



City of Huntington Beach

File #: 22-424

MEETING DATE: 6/21/2022

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Sean Joyce, Interim City Manager

VIA: Ursula Luna-Reynosa, Director of Community Development

PREPARED BY: Alyssa Helper, Associate Planner

Subject:

Adopt Resolution No. 2022-19 approving General Plan Amendment (GPA) No. 20-003, approve for introduction Ordinance No. 4256 approving Zoning Text Amendment (ZTA) No. 20-003, and adopt Resolution 2022-26 approving Environmental Assessment No. 20-003 (Addendum No. 1 to the Holly-Seacliff Specific Plan Environmental Impact Report No. 89-1) (Holly Triangle Townhomes - 19070 Holly Lane)

Statement of Issue:

Transmitted for your consideration is a request by Bonanni Development to amend the land use designation and zoning classification on a primarily vacant site located at 19070 Holly Lane from Commercial Neighborhood-specific plan (CN-sp) and Commercial (C), respectively, to Residential Medium Density (RM). The Planning Commission and staff recommend approval of the request.

Financial Impact:

Not applicable.

Recommended Action:

A) Approve Environmental Assessment No. 20-003 (Addendum No. 1 to the Holly-Seacliff Specific Plan Environmental Impact Report [EIR] No. 89-1; Attachment No. 9) as adequate and complete in accordance with California Environmental Quality Act (CEQA) requirements by approving City Council Resolution No. 2022-26, "A Resolution of the City Council of the City of Huntington Beach Adopting Addendum No. 1 to the Holly-Seacliff Specific Plan Environmental Impact Report No. 89-1 for the Holly Triangle Townhomes Project" (Attachment No. 2); and,

B) Approve General Plan Amendment No. 20-003 and City Council Resolution No. 2022-19, "A Resolution of the City Council of City of Huntington Beach Approving General Plan Amendment No. 20-003" (Attachment No. 3); and,

C) Approve Zone Text Amendment No. 20-003 and City Council Ordinance No. 4256, "An Ordinance of the City of Huntington Beach Amending the Holly-Seacliff Specific Plan to Rezone the Real

Property Located at 19070 Holly Lane from Commercial (C) to Residential Medium Density (RM) (Zoning Text Amendment No. 20-003)" (Attachment No. 4).

Alternative Action(s):

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

1. Deny General Plan Amendment (GPA) No. 20-003/Zoning Text Amendment (ZTA) No. 20-003/Environmental Assessment No. 20-003 (Addendum No. 1 to the Holly-Seacliff Specific Plan EIR No. 89-1).
2. Continue General Plan Amendment (GPA) No. 20-003/Zoning Text Amendment (ZTA) No. 20-003/Environmental Assessment No. 20-003 (Addendum No. 1 to the Holly-Seacliff Specific Plan EIR No. 89-1) and direct staff accordingly.

Analysis:

A. PROJECT PROPOSAL

Applicant: Chris Segesman, Bonanni Development, 5500 Bolsa Avenue, Suite 120, Huntington Beach CA 92649

Property Owner: Bonanni Development, 5500 Bolsa Avenue, Suite 120, Huntington Beach CA 92649 & the City of Huntington Beach, 2000 Main Street, Huntington Beach CA 92648

The project includes the following requests:

Environmental Assessment No. 20-003 - Preparation of Addendum No. 1 to the Holly-Seacliff Specific Plan EIR No. 89-1 to analyze the potential environmental impacts of the proposed project.

General Plan Amendment (GPA) No. 20-003 - To amend the land use designation from Commercial Neighborhood-Specific Plan Overlay (CN-sp) to Residential Medium Density-Specific Plan Overlay (RM-sp).

Zone Text Amendment (ZTA) No. 20-003 - To amend the existing zoning designation within the Holly-Seacliff Specific Plan (SP9) from Commercial (C) to Residential Medium Density (RM).

