Agenda Item No: 3.b

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: May 19, 2026

Submitted by: Joe Lambert

From: Development Services

Subject:
STUDY SESSION TO REVIEW SP-5 CORRIDOR PLAN AND SPECIFIC PLAN UPDATE PROGRESS

Financial Impact:
No fiscal impacts are associated with this Study Session. Potential significant economic benefit to the local Placentia economy, including jobs, public & private investment, and annual/one-time revenue.

Summary:
On October 1, 2019, City Council adopted the comprehensive General Plan Update. This update included all Elements of the General Plan except the Housing Element, which was adopted as part of the required 6th Cycle Regional Housing Needs Assessment (RHNA) allocations in February 2024. The Land Use Element of the 2019 General Plan strongly encourages enhancements and improvements to the visual image, physical design characteristics, economic vitality and infrastructure of major corridors citywide including Orangethorpe Avenue and Placentia Avenue. City Council previously authorized Placeworks, Inc. (Placeworks) to complete the SP-5 Corridor Plan, Specific Plan Update and supporting environmental documentation furthering the goals of the General Plan. At this time, City Staff and Placeworks will present the progress made to date and will present policy questions to City Council.

Recommended Action:
It is recommended that the City Council:

1. Receive and file the Staff Report and presentation; and
2. Solicit public comments (if any) regarding the proposed SP-5 Corridor Plan and Specific Plan Update; and
3. Provide direction to Staff as appropriate regarding the proposed SP-5 Corridor Plan and Specific Plan Update.

Strategic Plan Statement:
This item is consistent with Strategic Goal 4: Economic Development and Goal 5: Organizational Excellence with the SP-5 Specific Plan to include amended development standards and design guidelines. This will specifically create opportunities for development and opportunities for new businesses in the City within SP-5. In that regard, it will promote economic development by providing more construction and business opportunities. Also, the

adopted General Plan strongly encourages enhancements and improvements to the visual image, physical design characteristics, economic vitality and infrastructure of major corridors including Placentia Avenue and Orangethorpe Avenue. The SP-5 Update fosters organizational excellence as it will implement many of the numerous goals of the General Plan that encourage corridor planning.

Discussion:

Background

Within the last few years, as part of an annual goal setting process, City Council included a goal to prepare an update to Specific Plan 5 (SP-5). Placeworks was the Planning firm selected for this effort which will provide a vision for the future of SP-5, focusing on future land uses. This effort will also revitalize the SP-5 project area with updated development standards and design guidelines that are specifically tailored to the neighborhood. As SP-5 is a Specific Plan, it is a Zoning document, and amending the Specific Plan requires supporting environmental documentation pursuant to the California Environmental Quality Act (CEQA) which is anticipated to be an Environmental Impact Report (EIR).

The SP-5 update is consistent with the goals and policies of the City's General Plan. The General Plan is the City's land use constitution, a legal policy document that is mandated to exist by the State of California. The General Plan is intended to reflect the community's values and set policies to guide in the development, maintenance, and use of the City's built environment. The Land Use Element is one of several mandatory General Plan Elements required by the State. On October 1, 2019, City Council adopted the comprehensive General Plan Update, which included an updated Land Use Element. The Land Use Element of the 2019 General Plan strongly encourages enhancements and improvements to the visual image, physical design characteristics, economic vitality and infrastructure of major corridors including both Orangethorpe Avenue and Placentia Avenue. City Staff and Placeworks will present the data gathered and progress made to date, and will seek input from City Council on several key policy questions prior to drafting a revised SP-5 Plan.

Discussion

The updated SP-5 development standards and regulations will foster responsible, progressive and attractive development to meet City Council's goals for the corridor. New development activity and rezoning will bring new businesses to the SP-5 Corridor, and to the relatively close Old Town Placentia and TOD Districts, benefiting the traditional downtown with new shoppers and diners.

The SP-5 update is intended to plan for appropriate light industrial, commercial, and possibly mixed-use development that will provide a catalyst for development, thereby increasing development and business activity and revenue to the City in the form of property taxes, sales tax, Transient Occupancy Tax and impact fees. This will also result in a more unified aesthetic and identity for the SP-5 area, which currently appears aesthetically and visually inconsistent.

