uses located in the middle and rear of the site, which appear as four larger structures connected by various walking paths, breezeways, and bridges. The smaller leasing building incorporated into “Building B” would house the leasing office and other functional components.

The project’s architectural design is a Modern style. The exterior walls of the building are earth-toned colors primarily consisting of stucco finishes, simulated wood fiber cement panels, brick veneer, multi-panel window areas with dark bronze trim, bronze and glass balcony railings, awnings, and trellises (Attachment #5). The proposed building design, materials, and landscaping complement existing uses as the color palette of browns and grays mimic the colors used in the adjacent commercial and residential developments. The architectural design incorporates massing and offset requirements incorporated into SP-24. Additional decorative roof line trim and enhanced façade materials are required by conditions of approval in order to further improve building design and reduce building mass and scale (Attachment #6).

Figure 3 – Project Massing



The one to four-story project would be 55 feet tall at its highest point. The site topography informs the site design, as the structure appears to notch into the existing slope moving from the 101 Freeway towards the northern end of the site fronting Hillcrest. The landscape buffers and surface lots provide extended setback area between the proposed development and the existing adjacent properties. In addition, fourth floor stepbacks are provided on the external facades to further reduce the appearance of height from neighboring properties, as seen in Figure 3.

Open Space and Amenities

Landscaping is provided throughout the open spaces, landscape buffers, and along the walkways within the site. Public amenities proposed include a publicly accessible seating area located at the western entrance of the site as well as a heavily landscaped walking path along the western property line adjacent to Rancho Conejo Boulevard to complement the City's gateway sign (to be replaced and upgraded per the negotiated DAGR).

Private common amenities available to residents and their guests include approximately 50,781 sq. ft. of indoor and outdoor spaces such as a co-working area, fitness room, game room, lounge, roof decks, outdoor landscaped open space areas, a swimming pool, a playground, courtyard spaces with active play areas, barbecue areas, and a dog run.

Private amenities are provided for each individual unit as well as the public and common facilities. All units include private open space, either in the form of a balcony or a private stoop that range between 50 to 480 sq. ft, with an average size of 88 sq. ft. In addition, a minimum of 56 cubic feet of private storage locker is provided per unit, to supplement the bicycle storage facilities on site and private open spaces provided for each unit.

Access, Traffic, and Parking

Primary ingress and egress to the site is provided from two bi-directional driveways, both accessed from Hillcrest Drive. In addition, a pedestrian-oriented street bisects the property between the mixed-use building (Building A) and the residential-only building (Building B) which provides access to temporary parking and loading areas as well as parallel parking spaces to serve the commercial uses.

According to the traffic study conducted for this project, the level of service (LOS) grades at existing intersections studied near the project site currently operate at a LOS "C" or better during morning and evening peak hours, which would remain unchanged by the proposed project. In addition, as required by CEQA, a Vehicle Miles Traveled (VMT) analysis determined the transportation impacts resulting from the project would be less than significant and no mitigation measures are required. The project's daily residential VMT per capita and commercial VMT per employee would be approximately 32 percent and 18 percent less than the Citywide averages, respectively.

A total of 581 parking spaces are proposed through a mix of both subterranean garage and surface parking (see Table 2). The proposed SP-24 mimics the requirement for restaurant and commercial off-street parking included in other recently adopted specific plans and proposes residential parking rate requirements slightly higher than that allowed by State Density Bonus Law. Approximately 52 surplus parking spaces are proposed in addition to two larger loading spaces.

Table 2: Vehicle Parking Supply and Demand

Parking Categories	Parking Ratio	Number of Units/ Commercial s.f.	Parking Required	Parking Provided
Residential				
1 Bedroom	1 space/unit	180	180	486
2 Bedroom	2 spaces/unit*	125	250	
3 Bedroom	2 spaces/unit*	28	56	
Total Residential		333	486	
Commercial				
First 2,000 s.f.	1 space/200 s.f.	2,000 s.f	10	43
>2,000 s.f.	1 space/100 s.f.	3,300 s.f***.	33	
Total Commercial		5,300 s.f.	43	43
Surplus Parking**			None	52***
Total Parking			529	581

*1.5 space/unit allowed by State density bonus law and TOMC, applicant providing 2 spaces/unit.

**State density bonus law exempts provision of guest parking.

*** To apply a more conservative rate, the entire square footage of commercial area is assumed to be a restaurant rather than a mix of retail and restaurant space.

**** The 52 surplus spaces are not designated for either use type specifically and may be used by either commercial visitors or residential guests.

Protected Tree Permit

Twenty-eight protected Coast Live oak (*Quercus agrifolia*) trees are located on the subject property. The project proposes the removal of 17 oak (*Quercus agrifolia*) trees and encroachment within the protected zone of eight oak (*Quercus agrifolia*) trees to accommodate Building A as well as adequate vehicular and pedestrian circulation and parking facilities, the latter being stated as a City Council priority during the public hearing initiating the General Plan Amendment and allocating the residential capacity. Existing protected trees located along the public right-of-way were prioritized for preservation both with and without conditional encroachments. Three coast live oak trees will be saved and not encroached upon.

Each protected tree to be removed must be replaced with three trees (two 24-inch box and one 36-inch box sized trees). Forty of the 51 required replacement trees are to be planted on-site per the proposed landscape plan. Therefore, the applicant, prior to issuance of a certificate of occupancy, will either need to submit a new Replacement Tree Plan to propose the planting of the trees at an off-site

location for public benefit, subject to Community Development Director approval, or provide an in-lieu cash payment to the City's Open Space Conservation Fund used toward acquisition of open space, as prescribed by Resolution No. 2010-014. As proposed, replacement trees have been strategically located around the perimeter of the subject property in order to provide a physical barrier between the residential structures and surrounding roadways. Such placement would provide visual screening to and from the roadways and reduce noise entering the site.

