



# COUNCIL REPORT

**DATE:** January 23, 2024  
**CATEGORY:** New Business  
**DEPT.:** Community Development  
**TITLE:** **2024 Gatekeeper Review Process**

## **RECOMMENDATION**

Provide direction to staff on the process to accept Gatekeeper applications in 2024.

## **BACKGROUND**

On December 5, 2023, Council provided direction to City staff on updates to the Gatekeeper process at a Study Session, including new qualifying criteria, changes to the review process, qualifications for streamlined projects, and new community design principles. At the end of the meeting, Council discussed whether new updates to the Gatekeeper process could be completed by staff and adopted by Council in time to accept Gatekeeper applications by June 2024, per the 2023-2031 Housing Element. A straw poll was conducted by Council on whether to use the current Gatekeeper process for the June 2024 applications and subsequent Council authorization hearing in Q3 2024. By a 3-4 result (Kamei, Abe-Koga, Showalter, and Matichak voting no), there was not majority Council support to utilize the current Gatekeeper process in 2024. As a result, the new updated Gatekeeper process would apply. After the straw poll was taken, City staff noted an update would be provided to Council on the adoption timeline for the new process. In order to establish the new process, staff will be drafting changes to Chapter 36 (Zoning) of the City Code, drafting a new Council policy, conducting additional outreach, and preparing and conducting public hearings with the Environmental Planning Commission (EPC) and City Council.

At the December 12, 2023 Council meeting, Vice Mayor Showalter requested that Council add a future agenda item in January 2024 for staff to return and receive formal direction from Council on whether the June 2024 Gatekeeper applications would be accepted using the current process and brought to a subsequent Council authorization hearing. By a 5-2 vote (Kamei and Abe Koga voting no), the majority of Council supported adding a future agenda item to provide formal direction to City staff on the Gatekeeper process for 2024.

**ANALYSIS**

The 2023-2031 Housing Element includes the following program related to Gatekeeper applications:

- **Program 1.3(g)**: Hold at least one Gatekeeper meeting per year, which may be limited to residential or residential mixed-use projects only, creating greater opportunities for project-specific rezonings.
- **Annual Monitoring**: By June 2024, establish a Gatekeeper schedule and begin accepting Gatekeeper applications.

Staff typically advertises the deadline to receive Gatekeeper applications from the development community 60 to 90 days in advance of the Council hearing. This includes information on the process, application requirements, and other pertinent details. Based on the Housing Element program and the remaining work to be completed by staff and time to adopt the new process, staff expects to return to the EPC and Council for public hearings in April and May 2024. **Thus, staff has identified two options for Council to consider, both of which allow the City to comply with Housing Element Program 1.3(g) to begin accepting applications by June 2024 and hold an Authorization hearing in 2024.**

**2024 Gatekeeper Review Process Options**

The primary difference between the process options is timing for accepting applications and conducting the Council authorization hearing. If Council wishes to implement the new process, the application window will begin in June 2024 and the authorization hearing will be in Q4 2024. If Council wishes to close the application window by June 2024, then the current process will be primarily followed, with one exception listed in the table for projects that currently meet the standards for a streamlined process, and applications will be heard in Q3 2024. Table 1 below summarizes the two options.

**Table 1: 2024 Gatekeeper Process Options**

<b>Current Gatekeeper Process</b>	<b>New Gatekeeper Process</b>
Call for projects in <b>March 2024</b> .	Call for projects in <b>June 2024</b> .
<b>Application Window: March-June 2024.</b> Applications due: June 28, 2024.	<b>Application Window: June-August 2024.</b> Applications due: August 30, 2024.
Current application requirements apply.	New application requirements apply.

Current Gatekeeper Process	New Gatekeeper Process
Current authorization criteria apply.	New qualifying criteria apply.  <u>NOTE:</u> Applications that do not meet qualifying criteria will not be accepted.
All Gatekeeper applications received go to Council authorization hearing.  <u>NOTE:</u> Staff will bring all exempt Gatekeeper projects (under the current requirements) that are received prior to adoption of the new process to the Council authorization hearing to confirm whether Council wishes to proceed with the project(s).	All Gatekeeper applications go to Council authorization hearing, excluding streamlined Gatekeeper (i.e., 100% affordable housing projects).  <u>NOTE:</u> Staff will bring all exempt Gatekeeper projects (under the current requirements) that are received prior to adoption of the new process to the Council authorization hearing to confirm whether Council wishes to proceed with the project(s).
Staff report for authorization hearing will evaluate applications based on: <ul style="list-style-type: none"> <li>• The current authorization criteria; and</li> <li>• The project’s alignment with the new qualifying criteria, and community design principles as additional consideration for Council.</li> </ul>	Staff report for authorization hearing will evaluate applications based on: <ul style="list-style-type: none"> <li>• New process, including qualifying criteria and community design principles.</li> </ul>
Council authorization hearing: <b>Q3 2024.</b>	Council authorization hearing: <b>Q4 2024.</b>

**Exempt Gatekeeper Projects Under the Current Process**

Since the beginning of 2023, staff has consistently communicated to all interested Gatekeeper project applicants about Council's direction to revise the process for accepting and authorizing Gatekeeper applications. On December 15, 2023, staff received an application for a “Gatekeeper-exempt” project under the current Gatekeeper process. The proposal seeks to modify the General Plan and Zoning designation of an industrial site less than two acres in size to a residential zone, which abuts an existing residential zone.

Based on direction provided by Council at the December 5, 2023 Study Session, this project would no longer qualify as exempt from a Council authorization hearing under the new process to be adopted because it is not a 100% affordable housing development project. To prevent a scenario where a General Plan/Zoning amendment application is processed and reviewed that does not meet the new Gatekeeper process criteria or community design principles that will be in effect prior to a final decision on the application, staff proposes to have this project be presented to

Council during the 2024 Gatekeeper hearing. Council's decision on whether to accept or reject the General Plan/Zoning amendment application for processing will be considered at that hearing; staff will not work on the project in the meantime.

**FISCAL IMPACT**—None.

**PUBLIC NOTICING**

This meeting was noticed with an agenda posting, email to interested Gatekeeper applicants and developers, and posted on the City's website.

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