



## **CITY COUNCIL AGENDA REPORT**

**MEETING DATE:** 8/16/2022

**DEPARTMENT:** Community Development

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### **SUBJECT:**

AN ORDINANCE APPROVING MIXED-USE ZONING AMENDMENT (ZC) 03-22-5511

### **RECOMMENDED ACTION(S):**

1. Find that Zoning Code Amendment (ZC) 03-22-5511 ("Project") meets the conditions for a streamlined environmental review process in accordance with CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan or Zoning). The Project is consistent with the 2040 General Plan, for which an EIR was prepared and certified, and there are no site-specific or cumulative impacts associated with the proposed Project that have not been fully addressed in a previous environmental document, or that cannot be mitigated to a less-than-significant level through the application of uniformly applied development policies and/or standards. This evaluation concludes the proposed Project, a City-initiated zoning code amendment to amend the City's Zoning Map and various provisions of the Lake Forest Municipal Code regarding Mixed-Use zoning districts and associated regulations, development and design standards and amending the following planned community texts regarding the same: Foothill Ranch, Pacific Commercentre, Lake Forest, El Toro Planned Community, and Rancho de los Alisos, is within the scope of the 2040 General Plan EIR, and that no further CEQA documentation is required.
  2. Introduce for first reading an Ordinance entitled: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST, CALIFORNIA APPROVING ZONING CODE AMENDMENT (ZC) 03-22-5511 AMENDING THE CITY'S ZONING MAP AND VARIOUS PROVISIONS OF THE LAKE FOREST MUNICIPAL CODE REGARDING MIXED-USE ZONING DISTRICT AND ASSOCIATED REGULATIONS, DEVELOPMENT AND DESIGN STANDARDS AND AMENDING THE FOLLOWING PLANNED COMMUNITY TEXTS REGARDING THE SAME; FOOTHILL RANCH, PACIFIC COMMERCENTRE, LAKE FOREST, EL TORO, AND RANCHO DE LOS ALISOS PLANNED COMMUNITIES; AND DETERMINING THAT NO ADDITIONAL ENVIRONMENTAL REVIEW IS NECESSARY FOR THE ORDINANCE UNDER STATE CEQA GUIDELINES SECTION 15183
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## **EXECUTIVE SUMMARY:**

Mixed-Use zoning codes are proposed for City Council consideration under a City-initiated Zoning Code Amendment (ZC) 03-22-5511 in order to implement the City's 2040 General Plan (Attachment 1, Exhibits A-I). The General Plan, adopted by the City Council in June 2020, identifies five Mixed-Use land use designations to allow for the development of Mixed-Use projects. The five Mixed-Use land use designations include, Mixed-Use 32 (MU 32), Mixed-Use 43 (MU 43), Mixed-Use Office (MUO), Urban Industrial 25 (UI 25), and Urban Industrial 43 (UI 43). Except for the MUO zone which allows commercial, office, and hotel uses, the other Mixed-Use zones allow a blend of complementary residential, commercial, and industrial uses, or only residential, commercial, or industrial uses. These land use designations are located within five focus areas located along the City's major roadways and transportation facilities. They include: 1) Foothill Ranch Towne Center, 2) Civic Center Area, 3) Lake Forest Drive Corridor, 4) El Toro Road Corridor, and 5) Light Industrial/Rail Corridor (Attachment 4, Map of Mixed-Use sites).

The Mixed-Use zoning codes identify development standards such as density, floor area ratio (FAR), building height, landscape requirements, building setbacks, and permitted uses. The Mixed-Use zoning codes require an amendment to the City's Zoning Code (Title 9 of the Lake Forest Municipal Code), and several of the City's Planned Communities.

At its July 7, 2022 hearing, the Planning Commission recommended adoption of the draft ordinance to the City Council (Attachment 1, Exhibits A through I, as follows: Exhibit A, Draft Ordinance, Exhibit B, Foothill Ranch Planned Community Amendment, Exhibit C, Pacific Commercentre Planned Community Amendment, Exhibit D, Lake Forest Planned Community Amendment, Exhibit E, El Toro Planned Community Amendment Exhibit F, Rancho de los Alisos Planned Community and Amendment Exhibits G, H, and I, Zoning Map Amendments). Attached for the Council's consideration is a link the Planning Commission staff report dated July 7, 2022 (Attachment 2) and Planning Commission Resolution (Attachment 3). This item was noticed for public hearing by the City Council on July 28, 2022.

