



CITY OF SIGNAL HILL
STAFF REPORT

2175 Cherry Avenue • Signal
Hill, California 90755-3799

7/12/2022

AGENDA ITEM

TO:
**HONORABLE MAYOR
AND MEMBERS OF THE CITY COUNCIL**

FROM:
**COLLEEN T. DOAN
COMMUNITY DEVELOPMENT DIRECTOR**

SUBJECT:
**PUBLIC HEARING - 6th CYCLE HOUSING ELEMENT ZONING ORDINANCES AND
GENERAL PLAN AMENDMENT**

Summary:

Form of Notice: Notice was published in the Signal Tribune newspaper per Government Code Section 65091 (a)(4) on July 1, 2022; was mailed to property owners within a 300-foot radius of the subject properties on or before July 1, 2022; and was posted in accordance with Signal Hill Municipal Code Section 1.08.010 on or before July 1, 2022.

Every eight years, the Southern California Association of Governments (SCAG) determines the City's share of the Regional Housing Needs Assessment (RHNA) allocation, which is the number of housing units the City must accommodate over the next eight-year Cycle. The City is preparing its 6th Cycle Housing Element Update (HEU) for the 2021 - 2029 planning period. To accommodate the new RHNA allocation of 517 units, the City must rezone chosen housing sites inventory and prepare an HEU to reflect the RHNA allocation and State law.

To initiate the accommodation of the 6th Cycle RHNA allocation and approval of the HEU, the City Council must take the following six actions:

- Certification of the Environmental Impact Report
- Approval of one General Plan Amendment
- Approval of four Zoning Ordinance Amendments

Recommendations:

1. Adopt a resolution certifying Environmental Impact Report (SCH NO. 2021050296), entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA: (1)
ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA

ENVIRONMENTAL QUALITY ACT, (2) CERTIFYING THE 2021-2029 SIGNAL HILL HOUSING ELEMENT ENVIRONMENTAL IMPACT REPORT (SCH NO. 2021050296), AND (3) ADOPTING THE MITIGATION MONITORING AND REPORTING PROGRAM RELATIVE TO THE CITY'S 6TH CYCLE HOUSING ELEMENT UPDATE, GENERAL PLAN AMENDMENT 22-02 AND ZONING ORDINANCE AMENDMENTS 22-01, 22-02, 22-03, AND 22-04

2. Adopt a resolution approving General Plan Amendment 22-02, amending the General Plan Land Use Element to revise the Land Use Distribution Table, Table 8, and to revise Section VI adding text for land use designations 1.4 - Very High Density Residential and for 3.1 - Town Center, amending the Generalized Land Use Map, and replacing Figure 4, entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING GENERAL PLAN AMENDMENT 22-02, AMENDING THE GENERAL PLAN LAND USE ELEMENT AND THE GENERALIZED LAND USE MAP BY RECLASSIFYING (1) AN APPROXIMATE 8.6-ACRE SITE BETWEEN ORANGE AVENUE AND GUNDRY AVENUE AND E. 27TH STREET AND E. 28TH STREET (APNS: 7212-008-049, -051, AND 7212-010-010, -019, -020) FROM "4.2 GENERAL INDUSTRIAL" AND "3.4 COMMERCIAL INDUSTRIAL" TO "1.4 VERY HIGH DENSITY RESIDENTIAL", (2) AN APPROXIMATE 2-ACRE SITE AT THE NORTHWEST CORNER OF E. WILLOW STREET AND WALNUT AVENUE (APN: 7212-010-038) FROM "3.4 COMMERCIAL INDUSTRIAL" TO "1.4 VERY HIGH DENSITY RESIDENTIAL", AND (3) THE WESTERLY PORTION OF AN APPROXIMATE 7.8-ACRE SITE, BETWEEN ROSE AVENUE AND CHERRY AVENUE AND E. BURNETT STREET AND CRESCENT HEIGHTS STREET (APNS: 7214-005-010, -011, -900, -901, -902, -903, -904 AND 7214-006-014, -015, -019, -020, -021) FROM "1.1 LOW DENSITY RESIDENTIAL" TO "3.1 TOWN CENTER"; DELETING "KEY LAND USE CHANGES 1 AND 2" FROM THE GENERALIZED LAND USE MAP; ADDING "1.4 VERY HIGH DENSITY RESIDENTIAL"; AMENDING SECTION VI TO REVISE TABLE 8, AND AMENDING "3.1 TOWN CENTER"

