



Legislation Details (With Text)

File #: 25-301 **Version:** 1 **Name:**
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File created: 4/10/2025 **In control:** City Council/Public Finance and Economic Development Authority/Parking Authority
On agenda: 4/21/2025 **Final action:**
Title: SUBJECT: Second Reading and Final Adoption of an Ordinance Amending the Official City Zoning Map By Approving Zone Change #436, Site Utilization Plan Revision #19 to Planned Development #4, Site Utilization Plan Revision #14 to Planned Development #42 and Site Utilization Plan Revision #18 to Planned Development #46 to Rezone Twenty-Seven (27) Sites Within the City Totaling Approximately 95 Acres of Land and Deny the Rezone of Three (3) Sites Totaling About 6 Acres of Land

REPORT IN BRIEF

Second Reading and Final Adoption of an Ordinance, Amending the Official City Zoning Map By Approving Zone Change #436, Site Utilization Plan Revision #19 to Planned Development #4, Site Utilization Plan Revision #14 to Planned Development #42 and Site Utilization Plan Revision #18 to Planned Development #46 to Rezone Twenty Seven (27) Sites within the City Totaling Approximately 95 Acres of Land and Deny the Rezone of three (3) Sites Totaling about 6 acres of land.

RECOMMENDATION

City Council - Adopt a motion adopting Ordinance 2577, an Ordinance of the City Council of the City of Merced, California, Amending the Official City Zoning Map By Approving Zone Change #436, Site Utilization Plan Revision #19 to Planned Development #4, Site Utilization Plan Revision #14 to Planned Development #42 and Site Utilization Plan Revision #18 to Planned Development #46 to Rezone Twenty Seven (27) Sites within the City Totaling Approximately 95 Acres of Land and Deny the Rezone of three (3) Sites Totaling about 6 acres of land.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ordinance 2577

Date	Ver.	Action By	Action	Result
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Report Prepared by: Jonnie Lan, AICP, Principal Planner, Development Services Department

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REPORT IN BRIEF

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RECOMMENDATION

City Council - Adopt a motion adopting **Ordinance 2577**, an Ordinance of the City Council of the City of Merced, California, Amending the Official City Zoning Map By Approving Zone Change #436, Site Utilization Plan Revision #19 to Planned Development #4, Site Utilization Plan Revision #14 to Planned Development #42 and Site Utilization Plan Revision #18 to Planned Development #46 to Rezone Twenty Seven (27) Sites within the City Totaling Approximately 95 Acres of Land and Deny the Rezone of three (3) Sites Totaling about 6 acres of land.

ALTERNATIVES

1. Approve as recommended by the Planning Commission and staff; or,
2. Approve subject to modifications as conditions by City Council; or,
3. Deny; or
4. Refer back to staff for reconsideration of specific items (to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Title 19 of the Merced Municipal Code outlines environmental review procedures and California Government Code Section 65358(a) grants authority to amend all or part of an adopted General Plan. Merced Municipal Code Section 20.80 and 20.82 outlines procedures for zone changes and General Plan Amendments.

DISCUSSION

Project Location and Overview

This consideration represents a key milestone and decision to help the City comply with the proposed Multi-Jurisdictional Sixth Cycle Housing Element 2024-2032 (MJHE). The City of Merced's proposed MJHE Program requires the rezoning of land to meet the shortfall of units. The units provide a range of affordability; however, the range includes units that support those who make the very lowest of incomes. The City is required by the State to provide sites zoned to accommodate 10,517 dwelling units within the next 8-year cycle to address the City's share of the regional housing need. Generally, this effort is to rezone these sites to provide an opportunity to develop higher density housing than what is currently allowed. City staff has discussed this process with the Planning Commission and the City Council at multiple public meetings, workshops and public hearings as described further in this report.

