

## Responses to Council Questions and Comments

11/18/2024

### **Item #11: Conduct a Public Workshop, Receive a Presentation and Public Comment, and Provide Direction on the Proposed Downtown Housing and Economic Opportunity Overlay, including General Plan and Zoning Amendments; File No. PLPJ-2022-0015 (PLGP-2023-0001 & PLZA-2023-0002)**

- **Question:** Can the required findings for a residential and commercial project CUP differ? For instance, can maximum height limits be different for residential and commercial projects?
  - **Response:** Yes, there can be different standards for residential and non-residential uses. Given potential concerns related to the State Density Bonus Law and the uncertainty surrounding whether a request for additional height under the law could be combined with the height permitted by the proposed ordinance, the Council may wish to consider limiting the additional height allowance exclusively to non-residential uses.
- **Question:** Increasing the residential density is key for promoting housing. Can we increase the residential density on parcels covered by the Overlay? If not, why?
  - **Response:** The Draft Environmental Impact Report (DEIR) analyzed the potential impacts of the ordinance at the current allowable density. Accordingly, any additional density would require additional analysis in the EIR and a General Plan Amendment to increase maximum density allowed in the Mixed Use land use designation. This would likely require the City to recirculate the DEIR.
- **Question:** Can we adopt a version of the Gen-H right-sized impact fee proposal alongside the Overlay to encourage more modest sized housing?
  - **Response:** Yes, but it is recommended that potential fee amendments be addressed holistically at a later date. In addition to the limited reductions already adopted by the City Council for certain City-assisted or non-profit owned and managed affordable housing projects, the City will be doing a comprehensive update to Development Impact Fees after General Plan adoption in 2026.
- **Question:** Can we add or remove the parcels in the Overlay? For instance, can we include the vacant lot at the corner of D and Petaluma Blvd. So.?
  - **Response:** The Draft Environmental Impact Report (DEIR) analyzed the potential impacts of the ordinance with the current boundaries. While it would be permissible to reduce the scope of the boundary, any boundary that increases in size or that incorporates parcels not previously analyzed may require recirculation of the DEIR. This is a key note that is identified in the on-going General Plan Update and could be considered by the Council during that process. However, the Council could choose to not include all of the overlay subareas or to reduce the size of one or more subareas, removing some parcels from the Overlay without recirculation of the DEIR because such a change would be

## Responses to Council Questions and Comments

11/18/2024

subtractive only and reduce potential overlay impacts that have already been analyzed.

Note that although the requested parcel is also part of the Petaluma Central Specific Plan and zoned T-5, which allows up to 6 stories with specific findings made during the discretionary review process, the CPSP includes a three-story limitation along the Petaluma Boulevard frontage, which would limit height directly along that frontage but potentially allowing it to step up in other areas.

- **Question:** Can we re-establish a design review board as part of adopting the Overlay?
  - **Response:** The establishment of a Design Review Board would require amendments to the Municipal Code, creation of enabling legislation, dedicating resources for ongoing staff liaison. Additionally, there may be additional code amendments that would be needed to consider review authority for projects in designated historic districts. While the City Council could prioritize establishment of a Design Review Board, it would be important to look holistically at the implementation and consider unintended consequences to modify the City's review process. The time necessary to prepare for potential creation of a design review board would add months to the project processing timeline because it would involve substantive amendments to the City's Site Plan and Architectural Review requirements and other administrative provisions in the Zoning Ordinance, and also creation of new enabling legislation for a new subordinate body.

If there is a desire to provide a more robust design review process to meet the finding of "exceptional architecture" proposed as part of the overlay that would be important feedback from the City Council for staff before it is presented for Council action.