3. Introduce Zoning Ordinance Amendment 22-01, amending Title 20 of the Signal Hill Municipal Code, adding Chapter 20.26, "Heritage Square Central Business District Specific Plan (SP-23)", and amending the Official Zoning Map, entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING ZONING ORDINANCE AMENDMENT 22-01, AMENDING TITLE 20 OF THE SIGNAL HILL MUNICIPAL CODE TO ADD CHAPTER 20.26 ENTITLED "SP-23 HERITAGE SQUARE CENTRAL BUSINESS DISTRICT SPECIFIC PLAN ", AND AMENDING THE OFFICIAL ZONING MAP TO CHANGE THE ZONING DESIGNATION OF AN APPROXIMATE 7.8-ACRE SITE BETWEEN CHERRY AVENUE AND ROSE AVENUE AND CRESCENT HEIGHTS STREET AND E. BURNETT STREET FROM "COMMERCIAL TOWN CENTER (CTC)" AND "CRESCENT HEIGHTS HISTORIC DISTRICT SPECIFIC PLAN (SP-11)" TO "HERITAGE SQUARE CENTRAL BUSINESS DISTRICT SPECIFIC PLAN (SP-23)", (APNS: 7214-005-010, -011, -900, -901, -902, -903, -904, AND 7214-006-014, -015, -019, -020, -021)

4. Introduce Zoning Ordinance Amendment 22-02, amending Title 20 of the Signal Hill Municipal Code, adding Chapter 20.46, "Town Center Northwest Specific Plan (SP-24)", and amending the Official Zoning Map, entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA,

APPROVING ZONING ORDINANCE AMENDMENT 22-02, AMENDING TITLE 20 OF THE SIGNAL HILL MUNICIPAL CODE TO ADD CHAPTER 20.46 ENTITLED "SP-24 TOWN CENTER NORTHWEST SPECIFIC PLAN", AND AMENDING THE OFFICIAL ZONING MAP TO CHANGE THE ZONING DESIGNATION OF AN APPROXIMATE 8.4 ACRE SITE (APN: 7212-011-034) AT THE NORTHEAST CORNER OF E. WILLOW STREET AND WALNUT AVENUE FROM "COMMERCIAL CORRIDOR SPECIFIC PLAN (SP-6)" TO "TOWN CENTER NORTHWEST SPECIFIC PLAN (SP-24)"

5. Introduce Zoning Ordinance Amendment 22-03, amending Title 20 of the Signal Hill Municipal Code, amending Chapter 20.41 Special Purpose Housing Specific Plan, (SP-7) adding new Areas VII and VIII, and amending the Official Zoning Map, entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING ZONING ORDINANCE AMENDMENT 22-03, AMENDING CHAPTER 20.41, ENTITLED "SP-7 SPECIAL PURPOSE HOUSING SPECIFIC PLAN", OF TITLE 20 OF THE SIGNAL HILL MUNICIPAL CODE, BY ADDING AREAS SEVEN AND EIGHT, AND AMENDING THE OFFICIAL ZONING MAP TO CHANGE THE ZONING DESIGNATION FOR (1) AN APPROXIMATE 2-ACRE SITE AT THE NORTHWEST CORNER OF E. WILLOW STREET AND WALNUT AVENUE FROM "COMMERCIAL INDUSTRIAL (CI)" TO "SPECIAL PURPOSE HOUSING SPECIFIC PLAN (SP-7)" AND (2) AN APPROXIMATE 8.6-ACRE SITE BETWEEN ORANGE AVENUE AND GUNDRY AVENUE AND E. 27TH STREET AND E. 28TH STREET FROM "GENERAL INDUSTRIAL (GI)" AND COMMERCIAL "INDUSTRIAL (CI)" TO "SPECIAL PURPOSE HOUSING SPECIFIC PLAN (SP-7)" (APNS: 7212-008-049, -051; AND 7212-010-010, -019, -020, -038)

6. Introduce Zoning Ordinance Amendment 22-04, amending the Official Plan Lines Map to remove an approximate 9.2-acre site from the traffic study area designation (APNs: 7212-008-049, & -051, and 7212-010-010, -019, -020), entitled:

AN ORDINANCE OF THE CTY COUNCIL OF THE CITY OF SIGNAL HILL, APPROVING ZONING ORDINANCE AMENDMENT 22-04, MODIFYING THE OFFICIAL PLAN LINES MAP TO REMOVE THE TRAFFIC STUDY AREA DESIGNATION FOR A 9.2-ACRE SITE (APNS: 7212-008-049 & -051 and 7212-010-010, -019, & -020) AND MAKE OTHER TECHNICAL REVISIONS TO REFLECT PAST AND PROPOSED DEVELOPMENT

Fiscal Impact:

This project achieves the following fiscal goals:

- Maintains City eligibility for State housing grants.
- Provides additional shopping and dining opportunities which will result in future sales tax revenue.

