

DATE ISSUED: October 15, 2003

REPORT NO: 03-206

ATTENTION: Land Use and Housing Committee
Agenda of October 22, 2003

SUBJECT: Community Plan Initiations and Amendments

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE OR THE CITY COUNCIL.

BACKGROUND

On October 23, 2002, with the adoption of the Strategic Framework Element of the City's Progress Guide and General Plan (General Plan), and the Action Plan, the City Council directed the Planning Department to review and reform the community plan amendment process to preserve the integrity of community plans. The Council further directed that criteria be established for community plan amendments which increase residential density, and provided an initial list of factors to be considered in the Action Plan. General plan staff is working with community planners experienced in plan amendment processing to review the entire process to determine how revisions can be incorporated to implement City Council direction. The City of San Diego is unique in that our plan amendment process requires either Planning Commission or City Council review or approval – or “initiation” - prior to the actual analysis and processing of a community plan amendment. A review of the initiation procedure, therefore, has also been included in this work effort. The following provides the framework for incorporation of City Council direction and a discussion of the various issues that have arisen as staff has begun research and analysis.

Land Use Elements

Community plans derive their source of authority from their status as a component of the land use element of the General Plan, one of the seven mandatory elements as required by state law. Presently, a highly generalized land use diagram (2000 scale) combined with all the community, specific, precise, and subarea plans serve as the City's land use element. The state legislature and the courts rely upon the land use elements to address and provide guidance on issues of citywide significance, and to provide a consistent structure for the entire General Plan, including all of its

components (the other elements and community plans). The land use element provides the comprehensive direction regarding how a city or county will evolve and mature over a period of time, usually 20 years. (The housing element must be updated every five years.) State law requires that the land use element establish land use categories and corresponding densities and intensities for use throughout the entire area covered by the General Plan. Additionally, the state has adopted legislation recommending that jurisdiction address issues in the land use element that have emerged as critical topics over the last decade such as transit oriented development, environmental justice, and water supply, among others. Therefore, as part of the comprehensive update of the and General Plan, the City Council has directed the Planning Department draft a land use element to address these multiple issues. It will necessarily involve many partners to ensure that all issues are covered and that the community plans retain their role in more specifically guiding the growth, development and preservation of each community's character. The role of the land use element is to provide the citywide linkages, address citywide issues such as noise and seismic safety, and to serve as a foundation that edifies community plan recommendations.

Community Plan Amendments – Past Efforts To Comprehensively Analyze

State law limits amendment of the mandatory elements of the General Plan, including the land use element, to four times in one calendar year, although certain exceptions are allowed. The intent of this provision is to avoid piecemeal changes to such an important document as the general plan. Numerous amendments usually indicate the need for a comprehensive update or major plan revisions. The City of San Diego has more than 40 communities with individual land use plans that make up the land use element of our General Plan. Holding to a total of four General Plan amendments, therefore, has proven to be infeasible. However, the limitation provision applies only to general law cities; San Diego is a charter city. Absent the state code requirement, the City has, over time, enacted several different approaches to guide both staff's and decision maker's consideration of plan amendments.

The earliest community plans in the City were adopted in the 1960s. Plan amendment requests were originally all accepted, processed and taken to Planning Commission and City Council for adoption.

Omnibus General Plan Amendments

The analysis approach employed in the early 1980s was the use of an "omnibus" general plan amendment. This met the intent of the state law imitation if not the substance. Community plan amendments proceeded to a Planning Commission hearing with accompanying projects. Both then went to a City Council hearing with resolutions approving the plan amendment that included a recital specifying whether the amendment was approved at the time of the project's Council hearing, or was subject to an omnibus hearing. The City Council omnibus hearing was held periodically up to four times a year, with an occasional single-project general plan amendment approved for a critical path project. Staff and applicants began to recognize that the "omnibus" general plan amendment was an ineffective tool. Projects associated with proposed plan amendments were already approved and just waiting for the "omnibus" general plan amendment which implied an insignificant role for the community plan. Additionally, permits were conditioned to be effective upon the approval of the community plan amendment by City Council. Errors occurred in the processing of the projects with community plan amendments in identifying

whether the plan amendment was effective immediately or with the next omnibus amendment. Projects sometimes began construction prior to a scheduled omnibus amendment. Perhaps most egregious, poor record keeping sometimes led to the adoption of more than four general plan amendments in a year. This contradicted both the letter and spirit of the City's voluntary compliance with state law.

