

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Al Zelinka, City Manager

VIA: Ursula Luna-Reynosa, Director of Community Development

PREPARED BY: Hayden Beckman, Senior Planner

Subject:

..**title**

Adopt Resolution No. 2022-58 approving General Plan Amendment (GPA) No. 21-001, approve for introduction Ordinance No. 4267 approving Zoning Text Amendment (ZTA) No. 21-003, and adopt Resolution No. 2022-57 approving Addendum Environmental Impact Report (EIR) No. 21-002 (Addendum No. 2 to the Village at Bella Terra Specific Plan EIR No. 07-03 (Bella Terra Residential Project)

..**body**

Statement of Issue:

Transmitted for your consideration is a request by Bella Terra Associates, LLC, to amend the land use designations and zoning boundaries and development regulations of the Bella Terra Specific Plan to enable the development of a new infill mixed use project on a 3.35 acre project site centrally located within the Bella Terra Specific Plan area. The proposed project would permit the demolition of an existing 149,000 sq. ft. Burlington department store and 33,000 sq. ft. of adjacent retail space, and construct a new seven-story mixed-use infill project consisting of 300 apartment units, ground floor retail and restaurant uses, an above-ground three-level podium parking garage with 404 spaces, and associated hardscape and landscape improvements.

Financial Impact:

Not applicable.

Recommended Action:

..**recommendation**

A) Approve Addendum Environmental Impact Report (EIR) No. 21-002 (Addendum No. 2 to the Village at Bella Terra Specific Plan Environmental Impact Report No. 07-03; Attachment No. 8) as adequate and complete in accordance with California Environmental Quality Act (CEQA) requirements by approving City Council Resolution No. 2022-57, "A Resolution of the City Council of the City of Huntington Beach Adopting Addendum No. 2 to the Village at Bella Terra Specific Plan Environmental Impact Report No. 07-03 for the Bella Terra Residential Project" (Attachment No. 2); and,

B) Approve General Plan Amendment No. 21-001 and City Council Resolution No. 2022-58, "A Resolution of the City Council of the City of Huntington Beach Approving General Plan Amendment No. 21-001" (Attachment No. 3); and

C) Approve Zoning Text Amendment No. 21-003 with findings (Attachment No. 1) and City Council Ordinance No. 4267, "An Ordinance of the City of Huntington Beach Amending the Bella Terra Specific Plan to Revise the Zoning Boundaries and Development Standards of the Real Property Located at 7777 Edinger Avenue (Zoning Text Amendment No. 21-003)" (Attachment No. 4).

..end

Alternative Action(s):

The City Council may make the following alternative motion(s):

1. Deny General Plan Amendment (GPA) No. 21-001/Zoning Text Amendment (ZTA) No. 21-003/Addendum EIR No. 21-002 (Addendum No. 2 to the Village at Bella Terra Specific Plan EIR No. 07-03).
2. Continue General Plan Amendment (GPA) No. 21-001/Zoning Text Amendment (ZTA) No. 21-003/Addendum EIR No. 21-002 (Addendum No. 2 to the Village at Bella Terra Specific Plan EIR No. 07-03) and direct staff accordingly.

Analysis:

A. PROJECT PROPOSAL

Applicant/

Property Owner: Kristofer Golder, Bella Terra Associates, LLC, 7777 Edinger Avenue, Suite 133, Huntington Beach CA 92647

The project includes the following requests:

General Plan Amendment (GPA) No. 21-001: Revise the General Plan Land Use Map by amending the existing planning area boundaries (Area A and Area B) of the Bella Terra Specific Plan, and change the current General Plan Land Use designations in both Area A and Area B.

Zoning Text Amendment (ZTA) No. 21-003: Amend the existing Bella Terra Specific Plan (SP 13) to divide Area B into Subareas B.1 and B.2, revise development standards for Subarea B.2 (subject project site), and text and figure revisions as identified in the legislative draft (Attachment No. 9).

Addendum EIR No. 21-002: Preparation of Addendum No. 2 to the Village at Bella Terra EIR No. 07-003 to analyze the potential environmental impacts of the proposed project.

The proposed Addendum, GPA, and ZTA are prerequisites to allow the applicant to redevelop an existing 3.35-acre portion of the Bella Terra shopping center with a new seven-story mixed-use infill project consisting of 300 apartment units, ground floor retail and restaurant uses, and an above-ground three-level podium parking garage with 404 spaces. Construction of the project requires a Site Plan Review pursuant to the development requirements of the Bella Terra Specific Plan, and was referred to the Planning Commission along with the other project requests.

At the September 27, 2022 meeting, the Planning Commission approved Site Plan Review (SPR) No. 21-002 with findings and conditions of approval for the demolition of an existing 149,000 sq. ft. Burlington department store and 33,000 of adjacent retail space and construction of the proposed project. An appeal of the Planning Commission's approval of SPR 21-002 was filed within the 10-day appeal period that ended on October 7, 2022. The appeal of SPR 21-002 is presented for Council consideration as a separate public hearing item.