Strategic Plan Objectives:

Goal 6: Promote a transparent and open government.
Objective No. 3.3: Complete General Plan updates.

Background:

California State law requires the City to adopt a General Plan with seven required elements, one of which is the Housing Element. The City's Housing Element identifies Signal Hill's housing needs and opportunities and establishes clear goals and objectives to inform future housing decisions. State law requires the City's Housing Element to be updated every eight years and each update must be certified by the State. The City is also required to submit a General Plan Progress Report annually for State review.

The City has a proud history of obtaining certification for our Housing Elements each update Cycle. In the last Cycle the City's RHNA was 169 units and 100% of the of the lower income housing has been constructed.

In 2019, an analyst group called Next 10 prepared a housing report card study and gave Signal Hill an "A" grade for production of housing. For the 5th Cycle, the City had facilitated production of 100% of its lower income housing RHNA units.

In 2021, an analysis group called the Southern California News Group used State data to create its second annual housing permit report card for all 539 cities and counties in the state. The data showed 30% of California cities and counties had failed to issue any affordable housing permits at all. Only 33 were doing well enough to earn an "A", while 96 got an "F". The average grade was a "C-minus". Signal Hill received an "A" rating and also received bonus points for doing well at lower and moderate-income levels.

In 2019, the State Department of Housing and Community Development (HCD) began preparation and adoption of the methodology for determining the total RHNA allocation for the 6th Cycle HEUs. This RHNA methodology establishes the minimum number of homes needed to house the region's anticipated growth.

In 2019, the City, together with its housing consultant and a city sub-committee, began the initial housing sites inventory analysis. The City also applied for available Planning grants and was awarded \$500,000 for analysis of site development constraints, and preparation of a draft environmental impact report and HEU.

In 2020, the Southern California Association of Governments (SCAG) received the regional RHNA allocation of 1,341,827 units. SCAG then issued the regional municipalities their 6th Cycle RHNA allocation. The City of Signal Hill initially received a 516 unit RHNA allocation for the HEU. Following completion of the appeals process, the City's RHNA allocation was adjusted up one unit to 517 units.

In 2021, the City began its public engagement portion of the HEU process. The City identified key stakeholders and groups to participate in surveys and to provide input on intended programs and methods to affirmatively further fair housing, in accordance with State law, which requires an assessment of fair housing in the jurisdiction. Staff reached out to residents, representatives of fair housing protected groups, the Planning Commission, and other City commissions and committees to participate in the effort.

On May 18, 2021, the City held a public workshop and scoping meeting for the preparation of the HEU and the associated Draft Environmental Impact Report (DEIR). The workshop included a

discussion of a proposed strategy to meet the 6th Cycle RHNA, the City's legacy of production of affordable housing, and a summary of the public input received toward identification of the housing sites inventory.

On August 17, 2021, the City held a second public workshop on development of the HEU which focused on results of the communitywide survey, the four housing sites inventory chosen from the original ten sites considered, and an analysis of the tax credit financing calculations for the four sites. Tax credits are used by developers to assist them in obtaining financing for lower income housing projects. A summary of new housing legislation was also presented with a focus on the newest section required in the HEU, which is Affirmatively Furthering Fair Housing (AFFH).

On September 15, 2021, staff submitted a first draft of the HEU for review to the HCD. HCD is legally allowed 60 days to review the document and to either provide further comments or deem the draft HEU "in compliance" with State housing law.

On September 21, 2021, a third public workshop was held with a focus on the four sites identified in the housing sites inventory:

- Orange Bluff;
- Walnut Bluff;
- Town Center Northwest; and
- Heritage Square.

The Heritage Square site was reviewed in detail as its conceptual plan had previously received detailed public comment and had been revised accordingly.

On October 26, 2021, staff made a presentation to the City Council to give an update on the following items:

- Housing sites inventory;
- Public engagement process;
- Conceptual plans for future development on the sites;
- Governor's one year extension of the HCD submittal deadline for the HEU;
- Submittal of the first draft HEU to HCD;
- Public circulation of the DEIR;
- Timeline to rezone the housing sites inventory and submit to HCD by the new October 15, 2022, deadline; and
- A \$200,000 reimbursement of grant money expended for environmental constraints analysis of the housing sites inventory to date.

On November 3, 2021, the City received comments from HCD of their review of the first draft HEU. Although there were nine pages of comments, they did not require substantial changes to the document. The chosen housing sites inventory, number of units, and proposed income levels were not commented on. The majority of comments were requests for clarifications on statistical analysis and the newest required section of the HEU, Affirmatively Furthering Fair Housing (AFFH). At the time, the City had retained a new consulting firm, Moore Iacofano Goltsman (MIG).

