

## RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY OF PETALUMA PLANNING COMMISSION RECOMMENDING THAT THE CITY COUNCIL ADOPT A GENERAL PLAN AMENDMENT TO INCREASE THE ALLOWABLE FLOOR AREA RATIO (FAR) FOR AREAS DESIGNATED MIXED USE (MU) AND PUBLIC/SEMI-PUBLIC (PSP) AND LOCATED WITHIN THE PROPOSED DOWNTOWN HOUSING & ECONOMIC OPPORTUNITY OVERLAY FROM 2.5 TO 6.0; FILE NO: PLGP-2023-0001 AND PLZA-2023-0002**

**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**, Mike Jolly of EKN Development Group, submitted an application for Historic Site Plan and Architectural Review (HSPAR), and Conditional Use Permit (CUP) for the EKN Appellation Hotel (formerly Hotel Weaver) project; and

**WHEREAS**, the EKN Appellation Hotel project proposes construction of a 6-story, 93-room hotel that would include a below-grade parking garage with valet parking for 58 vehicles, food service uses on the ground floor and a rooftop event space and bar; and

**WHEREAS**, based on the proposed height, lot coverage, and floor area ratio (FAR), the proposed Hotel also requires a General Plan Amendment (GPA), Zoning Map Amendment (ZMA), and Zoning Text Amendment (ZTA); and

**WHEREAS**, the proposed Downtown Housing & Economic Opportunity Overlay is subject to the Petaluma General Plan 2025, adopted by the City Council on May 19, 2008; and

**WHEREAS**, Government Code Section 65358 allows General Plan amendments when it is deemed in the public interest to do so; and

**WHEREAS**, three parcels within Subarea A and one parcel within Subarea B of the proposed Downtown Housing & Economic Opportunity Overlay are also within the boundaries of the Petaluma Historic Commercial District and Subarea C is adjacent to the Petaluma Historic Commercial District; 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 a Downtown Housing & Economic Opportunity Overlay, which would apply amendments to the General Plan and Implementing Zoning Ordinance, initiated as a result of the EKN Appellation Hotel project, to three areas within downtown Petaluma, referred to as Subareas A, B, and C; and

**WHEREAS**, at the June 13, 2023, study session, the Planning Commission and Historic and Cultural Preservation Committee considered the proposed Overlay, which at the time included a 10-block zoning overlay within a 14-block study area, inclusive of the EKN Appellation Hotel site and generally bounded by Washington Street to the north, Petaluma Boulevard to the east, D Street to the south, and Howard/Liberty Streets to the west; and

**WHEREAS**, based on feedback provided by the Planning Commission and Historic and Cultural Preservation Committee at the June 13, 2023, study session the proposed Overlay was revised to reduce the area to focus on underutilized parcels in three smaller areas within the original study area, referred to as Subareas A, B, and C, avoid overlap with designated historic districts, avoid residential areas, and require discretionary approval of a conditional use permit for any building proposed above 45-feet, subject to meeting specific findings; and

**WHEREAS**, at the August 8, 2023, Planning Commission study session, a *Frequently Asked Questions (FAQ)* document was prepared to provide comprehensive responses to questions related to the proposed Overlay and the revised Overlay was presented to seek additional feedback; and

**WHEREAS**, at the August 8, 2023, study session, the Planning Commission requested additional information related to the Overlay's alignment with the City of Petaluma General Plan 2025 as well as additional information on characteristics of each Subarea; and

**WHEREAS**, at the August 8, 2023, study session, the Planning Commission also requested that staff consider focusing housing development in Subareas B and C, consider unique development standards for each Subarea to maintain the individual characteristics of each, provide photographs and parcel data for each Subarea, and provide a Historic Cultural Resources Report for the proposed Overlay; and

**WHEREAS**, based on feedback provided by the Planning Commission at the August 8, 2023, study session, the proposed Overlay was revised to expand the boundaries of Subarea B to include the entirety of the parcel currently occupied by the Well Fargo bank (125 Western Ave, APN 008-051-025), and to indicate opportunities for Pedestrian/Façade Activation Zones and Ground Floor Residential Zones which are each intended to apply new land use and design controls for any new building within the three respective Subareas; and

**WHEREAS**, at the October 3, 2023, Historic and Cultural Preservation Committee study session, the Committee was informed that a parcel inventory presenting the existing parcels and a discussion of their development potential was in process; and

**WHEREAS**, at the October 3, 2023, Historic and Cultural Preservation Committee study session, the Historic Cultural Resources Report for the proposed Overlay was presented; and

**WHEREAS**, a third party Peer Review Report of the Historic Cultural Resources Report was prepared by First Carbon Solutions (FCS) and included recommendations to improve clarity of the Report's purpose and recommendations; and

**WHEREAS**, the Historic Cultural Resources Report was updated to incorporate recommendations provided in the Peer Review Report; and

