



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
April 15, 2025

TOPIC: Final Extension of Moratorium on the Approval, Commencement, Establishment, Relocation, or Expansion of Industrial Uses in Specific Development No. 84

AGENDA TITLE

Final Extension of Moratorium on the Approval, Commencement, Establishment, Relocation, or Expansion of Industrial Uses in Specific Development No. 84 (SD-84), Also Known as the Transit Zoning Code ("TZC") for Up To One Year (12 Months) Pursuant to Government Code Section 65858(a)

Legal notice published in the OC Reporter on March 19, 2025.

RECOMMENDED ACTIONS

1. Adopt an urgency ordinance approving a final extension of a moratorium for a period of up to one year on the approval, commencement, establishment, relocation, or expansion of industrial uses within SD-84, by four-fifths (4/5) vote, pursuant to California Government Code Section 65858(a), for up to one year (12 months), unless automatically repealed upon the adoption and effectiveness of a City-Council adopted ordinance to address the land use conflicts presented by industrial uses in the TZC.

UNCODIFIED URGENCY ORDINANCE NO. NS-XXXX entitled AN UNCODIFIED URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA ANA, EXTENDING A MORATORIUM ON THE APPROVAL, COMMENCEMENT, ESTABLISHMENT, RELOCATION OR EXPANSION OF INDUSTRIAL USES WITHIN SPECIFIC DEVELOPMENT NO. 84 ZONING DISTRICT FOR AN ADDITIONAL ONE (1) YEAR PURSUANT TO GOVERNMENT CODE SECTION 65858

2. Find that, in accordance with the California Environmental Quality Act (CEQA), the proposed action is not subject to the requirements of the California Environmental Quality Act, pursuant to (Guidelines) Section 15060(c)(2) because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment and 15060(c)(3) because the activity is not a project as defined in Section 15378 of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly and so is not a project.

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GOVERNMENT CODE §84308 APPLIES: No

EXECUTIVE SUMMARY

On May 21, 2024, the City Council adopted Urgency [Ordinance No. NS-3064](#), which established a ten (10) months and fifteen (15) days extension period of a moratorium on the approval, commencement, establishment, modification, relocation, or expansion of industrial uses in [Specific Development No. 84 \(SD-84\)](#), also known as the Transit Zoning Code (commonly referred to as the Transit Zoning Code or TZC) while City staff researches appropriate permanent regulations and determines whether an additional extension, pursuant to California Government Code [Section 65858\(a\)](#), is necessary. [Ordinance No. NS-3064](#) shall have no further force and effect ten (10) months and fifteen (15) days from the date of its adoption, unless, after a report during the TZC moratorium extension period and a public hearing, the City Council members, again by four/fifths (4/5) vote, extend the Ordinance for up to an additional twelve (12) months beyond the additional ten (10) months and fifteen (15) days of the initial Ordinance extension. Based on the adoption date of May 21, 2024, the Ordinance is scheduled to expire on April 15, 2025.

On April 1, 2025, the City Council issued a report to the public, pursuant to [Section 65858\(d\)](#) of the California Government Code, describing the City's measures to alleviate conditions that led to the adoption of the moratorium. Subsequently, the City Council also voted 4:0:0 to continue Public Hearing Item No. 22 on that same meeting agenda, regarding proposed amendments to the TZC, to the May 6, 2025, meeting, with recusals from City Council members Phan, Lopez, and Penaloza (due to advisement of a potential conflict of interest that may be related to real property or financial interests). The City Attorney has requested clarification from the Fair Political Practices Commission (FPPC) regarding Councilmembers' eligibility to participate and vote on the proposed amendment to the TZC at the May 6, 2025, City Council meeting. A response from the FPPC is anticipated before that date.

The City requires an extension of the moratorium, which is scheduled to expire on April 15, 2025, to facilitate the uninterrupted development of permanent regulations addressing industrial business uses within the TZC. This proposed ordinance, pursuant to California Government Code Section 65858(a), would authorize a final extension of the moratorium for a period of up to one year (12 months), effective upon a four-fifths (4/5) vote of the City Council. Specifically, if adopted, the final extension shall commence on April 16, 2025, and end on April 16, 2026, unless automatically repealed upon the adoption and effectiveness of a City-Council adopted permanent ordinance to address the land use conflicts presented by industrial uses in the TZC.

