



Agenda Item

Planning Commission

Item #: 3.1.

4/6/2026

File #: 26-0167

TO: Chair and Members of the Planning Commission

THRU: Hayden Beckman, Planning Manager

FROM: Monique Schwartz, Principal Planner

1. SUBJECT

Public Hearing to consider a proposal to redevelop a commercial property with 71 small lot single-family homes at 2375 N. Tustin Street. An Initial Study/Mitigated Negative Declaration was prepared in conformance with CEQA (GPA25-0003, ZC25-0002, TTM25-0001, MJSP25-0002, ADR25-0018, and ENV25-0001).

2. SUMMARY

The applicant proposes redeveloping an existing 4.23-acre vacant commercial site (former Best Buy) with 71, three-story single-family small lot homes, open space recreation area, guest parking, and related site improvements. To allow for the development at this location, the proposal includes a request to amend the General Plan land use designation from General Commercial Max. 1.0 FAR (GC) to Medium Density Residential, 15-24 dwelling units per acre (MDR) and a request to amend the zoning from Limited Business Tustin Redevelopment Project Area (C-TR) to Residential Multiple Family (R-3) with application of the Small Lot Subdivision Development Standards.

3. RECOMMENDED ACTION

1. Conduct and close the Public Hearing.
2. Adopt Planning Commission Resolution No. PC 08-26 recommending City Council approval of General Plan Amendment No. GPA25-0003, a request to change the General Plan designation from General Commercial to Medium Density Residential on a 4.23-acre site located at 2375 N. Tustin Street.
3. Adopt Planning Commission Resolution No. PC 09-26 recommending the City Council approval of Zone Change No. 25-0002 and adoption of an Ordinance to change the zoning designation from Limited Business Tustin Redevelopment Project Area to Residential Multiple Family to establish consistency between the Medium Density General Plan Land Use designation and zoning classification in accordance with state law on a 4.23-acre site located at 2375 N. Tustin Street.
4. Adopt Planning Commission Resolution No. PC 10-26 recommending City Council approval of Tentative Tract Map No. TTM25-0001, Major Site Plan Review No. MJSP25-0002, Administrative Design Review No. ADR25-0018, IS/MND No. ENV25-0001 and associated Mitigation Monitoring and Reporting Program for the redevelopment of a vacant commercial site with 71, three-story single-family small lot homes, open space recreation area, guest

parking, and related site improvements on a 4.23-acre site located at 2375 N. Tustin Street.

4. PROJECT BACKGROUND

Property Information

Applicant: Chad Brown, Melia Homes

Property Owner: BTPROP3 LLC

Property Location: 2375 N. Tustin Street

Existing General Plan Land Use Element: General Commercial, Max. 1.0 FAR (GC)

Existing Zoning: Limited Business Tustin Redevelopment Project Area (C-TR)

Old Towne: No

Specific Plan/PC: No

Site Size: 4.23-acres

Circulation: The project site is located on the east side of North Tustin Street, between East Heim and East Meats Avenues. The City's Master Plan of Streets and Highways classifies North Tustin Street as a Major Arterial with an ultimate right-of-way width of 120 feet. The existing site is currently accessed by a signalized shared driveway along North Tustin Street.

There are existing bus stops located on the east and west sides of North Tustin Street in the vicinity of the project.

Existing Conditions: The site is currently developed with a vacant 45,676-square-foot commercial building (former Best Buy retail store), surface parking lot, mature trees and landscaping, perimeter walls, and site improvements. The commercial building and site improvements will be removed to accommodate the project.

Surrounding Land Uses and Zoning:

North: Single-story condominiums, zoned Residential Multiple Family Single Story Overlay (R-3(A)).

South: Single-story condominiums and mobile homes, zoned Residential Multiple Family Single Story Overlay (R-3(A)) and Mobile Home Residential (M-H).

East: Unimproved parcel with a 93-foot-tall billboard sign, zoned Limited Business Tustin Redevelopment Project Area (C-TR). Further east is the State Route 55 Freeway.

West: Commercial uses zoned C-TR. Further west is North Tustin Street and the Village at Orange mall, zoned C-TR.

