RECEIVED ON: August 09, 2024

Council Meeting: 08/13/2024 Agenda Item No: 10

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9 August 2024

MAYOR JOE VINATIERI MAYOR PRO TEM CATHY WARNER COUNCILMEMBER OCTAVIO CESAR COUNCILMEMBER FERNANDO DUTRA COUNCILMEMBER MARY ANN PACHECO City of Whittier 13230 Penn Street Whittier, CA. 90602

RE: City Council Agenda Item 13.A. - Proposed Amendments to the Whittier Municipal Code (WMC) and Zoning Map

Dear Mayor Vinatieri, Mayor Pro Tem Warner and Honorable Councilmembers:

As the owner and operator of The Quad shopping center, TRC has been following with great interest the Envision Whittier General Plan Update and the on-going process to update the City's Zoning Code. We have participated in both initiatives via public testimony and written communications to the Planning Commission and City Council. We deeply appreciate the accessibility of the City Manager, Community Development Director, Planning Staff and MIG, and their sincere interest in our input along the way.

TRC supports the land use designation (MU-3) assigned to The Quad in the recently updated General Plan Land Use Element, and we support its proposed MU-3 zoning in the proposed Zoning Code update. These land-use and zoning designations align with our plans to reposition The Quad in a way that rightsizes the center in response to the ever-evolving retail landscape, while introducing new residential uses in line with the City's housing objectives.

Notwithstanding these important designations that will better position The Quad for highest-and-best land uses, TRC respectfully requests your consideration of a code modification relative to required minimum densities for residential development, and a modification to allow for Restaurants with drive-throughs in MU zones by Conditional Use Permit.

Minimum Density - MU Zones

Currently, Table LUCC-2 of the Land Use and Community Character Element of the adopted General Plan establishes a minimum density of 25 dwelling units per acre in the MU3, MU3-Tier 1 and MU3-Tier 2 Categories. The 25 du/acre minimum density policy is implemented in Table 18.35.030 of the draft Zoning Code reviewed and recommended to the City Council by the Planning Commission at its June 17, 2024 meeting.

We acknowledge that the 25 du/acre minimum density requirement is a standard intended to facilitate the City's planning objectives in line with its 2021-2029 RHNA obligations. Nevertheless, persistent market conditions in residential development generally do not support project economics at 25 du/acre in in-fill settings like The Quad and other newly designated MU-3 Zones within the City. Land prices, a challenging construction financing market for multi-family residential development, material and labor costs, and community concerns about the compatibility of higher density projects adjacent to R-1 neighborhoods are common barriers to projects at these densities.

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Rather than request the City Council and Staff amend the MU minimum density requirements in the General Plan and draft Zoning Code, TRC submits for the City Council's consideration the following amendments (underlined text) to existing Zoning Code Section 18.10.050 – Minimum Residential Density:

"The provisions within the general plan pertaining to minimum density within the R-2, R-3, R-4, and R-5 residential zones, <u>and within the MU-2, MU-3, MU-3 Tier 1 and MU-3 Tier 2 zones</u> may be waived or modified by the Director of Community Development when it can be demonstrated that the minimum density requirements cannot be provided because of unusual circumstances associated with the property due to one or more of the following conditions:

- A. The MU-2 or MU-3 zoned property directly abuts an existing R-1 residential development
- B. Evidence is presented to the satisfaction of the Director of Community Development that a waiver or modification to the minimum density requirement is appropriate in light of project site constraints or existing market conditions
- C. The minimum density cannot be physically developed on the project site without the approval of a variance from setbacks or minimum open space requirements
- D. The minimum density cannot be physically developed on the project site without the approval of a variance because the existing property does not comply with the city's minimum required lot size, depth and/or width requirements
- E. The new construction would necessitate the removal or significant alteration of existing on-site structures and/or cannot be physically integrated onto the existing property without the approval of a variance or deviation from Health and Safety Codes.
- F. The property is eligible for or listed on a local, state or national historic register or is a contributing resource within an historic district and the minimum density requirements would adversely impact the historic setting, structure(s) or feature(s) of the property in such a manner as to adversely diminish the site's historic significance or value.
- G. The property has one or more significant easement(s) on the property that cannot be relocated, modified or abandoned and therefore reduces the functional building area on the property to develop residential dwelling units.

We believe these modifications provide applicants sufficient flexibility to design, finance and construct residential projects within a larger universe of market conditions, that are more compatible with neighboring residential communities, and that contribute to the achievement of housing objectives identified in the City's Housing Element.

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Restaurants with Drive-Throughs

TRC notes that draft Table 18.35.020 – Allowable Uses and Approval Requirements for Mixed Use Zones – does not allow Restaurant with Drive-Through uses. We respectfully request the City Council amend the Table to allow this important use under a discretionary Conditional Use Permit approval process.

Drive-through restaurant uses are not incompatible with or in mixed-use communities. Class A drive-through restaurants generate between \$9 million and \$12 million in annual taxable sales. In the context of the mixed-use community, they enjoy significantly higher walk-in business than restaurants in commercial zones and capture high pass-by trip volume when located on major arterial roadways such as Whittier Boulevard.

Thank you for your consideration of TRC's perspective and ideas. We look forward to our continuing positive relationship with the City of Whittier.

Sincerely,

Byron de Arakal

Consulting Director | Entitlement Planning and Special Projects

TRC Retail

Cc: Brian Saeki – City Manager

Ben Pongetti – Director of Community Development

Rigo Garcia – City Clerk