

# REQUEST FOR Planning Commission Action



**PLANNING COMMISSION MEETING DATE:**

**MAY 27, 2010**

**TITLE:**

**PUBLIC HEARING – FILED BY THE CITY OF SANTA ANA FOR THE TRANSIT ZONING CODE (SPECIFIC DEVELOPMENT NO. 84) AND PROPOSED DEVELOPMENT IN THE STATION DISTRICT**

Prepared by Lucy Linnaus

Executive Director

**PLANNING COMMISSION SECRETARY**

APPROVED

- As Recommended
- As Amended
- Set Public Hearing For \_\_\_\_\_

DENIED

- Applicant's Request
- Staff Recommendation

CONTINUED TO \_\_\_\_\_

*Karen Halunza*

Planning Manager

## **RECOMMENDED ACTION**

Recommend that the City Council:

1. Adopt a resolution certifying the Final Environmental Impact Report No. 2006-02 prepared for the proposed Transit Zoning Code (SD 84A and 84B) and the proposed redevelopment of properties owned by the Santa Ana Redevelopment Agency in the Station District (collectively, the Proposed Project); adopting the Mitigation Monitoring and Reporting Program, adopting the CEQA Facts, Findings and a Statement of Overriding Considerations; and approving the Proposed Project.
2. Adopt a resolution approving General Plan Amendment No. 2010-01.
3. Adopt an ordinance approving amendments to various zoning provisions of Santa Ana Municipal Code Chapter 41 (ZOA No. 2010-01).
4. Adopt an ordinance approving the creation of Specific Development No. 84, approving the rezoning of properties from various zones to Specific Development No. 84, repealing Specific Development No. 30, 37, 47 and 71, and amending the height exemption areas map (AA No. 2005-09).
5. Adopt a resolution approving Transit Zoning Code Architectural Style Guidelines and Transit Zoning Code Street Network Concepts.

## **DISCUSSION**

### **Request of Applicant**

The City of Santa Ana is requesting approval of several entitlements for the proposed Transit Zoning Code and the proposed redevelopment of properties owned by the Santa Ana Redevelopment Agency within Station District. These actions include the certification of the Final Environmental

Impact Report, adoption of the Mitigation Monitoring and Reporting Program, adoption of the CEQA Findings of Fact and the Statement of Overriding Considerations, two zone changes, a General Plan amendment and amendments to the Zoning Ordinance, and approval of the proposed development on Agency-owned properties.

### **Project Location**

The area encompassed by the Transit Zoning Code is located in the central urban core of Santa Ana and comprises over 100 blocks and 450 acres. The subject area is generally bounded by First Street, Flower Street, Civic Center Drive, Grand Avenue and Interstate 5 (I-5) and includes the Civic Center, Downtown, the Logan and Lacy neighborhoods, the First Street commercial corridor, and industrial areas surrounding the Santa Ana Regional Transportation Center (SARTC). The proposed development in the Station District consists of the construction of a maximum of 220 residential units and the potential addition of new public open space that could include a public park, a public tot lot, and a community center building on 49 parcels currently owned by the City of Santa Ana Redevelopment Agency (Agency-owned parcels) and 20 parcels under consideration for potential acquisition by the Agency. The proposed development is entirely located within the boundaries of the Transit Zoning Code (Exhibits 1 and 2).

Most of the 450 acres are currently developed with a multitude of uses at varying intensities: from single-family dwellings developed at a density of seven dwelling units per acre to large multi-family developments at a density of over 100 dwellings per acre; from low intensity commercial and retail strip centers to multi-story buildings in the Downtown and the Civic Center; and from civic and institutional uses, such as churches and schools, to heavy industrial land uses.

The proposed Transit Zoning Code area is surrounded by single-family residential, office and commercial uses, as well as the Santa Ana Freeway (I-5) to the north; commercial and residential uses to the east; institutional, educational, commercial, industrial and residential uses to the south; and civic, residential and commercial uses to the west.

The existing general plan land use designations for the proposed project consist of a wide range of civic, commercial, industrial and residential land uses including LR-7, MR-15, R/I-15, GC, IND, INS, OS, DC and PAO. The existing zoning within the plan area also varies widely and includes GC, O, C2, C3, C3-A, C5, P, R1, R2, R3, M1, M2, SD-30, SD-37, SD-47 and SD-71 (Exhibits 3 and 4).