Previous Applications/Entitlements:

On February 22, 1995, the Design Review Board approved DRB 3034 for modifications to the façade of an existing bowling center.

On March 9, 1995, the Zoning Administrator approved Variance No. 1989-95 to waive the Orange Municipal Code development standards for wall sign area and height.

On August 3, 1998, the Planning Commission denied appeal #443 and upheld the Staff Review Committee's denial of Minor Site Plan Review No. 50-98 and Parcel Map 97-226 for a two-parcel subdivision.

On October 15, 2007, the Planning Commission approved Resolution No. PC 40-07 approving Mitigated Negative Declaration No. 1793-07, Major Site Plan Review No. 0526-07, Conditional Use Permit No. 2673-07, Design Review No. 4273-07, and Variance No. 2181-07 for a proposal to demolish a 30,000 square foot building formerly occupied by a bowling alley and a 7,250 square foot car wash to construct a 45,750 square foot retail building (Best Buy) and a 1,700 square foot drive through coffee dispensary (Starbucks).

On March 1, 2023, the Community Development Director approved Administrative Design Review No. 0213 for the exterior remodel of the existing retail store.

5. PROJECT DESCRIPTION

The project involves a request to demolish a vacant retail store (former Best Buy) and develop 71 three-story single-family small lot homes (58 paired and 13 detached), open space recreation area, guest parking, and related site improvements (See Attachment 8 Project Plans).

To allow for the development in this location, the applicant is proposing a General Plan Amendment to change the General Plan Land Use Element designation from General Commercial Max. 1.0 FAR (GC) to Medium Density Residential 15-24 dwelling units per acre (MDR), and a Zone Change from Limited Business Tustin Redevelopment Project Area (C-TR) to Residential Multiple Family (R-3) to accommodate a small lot subdivision in accordance with the City's Small Lot Subdivision Ordinance (OMC Section 17.14.270). The proposed development will have a density of 16.76 dwelling units per acre. The proposal includes a Vesting Tentative Tract Map for the small lot subdivision including establishment of private and common use areas.

The Small Lot Subdivision Development Standards and Guidelines allow for the development of smaller fee simple, single-family residential lots in multi-family residential zones (R-3, R-4) and the Neighborhood Mixed Use (NMU-24) zone. The lots created under these standards are less than the

typical minimum area of a traditional single-family lot, which allows for flexibility in lot configuration, and reduces the amount of land required for new-single family residences. The development standards include regulations for lot frontage, setbacks, stories, height, private open space, and parking. These development standards allow for a space-efficient and economical alternative to traditional options for home ownership.

The project includes small lots ranging from 1,515 to 3,376 square feet. There are 36 units located within the interior cluster that have primary entries off landscaped paseos and walkways, and 35 units along the northern, southern, and western boundaries that have primary entries off the looped roadway and interior walkways.

The project provides five different floor plans with units ranging from 2,008 to 2,117 square feet (See Sheet SP - Site Plan of Attachment 8). In addition, each unit plan provides garage space dedicated for the storage of three trash carts for the collection of solid waste, recyclables, and organics and a minimum of 120 cubic feet of storage.

Floor Plan	No. of Units	Gross Area (sq ft)	No. of Stories	No. of Bedrooms	No. of Bathrooms	Garage (sq ft)
Plan 1	10	2,008	3 + Roof Deck	3 + den	2 full + 2 powder rooms	472
Plan 2	16	2,014	3	3 + den	2 full + 2 powder rooms	446
Plan 3A	1	2,026	3	4	3 full + 1 powder room	477
Plan 3B/3C	13	2,026	3 + Roof Deck	4	3 full + 1 powder room	477
Plan 4	13	2,086	3 + Roof Deck	3 + den	2 full + 2 powder rooms	473
Plan 5A/5B	18	2,117	3	3 + den	2 full + 2 powder rooms	446
Total	71					

Architecture

The project site is located within an area containing a mix of commercial and residential uses with eclectic architectural styles. The project introduces a contemporary residential design that is intended to respond to the visual character of the area. All units feature three-stories. Units within the interior cluster incorporate roof decks with a maximum building height of 35 feet. No roof decks are proposed on units along the perimeter boundaries, adjacent to existing single-story condominiums and mobile homes to the north and south. The building orientations along the property boundaries consider the site's characteristics and the City's Small Lot Subdivision Guidelines (Attachment 11) in that the main entrances are oriented towards the private roadway and walkways to create a relationship between the buildings and pedestrians and to establish a strong tie to the internal street frontages. The main entrances of the units within the interior cluster are oriented towards the landscaped paseos or walkways. These paseos/walkways connect to the private roadways, open space recreation area, and public right-of-way.

