

Resolution No. 2025-XXX N.C.S. of the City of Petaluma, California

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PETALUMA ADOPTING A GENERAL PLAN AMENDMENT TO INCREASE THE ALLOWABLE FLOOR AREA RATIO (FAR) FOR AREAS DESIGNATED MIXED USE (MU) AND LOCATED WITHIN THE PROPOSED DOWNTOWN HOUSING & ECONOMIC OPPORTUNITY OVERLAY FROM 2.5 TO 6.0, TOGETHER WITH MAKING CEQA FINDINGS OF FACT, AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE PROJECT; FILE NO: PLPJ-2022-0015 & PLGP-2023-0001

WHEREAS, the General Plan in the section entitled “Amendments to the General Plan” recognizes that the General Plan will be subject to site-specific amendments that may be needed from time to time to modify policies that may be obsolete or unrealistic due to changed conditions such as development on a site; and

WHEREAS, on April 11, 2022, Mike Jolly of EKN Development Group (herein after ‘Applicant’), applied for Historic Site Plan and Architectural Review (H-SPAR) for the EKN Appellation Hotel (herein after ‘Hotel’) to develop a 93-room hotel with ancillary food service, parking and event spaces at 2 Petaluma Boulevard South; and

WHEREAS, the Hotel would exceed the maximum FAR established by the Mixed Use (MU) 2025 General Plan Land Use Classification and exceed the maximum building height, lot coverage, and floor area ratio (FAR) established by the Mixed Use 2 (MU2) Implementing Zoning Ordinance (IZO) designation; and

WHEREAS, the City of Petaluma advised the Applicant that the Hotel must be revised to comply with applicable IZO and General Plan standards and regulations, or amendments to the IZO and General Plan must be proposed to allow for Planning review to proceed; and

WHEREAS, EKN Development Group subsequently applied for a General Plan Amendment (GPA), Zoning Map Amendment (ZMA), and Zoning Text Amendment (ZTA) to create a Building Form Overlay (later renamed the Downtown Housing & Economic Opportunity Overlay (herein after ‘Overlay’)); and

WHEREAS, the City of Petaluma conducted three publicly noticed study sessions commencing on June 13, 2023, August 8, 2023, and October 3, 2023, to develop the scope and content of the Overlay, to consist of Subareas A, B, and C; and

WHEREAS, three parcels within Subarea A, including two parcels comprising the Hotel, and one parcel within Subarea B of the Overlay are also within the boundaries of the Petaluma Historic Commercial District; and

WHEREAS, the intent of the Downtown Housing & Economic Opportunity Overlay is to facilitate the development of residential uses, orderly economic development, preservation of historic buildings and resources and the Commercial Historic District, activate the ground levels, and incorporate sites with the greatest opportunity for redevelopment activity by increasing the allowable floor area ratio from 2.5 to 6.0, building height from 45 feet to up to 75 feet subject to approval of a conditional use permit, and lot coverage from 80% to 100% subject to approval of a conditional use permit, and subject to development and design controls for properties within the proposed Overlay; and

WHEREAS, the City of Petaluma as the lead agency under the California Environmental Quality Act (CEQA) prepared a Draft Initial Study/Mitigated Negative Declaration (IS/MND) for the Downtown Housing and Economic Opportunity Overlay and EKN Appellation Hotel (the Project) to analyze potential environmental impacts; and

WHEREAS, the Draft IS/MND was made available for public and agency review from October 13, 2023, to November 14, 2023; and

WHEREAS, on November 14, 2023, the Planning Commission and Historic and Cultural Preservation Committee (HCPC) held a duly noticed public hearing to consider the Draft IS/MND, and the Overlay (GPA, ZMA, and ZTA); and

WHEREAS, at the November 14, 2023, public hearing, pursuant to IZO Section 15.020.A.6, the HCPC provided their independent analysis of the Overlay Zoning Amendments and made a recommendation on the proposed ZMA and ZTA to the Planning Commission; and

