Agenda Item No: 2.b

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: June 16, 2026

Submitted by: Joe Lambert

From: Development Services

Subject:
INTRODUCTION AND FIRST READING OF ORDINANCE NO. O-2026-10, AMENDING CHAPTER 23.23 OF THE PLACENTIA MUNICIPAL CODE RELATING TO DENSITY BONUS IN ACCORDANCE WITH STATE LAW (ZONING CODE AMENDMENT NO. ZCA 2026-03)

Financial Impact:
None.

Summary:
Approval of Zoning Code Amendment No. 2026-03 and adoption of Ordinance No. O-2026-10 will amend development standards and regulatory requirements in Title 23 (“Zoning”) of the Placentia Municipal Code, Chapter 23.23 relating to Density Bonus in accordance with State law. Having local regulations consistent with State law is required and is also consistent with the City's adopted Strategic Goals.

The City’s existing Density Bonus Ordinance, codified in Chapter 23.23 of the Placentia Municipal Code, was adopted in 2002. Since then, the State Density Bonus Law has been amended multiple times, rendering the City’s Ordinance outdated and sometimes inconsistent with current State requirements. The proposed Ordinance brings the City Code consistent with State law and codifies that the City applies the most recent State Law in the review and approval of Density Bonus requests.

Recommended Action:
It is recommended that the City Council:

1. Open the Public Hearing concerning Zoning Code Amendment No. 2026-03 and Ordinance No. O-2026-10; and
2. Receive the Staff Report, consider all Public Testimony, ask any questions of staff; and
3. Close the Public Hearing; and
4. Find that approval of Zoning Code Amendment No. 2026-03 and adoption of Ordinance No. O-2026-10 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3); and
5. Waive full reading, by title only, and introduce for first reading, Ordinance No. O-2026-10, an Ordinance of the City Council of the City of Placentia, California, amending Title 23, (Zoning) Chapter 23.23 (Density Bonus) of the Placentia Municipal Code in

accordance with State law.

Strategic Plan Statement:
This item is in alignment with Strategic Goal 5, Organizational Excellence. Adoption of local Density Bonus regulations that are consistent with State law fosters organizational excellence and creates transparency and accountability within the organization. It will also ensure the City is eligible for grants and other funding sources which require State-approved Density Bonus regulations.

Discussion:
The State of California enacted Government Code Section 65915 et seq., known as the State Density Bonus Law, to facilitate the development of affordable housing through the provision of density bonuses and related incentives. The City's existing Density Bonus Ordinance, codified in Chapter 23.23 of the Placentia Municipal Code, was adopted in 2002. Since then, the State Density Bonus law has been amended multiple times, rendering the City's Ordinance outdated and sometimes inconsistent with current State requirements. The proposed Ordinance brings the City Code consistent with State law and codifies that the City applies the most recent State Law in the review and approval of Density Bonus requests.

Updating Chapter 23.23 of the Placentia Municipal Code as it relates to Density Bonus regulations is identified as Program HE-1.11 in the City's State certified Housing Element, one of the required elements of the General Plan. Updating the Density Bonus Ordinance has been a goal of the City and is highly encouraged by the California Department of Housing and Community Development (HCD). To update the local regulations, the City needs to adopt a specific Ordinance for this purpose, which would override and supersede the current Density Bonus provisions of the Municipal Code. Failure to do so could place the City at risk of non-compliance with certain requirements of its Housing Element.

In response, the City has been actively working to achieve this goal utilizing REAP 2.0 funding via SCAG (Southern California Association of Governments). SCAG allocated REAP 2.0 funds to Placentia and hired WSP Consultants on behalf of the City. WSP has prepared a draft Density Bonus Ordinance as part of the REAP 2.0 scope of work.

The objectives of this Ordinance are to:
- Bring current local program in-line with today's California Government Code so the local regulations are easier to understand for applicants and staff
- Adopt local regulations that will incentivize the development of affordable housing in areas of the City that are appropriate and zoned for said development.

An updated, compliant Density Bonus Ordinance helps to:
- Implement the State-certified Housing Element
- Achieve Prohousing status, City Council has adopted Resolutions authorizing staff to apply for Prohousing status in the recent past.

California Density Bonus Law Increases development capacity, reduces development costs through incentives and flexibility, lowers parking requirements, drives affordable housing production through private development, and helps to implement the local Housing Element. A local Density Bonus Ordinance must be consistent with State Density Bonus Law and cannot provide fewer benefits or impose conflicting requirements. However, it may provide additional incentives or greater density beyond State law requirements.

The amended Ordinance adds new section 23.23.060 Special Geographic Areas: which specifies that an additional 10% Local Area Bonus applies to parcels located within the designated geographic areas:

- Old Town Placentia
- TOD Packing House District
- Chapman Corridor Specific Plan Area

In addition, the amended Ordinance incorporates related California State Government Code(s) for clarity, and provides percentage tables and other refinements to aid readability. This new chapter would explicitly reference Government Code Sections §§ 65915 et seq., providing a clear framework aligned with current State law. This approach minimizes the need for frequent municipal code updates due to legislative changes and offers clarity to both applicants and staff by ensuring that the most up-to-date State law governs the review and approval process for density bonus applications.

On May 12, 2026, the City of Placentia Planning Commission held a public hearing and recommended that the City Council adopt a CEQA Exemption for this item and recommended approval of ZCA 2026-03.

CEQA:
The proposed Zoning Code Amendment was reviewed by staff in accordance with the requirements of the California Environmental Quality Act ("CEQA"). The draft Ordinance was also evaluated by the Planning Commission. Based on that review, staff and the Planning Commission recommend that the City Council find that adoption of ZCA 2026-03 and Ordinance No. O-2026-10, is exempt from CEQA pursuant to the common sense exemption of CEQA Guidelines Section 15061(b)(3) which provides that CEQA does not apply where it can be seen with certainty that the project will not have any significant impacts on the environment.

CONCLUSION:
This Zoning Code Amendment updates the City's existing Density Bonus Ordinance as required by State law. Due to the fact that State Density Bonus Law has been amended multiple times since 2002 when the local Ordinance was effective, the City's Ordinance is outdated and inconsistent with current State requirements. The proposed Ordinance brings the City Code consistent with State law and codifies that the City applies the most recent State Law in the review and approval of Density Bonus requests.

Financial Summary:
No immediate impact.

Attachments
1. Ordinance No. O-2026-10 - Amending Title 23 (Zoning).docx
1.a. Exhibit A to Ord No. O-2026-10.docx