



# Agenda Item

## Planning Commission

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**Item #:** 7.2.

7/19/2021

**File #:** 21-0384

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**TO:** Chair and Members of the Planning Commission

**FROM:** Anna Pehoushek, Assistant Community Development Director

### 1. SUBJECT

**Public Hearing:** An ordinance amending Titles 16 and 17 of the Orange Municipal Code to establish development standards and streamlined subdivision and entitlement procedures for small lot subdivisions in multi-family residential zones.

### 2. SUMMARY

The City of Orange has prepared a Small Lot Subdivision Ordinance and associated guidelines to provide more flexible development standards and streamlined procedures for the development of single-family residential housing units on infill sites.

### 3. RECOMMENDED ACTION

Adopt Planning Commission Resolution No. 17-21 entitled:

A Resolution of the Planning Commission of the City of Orange recommending City Council approval of an ordinance of the City Council of the City of Orange amending Titles 16 and 17 of the Orange Municipal Code to establish development standards and streamlined subdivision and entitlement procedures for small lot subdivisions.

Adopt Planning Commission Resolution No. 18-21 entitled:

A Resolution of the Planning Commission of the City of Orange recommending City Council approval of Small Lot Subdivision Guidelines.

### 4. AUTHORIZING GUIDELINES

Orange Municipal Code (OMC) Section 17.10.020 requires City Council approval of amendments to the Zoning Ordinance, but also establishes procedures by which the Planning Commission reviews and makes a recommendation to the City Council on amendments to the Zoning Ordinance.

### 5. PROJECT BACKGROUND

With growing frequency, the Planning Division is receiving inquiries about site redevelopment involving compact arrangements of detached, for sale, single-family housing units. The sites involved in these inquiries are typically properties that have been developed with non-residential uses that have become obsolete. Despite the development conditions, in most cases, the zoning for the sites is multi-family residential. Real estate market forces and geographic location leave them most suitable for residential redevelopment. The desired small lot development format and single-family product type are not easily accommodated by the development standards in the Zoning Ordinance. The purpose of the subject ordinance is to provide development standards to accommodate compact

single-family neighborhood formats and to streamline the entitlement process for projects on small parcels.

**Public Outreach**

Staff and the City’s consultant conducted stakeholder meetings with representatives of the development community who have expressed interest in, or brought forward, similar projects in the community that could have taken advantage of a more streamlined process, and also the broader range of residential developers that are active in the City. Meeting discussions focused on the developer’s entitlement process experience in Orange, and the challenges presented by existing zoning standards. Staff also asked them to share their experiences in other cities developing smaller infill sites and what they found to be useful in the way of development standards in those situations. This input and sharing of lessons learned have been an important aspect of informing the ordinance work effort.

The draft Small Lot Subdivision Ordinance and Design Guidelines were crafted to facilitate development, and provide pragmatic and context sensitive standards.

**6. PROJECT DESCRIPTION**

The Small Lot Subdivision Ordinance (Attachment 1) amends Title 16 and Title 17 of the Orange Municipal Code and includes the following key features:

- Applies to properties located in Multi-Family Residential zones (R-3 and R-4) and the Neighborhood Mixed Use-24 zone (NMU-24) where the underlying General Plan land use designations are intended to accommodate multi-family residential development.
- Streamlines the entitlement process to authorize Planning Commission approval of tentative tract maps (five or more lots) rather than City Council approval for projects that do not require preparation of an EIR.
- Provides development standards to accommodate small lot homes for infill developments related to:
  - Building setbacks
  - Building height
  - Lot coverage
  - Open space requirements
  - Manner in which parking is provided
  - Wall height

A comparison of existing and proposed development standard highlights include the following:

	Existing Code	Proposed Ordinance
<b>Minimum Lot Area</b>	7,000 sq. ft. Interior 8,000 sq. ft. Corner	n/a

<b>Minimum Lot Frontage</b>	R-3 Zone: 70 ft. Interior 80 ft. Corner R-4 Zone: 60 ft. Interior 70 ft. Corner	25 ft.
<b>Minimum Lot Depth</b>	R-3 Zone: 100 ft. R-4 Zone: n/a	50 ft.
<b>Minimum Lot Coverage</b>	R-3 Zone: 45% 2-story 55% 1-story R-4 Zone: 60%	n/a
<b>Maximum Height</b>	R-3 Zone: 32 ft. or 2 stories, whichever is less R-4 Zone: 32 ft. or 2 stories, whichever is less NMU-24 45 ft. or 3 stories	R-3 Zone: 35 ft. or 3 stories R-4 Zone: 45 ft. or 3 stories NMU-24 45 ft. or 3 stories

