



City Council Agenda Report
September 17, 2024

TO: Honorable City Council

FROM: Jesus M. Gomez, City Manager

BY: Alex Hamilton, Interim Community Development Director
Nancy Lee, Development Services Manager
Gabriel R. Salazar, Senior Planner

SUBJECT: ORDINANCE NO. 24-1747 - ZONING TEXT AMENDMENT NO. 2024-01 TO AMEND VARIOUS SECTIONS OF TITLE 17 OF THE NORWALK MUNICIPAL CODE AS IT RELATES TO SPECIFIC PLAN AREA NO. 1 – EXPANDING THE LIST OF ALLOWABLE USES, UPDATING PROHIBITED USES LIST, ESTABLISHING A WAYFINDING SIGNAGE REVIEW AND APPROVAL PROCESS, AND STREAMLINING THE ENTITLEMENT PROCESS FOR CERTAIN PROJECTS WITHIN THIS AREA

Background:

Specific Plan Area No. 1 (SPA 1) was adopted by Ordinance No. 1267 in 1987, in order to establish objectives, policies, regulations, development standards, and review criteria for the implementation of a compatible blend of mutually supporting land uses consisting of a multi-story hotel, a wide array of professional offices and retail commercial uses, complementary commercial entertainment uses, and residential condominiums.

On July 16, 2024, City Council conducted a duly noticed public hearing and considered and tabled the following request:

- Zoning Text Amendment (ZTA) No. 2024-01 – A request to amend various sections of Title 17 of the NMC as it relates to Specific Plan Area No. 1 (SPA 1) by expanding the list of allowable uses to include billboards, arcades, and similar uses, updating the list of prohibited uses, establishing a wayfinding signage review and approval process, and streamlining the entitlement process for certain projects in SPA 1

Request:

Staff-initiated proposal, ZTA No. 2024-01, would amend various sections of Title 17 (Zoning) of the Norwalk Municipal Code (NMC) as it relates to Article 1, SPA 1. This item will be considered concurrently with the following applications:

- Zone Change (ZC) No. 2024-01 – A request to approve the Special Sign District No. 1 (SD 1) overlay;
- ZTA No. 2024-03 – A request to approve, SD 1 development standards; and
- ZTA No. 2024-02 – Request to amend Title 17 (Zoning), Chapter 17.02 (Approval Procedures), Article I (Procedure, Hearing, Notices) and Article V (Discretionary Approvals and Permits) of the Norwalk Municipal Code (NMC) to establish the review process to create a Special Sign District. The proposed will establish minimum site requirements, conditions, appropriate zoning, types of uses and a review process to create a Special Sign District.

June 26, 2024 Planning Commission meeting:

On June 26, 2024, the Planning Commission conducted a duly noticed public hearing and considered ZTA No. 2024-02, ZC No. 2024-01, ZTA No. 2024-03, and ZTA No. 2024-01. There were public comments at the public hearing expressing concerns with the proposed action and an e-mail and letter, Attachment 4, from Attorney, Jordan R. Sisson, on behalf of Unite Here 11, were submitted for the record. In summary, the concerns were as follows:

- The SPA1 Zoning Text Amendment excludes mention of a 121-room hotel, and the Amendment should include the project-specific entitlement;
- Adequacy of California Environmental Quality Act (CEQA) review for the action, as the Common-Sense Exemption is not applicable since the original SPA 1 did not contemplate a second hotel;
- Why the City is not considering additional uses or if a hotel is considered, a hotel specific development agreement requirement should be required; and
- Affordable Housing as an alternative to a potential hotel

In response to the comments listed above, staff indicated that the purpose of the ZTA No. 2024-01 was to create greater consistency and synergy with the Entertainment District on the City Hall site which will include 360 housing units with 15 percent affordable housing units. Additionally, the Director cited the City's commitment to housing of varying types including projects under construction such as Mercy Housing (60 veteran units), collaborating with Los Angeles County and the Weingart Foundation for a Project Home Key Site (51 units, housing voucher program).

In addition, staff stated there are approximately 1,500 to 1,700 units in construction, under consideration, approved, or on the verge of being approved and added that the major impediment to affordable housing is borrowing costs, as well as the cost of land and materials, but the City is working creatively to overcome those barriers and provide more housing choices to the community.

