

## Agenda Item Staff Report

**To:** Honorable Mayor and Members of City Council  
*For the Meeting of September 24, 2024*

**From:** Chris Constantin, City Manager

**Prepared by:** Marco Espinoza, Planning Manager

**Subject:** Discussion and Consideration of Urgency Ordinance 1314, Regular Ordinance 1315 and Resolution 2024-70 for General Plan Amendment 24-03, Zone Change 24-03 and Municipal Code Text Amendment 24-08 to Amend the General Plan Land Use Designation of Three Parcels (The Trails At San Dimas Apartments) from Medium Residential (8.1 - 12 Dua) and Commercial to a Newly Created Land Use Designation of High II (16.1 – 25 Dua), and Amend the General Plan Land Use Designation of the Various Parcels within Specific Plan 23 from Industrial to a Newly Created Land Use Designation of Mixed-Use Residential/Industrial; Change the Zoning Designation from MF-15 To MF-25 of Three Parcels (The Trails At San Dimas Apartments); and (2) Amend Title 18 to Allow Multi-Family Residential (12-16 Dua) in Specific Plan 23 and Reflect the Proposed Land Use and Zoning Designation Changes, and Associated Code Clean-Ups as Required.

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### SUMMARY

In California, every city is required to have a General Plan; a long-range document which guides future development and policy for a jurisdiction. One of the elements within a General Plan is the Housing Element. The Housing Element contains the goals, policies and programs that guide decision making with regards to housing within the jurisdiction. The Housing Element is currently updated every eight years to address changing conditions within the city and local housing challenges.

On September 27, 2022, the City Council approved the 6th Cycle Housing Element update for the City of San Dimas. The next month, on October 14, 2022, the Housing Element update was certified by the Department of Housing and Community Development, meaning it was found by the state to be in compliance with State Housing Element Law. This approval is conditional and contingent on the City implementing programs that were included within the element and changing the zoning and General Plan Land Use designation, when required, for properties that the City has designated for housing.

The majority of the required rezoning and General Plan amendments will be accomplished through the upcoming Downtown Specific Plan. However, three (3) sites addressed in the

Housing Element Sites Inventory are outside of the Downtown Specific Plan boundaries and require separate action to implement.

On September 5, 2024, the Planning Commission considered and voted 5-0 to recommend approval to the City Council of General Plan Amendment 24-03, Zone Change 24-03 and Municipal Code Text Amendment 24-08.

### **RECOMMENDATION**

Staff and the Planning Commission recommend the City Council:

1. Conduct a Public Hearing to receive public input.
2. Adopt Urgency Ordinance 1314, approving the following:
  - a. Zone Change 24-03, To change the zoning designation from MF-15 to MF-25 for three parcels (The Trails at San Dimas Apartments; APN's: 8386-006-015, 8386-010-040 & 8386-006-029).
  - b. Municipal Code Text Amendment 24-08, Amend Title 18 to allow multi-family residential (12-16 DUA) in Specific Plan 23 and reflect the proposed land use and zoning designation changes, and associated code clean-ups as required.
3. Adopt Resolution 2024-70, General Plan Amendment 24-03:
  - a. To amend the General Plan land use designation of three parcels (The Trails at San Dimas Apartments) from Medium Residential (8.1 - 12 DUA) and Commercial to a newly created land use designation of High II (16.1 – 25 DUA).
  - b. Amend the General Plan land use designation of the various parcels within Specific Plan 23 from Industrial to a newly created land use designation of Mixed-Use Residential/Industrial
4. Introduce Ordinance 1315, approving the following:
  - a. Zone Change 24-03, To change the zoning designation from MF-15 to MF-25 for three parcels (The Trails at San Dimas Apartments; APN's: 8386-006-015, 8386-010-040 & 8386-006-029).
  - b. Municipal Code Text Amendment 24-08, Amend Title 18 to allow multi-family residential (12-16 DUA) in Specific Plan 23 and reflect the proposed land use and zoning designation changes, and associated code clean-ups as required.

### **FISCAL IMPACT**

There is no fiscal impact for the recommended action.

### **BACKGROUND**

The State of California requires an update to all local governments General Plan Housing Element every eight (8) years and includes the requirement to develop housing programs to meet the jurisdictional "fair share" of existing and future housing needs for all income groups. The housing element must contain proactive goals, policies, and programs to facilitate the development, improvement, and preservation of housing to meet the jurisdictions housing need, or Regional Housing Needs Assessment (RHNA), a state-mandated process that determines the amount of future housing growth that each city must plan for during the required housing element update cycle.

