

**EFFECTIVE DATE
OF ORDINANCE**

Month DD, YYYY

ORDINANCE NO. 2900 N.C.S.

Introduced by: John Shribbs

Seconded by: Janice Cader Thompson

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PETALUMA TO AMEND THE PETALUMA IMPLEMENTING ZONING ORDINANCE (IZO) TO ADD A DOWNTOWN HOUSING AND ECONOMIC OPPORTUNITY OVERLAY TO THE LIST OF OVERLAY ZONES PROVIDED IN TABLE 2-1 (ZONES) IN CHAPTER 2 OF THE IZO; TO ADD A FOOTNOTE REFERENCE TO TABLE 4.3 (ALLOWED LAND USES AND PERMIT REQUIREMENTS FOR MIXED USE ZONES) AND TABLE 4.10 (MU1 AND MU2 ZONE DEVELOPMENT STANDARDS) REFERENCING SECTION 5.070 OF THE IZO IN CHAPTER 4 OF THE IZO; TO ADD SECTION 5.070 AND ESTABLISH THE DOWNTOWN HOUSING AND ECONOMIC OPPORTUNITY OVERLAY ZONE IN CHAPTER 5 OF THE IZO; AND TO AMEND THE ZONING MAP OF THE CITY OF PETALUMA TO ESTABLISH A DOWNTOWN HOUSING AND ECONOMIC OPPORTUNITY OVERLAY ZONE FOR THE PARCELS IN SUBAREA A ONLY; FILE NO: PLPJ-2022-0015 & PLZA-2023-0002

WHEREAS, the City of Petaluma Implementing Zoning Ordinance, Ordinance No. 2300 N.C.S. in Section 25.010 provides that no amendment that regulates matters listed in Government Code Section 65850 shall be made to the IZO unless the Planning Commission and City Council have found the amendment to be in conformity with the General Plan; and

WHEREAS, pursuant to IZO Chapter 25, a zoning amendment may be requested by a property owner, and the City Council may adopt the amendment upon the recommendation of the Planning Commission; and

WHEREAS, on April 11, 2022, 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 floor area ratio (FAR) established by the Mixed Use (MU) 2025 General Plan Land Use Classification and exceed the maximum building height, lot coverage, and FAR established by the Mixed Use 2 (MU2) 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 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 on June 13, 2023, August 8, 2023, and October 3, 2023, to develop the scope and content of the Overlay, consisting of Subareas A, B, and C; and

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

WHEREAS, the City Council held a special meeting on February 10, 2025, focused on Citywide goals and priorities and the Council was unanimous in its support of robust economic development as a primary goal for the City to support existing businesses, encourage activation of longstanding vacant and underutilized properties,

to provide Petaluma residents with local goods and services and diversify the City's tax base to help mitigate for periods of recession and uncertain economic trends; and

WHEREAS, the purpose of the Overlay is to support existing local businesses, fill vacant properties, and improve the overall health of our Historic Downtown by facilitating preservation of historic buildings and resources and the Commercial Historic District, activate the ground levels of existing and new downtown residential and commercial properties, and the addition of residential uses 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 (CUP), and lot coverage from 80% to 100% subject to approval of a CUP, and subject to development and design controls for properties within the proposed Overlay; and

WHEREAS, the Sonoma County Economic Development Collaborative reports direct visitor spending in Sonoma County totaled \$2.3 billion in 2022 which put dollars directly into our local businesses; and

WHEREAS, in addition to the potential benefits to housing development within the Overlay, the Strategic Economics memo, attachment 7 to the concurrent staff report, the proposed EKN Appellation Hotel is projected to contribute each year to the City of Petaluma approximately \$551,000 in Transient Occupancy Tax (TOT), \$103,346 in sales tax, and \$55,760 in property tax. In addition, the EKN Appellation Hotel is subject to payment of City development impact fees, and based on the Development and Impact Fees Schedule effective today, the EKN Appellation Hotel would be required to pay the City \$2.7 million in Development Impact Fees which funds housing, parks, and street improvements citywide; and

WHEREAS, Subarea A is largely underutilized, with eight entire parcels, and about 77% of the total area undeveloped, vacant, or paved for parking and of the three subareas, Subarea A has the lowest parcel utilization, with key opportunity sites such as the vacant parcels where the EKN Appellation Hotel is proposed, as well as other vacant buildings, such as the former Bank of the West and the Fourth and C properties, which have both been vacant for several years; 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 (herein after '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, pursuant to IZO Sections 25.010 and 25.050.B, if the Planning Commission finds the IZO amendments to be in conformance with the General Plan, and consistent with the public necessity, convenience, and general welfare, it may recommend amendment of the IZO to the City Council; 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 Overlay, considered the recommendation provided by the HCPC on the zoning amendments, and adopted Resolutions 2023-21 and 2023-22, regarding the 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 (herein after ‘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 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 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; and