On January 28, 2022, the DEIR was recirculated for a second 45-day public comment period due to revisions necessary to address consideration of a future widening project on Orange Avenue.

On March 7, 2022, the second draft HEU was posted on the City's website, social media platforms, and the public library for public review and comment in accordance with AB 215. The second draft document incorporated responses to HCD's comments as well as comments received from the public (Attachment A). No comments were received from the public on the second draft HEU.

On March 9, 2022, City staff presented the second draft HEU to the Diversity Coalition Committee. The housing sites inventory and 6th Cycle programs were well received by the Committee.

On March 15, 2022, following the AB 215 posting timeframe, the second draft HEU was submitted to HCD for a subsequent review and staff provided an update to the Planning Commission at the Commission meeting the same night. The update included a regional appeal letter prepared by the Gateway Cities to the Southern California State Assembly members of the Housing and Community Development Committee regarding the regional difficulties municipalities had been experiencing during HCD staff review of their draft HEUs. (Attachment B).

On April 29, 2022, staff participated in a virtual preliminary review meeting with HCD staff. The HCD reviewer noted that the document was in good shape but there would be additional comments, specifically based around the new review category of AFFH. The formal comment letter due date was May 16, 2022.

On May 11, 2022, the City received the second set of review comments from HCD on the second draft HEU. The comments did not require substantial changes to the HEU document. The housing sites and programs were accepted, but additional quantification of activities and programs was requested, as well as details on the remediation activities needed to develop on the chosen housing sites.

On May 17, 2022, staff presented an update to the Planning Commission regarding progress on the HEU and the timeline for the upcoming zoning ordinance and general plan amendments for the four housing sites, to be reviewed by the Commission at the June 21, 2022, meeting.

On May 24, 2022, the City Council received a report from the City Attorney in consideration of regulating smoking in multi-family housing. The Council directed staff to conduct outreach and workshops to receive feedback on consideration of a future ban.

On June 7, 2022, the third draft HEU was posted on the City website, at the public library, and on City social media platforms for the required seven days prior to re-submittal to HCD in compliance with AB 215.

On June 15, 2022, staff submitted the third draft HEU to HCD along with a summary of responses to comments (Attachment C). HCD comments are due on August 15, 2022.

On June 21, 2022, at a duly noticed Planning Commission public hearing, the Commission received public comment (Attachment D) and unanimously recommended City Council approval of seven items related to approval of the 6th Cycle Housing Element, including the Final Environmental Impact

Report (SCH 2021050296), as well as two General Plan Amendments, and four Zoning Ordinances, contingent on City Council approval of the Final Environmental Impact Report.

The Commission is aware that the Council will not be acting on the HEU until completion of the 60-day review period by HCD on August 15, 2022. Since HCD has reviewed the HEU twice without requesting substantial changes, it is not expected that HCD's pending comments will require substantial changes; however, if they do, staff will bring the HEU back to the Planning Commission for review and recommendation, prior to consideration by City Council.

Staff is preemptively bringing the ZOAs and the additional GPA to City Council for approval pending final edits to the HEU in order to better position the City to move forward quickly once the final HEU is completed.

Analysis:

The process for certification of each HEU includes HCD's review and determination that the City has sufficiently demonstrated it has properly zoned properties with capacity to accommodate the number of units identified in the RHNA allocation and otherwise complied with State requirements. The City's 6th Cycle allocation is 517 units across all income levels as shown below:

<u>Affordability Level</u>	<u>Number of Units</u>
Extremely Low Income	80
Very Low Income	81
Low Income	78
Moderate Income	90
Above Moderate Income	188
Total	517

The City is required to identify and properly zone housing sites to accommodate the City's RHNA allocation along with a 15% to 30% surplus as recommended by HCD. To do so, four Zoning Ordinance Amendments (ZOAs) are required as well as a General Plan Amendment (GPA). Each amendment is described in further detail below.

ZOA 22-01 - Heritage Square Central Business District (SP-23)

Site Description

The approximate 7.8-acre project site is located between Cherry Avenue and Rose Avenue, and Crescent Heights Street and E. Burnett Street. Gardena Avenue intersects the site from north to south at approximately midway and is proposed to be used as a private drive aisle. The majority of the site is currently zoned Commercial Town Center (CTC); however, the westerly portion adjacent to Rose Avenue is zoned Crescent Heights Historic District Specific Plan (SP-11). There are 20 oil and gas wells on site as follows:

- Three active;
- Nine idle; and
- Eight abandoned.