Special Use Permit

The project is requesting a SUP to allow a California Department of Alcoholic Beverage Control (ABC) Type 47 License (On-sale General – Eating Place) to accommodate a potential future restaurant use (Attachment #7). In addition to obtaining approval from the State for an Alcoholic Beverage License, businesses in Thousand Oaks that propose to offer on-site sale and consumption of alcoholic beverages must obtain approval of a SUP from the City.

The specifics of future tenants of the proposed commercial units, including exact business type and hours of operation, are not currently known. However, future businesses that intend to utilize a liquor license within the property's commercial area would be allowed the option to transfer the SUP to their name and assume the responsibilities of the permit through review and approval of a Minor Modification application prior to occupancy. The resolution to recommend approval of the SUP is separate from the resolution to recommend approval for the rest of the project applications in order to allow future tenants the ability to accept the conditions of approval for the SUP only, and for the City to revoke that entitlement more easily, should cause for that arise in the future.

DAGR

A DAGR is required to be adopted by ordinance for approval of projects that receive allocation of Measure E units (Attachment #8). This agreement is a contract between the property owner and the City to ensure specific deliverables and site expectations are in place to ensure public benefit, such as the inclusion of affordable units and site improvements (Attachment #9).

If the project is approved and constructed as proposed, the City will have 300 market-rate units, 30 very-low-income restricted affordable units, and three moderate income restricted affordable units to add to its residential stock and count towards the current RHNA requirements from the State, as well as the demolition of an ageing commercial site, inclusion of amenities such as approximately 1,050 square feet of resident-only work/share space and electric bicycle and scooter charging stations, as well as the replacement of the existing City gateway sign.

In return for these public benefits, the applicant's application will be considered for approval of the General Plan Amendment and the requisite Measure E unit allocation required to build the mixed-use multi-family apartment development. Additional points of this DAGR include timelines for the submittal of building

permits for the construction of structures (two years), the term of the DAGR (seven years unless project is completed), and descriptions of major and minor amendment criteria.

Environmental Review

In accordance with CEQA, the City (as the Lead Agency), performed a comprehensive evaluation of the potential environmental impacts for this project. This evaluation determined that the project could have a significant effect on the environment without appropriate mitigation measures in place, therefore a Draft EIR was prepared for the project. Appropriate measures are detailed in the report to ensure mitigation is in place so no significant adverse environmental impacts are caused by the project. To that end, a mitigation monitoring and reporting program (MMRP) is required to ensure the indicated mitigation measures are applied to the project (Attachment #6).

A Notice of Availability was posted with a 45-day public review period for the Draft EIR between April 7, 2023, and May 22, 2023. Correspondence was received from the public (non-agency) as well as public agencies that included: Ventura County Air Pollution Control District (VCAPCD), California Department of Transportation (DOT), Ventura County Environmental Health, and Ventura County Fire Department regarding the Draft EIR posting, which is included in the Response to Comments (RTC) within the CEQA Findings for the Final EIR (Document provided under separate cover). None of the comments received on the Draft EIR for this project merit any substantive change to the environmental analysis or conclusions contained in the Draft EIR. Further, comments requesting to have the Draft EIR recirculated are unsupported by the record and are meritless. It is therefore recommended that City Council certify and adopt the Final EIR prepared for the project in accordance with CEQA (2022-70774-EIR).

Correspondence

To date, staff has received one letter as public correspondence in response to the project beyond what was received prior to the Planning Commission meeting, provided as Attachment #10.

Conclusion

The proposed project has been designed to meet the intent of the City's standards, codes, and policies. The proposed building design and site layout integrate well with surrounding development and have a cohesive architectural design meeting the City's Architectural Design Guidelines. Based on the analysis and findings contained in this report, staff recommends approval of this project, subject to the conditions of approval in the attached Ordinances and Resolutions.

COUNCIL GOAL COMPLIANCE:

Meets the following City Council goals:

C. Operate City government in a fiscally and managerially responsible and prudent manner to ensure that the City of Thousand Oaks remains one of California's most desirable places to live, work, visit, recreate, and raise a family.

F. Provide and enhance essential infrastructure to ensure that the goals and policies of the Thousand Oaks General Plan are carried out and the City retains its role and reputation as a leader in protecting the environment and preserving limited natural resources.

J. Implement high quality revitalization projects within Thousand Oaks Boulevard and Newbury Road Areas; Develop a pedestrian-oriented, viable, and self-sustaining "Downtown;" and, continue to support production of long-term affordable housing.

PREPARED BY: Justine Kendall, Associate Planner

Attachments:

- Attachment #1 – Planning Commission Staff Report Packet of June 5 2023
- Attachment #2 – Errata and Updates to Attachment #1 Materials
- Attachment #3 – 2022-70776-Z and 2022-70778-SP Ordinance
- Attachment #4 – 2022-70776-Z and 2022-70778-SP Ordinance Exhibit B
- Attachment #5 – Project Plans dated May 26, 2023
- Attachment #6 – 2022-70774-EIR; 2021-70169-LU; 2022-70776-Z; 2022-70777-DAGR; 2022-70778-SP; 2022-70773-DP; and 2022-70780-PTP Resolution
- Attachment #7 – 2022-70779-SUP Resolution
- Attachment #8 – 2022-70777-DAGR Ordinance
- Attachment #9 – 2022-70777-DAGR Ordinance Exhibit A
- Attachment #10 – Public Correspondence

Documents Under Separate Cover:

#1 LINK: [Latigo Hillcrest Project \(EIR 2022-70774\) – Draft and Final](#)