

## **Proposed Downtown Housing & Economic Opportunity Overlay Parcel Inventory Report, November 2023**

### **Executive Summary**

The Parcel Inventory Report presents and summarizes analysis of development potential for parcels in the proposed Downtown Housing & Economic Opportunity Overlay Zone (Downtown Overlay) and finds that 85% of the parcels are underdeveloped using the methodology described in the report. The proposed Downtown Overlay is in Petaluma's Downtown subarea as defined in the Petaluma General Plan 2025 and proposes establishing three subareas. Data collected for the inventory document the existing conditions and state of development of the parcels included in the subareas as defined by the Downtown Overlay project. The report introduces and discusses a comparison between the existing conditions of the parcels and the allowed uses under the City of Petaluma's Implementing Zoning Ordinance (IZO). The comparison was conducted using a scoring system calculating the building height optimization, land use mix, and lot coverage of each parcel. The data indicate that 85% of the parcels in the subareas are underdeveloped, including 92% of Subarea A, 100% of Subarea B, and 80% of Subarea C. This analysis concludes that opportunities for redevelopment exist in the subareas proposed as part of the Downtown Overlay project.

### **Purpose**

The purpose of this report is to use data to inform decisions about the proposed Downtown Overlay. This report relies on a combination of quantitative and qualitative analyses of existing development and land use data described herein. During the August 8, 2023, Planning Commission overlay study session, members of the Commission asked questions regarding individual structures or developed sites within the subareas. City Staff acknowledged the need for additional documentation regarding the parcels and the need for data-driven analyses to guide decision-making. The parcel inventory provides detailed background information on the conditions and levels of development of the subject parcels in the three subareas of the proposed Downtown Overlay as defined following the August meeting. The analysis compares existing development and land use activity to that allowed by adopted Implementing Zoning Ordinance (IZO) land use and development regulations. Decision makers can use this inventory to inform decisions about regulatory changes that may incentivize development in the existing context as well as the desired state of the area.

### **Methodology**

The methodology used to collect, analyze, and present findings of the parcels in the proposed subareas included (1) identifying essential land use and development characteristics to guide data collection, (2) developing an inventory of existing development using the data points, and then (3) analyzing these data using a scoring matrix. The inventory reflects a summary of the existing conditions of the parcels, including but not limited to their size, whether there are structures on the parcels, building characteristics, and current uses. It supports general information sharing and understanding of subarea land use and development trends at the parcel level.

To complete the inventory, staff conducted an onsite survey, collecting information on the development characteristics of the parcels at the time of writing this report. Parcel information for each parcel, including the parcel area and building size(s), was collected using the City of Petaluma's GIS database and is noted as an approximation. Height was recorded as the number of stories. On-site documentation included identifying current uses and structure conditions and was recorded with color photographs of each subarea structure's frontages from the adjacent sidewalk. On-site documentation was completed between August 7 - 9, 2023.

Following the on-site survey and parcel data collection, a scoring matrix was created to identify (a) building height optimization, (b) land use mixes, and (c) lot coverage of the parcels as they currently exist at the time of writing this report. This allowed for the quantification of existing parcel development in the proposed subareas. Development potential of the parcels is directly related to allowed heights, uses, and lot coverages as regulated by the IZO. The existing development on the parcels is compared to the potential development possibilities. Parcels with significantly less development than allowed under the IZO are considered underdeveloped and may offer opportunities for future development. The classification of underdeveloped is a description of a parcel's existing conditions. The classification is not a guarantee of built changes on the parcel, including demolition of existing structures or redevelopment. For the purpose of the inventory, economic data, including sales and property tax revenue, and employment within the parcels of the subarea were not collected. While economic data impacts development, the purpose of the inventory is to analyze land development from the perspective of comparing possible development under the IZO to observed development. Development depends on overall demand for a given use and location, and whether land use regulations and allowances support developers to better attract businesses or residents, achieve higher rents or sales prices, reduce construction costs per square foot, or design a building with greater operating efficiency. Building design factors such as height, configuration, and uses drive significant differences in construction costs per square foot of building area and play a role in determining the building's operating efficiency for the owner or operator and the building's attractiveness for tenants.

Parcel data were analyzed, and parcels were scored based on their respective existing conditions. The scores are comprised of values in three categories: (a) building height optimization, (b) land use mix, and (c) lot coverage, with an additional cumulative score presented. The three categories weigh different criteria on an interval scale of 0 to 3. The total score adds the individual category scores for each parcel to present a combined score between 0 and 9.

#### *(a) Building Height Optimization*

The building height optimization score analyzes the extent structures on the parcel utilize maximum allowable building heights outlined in the current IZO. A score of 0 (represented by dark green) is assigned to lots with no structures built on them. Scores of 1, 2, and 3 (represented by increasingly lighter shades of green) are assigned to lots with 1-, 2-, and 3-story structures, respectively.

#### *(b) Land Use Mix*

The land use mix score analyzes how the parcel utilizes allowable zoning uses regulated by the IZO. A score of 0 (represented by dark blue) is assigned to lots with no active uses.

Lots without active uses include completely vacant land or lots with only vacant structures built on them. A score of 1 represents only a surface parking lot on the parcel, 2 represents a single-use parcel (commercial or office), and 3 represents a mixed-use parcel (residential-commercial). For the purposes of this analysis, parking garages were assigned a score of 2 rather than 1 due to their more intense use of their land area and significant amounts of developed infrastructure compared to surface parking lots.