### **Project Description**

The Transit Zoning Code (TZC) was initially drafted as a component of the Santa Ana Renaissance Specific Plan (SARSP) that was initiated in April 2006. The SARSP was a comprehensive planning document that established goals, policy-initiatives, regulations and standards that would guide the physical and economic development within the plan area.

In order to better analyze subsequent projects required to implement SARSP, as well as to respond to community concerns regarding the ambitious scope of the plan itself, the SARSP, as a comprehensive document, was tabled and is not under consideration for adoption by the City at this time. The zoning code component of the SARSP, which contains the regulations and standards for the development of the subject area, was separated out and has been further refined as the Transit Zoning Code.

The Transit Zoning Code (TZC) is designed to provide the zoning necessary to support the long-term development of a successful transit program, as well as to provide the framework for the redevelopment of the Santa Ana Redevelopment Agency (Agency) properties. The TZC will provide new zoning for properties contained within its boundary while, at the same time, preserving the existing Light Industrial (M1) and Heavy Industrial (M2) zones through new Industrial Overlay Zones. Properties within the Industrial Overlay Zones will continue to be governed by the current provisions of the Santa Ana Municipal Code for Light Industrial (M1) and Heavy Industrial (M2) until such time as the property owner chooses to exercise the option to convert the property to the mixed-use zone also allowed by the new zoning code.

The project objectives for the Transit Zoning Code are as follows:

- Provide a transit-supportive, pedestrian-oriented development framework to support the addition of new transit infrastructure.
- Preserve and reinforce the existing character and pedestrian nature of the City by strengthening urban form through improved development and design standards.
- Encourage alternative modes of transportation, including the rail system that connects San Diego to Los Angeles.
- Provide zoning for the integration of new infill development into existing neighborhoods.
- Provide for a range of housing options, including affordable housing.
- Allow for the reuse of existing structures.
- Allow development of Agency properties (described further under Developer Project Objectives).

Within the boundary of the Transit Zoning Code, the Agency owns 49 parcels comprising approximately seven noncontiguous acres. The Agency has entered into a Predevelopment Agreement with The Related Companies of California, LLC and Griffin Realty Corporation, a California Corporation (jointly, the Developer) to redevelop the Agency-owned properties generally located in the vicinity of Santa Ana Boulevard. The proposed concept for the 49 Agency-owned

properties includes the development of a maximum of 155 rental units and a maximum of 65 for-sale units for a total of 220 new residential units. Approximately 144 units (112 rental units and 32 for-sale units) would be constructed on the parcels currently owned by the Agency. The balance of the 220 units would be built on the parcels identified for potential acquisition, if and when they are acquired. As currently designed, the Developer Project will provide 110 rental units affordable to those meeting the Orange County criteria for Low, Very Low and Extremely Low Income, two manager units, six for-sale units affordable to those meeting the Orange County criteria for Moderate Income, and 26 market-rate for-sale units. The City/Agency is also pursuing the addition of new public open space that could include a public park, a public tot lot, and a community center building on the Garfield Elementary School Site.

The objectives of the Developer project for the Agency properties are to:

- Redevelop all of the Agency-owned properties.
- Provide new affordable housing for families in furtherance of the City's affordable housing goals established in the Housing Element, the Implementation Plan for the Santa Ana Merged Redevelopment Project Area, and the City of Santa Ana Consolidated Plan.
- Enhance the streetscape and urban form of the area, particularly along Santa Ana Boulevard, with the construction of new buildings that meet the standards contained in the Transit Zoning Code and that support future transit planning.
- Eliminate blight.
- Provide additional public open space and facilitate a joint use arrangement with SAUSD for a new community center.
- Provide an economically viable redevelopment scenario for the Agency-owned properties.

### **Environmental Impact Report**

The California Environmental Quality Act (CEQA) requires that, where there is the potential for environmental impacts as the result of a proposed project, an Environmental Impact Report (EIR) be prepared in order to study and analyze any potential environmental impacts, disclose such potential impacts to the public, and mitigate such impacts to the greatest extent feasible. As such, an EIR was prepared for the Transit Zoning Code and development of the Agency parcels. The environmental issues analyzed in the EIR include aesthetics, air quality, biological resources, cultural resources, hazards and hazardous materials, hydrology and water quality, land use, noise, population and housing, public services, transportation and traffic, utilities and service systems and global climate change, as well as the cumulative impacts associated with each of these resource areas.