The RHNA process begins with a projection of regional estimates of housing needs made by the California Department of Housing and Community Development (HCD) based on population

projections generated by the California Department of Finance. HCD then sends the statewide housing need projections to the Regional Councils of Governments (COG). The Southern California Association of Governments (SCAG) is southern California's designated COG and will use the HCD statewide projections to develop a methodology to allocate the region's share of statewide housing needs, by income level, to each city in its region. SCAG determines each city's RHNA allocation by considering market demand for housing, employment opportunities, availability of suitable sites and public facilities, commuting patterns, type and tenure of housing, loss of units in assisted housing development, and over-concentration of lower income households within individual communities. San Dimas was allocated a planning goal of 1,248 housing units for the 2021-2029 planning period.

During the last Housing Element update (2021-2029) also referred to as the 6th cycle Housing Element update, San Dimas was tasked with ensuring the availability of adequate sites within the City to meet its projected 2021-2029 RHNA allocation of 1,248 units spread across all income levels. This was a multi-year process and required coordination with the community of San Dimas.

Significant public outreach was conducted throughout the 6th Cycle Housing Element update process in compliance with State law and consisted of a variety of engagement methods to provide as many opportunities for public participation as possible. These methods included surveys and other online tools and messaging, committees, consultations, study sessions and public hearings.

On September 5, 2024, the Planning Commission considered the project applications to rezone Housing Element Housing Sites No's 1, 2, & 14 as required by the City's Housing Element. During the public hearing, two (2) residents spoke on the matter; with one (1) speaking in favor of the project and one (1) speaking against the project raising concerns with parking, traffic and noise. Staff is unaware if any of the property owners attended the Planning Commission meeting because none spoke at the meeting if they attended. However, Staff reached out to all the property owners to inform them of the public hearing and to answer any questions they may have. Staff was able to contact three (3) of four (4) property owners and all were agreeable to the changes.

During the discussion, the Commission asked about Site #14 and whether the rezoning would only apply to the southern portion of the site, as highlighted in yellow in Figure 1, or to the entire Site. While the intent was to rezone the entire Site, the yellow portion was highlighted as part of the Housing Element process to show HCD where the Site could support additional units, since a majority of the Site is already developed. The Commission had concerns if the entire site was to be developed at 25 units per acre, which could yield up to 446 units. The Trails apartments consist of 288 existing units; therefore, if the entire Site was to be redeveloped, it could yield an additional 178 units. While this is a possibility, the likelihood that the property owners would demolish 288 units that are in good livable condition is very low. In addition, a full redevelopment of the site would require environment review to analyze impacts. After further discussions, the Commission recommended to the City Council that the rezoning only apply to the southern portion of Site #14, as shown in Figure 1.



Figure 1, Site 14 – Trails Apartments southern portion highlighted.

While the Housing Element requires that the rezoning applies to the entire Site, the number of units in the Housing Element Sites Inventory for this Site are derived from the development potential of the southern portion of the Site. Therefore, should the City Council agree with the Commission's recommendation of only rezoning the southern portion, Staff would apply a Zoning and General Plan overlay over the southern portion of Site #14 that will allow a density of 25 units per acre, while the remainder of the Site would remain at 15 units per acre. Staff believes that the overlays will still allow for the number of units as identified in the Housing Element, thus staying in compliance with the Housing Element. The Commission had no other concerns with the other changes and recommended approval to the City Council with the change to Site #14 as discussed above. The Planning Commission Staff report, resolution and draft minutes are included as Attachment 5 in this report.

## **DISCUSSION/ANALYSIS**

During the 6th Cycle Housing Element update, the City analyzed the existing and projected housing needs and developed goals, policies, quantified objectives, and programs to address the identified housing needs. The analysis included the following sections:

- **Introduction.** An overview of the statutory requirements, related planning efforts, general plan consistency, and public outreach process.
- **Needs Assessment.** Demographic, social, housing characteristics, and special housing needs analysis that includes projections for population growth with a focus on fair housing practices.
- **Constraints Analysis.** An account of governmental and nongovernmental constraints impacting development, maintenance, and improvement of housing for all income levels, including people with disabilities and includes a fair housing assessment as required by State law.



- **Housing Resources.** Outline of City housing needs resources including available lands, fiscal and administrative capacity, and includes a Housing Sites Inventory, which includes land the City has identified as areas capable of supporting new housing or increased housing density.
- **Housing Plan.** Explanation of the plan to address the City's housing needs including the goals, policies, and programs support development, improvement, and conservation of housing focusing of fair housing opportunities, and summarizes past successes.

In choosing the specific sites for the Housing Sites Inventory (Attachment 4), the City was careful to consider properties that were centrally located, either vacant or underutilized, and would not be difficult to develop with high density residential uses. The City focused on sites that are 1) free of environmental hazards and have adequate access to required utilities and infrastructure, 2) have received interest from potential developers or have existing conditions that positively affect financial viability, 3) properties that would not require demolition of existing residential uses that would result in population displacement, 4) proximity to the downtown and particularly the Gold Line extension for improved accessibility, and 5) have or will have adequate general plan, zoning, density, and by-right permitting for consistency with state density thresholds. This project entails the changes necessary to meet the general plan, zoning, density and by-right permitting necessary to the City's RHNA allocation.