The conceptual plan proposes abandonment of all nine idle and two of the active wells. Four of the eight abandoned wells will be re-abandoned to accommodate development. One active well will remain on site in a landscaped area in the southwest corner. There is a food market located on the northeast corner of the site and the remainder of the site is undeveloped.

Heritage Square Site



Purpose

The purpose of the proposed ZOA is to change the zoning designation to adopt the Heritage Square Central Business District Specific Plan (SP-23), for a mixed-use commercial and residential project with a maximum of 60 residential units. Approval of ZOA 22-01 includes an amendment of the Official Zoning Map and adds Chapter 20.26 to the Signal Hill Municipal Code (SHMC).

Site Plan and Design Review

Following the adoption of the Specific Plan zoning designation, both the Heritage Square and the Town Center Northwest mixed-use projects will be required to return to the Planning Commission at a future date for review of the design elements and refined site plan under the City's Site Plan and Design Review process.

Heritage Square Conceptual Site Plan



Development and Design Standards

The Specific Plan includes the following standards for density, building height, setbacks, and parking:

<u>Development Standards</u>	<u>Townhomes</u>	<u>Single-Family Units</u>	<u>Commercial</u>
Number of units & Commercial Square Feet (SF)	Max. 54	Max. 6	Min. New Bldg. Area 18,000 SF Min. Outdoor Common Eating Area 16,350 SF
Building Height	Max. 40 feet (3 stories) with option of rooftop balcony	Max. 25 feet	Max. 36 feet (2 stories)
Setbacks	Min. 10 feet from public right-of-way. Min. 5 feet from Gardena Ave.	Comply w/ Crescent Heights Historic District Front: 20 feet Side & Rear: 5 feet	Front setbacks, Cherry Ave. Crescent. Hts. St, and E. Burnett St.: 10 feet, Internal drive aisle/Gardena Ave: 5 feet

Parking	1-3 BRs: 2 garage spaces/unit 4-5 BRs: 3 garage spaces/unit Guest: 1 space per 4 units	1-3 BRs: 2 garage spaces 4-5 BRs: 3 garage spaces	Comm. retail, office: 1 space per 250 SF Restaurants, bars, tasting rooms: 1 space per 100 SF Brewing and Manufacturing: 1 space per 1000 SF Outdoor dining: 1 space per 200 SF.
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Additional development standards include:

- List of permitted and prohibited uses;
- Single-family lot dimensions;
- Fences, walls and hedges;
- Open space;
- Design and architectural standards;
- Lighting standards;
- Open space standards;
- Vehicular and pedestrian access;
- Trash, recyclables, and organics;
- Landscape standards;
- Sign standards;
- Mechanical equipment; and
- Utilities, public facilities and services.

ZOA 22-02 - Town Center Northwest (SP-24)

Site Description

The approximate 8.4-acre project site is located at the northeast corner of E. Willow Street and Walnut Avenue, just west of the Town Center North commercial center. The site is zoned Commercial Corridor Specific Plan (SP-6). The site contains an oil and gas drill site, which will remain after development of a proposed mixed-use residential/commercial project, with a slightly smaller and flexible boundary. There are 15 oil and gas wells on site as follows:

- Four active;
- Seven idle; and
- Four abandoned.

The conceptual plan proposes abandonment of all seven idle and two of the active wells. One of the four abandoned wells will be re-abandoned to accommodate development. Two active wells will remain on site. The majority of the site is undeveloped and currently used for storage of oil field related equipment.

Town Center Northwest Site



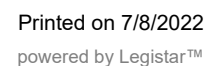
Purpose

The purpose of the proposed ZOA is to change the zoning designation to accommodate a mixed-use residential and commercial project to accommodate a maximum of 267 residential units and to adopt the Town Center Northwest Specific Plan (SP-24). Approval of ZOA 22-02 includes an amendment of the Official Zoning Map and adds Chapter 20.46 to the SHMC.

Site Plan and Design Review

Following the adoption of the Specific Plan zoning designation, both the Town Center Northwest and the Heritage Square mixed-use projects will be required to return to the Planning Commission at a future date for review of the design elements and refined site plan under the City's Site Plan and Design Review process.