WHEREAS, on November 14, 2023, the Planning Commission provided their independent analysis of the Draft IS/MND and the Overlay, considered the recommendation provided by the HCPC on the zoning amendments, and adopted Resolutions 2023-21 and 2023-22, regarding the Downtown Housing and Economic Opportunity Overlay; and

WHEREAS, following the November 14, 2023, Planning Commission and HCPC joint public hearing, the City commenced preparation of an Environmental Impact Report (EIR) for the Downtown Housing and Economic Opportunity Overlay and EKN Appellation Hotel (the Project) to provide greater analysis of the potential impacts of the Project and to provide additional information for the public and reviewing bodies; and

WHEREAS, on September 24, 2024, the Planning Commission and HCPC held a duly noticed public hearing to consider information presented by staff, to receive public comments regarding the Draft EIR, and to independently consider the Draft EIR; and

WHEREAS, at the September 24, 2024, public hearing, the HCPC considered the public comments received, independently considered the Draft EIR, and by a vote of 4-0 recommended to the Planning Commission that the Commission recommend to the City Council preparation of a Final EIR for the Project, subject to recommendations; and

WHEREAS, at the September 24, 2024, public hearing, the Planning Commission adopted Resolution 2024-12, recommending that the City Council direct staff to proceed with preparation of the Final Environmental Impact Report (Final EIR) for the Project with recommendations; and

WHEREAS, on October 7, 2024, the City Council held a duly noticed public hearing to independently consider the Draft EIR and to receive public comments regarding the Draft EIR; and

WHEREAS, at the October 7, 2024, public hearing, the City Council adopted Resolution 2024-125, authorizing staff to prepare the Final EIR, inclusive of responses to public comments; and

WHEREAS, on November 18, 2024, the City Council held a duly noticed public workshop to engage in an in-depth discussion about various aspects of the Overlay; and

WHEREAS, at the November 18, 2024, workshop, the City Council directed staff to clarify the relationship between the Overlay and the ongoing General Plan Update process; to provide additional information for the Council to better understand implications of the Overlay on multi-family housing including how it relates to State Density Bonus Law, Senate Bill (SB) 35, and height increase eligibility; to bring forward potential options for supplementing the review of development projects within the proposed Overlay by design and architectural specialists in addition to the City's established SPAR process; to update Council on the ongoing efforts of the Downtown Parking Management Plan; to bring forward the Overlay for Council's consideration as recommended by the Planning Commission at the November 14, 2023, public hearing and any potential modifications from Council's input during the November 18, 2024, workshop; and to bring forward the Overlay and Final EIR directly to City Council for consideration, in lieu of returning to the Planning Commission and HCPC for their review of the Final EIR; and

WHEREAS, the proposed General Plan Amendment and Zoning Amendments are substantially the same and the proposed impacts of the amendments are substantially the same as when Planning Commission reviewed and recommended their approval to City Council on November 14, 2023, via Resolutions 2023-21 and 2023-22, and no further review by the Planning Commission is required under state or local law; and

WHEREAS, on February 24, 2025, the City Council held a duly noticed public hearing to independently consider the Final EIR and to receive public comments on the Final EIR; and

WHEREAS, at the February 24, 2025 duly noticed public hearing, the City Council certified the Final EIR by Resolution 2025-XXX; and

WHEREAS, in compliance with Public Resources Code Section 21081(a) and CEQA Guidelines Section 15091(a), the City of Petaluma makes one or more of the required findings for each identified significant impact, supported by substantial evidence, as set forth in the Findings of Fact, attached hereto as **Exhibit A** and incorporated herein by reference; and

WHEREAS, in compliance with CEQA Guidelines Section 15091(d), a Mitigation Monitoring and Reporting Program for the project has been prepared as set forth in **Exhibit B**, attached hereto and incorporated herein by reference, to ensure that all feasible mitigation measures which serve to reduce environmental impacts of the Project as recommended by the Project EIR are fully implemented; and

WHEREAS, no physical development is proposed or would be approved as a result of City Council approving the General Plan Amendment and adopting the Zoning Amendments; and