- **Question:** The Staff report says that 40 parcels are involved in the overlay, page 11. Attachment 7 says that there are 29 parcels.
  - **Response:** The overlay presented to the Planning Commission and the HCPC in November 2023 includes 40 parcels. The 29 referred to in the Parcel Inventory refers to a subset of the 40, to represent those parcels that were found to be underdeveloped and underutilized.
- **Question:** Will any additions or modifications go to Planning Committee after tonight before it comes back for City Council approval in December? Any changes, would it impact the ongoing CEQA process? Would changes affect the EIR?
  - **Response:** Subtractive changes to the Overlay options that the Planning Commission considered and to the overlay impacts that the DEIR already analyzed do not need to be returned to the Planning Commission or receive further environmental analysis. The Planning Commission has already recommended that the City Council adopt the Overlay Ordinance with some modifications, and the environmental consultants have already analyzed the full

## Responses to Council Questions and Comments

11/18/2024

extent of the recommended overlay and its environmental impacts. Additive changes to the overlay, raising new legislative changes not already considered and/or including new parcels and potential new environmental impacts could require a return to the Planning Commission for review, and further environmental analysis and potential recirculation of the EIR.

- **Question:** Can I have clarification on FAR vs. residential density? FAR is commercial and units/acre measurements is for residential? EIR explained that the overlay doesn't allow for more residential units downtown over what is allowed now, so if the City is not adding more residential density downtown, what is the benefit? Also why not wait to add to the General Plan 2025?
  - **Response:** FAR or Floor Area Ratio compares the floor area or square footage of the proposed development envelope with the square footage of the project site to ensure that the project FAR is not such that the project will take up a greater proportion of the lot square footage than permitted. The FAR is the permitted amount of the lot the project can take up taking into account the applicable setbacks. FAR applies to the size of the development and does not pertain to the specific land use. The maximum permitted FAR applies to the square footage of the building in relation to the size of the property.  
Residential density is the number of residential units permitted per net acre. Different projects could have the same FAR and different density depending on the square footage per unit and height of the structure. The overlay as proposed could provide benefits for residential development even if the Council chose to exclude residential development from the building height increase possible under the overlay. Currently the proposed overlay would allow an increased in FAR, as well as first-floor residential, which otherwise would not be permitted in the downtown. The overlay has been proposed as a means for the Council members that wish to be able to approve the EKN project as proposed and to approve a limited number of other commercial or residential developments downtown consistent with the City's existing General Plan policies promoting economic and housing development in the City's urban core.
- **Question:** Question from the public on the addition of a City design Review Committee with guidelines for new projects that complement our City's unique appeal? Also can the City obtain a professional historic preservation planning firm's assistance with detailed & comprehensive historic guidelines?
  - **Response:** Please see the answer regarding potential creation of a design review board, above. The City's Historic District already has historical guidelines. The City can retain whatever professional expertise is desirable regarding its development guidelines, including its historic guidelines, which will be reviewed as part of the General Plan update that is underway.

## Responses to Council Questions and Comments

11/18/2024

- **Question:** How does the Overlay align with the General Plan Update? I'm being shown tables from the GP public meetings that do not show the same FAR and height as the Overlay.
  - **Response:** The Land Use Framework provides three alternatives for the downtown overlay (Figure 11).

The Base was "no change" to the existing development standards

Alternative 1 is the "proposed overlay" allowing 6 stories within the proposed overlay boundaries. It looks like the boundary of the overlay shown in Alternative 1 includes the modifications recommended by the Planning Commission.

Alternative 2 is an "expanded overlay boundary" which includes six stories in a larger area than the proposed overlay boundaries.

The land use designation shown to allow six stories is "T6 Urban Core Mixed Use". All land use designations in the land use framework are draft to solicit input. An increased density up to 90 units per acre is shown in this land use designation and a max height up to 6 stories.

The process with the overlay will largely inform some of the final details proposed in the General Plan update.

### Attachment 1

- **Question:** The development standards are clear. What architectural requirements are in the overlay?
  - **Response:** The Overlay doesn't offer specific architectural requirements. However, it does provide the opportunity for Historic Commercial District Guidelines, Secretary of Interior standards, and architecture of existing development to be considered during discretionary review.
- **Question:** Is "exceptional" architecture the only way of describing our desires?
  - **Response:** "Exceptional" is quite subjective. Staff could develop essential design guidelines or a design framework to support evaluation, and this would be helpful, but subjectivity would still be present. This is a draft ordinance and a workshop tonight, so please provide feedback on any of the findings.
- **Question:** How does the Chase Bank access on site parking, can a driveway go on Western or Kentucky?