Architectural elements of the proposed residences include a combination of flat, gable, and shed roof

forms, parapets, arched and rectangular entries, recessed and simple door and window detailing, porch elements, use of trim and siding, and alternating plane changes to add visual interest. The use of varied rooflines, articulated building elevations, and arches help soften the scale and rectangular massing of the buildings and are generally compatible with the architecture of the commercial buildings to the west. The proposed exterior building materials include composite roof shingles, painted stucco finish, metal canopies, vinyl windows, stucco over foam trim details, engineered wood siding, metal balcony railing, and painted metal sectional garage doors. The coordinated exterior color scheme consists of subtle natural tones, with contrasting colors used for accents and details.

Project Access and Parking:

Vehicle access to the project site is provided by an existing signalized shared two-way driveway entrance along Tustin Street. This entry drive connects to a looped private interior roadway and two additional interior roadways off the interior cluster that provide vehicle and pedestrian access to the main entrances and garages of the dwelling units. There is an emergency vehicle access gate that leads to an emergency access easement dedicated to the City of Orange located at the northeast corner of the site and on the adjacent property to the north. The internal roadways include curb, gutter, and intermittent landscape planters. Each unit is provided with an attached two-car garage with 14 unenclosed on-lot parking spaces dedicated for four bedroom units, and 23 unenclosed guest parking spaces, for a total of 179 parking spaces provided for the development. The project provides 5 spaces in excess of the 174 parking spaces required by the Small Lot Subdivision Ordinance. Also, one additional dedicated postal service parking space is provided at the entrance to the common open space area.

Pedestrian access from Tustin Street is provided via an existing paved sidewalk/walkway along the south side of the entrance driveway that connects to a network of interior walkways that lead to unit entries and common open space amenities. The project is also within walking distance to nearby shopping, restaurants, office, and residential uses, as well as adjacent to multiple bus stops located on the east and west sides of Tustin Street in the general vicinity of the project site. The private interior roadways, open parking spaces, common open space, and landscape areas designated on Sheet HM (HOA Maintenance Exhibit) of Attachment 8 will be maintained by a Homeowner's Association for the development.

Common and Private Open Space:

The Small Lot Subdivision development standards require a project to provide common open space only if the buildings on each lot exceed 75% lot coverage. As noted on Sheet SP (Site Plan) of Attachment 8, lot coverage for the project ranges from 25 to 55.7% and therefore the project is not required to provide common open space. However, in an effort to enhance the project aesthetics and provide amenities to the residents, the applicant has provided a common open space area with shaded picnic tables, multipurpose lawn area, mailboxes, and bicycle parking across from the main entrance to the development. The project also provides private open space in the form of roof decks for all units in the interior cluster, and 10-foot rear yards for units along the northern, southwestern, and southern boundaries.

Landscaping

Sheet L-7 (Schematic Existing Tree Plan) of Attachment 8 shows the removal of 68 existing mature trees in order to accommodate the new residential development. A total of 12 existing Palm trees and landscaping will be protected in place along both sides of the shared main entrance driveway.

Sheets L-4 - L-5B (Schematic Planting Plan and Plant Images) of Attachment 8 illustrates the proposed water efficient landscape palette for the project. The project incorporates 126 new trees, including Date Palms, Jacaranda, Southern Magnolia, Crape Myrtle, and Marina Strawberry trees, with a mix of shrubs and groundcover, including Big Red Kangaroo Paw, Spanish Lavender, Blue Gem Coast Rosemary, and artificial turf in the common open space area. Private roadway treatment includes the incorporation of Sweet Bay columnar trees between the paired units and similar shrubs and groundcover in the intermittent landscape planters. The landscaping proposed along the interior walkways and paseos provides a friendly pedestrian-oriented interface with the buildings. Enhanced paving is proposed at the main entrance to the development, and in the common open space seating area. Interior walkways will be concrete and four feet wide.

