



STAFF REPORT

GPA NO. 25-01, ZTA NO. 25-02, AND ZC NO. 25-01

TO: Planning Commission

FROM: Community Development Department

DATE: September 17, 2025

CASE NO.: General Plan Amendment (“GPA”) No. 25-01, Zoning Ordinance Text Amendment (“ZTA”) No. 25-02, and Zone Change (“ZC”) No. 25-01 (CEQA Exemption § 15060(c)(2), § 15378(b)(5) § 15301 § 15303 and § 15061(b)(3))

REQUEST:

To amend Title 19 (Zoning) of the Commerce Municipal Code (“CMC”) to establish a new zoning overlay (Zoning Text Amendment No. 25-03) to implement Housing Element policy (hereinafter, the “ZTA”), apply the new zoning overlay to those sites identified in the Housing Element as rezoning sites to meet the regional housing needs allocation (RHNA) (Zone Change [ZC] No. 25-01, hereinafter, the “zone change”), and adopt General Plan Amendment No. 25-01 (hereinafter, the “GPA”) (collectively “Project”).

LOCATION: Applicable to Certain Properties

APPLICANT: City of Commerce

STAFF RECOMMENDATION:

Planning Commission of the City of Commerce (“Planning Commission”) recommend that the City Council: 1) adopt the General Plan EIR Addendum and a Categorical Exemption under the provisions of the California Environmental Quality Act (Public Resources Code §§ 21000, 21080.085, et seq. “CEQA”) and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the “CEQA Guidelines”) (CEQA Guidelines § 15060(c)(2), § 15378(b)(5) § 15301 § 15303 and § 15061(b)(3)); 2) adopt a resolution for GPA No. 25-01 attached hereto as Exhibit A; 3) adopt an ordinance for ZTA No. 25-03 attached hereto as Exhibit B, and 4) adopt an ordinance for ZC No. 25-01 attached hereto as Exhibit C.

PUBLIC HEARING NOTICE:

The Public Hearing Notice was published in the Los Cerritos News and notices were sent to 544 property owners within a 500-foot radius from the subject sites on August 28, 2025.

ATTACHMENTS:

- A. Planning Commission Resolution No. 25-XX, including:
 - a. Exhibit A – Draft Resolution No. ____ for GPA No. 25-01, including:
 - i. Attachment 1 - Initial Study/Addendum to the General Plan EIR,
 - ii. Attachment 2 – Table of Existing and Proposed General Plan and Zoning for Housing Element Rezoning Sites
 - iii. Attachment 3 – Proposed General Plan Land Use Maps
 - b. Exhibit B – Draft Ordinance No. ____ for ZTA No. 25-03 and ZC No. 25-01, including:
 - i. Attachment 1 - Initial Study/Addendum to the General Plan EIR,
 - ii. Attachment 2 – Table of Existing and Proposed General Plan and Zoning for Housing Element Rezoning Sites
 - iii. Attachment 3 – Proposed Zoning Maps

ENVIRONMENTAL ASSESSMENT:

Pursuant to California Environmental Quality Act (“CEQA”) and CEQA Guidelines, the City reviewed the environmental impacts of the proposed Project. Potential impacts from implementation of the 2021-2029 Housing Element were previously analyzed and mitigated by the City of Commerce General Plan Environmental Impact Report (SCH No. 2001101128). An Initial Study/Addendum to the Final Environmental Impact Report for the project has been prepared pursuant to the CEQA) and no subsequent environmental review is required in accordance with Public Resources Code Section 21166 and State CEQA Guidelines Section 15162. Additionally, pursuant to Assembly Bill 130 (Public Resources Code § 21080.66), the Housing Element rezoning effort is statutorily exempt from CEQA.

