



Agenda Item No: 2.b

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: March 18, 2025

Submitted by: Andrew Gonzales

From: Development Services

Subject:

Request for consideration of Planning Commission's Denial of Ordinance No. 2025-02 Amending Specific Plan No. 5 (SP-5) to Reduce the Minimum Residential Density from 65 to 15 Dwelling Units per Acre on Parcel No. 9

Financial Impact:

Fiscal Impact:

None.

Summary:

On February 11, 2025, the Planning Commission held a public hearing to review Zoning Code Amendment No. 2024-01 (ZCA 2024-01), which proposes reducing the minimum residential density for Parcel No. 9 within Specific Plan 5 (SP-5) from 65 dwelling units per acre to 15 dwelling units per acre. After reviewing the staff report, public testimony, and project details, the Planning Commission, by majority vote, recommended denial of the amendment. According to the applicant, Gilad Ganish, the change is necessary to maintain flexibility in future land use planning. The City Council previously approved a five-story, 248-unit mixed-use development at 776 S. Placentia Avenue and 777 W. Orangethorpe Avenue, which remains unchanged. The proposed density reduction aims to ensure adaptability to market conditions, infrastructure constraints, and community needs.

Pursuant to Placentia Municipal Code (PMC) Chapter 23.96, the City Council is now holding a public hearing to consider the request and determine final action on the proposed amendment. The request aligns with the City's General Plan goals for economic revitalization, housing diversity, and sustainable urban development, while providing greater flexibility for future development on Parcel No. 9.

Recommendation:

Recommended Action: It is recommended that the City Council take the following actions:

1. Open Public Hearing, concerning Zoning Code Amendment No. ZCA 2024-01; and
2. Receive the Staff Report and consider all Public Testimony; and
3. Close the Public Hearing; and
4. Adopt Ordinance O-2025-02, An Ordinance of the City Council of the City of Placentia, California, finding that the project is categorically exempt pursuant to the California Environmental Quality Act (CEQA) set forth in Title 14 CCR Section 15061(b)(3) and the City of Placentia Environmental Guidelines, and waive full reading, by title only, and

introduce for first reading Ordinance No. O-2025-02, an Ordinance of the City Council of the City of Placentia, approving Zoning Code Amendment No. 2024-01, making findings of approval for amending Placentia Municipal Code Chapter 23.105, Specific Plan 5, revising Section 23.105.050, "Permitted Uses for Parcels 9 and 11", by reducing the minimum residential density requirement from 65 dwelling units per acre to 15 dwelling units per acre.

Alternative to Recommendation 4:

- A. Modify Draft Ordinance No. O-2025-02 to reflect a lower or higher minimum residential density requirement; or
- B. Do not adopt Draft Ordinance No. O-2025-02, which would keep the minimum residential density requirement at 65 dwelling units per acre.

Strategic Plan Statement:

This item is consistent with the City Council approved 5-Year Strategic Goal to achieve:

Implementation of Housing Element Strategies, Objective Number 3.10. This agenda item relates to housing and may create opportunities for the development of more housing in the City, including a mix of housing at various price points.

Discussion:

Zoning Compliance Analysis

Site Development Standards

The reduction in residential density for Parcel No. 9 will not impact the previously approved development project, which was reviewed and approved by the City Council at its September 3, 2024, public hearing. The approved project, which consists of a five-story building with 248 residential units, up to 3,000 square feet of ground-floor commercial retail, and a six-level parking structure, will proceed as planned under the development standards established as part of Specific Plan Amendment No. SPA 2021-01. The proposed amendment to reduce the minimum residential density requirement for Parcel No. 9 is intended to provide greater flexibility for future land use planning but does not alter the entitlements granted for the approved project.

Although the original SP-5 zoning did not permit the approved development, the City Council's adoption of SPA 2021-01, GPA 2022-01, and DPR 2021-02 established a regulatory framework that allows the project to move forward. The proposed reduction in residential density for Parcel No. 9 does not affect the approved project's compliance with these new standards.

Other Departments Concerns and Requirements

As Zoning Code Amendment No. ZCA 2024-01 pertains solely to the minimum residential density requirement for Parcel No. 9, departmental concerns and requirements related to project-specific development impacts do not apply to this request. The Divisions of Planning and Building, Public Works Department, Police Department, and Fire and Life Safety Department previously reviewed the approved mixed-use development project and provided comments addressing infrastructure capacity, public safety, traffic circulation, and other operational considerations. However, these concerns were specific to the development project

approved by the City Council on September 3, 2024, and are not applicable to the standalone zoning amendment requested under ZCA 2024-01.