The September 27, 2022 Planning Commission staff report provides a more detailed description and comprehensive analysis of the proposed project (Attachment No. 5).

B. BACKGROUND:

The existing Bella Terra shopping center and Specific Plan area measures approximately 63 total acres and is bounded by Center Avenue to the north, Edinger Avenue to the south, Beach Boulevard to the east, and the Union Pacific rail line to the west. The Specific Plan area contains approximately 694,422 sq. ft. of commercial retail space, and is anchored by a Kohl's department store, a Costco and ancillary fueling station, a Whole Foods grocery store, and a twenty-screen movie theatre. In addition to retail and restaurant space, the Specific Plan area includes a 467-unit mixed-use apartment building ("Residences at Bella Terra"), an entertainment plaza with an open-air amphitheater, public art, and open space plaza.

The Bella Terra Specific Plan area was originally developed in the late 1960s as a regional commercial shopping center then known as the Huntington Center. The development included three anchor retail stores, 55 retail tenant spaces, and several freestanding pad retail buildings located along Edinger Avenue and Beach Boulevard.

The Crossings Specific Plan (2000)

In 2000, the City adopted The Crossings Specific Plan, which enabled redevelopment of the site into a more modern regional commercial shopping center. This Specific Plan required environmental review pursuant to the California Environmental Quality Act (CEQA) only upon submittal of a site plan for proposed development. Subsequent to the adoption of The Crossings at Huntington Beach Specific Plan, development of the regional commercial portion of the current Bella Terra Specific Plan area was reviewed and approved with a Mitigated Negative Declaration. Approximately 55 acres of the 63 acres zoned under the Crossings Specific Plan were redeveloped in 2005 totaling 774,962 square feet, and in 2006, the Huntington Center was rebranded as the Bella Terra center. The remaining 8 acres were under separate ownership and remained vacant.

The Village at Bella Terra Specific Plan EIR (2008)

The Crossings Specific Plan was subsequently renamed The Village at Bella Terra Specific Plan in 2008 with a project that established new planning Areas A (47.9 acres) and B (15 acres), and planned for redevelopment of the vacant portion of the site through new development standards and land uses. The City Council approved General Plan Amendment (GPA) No. 07-001 and Zoning Text Amendment (ZTA) No. 07-002 that would facilitate development of a mixed use project and adopted Environmental Impact Report (EIR) No. 07-003 to analyze the potential environmental impacts associated with the project, which included future development within a new Area B portion of the specific plan area. The 2008 project approved a development option that allowed a maximum total building FAR of 1.75, a commercial FAR of 0.2, and a residential density of 45 du/ac, which would permit a maximum of 713 residential units and 138,085 square feet of commercial uses. The GPA option represented an overall square footage increase of 172,606 through a decrease of commercial-only building area, and an increase of 317 residential units.

Bella Terra Specific Plan Amendment (2010)

Then in 2010, the Bella Terra Specific Plan was modified in several ways. The City Council approved GPA No. 10-001 and ZTA No. 10-001, thereby increasing the total for Area A to 52.35 acres, and decreased the boundary for Area B to 10.40 acres, a transfer of 5.45 acres. The GPA also resulted in

an increase in area and use of commercial-only development in Area A, and a reduction in commercial area and residential units within Area B. The associated ZTA also permitted a big box commercial and fuel station use, and established associated design and development standards for such uses within Area A. The Area B mixed-use overlay remained the same as previously analyzed, but with a reduced level of development. These development proposals were analyzed and approved by adoption of an Addendum to EIR 07-003 (Addendum No. 1).

Implementation of the 2010 project occurred in two phases, beginning with the construction of the Costco retail building and ancillary gasoline fueling station, which replaced a vacant Mervyn's building and attached retail building. The second phase of the 2010 project included a mixed-use project with 467 dwelling units, associated amenities, and 30,000 square feet of commercial retail and restaurant space, a development now called the "Residences at Bella Terra". The Costco project was completed in 2012, and the Residences were completed in 2014. Aside from the reduction in the maximum amount of permitted residential and commercial mixed uses, all other aspects of the 2010 project were identical to those analyzed in EIR No. 07-003.

C. PLANNING COMMISSION ACTION ON SEPTEMBER 27, 2022:

The Planning Commission held a public hearing to consider the proposed project on September 27, 2022. After the staff and applicant presentations, there was one public speaker during the hearing. The speaker identified his disappointment with the loss of Burlington Coat Factory, and opined that the proposed project's architectural design was insufficient and recommended several alternatives. After discussing the height of the project's occupied spaces and architectural features, existing and proposed vehicular and pedestrian circulation, and the project's shared parking program, the Planning Commission voted to recommend approval of the GPA, ZTA, and the Addendum and voted to approve the SPR. The Planning Commission modified the SPR conditions of approval to incorporate an elevated pedestrian bridge connection for residential guest access between the project and the adjacent retail parking structure, and to update the existing Planned Sign Program to reflect updated and enhanced vehicular and pedestrian way-finding signage throughout the project site and greater Specific Plan area.