CEQA also requires that when a Draft EIR is submitted to the State Clearinghouse for review by state agencies, the public be given an opportunity to review and comment on the Draft EIR for a period of not less than 45 days. In accordance with this requirement the Draft EIR began its 45-day public review and comment period on February 2, 2010. In response to comments received during this period, the City amended the Alternatives Section (Chapter 5) to evaluate three new alternatives to the proposed development on Agency properties, re-circulated the Alternatives Section, and extended the review period to April 12, 2010. In addition to fulfilling CEQA's requirement for public review, the City conducted two public meetings on February 22, 2010 and March 22, 2010 in order to allow the public to provide oral testimony on the Draft EIR. In addition, the City has conducted extensive outreach efforts throughout the process of drafting the Transit Zoning Code (formerly a component of the Santa Ana Renaissance Specific Plan). During the last year, in conjunction with the proposal to develop Agency-owned properties in the Station District, staff held an additional 20 community meetings and interviews. Staff has also worked diligently on an on-going basis with SACReD, a coalition of numerous community groups and organizations, to obtain input on the proposed development and planning effort.

The City received a total of 16 written comment letters and 14 transcribed comments from the two public meetings. The City has evaluated all comments received from the persons or agencies that reviewed the Draft EIR and has provided written responses to these comments in the Final EIR. In accordance with CEQA, each public agency that commented on the Draft EIR will be provided with a response to its comments at least 10 days prior to the final action by the City Council to consider certification of the EIR. The Draft EIR, comments and recommendations received on the Draft EIR, Responses to Comments, and revisions made to the Draft EIR in response to those comments constitute the Final EIR (Exhibit 5).

With the exception of the redevelopment of the Agency-owned parcels, and other minor Agency-sponsored projects, there are no specific developments currently proposed within the Transit Zoning Code area. However, the Draft EIR analyzes a future build-out scenario that development at the maximum allowable intensity allowed under the Transit Zoning Code.

While the Draft EIR determined that most potential impacts could be mitigated to a less than significant level, it did find that, under a long-term, full build-out scenario, implementation of the Transit Zoning Code would result in significant and unavoidable impacts to Aesthetics, Air Quality, Cultural Resources, Noise, and Transportation and Traffic.

#### Findings of Fact

Under CEQA, no public agency may approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each findings. The CEQA Findings of Fact

prepared for this project (Exhibit 6) identify the written findings and rationale that staff recommends for adoption by City Council in accordance with the requirements of Public Resources Code Sections 21081 and 21085 and Sections 15091 of the State Guidelines for the Implementation of CEQA (CEQA Guidelines).

#### Statement of Overriding Considerations

CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project (CEQA Guidelines section 15093). If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable.” When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the Final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record. Because the proposed Transit Zoning Code and the proposed development on the Agency parcels would result in significant and unavoidable effects, a Statement of Overriding Considerations must be adopted. The Statement of Overriding Considerations prepared for this project explains the reasons that the substantial benefits of the adoption of the Transit Zoning Code and the development of the Agency parcels outweigh the unmitigable environmental effects (Exhibit 6).

#### Transit Zoning Code (SD 84)

As proposed, the Transit Zoning Code would establish new zoning, including two Industrial Overlay Zones, for the 450-acre project area. This zoning is necessary in order to achieve the project objectives of both the Transit Zoning Code and the Developer Project. In addition, the adoption of the Transit Zoning Code will favorably position the City for future State and Federal transit funding.

The Santa Ana Municipal Code allows for the creation of Specific Development zoning districts. The Specific Development tool encourages the use of innovative planning concepts and principles that could not be easily achieved through a traditional zoning approach. As such, the Transit Zoning Code (SD 84) is a unique approach to zoning that draws from traditional zoning practices by regulating use and general building design, but that also establishes regulations that respect and strengthen the existing context and built environment of the distinct areas within the plan. The Transit Zoning Code will establish separate zones that range from transit-oriented compact development to less intense, neighborhood-serving development. Most zones provide for a significant mixture of land uses within them. For a full description of each zone please refer to the Transit Zoning Code (Exhibit 7).

