

Agenda Report

July 11, 2016

TO: Honorable Mayor and City Council

FROM: Planning & Community Development Department

**SUBJECT: INTERIM DEVELOPMENT REVIEW PROCESS TO IMPLEMENT THE
GENERAL PLAN LAND USE ELEMENT**

RECOMMENDATION:

It is recommended that the City Council initiate a Zoning Code Amendment to create an Interim Development Review Process, to be reviewed by the Planning Commission, to implement the land uses, floor area ratios, and residential densities of the General Plan Land Use Diagram, but subject to all other existing development standards, in exchange for a community benefit.

PLANNING COMMISSION RECOMMENDATION:

On April 27, 2016, the Planning Commission, at the direction of the City Council, discussed a potential Zoning Code Amendment to create an interim development review process. Such a discretionary process would allow development projects to utilize the land uses, floor area ratios, and residential densities of the General Plan even though they may be contrary to existing specific plan regulations. This process would be in place until such time as the Specific Plans are updated to achieve consistency with the General Plan.

The Commission supported the creation of an interim discretionary process, including public involvement, to implement the FAR, land uses, and residential densities in the Land Use Element, with existing development standards or minor deviations from existing development standards.

EXECUTIVE SUMMARY:

On April 27, 2016, the Planning Commission discussed a potential Zoning Code Amendment to create a mechanism to permit a developer to utilize the land uses, residential densities, and floor area ratios of the Land Use Diagram of the Land Use Element of the recently adopted General Plan. This discussion was conducted at the direction of the City Council, who at Council hearings in January and February 2016 had expressed concerns about the potential for limiting new development consistent with the

2015 General Plan until the General Plan Implementation work program is complete (a three-year effort to update seven specific plans, create a Lamanda Park Specific Plan, retire the West Gateway Specific Plan, update the citywide design guidelines, and update the Zoning Code and Zoning Map). The City Council directed staff to explore options for interim mechanisms that may be appropriate to allow development that is consistent with the vision of the new General Plan but restricted by existing zoning regulations. Such a mechanism would potentially be a new discretionary process a developer could apply for.

City staff researched options and presented three possible interim development processes to the Planning Commission on April 27, 2016 in order to initiate Commission discussion. The three options include: 1) allow land uses, floor area ratios, and residential densities of the Land Use Diagram, but restricted to all other existing Zoning Code development standards; 2) reduce the size of a new Planned Development from two acres to one acre; and 3) create specialized zoning standards through an applicant-initiated zone change. The discussion however, was not limited to these options.

The Commission was generally supportive of the first option, but did not support the remaining two options. The Commission also concluded that limited deviations from the existing development standards may be necessary, and could be allowed through this process in order to fully utilize the General Plan land use designations. The Commission further introduced the idea of creating "priority areas", to be created by the City Council, where an interim development process could be applicable, while reserving the remaining areas of Pasadena for development consistent with the current development standards.

The Commission concluded that it was generally supportive of the creation of such an interim development review process, but was also concerned about the type of development that could occur absent the updated specific plans, including community input, to reflect the community's vision and priorities.

Based on the Commission's discussion, staff is recommending a refined version of Option #1, to allow the land uses, floor area ratios, and residential densities of the Land Use Diagram, but restricted to all other existing Zoning Code development standards, in exchange for a community benefit. The Planning Commission would be the decision-maker at a noticed public hearing.

ANALYSIS:

On January 25, 2016 and February 29, 2016, the City Council considered, and ultimately approved, a strategic effort to implement the new Land Use Element of the General Plan. The three-year work program would include:

- Develop new citywide Zoning Districts to ensure subsequent development and land uses are consistent with the recently adopted Land Use Diagram of the Land Use Element;
- Consolidate existing design guidelines and revise as necessary to establish Citywide Design Guidelines;
- Update seven Specific Plans and create the Lamanda Park Specific Plan with tailored development regulations;
- Retire the West Gateway Specific Plan; and
- Conduct focused community outreach.

At both meetings, concerns were expressed by members of the Council that the three-year implementation process was a long time to wait for an updated Zoning Code and Zoning Map to implement the updated Land Use Diagram. Although the new land uses, floor area ratios, and residential densities could potentially be accessed through the amended Planned Development process or an amendment to the Zoning Map, the Council requested that staff investigate the creation of an additional process whereby the new Land Use Element could be implemented in a more expedited manner.