The Housing Sites Inventory completed for the Housing Resources section and compiled in Appendices A and B of the Housing Element identified a total of 14 sites capable of supporting new housing units or increased density of existing housing developments for the purpose of meeting the City's Regional Housing Needs Assessment (RHNA). Of the 14 sites, all but three (3) of them are located in the proposed Downtown Specific Plan (DTSP) area which is undergoing separate review. The three (3) remaining sites (sites 1, 2 and 14) for review under GPA 24-03, ZC 24-03 and MCTA 24-08 are shown in Figure 2 below.

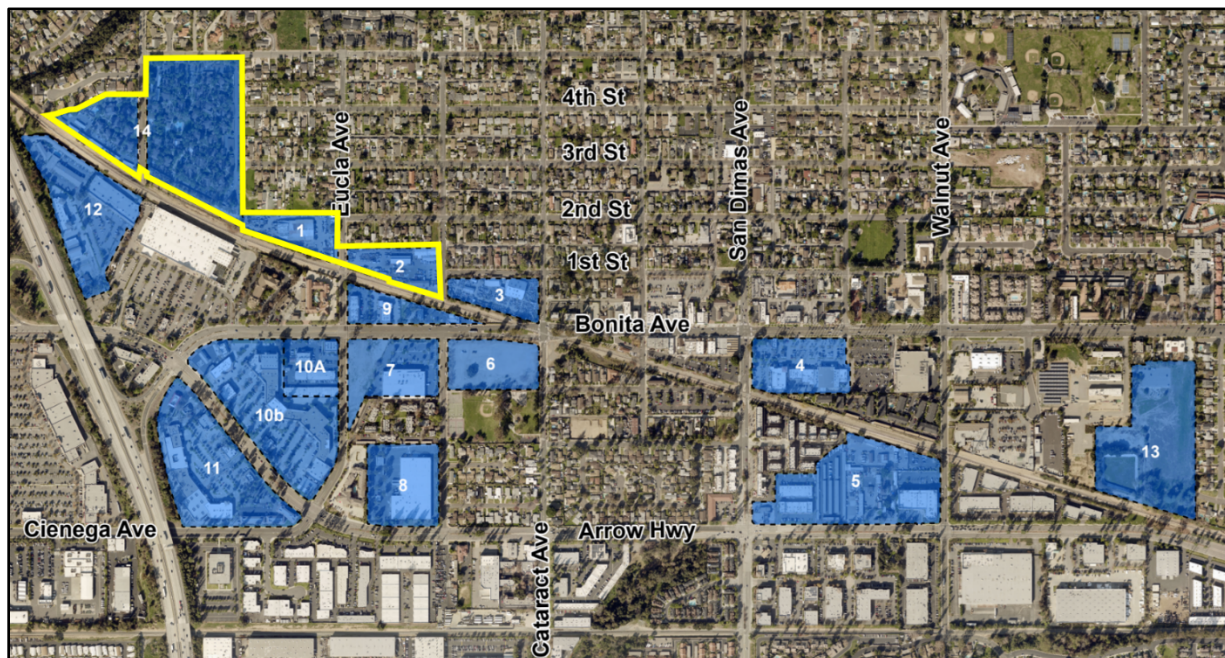


Figure 2 – Housing Element Sites No. 1, 2 and 14 (outlined in yellow)

The 2021-2029 Housing Element further identifies these sites as SP-23a (Site #1), SP-23b (Site #2), and San Dimas Trails (Site #14) and provides additional information about the sites concerning proximity to the Gold Line rail extension, existing on-site uses, current zoning, number of property owners, whether there are existing infrastructure or environmental contaminant constraints, and marketability and developer interest in increasing housing capacity on the sites.

Site #1, identified as SP-23a is located at 155 N. Eucla Avenue, as shown below, is currently occupied by a construction yard, and consists of five (5) parcels (APNs: 8386-006-010, -025, -026, -027, and -028) under single ownership (Figure 3). The site has generated developer interest with a previous proposal to develop the site with townhomes. Site #1 is bounded by existing single-family residential uses to the north, the Gold Line Extension to the south, Site # 14 San Dimas Trails site to the west, and Eucla Avenue and Site #2 SP-23b to the east. Site #2, identified as SP-23b is located at 159 N. Acacia Street, as shown in Figure 3 below, is currently occupied by a pump company and truck dispatch yard, and consists of ten (10) parcels (APNs: 8386-015-014, -019, -020, -021, -022, -023, -024, -814, -815, and 8386-016-035) with three (3) owners. The site is noted as having high developer interest. Site #2 is bounded by existing single-family residential uses to the north, the Gold Line Extension to the south, Site # 1 SP-23a site and Eucla Avenue to the west, and Acacia Street and existing single-family residential uses to the east.