The Planning Commission also conducted a straw vote (5-2) to recommend that the City Council adopt modifications to the Bella Terra Specific Plan that would require an appeal of the Director of Community Development's decision on future applications for Site Plan Review and Tentative Parcel Map applications to be heard by the Planning Commission, in lieu of the current process where appeals of the Director's decisions are appealed directly to the City Council.

Planning Commission Action on September 27, 2022:

A motion was made by Commissioner Scandura, seconded by Commissioner Perkins, to recommend to the City Council approval of General Plan Amendment (GPA) No. 21-001/Zoning Text Amendment (ZTA) No. 21-003/Addendum EIR No. 21-002 (Addendum No. 2 to the Bella Terra Specific Plan EIR No. 07-03) and to approve SPR No. 21-002 with the findings and modified conditions carried by the following vote:

AYES: 6

NOES: 1

ABSTAIN: 0

ABSENT: 0

MOTION PASSED

D. STAFF ANALYSIS

The staff report for the September 27, 2022 Planning Commission hearing (Attachment No. 5) provides a more detailed description and comprehensive analysis of the proposed project, including the GPA, ZTA, and Addendum requests before the City Council, as well as the SPR that was approved by the Planning Commission. In summary, staff recommends approval of the GPA, ZTA, and Addendum No. 2 to the Village at Bella Terra Specific Plan based on the following:

- Addendum EIR No. 21-002 (Addendum No. 2 to the Village at Bella Terra Specific Plan EIR for the Bella Terra Residential Project) is adequate and complete in that it has identified all potential environmental impacts associated with the project.
- Addendum EIR No. 21-002 demonstrates that the project will not have new or substantially more severe environmental impacts that were not disclosed in the certified Final EIR for the Village at Bella Terra Specific Plan and will not require new mitigation measures or the preparation of a Subsequent or Supplemental EIR.
- Addendum EIR No. 21-002 was prepared in compliance with the CEQA Guidelines.
- The GPA and ZTA are consistent with the General Plan and its goals and policies.
- The GPA and ZTA are consistent with surrounding area.
- The ZTA will implement the proposed General Plan land use designation.
- The request will allow the development of additional housing on the subject site and will add to the City's housing stock, including 45 deed restricted affordable units.

Environmental Status:

The City of Huntington Beach is the Lead Agency, responsible for deciding whether to approve the proposed project to redevelop a section of the Bella Terra Specific Plan area, in consideration of the potential environmental effects that could result from project implementation. The subject site, the Bella Terra Specific Plan, has been developed to date pursuant to the analysis and findings of EIR No. 07-003, adopted by the City Council in 2008, as well as the 2010 projects (Costco and The Residences at Bella Terra), analyzed by a 2010 Addendum to EIR No. 07-003.

The City's review of the proposed project is limited to examining the environmental effects associated with differences between the proposed project and the approved project as reviewed in The Village at Bella Terra EIR No. 07-003, and the 2010 Addendum to EIR No. 07-003. Pursuant to the State CEQA Guidelines, the City has prepared an Addendum to EIR No. 07-003 to provide decision makers with a factual basis for evaluating the specific environmental impacts associated with the proposed project, and to determine whether there are changes in circumstances or new information of substantial importance that would require preparation of a subsequent or supplemental EIR. The Village at Bella Terra EIR No. 07-003 and Addendum to EIR No. 07-003 (2010 Addendum) remain valid and are the certified/approved CEQA documents for future planning actions associated with implementation of the Bella Terra Specific Plan.

As such, a 2022 Addendum to EIR No. 07-003 has been prepared and will be used to determine whether the proposed project falls within the scope analyzed in EIR 07-003 and the 2010 EIR Addendum. Based on review of the facts presented in the 2022 Addendum to EIR 07-003, staff recommends that an Addendum is the appropriate documentation to comply with CEQA. The rationale and facts for this finding are provided in the body of the 2022 EIR Addendum (Attachment No. 8).

Strategic Plan Goal:

Economic Development & Housing

Attachment(s):

1. Suggested Findings for Zoning Text Amendment No. 21-003
2. City Council Resolution No. 2022-57 for Addendum No. 2 to the Village at Bella Terra Specific Plan EIR No. 07-03
3. City Council Resolution No. 2022-58 for General Plan Amendment No. 21-001
4. City Council Ordinance No. 4267 for Zoning Text Amendment No. 21-003
5. September 27, 2022 Planning Commission Staff Report
6. Project Description
7. Existing & Proposed General Plan Land Use Designation Maps
8. Addendum No. 2 to the certified Final EIR for the Village at Bella Terra Specific Plan (available here: <https://huntingtonbeachca.gov/government/departments/planning/major/major-projects-view.cfm?ID=1112>)
9. Revised Bella Terra Specific Plan Legislative Draft/Zoning Text Amendment No. 21-003