Placeworks (with Staff oversight) prepared a presentation (Attachment 1) for City Council review. The presentation will summarize a review of the SP-5 Update to date, a summary of public outreach, proposed boundary changes (if any), and existing conditions (including land use, urban design, mobility, opportunity areas, mobility considerations, and policy guidance/questions, with next steps. The goal of this Study Session is to receive City Council and public input regarding the following staff recommendations and policy questions.

Specific Plan 5 (SP-5) Overview

- The existing Plan only allows non-residential uses such as retail, restaurants, health clubs, hotels, offices, and sales and service operations as well as medical and auto dealerships (except Parcel 9 which is entitled for 75 residential units, 5 of which are live-work).
- All standards are geared toward commercial development (except Parcel 9).
- Allows a maximum height of 75 feet.
- Development standards require setbacks, building separation and maximum lot coverage depending on the use.
- Parking is required at the City's standard except for a few SP-5 parcels where shared parking is required due to lot size and configuration.

Specific Plan 5 (SP-5) Boundary Expansion

- The existing Specific Plan consists of 11 parcels.
- Should boundaries extend to include parcels to the east? (see Attachments 1 and 2)
- Should boundaries extend to include parcels to the north? (see Attachments 1 and 2)
- Land uses to the east and north are generally consistent with existing land uses within SP-5.

Community Feedback

- Community Open House #1 occurred March 2026.
- Online Survey was open until April 2026.
- Top desired land uses (in order): dining and social places, gathering/recreation spaces including trails, brewery, commercial/grocery, hotels.
- Some support lower-medium density mixed-use/townhomes, while others commented there should be no new housing.

Market Study

- Market Study conducted November 2025 (Attachment 4).
- Convenience Goods with demand in the area include: Specialty food stores; Beer, wine, and liquor stores; Health and personal care stores; Florists; Drinking establishments.
- Still demand for 50-193 hotel rooms in the area.
- Trade area for the market potential for new housing is the area within a 10-minute drive of the plan area. From 2025 to 2045, the number of households in the 10-minute drive-time trade area will increase between 8,490 and 13,430. It also estimates that the number of housing units in the area will increase between 8,930 and 14,140. It is important to note that the projected demand for new housing represents the entire area, some of which can reasonably be expected to be developed in Placentia's other specific plan areas. Where new housing gets developed will depend, in large part, on where land is available to be purchased at a price that is financially feasible for new development, especially when demolition of existing buildings and remediation will be necessary.

Policy Questions:

- What is your vision for the SP-5 area now that the northeast corner of Placentia Avenue and Orangethorpe Avenue is entitled? Should the area allow the following: retail and dining, employment opportunities, walkable streetscapes, housing, mixed-use development?
- Should the future land use focus on job creation and innovation? Should it augment existing permitted uses including light industrial, office, auto related, hospitality?
- Should certain uses be prohibited on certain properties? (for example limit mixed-use or

residential development to certain parcel if any)
- Should boundaries extend to include parcels to the east?
- Should boundaries extend to include parcels to the north?
- What options should be explored to enhance connectivity to and through the area?

Staff Recommendations:
- Boundary expansion should include: Option 1 - parcels to the east bound by SR-57 on the east; and should include Option 2 - parcels to the north bound by Crowther Avenue on the north.
- Allow general retail, restaurant, brewery/distillery, office, hospitality throughout the plan area.
- Allow light industrial/incubator type uses throughout the plan or in selected areas. Focus on job creation/innovation.
- Any additional residential or mixed-use (if any) should be limited and strategically placed.
- Initiate an SP-5 Streetscape Master Plan
- Enhance connectivity to and through the area utilizing pedestrian and multi-modal connections.

Next Steps:
Summer 2026:
- Community Workshop #2
- Draft updated SP-5 document

Fall 2026:
- Planning Commission Study Session
- Second City Council Study Session
- Approve project description and initiate the Environmental Impact Report (EIR)

Financial Summary:
The SP-5 Specific Plan update effort has been budgeted in the CIP since FY 2024-25. The funding source for this effort is General Plan Update fee revenue, which is a sustainable revenue source that accrues annually and must be spent on Planning efforts related to the General Plan such as this project. To complete the task, commensurate CIP fees will continue to be budgeted in FY 2026-27. As noted, General Plan Update Fee Funds would be utilized for this project which are restricted to General Plan related studies and plans and therefore does not affect operational funds.

Attachments
1.SP-5 StudySession Draft.pdf
2.SP-5 Survey Questions.pdf
3.SP-5 Survey Results.pdf
4.SP-5 Market Demand Overview.pdf