



City of Orange

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Date	Ver.	Action By	Action	Result
8/9/2022	1	Orange City Council	Approved	Pass

TO: **Honorable Mayor and Members of the City Council**

THRU: **Rob Houston, City Manager**

FROM: **Susan Galvan, Interim Community Development Director**

1. SUBJECT

Discussion of North Tustin Street Specific Plan Options

2. SUMMARY

Based on the City Council's request, staff is returning to the City Council to receive direction on the North Tustin Street Specific Plan conceptual land use plan and the formation of an ad-hoc committee. Options are provided by staff.

3. RECOMMENDED ACTION

Provide direction to staff on the North Tustin Street Specific Plan conceptual land use with consideration of options provided by staff and consideration of City Council's request for the formation of an ad-hoc committee.

4. FISCAL IMPACT

None.

5. STRATEGIC PLAN GOALS

Goal 3: Enhance and promote quality of life in the community
c: Support and enhance attractive, diverse living environments.

6. DISCUSSION AND BACKGROUND

Based on direction received from the City Council at their July 12, 2022 meeting, staff is returning for

a discussion on the North Tustin Street Specific Plan (NTSSP) conceptual land use plan. Staff is providing a list of options for the plan relative to the inclusion of The Village Mall property. Additionally, should the Council wish to formulate a NTSSP Ad Hoc Committee, Attachment 1 includes the original land use proposal and existing zoning conditions for the north, central, and southern section of the plan area and Attachment 2 is a list of existing land uses allowed in various commercial zoning districts which can be used to assist in providing future direction to staff on desired land use designation and land uses for properties in the plan area.

Origin and Evolution of the North Tustin Street Specific Plan (NTSSP) Work Effort

The North Tustin Street was a corridor recognized by the Planning Division as warranting a coordinated vision plan from the City to facilitate property reinvestment and redevelopment. The corridor lacks a specific vision; the land use mix is floundering; development lacks coordination; the right of way lacks coordinated landscaping, medians, and property access; and staff has been unable to convey clear guidance about particular land uses, building design, and site design to property owners wishing to reinvent their properties. Staff also identified the need for a City-guided plan, as opposed to piecemeal development projects, for cohesive redevelopment of the area given several recent property owner contacts with the City expressing a near-term redevelopment interest.

In 2019, staff identified grant funding opportunities (SB2 and LEAP) for the purpose of developing a Specific Plan to address the lack of a coordinated development structure along North Tustin Street. The need for a refreshed zoning in the corridor had been recognized for a number of years and the grant program provided an opportunity to fund this effort. Approximately \$500,000 of grant funds have been allocated to the preparation of the North Tustin Street Specific Plan (NTSSP) and associated Environmental Impact Report (EIR).

In the case of the NTSSP, the grant:

- Does not require the production of housing
- Does require a land use plan that provides for the *opportunity* for housing to be developed
- Does require a streamlined process for the entitlement of housing projects

The amount of housing, where it is located, what type, what income level, or what density or height is not specified and remains in control of the City and would be initiated by property owners in response to market forces.

To inform the planning process, at the beginning of the project, a land use market and fiscal analysis was prepared to better understand current land use economics along the corridor. The market analysis identified a sustainable mix of development and provided the basis for prospective buildout of the whole plan area representing the maximum potential. Realistically, because specific plan buildout would be dependent upon individual property owner/developer interest, change will be incremental over a long period of time, and likely fall below the maximum market potential. A maximum buildout projection was needed to incorporate transportation and infrastructure needs in the specific plan, and to evaluate potential environmental impacts in the project EIR.

Community Outreach and NTSSP Objectives

To date, staff has conducted four community workshops, including the June 16, 2022, EIR Scoping

Meeting. In addition to community workshops, staff conducted 11 one-on-one or group meetings with major land developers, property owners, and major business interests.

Based on the information gathered in the early workshop and stakeholder meetings, there is community consensus on key objectives, including:

- Define a strong corridor identity
- Create unique places
- Improve walkability
- Provide great community gathering spaces
- Organize vehicular access
- Support existing businesses
- Transition and connect to neighborhoods
- Prioritize public safety

Plan Options Going Forward

At the City Council meeting on July 12, 2022, Council directed staff to identify the scope of work in removing The Village property from the NTSSP to retain its commercial zoning. The following are three feasible options that will accomplish this goal.

Option 1: Remove Village at Orange from Specific Plan Boundaries

The Village at Orange site could be entirely excluded from the specific plan planning area and retain its present commercial General Plan and Zoning designations. This would leave the site with the same development options it has today and leave the Commercial Tustin Redevelopment Area (C-TR) zoning in place. Allowed uses in this zoning can be viewed in Attachment 2.

Option 2: Retain Village at Orange in the Specific Plan Boundaries with Strictly Commercial Zoning

Leave the Village at Orange in the Specific Plan area but rather than establishing mixed-use zoning on the site, conduct additional discussion and public outreach to develop a community vision for this area that would be used to recommend appropriate zoning. The benefit of including the site in the Specific Plan area would be to enable the City to dis-allow uses currently allowed in commercial areas that would not be desired on the mall property and create a direction for future development. The Specific Plan document could then include a streamlined entitlement process for the types of commercial projects and uses desired in the area and facilitate development consistent with the City's economic objectives.

Option 3: Retain Village at Orange in the Specific Plan Boundaries with Commercial Zoning and Incorporate a Mixed Use Overlay

Option 3 offers a circumstance where the mall site would be zoned for tailored commercial uses and streamlined entitlement processes as described above, but could reserve the option for the City Council to approve development that included a residential component subject to significant public benefits through approval of a development agreement. This approach could allow the

Council to retain control over the way the mall site redevelops, and to consider residential development on portions of the site that may not ultimately be viable retail locations. While a residential component may not be the immediately desired outcome, over time there may be a benefit to providing a means to accommodating limited residential uses without triggering the need for a General Plan Amendment and Zone Change.

The EIR for the specific plan could consider all of these scenarios. One would be reflected in the “preferred plan” while the rest could be evaluated in the Alternatives chapter of the EIR.

NTSSP Ad Hoc Committee Options

At their July 12, 2022 meeting the City Council also expressed interest in investigating a NTSSP Ad Hoc Committee. Should the Council proceed in this direction, staff has provided Attachment 1 for context purposes which includes six maps representing the north, central, and south sections of both the original land use proposal for the area and existing zoning complimented by a generic description of existing development in the area. Additionally, Attachment 2 includes a list of existing land uses allowed in various commercial districts. Together the attachments can be utilized by the Committee to further determine best land uses for the entirety of the corridor and provide direction to staff on desired land designations for properties in the plan area that best respond to the community.

The City Council may designate two or three Councilmembers to serve on a NTSSP Ad Hoc Committee which may conduct additional feedback sessions with the community, direct staff to provide, summarize, or gather any necessary information, and may make a recommendation to the City Council for implementing best practices in the plan as it proceeds. This process could serve to ensure stakeholders provide their vision of what uses they would like to see in the Specific Plan area.

7. ATTACHMENTS

- Attachment 1 - Original Proposal and Existing Conditions Map
- Attachment 2 - List of Land Uses Permitted in Various Commercial Zones