WHEREAS, on February 14, 2025, a Notice of Availability, Notice of Intent to Certify, Notice of Public Hearing, and the Final Project 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 independently consider a proposed ordinance for establishing zoning amendments for the Overlay and to receive public comments on the proposed ordinance; and

WHEREAS, at the February 24, 2025, duly noticed public hearing, the City Council certified the Final EIR by adopting Resolution 2025-021; and

WHEREAS, at the February 24, 2025, duly noticed public hearing, the City Council took action on Resolution No. 2025-022 N.C.S. concerning a General Plan Amendment to increase the allowable Floor Area Ratio for parcels within the Downtown Housing & Economic Opportunity Overlay from 2.5 to 6.0 for Overlay Subareas A through C, and Resolution No. 2025-022 N.C.S. included required findings for each identified potentially significant impact, supported by substantial evidence, as set forth in the Findings of Fact, attached as Exhibit A to the resolution, and Resolution No. 2025-022 N.C.S. also included a Mitigation Monitoring and

Reporting Program for the Project, attached as Exhibit B to the resolution, and Section 5 of Resolution No. 2025-022 N.C.S. provided that its adoption date would be the same as the adoption date of the ordinance enacting the Overlay zoning amendments; and

WHEREAS, Resolution No. 2025-022 N.C.S. included City Council findings 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; and that 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); and

WHEREAS, Resolution No. 2025-022 N.C.S. included City Council findings 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; and

WHEREAS, Resolution No. 2025-022 N.C.S. included City Council findings 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, and that 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; and

WHEREAS, at the February 24, 2025, duly noticed public hearing, the City Council introduced Ordinance No. 2900 N.C.S. which would amend Chapter 2 of the IZO to add the Downtown Housing and Economic Opportunity Overlay to the list of Overlay Zones provided in Table 2-1 (Zones); Amend Chapter 4 of the IZO to add a Footnote to Tables 4.3 (Allowed Land Uses and Permit Requirements for Mixed Use Zones) and 4.10 (MU1 and MU2 Zone Development Standards) Referencing Section 5.070 of the IZO; and Amend Chapter 5 of the IZO to add Section 5.070 and establish the Downtown Housing and Economic Opportunity Overlay Zone and authorize a Zoning Map Amendment to zone the parcels in Subareas A, B and C that would be subject to the Overlay; and

WHEREAS, at the February 24, 2025, duly noticed public hearing the Ordinance introduced included an amendment that added IZO Section 5.070.I, which added a requirement as part of the CUP for any building to be built above 45 feet must disclose the foreseeable impact of the project on the jobs-housing balance in Petaluma

and an amendment to Section 5.070.F, which strengthened the additional CUP findings required to be made to allow a height above 45 feet by requiring that at least three of the list of five considerations be met instead of just one as was originally presented to the Council; and

WHEREAS, although Section 5 of Resolution No. 2025-022 N.C.S. provided that its adoption date would be the same as the adoption date of the ordinance enacting the Overlay zoning amendments, and the Overlay zoning amendments had not yet been adopted, on February 27, 2025, Robert Perlman, an attorney representing Petaluma Historic Advocates, submitted to Petaluma City Clerk Caitlin Corley a proposed summary of a referendum against Resolution No. 2025-022 N.C.S. pursuant to Elections Code Section 9238(b)(2)(B)(ii), requesting an approved summary of the referendum from the City Attorney; and

WHEREAS, at the City Council workshop on the Overlay on November 18, 2024, the City Council considered various options regarding the proposed overlay, including potentially reducing the size or the number of the subareas to which the Overlay would apply; and

WHEREAS, to provide the City Council the option of encouraging development of underutilized parcels in the downtown while substantially reducing the size of the Overlay in response to community feedback, the City Council had options for action regarding the Overlay at the March 17, 2025, City Council meeting including, in addition to simply adopting Ordinance 2900 N.C.S. as introduced; adoption of a resolution providing for the repeal of Resolution No. 2025-022 N.C.S. so that Resolution No. 2025-022 N.C.S., consistent with Section 5 of the resolution, would not take effect; and reintroduction of this amended ordinance by which the City Council may enact zoning text and map amendments for a reduced Overlay (“Reduced Overlay”) applicable to Subarea A only; and