<b>Maximum Lot Coverage</b>		
	R-3 Zone: 45% 2-story 55% 1-story R-4 Zone: 60% NMU-24: No limit (up to 100%)	75% of an approved small lot
<b>Minimum Open Space</b>	R-3 Zone: 250 sq. ft./unit <sup>1</sup> R-4 Zone: 150 sq. ft./unit <sup>1, 2</sup> NMU-24: 150 sq. ft./unit <sup>1, 2</sup>	150 sq. ft./unit private open space. No common open space required.
<b>Perimeter Setbacks</b>		
<b>Front</b>	R-3 Zone: 15 ft. min. R-4 Zone: 10 ft. min. NMU-24: 10 ft. max.	Applies to the front perimeter lot line of the overall subdivision site, not individual lots within the subdivision R-3 Zone: 15ft. min. R-4 Zone: 10ft. min. NMU-24: 10 ft. max.
<b>Side</b>	R-3 Zone: 5 ft. min. R-4 Zone: 0 min. NMU-24: 0	Applies to the side perimeter lot line of the overall subdivision site, not individual lots within the subdivision 5 ft. min. 10 ft. min. street side yard for corner and reverse corner lots
<b>Rear</b>	R-3 Zone: 10 min. R-4 Zone: 10 NMU-24: 0	Applies to the rear perimeter lot line of the overall subdivision site, not individual lots within the subdivision 10 ft. min. 5 ft. min. where the rear lot line abuts an alley

<b>Interior Setbacks</b> See "Side Setbacks" above No front, side, or rear yard shall be required between interior lot lines created within an approved small lot subdivision		
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<sup>1</sup> Each unit shall be provided with at least one area of private usable open space accessible directly from the living area of the unit, in the form of a fenced yard or patio, a deck or balcony. In order to count toward the open space requirement, a yard area, or uncovered deck or patio shall have a minimum width and length of ten feet, and the minimum dimension of a balcony (both width and depth) shall be seven feet. In the R-3 and R-4 districts all such private open space may be counted up to a total of one-third of the required usable open space.

<sup>2</sup> A minimum of fifteen (15) percent of the total floor area of the dwelling units shall be provided as private and/or common open space. Up to twenty-five (25) percent of the total open space requirement may be met by counting any private exterior open space areas (patios and balconies) provided within the project.

The Ordinance does not apply to Single-Family (R-1) or Duplex (R-2) zones because the higher density development typically associated with the small lot development format cannot be accommodated in the lower density R-1 and R-2 zones. Similarly, the Ordinance does not apply to commercial zones because a concentrated single-family neighborhood would not be a contextually appropriate development format along the major commercial corridors of Orange.

### **Small Lot Subdivision Design Guidelines**

The Small Lot Subdivision Design Guidelines (Attachment 3) are intended to guide the site layout and building design in order to ensure that the new small lot subdivisions are compatible with existing adjacent neighborhoods. Key content that is intended to address contextual compatibility includes:

- Scale and massing
- Building orientation
- Building articulation
- Roof forms
- Stepped upper stories
- Access and connectivity to established neighborhood

## **7. ANALYSIS AND STATEMENT OF THE ISSUES**

### Issue 1: Alternative Development Standards

Infill single-family residential development projects that have come before the City in recent years have been subject to the multi-family residential development standards of the Zoning Ordinance dating from the early 1990s that were intended to be applied to walk-up garden style apartment and condominium projects. Therefore, development standards are oriented to large areas of shared common open space, private patio and balcony areas, and specified types of complex amenities (e.g., tot lots, pools, tennis court, clubhouse). Similarly, building setbacks and parking standards are crafted to address a development format where a complex has an internal and insular orientation, and parking is provided in a more communal format.

Consequently, when new infill projects have come to Planning staff with units laid out in a more traditional neighborhood format with individual “single-family” residences oriented to a private street, the code does not provide options for accommodating them. Instead, the only option available to developers is to develop the site as a single-family condominium product, and to prepare of a specific plan with development standards tailored to that product type. Staff and the applicants work together to ensure that specific plan development standards facilitate integration with existing surrounding neighborhoods and other neighborhood-serving services and amenities in the area such as parks, schools, and the existing City sidewalk network.