DISCUSSION

Background

On April 16, 2024, the City Council adopted Urgency Interim [Ordinance No. NS-3063](#), establishing a 45-day moratorium on the approval, commencement, establishment, relocation, or expansion of industrial uses within the TZC. The purpose of the moratorium was to immediately offer protection of public health, safety, and welfare from industrial uses significantly causing pollution burden to adjacent residential neighborhoods within the TZC.

On May 7, 2024, the City Council issued a report to the public, pursuant to [Section 65858\(d\)](#) of the California Government Code, describing the City's measures to alleviate conditions that led to the adoption of the moratorium.

On May 21, 2024, the City Council adopted [Ordinance No. NS-3064](#) to extend the moratorium for an additional ten (10) months and fifteen (15) days pursuant to the Government Code as necessary to provide sufficient time for staff to continue with data tracking and reporting, research appropriate regulations, and coordinate with outside regulatory agencies and City departments to determine whether further, permanent action was necessary and to generate recommendations to the Planning Commission and City Council. During the moratorium period, the City has not issued permits that have resulted in the approval, commencement, establishment, modification, relocation, or expansion of industrial uses in the TZC.

Staff held a work-study session at the Planning Commission on February 10, 2025, which was open to the public. During the work-study session, Planning Commission members and members of the community posed additional questions and provided input on topics of key importance surrounding land use, code violations, the role of outside agencies and their enforcement, and financial and legal implications that required staff to carry out additional research. On February 24, 2025 and March 6, 2025, the Planning Commission held a public hearing and recommended approval of the TZC ordinance and map amendments with clarifying edits. However, this recommendation is advisory and the City Council retains the ultimate authority to approve, modify, or reject the proposed amendments after their own review and consideration of all presented information, including the Planning Commission's recommendations, staff reports, and public input.

Review of City Department Activities

During the initial 45-day moratorium and the moratorium extension of ten (10) month and fifteen (15) days, City staff conducted interagency meetings that included representatives from multiple City departments: the Planning Division, Building Safety

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Division, Code Enforcement Division, Business License, and Information Technology. Additionally, engagement with agencies such as the Santa Ana Police Department (SAPD), Public Works Agency, and the Community Development Agency's Economic Development Division has produced critical information illustrating the extent to which industrial activities interface with residential land uses in the TZC area, specifically and most concentrated in the Logan and Lacy neighborhoods.

Data based on Business License and Economic Development records indicate that application of the moratorium affects up to 127 industrial businesses in the TZC. Of the affected businesses, approximately three have active applications for permits, primarily seeking to legalize unpermitted work on industrial properties. City staff has continued to review public safety data from SAPD and Orange County Fire Authority (OCFA) to assess community concerns regarding emergency responses in the TZC. SAPD records show a total of 18,736 calls for service between March 2023 and July 2024, with 226 of those occurring between April and July 2024 within the Logan and Lacy neighborhoods. These calls encompassed a wide range of incidents, including patrol checks, disturbances, and traffic-related issues. Notably, 1,909 calls involved collisions, vehicle impoundments, domestic violence, and SAMC violations. OCFA data from 2022 to August 2024 indicates 238 calls for advanced life support emergencies. In 2022, 29 calls were related to respiratory issues, chest pain, and cardiac arrest, with a subsequent 7% increase in health-related calls in 2023. While the data reflects a broad spectrum of emergency responses, the concentration of industrial businesses in the TZC raises the possibility that some of these calls, particularly those related to respiratory issues and traffic incidents, may be influenced by industrial operations.