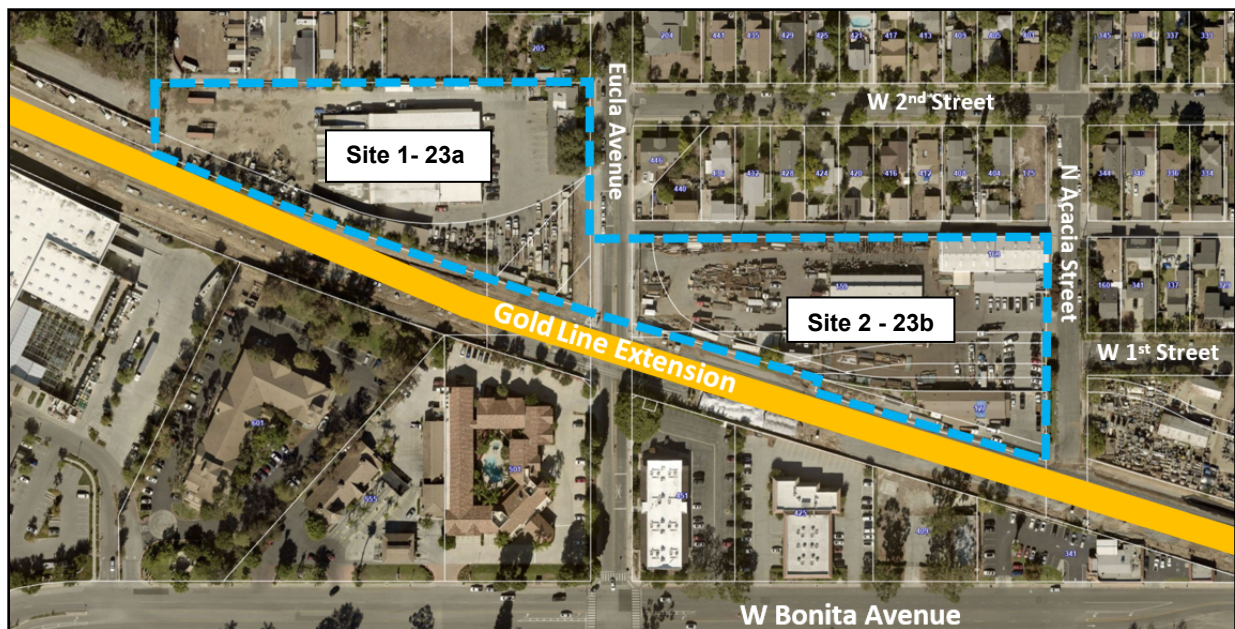


Figure 3 - Housing Inventory Site #1 SP-23a & Site 2 SP-23b

Both sites will require a General Plan Amendment to change the land use designation from Industrial (Figure 4) to a newly created land use designation of Mixed Use – Residential/Industrial (Figure 5), which would allow the property to be developed with either low impact light industrial uses or multi-family residential uses. The new land use designation will allow multi-family uses at a density of 12-16 dwelling units per acre to comply with the density designation in the Housing Element. Both sites are located within Specific Plan No. 23 Planning Area I – Business Park district which allows for various light industrial and warehousing uses. Residential uses are not currently permitted within the Business Park district of Specific Plan No. 23. A Municipal Code Text Amendment is needed to allow multi-family residential uses to occur separately from the light industrial uses currently existing on these sites. The MCTA would also compliment the proposed



General Plan Amendment that would change the underlying land use designation from Industrial to Industrial-Mixed Use and would achieve the City's RHNA allocation for these two sites. Lastly, new multi-family development will be subject to the development standards of the MF zone.