WHEREAS, in furtherance of the unanimous priority given by the current City Council to economic development in Petaluma, while also recognizing community feedback regarding the extent of the proposed Overlay in the downtown, comprising as proposed three subareas A, B and C, on March 17, the City Council chose to reduce the Overlay to apply to Subarea A only, limiting the enhanced development potential for residential and commercial development of the Overlay to only the two-square block area of Subarea A, which contains some of the most underutilized parcels in the downtown, including the proposed Hotel site; and

WHEREAS, this amended and reintroduced version of the ZMA and ZTA to be offered to the City Council for potential action at the April 21, 2025, City Council meeting is substantially the same as when the Planning Commission reviewed and recommended approval to City Council on November 14, 2023, via Resolution No. 2023-022 N.C.S., except that; this ordinance would establish a Reduced Overlay applicable to Subarea A only, reducing scope and the potential impacts of the Project, but otherwise maintaining the provisions of the ZMA and ZTA considered by the Planning Commission unchanged and intact, and, accordingly, no further review by the Planning Commission is required under state or local law and

WHEREAS, no physical development is proposed or would be approved as a result of the City Council amending and reintroducing this ordinance establishing zoning text and map amendments for the Reduced Overlay applicable to Subarea A only; and

WHEREAS, approval of the Hotel as currently proposed anticipates adoption of a GPA increasing allowable floor area ratio in a Reduced Overlay applicable to Subarea A only and adoption (first and second reading) of this amended and reintroduced ordinance establishing the ZMA and ZTA for the Reduced Overlay applicable to Subarea A only; and

WHEREAS, approval of the Hotel is subject to meeting the regulations, criteria, and findings of the Reduced Overlay applicable to Subarea A only, subject to independent discretionary review at a separate, publicly noticed hearing of the H C PC; and

WHEREAS, physical development of other sites within the Reduced Overlay applicable to Subarea A only would be subject to separate discretionary review processes, including SPAR, H-SPAR, and/or CUP; and

WHEREAS, it is anticipated that, consistent with CEQA, discretionary City Council actions regarding potential future development projects in the Reduced Overlay applicable to Subarea A only would meet the definition of a project, and would thus be subject to independent CEQA analyses to determine potential impacts of such future development projects; and

WHEREAS, all future development projects proposed to be located within the Reduced Overlay applicable to Subarea A only would also be subject to mitigation measures contained in the MMRP approved for the Project, including measures with clearly defined criteria 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 adopted MMRP 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 Reduced Overlay applicable to Subarea A only 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 No. 2025-021) is not appropriate at this time as this would represent speculative analysis under CEQA; and

WHEREAS, the proposed Reduced Overlay applicable to Subarea A only will reduce the costs to a housing project by allowing greater lot coverage, floor area ratio, and additional height which enables more efficient use of land, lowers per-unit construction expenses, and reduces the financial burden of structured parking, as documented in the Strategic Economics Memorandum, attached to the concurrent staff report at **Attachment 7**; and

WHEREAS, the proposed Reduced Overlay applicable to Subarea A only will facilitate the development of housing due to the reduction in costs to a housing project and by increasing allowable building heights, floor area ratios, and lot coverage, and allowing ground floor residential thereby expanding development capacity and unlocking underutilized sites for residential use, as identified in the Strategic Economics Memorandum, attached to the concurrent staff report at **Attachment 7**; and

WHEREAS, this amended and reintroduced ordinance would establish a new CUP process allowing additional height above 45 feet and increased lot coverage in a Reduced Overlay applicable to Subarea A only, subject to criteria that must be satisfied to grant a CUP, which in turn enables the City to realize the benefits of reduced housing development costs and the facilitation of new housing production; and

WHEREAS, on March 17, 2025, the City Council held a duly noticed public hearing to independently consider items listed on the meeting agenda, including reintroducing this amended ordinance for establishing zoning amendments for a Reduced Overlay applicable to Subarea A only and to receive public comments on the proposed ordinance; and

WHEREAS, after considering all comments, the City Council amended and reintroduced the Ordinance on March 17, 2025, reducing the Overlay to include only Subarea A by removing Subareas B and C, with approval by a 5-to-1 vote (Mayor McDonnell and Council Members Barnacle, Cader Thompson, Quint, and Shribbs in favor; Council Member Nau opposed; and Council Member DeCarli recused), leaving the remainder of the February 24, 2025 Ordinance unchanged; and