BACKGROUND:**Housing Element Implementation**

Every eight years, Commerce and all other California jurisdictions are required under State law to revise and update their individual Housing Elements. On September 10, 2024, the City of Commerce approved the 2021-2029 General Plan Housing Element, and subsequently amended the Housing Element adoption on November 12, 2024. Article 10.6, Section 65580 – 65589.8, Chapter 3 of Division 1 of Title 7 of the Government Code sets forth the legal requirements for a housing element and encourages the provision of affordable and decent housing in suitable living environments for all communities to meet statewide goals.

California Housing Element law requires that each city and county develop local housing programs designed to meet their “fair share” of housing needs for all income groups, based on projected population growth, also known as the Regional Housing Needs Allocation (RHNA) (Government Code Section 65580). The RHNA is the number of units that a jurisdiction must plan for during the 8-year Housing Element planning period.

Commerce's RHNA is 247 units, divided into income categories (Table 1: Commerce 2021-2029 Regional Housing Needs Allocation [RHNA]).

Table 1: Commerce 2021-2029 Regional Housing Needs Allocation (RHNA)

Income Category (% of County AMI*)	Number of Units
Extremely Low/Very Low (50% or less)	55
Low (51-80% AMI)	22
Moderate (81-120% AMI)	39
Above Moderate (>121% AMI)	131
Total	247

* Area Median Income ("AMI") is a figure published annually by the U.S. Department of Housing and Urban Development ("HUD") that represents the middle income for a given geographic area, with half of the residents earning more and half earning less.

The Housing Element indicated that while the City had made some progress toward meeting the RHNA through projects constructed and existing capacity on vacant sites, as indicated in Table 2 (Commerce 2021-2029 Housing Element RHNA Remaining Need), there was a remaining RHNA for which the City must rezone to allow for future residential development. In the Housing Element, the City identified sites, both City-owned and privately-owned, with capacity to redevelop with mixed-use or residential development, located on Washington Boulevard and Atlantic Boulevard. The Housing Element committed to rezoning these sites to meet the RHNA, as required by State Housing law.

Table 2: Summary of RHNA Strategies

	Extremely Low/Very Low	Low	Moderate	Above Moderate	Total
RHNA	55	22	39	131	247
Total Construction Completed	3	7	1	138	149
Modelo Specific Plan	0	0	0	85	85
Vacant Properties	6	6	17	5	34
Required Rezones:					
• <i>City-owned Underutilized Mixed-Use Rezone Sites</i>	73	70	19	78	300
• <i>Non-City-owned Underutilized Opportunity Mixed-Use Rezone Sites</i>	0	0	0	34	34

These required rezone sites were identified due to their potential for redevelopment over the next eight years, consistent with California Department of Housing and Community Development (HCD) guidance. These sites were all identified in the concurrent General Plan update for a mixed-use General Plan designation. HCD also requires all jurisdictions to provide a buffer of additional sites to meet the lower-income

RHNA to maintain sufficient capacity in the event a developer elects to construct market-rate housing or nonresidential uses on sites planned for affordable housing. This requirement of state law is referred to as “no net loss.”

HCD is required, by State law, to review and comment on every jurisdiction’s Housing Element. This process is very involved and time consuming. Staff worked with a consultant and HCD to review the draft Housing Element throughout 2024. After extensive negotiation and coordination with HCD, HCD determined that the Commerce Housing Element, including the promise to rezone the identified sites, met the statutory requirements of Housing Element law. However, HCD is not able to find the Housing Element in substantial compliance with State law until the rezoning of identified sites is complete.

Local governments have much to lose if they fail to bring their housing elements into compliance with State requirements. With a staff of 25 in its Housing Accountability Unit, HCD is resourced and ready to enforce state mandates on local housing plans and policies. In April 2025, HCD issued a letter of inquiry to Commerce regarding the status of the promised rezoning; specifically, the City’s commitment to complete Program 1.1 (Adequate Sites for Regional Housing Needs Allocation (RHNA) and Monitoring of No Net Loss) to rezone adequate sites to satisfy its RHNA shortfall. The letter highlighted financial and legal ramifications for noncompliance including possible actions from the California Office of the Attorney General along with court-imposed penalties for persistent noncompliance including financial penalties. Other consequences of noncompliance include the loss of local land use authority to a court appointed agent and ineligibility to receive state funds that require a compliant housing element as a prerequisite. The City may also be susceptible to housing application and permit streamline legislation aimed at jurisdictions that do not have a certified housing element.

