



CITY OF CYPRESS

CITY COUNCIL REPORT

City Council Regular

Item # 13.

FROM: Alicia Velasco, Planning Director

DATE: 04/12/2021

SUBJECT: Initiate Environmental Review of a Scenario or Scenarios to Meet the City's Regional Housing Needs Assessment as Part of the Housing Element Update

RECOMMENDATION

That the City Council:

1. Select a Scenario or Scenarios to meet the City's Regional Housing Needs Assessment as part of the Housing Element update;
2. Direct the City Manager to analyze the Scenario(s) as required by the California Environmental Quality Act; and
3. Present the analysis to the City Council for consideration at a future meeting.

DISCUSSION

On March 29, the City Council held a public workshop to discuss and receive input on Scenarios and opportunity sites for meeting the City's Regional Housing Needs Assessment (RHNA). At the workshop, the Planning department presented two Scenarios:

Scenario 2 – Lincoln Ave Mixed Density. (the City Council directed changes to Scenario 2 to at the March 29 workshop and those changes are presented below in Scenario 4)

Scenario 2 includes density along Lincoln Ave between 30 and 50 dwelling units per acre and other sites throughout the City with density of 20 dwelling units per acre. In Scenario 2 portions of Lincoln Ave, including sites near Cypress College, the industrial area near Walker Street, and the nursery on the west end of the corridor, are zoned up to 50 units per acre, while locations in more residential areas are zoned closer to 30 dwelling units per acre. Zoning for Los Alamitos Race Course, which is established by the voter approved Cypress Commons and Town Center Specific Plan 2.0 (CCTC) remains unchanged with 1,250 units credited towards the RHNA allocation.

Upon State certification of the Housing Element update, Scenario 2 requires the City Council to implement its zoning changes through the public hearing process.

Scenario 3 – Lincoln Ave / Los Alamitos Race Course (LARC)

Scenario 3 divides the RHNA between the Lincoln Ave and the yet-to-be redeveloped CCTC, rather than concentrating units along the Lincoln Ave corridor. Scenario 3 is the Scenario most likely to result in meaningful housing production during the 2021-2029 RHNA. Scenario 3 has been modified since the March 29 workshop as a result of consultation with LARC. As amended, Scenario 3 envisions approximately 1,930 units in the CCTC.

The majority of the CCTC zoning is unchanged from the original specific plan, with 109.9 acres at densities ranging from 8 to 15 dwelling units per acre. The remaining approximately 14.5 acres feature densities between 45 and 50 dwelling units per acre. Sites along Lincoln Ave are zoned for 30 dwelling units per acre.

Upon State certification of the Housing Element update, Scenario 3 requires the City Council to implement its zoning changes through the public hearing process **and** changes to the CCTC require voter approval. Because Scenario 3 cannot be implemented without an election, the State requires the City submit a back-up Scenario (2 or 4) as part of the Housing Element update. If voters do not approve the modifications to Cypress Commons and Town Center Specific Plan 2.0, the City would be required to implement the selected backup option.

Scenario 4 – Lincoln Ave Mixed Density

Scenario 4 was created in response to City Council-directed changes to Scenario 2. Scenario 4 includes densities along Lincoln Ave between 30 and 60 dwelling units per acre. The City Council's elimination of the Cerritos Ave opportunity sites resulted in 21 parcels at the east end of the corridor, closest to Cypress College, being zoned 60 dwelling units per acre. Other areas of the Lincoln Ave corridor remain unchanged from Scenario 2 at 30 or 50 dwelling units per acre. Zoning for Los Alamitos Race Course, which is established by the voter approved Cypress Commons and Town Center Specific Plan 2.0 (CCTC) remains unchanged with 1,250 units credited towards the RHNA allocation.

Upon State certification of the Housing Element update, Scenario 4 requires the City Council to implement its zoning changes through the public hearing process.

Housing Element Update Environmental Review Process

The next step in the Housing Element update requires the City Council to select at least one Scenario for California Environmental Quality Act (CEQA) analysis. If the City Council selects Scenario 3, a back-up Scenario (2 or 4) must also be selected for CEQA review.

The CEQA analysis includes preparing an Initial Study and Mitigated Negative Declaration (IS/MND) on the Housing Element update. The IS/MND is the environmental review on the Housing Element update *policies*, not the *implementation* of those policies. After the State certifies the Housing Element, a separate environmental study is necessary to analyze the Housing Element update's implementation.

The draft Housing Element update and IS/MND will be presented to the City Council in September when the City Council will also consider submitting the draft Housing Element update to the State for review and certification. Should the City Council select Scenario 3, it has the option to forgo Scenario 3 and submit only the back-up Scenario (2 or 4) to the State for review and certification in September.

Housing Element Update Environmental Review Cost

The CEQA Initial Study and Mitigated Negative Declaration analyzes the Housing Element update policies and costs \$82,390 regardless of which Scenario(s) the City Council selects. The City Council appropriated funding for the IS/MND at its October 26, 2020 meeting.

Next Steps

Should the State certify the Housing Element update, the City Council will consider adopting it in Winter 2021. Housing Element update implementation would begin in 2022 with another environmental review, likely a Program Environmental Impact Report (PEIR). The PEIR is estimated to cost \$250,000 for Scenario 2 or 4. Should the City Council select Scenario 3, the additional cost to analyze Scenario 3 and the back-up Scenario (2 or 4) is approximately \$100,000, for a total of \$350,000. It is also estimated Scenario 3 will require \$125,000 for the election and impartial voter education. Should the City Council select Scenario 3 and the necessary back-up Scenario (2 or 4), it retains the option (prior to the time required to meet State imposed deadlines for Housing Element update implementation) to forgo Scenario 3 and implement the back-up Scenario (2 or 4).

Recommendation

That the City Council:

1. Select a Scenario or Scenarios to meet the City's Regional Housing Needs Assessment as part of the Housing Element Update;
2. Direct the City Manager to analyze the Scenario(s) as required by the California Environmental Quality Act; and
3. Present the analysis to the City Council for consideration at a future meeting.

BUDGET IMPACT

None. On October 26, 2020, the City Council appropriated sufficient funding to undertake the Housing Element update Initial Study/Mitigated Negative Declaration.

LEGAL REVIEW

None required.

APPROVED BY:

Peter Grant, City Manager

Attachments

Scenario 2

Scenario 3

Scenario 4

CC Presentation 1 21

CC Presentation 3 15

CC Presentation 3 29