The proposed Addendum, GPA, ZTA, are prerequisites to allow the applicant to redevelop the approximately 2.11 gross-acre site with 35 three-story townhomes (Attachment Nos. 8, 9, and 11). The project also includes TTM No. 19118 to consolidate 12 existing lots into a 1.8-net-acre numbered lot for condominium purposes and CUP No. 20-025 to develop 35 three-story attached townhomes up to 40 feet tall and to allow 43-inch and 6-foot tall walls in lieu of 42-inch walls in the 10-foot front yard setback along Holly Lane and 6-foot tall walls in lieu of 42-inch walls in the 15-foot front yard setback area along Main Street (Attachment No. 10). The Planning Commission approved TTM No. 19118 and CUP No. 20-025 on May 24, 2021. An

appeal of the Planning Commission's approval of TTM No. 19118 and CUP No. 20-025 was not filed within the 10-day appeal period that ended on June 3, 2022. The May 24, 2022 Planning Commission staff report provides a more detailed description and comprehensive analysis of the proposed project (Attachment No. 5).

B. BACKGROUND:

In its existing setting, the project site is primarily vacant and undeveloped with the exception of a small commercial building at the corner of Garfield Avenue and Holly Lane. In recent years, the undeveloped portion of the site has been used as a storage lot for a local car dealership.

Prior to the adoption of the Holly-Seacliff Specific Plan (Specific Plan) in 1992, the project site was zoned as Commercial Neighborhood District (C-1) and Medium Density Residential (R2). Following its adoption, the Specific Plan continued to permit Commercial (C) uses on the site, but removed Medium Density Residential as an allowable use on the property. Although the Specific Plan removed residential as a permitted use on the subject property, the Specific Plan does allow for a mix of residential, commercial, and industrial uses within the surrounding area (otherwise referred to as Planning Area IV in the Specific Plan). Development surrounding the site is reflective of allowable uses within the Specific Plan and largely consists of residential uses.

Bonanni Development approached the City in 2020 with a proposal to develop the site with 35 attached townhomes, of which 15 percent (five units) will be affordable to moderate income households. In order to develop the site with a residential use, Bonanni is also coordinating with the City to purchase a 0.08-acre City-owned parcel on the project site (Assessor's Parcel Number 159-281-04), which was acquired by the City in 1964 to allow the Standard Oil Company to lay down an oil pipeline. The City-owned parcel is encumbered with a utility easement to the benefit of the Standard Oil Company or their successors, with the easement currently occupied by an active pipeline operated by Crimson Pipeline L.P. However, because the City has no use for this property, it declared it as exempt surplus property pursuant to the Surplus Land Act, and has agenized its disposal as a separate item at the regularly scheduled June 21 City Council meeting, which would enable the future development of the property and surrounding land.

With the exception of a reduced parking ratio and two waivers of development standards permitted under the California Density Bonus Law, as well as a CUP to allow walls exceeding 42 inches within the front yard setback areas along Holly Street and Main Street, development of the project will occur in accordance with development standards outlined in the Specific Plan.

C. PLANNING COMMISSION ACTION ON MAY 24, 2022:

The Planning Commission held a public hearing to consider the proposed project on May 24, 2022. The applicant was the only speaker during the public hearing. After discussing the height of guard rails around roof decks proposed as part of the project, vehicular access to the project site, existing oil infrastructure on the site (including oil wells and an active oil pipeline) and project-related measures to avoid and/or minimize all impacts associated with existing oil

infrastructure, the Planning Commission voted to recommend approval of the GPA, ZTA, and the Addendum and voted to approve the TTM and CUP. The Planning Commission modified the TTM and CUP conditions of approval to ensure that all project plans and construction-related documents are modified to show the existing pipeline on the site. The Planning Commission also modified Mitigation Measure 4: Human Health and Safety in Addendum No. 1 to the Holly-Seacliff Specific Plan EIR to include the following additions: 1) require the applicant to hire a City-approved consultant to conduct any required site assessments and remedial actions to address residual contamination in soil and soil gas on the site in compliance with existing regulations, 2) require that the City-approved consultant submit all reports and materials to the appropriate regulatory agency and to the City simultaneous with any submittals to the applicant, and 3) require the applicant to enter a Voluntary Cleanup Agreement with the Department of Toxic Substances and Control (DTSC) and seek oversight from the Orange County Health Care Agency or the Santa Ana Regional Water Quality Control Board in the event that DTSC elects not to oversee any Voluntary Cleanup activities on the site.