The code allows for greater flexibility of parking provision by using the concept of shared parking for non-residential uses and establishes parking ratios by district with less emphasis on establishing parking by use. Finally, the code establishes detailed development standards for building and parking location, building massing and open space. It also regulates building architecture through standards and guidelines. The Transit Zoning code provides explicit requirements and direction for developers. In doing so, it provides developers with greater certainty, including fewer discretionary actions.

The Transit Zoning Code also provides a framework for the development of compact, transit-oriented development that contains a mix of residential, commercial and professional uses in order to address the City's and the region's goals of providing sites for housing in already urbanized locations that are adjacent to transit, thereby reducing vehicle trips and related greenhouse gas emissions, as well as stimulating investment in underutilized land, and improving the jobs/housing balance within the City. The Transit Zoning Code area is ideally located for increased growth by its proximity to major transit systems and its adjacency to existing residential communities and an established gridded street network. The proposed Transit Zoning Code supports the existing transportation network, and creates amenity-enriched connections between the Government Center and Rail Station, and improves area-wide walkability. The Transit Zoning Code also plays a critical role in achieving targets under SB 375, California's Sustainable Communities and Climate Protection Act.

To encourage affordable housing within the project area, the TZC provides parking and private open space incentives that result in additional developable area. This could translate into additional units or open space. The City will also be working to study the potential for additional affordable housing programs, which could include expanded opportunities to apply the provisions of the State's Density Bonus Ordinance or establish an inclusionary housing program. The City will also be moving forward with the implementation of its recently approved and certified Housing Element, which includes many provisions aimed at stimulating the supply of affordable housing.

The adoption of new zoning is often misinterpreted as being the same as the approval of a development project. As a point of clarification, zoning, in and of itself, does not require property owners to redevelop their properties. Indeed, with the exception of the Agency-owned parcels that would be developed under the Developer Project, all properties within the Transit Zoning Code area may not change. The new standards would only apply if the private property owner wished to redevelop their property. Most of the new zones provide for very similar uses to those that exist today. For those properties where the new zones would be very different from the existing zones, such as the Industrially-zoned properties, overlay zones were created in order to allow these uses to continue without becoming non-conforming uses. With the exception of the Developer Project and other minor Agency sponsored projects, there are no other proposals for new projects within the project area.

## **General Plan Amendment**

The Land Use Element of the General Plan serves as a long-range guide for land use and development in the City and facilitates growth reflecting the community's vision. The Land Use Element establishes land use designations that identify maximum densities and intensities of development, as well as to provide goals and policies. As it exists today, the most intense category for multi-family residential development in the Land Use Element allows for a maximum of 15 dwelling units per acre and does not allow for mixed-use development. The Land Use Element also includes a land use designation called District Center. This designation allows up to 90 dwelling units per acre in a mixed-use environment. Examples of the District Center are found at the MacArthur Place South and City Place developments. While the District Center designation would accommodate more intense transit-oriented development, the permitted density of 90 dwelling units per acre would be inappropriate for the majority of the Transit Zoning Code area.

To fill the gap between development at 15 units and 90 units per acre, the Urban Neighborhood Land Use Designation is proposed. The Urban Neighborhood Land Use Designation will primarily apply to residential areas where pedestrian oriented, neighborhood serving commercial uses, schools, civic/community centers and neighborhood serving parks also occur. Urban Neighborhood will allow for a mix of residential uses and housing types, such as low to mid-rise multi-family, townhouses and single family dwellings, with some opportunities for live-work. This Land Use Designation will also allow for existing industrial uses to either retain their industrial zoning or transition into one of the zoning designations within the TZC. Either vertical (e.g. an apartment built over a shop) or horizontal (e.g. an apartment built next door to a shop) mixed uses will be permitted based on the zoning standards. There will be an emphasis on tying together the uses with pedestrian linkages to the street, allowing for a high degree of walkability, transit options and to encourage all forms of transportation, including pedestrian and bicycle travel. The intensity standard for the Urban Neighborhoods ranges from a floor area ratio of 0.5 to 1.5. For example, the floor area ratio of 0.5 would allow a 3,000 square foot building in a typical 6,000 square foot parcel. In SD 84, residential density will be based on a combination of floor area ratio and zoning development standards. A total of 144.99 acres of land in the City will be designated Urban Neighborhood.