WHEREAS, at the March 17, 2025 hearing, City Council adopted Resolution No. 2025-029 N.C.S., repealing Resolution 2025-022 N.C.S. related to a General Plan Amendment that increased allowable Floor Area Ratio (FAR) from 2.5 to 6.0 within the proposed Downtown Housing & Economic Opportunity Overlay together with adopting the Mitigation Monitoring and Reporting Program (MMRP) and CEQA Findings of Fact for both the Overlay and the EKN Appellation Hotel Project (SCH #2024040565); and

WHEREAS, during the April 21, 2025, public hearing, Council will consider adopting a new General Plan Amendment to increase the FAR from 2.5 to 6.0 exclusively for Subarea A and a Resolution adopting the

Mitigation Monitoring and Reporting Program (MMRP) and CEQA Findings of Fact for both the Overlay and the EKN Appellation Hotel Project (SCH #2024040565); and

WHEREAS, on or before April 11, 2025, public notice was published in the Argus and mailed to all property owners and occupants in the study area and within 1,000 feet of the perimeter of the study area and any interested party and via posters installed on the site of the EKN Appellation Hotel at 2 Petaluma Boulevard South, consistent with noticing requirements outlined in IZO Section 24.100; and

WHEREAS, on April 21, 2025, City Council adopted a Resolution, Resolution No. 2025-XXX, which adopted Findings of Fact as required by CEQA Guidelines Section 15091 and adopted the Mitigation Monitoring and Reporting Program (MMRP) as required by CEQA Guidelines Section 15097; and

WHEREAS, on April 21, 2025, the City Council adopted a Resolution, Resolution No. 2025-XXX, to adopt a General Plan Amendment to increase the allowable Floor Area Ratio for areas within the Downtown Housing & Economic Opportunity Overlay from 2.5 to 6.0, subarea A; and

WHEREAS, on April 21, 2025, the City Council held a duly noticed public hearing to conduct a second reading of the proposed ordinance for establishing zoning amendments for the Overlay and to receive public comments on the proposed ordinance.

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

Section 1. Recital Findings. The foregoing recitals are hereby declared to be true and correct and are incorporated into this ordinance as findings and determinations of the City Council.

Section 2. CEQA Findings. The potential environmental impacts of the Reduced Downtown Housing and Economic Opportunity Overlay Project applicable to Subarea A only, including the proposed Zoning Text Amendments and Zoning Map Amendment, were fully analyzed in the Downtown Housing and Economic Opportunity Overlay and EKN Appellation Hotel Project Final EIR (SCH # 2024040565), containing all the requirements of CEQA Guidelines Section 15132, inclusive of references, appendices, and all attachments thereto. The Final EIR was certified pursuant to City Council Resolution No. 2025-021, and the Findings of Fact were made and the MMRP adopted pursuant to City Council Resolution No. 2025-xxx. These resolutions are incorporated herein.

Section 3. Severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance is for any reason held to be unconstitutional, unlawful, or otherwise invalid by a court of competent jurisdiction or preempted by State legislation, such decision or legislation shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Petaluma hereby declares that it would have passed and adopted this ordinance and each and all provisions thereof irrespective of the fact that any one or more of said provisions be declared unconstitutional, unlawful other otherwise invalid.

Section 4. General Plan and Public Necessity Findings. In accordance with Sections 25.010 and 25.070 of the City's Implementing Zoning Ordinance, Ordinance No. 2300 N.C.S., (IZO), the proposed amendments to the IZO described in Section 5 and **Exhibit A**, **Exhibit B**, and **Exhibit C**, and Section 6 and **Exhibit D**, attached hereto and incorporated into this ordinance are in general conformity with the General Plan 2025 and that the public necessity, convenience, and general welfare require or clearly permit the adoption of the proposed amendment:

- A. General Plan Consistency.** For the reasons described in the concurrent City Council Staff Report dated March 17, 2025 and incorporated herein by reference, the proposed Reduced Downtown Housing and Economic Opportunity Overlay applicable to Subarea A only 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)

B. Public Necessity, Convenience, and General Welfare. The public necessity, convenience, and welfare clearly permit the adoption of the proposed Zoning Text and Zoning Map Amendments in that the proposed Reduced Downtown Housing and Economic Opportunity Overlay applicable to Subarea A only:

- 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.
- Supports and cross-references three out of five categories of the adopted City Council Goals, for An Economy that Prospers, Spaces and Places that Inspire, and Our Environmental Legacy.
- Supports new development standards and guidelines to achieve a desired height of up to 75 feet when required design standards are met, providing for compatible and appropriate development in the Downtown area.
- Encourages infill development of underutilized parcels in the City's Downtown, strategically located near public transit.
- Supports housing growth and strengthens the City's tax base and revenue.
- Helps to reduce urban sprawl, vehicle miles traveled, and associated greenhouse gas emissions, promoting a more sustainable, transit-oriented community.
- Promotes development within a High Resource Neighborhood Opportunity Area, as identified on the 2025 Affirmatively Furthering Fair Housing Map, which is shown by research to be associated with positive economic, educational, and health outcomes for low-income families, particularly long-term outcomes for children.
- Implements, in part, 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 Reduced Overlay applicable to Subarea A only 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.
- Reduces the costs to a housing development project and facilitates the development of housing, including affordable housing.

