

DATE: April 10, 2024

TO: Orange County Planning Commission

FROM: OC Development Services/Planning

SUBJECT: Study session of General Plan Amendment LU 24-01 (Land Use Element), Zoning Code Amendment CA 24-01 (Multifamily development standards), and Zone Change ZC 24-01 (Specific Commercial and Residential Sites)

PROPOSAL: Staff will be presenting information regarding the proposed General Plan Amendment to the Land Use Element, Zoning Code Amendment to revise existing multifamily residential development standards, and Zone Change on specific commercial and residential parcels. The proposed Amendments will ensure compliance with existing State housing law, recent State mandates related to housing, and the County's Housing Element.

ZONING/GENERAL PLAN: N/A

LOCATION: Unincorporated Areas of Orange County

APPLICANT: OC Development Services/Planning

STAFF CONTACT: Yuritzzy Randle, Associate Planner
(714) 667-8816
Yuritzzy.Randle@ocpw.ocgov.com

Cindy Salazar, Land Use Manager
(714) 667-8870
Cindy.Salazar@ocpw.ocgov.com

RECOMMENDED ACTION:

OC Development Services/Planning recommends the Planning Commission:

- a. Receive staff report and public testimony, and;
- b. Provide feedback to staff as appropriate.

BACKGROUND:

The County of Orange ("County") is in the process of completing its Housing Element (HE) Update for the 6th Housing Element Update Cycle (2021-2029), as mandated by State law. Each Update provides goals, policies, and objectives the County will pursue to meet its existing and projected housing needs for this eight-year planning period, including its allocation of the Regional Housing Needs Assessment (RHNA) assigned by Southern California Association of Governments (SCAG). The County's RHNA allocation for this 6th Cycle Housing Element is 10,406 units. Though the County is required to identify areas with

adequate zoning to accommodate this future growth, the County is not required to develop these housing units.

On September 28, 2023, OC Development Services and County Counsel received the third round of comments (Attachment 1) on the further revised HE Update from HCD.

Since receiving the September 2023 Comment Letter, OC Development Services and County Counsel have been revising the HE Update to address HCD comments from their September 2023 letter and to account for new and updated legal requirements, specifically portions of Government Code Section 65583.2. The greatest challenges have been identifying adequate sites for the Land Use Inventory to meet the RHNA and calculating realistic unit capacity for those sites, which must be supported by evidence that achieving the claimed densities can be accomplished within the planning period.

To meet the RHNA, the County will be required to rezone commercial and residential professional zoned properties to “Mixed Use” and amend the minimum densities for multifamily residentially zoned properties if the properties are: (1) currently nonvacant; and/or (2) planned to be used to meet our lower income RHNA obligations. These rezonings are required to demonstrate to HCD that the County has realistic capacity to meet our RHNA and to comply with the minimum densities now required Section 65583.2. Minimum densities for both rezoned Mixed Use and Multifamily properties must be at 30 dwelling units per acre (du/ac).

DISCUSSION:

As noted in HCD’s September 2023 Comment Letter, Government Code Section 65583.2, subdivisions (c) and (h), requires that **base** zoning (not an overlay) must be residential, and the density set to the minimum required by Section 65583.2 (for the County 30 dwelling units/acre [du/ac]) even if an applicable overlay allows for densities higher than the base zoning. Additionally, Subdivision (h) of Section 65583.2, requires that “[a]t least 50 percent of the very low and low-income housing need shall be accommodated on sites designated for residential use and for which nonresidential uses or mixed uses are not permitted, except that a city or county may accommodate all of the very low and low-income housing need on sites designated for mixed use if those sites allow 100 percent residential use and require that residential use occupy 50 percent of the total floor area of a mixed-use project.”

Based on the changes to Section 65583.2(h), OC Development Services and County Counsel recommend a zoning code amendment to change the minimum density to 30 du/ac and a zone change to rezone commercial and residential professional zoning designations to “Mixed-Use.” A complete list of the proposed changes to both the General Plan and Zoning Code are summarized below.

The "Mixed-Use" Zoning District (MX) will facilitate the vertical and horizontal mixing of retail, office, and multifamily residential uses and the development of mixed-use buildings accommodating both high-density residential and employment activities. The Mixed-Use district will allow the development of commercial uses with a minimum of 50 percent multifamily residential or the development of 100 percent multifamily residential.

To gain certification of the HE and comply with recent statutory and caselaw requirements, OC Development Services is proposing the following amendments and changes summarized below:

Proposed General Plan, Zoning Code Amendments and Zone Changes

- **General Plan Amendment – Land Use Element (Attachment 2)**
 - Revise language to be consistent with the proposed rezone of commercial zoning districts to mixed-use zoning districts.
 - Revise language to be consistent with the proposed changes to the Housing Opportunities Overlay District Regulations.

• **Zone Changes (Attachments 3 and 4)**

- All Commercially Zoned (Local Business (C1), General Business (C2), Commercial Community (CC), Commercial Highway (CH), and Commercial Neighborhood (CN) zoning designations sites will be rezoned to Mixed Use with the minimum density of 30 du/acre. Apartment (R3) development standards for residential projects will apply to 100% residential projects. The regulations for Mixed Use will require that 100% residential or at least 50% residential be allowed on these sites pursuant to Section 65583.2(h).
- All Residential Professional (RP) zoned sites will be rezoned to Mixed Use with a minimum of 50% residential required. Apartment (R3) development standards for residential projects will apply to 100% residential projects.
- All Two Family Residential (R2D) zoned sites will be rezoned to Multifamily Dwellings (R2) (for areas in Stanton/ Anaheim) or Suburban Multifamily Residential (R4) (for areas in El Modena).
- Rezone 8 parcels making up the La Purisma Church in El Modena to Suburban Multifamily Residential (R4).

• **Zoning Code Amendments**

- Amend development standards for sites zoned Multifamily Dwellings (R2), Apartment (R3), and Suburban Multifamily Residential (R4) to require a minimum density of 30 du/ac and maximum density of 43.5 du/ac.
 - For purposes of the HE Land Use Inventory and accommodating our RHNA, R2, R3, R4, sites within high quality transit areas and with a higher potential of utilizing the HOO will be assumed to have a realistic capacity of 55 du/acre.
- Amend HOO to apply Mixed Use Zoning District
- Amend requirement for Site Development Permit for affordable sites and allow by-right approval, "Affordable Housing Permit" to meet "by-right approval" state-mandated requirement.
- Technical revisions and updates to comply with State Law

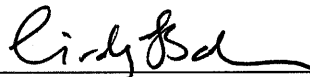
With the Amendments, the County can meet the RHNA for all income categories. Following this study session, the Planning Commission will consider the actual rezones and amendments at a future meeting. The Board of Supervisors will also consider the changes. The goal is to complete the rezonings and amendments, make all necessary revisions to the HE, and re-submit to HCD no later than the end of September 2024.

Submitted by:



Yuritzzy Randle, Associate Planner
OC Development Services/Planning

Concurred by:



Cindy Salazar, Land Use Manager
OC Public Works/Development Services

ATTACHMENTS:

1. State HCD comment letter received on September 28, 2023
2. Redline edits to the Land Use Element

3. Redline edits to the Zoning Code
4. Map of Proposed Zone Changes