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The Specific Plan includes the following standards for density, building height, setbacks, and parking:

<u>Development Standards</u>	<u>Residential</u>	<u>Commercial</u>
Number of units & Commercial Square Feet (SF)	Min. 166 Max. 267	Min. Bldg. Area: 22,000 SF Min. Outdoor Common Eating Area: 4,000 SF
Building Height	Max. of 5 stories (approximately 60 feet).	Max. 36 feet (2 stories)
Setbacks	Min. 10 feet from public rights-of-way Min. 5 feet from internal rear, and side property lines	Min. 10 feet from public rights-of-way Min. 5 feet from internal, rear, and side property lines

Parking	Studio: 1 garage space/unit 1 BR: 1.4 garage spaces/unit 2 BRs: 1.6 garage spaces/unit 3+ BRs: 2 garage spaces/unit Required residential spaces shall be within a parking structure or covered area. Guest: 1 surface space per 4 units	Comm. retail, office 1 space per 250 SF; Restaurants, bars, tasting rooms: 1 space per 100 SF Outdoor dining 1 space per 200 SF; Brewing/Manufacturing: 1 space per 1000 SF
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Additional development standards include:

- List of permitted and prohibited uses;
- Fences, walls and hedges;
- Lighting standards;
- Open space standards;
- Design and architectural standards;
- Vehicular and pedestrian access;
- Trash, recyclables, and organics;
- Landscape standards;
- Sign standards;
- Mechanical equipment; and
- Utilities, public facilities and services.

ZOA 22-03 - Walnut Bluff and Orange Bluff

Site Description

There are two sites designated for affordable housing as follows:

1). The approximate 2-acre Walnut Bluff site is located at the northwest corner of E. Willow Street and Walnut Avenue. The site is currently zoned Commercial Industrial (CI). There are 7 oil and gas wells on site as follows:

- Two active;
- Two idle; and
- Three abandoned.

Based on the conceptual site plan, the two active wells will remain, and the two idle wells will be abandoned to allow development of the proposed residential project. The project site is currently undeveloped.

Walnut Bluff Site



2). The approximate 9.3-acre Orange Bluff site is located between Orange Avenue and Gundry Avenue and E. 27th Street and E. 28th Street. The conceptual site plan considers future street dedications and therefore has the total area as 8.6 acres. The majority of the site is zoned General Industrial (GI), and a small southerly portion of the site is zoned Commercial Industrial (CI). There are 18 oil and gas wells on site as follows:

- One active;
- Eight idle; and
- Nine abandoned.

Based on the conceptual site plan, the one active well will remain in the interior landscape area in the northern portion of the site. The eight idle wells will be abandoned to allow development of the proposed residential project. The project site is currently undeveloped.

Orange Bluff Site



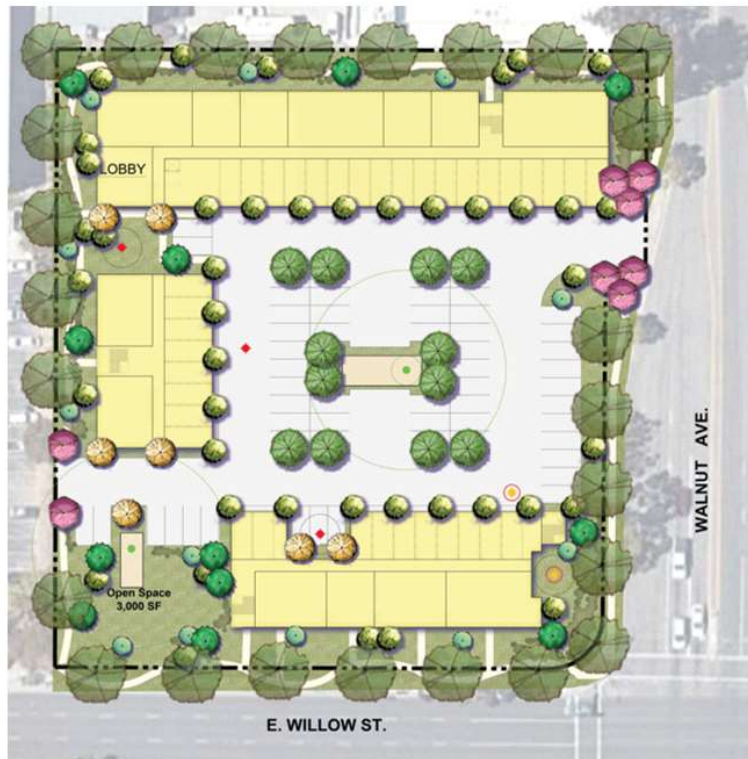
Purpose

The purpose of the proposed ZOA is to re-designate the zoning of both of the Walnut Bluff and Orange Bluff sites from their current Commercial Industrial (CI) and General Industrial (GI) designation to the Special Purpose Housing (SP-7) designation. This will accommodate the 239 extremely low-, very low-, and low-income housing units and the 90 moderate-income units required by the 6th Cycle RHNA allocation, plus a surplus of approximately 15%. Approval of the ZOA will amend Chapter 20.41 Special Purpose Housing Specific Plan (SP-7), adding new sections VII and VIII, and amend the Official Zoning Map.