Section 5. Amendment to the Petaluma Implementing Zoning Ordinance. Based on its review of the entire record herein, including the February 24, 2025, and March 17, 2025, City Council meeting staff reports, all supporting, referenced, and incorporated documents and all comments received, and the foregoing findings, the City Council amends: IZO Chapter 2 (Zoning Map and Zones) to add the Reduced Downtown Housing and Economic Opportunity Overlay applicable to Subarea A only to the list of Overlay Zones provided in Table 2-1 (Zones) (**Exhibit A**); IZO Chapter 4 (Zone District and Allowable Land Uses) to add a footnote referencing Section 5.070 to Table 4.3 (Allowed Land Uses and Permit Requirements for Mixed Use Zones) and Table 4.10 (MU1 and MU2 Zone Development Standards) (**Exhibit B**); and IZO Chapter 5 (Overlay Zones) to add Section 5.070 Reduced Downtown Housing and Economic Opportunity Overlay applicable to Subarea A only (**Exhibit C**).

Section 6. Amendment to the Petaluma Implementing Zoning Ordinance Map. Based on its review of the entire record herein, including the February 24, 2025, City Council meeting staff report, all supporting, referenced, and incorporated documents and all comments received, and the foregoing findings, the City Council amends the Implementing Zoning Ordinance Map to zone applicable parcels to the Reduced Downtown Housing and

Economic Opportunity Overlay Zone inclusive of Subarea A only (008-063-005; 008-063-006; 008-063-007; 008-063-008; 008-063-009; 008-063-011; 008-063-012; 008-064-002; 008-064-004; 008-064-005; 008-064-007; 008-064-008; 008-064-010), (**Exhibit D**).

Section 7. Posting/Publishing of Notice. The City Clerk is hereby directed to publish or post this Ordinance or a synopsis for the period and in the manner provided by the City Charter and any other applicable law.

Section 8. Effective Date. This ordinance shall become effective thirty (30) days after the date of its adoption by the Petaluma City Council.

INTRODUCED and ordered published and posted this 17 day of March 2025.

ADOPTED this 21 day of April 2025 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

Kevin McDonnell, Mayor

ATTEST:

APPROVED AS TO FORM:

Caitlin Corley, City Clerk

Eric Danly, City Attorney

EXHIBIT A
AMENDMENT TO CHAPTER 2 (ZONING MAP AND ZONES) OF THE PETALUMA
IMPLEMENTING ZONING ORDINANCE TO ADD A REDUCED DOWNTOWN HOUSING AND
ECONOMIC OPPORTUNITY OVERLAY TO THE LIST OF OVERLAY ZONES PROVIDED IN
TABLE 2-1 (ZONES)

EXHIBIT B

AMENDMENT TO CHATER 4 (ZONE DISTRICTS AND ALLOWABLE LAND USES) OF THE PETALUMA IMPLEMENTING ZONING ORDINANCE TO ADD A FOOTNOTE TO TABLE 4.3 (ALLOWED LAND USES AND PERMIT REQUIREMENTS FOR MIXED USE ZONES) AND TABLE 4.10 (MU1 AND MU2 ZONE DEVELOPMENT STANDARDS), REFERENCING IZO SECTION 5.070.

EXHIBIT C
AMENDMENT TO CHAPTER 5 (OVERLAY ZONES) OF THE PETALUMA IMPLEMENTING
ZONING ORDINANCE TO ADD SECTION 5.070 ESTABLISHING A REDUCED DOWNTOWN
HOUSING AND ECONOMIC OPPORTUNITY OVERLAY ZONE.

EXHIBIT D

AMENDMENT TO THE ZONING MAP OF THE CITY OF PETALUMA TO ZONE APPLICABLE PARCELS TO A REDUCED DOWNTOWN HOUSING AND ECONOMIC OPPORTUNITY OVERLAY ZONE, INCLUSIVE OF SUBAREA A ONLY (008-063-005; 008-063-006; 008-063-007; 008-063-008; 008-063-009; 008-063-011; 008-063-012; 008-064-002; 008-064-004; 008-064-005; 008-064-007; 008-064-008; 008-064-010)