Council Policy 600-35

In 1986 the City Council adopted Council Policy 600-35 to address the inundation of amendment requests the City was receiving as a result of a period of intense development activity in the planned urbanizing communities. The City Council adopted an initiation process and a consolidation process to provide a more uniform plan amendment process involving a more comprehensive and cumulative analysis, and to use the Planning Commission to judge, and possibly reject, applications based on criteria. The intent was to strengthen the integrity of the community plans (and General Plan), and to inform applicants early in the process of major policy issues.

Council Policy 600-35 addressed the state law limitation on general plan amendments by creating a consolidated hearing (or batching) requirement. The policy divided the City into six geographic sectors, and required that initiations within each sector, regardless of an individual project's schedule, all occur on the same date, only once each year. This enabled staff and the Planning Commission to review and analyze each project accompanied by a community plan amendment individually, but also allowed analysis of the cumulative effects of proposed development in a given sector of the City.

The hearing consolidation process proved to be an ineffective analysis tool. Projects were often exempted from the consolidated process upon request to the City Council, voiding the ability to provide comprehensive analysis. Since the level of environmental document varied by project, projects with negative declarations had to wait for projects with environmental impact reports to be completed prior to a public hearing. This caused unreasonable delays and uncertainty in many proposed project timelines.

The City Council deleted the consolidated hearing requirement as part of periodic Regulatory Relief efforts in the mid 1990s, and ultimately rescinded the council policy in favor of its incorporation into the Land Development Code. The initiation process remains in use.

Current Community Plan Initiation and Amendment Processes

Community plans contain specific policies and proposals in a given community regarding land uses, public facilities, park and open space development and preservation, and community design. They also carry out the goals and policies found in the citywide elements of the General Plan. While development proposals must not adversely affect the adopted community plan or the General Plan, there is recognition that as a community evolves, changes to the community plan may be necessary. In addition, property owners may independently desire to develop their properties with land uses not allowed in the community plan. When a development proposal requires a community plan amendment, the first step is an initiation. The initiation begins the discretionary review process for development projects. While it is the first public decision point it

is a limited decision. It is neither an approval nor denial of the plan amendment or accompanying development project. It is simply a decision to "screen" whether proceeding with the proposed amendment to the adopted community plan is worthy of consideration, and it begins the full analysis of project issues.

A plan amendment is most often a part of a larger development project. The City informs the applicant regarding the need for the amendment at the time of project submittal. The first general public notice in the development process is a Notice of Application, mailed to property owners of record within 300 feet of the project site as well as to the community planning group. This notice also refers to the requirement for a community plan amendment. Prior to City staff analysis of the details and processing of the project, the Planning Commission must consider the initiation. The Development Services Department does not deem an application complete until the Planning Commission initiation hearing has occurred.

Initiation Criteria

Planning Department staff makes a recommendation to the Planning Commission based on criteria that are contained in the Land Development Code (see Attachment 1 – Land Development Code Section 122.0104-Criteria for Initiation of the Amendments to Land Use Plans). The Land Development Code requires that amendment requests must meet certain criteria in order to receive approval by the Planning Commission. The criteria are divided into two sets; amendment requests must meet just one of the first criteria, or all of the second set. The first set, the initial criteria, focus upon mapping errors, public emergencies, and reasonable use of property. The second set, the supplemental criteria, are related to the merit of proposal, and evaluation is made regarding the proposed amendment's fit with the overall objectives of the adopted land use plan (the General Plan and the community plans), appearance of public benefit, availability of public services, and staff to process without impact on General Fund programs. Staff must formulate a recommendation based upon the preliminary information submitted in a plan amendment initiation request.

Planning Commission Action and Direction

The Planning Commission does not discuss details of the project in its consideration of the initiation, but rather focuses on the more fundamental question of whether a change to the adopted community plan is worthy of analysis, based upon compliance with either the initial or supplemental criteria, and should proceed through full processing. The Planning Commission, however, does provide an often-extensive list of issues specific to the amendment for staff and the applicant to analyze through the plan amendment processing. The issues must be addressed prior to scheduling the Planning Commission hearing, and a full discussion should be included in the report to the Commission.