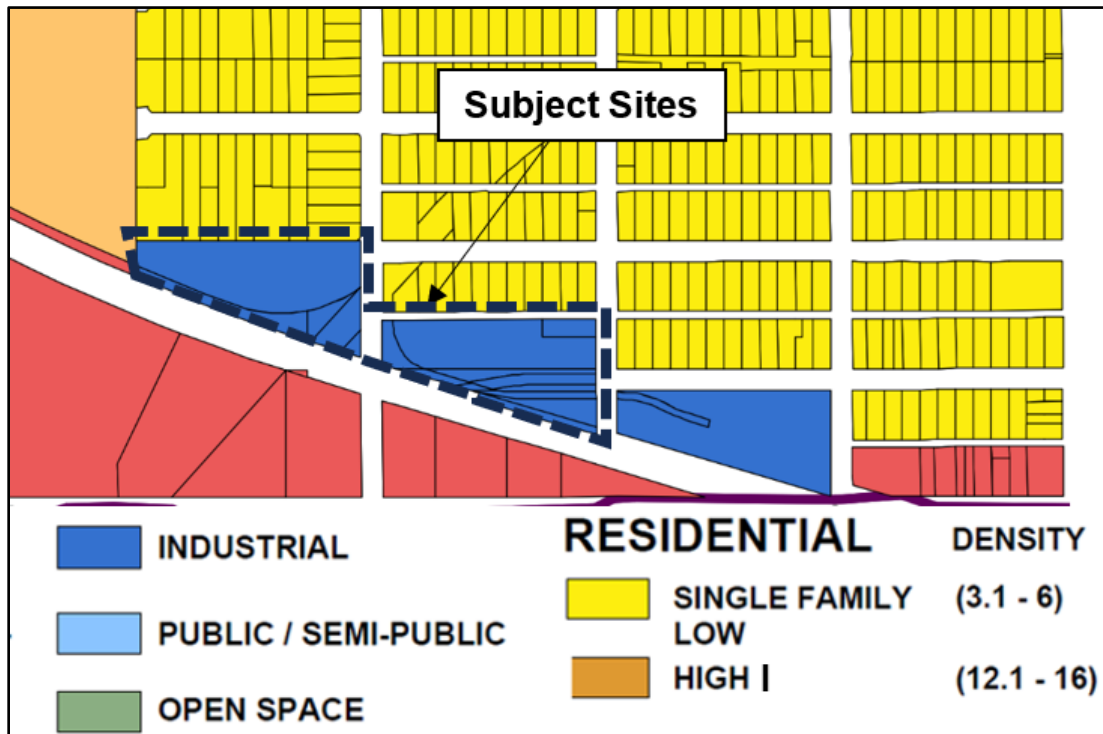


Figure 4 - Existing Land Use Designation

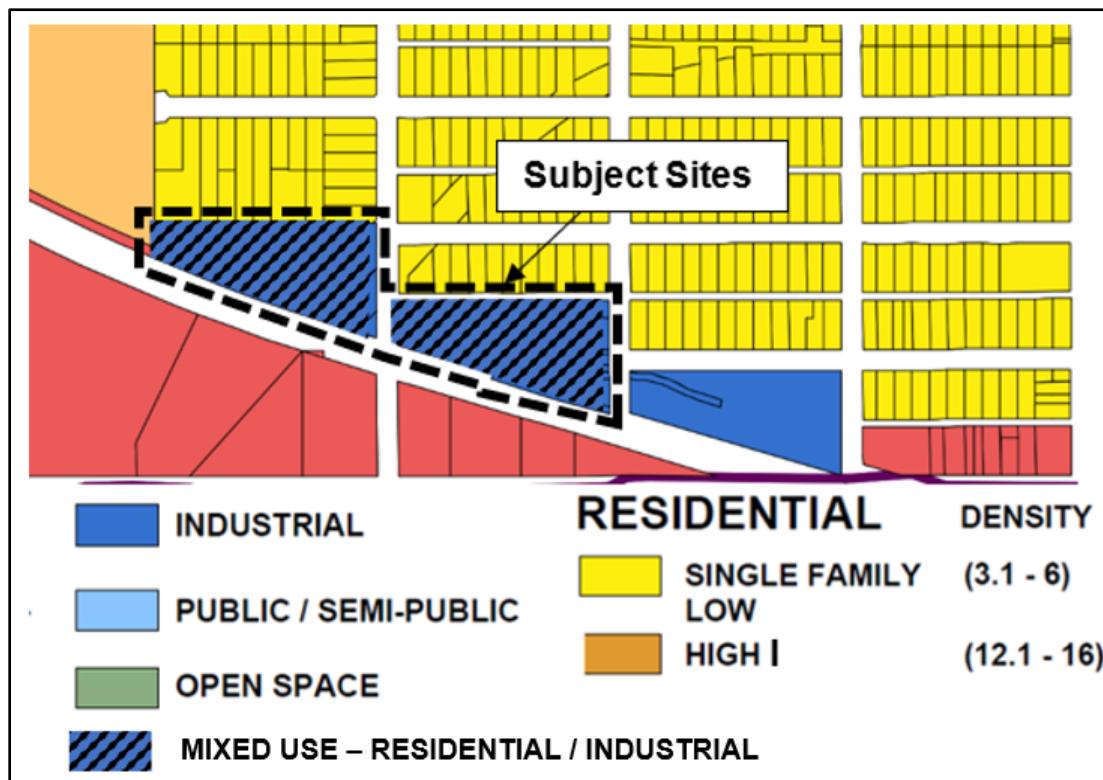


Figure 5 - Proposed Land Use Designation

Site #14, identified as San Dimas Trails is located at 444 N. Amelia Avenue, as shown in Figure 6 below, is currently occupied by a 288-unit apartment complex and at-grade parking areas, and consists of three (3) parcels (APNs: 8386-006-015, -029, and 8386-010-040) with two (2) owners. The apartment complex owner has contacted the City about developing the southern portion of the site currently developed with at-grade parking and replacing with approximately 80 additional units stacked over structured parking. Site #2 is bounded by existing single-family residential uses to the north, west, and single-family residential uses and Site # 1 SP-23a site to the east, and the Gold Line Extension to the south.



