

# Agenda Report

**To:** City Council

**Date:** November 18, 2002

**From:** City Manager

**Subject:** Fair Oaks/Orange Grove Specific Plan General Plan Amendments

## **RECOMMENDATION:**

It is recommended that, following a public hearing, the City Council:

1. Find that the Specific Plan Environmental Impact Report (E.I.R.,) previously certified by the Council adequately assesses the potential environmental impacts of General Plan Amendments to designate the expanded Specific Plan area boundaries, to establish development intensities corresponding to the expanded Specific Plan area, and the residential building intensity standard that includes both market rate and affordable housing.
2. Adopt a Resolution approving the General Plan amendments as follows: 1) Amendment to the map in the Land Use Element and the Diagram to reflect expansion of the Specific Plan area from Mountain Street northward to the City limit; 2) Amendment to the Land Use Element text to recognize development intensity (units and non-residential square footage) for the "expanded area"; and 3) Amendment to the General Plan Policy 3.1 pertaining to the exemption for affordable housing.

## **ADVISORY BODY RECOMMENDATIONS**

At its meeting of March 13, 2002, the Planning Commission unanimously recommended approval of the proposed amendments with a clarification to staff's analysis of the proposed changes to General Plan Policy 3.1. Exemption for Affordable Housing. The Commission's discussion focused on the application of the proposed policy for the Fair Oaks/Orange Grove Specific Plan area and the mix of housing provided by the policy for District 3. As a result, this report contains clarification of the proposed Interim Policy.

At its meeting of March 12, 2002, the Northwest Commission reviewed the General Plan amendments as an information item, as this was a follow-up to the approved Fair Oaks Specific Plan that they previously reviewed.

At its meeting of March 6, 2002, the Fair Oaks Project Area Committee reviewed the General Plan amendments as an information item, as this was a follow-up to the approved Fair Oaks Specific Plan that they previously reviewed.

## **EXECUTIVE SUMMARY**

The Fair Oaks/Orange Grove Specific Plan was adopted by the City Council on January 28, 2002. The Plan provides for land use strategy, design and development standards to guide future development within the Specific Plan area. To implement the land use strategy of the Specific Plan and make it consistent with the General Plan, it is necessary to amend the map in the Land Use Element and the Diagram to reflect expansion of the Specific Plan designation from Mountain Street to the northerly City limit; amend the Land Use Element text to recognize the development intensity (units and non-residential square footage) for the “expanded area”; and amend the General Plan Policy 3.1 Exemption of Affordable Housing to provide for the inclusion of affordable and senior housing in the residential intensity standard (“cap”) set for the Specific Plan area.

## **AMENDMENTS TO THE LAND USE ELEMENT OF THE GENERAL PLAN**

### **1. Amendment to the Land Use map and Diagram**

In the 1994 General Plan Land Use Element, the initial boundaries for the Specific Plan included the area along the corridors from Lincoln Avenue to Los Robles Avenue and from Maple Street to Mountain Street. The Land Use Element states that “precise boundaries will be adopted during the public participation process”. After the General Plan was adopted, the City Council directed in June 1999 that the boundaries be extended along Fair Oaks Avenue from Mountain Street northward to the City limit, between Woodbury Road and Montana Street. The expansion area of the Specific Plan includes 98.09 acres bringing the total Specific Plan area to 171.14 acres.

The extended boundaries are not currently shown in the Land Use Element text and map (Attachment 2, page 87), and the Land Use Diagram (map) does not show the Specific Plan designation for either the original area or the extended area. Rather, the Diagram shows various Industrial and Commercial designations, reflecting land use prior to adoption of the Land Use Element. Thus, it is necessary to amend both the map in the Land Use Element and the Diagram to make it consistent with the Fair Oak/Orange Grove Specific Plan. In addition, the Specific Plan boundaries will be adjusted to match overall the rear of the property lines of those parcels along the west side of Raymond.

### **2. Amendment to the Land Use Element Text (page 54)**

An amendment to the Land Use text is necessary to establish the intensity standard for the Specific Plan expansion area. The approach to accomplish this is to recognize the area’s proportionate amount of the citywide residential and non-residential development intensity projected by the 1994 General Plan.

As was stated above, the Specific Plan area was expanded northerly from Mountain Street to the northerly city limits during the planning process. At the time the 1994 General Plan Intensity Standards were prepared, the “expanded area” was outside of the Specific Plan areas. For other areas of the City, the 1994 General Plan projected a potential intensity of development according to their land use designations (residential, commercial, industrial, and others) as shown in Table 3, Building Intensity Standards, page 41 (Attachment 3.)

The 1994 General Plan projected 1,932 net new units citywide under the Medium Density Residential (RM-16) and Medium High Density Residential (RM-32) areas. This land use

designation and zoning within the extended areas would have allowed a total of 503 net new residential units. The 200 net new residential units approved by the Specific Plan are less than half the intensity projected by the General Plan. . The reduced intensity is attributed to the Specific Plan's recommendation to downzone the RM-32 zone to RM-16. The recommendation to recognize 200 units from the General Plan's citywide allocation as the development intensity for the Specific Plan expansion area is therefore acquiring its proportionate amount of the potential growth that was projected for the area.