Fences/Walls

Sheet L-3 (Schematic Wall and Fence Plan) of Attachment 8 illustrates existing walls to remain in place along the northern, southern, and southwestern boundaries of the site. A new 8-foot wall with a sliding metal access gate (8 feet tall x 20 feet wide for existing billboard maintenance purposes) is proposed along the eastern boundary, new 6-foot side yard walls with vinyl gates are proposed between units along the perimeter boundaries, and a new 3-foot wall is proposed on the west side of the common open space turf area. No side yard fencing/walls are proposed between units within the interior cluster of homes.

Lighting

Sheets L-9A - L-9B of Attachment 8 include the Photometric Plan and fixture designs for the project. New 15-foot-tall LED pole streetlights are proposed in landscape planters at the project entry, in front of the common open space area, looped roadway, and adjacent to unenclosed resident and guest parking spaces. These fixtures will have shields directed downward to prevent off-site light spillage. Various landscape lighting, including shade structure down lighting, in-ground flush mounted fixtures, tree and sign up-lighting will also be provided. Decorative LED wall light fixtures (shown on building elevations) are proposed at the front, rear, and side elevations of the residences within the center cluster, and on the front and side elevations on the perimeter boundaries. The proposed fixture styles are contemporary and compatible with the architecture of the buildings.

Signage

Conceptual signage is included for illustrative purposes on Sheet L-3 of Attachment 8 and is not part of this project proposal. A new 6-foot stucco entry pilaster with development identification signage is proposed on the north side of the project entry. The sign concept appears compatible with the building design; however, the City's Building Security Ordinance will likely require a lighted address on the sign and at each residential unit. All signage will comply with the City's sign regulations.

Overall, the project's coordinated architectural style, use of matching colors and materials for all structures, as well as landscape design as proposed presents an integrated design theme. The project provides a residential design that is distinctive, yet compatible with the commercial and neighborhood area context.

6. PROJECT ANALYSIS

The project as proposed complies with the OMC and the City's Small Lot Subdivision Development Standards and Guidelines (See Table on Sheet SL of Attachment 8).

The project site has been vacant for two years with no viable lease or commercial development options despite continuous efforts by the property owner. In order to support redevelopment of the property with the proposed residential project as opposed to the continuance of commercial uses at the site, the applicant has submitted a Fiscal Impact Analysis by Stanley R. Hoffman Associates, Inc. (Attachment 6), which demonstrates a positive economic impact to the City including an annual recurring net contribution to the City's general fund and one-time development impact fees. The study also indicates that "the project will have a stabilizing effect on the neighborhood through community ties and economic development benefits from new household spending on goods and services captured within the City".

Land Use

The proposed General Plan Amendment and Zone Change are necessary to allow for residential development on this site. The presence of residential uses along this portion of Tustin Street is logical given the already existing residential development to the north and south of the site, as well as the neighborhood-serving goods and services in the area. The MDR General Plan designation and R-3 zoning are consistent with the General Plan and zoning designations of the existing abutting residential land use to the north (Park 72 Condominiums, 1800 E. Heim Avenue) and the abutting R-3 zoning (Coco Palms Condominiums, 2295 N. Tustin Street) to the south, and generally compatible with commercial land uses that would remain to the west, which accommodates a mix of retail and service commercial uses and professional offices. The land use changes also enable the implementation of the Small Lot Subdivision Development Standards, which allows for alternative in-fill housing typologies within multiple-family residential zones.

The proposed small lot development is also consistent with the intent of the MDR land use designation and R-3 zoning, in that the project provides private and common open space with amenities, a pedestrian-friendly integration along Tustin Street, is adjacent to public transportation, and is in close proximity to commercial, retail, medical and professional offices, and recreational uses.

Project Design

Because of the project's flag lot configuration, the three-story residential units will be set back more than 220 feet from the Tustin Street right-of-way and partially buffered by existing one-story commercial buildings along the street frontage (Orange Village Dentistry at 2393 N. Tustin Street and new bank building under construction at 2355 N. Tustin Street). Residential developments to the north and south are similarly located and buffered by commercial development. This substantial setback directs the project's three-story massing away from the Tustin Street right-of-way containing primarily one-story commercial buildings, and does not visually affect the existing appearance of the Tustin Street corridor.