ISSUES ANALYSIS:

Consistency with the General Plan

The General Plan features policies that promote the reinvestment of underutilized properties. The proposed zoning amendment is consistent with the following Land Use Element, Economic Element, and Housing Element goals, actions, programs, and policies of the General Plan:

Land Use Element

Policy LU-2.1: Where residential/commercial Mixed-Use is permitted ensure compatible integration of adjacent uses to minimize conflicts through site planning, development standards, and architectural compatibility.

The proposed ZCA to modify the minimum residential density for Parcel No. 9 aligns with the City's vision for land use flexibility and sustainable growth. By eliminating the minimum density requirement while maintaining the approved maximum density, the amendment allows for adaptable development options that respond to market conditions, infrastructure capacity, and community needs. This change enhances compatibility with surrounding land uses, which include light industrial, hospitality, and commercial developments, by providing greater flexibility for future residential and mixed-use projects. Additionally, the amendment supports the City's long-term planning efforts by ensuring that new developments can be appropriately scaled while still promoting walkability, multimodal transportation, and economic revitalization. The proposed modification to the minimum density standard aligns with the General Plan's Land Use Element by allowing greater adaptability in land use decisions, ensuring that future projects contribute positively to the neighborhood's character and the City's overall growth strategy.

Housing Element

Goal HE-1: Housing Supply and Variety: Develop and maintain an adequate supply of housing that varies sufficiently in cost, size, type, and tenure to meet the economic and social needs of existing and future residents.

The proposed ZCA to modify the minimum residential density enhances development flexibility by allowing for a broader range of housing options that can better respond to market conditions and community needs. By removing the minimum density requirement while maintaining the approved maximum density, the amendment ensures that future residential projects on Parcel No. 9 can be appropriately scaled to accommodate various housing types and market demands. This change aligns with the City's long-term planning goals by supporting housing diversity, smart growth principles, and adaptability in land use decisions. Additionally, it allows for greater integration of residential uses within a mixed-use framework, promoting walkability, connectivity, and compatibility with surrounding developments while reinforcing the City's commitment to sustainable urban growth and revitalization.

Land Use Compatibility

Given the City Council's approval of the mixed-use development project and its determination that the project is compatible with the surrounding area, the proposed ZCA is consistent with the City Council's previous findings that the development will positively contribute to the revitalization of the site and surrounding community. It can be seen that the ZCA introduces optional housing and commercial opportunities in alignment with the City's economic and land use goals.

CEQA

This ZCA is exempt from the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that this amendment may have a significant adverse effect on the environment. The ZCA to reduce the minimum residential density would not approve any development project or other physical change to the environment. Therefore, the adoption of this ZCA is exempt from the requirements of CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines.

CITY COUNCIL HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

On Wednesday, February 5, 2025, the City Council Housing, Community and Economic Development (HCED) Committee convened to discuss Zoning Code Amendment No. ZCA 2024-01. City staff provided an in-depth overview of the proposed amendment to Specific Plan 5 (SP-5), detailing the applicant's request to reduce the minimum residential density requirement from 65 dwelling units per acre to 15 dwelling units per acre for Parcel No. 9. The Committee engaged in a comprehensive discussion on the merits of the request and posed several questions to city staff to gain a thorough understanding of the rationale behind the proposed change.

The applicant, Gilad Ganish, addressed the Committee, explaining that external legal challenges against the approved project had created financial uncertainty. He noted that the request for a lower minimum density was driven by anticipated costs, including litigation expenses, rising material prices, and evolving market demands.

While the HCED Committee initially questioned the proposed density reduction, further discussion led to a consensus that eliminating the minimum density requirement altogether would provide the applicant with the greatest flexibility while preserving the maximum density entitlement previously approved by the City Council. As a result, the Committee expressed support for removing the minimum density requirement while maintaining the approved maximum density limit.

Although the applicant proposed a minimum residential density of 15 dwelling units per acre, city staff concurs with the HCED Committee's recommendation and supports eliminating the minimum density.