Community Planning Group Role

The community planning group also has an integral role in the initiation process. The initiation hearing allows the group to formally comment on the amendment request's compliance with

criteria, and more importantly, how the project could address potential community impacts. The City provides a 30-day notice of the initiation hearing to the planning group, and an invitation to attend the hearing to present the planning group's formal recommendation regarding the initiation.

Adoption Hearings

Upon initiation, staff works with the applicant and the public, usually through the recognized community planning group, to draft the plan amendment and prepare the appropriate environmental document for public review. As a Process 5 action, the plan amendment, accompanied by all of the discretionary actions, then proceeds to a Planning Commission hearing for a recommendation and to the City Council for consideration and possible adoption, concurrent with the development project.

Recent Process Reform Discussion

The Planning Department reviewed various plan amendment initiation issues with both the Planning Commission and the Land Use and Housing Committee prior to the Strategic Framework Element effort. Discussion at the Planning Commission focused on assuring the public understood the role of the initiation in the overall development review process, and on some alternative criteria that could replace the adopted ones. At that time, the Planning Department prepared a one page summary sheet of the process to be provided to community planning groups and the general public, and a history of how and why the City of San Diego created the process and various issues that have emerged over the almost two decades that it had implemented. It was concluded that the initiation hearing process had value and should be retained, and the Land Use and Housing Committee directed the staff to provide the aforementioned 30-day notice to community planning groups to encourage their informed participation.

As staff began to review the entire amendment process as part of the recent City Council direction on the Strategic Framework, however, it became apparent that the initiation procedure should be reviewed and updated. Additionally, the Action Plan direction recommends the consideration of a number of issues as part of the plan amendment evaluation following the initiation hearing. A review and discussion of how to address all of these issues is appropriate at this time to determine how to most effectively implement Planning Commission and City Council direction with respect to the reform of the plan amendment process.

DISCUSSION

INITIATION PROCESS – ISSUES AND OPTIONS

Issues

Staff has identified three major concerns regarding the initiation process: 1) quality and utility of the criteria; 2) misconceptions regarding initiation approval; and, 3) planning group/public confusion.

1. Planning staff has found that the initial set has rarely been met, and the supplemental criteria are so broad that applicants are usually able to demonstrate compliance, even if arguably so. As a result, the vast majority of plan amendments are initiated by the Planning Commission, or occasionally by the City Council.
2. Despite the fact that every amendment report includes a written disclaimer stating that approval of an initiation does not imply support of the proposal in question, and the same is repeated in every oral presentation, some applicants believe, and communities fear, that approval of the initiation pre-disposes approval of the project and its plan amendments. A successful initiation seems to imply some level of staff support for the amendment.
3. Additionally, and related to the previous issue, the public is somewhat confused about what the process means, and tends to confuse initiation approval with plan amendment adoption. In some instances, community planning groups have recommended approval of the entire project prior to project processing (as previously mentioned, applications are not deemed complete without a successful initiation) and environmental review.

Nevertheless, the initiation process has proven valuable. The process theoretically allows for the City to deny an application if it is clearly inconsistent with the overarching goals and objectives of adopted land use plans. Most importantly, the initiation hearing allows for early public involvement in the plan amendment policy discussion. Additionally, the Planning Commission has the opportunity to direct staff to analyze specific factors during the processing of a proposed plan amendment, and to emphasize to the applicant how important it is to address those issues as part of the analysis. Planning staff also has the opportunity to provide the Commission and public with the context and planning history of the community plan area in which the amendment will occur.

Staff believes that to fulfill the Action Plan direction's intent to preserve the integrity of the community plans (and General Plan) that some type of early policy level discussion and direction to guide proposed projects must be retained. With that in mind, staff has identified some options to address the issues while providing more meaningful early direction for the applicant, Planning Commission and the public.