*(c) Lot Coverage*

The lot coverage score analyzes how much of the parcels are covered with one or more structure. A score of 0 (represented by dark yellow) is assigned to lots with no developed structure(s) or parcels with a lot coverage of less than 25%. Scores 1, 2, and 3 (represented by increasingly lighter shades of yellow) are assigned to lots with 26% to 50%, 51% to 75%, and 76% to 100% of the lot areas covered, respectively.

*(d) Total Score*

The total score represents added scores of the other three criteria and showcases the existing conditions of development on the individual respective parcels in the study area. The total scores are graded on a score between 0 and 9, with 9 representing a parcel on which development utilizes all of the allowances granted under the IZO. Parcels with a total score of 0-3 represent parcels that can be considered significantly underdeveloped when compared to what is allowed by the current IZO. Significantly underdeveloped parcels can include vacant lots, vacant buildings, and surface parking lots, among others. Parcels that have a total score of 4-6 represent parcels that can be considered moderately developed when compared to what is allowed by the current IZO. Moderately developed parcels can include commercial uses that might not be taking full advantage of the height, lot coverage, or land use allowances. Parcels that have a total score of 7-9 can be considered fully developed when compared to the IZO allowances. Fully developed parcels, while not necessarily taking advantage of all of the height, lot coverage, or land use allowances, take advantage of most of the allowed characteristics.

The scoring criteria are intended to showcase how much each individual parcel is utilized. Those with lower scores may provide an estimate of which lots are more likely to be redeveloped with the addition of the Downtown Overlay while those with higher overall scores may be less likely to be redeveloped. The findings of this analysis and its scoring methodology do not guarantee that any certain parcel or subarea would be developed. Any development within the proposed Downtown Overlay is discretionary and would need to be approved by the Planning Commission and/or the Historic and Cultural Preservation Committee, depending on discretionary entitlement requirement(s). Additionally, the scoring does not take into consideration if a parcel as a site or its structure(s) would be a historic resource(s), a factor that could impact development potential and may require additional discretionary review. The following subsections provide a summary for each subarea, including an observational narrative, survey data, and analysis.

## **Findings**

Overall, the majority of the total combined acreage of the subareas, 8.6 of  $\pm$  10.1 acres, or 86%, is underdeveloped and underutilized, as shown in Figure 2 below. Approximately 85% of all parcels

(± 29 parcels) exhibited a combined score of 6 or less out of 9, with nine parcels developed to the maximum extent of the allowable height and lot coverage, as well as supported residential-commercial mixed use. None of the parcels in any of the subareas scored an 8 or higher, meaning none of the parcels made use of all the height, land use, or lot coverage allowances outlined in the IZO.

Of the parcels in all the subareas, 32.5% or 13 parcels have lot coverage of 25% or less, and 62% or 25 parcels have less than half of their land area covered by a structure, as shown in Figure 3 below. Only 25% of all parcels, or 10 parcels, have lot coverage of more than 75%. This finding shows that the majority of the parcels in the total study area could be considered underutilized and underdeveloped when considering the maximum allowable lot coverage allowances in the IZO.

Most parcels within the study area are developed with single-story structures, with 19 parcels of 47% of all parcels, as shown in Figure 4 below. By comparison, 25% of parcels, or 10 parcels are completely vacant of structures, and 11 parcels, or 27% of the study area, contain 2-story structures. None of the parcels in the study area are developed with 3-story structures, the maximum allowed according to the IZO.

Throughout all of the subareas, parcels support only single uses, with none of the parcels utilizing the mixed-use residential and commercial allowances found in the IZO. The majority of the parcels, 27 parcels or 67% of the total study area, include only commercial uses, as shown in Figure 5 below. Nine parcels, or 22% of the total area, do not support any uses, and four parcels, or 10% of the parcels are used exclusively as surface parking lots.

#### *Subarea A Findings*

Subarea A had the lowest rate of parcel utilization with 61% of parcels and 41% of total land area scoring 3 or less. This means that parcels in Subarea A are likely to be developed due to their underutilization of IZO use and structure allowances.

#### *Subarea B Findings*

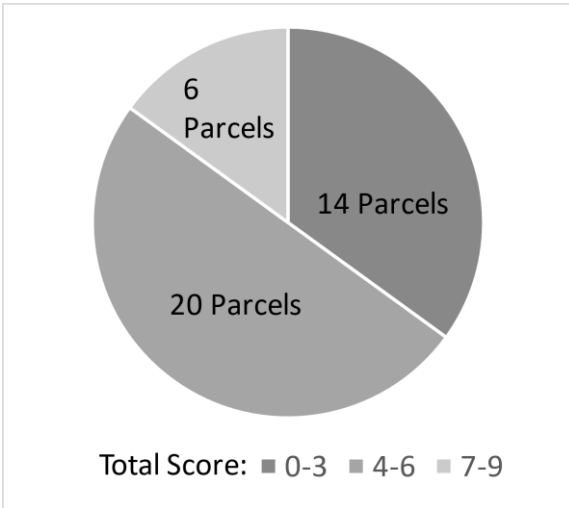
Subarea B had a moderate rate of parcel utilization with 100% of land area scoring 3 or more, but less than 6. Both of the parcels include either a 1- or 2- story commercial building with a surface-level parking lot. The low scores of both of the parcels reveal that they significantly underutilize their parcels and are likely to be developed.

#### *Subarea C Findings*

Subarea C had a low rate of parcel utilization with 24% of parcels and 13% of total land area scoring 3 or less. The subarea had an average parcel lot coverage of about 57%, with 13 parcels, or 52% of all parcels in the subarea having a lot coverage of more than 50%. This shows that within the subarea, majority of the parcels are underutilized and are likely to be redeveloped.