**WHEREAS**, in preparation of the November 14, 2023 joint hearing of the Planning Commission and Historic and Cultural Preservation Committee, the proposed Overlay was revised to: update review criteria for future development proposals requesting a building height greater than 45-feet; finalize the development standards table; simplify setback and stepback tables; provide development standards for the Pedestrian/Façade Activation Zones and Ground Floor Residential Uses, which includes clarification that ground floor residential zones will be allowed as a permitted use in any of the three respective Subareas as opposed to the original proposal to limit housing development on the ground floor to Subarea C only, and to require a Conditional Use Permit to

exceed the current maximum for lot coverage of 80%; 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**, pursuant to IZO Section 15.020A.6, the Historic and Cultural Preservation Committee has provided their independent analysis of the project and made a recommendation on the proposed Zoning Map and Text Amendments to the Planning Commission; and

**WHEREAS**, the Planning Commission has concurrently considered the staff report dated November 14, 2023, all associated attachments, and consistent with IZO Section 15.020.B.2, has considered the recommendation provided by the Historic and Cultural Preservation Committee on the proposed Zoning Map and Text Amendments; and

**WHEREAS**, for purposes of the California Environmental Quality Act (CEQA), the Downtown Housing & Economic Opportunity Overlay and EKN Appellation Hotel are considered one “project” and were considered concurrently in the Draft Initial Study/Mitigated Negative Declaration; and

**WHEREAS**, on November 14, 2023, after considering the concurrent attachments and public and staff comments, the Planning Commission by Resolution No. 2023-XX, incorporated herein by reference, recommended to the City Council adoption of the Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP), in accordance with CEQA; and

**WHEREAS**, as described in the IS/MND, no physical development will occur as a result of adoption of the proposed Downtown Housing & Economic Opportunity Overlay, including EKN Hotel; and

**WHEREAS**, future site-specific development proposals within the Downtown Housing & Economic Opportunity Overlay will be subject to a separate discretionary review processes, including Site Plan and Architectural Review (SPAR), Historic Site Plan and Architectural Review (HSPAR), Conditional Use Permit (CUP); and

**WHEREAS**, consistent with the California Environmental Quality Act (CEQA), future development proposals within the proposed Overlay requesting approval of SPAR, HSPAR, and/or CUP, are discretionary in nature and therefore defined as projects under CEQA, will also be subject to an independent CEQA analysis to determine potential impacts of site-specific proposals; and

**WHEREAS**, all future development proposals within the proposed Overlay will be subject to mitigation measures identified in the Draft IS/MND, or as revised through the Final IS/MND process, which include 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 the future studies for site-specific developments to devise the specific design of mitigation measures as the results of later

studies will be used to tailor mitigation measures to fit on-the-ground environmental conditions; and

**WHEREAS**, because the proposed Overlay will not result in direct physical development, identifying site-specific mitigation measures for potential impacts to the resource areas identified in the Draft IS/MND is not appropriate at this time as this would represent speculative analysis under CEQA; and

**WHEREAS**, for purposes of discretionary approvals subject to review by the City's Historic and Cultural Preservation Committee, Planning Commission, and City Council, the Downtown Housing & Economic Opportunity Overlay is being considered separately from the EKN Appellation Hotel; and

**WHEREAS**, on October 13, 2023, the City's Notice of Public Hearing to be held on October 24, 2023, before the City of Petaluma Planning Commission and Historic and Cultural Preservation Committee, was published and mailed to all residents and property owners within 1,000 feet of the perimeter of the Downtown Housing & Economic Opportunity Overlay study area as well as persons having requested special notice of said proceedings; and

**WHEREAS**, on October 24, 2023, the joint hearing of the Petaluma Planning Commission and Historic and Cultural Preservation Committee was continued to a date certain of November 14, 2023; and

**WHEREAS**, on November 3, 2023, the City's Notice of Public Hearing to be held on November 14, 2023, before the City of Petaluma Planning Commission and Historic and Cultural Preservation Committee, was published and mailed to all residents and property owners within 1,000 feet of the perimeter of the Downtown Housing & Economic Opportunity Overlay study area as well as persons having requested special notice of said proceedings; and

**WHEREAS**, the Planning Commission and Historic and Cultural Preservation Committee held a duly noticed public hearing on November 14, 2023, at which time all interested parties had the opportunity to be heard.

**NOW THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF PETALUMA AS FOLLOWS:**

1. The foregoing recitals are declared true and correct and incorporated herein by reference as findings of the Petaluma Planning Commission.
2. Based on the staff report, staff presentation, comments received, and the public hearing, the Planning Commission makes the following findings based on substantial evidence in the record:
  - a. California Environmental Quality Act Findings:

An Initial Study/MND was prepared, and proper notice was provided in accordance with CEQA and local Guidelines.

The potential environmental impacts of the Downtown Housing & Economic Opportunity Overlay and EKN Appellation Hotel project, including the proposed General Plan Amendment, were fully analyzed in the IS/MND (SCH # 2023100359).

