



DATE: August 24, 2022

TO: Orange County Planning Commission

FROM: OC Public Works/OC Development Services

SUBJECT: Land Use Element Amendment LU 22-01 and Zoning Code Amendment CA 22-01

PROPOSAL: Recommend adoption by the Board of Supervisors an amendment to the County's Land Use Element to incorporate policies intended to facilitate housing development and an amendment to the Comprehensive Zoning Code to modify development standards also intended to facilitate the development of housing and make technical modifications to several sections of the Comprehensive Zoning Code.

ZONING/GENERAL PLAN: N/A

LOCATION: Unincorporated Areas of Orange County

APPLICANT: OC Development Services

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RECOMMENDED ACTION:

OC Development Services recommends the Planning Commission:

- a. Receive staff report.
- b. Conduct public hearing.
- c. Adopt Planning Commission Resolution No. 2022-01 (Attachment 1) recommending the Board of Supervisors:
 - (1) Find that Final Negative Declaration No. IP 22-0133, prepared for Housing-Related Updates to the County of Orange General Plan and Comprehensive Zoning Code, reflects the independent judgment of the County of Orange as lead agency and satisfies the requirements of CEQA for the proposed Housing-Related Updates to

the County of Orange General Plan and Comprehensive Zoning Code. Adopt Negative Declaration No. IP 22-0133 and make the following additional findings:

- a) The Negative Declaration and comments on the Negative Declaration received during the public review process were considered and Negative Declaration No. IP 22-0133 is adequate in addressing the impacts related to the Housing-Related Updates to the County of Orange General Plan and Comprehensive Zoning Code Project;
 - b) On the basis of the whole administrative record, there is no substantial evidence that the Housing-Related Updates to the County of Orange General Plan and Comprehensive Zoning Code Project, will have a significant effect on the environment;
 - c) Negative Declaration No. IP 22-0133 is adequate to satisfy the requirements of CEQA for the proposed Housing-Related Updates to the County of Orange General Plan and Comprehensive Zoning Code Project.
- (2) Adopt amendment to the County of Orange Land Use Element to incorporate land use policies regarding housing development; and
 - (3) Adopt amendment to the Orange County Comprehensive Zoning Code to modify certain residential development standards and make technical modifications.

BACKGROUND:

The County of Orange is in the process of completing its Housing Element Update for the 6th Housing Element Update Cycle, as mandated by State law. Each Update provides goals, policies, and objectives the County will pursue in order to meet its existing and projected housing needs for the next eight-year planning period, including a land inventory addressing the County's allocation of the Regional Housing Needs Assessment (RHNA) assigned by Southern California Association of Governments (SCAG). More specifically, the Housing Element Update will (1) analyze existing housing stock, projected housing needs, and availability of housing for special needs groups; (2) provide a Land Inventory (an inventory of land suitable for residential development); (3) identify and analyze potential and actual barriers to the construction of new housing units; and (4) identify specific programs the County will undertake to achieve its stated goals and objectives.

The County's Land Inventory must list sites available for housing development during the 6th Housing Element Cycle (planning period). These sites must be zoned to provide enough density to adequately accommodate the County's RHNA allocation of housing units at all income levels. The County's RHNA allocation for the 6th Cycle (2021 to 2029) is 10,406 total housing units which is almost double the County's previous 5th Cycle (2013-2021) allocation of 5,272 housing units. In its Housing Element, the County must also include a description of the programs it will implement to ensure the housing needs of the unincorporated areas will be met during the next planning period including how it will facilitate the construction of 10,406 new housing units.

One of the programs included in the County's Draft 6th Cycle Housing Element Update, is to revise the Housing Opportunities Overlay District (Zoning Code section 7-9-44) regulations to allow higher densities for projects providing affordable multifamily housing. Allowing higher densities on sites designated for commercial and industrial uses and in high-density residential zoning districts is intended to facilitate the development of affordable housing in the unincorporated areas during the next planning period. This program will also require the amendment of the County's Land Use Element to ensure internal consistency with the Housing Element Update.

Due to the County not adopting a substantially compliant Housing Element Update by February 17, 2022, the County is required to complete all required subsequent Zoning Code and General Plan amendments no later than October 15, 2022, pursuant to Gov't Code § 65583(c)(1)(A).