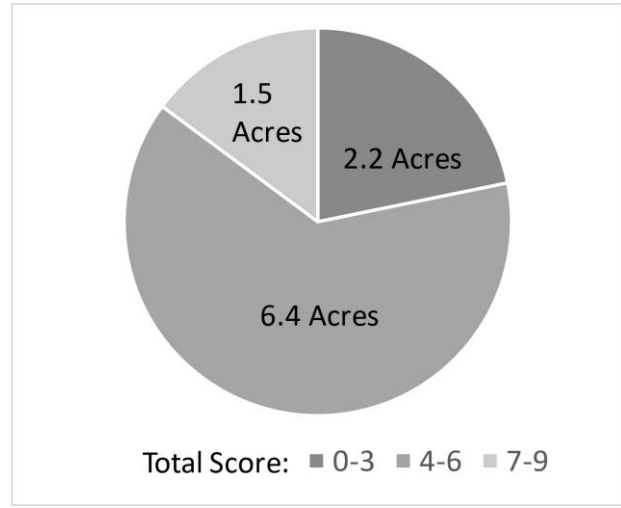
**Figure 1: Number of Parcels by Total Score in Subareas A, B, and C**

Source: Site Visit, 2023.



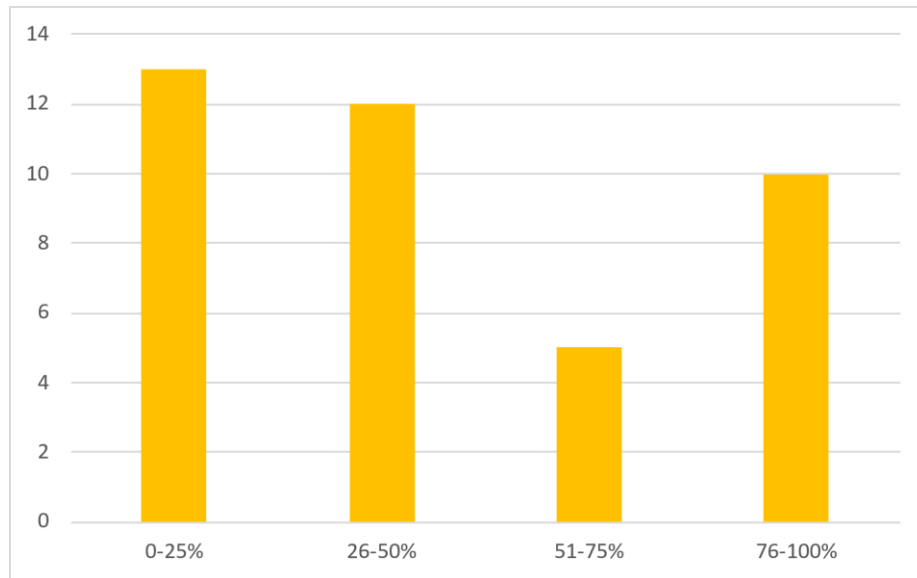
**Figure 2: Number of Acres by Total Score in Subareas A, B, and C**

Source: Site Visit, 2023.



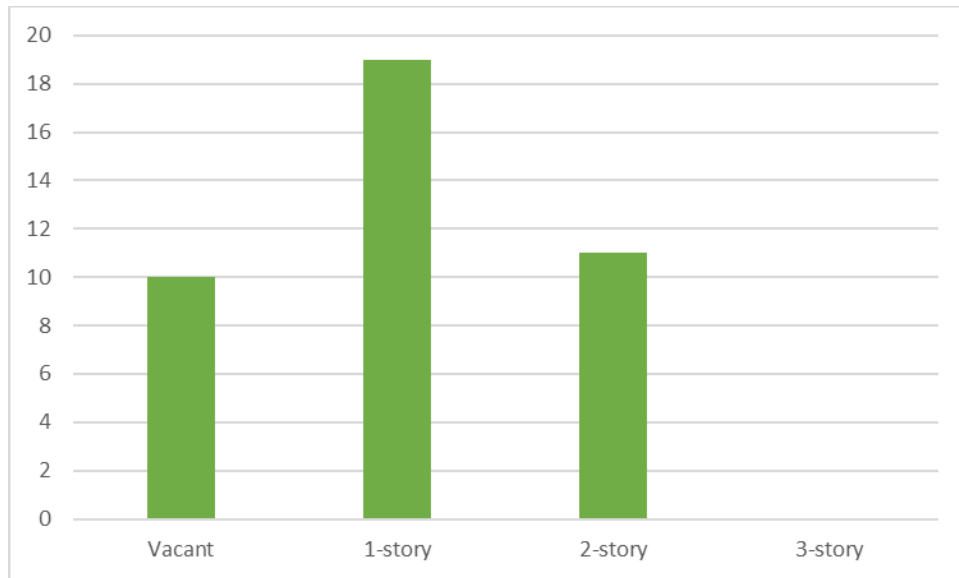
**Figure 3: Lot Coverage by Number of Parcels for Combined Subareas A, B, and C**

Source: Google Earth, 2023.