Currently, City staff has an internal process established that continues to track and monitor incoming notices of compliance or notices of violations from outside regulatory agencies issued to a particular business/operator. City Code Enforcement activities and implementation of the City's Noxious Uses Ordinance continue being monitored at these facilities. Code Enforcement data show enforcement activity within the TZC, where at the time of adoption of the moratorium, 16 active open cases were issued Notice of Violations and administrative citations for the following types of violations: illegal storage, land use, zoning, property and landscape maintenance, unpermitted work, business license, and certificate of occupancy. Such violations include issues of odors, dust, traffic, noise, vibrations, and other documented impacts. Recent code enforcement complaints on properties in the Logan neighborhood involve complaints for recurring unpermitted work and land use violations that involve large commercial vehicles blocking street access and impacting nearby residents. In the past 12 months, the Code Enforcement Division conducted investigations at over 35 commercial and industrial properties within the TZC. These investigations led to administrative citations, ongoing enforcement actions, and onsite meetings with business owners.

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The City of Santa Ana Code Enforcement Division is currently addressing 21 open code enforcement violations or compliance reviews specifically involving industrial businesses within the TZC area. This activity demonstrates the City's direct involvement in overseeing these businesses to mitigate potential environmental and public health risks.

Review of Records and Activities of External Agencies

To broaden the analysis beyond the City's local land use impacts, City staff have received public records requested of compliance status, violation records, and violation status of outside regulatory agencies, and have contacted staff from external regulatory agencies such as the South Coast Air Quality Monitoring District (SCAQMD), Santa Ana Regional Quality Water Control Board (SARQWCB), the Department of Toxic Substances Control (DTSC), Certified Unified Program Agencies (CUPA), California Environmental Reporting System (CERS), and others responsible for issuing regulatory permits for industrial uses in the TZC. Specifically, these agencies are responsible for permit issuance, compliance activities, and/or monitoring hazardous clean-up sites, or other industrial facility-related activities and have received current data requests for sites located within the TZC zoning district.

Data from outside regulatory agencies assist City staff in further understanding activities between external regulatory agencies and industrial businesses that may place additional impacts on public health, safety, and welfare in affected neighborhoods adjacent to industrial businesses in the TZC. This information would enable City staff to understand the correlation and environmental burdens that may be attributed to permitted activities for industrial businesses in historically environmentally disadvantaged communities, specifically the Logan and Lacy neighborhoods.

Records show SCAQMD issued two notices to comply with one industrial business on August 2023 and April 2024 for failure to maintain records, such as temperature graphs, poundage logs, and source test data. SCAQMD issued several permits to construct and to operate to the new operator of this same facility, which is currently in compliance with SCAQMD. Two notices of violation were issued to one industrial business for operating a paint spray booth without a valid permit to operate from SCAQMD.

The report from the SARWQCB from 2024 shows three (3) active industrial business in the TZC in violation of their permit for providing a late report or incomplete and/or insufficient information for their Stormwater Pollution Prevention Plan (SPPP). In March 2025, one of the three businesses with active violations concluded a financial settlement directly with the SARWQCB agency.

Public records from the CUPA for Orange County, spanning 2022-2024, reveal a pattern of non-compliance with environmental and hazardous materials regulations

among industrial businesses within the TZC. While some 2023 violations related to Hazardous Material Business Plan staff training and reporting were later corrected, current records indicate four businesses still have multiple open violations. These ongoing issues include non-compliance with documentation for hazardous waste transportation and disposal, as well as deficiencies in industrial stormwater reporting requirements. These violations highlight potential risks to public health and the environment.

Air emission complaints continue to be reported to SCAQMD. These complaints included one involving black smoke and another regarding unpermitted soil vapor extraction equipment onsite. SCAQMD staff has clarified that for air quality complaints they receive, their inspector is required to be physically present to observe the activity from the facility described in the complaint to determine if the complaint warrants further investigation or enforcement action in accordance with SCAQMD Rules 401 (Visible Emissions), 402 (Public Nuisance), and 403 (Fugitive Dust). Therefore, although community members continue to share concerns with City and SCAQMD staff, the turnaround time for an SCAQMD inspector to be physically present at an SCAQMD-permitted facility to investigate an air quality complaint, especially if a complaint is reported after working hours or on weekends, is ineffective in addressing the immediate needs of the community.