Background

The City of Merced Housing Element is a chapter of our General Plan that contains goals, policies and programs to address the future housing needs of the region. It is updated every five to eight years and highly regulated by the State. The City is currently working with the State Department of Housing and Community Development (HCD) to update the Housing Element that would cover the City of Merced for its 6th Housing Cycle, which runs from 2024-2032. As part of the comprehensive update to the Housing Element, the City is responsible for zoning sufficient land to accommodate its share of the Regional Housing Needs Allocation (RHNA). RHNA is a unit count by income level

established by the Merced County Association of Governments (MCAG) pursuant to State Housing Element Law. When there is a shortfall in sites with sufficient zoning able to be included in the Site Inventory, the City must rezone or upzone sites in order to incentivize and provide capacity for future units to accommodate the remaining RHNA. In order to meet the RHNA of 10,517 units, the City first reviewed and identified units on opportunity sites that would not require rezoning. However, to accommodate the RHNA shortfall and buffer to comply with the No Net Loss Law (California Government Code § 65863), the City identified 33 additional sites that would require rezoning to facilitate development at adequate densities. Three of those sites were rezoned in 2024. Three additional sites were reconsidered. For various reasons, staff requested those three sites to be removed from the list and recommended for denial. The Planning Commission, at their February 5, 2025, meeting agreed and have recommended the rezoning of the remaining 27 sites.

Project Description & Findings

The proposed General Plan Amendment, Zoning Change and Site Utilization Plan land use changes would upzone properties to provide opportunities to develop high density housing, some of which could be affordable housing but are not required to be. These properties are located in areas not currently designated for higher density residential uses. The map and Table at Attachment 8 identify the areas to be changed along with the current General Plan land use designation, the proposed General Plan land use designation, the proposed Zoning Change and, if applicable, the proposed Site Utilization Plan land use designation. By rezoning the sites, the City will meet state requirements to plan for its share of the regional housing need.

The Government Code provides specific parameters for sites to be counted toward lower income housing need. Government Code § 65583.2 establishes a minimum density of 20 units per acre, establishes a minimum site size to permit at least 16 units on site, and establishes the requirement within the zone to allow ownership and rental housing by right (requires no entitlement), and in which at least 20 percent of the units could be made affordable to lower-income households. The City's High Density Residential General Plan and Zoning designation, the designation being requested, allow 24 to 36 units per acre, much higher than the State standard. Because of this, the land use and zoning changes will make these properties suitable and available for the future development of approximately 1,898 low-income units and 1,017 moderate-income units. Facilitating development of sufficient lower-income units is essential to ensure that residents have access to safe and affordable housing.

Public Comment

Staff have updated both the Planning Commission and City Council on the update of the Housing Element. In January 2025, City staff updated the Planning Commission and City Council about the rezoning effort, specifically. On February 5, 2025, the Planning Commission heard and recommended approval to the City Council the rezoning of the 27 properties under consideration. They also heard about 3 additional properties and have recommended for denial. Prior to that Planning Commission meeting, staff received correspondence from property owners and other members of the public. Those responses are listed on the table that is attached to the Planning Commission Report from February 5, 2025 (Attachment 7). Most property owners were supportive of the changes. Members of the Leadership Counsel for Justice and Accountability also submitted comments and listed concerns with some of the opportunity sites and their locations. They also requested that the sites be specifically restricted to provide for affordable housing. Those comments are provided as attachments to the Planning Commission Report (Attachment 7). The City is

required by law to provide opportunities for developers to build the needed affordable housing, not required to build the housing or restrict the properties under consideration to house families that meet specific affordability levels.

Environmental Review

Pursuant to the California Environmental Quality Act (CEQA), the project was reviewed as an Addendum to the Environmental Impact Report for the *Merced Vision 2030 General Plan* (SCH #2008071069). This Addendum is provided as an attachment to the Planning Commission report from February 5, 2025 (Attachment 7). The Addendum concluded that no additional impacts would be caused by the proposed changes. The Project involves modifications to the City's General Plan and Zoning Map to implement the City's Housing Element and allow for HCD certification, in compliance with State law, and no specific development projects are included in the project. Any future development on the sites affected by the rezones will require individual environmental review under CEQA to assess potential impacts related to each specific proposal.

April 7, 2025 Council Meeting

The City Council held a public hearing and voted separately on each of the 30 sites. The City Council had the option to recommend approval or denial of the proposed General Plan and Zoning changes for each of the sites. As previously mentioned, there are 3 sites that Staff and the Planning Commission have recommended the City Council deny. Those sites are Site G, R and S. Staff called those sites out specifically. For those Council Members who had a conflict of interest regarding any of the sites, the Council Member recused themselves when that site's public hearing was called and exited the Chambers for the duration of that item. City staff provided guidance to the Council regarding these conflicts prior to the meeting.

On April 7, 2025, Council made four motions to introduce the Ordinance and to set the second reading and final adoption of Ordinance 2577.

ATTACHMENTS

1. Ordinance 2577