On May 28, 2025, City staff consulted with HCD and identified a proposed timeline to adopt the promised rezoning, targeting the late summer/early fall for adoption of a new mixed-use zoning overlay that could be applied to the sites identified in the Housing Element for rezoning. HCD confirmed the timeline. As required by HCD, the City submitted the draft zoning text amendment (ZTA) to HCD for their review on August 7, 2025. City staff and consultants met with HCD on August 7, 2025 to review the draft and is working with HCD to confirm that the ZTA complies with HCD requirements.

ANALYSIS:

To effectuate the required rezoning specified in the City’s adopted Housing Element, three separate actions are required:

- Zoning Map Amendment;
- General Plan Amendment; and
- Zoning Text Amendments to implement the Zoning Map Amendments.

Zoning Map Amendment

As required by State Housing Element law, the project includes a Zoning Map amendment for 26 parcels, as identified in Table 3 (Proposed General Plan and Zoning for Housing Element Rezoning Sites). These sites were identified in the Housing Element as viable sites to meet the RHNA, given the underutilized nature and location in an area the concurrent General Plan update had identified for a mixed-use designation. The Zoning Map amendment would add an overlay zone to these identified 26 parcels only. As an overlay zone, the existing underlying zoning remains. The overlay zone is additive to the Commercial-Manufacturing ("C/M-1") zone on these 26 parcels, providing additional flexibility to property owners to allow housing, live/work, and mixed-use in addition to other uses already allowed by the underlying zone.

General Plan Land Use Plan Amendment

The project includes a General Plan Land Use Plan amendment to redesignate 16 parcels from Commercial Manufacturing to Mixed Use on the Land Use Plan, as identified in Table 3 (Proposed General Plan and Zoning for Housing Element Rezoning Sites). These parcels are located along Washington Boulevard and were identified in the Housing Element as viable sites to meet the RHNA, as City-owned sites located in an area the concurrent General Plan update had identified for a mixed-use designation. Under the existing Commercial Manufacturing General Plan land use designation, the sites currently do not allow housing. The General Plan amendment would allow housing on the identified 16 parcels and create consistency between the General Plan Land Use Element, Zoning Map, and Housing Element, given the proposed rezoning required by State Housing Element law. The Atlantic Boulevard sites are already designated Atlantic Mixed Use, from the 2008 General Plan, so no General Plan Amendment is required for the rezoning sites identified on Atlantic Boulevard.

Table 3: Existing and Proposed General Plan and Zoning for Housing Element Rezoning Sites