For additional information about the Mixed-Use Zoning project please refer to the City's website: <https://www.lakeforestca.gov/1128/Mixed-Use-Zoning>.

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## **DISCUSSION:**

All cities in California are required to adopt a comprehensive General Plan to guide land use planning decisions. In June 2020, the City Council adopted the

Lake Forest 2040 General Plan (General Plan). The General Plan, in response to the State mandating the City to designate properties for residential use, established a new land use designation: “Mixed-Use” to encourage greater residential opportunities for new development.

Following adoption of the General Plan, the City began an update to the Housing Element. Through the State of California Regional Housing Needs Assessment (RHNA), Lake Forest was allocated a total of 3,236 units for the period 2021-2029. The City must demonstrate that there is sufficient land having the appropriate General Plan land use designation and zoning that would allow the housing to be constructed.

The City of Lake Forest, upon adopting the 2040 General Plan, identified five “focus areas” near major roadways and transportation facilities where future housing could be accommodated. The five focus areas are identified as: 1) Foothill Ranch Towne Center, 2) Civic Center Area, 3) Lake Forest Drive Corridor, 4) El Toro Road Corridor, and 5) Light Industrial/Rail Corridor (Attachment 4, Map of Mixed-Use Focus Areas).

The General Plan envisions that future development, over a 20-year horizon, can occur in these focus areas. Development would consist of a blend of residential land use in conjunction with compatible hotel, office, commercial, and industrial uses.

Following two years of public outreach for the General Plan, the City hired SWA, an internationally renowned landscape architecture, planning, and urban design firm to prepare Mixed-Use zoning codes, create the Mixed-Use development standards (Attachment 1), and develop a robust outreach program for the Zoning Code Amendment. SWA and staff conducted public outreach utilizing a variety of formats to engage a wide mix of Lake Forest residents and other stakeholders. Information about the process was also posted on the City’s website at <https://www.lakeforestca.gov/1128/Mixed-Use-Zoning>.

### Overview of Mixed-Use Zoning Regulations

To implement the goals of the General Plan and allow for Mixed-Use development to occur, an amendment to the City’s Zoning Code, Title 9 of LPMC, is required. The amendment, ZC 03-22-5511, accomplishes the following:

- Adds new definitions pertaining to Mixed-Use Development and Open Space.
- Establishes five new zoning districts: Mixed-Use 32 (MU 32), Mixed-Use 43 (MU 43), Mixed-Use Office (MUO), Urban Industrial 25 (UI 25), and Urban Industrial 43 (UI 43).

- Establishes development standards for each Mixed-Use zoning district, including density, Floor Area Ratio (FAR), height, unit size, open space requirements and setbacks.
- Establishes objective design standards.
- Lists allowable uses for each Mixed-Use district and whether uses are permitted, subject to approval, or prohibited. The Ordinance would change the existing zoning of 267 properties zoned commercial and industrial to a Mixed-Use zoning district. It would allow multi-family residential in the MU 32, MU 43, UI 25 and UI 43 zones, and broaden the range of allowable service and retail uses in UI 25, and UI 43.

The Planning Commission staff report(Attachment 2) contains a detailed description of the proposed development standards, objective design standards and allowable uses for each Mixed-Use district. The following is a summary of the five Mixed-Use zoning districts.

- Mixed-Use 32 (MU 32) which provides for mixtures of commercial, office and residential uses in the same building, on the same parcel of land or within the same area as well as single-use projects that are all residential, or all commercial.
- Mixed-Use 43 (MU 43) which provides for mixtures of commercial, office and residential uses in the same building, on the same parcel of land or within the same area as well as single-use projects that are all residential, or all commercial.
- Mixed-Use Office (MUO) which provides for high-intensity business parks, office uses, and light industrial uses including a variety of businesses that support office-oriented employment opportunities and services at intensities higher than those allowed in the Business Park or Professional Office designations.
- Urban Industrial 25 (UI 25) which provides for mixtures of office, commercial, light industrial and residential uses in the same building, on the same parcel, of land or within the same area.
- Urban Industrial 43 (UI 43) district provides for mixtures of office, commercial, light industrial and residential uses in the same building, on the same parcel of land or within the same area.