Options to Revise the Initiation Process

1. Retain, but remove from the Land Development Code, the initiation process and incorporate it into the new Land Use Element. Update the initiation process to incorporate Action Plan Item 9.b as directed by the City Council (see Attachment 2 – Action Plan 9.b Community Plan Amendments). The revised process would be accompanied by policies to direct the entire amendment process; or
2. Eliminate the formal initiation hearing but retain a Plan Amendment Issues hearing to occur within a similar timeframe as current process (prior to deeming an application complete) to:
 - Provide an analysis of how the proposed amendment meets an established set of criteria (revised existing set)

- Identify a set of project specific issues to be analyzed during processing
- Allow Planning Commission to clarify for the applicant that thoroughly addressing issues is important if the amendment request is to be docketed for hearing in a timely fashion
- Provide a role for early public involvement (and formal planning group participation)
- If necessary, provide a frank discussion of significant obstacles (serious inconsistencies with overarching general plan goals and objectives, obviously significant and unmitigable environmental impacts) that may lead staff to recommend denial of proposal
- Provide context, planning history, and status report on other ongoing projects and amendment processing in the relevant community plan area (and adjacent communities)
- Document Planning Commission direction regarding specific issues to be addressed with a resolution
- Include guiding policies in the new Land Use Element and add policies to direct the entire amendment process (see discussion below regarding amendments), and criteria to be used to evaluate the final amendment. City staff, Planning Commission, and City Council can then utilize the criteria for recommendation and the action of adoption or denial of a community and general plan amendment.

Despite its drawbacks, the process has served a valuable purpose. The first option presented above improves the process through revision of the currently utilized criteria. The second option, however, eliminates the misconception that the initiation approval grants a project approval prior to a thorough review and study of the amendment and project, and preparation of an environmental document. It retains, however, the screening process, early and more meaningful planning group and public participation, and direction to staff and the applicant about the issues to be analyzed and addressed.

REVISED CONSOLIDATED HEARING PROCESS

As previously discussed, the City had maintained a voluntary compliance with state law regarding limiting general plan amendments to mandatory elements to four times a year. The City has utilized both an “omnibus” general plan amendment process as well as a consolidated hearing process to try to manage and group community plan amendments to allow comprehensive analysis. Once in use, the City’s approaches proved to be cumbersome, misleading, and somewhat ineffective. Both processes are incompatible with the City’s requirement for concurrent processing of all of a project’s discretionary actions and, with the requirement for Coastal Commission approval of Local Coastal Program amendments.

Staff has reevaluated the consolidated hearing issue as a component of the discussions regarding reform of existing community plan amendment processes. The Planning Department is exploring an option that would bring the City closer to implementation of the intent of the state law – comprehensive analysis of each amendment to determine community, area, City, and sometimes region-wide impacts, and/or benefits.

Staff recommends exploring a policy that would include the requirement for quarterly (or periodic) Planning Commission hearings, followed by City Council hearings, for development projects with plan amendments. That is, following individual community plan amendment initiation hearings (or plan amendment issues hearing), the public hearings for the Planning Commission's formal recommendation to the City Council on a project with a community plan amendment would happen a limited number of times each year. Analysis of each project would include a citywide comprehensive analysis, review of the criteria associated with a density increase (see next section) if being proposed, and a tailored analysis as dictated by the initiation analysis (or plan amendment issues hearing). Such a policy would allow for staff, decision makers, and the public to review and evaluate amendment requests in a broader context, and provide a more flexible hearing schedule to accommodate private development applicants. The public hearing schedule should perhaps occur quarterly, thereby minimizing delay to projects in process. Additionally, staff proposes that the policy provide for exceptions similar to those in state law, and for exemptions that the City Council would propose (for example, an extraordinary level of housing affordability in a significant component of the project).

REVIEWING THE AMENDMENT PROCESS PER STRATEGIC FRAMEWORK ELEMENT AND ACTION PLAN DIRECTION

The Strategic Framework Element contains many references to the linkage between a newly drafted Land Use Element and community plans. It also acknowledges that community plans may need to be updated or amended to be consistent with the goals and policies of the General Plan, especially as it relates to the designation and development of village sites. Additionally, as has been stated earlier, most amendments are connected to private development projects. The integrity of each community plan (and the General Plan), is heavily predicated upon the process that the City follows to allow revision to these documents. To that end, the City Council included specific direction in Action Plan Section 9.b-Community Plan Amendments regarding this topic. Item 7 under Section 9.b regarding the review and reform of the community plan amendment process is essentially both the genesis and foundation for the proposals contained in this report. The following is an item by item analysis of each Action Plan recommendation with the exception of Item 7:

- 1) *Through an extensive public outreach process, designate mixed-use village sites and prepare plans for village development.*
 - a) *Prepare environmental analysis and rezones for the sites as necessary.*
 - b) *Address village parking needs through a combination of solutions such as: management of parking resources, shared use agreements, development of community parking structures, increased transit services, parking districts, and other means.*
 - c) *Prepare detailed land use and design guidelines.*
 - d) *Amend redevelopment plans as necessary.*
 - e) *Provide public facilities commensurate with need.*
 - f) *Provide public/civic space as part of the village project.*
 - g) *Improve opportunities for walking, bicycling, and transit use.*
 - h) *Require discretionary review for village projects that are consistent with community plan recommendations.*

This item is focusing primarily upon the amendment process that the city will undertake to designate village sites in community plans that require changes to adopted densities and other development policies.

- 2) *Implement relevant Strategic Framework Element and Action Plan recommendations for Urban Form, Neighborhood Quality, Public Facilities, Conservation and the Environment, Mobility and Walkable Communities, Housing, Economic Prosperity, and Equitable Development.*

Implementation of this item is ongoing through community plan updates, amendments, and the comprehensive update of each general plan element.

- 3) *Investigate whether existing planned community plan densities are located in areas that support the Strategic Framework Element policy recommendations through the community plan amendment process.*

As community plans are updated and amended, staff is analyzing private and public proposals to ensure that proposed densities are supporting Strategic Framework Element policies and the village strategy.

- 4) *Ensure that zoning is applied to implement the land use designations and other policies of community plans.*

Zoning is being evaluated through the community plan amendment and update process and changed as appropriate to ensure that existing and revised land use designations and recommendations can be implemented.

- 5) *Prepare comprehensive environmental analysis for community plan updates consistent with CEQA.*

Staff continues to do this consistent with both state law and the Land Development Code.

- 6) *Consider Council Policy, General Plan, or Land Development Code amendments to establish criteria for community plan amendments that increase residential density. The criteria or considering density increases in any community in the future should include the following:*

It is in this area, proposals to increase density over and above that designated in an adopted plan, that the Planning Department has received the most comment from the decision makers and the public. These criteria, or factors to consider, are key components of a revised amendment process as it relates to proposed increases in density. Staff concurs such a standard assessment, based upon the Action Plan direction (an item by item discussion follows), should be established through the adoption of, first, a Council Policy, with ultimate incorporation into the new Land Use Element of the General Plan. This two-phase process allows for timely adoption and implementation of City Council direction while the Land Use Element is drafted

and proceeds through the adoption process, including environmental review. Staff believes that procedures to amend the General Plan (including community plans as components of the Land Use Element) should be incorporated into the General Plan.

a) Community support.

This is, of course, of paramount concern and importance, however, additional discussion needs to occur to further define what is meant by community support. Community planning groups, civic associations, recreation councils, non-profit organizations, ad-hoc single issue groups, and special interest organizations are all members of any given community. A core value upon which the City of Villages strategy and Planning Department philosophy is based upon is meaningful community involvement and participation.

Additionally, support can often be garnered through the iterative process, or metamorphosis, that a project sometimes undergoes as a by-product of community participation. As critical as this criterion is, staff needs guidance regarding how community support can be defined because it may differ from how it is currently presented.

b) The proposed development implements the relevant policy recommendations of the Strategic Framework Element.

The addition of density or proposal to increase density in an area must always be consistent with the City of Villages strategy with respect to design, provision of infrastructure, transit and pedestrian-friendly features, among many other policies, if the city is to leverage growth to enhance neighborhoods and communities, and provide for an effective transit system. The City of Villages strategy represents San Diego's commitment to smart growth.

c) The proposed development pays for the public facilities needs generated by the project and there is an approved plan for funding and constructing public facilities necessary to support the density increase.