Staff indicated that the original SPA 1 contemplated an office building adjacent to the hotel. Staff also indicated there was consideration for a new second hotel behind the DoubleTree, but that

it was conceptual only and for any project to move forward a submittal from a developer/property owner would be necessary. Any submittal would be evaluated in the future as needed. Staff added that there are concerns with providing housing so close to the freeway such as health impacts that increase dramatically when residents are within 500' – 1,000' of the freeway and in this case the focus was on creating housing further away.

The Planning Commission, by a 4-0 vote, recommended approval to City Council for ZTA No. 2024-02, ZC No. 2024-01, ZTA No. 2024-03, and ZTA No. 2024-01.

City Council meeting of July 16, 2024:

Alex Hamilton, Interim Director of Community Development (“Interim Director”), provided a report and presentation. The City Clerk shared e-mail comments received in opposition to ZTA No. 2024-01, and nine people testified in opposition to the matters.

Mr. Hamilton acknowledged the comments and expressed that items were not specific to any one project, and that any future hotel or project would require review and discretionary approval by the Planning Commission and City Council. Mr. Hamilton added that housing concerns are a statewide matter that the City is actively addressing through projects and programs. Following his presentation, the City Council discussed the item and concerns were expressed by Mayor Rios, Councilmember Ramirez, and Councilmember Valencia regarding action on a proposed text amendment prior to any development applications, ensuring a property review and inquired about previous applications for a hotel.

Mr. Gomez responded that the zoning amendments would attract developers, that COVID-19 stopped the process for a hotel, and that there was interest from hotel companies. Councilmember Perez indicated that any project would have to be reviewed and approved by the Planning Commission.

Following discussion and a brief recess for direction, Deputy City Attorney Ramirez informed the City Council that staff proposed to amend ZTA No. 2024-01 and eliminate any and all references to a second hotel and adopt Ordinance No. 24-1747, approving ZTA No. 2024-01 as is. Councilmember Perez moved and Vice Mayor Ayala seconded to continue the items until after the Kosmont hotel study. The motion failed two to three. Subsequent to that, Mayor Rios moved and Councilmember Valencia seconded to table the items. The motion carried three votes to two votes.

Discussion:

Currently, the requests for ZTA No. 2024-02, ZC No. 2024-01, ZTA No. 2024-03, and ZTA No. 2024-01 have been revised for City Council consideration. Specifically, the change consists of removal of the “hotel use” and any such related references. Therefore, the proposed text amendment omits any reference to a second hotel. Per Norwalk Municipal Code Section 17.02.260, subsections “I” and “J”, the City Council may “modify the recommendation of Planning Commission”.

California Environmental Quality Act (CEQA):

Pursuant to the CEQA, a “project” is an activity undertaken by a public agency. This project is exempt pursuant to CEQA Guidelines 15061(b)(3) (Common Sense Exemption), where it can be seen with certainty there is no possibility that the activity in question may have a significant effect on the environment. The project will not involve any construction nor have a significant effect on the environment.

Fiscal Impact:

N/A

Citizens Advised:

The public hearing notice was posted at the City’s three designated posting places, and posted online, and the notice was published in *The Norwalk Patriot* on September 6, 2024.

Strategic Plan 2023 Implementation:

The recommended actions will further the City’s Strategic Plan Goal 2 to work in partnership with our community to achieve safe and livable neighborhoods and Goal 3 to create and sustain a resilient and economically prosperous city.

Recommended Action:

Staff recommends City Council introduce by title only Ordinance No. 24-1747, AN ORDINANCE OF THE CITY NORWALK AMENDING TITLE 17 (ZONING) OF THE NORWALK MUNICIPAL CODE WITH ZONING TEXT AMENDMENT NO. 2024-01 RELATED TO SPECIFIC PLAN AREA 1 – EXPANDING THE LIST OF ALLOWABLE USES, UPDATING PROHIBITED USES LIST, ESTABLISHING A WAYFINDING SIGNAGE REVIEW AND APPROVAL PROCESS, AND STREAMLINING THE ENTITLEMENT PROCESS FOR CERTAIN PROJECTS WITHIN THIS AREA and schedule for adoption.

Attachments:

1. Ordinance No. 24-1747
2. Exhibit A redline