The development standards contained in the proposed ordinance are intended to eliminate the need

for a specific plan. Specifically, the standards eliminate a minimum lot size, allow options for classification of front, side and rear property lines, allow for a higher percentage of lot coverage than typical multi-family zoning, and differentiate between setbacks for the overall perimeter of the development site and building setbacks for units contained within the development itself.

### **Density**

While the development standards accommodate a more compact single-family neighborhood format, they do not allow a higher density of units than is already provided for by the underlying Medium Density Residential and Neighborhood Mixed Use General Plan designations (24 dwelling units/acre max.). With the proposed development standards, the density can be arranged for a compatible interface with surrounding development.

### **Parking**

Parking requirements under the proposed ordinance would be consistent with the number of spaces required in single-family zones; however, flexibility is provided in the form of allowing for tandem parking. Additionally, parking may be provided in either an enclosed garage or carport on the residential lot, as opposed to the City's standard single-family residential parking requirement needing to be entirely met in an enclosed garage. Additionally, the proposed ordinance requires 0.25 spaces of guest parking per unit, whereas guest parking is not required for homes in typical single-family zoning districts in Orange.

### Issue 2: Streamlined Entitlement Process

As noted above, the present entitlement process for small lot development is cumbersome, requiring a Zone Change and preparation of a specific plan to establish alternative development standards, along with an environmental document. This process typically takes 18-24 months and culminates with City Council approval. Examples include the MBK Irving House on Orange Olive Road and adjacent Cohen Residential project on Grove Avenue.

The proposed development standards contained in the ordinance have been crafted to eliminate the need for a specific plan to accommodate small lot subdivisions. Projects that can be designed within the parameters of the new ordinance will typically be exempt from environmental review based on the Infill Development Exemption (Class 32) afforded by the California Environmental Quality Act Guidelines. This exemption applies to projects on sites five acres or less in size that are served by public services and utilities that comply with the General Plan and Zoning Ordinance.

Another area of streamlining resulting from the ordinance is the change in approval body from the City Council to the Planning Commission for projects involving tentative tract maps (subdivision of five or more parcels). Given the nature of development associated with a small lot subdivision, projects would continue to undergo design review and major site plan review in accordance with Chapter 17.10 of the Zoning Ordinance. Planning Commission review and approval of the subdivision maps, concurrently with Major Site Plan and Design Review, will reduce processing time and cost.

### Issue 3: Small Lot Subdivision Guidelines

Small Lot Subdivision Guidelines have been prepared as a companion document to the proposed ordinance to better articulate expectations for site layout, building scale, unit orientation, building heights, privacy, and contextual compatibility. The illustrated guidelines are not intended to be

applied as strict requirements; rather, their stated goals are to:

- Ensure that new small lot subdivisions fit into the existing neighborhood context.
- Introduce new dwellings and a new housing typology that maintains and responds to the existing urban form.
- Promote walkable urbanism through infill development.
- Achieve high quality new urban design.

The guidelines provide a framework for informing site planning and building design, and supporting a neighborhood and housing product type that is appropriate for the Orange community.

## **8. PUBLIC NOTICE**

Because of the citywide nature of the ordinance, the City published a one-eighth page notice in the Anaheim Bulletin newspaper on July 8, 2021.

## **9. ENVIRONMENTAL REVIEW**

**Categorical Exemption:** The proposed ordinance and guidelines are categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per State CEQA Guidelines 15305 (Class 5 - Minor Alterations in Land Use Limitations) because the ordinance simply provides greater flexibility in site planning and building design and a streamlined entitlement process for infill residential development sites. The guidelines provide parameters for neighborhood compatibility, privacy, and internal cohesiveness of small lot subdivisions. Neither the ordinance nor the guidelines cause changes to the residential density established in the General Plan for the multi-family and Neighborhood Mixed Use land use districts. They do not involve a specific site or development project, and do not otherwise result in a physical change that could cause an impact to the environment.

## **10. ADVISORY BOARD ACTION**

### **Staff Review Committee:**

The Staff Review Committee provided input on the ordinance and guidelines through a series of inter-departmental meetings with Planning staff and the City's consultant.

## **11. ATTACHMENTS**

- Attachment 1 Planning Commission Resolution No. PC 17-21 (including draft Ordinance)
- Attachment 2 Redlined Ordinance
- Attachment 3 Planning Commission Resolution no. PC 17-21 (including draft Small Lot Subdivision Guidelines)