This factor is project specific. City policy and ordinance currently require that proposed projects pay for public facilities reasonably attributable to their development and this will continue. Additionally, Facilities Financing staff is in the process of updating Public Facilities Financing Plans (PFFPs) to revise development impact fees to address inflation and cost increases and to maintain service levels as the population grows. Proposing additional density may require amendment to PFFPs to ensure that new facilities, or expansions to existing infrastructure, are adequately funded and that construction is planned in a time sensitive manner. This may affect project phasing and timing of build out of a proposed project.

d) The density increase is part of a community plan update accompanied by the appropriate environmental review.

A requirement that any community plan amendment proposing a density increase would have to be part of a community plan update would have many consequences for the City, some unintended. Such a policy could delay neighborhood revitalization, the use of grant and bond funds, and could compromise the City's ability to accommodate affordable housing opportunities. Additionally, it is in direct conflict with the Strategic Framework Element's policy of allowing each community certain autonomy in village siting, density, and design.

Based on staffing in the Planning Department there is only capacity for staff to work on three to four community plan updates at any one time. Depending upon the complexity of the issues, updates can take anywhere from three to five years to provide adequate time for public outreach, technical studies and statute-dictated environmental review schedules. It is also unclear whether this Action Plan recommendation implies that the City would assume financial or processing responsibility for a complete community plan update concurrent with a private development request, or if a private applicant would prepare an update for an entire community plan area as a requirement for submitting an application to increase density on one site.

The proposed overhaul of the entire amendment procedure will result in a comprehensive review of the suitability and the impacts of a proposed density increase and any other proposed change to a plan. The Planning Department believes that the comprehensive review sought by suggesting a community plan update is addressed.

e) The City of San Diego, or other public agencies, has funding identified to reduce the existing facilities shortfall, or the project demonstrates an extraordinary public benefit to the City and community.

The first part of this criterion relates to city and community-wide existing facility deficiencies for which the city is legally unable to assess an individual project. Proposed amendments for density and their related projects are required to pay their proportional fair share of the cost of needed public facilities and infrastructure. Further implementation of a citywide financing strategy is the performance standard against which to measure a project to satisfy this criterion. That strategy has not yet been adopted. Staff is continuing to work with other departments and other agencies to secure funding to address the existing facility funding shortfall. Meanwhile, many projects do offer extraordinary public benefit, such as affordable housing, and revitalization benefits that extend well beyond the boundaries of a specific site.

7) Require analysis of the potential effects of the proposed project in relation to existing community conditions.

City staff is addressing this direction in an already-initiated and separate work program, the Existing Conditions data compilation on a community-by-community basis. The work product is a series of baseline data in GIS map format. This will be invaluable for project analysis, community plan updates, environmental review and document preparation.

Public Comment

This Land Use & Housing Committee (LU&H) workshop is one of the first public meetings at which these issues and options have been presented. The Planning Department reviewed the information in this report with the Community Planners Committee (CPC) at their regularly scheduled meeting in September. The CPC offered a few comments but made no formal recommendations. Some members concurred that the initiation process did seem to imply prior approval of plan amendments. The CPC also raised the issue of how planning group-requested amendments might fit into this process. Staff anticipates returning to CPC and visiting other interested groups with a draft of a proposed plan amendment processing Council Policy.

None of these issues have been discussed with the representatives of the development community.

CONCLUSION

The Planning Department would like to return to LU&H with a draft policy incorporating any input received at today’s workshop for review, and then proceed to Planning Commission and the City Council for adoption. The policy will govern the complete plan amendment process with clear direction to staff, applicant and the public regarding the roles and responsibilities of each party. The policy will also dictate the types of issues to be analyzed prior to scheduling an amendment for public hearing. As previously described, staff proposes that the land use element incorporate the council policy at the time of adoption as a component of the General Plan.

Review and reform of the existing plan amendment process is a complex task. It is one of the most important and worthy items that the City Council can address if the City is to prove its commitment to implementing the Strategic Framework Element policies and the City of Villages strategy. The City of San Diego takes pride in its planning program and long history of partnership with the public. It has been almost two decades since the City has comprehensively examined how to accomplish change while staying true to a vision. The discussion and proposals contained herein are the first steps to completing this task.

Respectfully submitted,

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GOLDBERG/MCCULLOUGH/ALM/ah

- Attachment: [1. Land Development Code, Section 122.0104](#)
[2. Action Plan Section 9.b - Community Plan Amendments](#)