The project's site configuration includes three-story units backing the northern and southern boundaries, abutting one-story condominium and mobile home developments. During initial review of the project, Staff raised concerns to the applicant regarding the potential for shading/shadowing and the loss of privacy for the abutting neighbors. In response, the applicant has provided Shade/Shadow Exhibits and Line of Sight Section details on Sheets A18-19 and A22 of Attachment 8.

Shade and Shadow

Shading/shadowing is a potential impact when a building(s) blocks sunlight from neighboring properties. The CEQA guidelines have not established shade/shadow thresholds of significance, nor has the City of Orange formally adopted thresholds as part of the City's local CEQA Guidelines; however, the City considers project impacts to be significant if a substantial amount of sensitive uses/areas would be shaded by project related features for three continuous hours or more on any given day during the winter and summer solstice or spring and fall equinox. The residential buildings are considered shadow sensitive areas to account for solar panels and windows providing light into a residence.

The Shade/Shadow Exhibits illustrate existing and proposed effects during the winter solstice (December 21), when the sun is at the lowest point in the sky resulting in the most restrictive time period, and the summer solstice (June 21), when the sun is at its highest point in the sky. It appears that shading/shadowing with project conditions would not affect the abutting multifamily residential properties for more than three hours during the winter and summer solstice from 9:00 a.m. to 3:00 p.m. Shading/shadowing appears to affect only adjacent property drive aisles, unenclosed parking, and enclosed garages, rather than individual living areas.

The Shade/Shadow Exhibits also illustrate that the majority of the project site will be shaded during the winter solstice from 9 a.m. to 3:00 p.m. While the shading would not affect adjacent property uses, Staff encouraged the use of sun sensitive landscaping for sustainability reasons on the project site.

Line of Sight

The proposed three-story units are located approximately 10 feet from the north and south property lines, and between 61 feet, 10 inches to 64 feet away from the single-story condominium living units. Because the adjacent condominium living units are separated by drive aisles, open and enclosed parking, it appears that there will be no privacy impacts created by the second and third story windows of the new homes as illustrated in Sections A, B and D.

Section C illustrates the proximity of the new three-story homes to the nearest mobile home living area with windows, located at the southeast corner of the site. It appears that there is a 21-foot separation between the units and that there is existing landscaping/tree on the mobile home property that serves as a visual screen from the second and third story windows of the new units, therefore maintaining the privacy of the mobile homeowner.

While the introduction of infill residential development into an existing urban setting comes with complexities related to site planning and community interface, staff believes that the change in General Plan and zoning designations from commercial to residential will have a positive economic impact to the City supported by the applicant's Fiscal Impact Analysis, and will not visually impact the Tustin Street corridor given the large setback distance from the Tustin Street right-of-way. The architectural design, exterior materials, and landscaping presents a unifying theme and results in an internally consistent design that is compatible with the eclectic mix of styles in the surrounding area. Further, this residential development project implements the Small Lot Subdivision Development Standards and supports the City's Regional Housing Needs Allocation (RHNA) by adding units to the overall housing inventory on a site that had not previously been identified as a Candidate Housing Site in the Housing Element.

7. AUTHORIZING GUIDELINES

Orange Municipal Code (OMC) Table 17.08.020 depicts the authority of the City's reviewing bodies to make decisions and/or recommendations on land use applications. This project involves applications for a General Plan Amendment, Zone Change, Tentative Tract Map, Major Site Plan Review, Administrative Design Review, and Environmental Review which require a final determination by the City Council. Table 17.08.020(b) states that when more than one type of application is filed for a single project, the application requiring the highest level of approval shall dictate the review process for the entire group of applications. Therefore, the Planning Commission is to act in an advisory capacity to the City Council for the sum of applications for the project because the City Council is the final decision-maker for the General Plan and zoning change.

8. PUBLIC NOTICE

Notice was provided to property owners, tenants, and persons specifically requesting notice and posted at the site on or before March 12, 2026. The notice was also published in the Anaheim Bulletin newspaper on March 12, 2026.