WHEREAS, approval of the EKN Appellation Hotel as currently proposed is contingent upon approval of the GPA and adoption (first and second reading) of the ZMA and ZTA; and

WHEREAS, approval of the EKN Appellation Hotel is further contingent upon meeting the regulations, criteria, and findings of the Overlay, subject to independent discretionary review at a separate, publicly noticed hearing of the Historic and Cultural Preservation Committee; and

WHEREAS, physical development of other sites within the Overlay would be subject to separate discretionary review processes, including Site Plan and Architectural Review (SPAR), Historic Site Plan and Architectural Review (H-SPAR), and/or Conditional Use Permit (CUP); and

WHEREAS, consistent with the California Environmental Quality Act (CEQA), these discretionary actions meet the definition of a project, and would be subject to independent CEQA analyses to determine potential impacts of site-specific developments; and

WHEREAS, all future development proposals within the Overlay would also be subject to mitigation measures contained in the MMRP, attached hereto as **Exhibit B**, including measures with clearly defined criteria for which the City of Petaluma will apply in determining the impacts of future development; and

WHEREAS, consistent with CEQA, the City of Petaluma, as the lead agency may rely on future studies required by mitigation measures in the MMRP, attached hereto as **Exhibit B** for site-specific developments as these future studies will inform site-specific mitigation design to fit on-the-ground environmental conditions; and

WHEREAS, because the Overlay will not result in direct physical development, identifying site-specific mitigation measures for potential impacts to the resource areas identified in the certified EIR (City Council Resolution 2025-XXX) is not appropriate at this time as this would represent speculative analysis under CEQA; and

WHEREAS, on February 14, 2025, a Notice of Availability, Notice of Intent to Certify, Notice of Public Hearing, and the Final EIR were filed with the State Clearinghouse and the Sonoma County Clerk, published on the City's website, circulated in the Argus Courier, mailed to interested persons who requested notification, responsible, trustee and other public agencies, and mailed to all owners and occupants of properties within a 1,000

foot radius of the perimeter of the Overlay study area, commencing the required 10-day public review period beginning on February 14, 2025, and extending through February 24, 2025; and

WHEREAS, on February 24, 2025, the City Council held a duly noticed public hearing to consider the General Plan Amendment, at which time all interested parties had the opportunity to be heard.

NOW, THEREFORE, BE IT RESOLVED, by the council of the City of Petaluma as follows:

1. The above recitals are hereby declared to be true and correct and are incorporated into the resolution as findings of the Petaluma City Council.
2. The potential environmental impacts of the Downtown Housing and Economic Opportunity Overlay, including the proposed General Plan Amendment, were fully analyzed in the Downtown Housing and Economic Opportunity Overlay and EKN Appellation Hotel Final EIR (SCH #2024040565) containing all the requirements of CEQA Guidelines Section 15132, inclusive of references, appendices, and all attachments thereto.
3. Adopts, as required by CEQA and based on substantial evidence in the record, the Findings of Fact regarding potentially significant effects of the Project, attached hereto as **Exhibit A** and incorporated herein by reference.
4. Adopts the Mitigation Monitoring and Reporting Program for the Project, attached hereto as **Exhibit B** and incorporated herein by reference, to ensure that all mitigation measures relied on in the Findings are fully implemented. Compliance with the MMRP, as set forth therein, will be made a condition of any subsequent Project approval
5. The City Council action to adopt this resolution shall take effect on the same date that the City Council adopts (gives second reading to) the Zoning Text and Zoning Map Amendments, Ordinance No. XXXXX N.C.S. which was introduced by City Council on February 24, 2025, such that Ordinance No. XXXXX N.C.S. and this resolution shall have the same dates of adoption by the City Council.
6. Government Code Section 65358 allows General Plan amendments when it is deemed in the public interest to do so. As stated in Sections 9-11 below, the proposed General Plan Amendment is in the public interest.
7. The City Council hereby approves a General Plan Amendment to amend the text contained in the Land Use, Growth Management, & the Built Environment Element, Section 1.2 Land Use Framework, Page 1-7 of the City of Petaluma 2025 General Plan as follows (additions are in underline, and deletions are in ~~striketrough~~):

Mixed Use (outside of the CPSP)

Mixed Use (2.5–6.0 maximum FAR). This classification requires a robust combination of uses, including retail, residential, service commercial, and/or offices. Development is oriented toward the pedestrian, with parking provided, to the extent possible, in larger common areas or garages. Maximum FAR including both residential and non-residential uses² is 2.5, except that a maximum FAR up to 6.0 may be approved for areas within the Downtown Housing and Economic Opportunity Overlay Zone. The and maximum residential density for all areas designated Mixed Use is 30 d.u./acre.