Planning Commission Action on May 24, 2022:

A motion was made by Commissioner Scandura, seconded by Commissioner Adam, to recommend to the City Council approval of General Plan Amendment (GPA) No. 20-003/Zoning Text Amendment (ZTA) No. 20-003/Environmental Assessment No. 20-003 (Addendum No. 1 to the Holly-Seacliff Specific Plan EIR No. 89-1) and to approve TTM No. 19118 and CUP No. 20-025 with the findings and modified conditions carried by the following vote:

AYES: 7

NOES: 0

ABSTAIN: 0

ABSENT: 0

MOTION PASSED

D. STAFF ANALYSIS:

The staff report for the May 24, 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 TTM and CUP that were approved by the Planning Commission. In summary, staff recommends approval of the GPA, ZTA, and Addendum No. 1 to the Holly-Seacliff Specific Plan based on the following:

- Environmental Assessment No. 20-003 (Addendum No.1 to the Holly-Seacliff Specific Plan EIR for the Holly Triangle Townhomes Project) is adequate and complete in that it has identified all potential environmental impacts associated with the project.
- Environmental Assessment No. 20-003 (Addendum No.1 to the Holly-Seacliff Specific Plan EIR for the Holly Triangle Townhomes Project) 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 Holly-Seacliff Specific Plan and will not require new mitigation measures or the preparation of a Subsequent or Supplemental EIR.

- Environmental Assessment No. 20-003 (Addendum No.1 to the Holly-Seacliff Specific Plan EIR for the Holly Triangle Townhomes Project) 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 five deed restricted affordable units.

Environmental Status:

The City certified Program EIR No. 89-001 for the Specific Plan in 1990, which evaluated environmental impacts associated with development approved as part of the Specific Plan. The Specific Plan identified the subject property as a Commercial (C) land use and the Holly-Seacliff Specific Plan EIR evaluated environmental impacts associated with up to 117,612 square feet of commercial uses on the property. The Holly-Seacliff Specific Plan EIR provides the environmental setting and analysis to serve as the first-tier CEQA document for the proposed project.

Although the Specific Plan considered the impacts of commercial development on the subject property, a residential use (such as the proposed project) would result in a less intense project than what was evaluated under the Holly-Seacliff Specific Plan EIR, and therefore would not result in new significant impacts or an increase in the severity of a previously identified impact in the Holly-Seacliff Specific Plan EIR. The project will also be required to comply with City standards and existing mitigation measures outlined in the Holly-Seacliff Specific Plan EIR to ensure that development of the proposed project and approval of the GPA, ZTA, TTM, and CUP would not result in an action that requires further evaluation pursuant to CEQA (Attachment No. 9).

Strategic Plan Goal:

Economic Development & Housing

Attachment(s):

1. Suggested Findings and Conditions of Approval for Environmental Assessment No. 20-003 (Addendum to the certified Final EIR for the Holly-Seacliff Specific Plan) and Zoning Text Amendment No. 20-003
2. City Council Resolution No. 2022-26 for Addendum No. 1 to the Holly-Seacliff Specific Plan Environmental Impact Report No. 89-1
3. City Council Resolution No. 2022-19 for General Plan Amendment No. 20-003
4. City Council Ordinance No. 4256 for Zoning Text Amendment No. 20-003
5. May 24, 2022 Planning Commission Staff Report
6. Vicinity Map
7. Project Narrative received and dated April 2022
8. Existing & Proposed General Plan Land Use Designation Maps
9. Addendum No. 1 to the certified Final EIR for the Holly-Seacliff Specific Plan EIR (available

here: <https://www.huntingtonbeachca.gov/government/departments/planning/major/major-projects-view.cfm?ID=106>)

10. Tentative Tract Map No. 19118 and Site Plan dated February 11, 2022 (For Reference Only)
11. Revised Specific Plan/Zone Text Amendment No. 20-003 Legislative Draft
12. PowerPoint Presentation
13. Letters in Opposition/Support