Figure 6 – Housing Inventory Site 14 (potential density increase area in yellow)

Site #14 requires a General Plan Amendment to change the land use designation of this site from Medium Residential with a density of 8.1 – 12 units per acre, to a newly created land use designation of High II with a density of 16.1 – 25 units per acre, which would allow the additional units needed to meet the City's RHNA allocation for the site. The amendment will also apply to a separate parcel south of Site#14, which will have its land use designation from Commercial to the newly created land use. See Figures 7 and 8 below for the existing and proposed land use designations. As part of this amendment, the existing High (12.1 – 16) land use designation will be changed to High I (12.1 – 16) to differentiate it from the proposed High II land use designation. In addition, the site requires a zone change to change the zone from MF-15 to MF-25, with the

number following the MF zone identifying the maximum density allowed, see Figures 9 and 10 below for the existing and proposed zone changes.

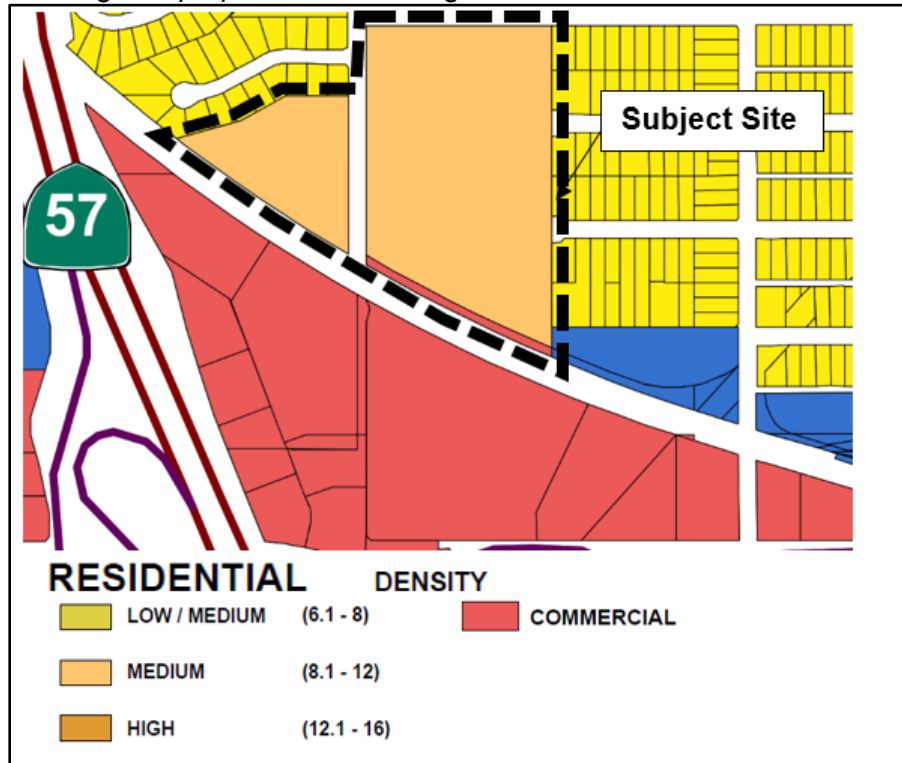


Figure 7 - Existing land use designation

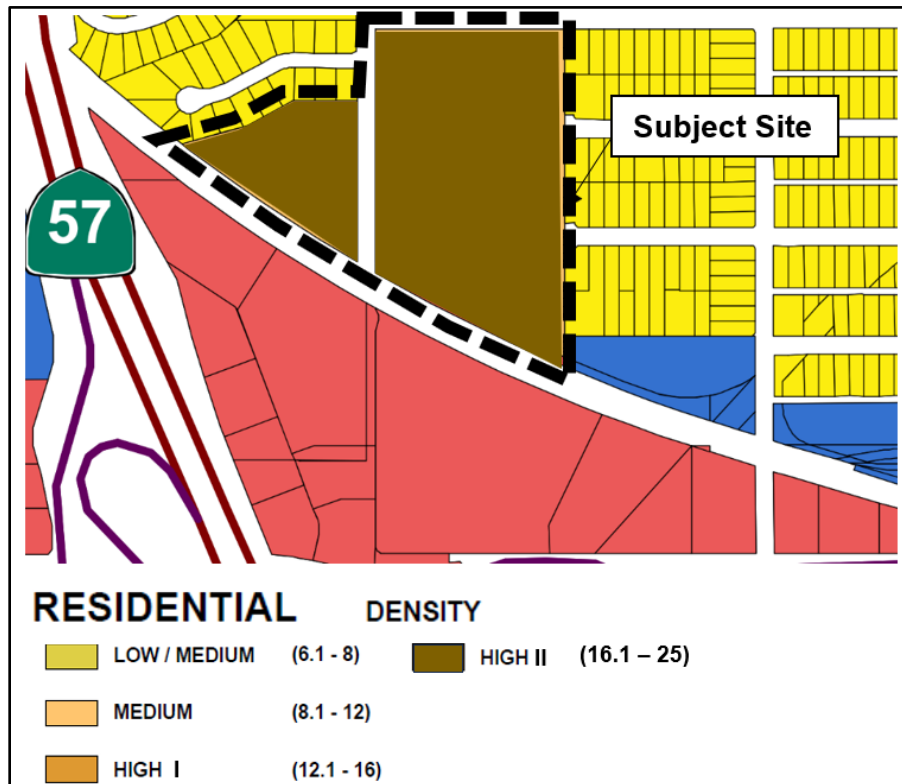


Figure 8 - Proposed land use designation



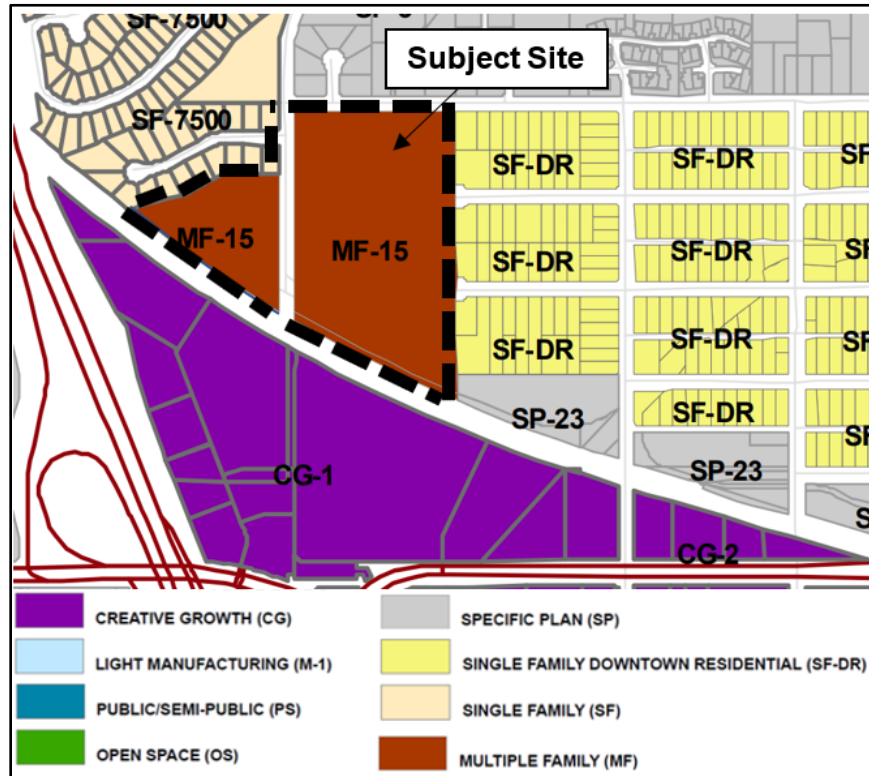


Figure 9 - Existing zoning designation

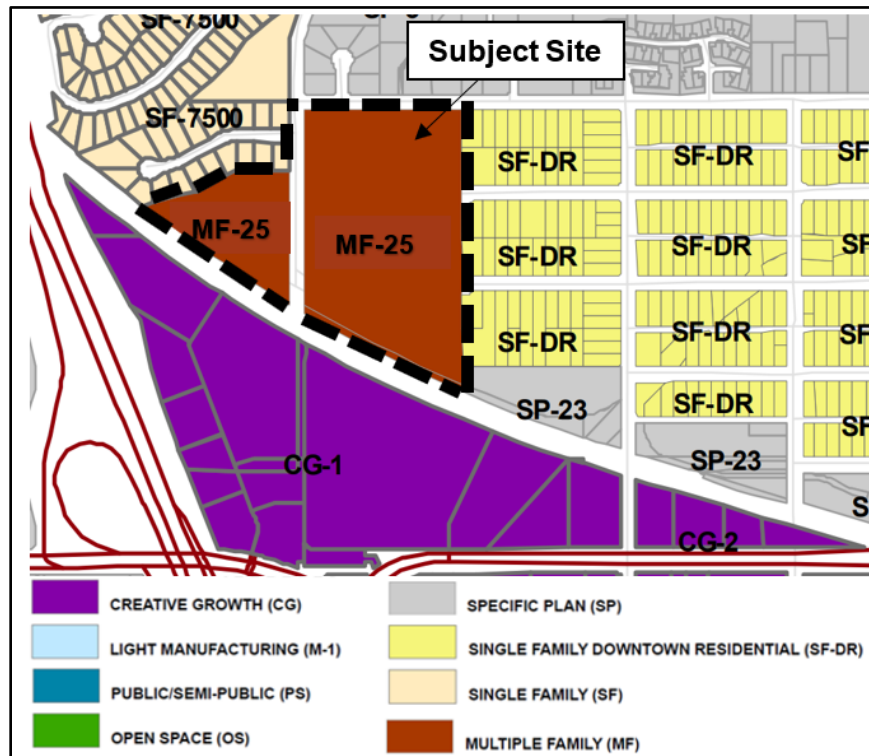


Figure 10 - Proposed zoning designation



## Urgency Ordinance

Sites 1, 2 and 14 are identified in the City's Housing Element Site Inventory, which must be rezoned in accordance with the deadlines set forth in the Housing Element. In order to stay in compliance with the Housing Element, the rezoning must be complete by September 27, 2024. Pursuant to the California Housing Accountability Act, cities that are found to be out of compliance with their Housing Element