Site Address/ Intersection	Assessor Parcel Number	Size (Ac.)	Current General Plan	Current Zoning	Proposed General Plan	Proposed Zoning	Description of Existing Uses	Consolidation Opportunities	City Owned (Y/N)
5736 Washington Blvd	6334-006-900	0.89	CM	C/M1	Atlantic MU	WB-O	Commercial	Consolidated Site E	Y
5733 Sheila St	6334-006-901	1.72	CM	C/M1	Atlantic MU	WB-O	Commercial		Y
5611 Washington Blvd	6335-023-900	0.59	CM	C/M1	Atlantic MU	WB-O	Public facilities	Consolidated Site F	Y
5600 Jillson St	6335-023-901	0.3	CM	C/M1	Atlantic MU	WB-O	Public facilities		Y
Jillson St/Daniel Ave	6335-023-902	0.07	CM	C/M1	Atlantic MU	WB-O	Public facilities		Y
Jillson St/Daniel Ave	6335-023-903	0.36	CM	C/M1	Atlantic MU	WB-O	Public facilities		Y
2500 Eastern Ave	6335-024-900	0.69	CM	C/M1	Atlantic MU	WB-O	Parking	Consolidated Site G	Y
Jillson St/Daniel Ave	6335-024-901	0.07	CM	C/M1	Atlantic MU	WB-O	Parking		Y
Jillson St/Daniel Ave	6335-024-902	0.07	CM	C/M1	Atlantic MU	WB-O	Parking		Y
Jillson St/Daniel Ave	6335-024-903	0.07	CM	C/M1	Atlantic MU	WB-O	Parking		Y
Jillson St/Daniel Ave	6335-024-904	0.07	CM	C/M1	Atlantic MU	WB-O	Parking		Y
Jillson St/Daniel Ave	6335-024-905	0.07	CM	C/M1	Atlantic MU	WB-O	Parking		Y
Jillson St/Daniel Ave	6335-024-906	0.07	CM	C/M1	Atlantic MU	WB-O	Parking		Y
Jillson St/Daniel Ave	6335-024-907	0.15	CM	C/M1	Atlantic MU	WB-O	Parking		Y
Washington Blvd/Daniel Ave	6335-024-908	0.41	CM	C/M1	Atlantic MU	WB-O	Parking		Y
5555 Washington Blvd	6335-024-909	0.53	CM	C/M1	Atlantic MU	WB-O	Commercial		Y
Atlantic Blvd/Jardine St	5244-024-001	0.13	Atlantic MU	C/M1	Atlantic MU	AB-O	Parking	Consolidated Site H	N
Atlantic Blvd/Jardine St	5244-024-002	0.05	Atlantic MU	C/M1	Atlantic MU	AB-O	Parking		N
Atlantic Blvd/Jardine St	5244-024-003	0.05	Atlantic MU	C/M1	Atlantic MU	AB-O	Parking	Consolidated Site I	N
Atlantic Blvd/Jardine St	6335-005-053	0.05	Atlantic MU	C/M1	Atlantic MU	AB-O	Parking		N
Atlantic Blvd/Jardine St	6335-005-054	0.05	Atlantic MU	C/M1	Atlantic MU	AB-O	Parking		N
Atlantic Blvd/Jardine St	6335-005-055	0.12	Atlantic MU	C/M1	Atlantic MU	AB-O	Parking	Consolidated Site J	N
2358 Atlantic Blvd	6335-005-056	0.05	Atlantic MU	C/M1	Atlantic MU	WB-O	Parking		N
2354 Atlantic Blvd	6335-005-057	0.11	Atlantic MU	C/M1	Atlantic MU	WB-O	Parking	Consolidated Site K	N
Atlantic Blvd/Harbor Blvd	6335-003-002	0.05	Atlantic MU	C/M1	Atlantic MU	AB-O	Vacant		N
2210 Atlantic Blvd	6335-003-003	0.11	Atlantic MU	C/M1	Atlantic MU	AB-O	Commercial		N

Zoning Text Amendments

Per Housing Element law, the rezoned sites must meet the requirements of Government Code 65583.2, including but not limited to a minimum density of 20 units per acre and zoned to allow ownership and rental housing by-right for development projects with at least 20 percent of the units affordable to lower income households. As part of the rezoning, appropriate development standards (including but not limited to setbacks, height, and parking, among others) must also be established to ensure the allowable maximum density of the zone can be achieved.

Mixed-Use Overlay (New Chapter 19.49) Zoning Text Amendments. The Mixed-Use Overlay (“MU-O”) Zoning Text Amendment is additive to the underlying zone. The MU-O zone allows for multi-family housing, supportive and transitional housing, live/work, and mixed-use development, which includes a combination of commercial and residential uses within a development. The MU-O zone allows for a maximum residential density of 60 units per acre, with a required minimum density of 27 units per acre. The MU-O zone also allows for increased density (up to 85 units per acre) and nonresidential intensity (up to 2.5 FAR) if the project includes community benefits, such as affordable housing, a public plaza, rent subsidies to provide below-market rent to small legacy and community-serving businesses, a dedicated ground floor space for a food establishment, and public art, among others.