DISCUSSION

General Plan Amendment LU 22-01 (Land Use Element) (Attachment 2)

The Land Use Element (LUE), one of nine elements of the County's General Plan. It describes objectives, policies, and land use patterns for all unincorporated territory in both narrative and graphic terms and establishes development criteria and standards, including population density and building intensity. State law requires the Land Use Element to achieve internal consistency with all elements of the General Plan, including the County's Housing Element. Although the Land Use Element provides the basis for land use decisions, it does not replace or supersede any of the other General Plan elements. Instead, the Land Use Element complements the other elements by incorporating and implementing their land use concerns and recommendations.

The proposed amendment to the Land Use Element is limited to only those revisions required to ensure consistency with the Housing Element and includes the following:

- Addition of a discussion regarding the applicability of the Housing Opportunities Overlay District regulations to the commercial and industrial land use categories since 2006.
- Addition of affordable multifamily housing to the table of allowable uses in commercial and industrial land use categories.
- Updated demographic data specifically regarding population density.

In addition to the demographic data, the Land Use Element contains much information that requires updating but is not part of this amendment. A comprehensive update that will bring up-to-date all of the Elements of the County's General Plan, including the Land Use Element, is currently underway. It is anticipated that OCPW/OC Development Services will submit this comprehensive update for consideration and adoption within the next 12 months.

Zoning Code Amendment CA 22-01 (Housing Opportunities Overlay District and Technical Revisions) (Attachment 3)

Housing Opportunities Overlay District. Since 2006, affordable housing development has been a permitted use on parcels zoned for commercial and industrial uses through the implementation of the Housing Opportunities Overlay District regulations. Several affordable housing developments have replaced underutilized sites and attractive nuisances that had become problematic in their neighborhoods. The availability of this alternative permitted use has resulted

in a marked increase in the number of affordable rental units for the residents of the unincorporated areas.

The Housing Opportunities Overlay District regulations have been amended over the years to expand the Overlay District to high-density residential zoning districts and to increase the base density of commercial and industrial zoned parcels from 25 dwelling units/acre to the current density of 43 dwelling units/acre. This proposed amendment will increase the base density of affordable housing developments to 70 dwelling units/acre on commercial and industrial zoned parcels and in high-density residential zoning districts. In high-density residential zoning districts, only parcels without an existing multifamily residential development will be eligible to take advantage of this increase in density.

Although the proposed increase in density may seem large, the County has limited options to meet its 6th Cycle RHNA allocation. The County must either find new residential sites, or increase density on existing residential sites, to demonstrate to the State the County can accommodate its RHNA allocation. Increasing the density on already high-density residential developments will both help the County meet its RHNA and is intended to facilitate an increase in the number of affordable multifamily rental units throughout the unincorporated areas.

Technical Revisions. In addition to the proposed amendment to the Housing Opportunities Overlay District regulations, the following revisions are also proposed:

- Substituting the decision-maker for approval of future revisions of the “Orange County Housing Opportunities Manual” from the Planning Commission to the Deputy Director, OC Public Works/OC Development Services (“Director”)
- Addition of “Low-Barrier Navigation Centers” to the Housing Opportunities Overlay District as a permitted use pursuant to State law.
- Adding affordable housing developments to the list of permitted uses in Zoning Code section 7-9-33, Commercial Districts and Zoning Code section 7-9-34, Employment Districts.
- Additional corrections to typographical errors, omissions, and re-numbering.

CEQA COMPLIANCE:

Initial Study/ Negative Declaration (IS/ND) No. IP 22-0133 (Attachment 4) was prepared to study the potential environmental impacts of the proposed Project. IS/ND No. 22-0133 was made available for public review on the County website from July 12, 2022, to August 10, 2022. The Notice of Intent to Adopt a Negative Declaration (NOI) was emailed to Housing Distribution list serve and advisory committees. In addition, the NOI was posted at County Administration South, Hall of Administration bulletin board, and uploaded to the State’s CEQANet database (assigned SCH # 2022070228).

At the Planning Commission meeting an update on comments received will be provided.

Submitted by:



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OC Development Services/Planning

Concurred by:



Amanda Carr, Interim Deputy Director
OC Public Works/Development Services

ATTACHMENTS:

1. Planning Commission Resolution No. 2022-01
2. Proposed General Plan Amendment LU 22-01 (Land Use Element) – Strikethrough Version
3. Proposed Zoning Code Amendment CA 22-01 (Housing Opportunities Overlay District and Technical Revisions) – Strikethrough Version
4. Initial Study/ Negative Declaration (IS/ND) No. IP 22-0133