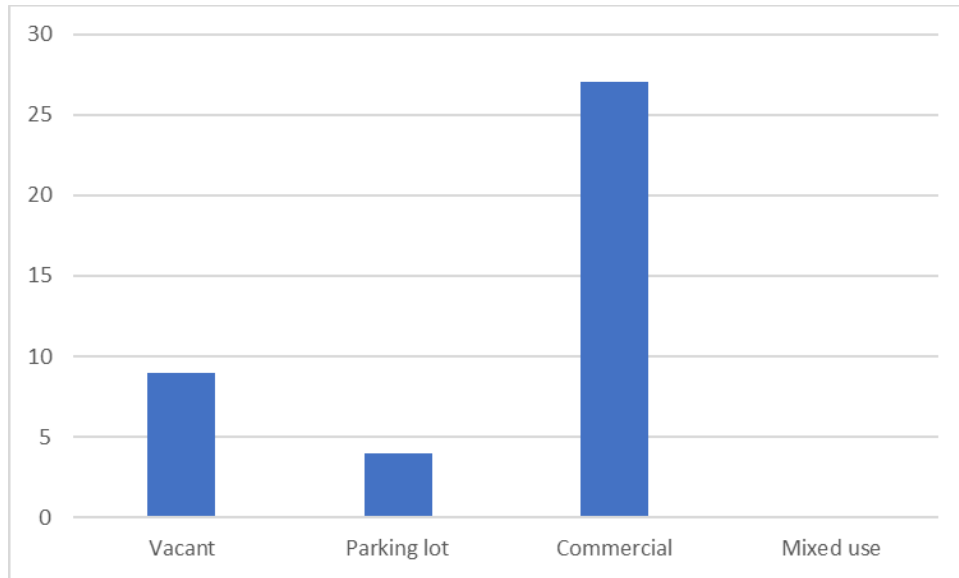
**Figure 4: Building Height Optimization by Number of Parcels for Combined Subareas A, B, and C**

Source: Site Visit, 2023.



**Figure 5: Land Use Mix by Number of Parcels for Combined Subareas A, B, and C**

Source: Site Visit, 2023.





## Appendix 1

### Subarea A

Subarea A is an approximately 3.09-acre<sup>1</sup> subsection of Downtown Petaluma located between Petaluma Boulevard S, and 4<sup>th</sup> Street, including the two blocks bound by B Street and D Street which contain a mix of commercial and office uses, as well as vacant parcels as highlighted in Figure 6. The area contains 13 parcels and includes 7 structures, identified as:

- The Rex Ace Hardware
- 7-Eleven
- Summit State Bank
- Compass co-working space
- The Bank of the West (now vacant) building
- Two other vacant buildings

Figure 2 shows an aerial of the subarea and Figures 7 and 8 highlight the conditions of each individual parcel by block. The subarea is largely underutilized with 8 entire parcels, and about 77% of the total area includes undeveloped parcels, vacant buildings, or is paved for parking. Few of the properties contain active street-facing uses, with about 600 feet or 30%<sup>2</sup> of total street frontage being occupied by directly adjacent active uses including stores, or banks.

Some of the uses in the subarea include, but are not limited to:

**Figure 6: Existing Structures in Subarea A**

*Source: Google Earth, 2023.*

**Rex Ace Hardware**

313 B Street



**7-Eleven**

124 Petaluma Boulevard S



**Vacant Lots**

2 Petaluma Boulevard S



<sup>1</sup> The area is an approximation of the acreage of the site as collected from the City of Petaluma's GIS Database.

<sup>2</sup> Street frontage is an approximation and was calculated using a combination of Google Earth imagery and in person observations. A frontage would be considered active if it had a commercial use directly adjacent to the sidewalk.

**Figure 7: Subarea A – Block 1 Parcel Information**

Source: Site Visit, 2023.

2-10 Petaluma Boulevard South			
<b>Parcel ID:</b>	008-063-008	008-063-009	008-063-011
<b>Current Use:</b>	Vacant lot	Vacant lot	Vacant lot
<b>Parcel Size:</b>	4,800 sqft.	4,800 sqft.	3,900 sqft.
<b>Scoring:</b>			
<i>Use Optimization:</i>	0 (not built up)	0 (not built up)	0 (not built up)
<i>Land Use Mix:</i>	0 (vacant)	0 (vacant)	0 (vacant)
<i>Lot Coverage:</i>	0 (0%)	0 (0%)	0 (0%)
<i>Total:</i>	0	0	0