Based on its review of the entire record herein, including the Initial Study, MND, all supporting, referenced, and incorporated documents, and all comments received to date, the Planning Commission finds that there is no substantial evidence that the project, as mitigated, will have a significant effect on the environment, and hereby recommends that the City Council adopt the MND for the project, including the Mitigation Monitoring and Reporting Program.

The project does have the potential to affect wildlife resources as defined in the Fish and Game Code, either individually or cumulatively; However, with mitigation, these potential environmental impacts would be reduced to a less than significant level and is not exempt from Fish and Wildlife filing fees.

The Planning Commission reviewed the Initial Study/MND and considered the comments received to date before making a recommendation on the project. Pursuant to the analysis in the Initial Study/MND, the project does not make a cumulatively considerable contribution to the significant and unavoidable cumulative traffic or noise impacts identified in the General Plan 2025 EIR.

The proposed EKN Appellation Hotel is located on a Hazardous Waste Site compiled by the State pursuant to Government Code Section 65962.5; however, the site has been remediated and the property owner was issued a case closure letter in February 2020, and with mitigation, any potential environmental impacts related to location on such a site would be reduced to a less than significant level.

Approval of the proposed General Plan Amendment, as shown in Exhibit 1, is contingent upon City Council adoption of the IS/MND, including adoption of the Mitigation Monitoring and Reporting Program.

b. General Plan Findings:

The public necessity, convenience, and general welfare clearly permit the adoption of the proposed General Plan Amendment to increase floor area ratio from 2.5 to 6.0 in that it: will allow for intensification in the city's downtown, thereby increasing opportunities for housing and mixed-use developments in proximity to transit; is consistent with state and regional plans and policies, such as Plan Bay Area 2050, which aim to reduce GHG emissions through transit-oriented development; and is consistent with General Plan goals and policies that seek to:

- maintain a balanced land use program that meets the long-term needs of the community by providing opportunities for all types of uses including residential, employment, retail, institutional, recreational, and open space (Goal 1-G-1);
- promote the efficient use of land through infill development at equal or higher density and intensity as surrounding uses (Policy 1-P-2);
- encourage mixed-use development in the downtown area, thereby increasing access to existing transit (Policy 1-P-6);
- encourage redevelopment of underutilized sites thereby providing flexibility in building form and allowing for the ability to change over time (Policy 1-P-7);
- contribute to advancing downtown as a focus of activity, retain pedestrian orientation, and continue to preserve and enhance buildings of historic and architectural importance (Goal 2-G-3);
- promote development and intensification of downtown as a visitor destination and neighborhood retail center (Policy 2-P-14);
- reduce motor vehicle air pollution through intensification of development in the downtown area, which is proximate to existing transit opportunities (Policy 4-P-7); and
- maintain the historic character and identity of the community (Goal 3-G-1), through implementation of associated policies (3-P-1, 3-P-5, 3-P-6) which aim to protect historic and archaeological resources, ensure their protection is a key consideration during the development review process, and ensure that new development adjacent to historic and cultural resources is compatible.

3. Government Code Section 65358 allows General Plan amendments when it is deemed in the public interest to do so. As stated in 2(b) above, it is in the public interest to permit the adoption of the proposed General

Plan Amendment to increase floor area ratio from 2.5 to 6.0.

4. State law limits the number of times a local agency can amend its general plan for general law cities to no more than four times per year. However, this limitation on general plan amendments is not applicable to charter cities like Petaluma. Regardless, the proposed amendment represents the fourth (4th) amendment request for 2023.
5. Based on its review of the entire record herein, including the November 14, 2023, Historic and Cultural Preservation Committee and Planning Commission staff report, all supporting, referenced, and incorporated documents and all comments received and the foregoing findings, the Planning Commission hereby recommends that the City Council approve a General Plan Amendment to allow a maximum floor area ratio of 6.0 for areas located within the proposed Downtown Housing & Economic Opportunity Overlay, as shown in Exhibit 1 attached hereto and incorporated into this Resolution.

## **EXHIBIT 1 – General Plan Text Amendments**

Proposed text amendments to 1.2 Land Use Framework, Classification System, Mixed Use (outside of the CPSP) appearing on page 1-7 of the City of Petaluma General Plan 2025. For purposes of clarity, proposed text amendments are shown in **bold underline**.

### **Mixed Use (outside of the CPSP)**

*Mixed Use (2.5 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 uses is 2.5, and maximum residential density is 30 d.u./acre.

The Community Design, Character, and Sustainable Building Element provides direction as to the intent of the Mixed Use classification in certain areas of the city. For example, along corridors such as Washington Street and Petaluma Boulevard the intent of mixed use is to recognize a broad range of uses along those corridors including both commercial and residential uses; a mixture of uses on these smaller individual parcels is encouraged but not required.

**Densities and FARs within the boundary of the Central Petaluma Specific Plan (CPSP) shall be undertaken in accordance with the CPSP.**

**FARs within the boundary of the Downtown Housing & Economic Opportunity Overlay shall be permitted up to a maximum of 6.0, subject to review under the applicable planning process.**