² This FAR is simply calculated by dividing total floor area of all uses—residential and non-residential, but excluding parking—by the site net area.

8. The City Council finds that the proposed General Plan Amendment to increase the allowable floor area ratio for areas designated Mixed Use and located within the Overlay from 2.5 to 6.0 is in the public interest as it incentivizes higher-intensity, mixed-use development in Downtown Petaluma by increasing development potential, thereby promoting infill development, increasing opportunities for transit use, creating a more walkable, vibrant Downtown, increasing the diversity of housing, retail, and cultural opportunities, and preserving and enhancing the City’s historic character. Moreover, the General Plan Amendment is consistent

with and implements existing General Plan policies contained in the Land Use, Growth Management, and the Built Environment Element (Policies 1-P-1, 1-P-3, 1-P-6, 1-P-7, 1-P-11, 1-P-12), Community Design, Character, and Green Building Element (Policies 2-P-3, 2-P-5, 2-P-14, 2-P-17), Mobility Element (Policy 5-P-43), Economic Health and Sustainability Element (Policies 9-P-12, 9-P-13, 9-P-14), and Housing Element (Policies 1.1, 1.3, 1.4, 1.6, 1.7, 2.1).

9. The City Council finds that the proposed General Plan Amendment to increase the allowable floor area ratio for areas designated Mixed Use and located within the Overlay from 2.5 to 6.0 is in the public interest as it supports three out of the five categories of City Council Goals including An Economy that Prospers, Spaces and Places that Inspire, and Our Environmental Legacy, in that the Overlay: creates a discretionary review process that provides for flexibility in current development standards and allows the City to consider increased development intensity in the core of Petaluma's downtown, in proximity to services and transit and in an area supported by an expanded network of active transportation options; includes specific design standards to ensure that any increased development potential is only allowed if designed to be compatible with and appropriate to the Downtown area; encourages appropriately designed infill development on underutilized parcels in the City's Downtown, supporting housing growth and strengthening the City's tax base and revenue; and helps reduce urban sprawl and VMT, promoting a more sustainable, transit-oriented community which supports the City's commitment to climate initiatives and reduction in greenhouse gas emissions.

10. The City Council finds that the proposed General Plan Amendment to increase the allowable floor area ratio for areas designated Mixed Use and located within the Overlay from 2.5 to 6.0 is in the public interest as it, in part, implements Actions TLUC-1 and TLUC-2 of the adopted Blueprint for Climate Action, as it allows for higher intensity development in the Downtown area, which increases development potential in one of the City's most walkable areas, thereby supporting development of more viable mixed-used projects near high-quality transit corridors and contributing to the vision of 15-minute neighborhoods. By supporting incremental infill development through increased development potential, the Overlay contributes to reducing greenhouse gas emissions associated with the reliance and use of single-occupancy vehicles as it positions residential, commercial, and other uses near reliable transit, and further promotes a shift towards active transportation, directly supporting the City's climate action and sustainability goals.

Under the power and authority conferred upon this Council by the Charter of said City.

REFERENCE:

I hereby certify the foregoing Resolution was introduced and adopted by the Council of the City of Petaluma at a Regular meeting on the 24 day of February 2025, by the following vote:

Approved as to
form:

City Attorney

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

City Clerk

Mayor

EXHIBIT A
FINDINGS OF FACT

EXHIBIT B
OVERLAY AND HOTEL
MITIGATION MONITORING AND REPORTING PROGRAM (MMRP)