The Lake Forest General Plan identified five areas where future Mixed-Use development could occur over the next 20 years. These areas are located near major roadways and transportation facilities. The selection of these areas mitigate impact to existing neighborhoods and preserves important open space. Adopting the Mixed -Use zoning districts will complete a program in the Housing Element and ensure compliance with State law that requires consistency between the General Plan and Zoning Ordinance.

## **ENVIRONMENTAL REVIEW:**

The potential environmental impacts resulting from the proposed Zoning Code Amendment as reflected in the proposed Ordinance, Attachment 1, Exhibits A - I, have already been analyzed in the 2040 Lake Forest General Plan Final Environmental Impact Report (2040 General Plan EIR), which the City certified in June 2020 (2040 General Plan EIR, State Clearinghouse No. 2019090102). Under Public Resources Code section 21083.3 and State CEQA Guidelines section 15183, no additional environmental review is necessary for projects that are consistent with the development density established by existing general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the project or its site. Here, no additional environmental review is necessary for the Ordinance, as the Ordinance is consistent with the development densities that were established for the Mixed-Use Districts set forth in the 2040 General Plan and that were analyzed in the 2040 General Plan EIR. The Ordinance does not propose site-specific development, but rather is a zoning code amendment to implement the 2040 General Plan. State CEQA Guidelines section 15183 provides that its provisions shall apply where, as here, the lead agency has certified an EIR for a General Plan and the project at issue is a rezoning action consistent with the general plan (State CEQA Guidelines, § 15183(i)). The Ordinance does not require additional environmental review under CEQA because the Ordinance (1) is consistent with the development densities established in the 2040 General Plan, (2) will have no significant impacts peculiar to the Ordinance or to the parcels that it impacts; (3) will have no significant impacts that were not analyzed as significant impacts in the 2040 General Plan EIR; (4) will have no potentially significant off-site impacts or cumulative impacts that were not discussed in the 2040 General Plan EIR; and (5) will not have any impacts that were previously identified as significant impacts in the 2040 General Plan EIR, but which will have a more severe adverse impact than discussed in the 2040 General Plan EIR. The City makes this determination on the basis of the entirety of the record of proceedings, including 2040 General Plan EIR and the June 2020 Environmental Analysis prepared for Zone Change 03-22-5511.

## **PUBLIC NOTICING:**

On June 7, 2022, the City sent each property owner affected by the proposed zone change a letter describing the proposed changes, a map of the Mixed-Use zones and a paper titled “Commonly asked Questions and Answers.” These and other documents were also added to the City’s website:  
<https://www.lakeforestca.gov/204/Planning>.

In accordance with the requirements of Lake Forest Municipal Code (LFMC) Section 9.184.040(C)(2), the July 7, 2022, public hearing before the Planning Commission was noticed in a newspaper of general circulation as of June 24, 2022 and public notices were posted at City Hall and public hearing notices were mailed to property owners within 300 feet of each Mixed-Use site (over 1,700 notices).

On July 28, 2022, in accordance with the requirements of LFMC Section 9.184.040(C)(2), the August 16, 2022, public hearing before the City Council was noticed in a newspaper of general circulation as of August 5, 2022 public notices were posted on the City’s website, at City Hall and public hearing notices were mailed to property owners within 300 feet of each Mixed-Use site (over 1,700 notices).

### Public Input

As of the writing of this report, City has received ten inquiries requesting additional information. At the Planning Commission hearing, two letters in support were received and one resident spoke. The resident expressed concerns over mixed-use developments potentially exacerbating homelessness and crime in the El Toro Road Corridor focus area.

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## **FISCAL IMPACT:**

There is no fiscal impact associated with the recommended action.

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## **ATTACHMENTS:**

1. Mixed-Use Ordinance, Exhibits A-I as follows:
  - A. Mixed-Use Ordinance
  - B. Foothill Ranch Planned Community Amendment
  - C. Pacific Commercentre Planned Community Amendment
  - D. Lake Forest Planned Community Amendment
  - E. El Toro Planned Community Amendment
  - F. Rancho de los Alisos Planned Community Amendment

- G. Zoning Map Amendment
- H. Zoning Map Amendment
- I. Zoning Map Amendment
- 3. Planning Commission Staff Report dated July 7, 2022
- 4. Planning Commission Resolution 2022-16
- 5. Map of Mixed-Use Focus Areas

Initiated By: Marie Luna, Senior Planner

Submitted By: Gayle Ackerman, AICP, Director of Community Development

Approved By: Debra Rose, City Manager