The General Plan Amendment will also extend the District Center land use designation to an additional 58.72 acres and create the Transit Village major development area. The intensity of development, measured in Floor Area Ratio (FAR), will be increased to five in the Transit Village and three in the Downtown to reflect intensity of development allowed by the standards established in the Transit Zoning Code. In addition, since the last comprehensive update to the Land Use Element was in 1998, demographic, land use, economic and infrastructure are being updated to reflect current status.

Lastly, taking advantage of the conversion of the General Plan from a paper to a digital format, the entire General Plan has been reformatted to conform to a single graphic format, and to include a common table of contents and pagination system (Exhibit 8).

### **Zoning Ordinance Amendment**

In order to enact the Transit Zoning Code (TZC), amendments to Chapter 41 (Zoning) of the Santa Ana Municipal Code; an amendment to the height exemption map and amendments to the sectional district maps will need to be processed (Exhibits 9, 10 and 11). As discussed earlier, the Downtown is located within the boundaries of the TZC. Currently, the Downtown has two zoning designations, the Central Business (C3) and Central Business-Artists' Village (C3-A). Since both of these zoning districts will be superseded by the adoption of the TZC, reference to them throughout Chapter 41 will be eliminated.

In addition, the approval process for projects in a Specific Development (SD) and Overlay Zone (OZ) district will be modified. Under the current standards of Chapter 41, any application for a permit for a building or structure within a Specific Development (SD) or Overlay (OZ) zoning designation requires review and approval by the Planning Commission. Without modifying this section, permits currently issued by right and over the counter, such as single family dwellings, would be encumbered by a discretionary approval process. The more complex projects will continue to be reviewed by the Development Review Committee and the Planning Commission as needed. Projects requiring a Historical Exterior Modification Application (HEMA) will continue to be reviewed by the Historic Resources Commission.

### **Conclusion**

For the last four years, the City has been diligently working on the development of the Transit Zoning Code. The community outreach for the Renaissance Specific Plan, of which the code was a component, included over 100 outreach meetings and interviews held from April 2006 through February 2008. During the last year, in conjunction with the proposal to develop Agency-owned properties in the Station District, staff held an additional 20 community meetings and interviews. Staff has also worked diligently on an on-going basis with SACReD, a coalition of numerous community groups and organizations, to obtain input on the proposed development and planning effort. This community input has been invaluable and has greatly contributed to the refinement of the code.

Approval of the Developer Project will allow the redevelopment of the properties owned by the Santa Ana Redevelopment Agency, which will include more than 100 affordable units, new public open space and a joint-use community facility on the Garfield Elementary School site. Construction of affordable housing units is critical to meeting the City's Regional Housing Needs Assessment (RHNA) for 2006-2014. In addition, the adoption of the Transit Zoning Code will provide the land-use framework necessary to allow for and encourage new transit-supportive development that provides a better market for public transit, consistent with the goals of SB 375, California's Sustainable Communities and Climate Protection Act, will provide strategic areas for infill, pedestrian friendly environments, and will focus housing and employment growth in transit-accessible locations through transit-oriented developments.

Therefore, staff recommends that the Planning Commission recommend that City Council:

1. Adopt a resolution certifying the Final Environmental Impact Report No. 2006-02 prepared for the proposed Transit Zoning Code (SD 84A and 84B) and the proposed redevelopment of properties owned by the Santa Ana Redevelopment Agency in the Station District (collectively, the Proposed Project); adopting the Mitigation Monitoring and Reporting Program, adopting the CEQA Facts, Findings and a Statement of Overriding Considerations; and approving the Proposed Project.
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5. Adopt a resolution approving Transit Zoning Code Architectural Style Guidelines and Transit Zoning Code Street Network Concepts.

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## Exhibit List

- Exhibit 1 – Transit Zoning Code Vicinity Map
- Exhibit 2 – Station District
- Exhibit 3 – Existing General Plan Land Use Designation
- Exhibit 4 – Existing Zoning
- Exhibit 5 – Final EIR
- Exhibit 6 – Findings of Fact and Statement of Overriding Considerations
- Exhibit 7 – Transit Zoning Code, Specific Development No. 84
- Exhibit 8 – Amendments to Land Use Element of the City's General Plan
- Exhibit 9 – Amendments to Chapter 41 of the SAMC
- Exhibit 10 – Amendments to Height Exemption Map
- Exhibit 11 – Amendments to the Sectional District Maps