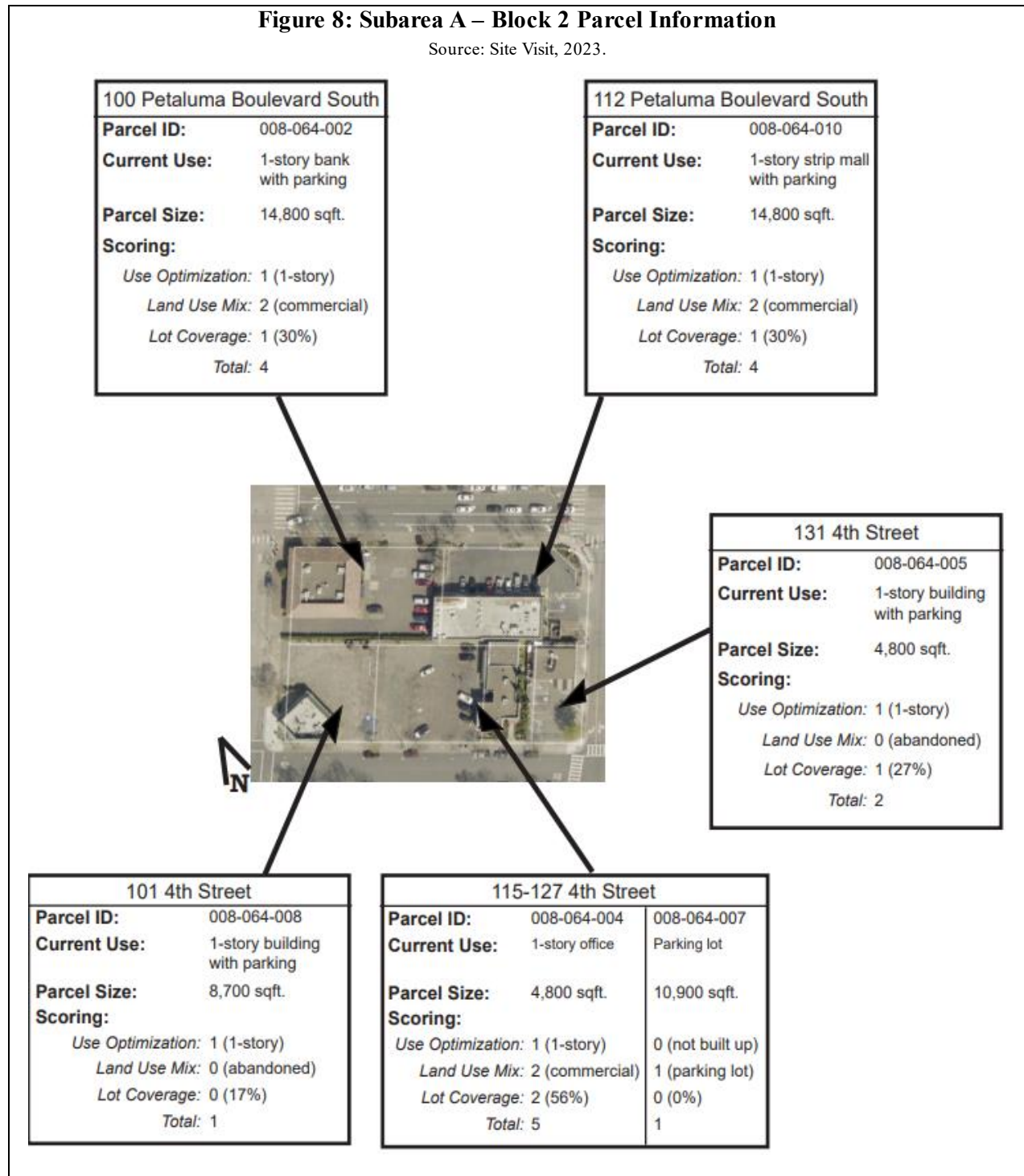


313 B Street	
<b>Parcel ID:</b>	008-063-012
<b>Current Use:</b>	2-story hardware store with parking
<b>Parcel Size:</b>	12,200 sqft.
<b>Scoring:</b>	
<i>Use Optimization:</i>	2 (2-story)
<i>Land Use Mix:</i>	2 (commercial)
<i>Lot Coverage:</i>	3 (94%)
<i>Total:</i>	7

20-24 Petaluma Boulevard South			
<b>Parcel ID:</b>	008-063-007	008-063-005	008-063-006
<b>Current Use:</b>	1-story bank with parking	Parking lot	Parking lot
<b>Parcel Size:</b>	21,800 sqft.	6,500 sqft.	12,200 sqft.
<b>Scoring:</b>			
<i>Use Optimization:</i>	1 (1-story)	0 (not built up)	0 (not built up)
<i>Land Use Mix:</i>	2 (commercial)	1 (parking lot)	1 (parking lot)
<i>Lot Coverage:</i>	2 (42%)	0 (0%)	0 (0%)
<i>Total:</i>	5	1	1

**Figure 8: Subarea A – Block 2 Parcel Information**

Source: Site Visit, 2023.



## Subarea A Analysis

Figure 9a identifies the heights of structures on the parcels and how most of the parcels in the subarea contain no built-up structures, with the highest structure being the 2-story Rex Ace Hardware store. Figure 9b highlights the mix of land uses, with all of the land uses in the subarea being used for either commercial or office space, parking, or are vacant. The coverage of each of the individual parcels by built-up structures is showcased in Figure 9c, with most of the parcels having structures that cover no more than 25% of the lot area. Combining the scores of all of the three scoring criteria provides the total development scores highlighted in Figure 9d, which depict how all but one of the parcels scored less than 6, meaning that most of the parcels in the subarea are underdeveloped when compared to the standards allowed.



## Appendix 2

### Subarea B Appendix

Subarea B is an approximately 0.93-acre<sup>3</sup> subsection of Downtown Petaluma located along Western Avenue on the block between Keller Street and Kentucky Street. The area contains 2 parcels including the properties of the current Wells Fargo and Chase banks, as well as their respective parking lots as shown in Figure 10. Both parcels are occupied, but the subarea is largely underutilized with about 76% of the total area utilized for parking lots. Both properties contain active street-facing uses, with two primary frontages because of their location. About 340 feet or 56%<sup>4</sup> of total street frontage being occupied by directly adjacent active uses including banks. Figure 11 highlights parcel-specific information within the subarea.

Some of the uses in the subarea include, but are not limited to:

**Figure 10: Existing Structures in Subarea B**

*Source: Google Earth, 2023.*

**Chase Bank**

101 Western Avenue



**Wells Fargo Bank**

125 Western Avenue



<sup>3</sup> The area is an approximation of the acreage of the site as collected from the City of Petaluma's GIS Database.

<sup>4</sup> Street frontage is an approximation and was calculated using a combination of Google Earth imagery and in person observations. A frontage would be considered active if it had a commercial use directly adjacent to the sidewalk.



**Figure 11: Subarea B Parcel Information**

Source: Site Visit, 2023.