Public Engagement and Planning Commission Recommendation

Following City Council's extension of the TZC moratorium on May 21, 2024, City staff have been developing permanent regulations for the TZC district for the City Council's consideration. Leading up to the special Planning Commission meeting held on March 6, 2025, City staff engaged in a comprehensive outreach effort regarding TZC regulations, holding 20 meetings in various formats with affected stakeholders. This included:

- Direct engagement through eight individual and group meetings with business owners and brokers,
- Two focus group meetings with TZC business owners,
- Community outreach involving two neighborhood/resident group meetings,
- Two City-hosted TZC (SD-84) meetings: the October 22, 2024 City Informational Meeting and the March 3, 2025 Community Meeting,
- Three site visits at the request of businesses, and
- Three Planning Commission meetings (February 10, 2025 Study Session and February 24/March 6 Public Hearings).

This extensive engagement aimed to gather diverse input for the development of permanent TZC regulations. To proactively ensure important communications reached all stakeholders, City staff mailed notices to all property owners and occupants, comprising 3,599 addresses, within the Transit Zoning Code area for each of the

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following meetings: the October 22, 2024 City Informational Meeting, the Planning Commission February 10, 2025 Study Session and February 24, 2025 Public Hearing notice, and the City Council April 1, 2025 Public Hearing Notice.

City staff from the Neighborhood Initiatives and Environmental Services (NIES) section of the Planning Division continue to coordinate with City departments, external regulatory agencies, and staff from other federal and state agencies to identify additional resources available to enhance deeper awareness of pollution exposure in disadvantaged communities, long-term health effects, and immediate solutions. The NIES team has held meetings and discussions with staff from the Centers for Disease Control and Prevention/Agency for Toxic Substances and Disease Registry and CalEPA Environmental Justice Team to identify opportunities for linking environmental justice (EJ) resources and support to the Logan and Lacy neighborhoods.

Next Steps

On April 1, 2025, the City Council issued a report to the public, pursuant to [Section 65858\(d\)](#) of the California Government Code, describing the City's measures to alleviate conditions that led to the adoption of the moratorium. The City requires an extension of the moratorium, which is scheduled to expire on April 15, 2025, to facilitate the uninterrupted development of permanent regulations addressing industrial business uses within the TZC.

This proposed ordinance, pursuant to California Government Code Section 65858(a), would authorize a final extension of the moratorium for a period of up to one year (12 months), effective upon a four-fifths (4/5) vote of the City Council. Specifically, if adopted, the final extension shall commence on April 16, 2025 and end on April 16, 2026. The final extension will be automatically repealed upon the effective date of a permanent ordinance addressing the land use conflicts in the Transit Zoning Code (SD-84), if the Council adopts such an ordinance before April 16, 2026.

Without approval of this extension, the existing moratorium would lapse, potentially leading to development proposals and approvals that are inconsistent with the City's long-term planning objectives for the area, as promulgated by the Transit Zoning Code and the General Plan. This urgency justifies the need for immediate City Council action to adopt the proposed ordinance that would extend the moratorium.

ENVIRONMENTAL IMPACT

The extension of the moratorium is not subject to the California Environmental Quality Act ("CEQA"), as the proposed action is not subject to the requirements of CEQA, pursuant to Guidelines [Section 15060\(c\)\(2\)](#) because the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment and [15060\(c\)\(3\)](#)

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because the activity is not a project as defined in [Section 15378](#) of the CEQA Guidelines, [California Code of Regulations, Title 14, Chapter 3](#), because it has no potential for resulting in physical change to the environment, directly or indirectly and so is not a project, as the ordinance will temporarily preclude the approval, commencement, establishment, relocation, or expansion of uses in Specific Development No. 84 (the Transit Zoning Code).

FISCAL IMPACTS

There is no fiscal impact associated with this action

EXHIBITS

1. Uncodified Urgency Ordinance Extending Moratorium for Up To One Year (12 Months)
2. Adopted Urgency Interim Ordinance No. NS-3064
3. Ten-Day Written Report – April 1, 2025
4. May 21, 2024 City Council Staff Report (without attachments)
5. Public Notice

Submitted By: Ali Pezeshkpour, AICP, Acting Executive Director, Planning and Building Agency

Approved By: Alvaro Nuñez, City Manager