PLANNING COMMISSION

On February 11, 2025, the Planning Commission held a public hearing to review ZCA 2024-01. Following deliberation, the Commission denied the amendment, citing concerns over frequent modifications to approved development plans, the potential precedent for lower densities, and the long-term impact on the City's housing goals. Commissioners expressed reservations that reducing the minimum residential density could lead to a pattern of ongoing

amendments, potentially undermining the City's strategic planning efforts and the original intent of the Specific Plan 5 amendment.

Public testimony further influenced the Commission's decision, with concerns raised regarding lost commercial revenue, parking and safety issues, and the risk of prolonged vacancies in the ground-floor commercial space. Despite staff support for the amendment, the Commission determined that maintaining the previously established density range of 65 to 95 dwelling units per acre was more appropriate for long-term land use stability and consistency with prior Council actions.

PUBLIC NOTIFICATION

Legal notice was published in the Placentia News-Times on March 6, 2025. Notices were sent to property owners of record within a 300-foot radius of the subject property, posted at the Civic Center on March 6, 2025. As of March 13, 2025, staff has not received any additional written or verbal correspondence from adjacent property owners expressing support or opposition beyond the concerns previously raised during the Planning Commission public hearing.

CONCLUSION

The proposed ZCA aligns with the City's General Plan and the PMC, reinforcing the City's vision for sustainable growth, economic revitalization, and urban enhancement. The General Plan serves as a comprehensive blueprint for balanced development, ensuring the seamless integration of residential, commercial, and public spaces while prioritizing infrastructure efficiency, environmental sustainability, and community well-being.

This ZCA is consistent with the City Council's prior approval of a mixed-use project for the site, facilitating the revitalization of an underutilized property and fostering a more dynamic and connected urban environment. By adhering to the established development framework within the General Plan and PMC, the ZCA advances smart growth principles, promotes economic sustainability, and enhances high-quality urban living, ensuring its alignment with the City's long-term planning objectives.

RECOMMENDATION

Staff recommends that the City Council adopt Ordinance O-2025-02 approving ZCA 2024-01, making findings of approval to amend Placentia Municipal Code Chapter 23.105, Specific Plan 5, revising Section 23.105.050, "Permitted Uses for Parcels 9 and 11", by reducing the minimum residential density requirement from 65 dwelling units per acre to 15 dwelling units per acre.

Alternatives to Staff's Recommendation:

- A. Modify Draft Ordinance No. O-2025-02 to reflect a lower **or** higher minimum residential density requirement; or
- B. Do not adopt Draft Ordinance No. O-2025-02, which would keep the minimum residential density requirement at 65 dwelling units per acre.

If Alternative A is chosen, City Council could approve a motion to update the Draft Ordinance with a different minimum residential density requirement, for instance, the minimum density

could be 0 units per acre, 30 units per acre, 45 units per acre, etc. The Ordinance would be scheduled for Second Reading and adoption on Consent Calendar at the next regular meeting.

If Alternative B is chosen, City Council would be approving a motion to deny Ordinance No. O-2025-02.

The minimum density requirement chosen by City Council, along with the established maximum density of 95 units per acre, will set the parameters for future development of the site, if the entitled project is modified or a new entitlement is submitted.

Fiscal Impact Summary:

Fiscal Impact:

ZCA 2024-01 will not result in any immediate fiscal impacts as it does not alter the previously approved development for Parcel No. 9 within Specific Plan 5 (SP-5). The five-story, 248-unit mixed-use project with ground-floor commercial space and a six-level parking structure, which was approved by the City Council, remains unchanged and will proceed under the existing entitlements.

Since the amendment only modifies the minimum residential density requirement—lowering it from 65 dwelling units per acre to 15 dwelling units per acre—it does not affect the approved land use, project scope, or anticipated revenue streams, such as property taxes, sales taxes, or development impact fees. Additionally, no changes are being made to the developer's financial obligations related to public improvements, infrastructure contributions, or other fees previously established as conditions of approval.

While the amendment provides greater flexibility for future land use planning, it does not trigger new expenditures or revenue adjustments for the City. Therefore, at this time, the adoption of ZCA 2024-01 is expected to be fiscally neutral with no immediate financial consequences for the City's General Fund or other revenue sources.

Attachments

1. [Ordinance_O-2025-02_ZCA_2024-01.docx](#)
2. [Minutes February 11, 2025 FINAL DRAFT.docx](#)
3. [ZCA PC Reso No. 2025-01- PC Denial.docx](#)
4. [PC Staff Report February 11, 2025.pdf](#)