101 Western Avenue	
<b>Parcel ID:</b>	008-051-024
<b>Current Use:</b>	1-story bank with parking
<b>Parcel Size:</b>	16,500 sqft.
<b>Scoring:</b>	
<i>Use Optimization:</i>	1 (1-story)
<i>Land Use Mix:</i>	2 (commercial)
<i>Lot Coverage:</i>	1 (27%)
<i>Total:</i>	4



125 Western Avenue	
<b>Parcel ID:</b>	008-051-025
<b>Current Use:</b>	2-story bank with parking
<b>Parcel Size:</b>	22,200 sqft.
<b>Scoring:</b>	
<i>Use Optimization:</i>	2 (2-story)
<i>Land Use Mix:</i>	2 (commercial)
<i>Lot Coverage:</i>	1 (30%)
<i>Total:</i>	5

## Subarea B Analysis

Figure 12a identifies the heights of structures on the parcels and how both parcels in the subarea are built up, with the highest structure being the 2-story Wells Fargo bank building. Figure 12b highlights the mix of land uses and how both parcels are used for commercial uses. The coverage of each of the individual parcels by built-up structures is showcased in Figure 12c, with both parcels having structures that cover no more than 50% of the lot area. Combining the scores of all of the three scoring criteria provides the total development scores highlighted in Figure 12d, which depict how both parcels scored less than 6, meaning that all of the parcels in the subarea are underdeveloped when compared to the standards allowed.



## Appendix 3

### Subarea C

Subarea C is an approximately 8.16-acre<sup>5</sup> subsection of Downtown Petaluma located between Washington Street and Western Avenue, containing the blocks between Court Street and Telephone Alley. The area is made up of 25 parcels and includes prominent structures such as the Phoenix Theater, Keller Street Parking Garage<sup>6</sup>, and the Petaluma Market grocery store properties. Figure 14 shows an overhead view of all the parcels in the subarea, while Figures 15, 16, and 17 highlight individual parcel information per block of the subarea. Parcels within the subarea occupy a range of single uses including restaurants, offices, theaters, stores, parking lots, auto shops, and vacant properties as shown in Figure 13. The area is largely underutilized with 9 entire parcels and approximately 3.36 acres, or 43% of the total land area being vacant or utilized for parking. Built-up parcels in the subarea are characterized by one- and two-story rectilinear buildings of varied architectural styles. The majority of the built-up parcels include street-facing buildings with entrances directly adjacent to the sidewalks. Few of the properties contain active street-facing uses, with about 260 feet or 7%<sup>7</sup> of total street frontage being occupied by directly adjacent active uses including restaurants or stores.

Some of the uses in the subarea include, but are not limited to:

**Figure 13: Existing Structures in Subarea C**

*Source: Google Earth, 2023.*

**Phoenix Theatre**

201 Washington Street



**Petaluma Market**

210 Western Avenue



**Vacant Lots**

131 Liberty Street



<sup>5</sup>The area is an approximation of the acreage of the site as collected from the City of Petaluma's GIS Database.

<sup>6</sup> For the purpose of this analysis, parking garage uses were categorized under commercial use due to their more intense land use patterns compared to surface parking lots.

<sup>7</sup> Street frontage is an approximation and was calculated using a combination of Google Earth imagery and in person observations. A frontage would be considered active if it had a commercial use directly adjacent to the sidewalk.