9. ENVIRONMENTAL REVIEW

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Mitigated Negative Declaration: Mitigated Negative Declaration (MND) No. ENV25-0001 (SCH No. 2026020142) was prepared to evaluate the physical environmental impacts of the project, in conformance with the provisions of the California Environmental Quality Act (CEQA) per State CEQA Guidelines Section 15070 and in conformance with local CEQA guidelines. The analysis contained in MND No. ENV25-0001 determined that the project will have less than significant impacts to the environment with the implementation of Project Design Features, Plans, Programs, and Policies, relating to Aesthetics, Air Quality, Cultural Resources, Energy, Geology and Soils, Greenhouse Gas Emissions, Hydrology and Water Quality, Noise, and Tribal Cultural Resources, and Mitigation Measures relating to Biological Resources, Noise, and Tribal Cultural Resources.

The Mitigation Monitoring and Reporting Program of the Final MND summarizes the Project Design Features, Plans, Programs and Policies, Mitigation Measures, and the responsible party for the implementation and monitoring (Attachments 9 and 10). On February 5, 2026, a Notice of Intent (NOI) to Adopt Mitigated Negative Declaration No. ENV25-0001 was filed with the Orange County Clerk Recorder, posted at the site, mailed to property owners and tenants within a 300-foot radius of the project site, potentially affected cities, public agencies, utility service providers, and published in the Anaheim Bulletin newspaper on February 5, 2026. The public review period began on February 5, 2026, and ended on February 25, 2026. The MND was made publicly available at the Community Development Department, City Clerk's office, and the City's website.

Public comments on MND No. ENV25-0001 were received from the California Department of Transportation (Caltrans), Pala Band of Mission Indians, and six community members. Caltrans recognizes that the pattern of land use can affect both local vehicle miles traveled and number of trips, and supports local developments that promote equity, strengthen the economy, protect the environment, and provide a diversity of housing choices accessible to transportation facilities, promote the design of Complete Streets with high-quality pedestrian, bicycle, and transit facilities, describes the project adjacency to bike lanes, supports inclusion of secure and functional short term bike parking and provides guidance on bicycle parking best practices, indicates that work within

Caltrans right-of-way will require discretionary approval, and requests coordination with Caltrans on future projects. The Pala Band of Mission Indians commented that the project is not within the boundaries of the recognized Pala Indian Reservation and beyond the boundaries of the Traditional Use Area and requests to receive project notifications. Community members provided general comments related to traffic, parking, privacy, rezoning and reduction of sales tax revenue, waste management, construction noise, site demolition impacts, emergency access, property values, need for more restaurant and retail uses, project should have a commercial component, and noted corrections and/or modifications to the IS/MND document. Responses to comments were prepared and forwarded to the respective authors in accordance with the requirements of CEQA, and in advance of the City's consideration of any determination. Copies of the comment letters and responses to comments to address feedback relevant to environmental impacts received during the public review period were incorporated into the final MND (Attachment 9).

10. ADVISORY BOARD ACTION

Staff Review Committee:

The interdepartmental Staff Review Committee (SRC) conducted reviews of the project on September 17, 2025, May 7, 2025, and October 29, 2025. On January 29, 2026, SRC recommended that the project proceed to the Planning Commission.

11. ATTACHMENTS

- Attachment 1 Planning Commission Resolution No. PC 08-26
- Attachment 2 Planning Commission Resolution No. PC 09-26
- Attachment 3 Planning Commission Resolution No. PC 10-26
- Attachment 4 Vicinity Map
- Attachment 5 Applicant's Letter of Explanation
- Attachment 6 Fiscal Impact Analysis, dated December 12, 2025
- Attachment 7 Existing Site Photographs
- Attachment 8 Project Plans, received on December 17, 2025
- Attachment 9 Final Mitigated Negative Declaration No. ENV25-0001 and Mitigation Monitoring and Reporting Program, dated March 2026
- Attachment 10 Mitigated Negative Declaration No. ENV25-0001 Appendices
- Attachment 11 Small Lot Subdivision Guidelines
- Attachment 12 Color and Material Boards; Physical Boards Provided at Meeting