The 1994 General Plan projected 456,531 square feet of net new industrial development citywide, as shown in Attachment 3. Most of the land accounted for this potential development was located on Fair Oaks Avenue, north of Mountain. Through the Specific Plan process, 111,000 square feet of non-residential development was recommended for the area (70,000 square feet of commercial and 41,000 square feet of industrial.) This intensity of non-residential development is clearly within the intensity projected for the area as well as city-wide. The focus of this development will be primarily commercial and light industrial since there has been a decreasing demand for standard industrial space in the Fair Oaks corridor. This approach further affirms the direction of the revitalization strategy, which positions the area to an increasingly competitive changing market.

As a result of the proposed amendment to the Land Use Element text, the following revised text will replace the current intensity standards on page 54 (Attachment 4):

**Total New housing Units for: Districts 1 and 2 = 200**  
**Total New housing Units for: District 3 = 150 \***

**Total New Non-residential Square Footage = 611,000**  
**Commercial for Districts 1 = 70,000**  
**Commercial for District 3 = 350,000**  
  
**Industrial for District 2 = 41,000**  
**Industrial for District 3 = 150,000**

*\*This figure will be increased to 350 housing units under the revised Building Intensity Standards as part of the current Five-year update of the Land Use Element.*

The General Plan section on Building Intensity Standards (page 39) states that "building intensity standards may be reviewed and revised only during the Five Year update of the General Plan". Therefore, the current General Plan intensity standards for District 3 of 150 housing units can be increased to 350 units only during the Land Use Element update to be completed this fall. The residential and non-residential development intensity for Districts 1 and 2 recognizes the area's proportionate amount; thus, it is not an increase to the overall building intensity standards established by the 1994 General Plan. Ultimately, the 550 total housing units recommended by the Specific Plan will be reflected in the building intensity standards as part of the Land Use Element Update.

### **3. Amendment to General Plan Policy 3.1 pertaining to affordable housing exemption**

This amendment is an interim policy to include affordable and senior housing units within the total number of units allowed in District 3, as well as to set a limit for Districts 1 and 2. The interim policy would be in effect until the update of the Land Use Element is adopted.

The Specific Plan provides that the intensity standard for potential new residential development include housing units that are restricted by cost and income qualifications of occupants (i.e., affordable units) as well as purely market-driven units. This provision anticipates a change in the Land Use Element policy which will be considered in the fall of 2002. A revised policy will allow specific plans to determine whether affordable or senior units will be included within the intensity standard, taking into consideration particular conditions in the specific areas.

Under the existing Land Use Element Policy 3.1, there is no General Plan limit on the *combined* total of market rate and affordable housing units. In contrast, the interim policy would limit total *combined* development in District 3 to 350 units, consistent with the Specific Plan. The current General Plan intensity standard limits the development of *market rate* units to 150 units and will be retained with this policy. New development within District 3 must respect both prescribed limits.

When the Land Use Element is adopted, the intensity standard will be revised to 350 units. This change will allow development of 350 units regardless of whether they are market, senior or affordable units. The Interim Policy reads as follows:

**Policy 3.1 – Exemption for Affordable Housing (*Interim Policy*):** Allow development of residential units exceeding targeted development area if the units are ownership units affordable to moderate, low and very low income households, rental units affordable to low or very low income households, or senior housing, *except in the Fair Oaks/Orange Grove Specific Plan area, where the following policy controls until adoption of the Land Use Element Update. Within the Fair Oaks/Orange Grove Specific Plan area, development of residential units in SpecificPlan Districts 1 and 2 shall not exceed 200 total units, adopted in this Land Use Element as amended; residential development in the District 3 shall not exceed 350 units, including not more than 150 market rate units.*

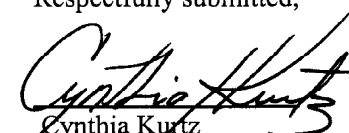
### **Environmental Determination**

The Environmental Impact Report (E.I.R.) prepared for the Specific Plan and certified by the City Council on January 28, 2002 adequately assessed the potential environmental impacts that may result from the proposed amendments. These amendments were encompassed within the project description included in the E.I.R.

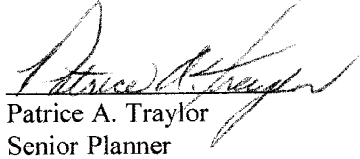
### **Fiscal Impact**

The General Plan amendments will facilitate implementation of the Specific Plan to provide for residential and commercial development. Potential revenues are anticipated from the housing units projected over time for the Specific Plan area. At this time, there is no estimated future building permit revenue for commercial projects due to the Enterprise Zone fee waivers.

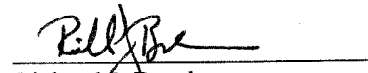
Respectfully submitted,

  
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Attachments:

- Attachment 1 - Fair Oaks/Orange Grove Specific Plan area – Original and Expanded Area
- Attachment 2 - Land Use Element map of the original Specific Plan area (page 87)
- Attachment 3 - Land Use Element Building Intensity Standards (page 41)
- Attachment 4 - Land Use Element Text for the Specific Plan (page 54)
- Attachment 5 - Resolution of the City Pasadena amending the Land Use Element of the Comprehensive General Plan