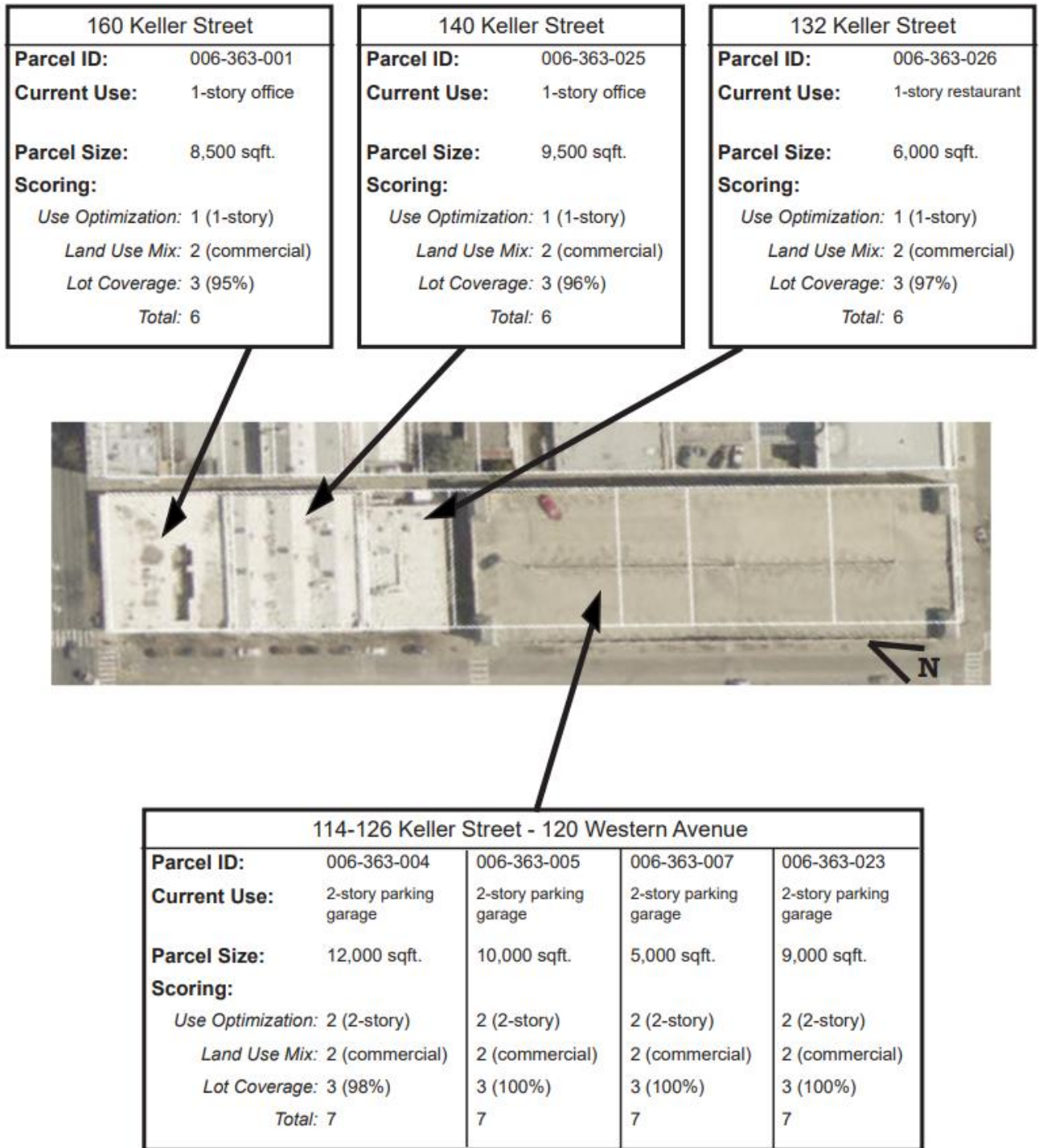
**Figure 14: Subarea C Overhead View**

Source: Google Earth, 2023.



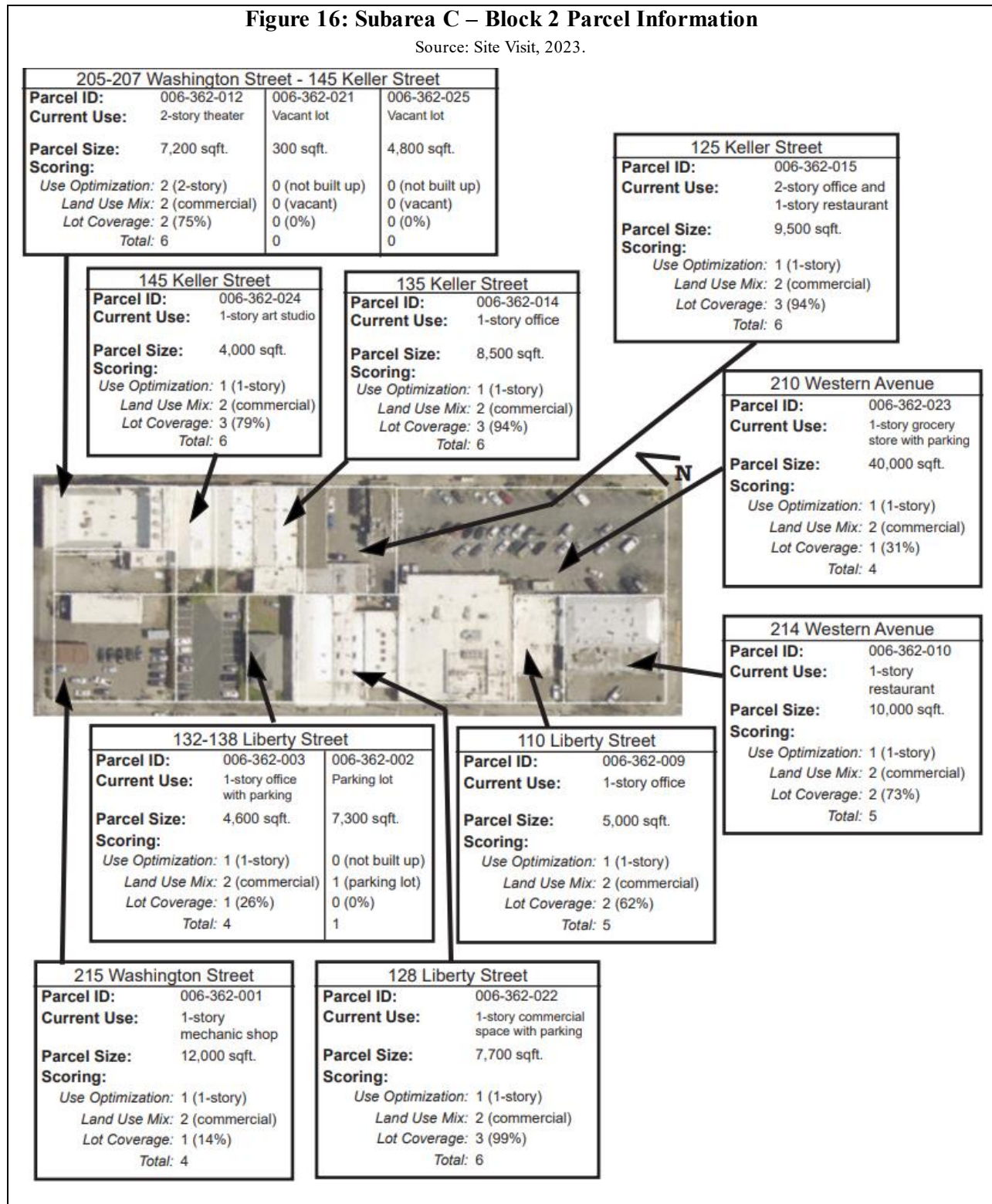
**Figure 15: Subarea C – Block 1 Parcel Information**

Source: Site Visit, 2023.