Site Plan and Design Review

Due to the fact that the Walnut Bluff and the Orange Bluff projects are affordable housing projects, both are exempt under State law from additional discretionary review. Therefore, neither will be required to return to the Planning Commission for Site Plan and Design Review.

Walnut Bluff Conceptual Site Plan



Orange Bluff Conceptual Site Plan



Development and Design Standards

The Specific Plans include the following standards for density, building height, setbacks, and parking:

	<u>Area 7- Walnut Bluff</u>	<u>Area 8- Orange Bluff</u>
Number of units allowed per acre	35-45 units/per acre	35-45 units/per acre
Number of units	90	290
Building Height	4 stories max. (Approximately 48 feet)	5 stories max.
Setbacks	Substantial conformance with Conceptual Site Plan	Substantial conformance with Conceptual Site Plan
Parking	Studio: 0.5 space/unit 1 BR:0.5 space/unit 2 BR: 1 space/unit 3 BR: 2 spaces/unit Spaces may be covered or surface. Garages spaces are not required.	Studio: 0.5 space/unit 1 BR:0.5 space/unit 2 BR: 1 space/unit 3 BR: 2 spaces/unit Spaces may be covered or surface. Garages spaces are not required.

Additional development standards include:

- List of permitted and prohibited uses;
- Occupancy restrictions;
- Site and building design;
- Landscape materials and turf replacement;
- Open space;
- Fences, walls, and hedges;
- Vehicular and pedestrian access;
- Trash, recyclables, and organic materials;
- Signs standards;
- Mechanical equipment; and
- Utilities, public facilities, and services.

The Specific Plan includes language permitting smoke-free multi-family units by right and encourages development with units designed as non-smoking to reduce the impacts associated with second-hand smoke.

ZOA 22-04

The purpose of ZOA 22-04 is to remove the Traffic Study Area designation from the proposed Orange Bluff housing site. The City Traffic Engineer has reviewed and approved the traffic analysis for the HEU Final Environmental Impact Report (EIR) and has determined that the Orange Bluff conceptual site plan accords with the recommendations of the traffic analysis and, as currently proposed,

provides adequate circulation and access to the site. ZOA 22-04 also includes technical updates to the Generalized Plan Lines Map from previous projects (Attachment E).

GPA 22-01 and 22-02

Purpose

The purpose of GPA 22-01 is to adopt the HEU. Since HCD is still reviewing the third submittal of the HEU, staff is not requesting that Council approve it at this time. As stated in the next steps at the end of this report, staff plans to bring the final HEU for approval in September 2022, following final review by HCD. Council approval in September will allow final submittal to HCD by the October 2022 deadline.

The purpose of GPA 22-02 is to amend the General Plan for consistency with the proposed zoning amendments for the housing inventory sites. GPA 22-02 amends the Generalized Land Use Map, and certain text in the Land Use Element as follows:

- The Land Use Map will be revised to reclassify the approximate 2-acre Walnut Bluff site at the northwest corner of E. Willow Street and Walnut Avenue from “3.4 Commercial Industrial” to “1.4 Very High Density Residential”;
- The approximately 8.6-acre Orange Bluff site located between Orange Avenue and Gundry Avenue and E. 27th Street and E. 28th Street, will be reclassified from “4.2 General Industrial” and “3.4 Commercial Industrial” to “1.4 Very High Density Residential”;
- The westerly portion along Rose Avenue of the approximate 7.8-acre Heritage Square site, between Cherry Avenue and Rose Avenue and E. Burnett Street and Crescent Heights Street will be reclassified from “1.1 Low Residential” to “3.1 Town Center”;
- The Generalized Land Use Map will relocate the boundary between the Heritage Square Central Business District Specific Plan (SP-23) and the Crescent Heights Historic District (SP-11), Key Land Use Changes “1 and 2” will be deleted from the map; and
- The text in Section VI of the Land Use Element will be added to include a general description of the “1.4 Very High Density Residential” classification, to include the Town Center Northwest mixed-use project into the description of the “3.1 Town Center” classification, to revise Table 8 (Attachment F), to remove Figure 4, and to attach the conceptual site plans for each site to the amendment resolution.

GPA 22-01 will ensure that the General Plan is consistent with the new zoning designations contingent upon the City Council’s approval of the EIR.

AFFH

New legal standards are required for certification the HEU by HCD. The most significant change has to do with the passage of AB 686 (Attachment G), which amends Government Code 65583.2(a), introducing the requirement to add a separate section to the HEU titled “Affirmatively Furthering Fair

Housing” and to include local and regional data to find patterns of segregation and barriers to opportunity for affordable housing.