On April 27, 2016 the Planning Commission discussed the creation of an interim process to implement the land uses, floor area ratios, and residential densities of the General Plan Land Use Diagram. For discussion purposes, staff presented three possible scenarios for such a process to the Commission, absent a recommendation. All three would be discretionary processes that would include public input and would also be temporary measures that would be eliminated upon adoption of the specific plan and zoning code updates.

The three potential interim options are described below:

1) Implement Land Use Diagram with existing Zoning Code regulations.

Create a mechanism that would allow the utilization of the land uses, floor area ratios, and residential densities on the Land Use Diagram for individual sites, but still enforce all other existing remaining development standards associated with that site's zoning designation (height, setbacks, etc.).

2) Planned Development with a reduced site area.

Currently, the Planned Development process, due to the ability to craft specific development standards (i.e. a "mini-Zoning Code") that may not comply with the existing zoning regulations, is the most applicable tool available to implement the Land Use

Diagram. However, this tool is only available to developments with a minimum size of two acres. As a temporary measure, this two-acre minimum requirement could be reduced to one acre. The existing Planned Development process (zone change with public hearings before the Planning Commission and City Council) would remain the same.

3) Specialized Zoning Standards.

Create a new discretionary process that would allow for the creation of a specialized set of zoning standards for development projects regardless of the size of the site. This would be an applicant-initiated zone change request that would ultimately be acted upon by the City Council, where individual zoning development standards could be crafted on a case-by-case basis to effectuate the Land Use Element, provided the project was found to be consistent with not only the Land Use Diagram, but also the surrounding existing and future development. This process would allow an applicant to create and request a zoning district that corresponds to the land uses on the Land Use Diagram.

Planning Commission Discussion:

The Commission acknowledged the importance of providing an interim mechanism by which the new land uses, densities, and floor area ratios could be utilized, but was concerned that without a public process to craft specific development standards as part of the specific plan updates, it is uncertain what sort of development could and should be allowed to occur and whether it would be in-scale with existing surrounding development.

The Commission's discussion is summarized as follows:

- Generally supportive of Option #1, but discussed who the appropriate body would be to administer the discretionary process. Options considered were Hearing Officer, Board of Zoning Appeals, Planning Commission, and City Council.
- Use Option #1, but only apply it in "priority areas" where an interim development process would be applicable. The City Council would designate where new development could occur utilizing the new General Plan, while reserving development in other areas of the city for after the specific plans are updated. This would not prohibit development in these "reserved" areas; any new development would be constructed consistent with the existing specific plans.
- Use Option #1, but because in some cases the existing development standards may not allow the Land Use Diagram's land uses, floor area ratios, and/or residential densities to be achieved, create a pre-determined "menu" of deviations from the existing development standards of the Zoning Code; also limit the deviation to an amount or percentage, with a limit on the number of deviations (one, two, or three). Examples of such deviations on the pre-determined menu

could be a height increase of ten percent or a setback reduction. The pre-determined menu of items would be created as part of the interim development process zoning code amendment, which requires a Planning Commission recommendation and City Council approval.

- Not supportive of Option #2 to reduce the minimum size of a new Planned Development to one acre, or even to be less than two acres.
- Not supportive of Option #3 to create specialized zoning districts.

The Commission recognized the challenges to development that exist during the interim period between the adoption of the Land Use Element and the updating of the specific plans, design guidelines, zoning code, etc.. The Commission was also cognizant of the value that could be gained from public participation and input in the update process and was reluctant to lose that input on development during the interim period.

Regardless of the course of action the City Council chooses, the Commission wants to ensure there is certainty in development, so both developers and the community have the same understanding of the desired vision of future development.

STAFF RECOMMENDATION:

Based on the Planning Commission's discussion, staff is recommending a refined version of Option #1, to allow the land uses, floor area ratios, and residential densities of the Land Use Diagram, but restricted to all other existing Zoning Code development standards. In addition, recognizing that development does not occur solely for the benefit of a developer and that development occurs for overall community benefit, staff is recommending a requirement that projects that are approved through this interim development review process provide a specific and tangible public benefit.