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## Responses to Council Questions and Comments

11/18/2024

- Response: Yes, access to the current Chase Bank site is possible from either public street. It wouldn't have to be from Western and Kentucky, which is the current development situation.
- **Question**: What are the height, FAR and Lot Utilization for the Chase Bank currently?
  - Response: GIS data indicate that the Gross Lot Area is 0.38 acres, or ±16,522 SF, and the existing building footprint is ±3,130 SF. Lot coverage would be ±24%, where 80% is currently the maximum allowed. FAR would be ±0.19, where 2.5 is the maximum allowed. The existing structure is a ± 16-foot-tall, 1-story building.
- **Question**: CUP for parking says below grade, pg 31. Can that be first floor behind the shops?
  - Response: Yes, if the project site allowed for this development approach. The Council would need to consider the impacts of ground level structured parking on the pedestrian environment. Given the existing street pattern and block size, it seems that it would be challenging to develop ground-level structured parking without exposing the pedestrian environment to it, like Keller Street Garage currently does, and without more pedestrian-engaging ground floor uses.

### Attachment 6

- **Question**: Has the Downtown Overlay Market and Development Impacts Assessment and Fiscal Analysis of City Revenues Associated with the Proposed Hotel Project by Strategic Economics, been made public at a meeting?
  - Response: Yes. The Impacts Assessment and Fiscal Analysis document was made publicly available on [November 14, 2023](#), as part of the joint PC/HCPD public hearing meeting item and has been used in the multiple public meetings since its release.
- **Question**: See pg 17 - what would the projected property tax to schools be from the same analysis?
  - Response: The Downtown area is located within Petaluma City Schools (PCS) jurisdiction. PCS collects "Developer Fees" and has full authority over the distribution of these fees; therefore, the economic impact analysis prepared for the EKN Appellation Hotel project does not analyze PCS assessed fees. PCS residential development fees are currently assessed at \$5.17 per square foot and commercial development fees are assessed at \$0.84 per square foot. These figures reflect combined Elementary and High School District assessments, each of which is approximately ½ the amount of the total assessment. City staff can coordinate preparation of a PCS developer fees estimate in response to a request from City Council. Per County of Sonoma, 48% of property taxes go to schools with an additional 9% to cities.  
<https://sonomacounty.ca.gov/administrative-support-and-fiscal->

## Responses to Council Questions and Comments

11/18/2024

[services/auditor-controller-treasurer-tax-collector/divisions/property-tax-accounting](#)

### Attachment 7

- **Question:** Has the Proposed Downtown Housing & Economic Opportunity Overlay Parcel Inventory Report, November 2023 been made public previous to this agenda?
  - **Response:** Yes. The Parcel Inventory Report was made publicly available on [November 14, 2023](#), as part of the joint PC/HCPD public hearing meeting item.
- **Question:** Is more parking utilization data available for the Keller St garage than is in the report?
  - **Response:** See table below for data collected by Downtown Area Parking Management Plan sub-consultant, Tripod Data Systems, on Friday, June 21 and Saturday, June 22, 2024. As noted in the staff report, additional weekday data was recently collected and is being compiled.

#### Keller Street Garage (City of Petaluma)

	Spaces Occupied (Out of 340)	Utilization %
Friday, 7-10 AM	134	39.4%
Friday, 3-6 PM	170	50.0%
Friday, 6-9 PM	152	44.7%
Saturday, 1-4 PM	256	75.3%
Average	178	52.4%

#### Theatre Square Garage (Basin Street Properties)

	Non-Reserved Spaces Occupied (Out of 386)	Non-Reserved Utilization %	Total Spaces Occupied (Reserved & Non- Reserved; Out of 500)	Total Utilization %
Friday, 7-10 AM	207	53.6%	256	51.2%
Friday, 3-6 PM	251	65.0%	309	61.8%
Friday, 6-9 PM	220	57.0%	300	60.0%
Saturday, 1-4 PM	148	38.4%	206	41.2%
Average	207	53.5%	268	53.6%

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