The MU-O zone includes standards for height, setbacks, and parking that will allow the identified density to be achieved. The MU-O zone also includes a requirement to plant trees to enhance the pedestrian environment and a provision to minimize shade/shadow on any adjacent residential zones. Objective design standards pertaining to façade composition and architecture are included to guide high-quality design, including:

- Requirement for building transparency (windows);
- Elevation of the first floor (within two feet of existing grade for commercial and six feet for residential) to contribute to the pedestrian experience;
- Pedestrian entrance orientation toward the primary street;
- Minimum width and façade modulation for building entries; and
- Building articulation via variable wall plane and a variety of colors, materials, and textures.

To ensure compliance with Housing Element law by preventing a reduction in citywide housing capacity for lower-income units, any project that proposes less units for that site than identified in the Housing Element requires a finding of no net loss (i.e., that there is remaining capacity within the surplus of sites identified in the Housing Element, or another HCD-approved site has been identified, to meet the RHNA).

New Chapter 19.31, Division 24 (Live/work). Live/work would be an allowed use in the new MU-O zone. This new chapter of the Zoning Ordinance provides development and operating standards for any new proposed live/work development

within the MU-O zone, including a limitation on certain uses that would be incompatible with residential uses, design standards requiring a minimum area devoted to commercial space, occupancy and business license requirements, and a prohibition on conversion of a live/work unit to either entirely residential use or entirely nonresidential use.

Amendments to Chapter 19.45 (Definitions). In association with the new MU-O zone, revisions to Chapter 19.45 (Definitions) are proposed to add additional clarifying definitions to the Zoning Ordinance. The definition of “floor-to-area ratio” (FAR) is amended to clarify that the calculation is applicable only to the nonresidential portion of the building. New definitions are proposed for “mixed-use”, “major transit stop”, and various types of open space, for clarity in implementation.

Amendments to Chapter 19.39, Division 10 (Site Plan Review). The existing Zoning Ordinance requires Site Plan review for residential development projects with more than four units, which involves Planning Commission review. The amendment would add a new Administrative Site Plan review process (Site Plan – Minor) to allow for streamlined review consistent with State Housing law, for projects with between one and 10 units. More than 10 units would continue to be reviewed by the Planning Commission.

Native American Consultation

Senate Bill (SB) 18 requires local governments to consult with Tribes prior to making certain planning decisions and requires consultation and notice for a General Plan and Specific Plan adoption or amendment in order to preserve, or mitigate impacts to, cultural places that may be affected. California Public Resource Code § 21080.3.1 (Assembly Bill [AB] 52) requires local governments to conduct meaningful consultation with the California Native American tribes that have requested to be notified by lead agencies of proposed projects in the geographic area with which the tribe is traditionally and culturally affiliated.

In 2024, in conjunction with the 2021-2029 Housing Element public review and adoption, the City conducted consultation with local Native American Tribes, consistent with SB 18 and AB 52. This project, adopting implementing Zoning and General Plan amendments, was identified in the Housing Element as an implementation measure. The project does not identify any new sites or changes to Housing Element policy. As such, the consultation for this project has already been conducted and completed.

Next Steps

The City is in consultation with HCD and has advised the agency of the proposed adoption timeline. The City is required to submit the Zoning Text Amendment, General Plan Amendment, and Zone Change to HCD once it has been adopted. Subsequently, the City will continue to report to HCD annually as part of the Housing Element annual reporting process.

Prepared by: Jessica Serrano
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Deputy City Attorney

ATTACHMENT A
PLANNING COMMISSION RESOLUTION NO. ____

ATTACHMENT B
ORDINANCE NO. ____