**Figure 16: Subarea C – Block 2 Parcel Information**

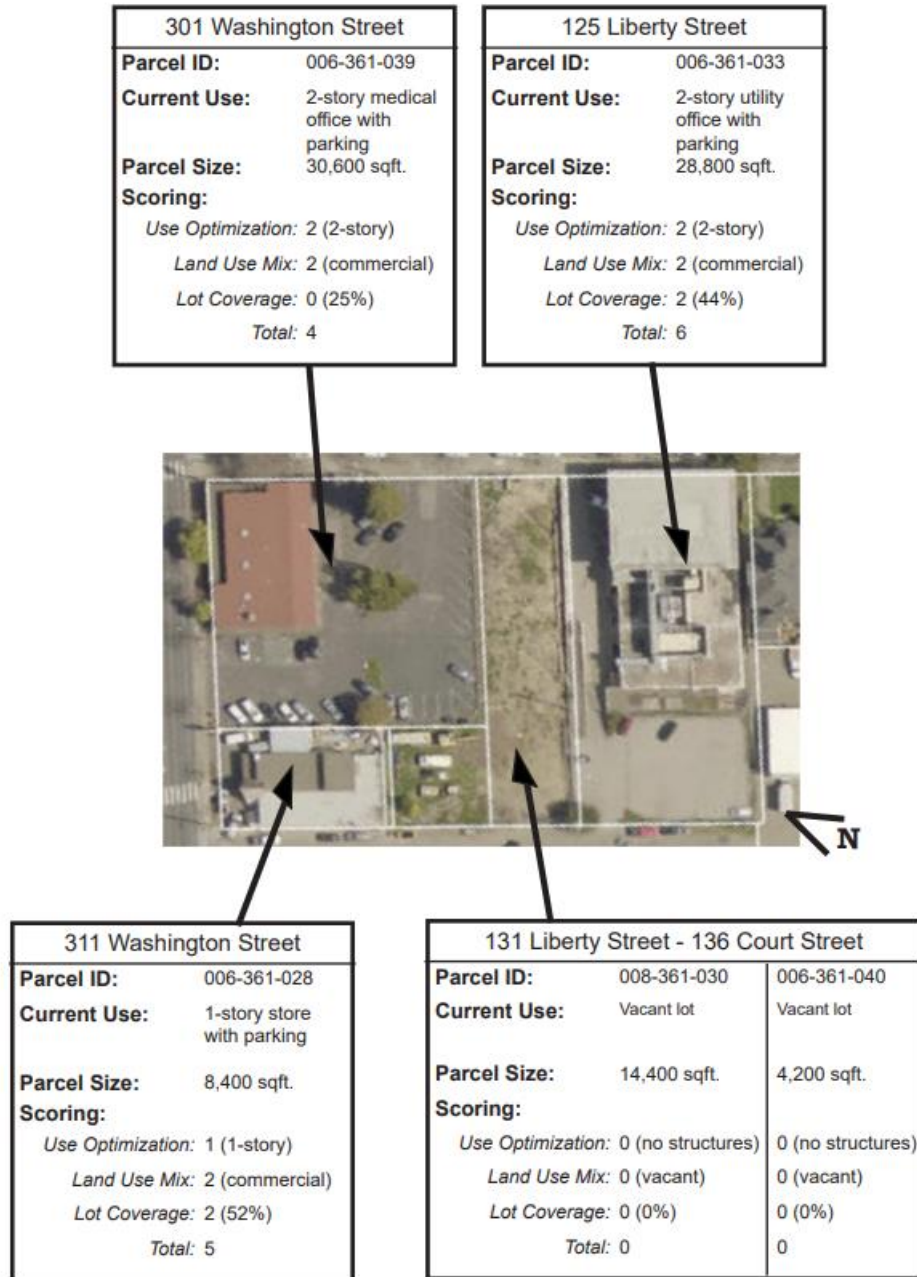
Source: Site Visit, 2023.





**Figure 17: Subarea C – Block 3 Parcel Information**

Source: Google Earth, 2023; Site Visit, 2023.



**Subarea C Analysis**

Figure 18a identifies the heights of structures on the parcels and how the majority of the parcels in the subarea contain 1-story structures, with nine structures being 2 stories tall. No structures utilize the maximum 3-story height, however, the Keller Street Parking Garage contains a section that utilizes the roof as space for parking, meaning that there are three levels for parking in the structure. Figure 18b highlights the mix of land uses, with all but five of the parcel land uses in the subarea being used for either commercial or office space. The coverage of each of the individual parcels by built-up structures is showcased in Figure 18c, with 10 of the parcels having structures that cover more than 75% of the lot area, and 12 parcels where the structures cover less than 50% of the lot area. Combining the scores of all of the three scoring criteria provides the total development scores highlighted in Figure 18d, which depict how all but five of the parcels scored less than 6, meaning that the majority of the parcels in the subarea are underdeveloped when compared to the standards allowed.

**Figure 18: Subarea C Analysis**

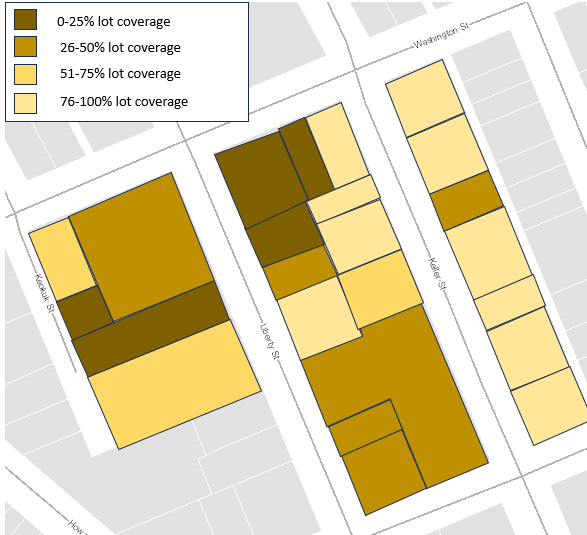
**(a) Building Height Optimization**



**(b) Land Use Mix**



**(c) Lot Coverage**



**(d) Total Score**