are subject to Builder's Remedy, amongst other penalties, which allows developers to build certain residential and mixed-use projects, even if they conflict with the City's zoning standards. Density, height, parking, and other standards that regulate the development would not be applicable. In addition, these residential developments would not be limited to residential zones; they could also be developed on properties zoned for commercial and offices uses. Builders Remedy projects will lead to various negative impacts including, but not limited to, loss of local control, sprawl development, disruption of established neighborhoods, and development that is not compatible with the high level of architectural quality that San Dimas is known for.

Typically, the approval process of zone changes and municipal code text amendments consist of introducing the ordinance, followed by a second reading, and the ordinance goes into effect 30 days after the second reading. pursuant to Government Code § 36937, subdivision (b), any ordinance for the immediate preservation of the public peace, health, or safety, containing a declaration of the facts constituting the urgency, that is passed by a four-fifths (4/5) vote of the City Council, shall take effect immediately upon its adoption. Adopting an urgency ordinance is for the immediate preservation of the public peace, health, safety, and welfare of the residents of the City of San Dimas as it ensures that the City stays in compliance with the Housing Element and State law, and avoids falling into situation where Builder's Remedy projects would be allowed.

Lastly, in addition to the urgency ordinance, Staff also recommends that the City Council introduce Ordinance 1315 for the approval of the zone change and municipal code text amendment. In the event the urgency ordinance and the findings therein are challenged, and the application approvals are deemed not valid, Ordinance 1315 will be backup and still approve the zone change and municipal code text amendment applications. This ordinance will require a second reading and subsequently go into effect 30 days after the second reading.

Approval of the proposed amendments will rezone three (3) Housing Element Housing Sites, which will allow the development of multi-family developments consistent with the City's Housing Element for the 2021-2029 Planning Period, and also keep the City in compliance with the Housing Element.

## **ALTERNATIVES**


There are no alternatives proposed for this request. The proposed amendments are required to achieve the City's identified RHNA allocation for these three (3) sites, and to stay in compliance with HCD and the City's Housing Element.

## **ENVIRONMENTAL REVIEW**

Pursuant to CEQA, the City prepared an Initial Study/Negative Declaration (IS/ND) for the Draft Housing Element update, which included the City's rezoning program, and circulated the IS/ND for a 30-day public comment period from March 16, 2022 to April 18, 2022. On September 27, 2022, the City Council adopted the IS/ND and the Housing Element for the 2021-2029 planning

period. The proposed amendments are in compliance with Housing Element, which was previously analyzed in the IS/ND; therefore, no further CEQA action is required.

Respectfully submitted,



Marco Espinoza  
Planning Manager

Attachments:

1. Urgency Ordinance 1314, Zone Change 24-03 and Municipal Code Text Amendment 24-08
2. Resolution 2024-70 General Plan Amendment 24-03
3. Ordinance 1315, Zone Change 24-03 and Municipal Code Text Amendment 24-08
4. 2021-2029 Housing Element Housing Sites Inventory
5. September 5, 2024, Planning Commission Staff Report, PC Resolution 1684 and Draft Minutes