Data Gathering and Outreach Activities

The City’s outreach and data gathering activities utilized a variety of methods of broad and proactive marketing, included targeted needs groups, promoted language access, and included consultation with relevant organizations, business, and property owners. These goals are consistent with the state’s AFFH mandate.

Public outreach was conducted through many avenues including:

- Formed a sub-committee of staff, elected officials, and a local property owner/developer to consider available sites;
- Contacted local realtors with property listings of potential sites;
- Met with local business and property owners to consider potential sites;
- Developed and distributed a communitywide survey to gather housing input via scan codes at the Signal Hill Library, the Community Services website, the Summer Concerts series booth, the Night Out for Crime event, and social media;
- Updated the City website to include information on the HEU including a timeline, community survey, event flyers, documents to review, and a Frequently Asked Questions (FAQs) list;
- Posted housing element information on social media platforms;
- Distributed flyers in both English and Spanish;
- Mailed notices in utility bills to all households served by the City’s Water Department;
- Identified ten potential housing sites for the housing sites inventory;
- Used survey data and tax credit financing information to rate the four potential housing sites identified for the inventory;
- Shared information and received feedback at the City’s Diversity Coalition Committee, the Sustainable City Committee, members of the Youth Leadership Institute, staff and students at the American University of Health Sciences, and multiple Planning Commission and City Council updates and presentations;
- Mailed information to property managers and residents at each of the City’s five affordable housing developments and to community members who asked to be included in the direct outreach process;
- Multiple notices mailed to property owners within a 100-foot radius of the four housing sites; and
- Published links for three drafts of the HEU in the Signal Tribune, and on the City website and social media platforms.

Findings from the City survey relevant to the AFFH analysis include concern about the availability of affordable housing and land accessible to non-profit developers and limited capacity of services and housing for homeless individuals.

Implementation Programs

The AFFH issues are addressed in the HEU programs and in the City’s sites inventory strategy with

the following programs and actions:

- The City will adopt a policy that new housing developments must implement an Affirmative Fair Housing Marketing Plan (AFHMP);
- The AFHMP must describe specific steps that will be taken by developers to ensure that renters and buyers who are unlikely to apply for housing without special outreach have equal access to housing opportunities;
- The City will advertise and promote the AFHMP through the City website, the Diversity Coalition Committee, workshops, seminars, and social media platforms;
- The City will update its website with AFHMP information by December 2022, and send direct outreach materials related to AFHMP to affordable housing residents, apartment/rental managers, and housing assistance service providers by June 2023;
- The City will conduct an annual outreach and will promote available State, regional, and local public and private housing rehabilitation resources through workshops, seminars, and social media platforms;
- Special emphasis will be placed on targeting outreach to homeowners in geographic areas of higher need or lower income as well as local homeowner associations;
- The City will adopt a General Plan Environmental Justice Element that includes objectives and policies to reduce the unique or compounded health risks in disadvantaged and disproportionately affected communities by means that include the reduction of pollution exposure;
- Regarding the two affordable housing sites identified in the HEU, City staff will issue Request for Proposals by April 2023, and interview potential developers by July 2023;
- Development Agreements will focus on a commitment to oil well and site remediation; and
- Affordable housing developers will be incentivized by waivers or deferrals of impact fees.

Environmental Analysis

An Initial Study and Revised DEIR was prepared for the project by Meridian Consultants. The Revised DEIR was submitted twice to the State Clearinghouse and was circulated for the required 45-day public comment periods as follows:

- September 30, 2021, to November 15, 2021; and
- January 28, 2022, to March 14, 2022, (due to revisions regarding the possible future widening of Orange Avenue).

Findings of Fact and a Mitigation Monitoring and Reporting Plan were prepared and are attached to the EIR resolution (Exhibits B and C).

The Mitigation Monitoring Program identified mitigation measures in the following categories:

- Subsurface archaeological and tribal cultural resources;
- Soil conditions;
- Hazards from subsurface hydrocarbons; and
- Construction noise.

7/12/2022

The environmental determination found that the HEU project and associated ZOAs and GPAs do not create impacts to a level of significance with the implementation of the identified mitigation measures.

Next Steps

The HEU (Attachment H) has been prepared, submitted, and revised in accordance with State housing law and two rounds of comments from HCD. None of the comments from HCD have resulted in substantial changes to the housing sites, or HEU programs, but have mostly been about clarification and quantification of AFFH data and programs. Final comments from HCD are due by August 15, 2022. If the final review of the HEU does not result in substantial changes to the draft HEU, staff will bring the HEU to the City Council for approval on September 27, 2022. The final HEU must be submitted for certification by the State by October 15, 2022.

Approved:

Hannah Shin-Heydorn

Attachments