In other words, in exchange for allowing a development to increase the floor area ratio and residential density above what is allowed by the Zoning Code, or include a land use that is currently not permitted in a specific zoning district, in order to align with the Land Use Element, the development could be required to provide a community benefit. An example of such a benefit could be a mandatory increase in the amount of affordable housing to above what is currently required by the City's Inclusionary Housing Ordinance (15 percent), with an additional requirement that the affordable units be located on-site. Other examples of community benefits could be the inclusion of publicly-accessible open space (with specific requirements on size, location, etc.) or land donation to the City for public use.

Finally, staff is recommending the Planning Commission be the decision-maker for this discretionary permit, at a noticed-public hearing.

CONCLUSION:

As the City Council has articulated, implementation the new Land Use Element and Land Use Diagram is of great importance. The City Council has also been clear in its desire that it be implemented as expeditiously as possible, while also thoroughly engaging the community.

Amending the Zoning Code to create a process by which a developer can access the land use, FARs, and residential densities of the Land Use Diagram would allow for utilizing these components of the Land Use Element prior to the completion of the implementation work program. While even limited implementation of the Land Use Element could be beneficial, as the Element is the culmination of a six-year effort and an expression of the community's vision, there are potential pitfalls by allowing for short-term development that may not be in line with the development standards of the updated specific plans, design guidelines, and zoning code.

Nevertheless, staff is recommending the City Council initiate a Zoning Code Amendment to create a new discretionary process, an Interim Development Review Process, where the Planning Commission would be the decision-maker at a noticed public hearing. The Interim Development Review Process would permit an applicant to request the land uses, floor area ratios, and/or residential densities of the General Plan Land Use Diagram, while still limited to all other existing development standards of the specific plans and Zoning Code, in addition to providing a specified community benefit.

If the City Council initiates such a Zoning Code Amendment, staff will prepare a detailed recommendation for the consideration of the Planning Commission, who will make a corresponding recommendation to the City Council on the specifics of the Amendment.

COUNCIL POLICY CONSIDERATION:

Implementation of the City's General Plan through an interim development process will further Land Use Element Policy B.1: Zoning Ordinance. *Review and amend the Zoning Code (Municipal Code, Title 17) standards and regulations to achieve consistency with the General Plan's Land Use Diagram, goals and policies, particularly those related to the inclusion of form based codes.*

Implementation of the City's General Plan will also support the Council's Strategic Planning Goals by:

- 1) Maintaining fiscal responsibility and stability by encouraging a wide variety of residential and commercial uses to keep the City and community on solid financial ground;
- 2) Improving, maintaining, and enhancing public facilities and infrastructure by enhancing the City's fiscal benefits through new development to fund City services;

- 3) Increasing conservation and sustainability by encouraging areas where density development can take advantage of common infrastructure and thereby reduce impacts on a per capita basis;
- 4) Improving mobility and accessibility throughout Pasadena by shifting focus from single-driver automobiles to non-automobile travels (i.e. transit, bicycles, and pedestrians);
- 5) Supporting and promoting the quality of life and the local economy by providing for new development and new jobs to support local residents; and
- 6) Ensuring public safety by maintaining the City's fiscal resources through new development to provide for emergency and public safety operations.

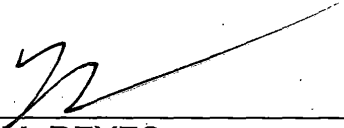
ENVIRONMENTAL ANALYSIS:

If the City Council initiates a Zoning Code Amendment, staff will evaluate it relative to the requirements of the California Environmental Quality Act (CEQA) for environmental review. In concert with a Zoning Code Amendment, staff will also prepare the appropriate environmental review for the consideration of the Planning Commission and City Council.

FISCAL IMPACT:

If staff is directed to pursue an amendment to the Zoning Code and the amendment is determined to be exempt from CEQA, there would be no fiscal impact as a result of this action. Indirect and support costs will be addressed by the utilization of existing budget appropriations. If the amendment is not exempt from CEQA, it may be necessary to hire a consultant to provide environmental review.

Respectfully submitted,



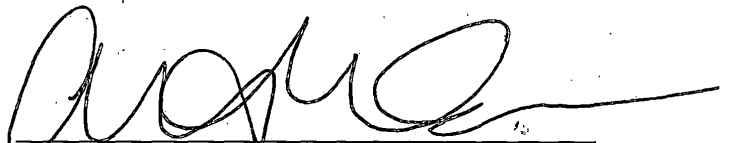
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