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DATE: June 13, 2023

TO: Planning Commission

FROM: Greg Powell, Principal Planner  
Isabel Castellano, Historic and Preservation Specialist

REVIEWED BY: Andrew Trippel, AICP, Planning Manager

SUBJECT: Recommendation to the City of Petaluma Planning Commission and the Historic and Cultural Preservation Committee to conduct a study session to receive project information regarding the EKN Appellation Hotel at 2 Petaluma Boulevard South and provide non-binding comments, and to receive project information regarding a proposal to create a Building Form Overlay for a Specified Area in Downtown Petaluma (“overlay”) and provide non-binding comments, and to review and respond to discussion questions prepared by City staff to provide further direction. File # PLPJ-2022-0015 (PLGP-2023-0001, PLZA-2023-0002, and PLSR-2022-0017)

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### **RECOMMENDATION**

Staff recommends that the Planning Commission (PC) and the Historic and Cultural Preservation Committee (HCPC) take the following actions:

1. Consider the information regarding the EKN Appellation Hotel<sup>1</sup> (“hotel”) at 2 Petaluma Boulevard South and provide non-binding comments;
2. Consider the proposal to create a Building Form Overlay for a Specified Area in Downtown Petaluma (“overlay”) and provide non-binding comments; and
3. Review and respond to discussion questions prepared by City staff for further direction (refer to the feedback request section within the staff report).

In an effort to facilitate accessing detailed project information provided in the attachments, staff have indicated “Hotel” or “Overlay” in each attachment name. An exception is **Attachment I – Public Comments thru June 8, 2023**, which includes all public comments received since the initial application was submitted.

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<sup>1</sup> The project was presented to the City in 2022 as the Hotel Weaver but was rebranded as the EKN Appellation Hotel in early 2023.

## **BACKGROUND**

### ***Summary***

The EKN Appellation Hotel project is comprised of two related requests:

1. An initial request for Historic Site Plan and Architectural Review approval to construct a 6-story, 93-room hotel with restaurants and amenities in Downtown Petaluma at 2 Petaluma Boulevard South; and
2. A subsequent request to amend the General Plan and Zoning Ordinance to increase the maximum allowable Building Height, Floor Area Ratio (FAR), and Lot Coverage development standards for a specified area in Downtown Petaluma.

The project proposes the construction of a 6-story, 93-guest-room hotel building, including a ground-floor hotel lobby and restaurant, rooftop lounge/event space, guest amenities, and a below-grade, 58-space parking garage. As proposed, the building would exceed current Building Height, Floor Area Ratio (FAR), and Lot Coverage development standard maximums (a full description of the project begins on page 9 of this report). A zoning variance is a discretionary tool provided by the Implementing Zoning Ordinance (IZO) that can be used when a proposed project doesn't comply with existing objective development standards; however, staff determined that it would not be possible to make the findings to recommend approval of a zoning variance. Planning advised the applicant that should it wish to continue with the project as proposed, applicant-initiated General Plan and Zoning Text Amendments would be required to establish new maximum development standards under which the project could be reviewed.

The applicant-initiated request to amend the General Plan and IZO includes proposals to increase the maximum allowable Building Height from 45 feet to 70 feet, Floor-to-Area Ratio (FAR) from 2.5 to 5.6, and Lot Coverage from 80% to 100% for a specified area in Downtown Petaluma. Prior to receiving the application, staff considered various alternatives for amending the General Plan and IZO, including applying the amendment to all MU2 zoning districts, creating various sub-areas within MU2 zoning districts, or creating an exception process that could apply Citywide. Ultimately, staff recommended that the applicant propose the current pathway, which involves establishing a building form zoning overlay to apply to the Downtown (a full description of the overlay begins on page 10 of this report).

The proposed hotel project was presented and discussed at an HCPC study session held on January 10, 2023 (see p. 3 for a meeting summary). For this joint meeting with the PC and the HCPC, the applicant prepared revised building renderings and supporting materials for the proposed Building Form Overlay. These materials are summarized in this staff report. Staff requests that the PC and HCPC review the proposed Overlay and provide comments in addition to the proposed hotel building as desired.

The zoning overlay approach provides the City with the opportunity to review current development standards and consider how modifications to these development standards may advance General Plan goals and policies for the Downtown area. The applicant, with input from City staff, prepared the *Petaluma Building Form Overlay Proposal in Downtown* for initial consideration by the City (see **Attachment E**). The study area for the proposed Building Form Overlay would establish a zoning overlay within a specified area in Downtown Petaluma that would encompass  $\pm$  14 blocks 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 would include the site of the proposed hotel. The

overlay would increase the maximum allowable Building Height, Floor-to-Area Ratio (FAR), and Lot Coverage, and it would establish associated development and design controls for new development in the overlay.

The EKN Appellation Hotel project requires multiple discretionary entitlements for which public hearings are required. The Planning Commission will consider the proposed General Plan and Zoning Text Amendments and make a recommendation to the City Council, which is the review authority for these amendments. The Historic and Cultural Preservation Committee is the review authority for Historic Site Plan and Architectural Review, which is required for the proposed hotel development. During the study session on June 13, 2023, it is requested that the Planning Commission and the Historic and Cultural Preservation Committee consider the proposal to create a Building Form Overlay for a Specified Area in Downtown Petaluma (“overlay”) and provide non-binding comments; consider the information regarding the EKN Appellation Hotel (“hotel”) at 2 Petaluma Boulevard South and provide non-binding comments; and review and respond to discussion questions prepared by City staff for further direction (refer to the feedback request section within the staff report).

### ***Project Review Process***

On April 11, 2022, the City of Petaluma (City) received an application for Major Historic Site Plan and Architectural Review (HSPAR) for the construction of an approximately 77,000 square-foot, 6-story, 70-foot-tall hotel building that would contain a 58-space below-grade parking garage, hotel lobby and restaurant with interior and exterior seating for 150 guests on the ground floor, 93 hotel rooms and a fitness room for hotel guests within floors two-five, and a 1,230 square foot event space and exterior bar/event space with seating for 56 guests on rooftop floor 6.

On April 28, 2022, the Planning Division hosted a Development Review Committee (DRC) meeting with City staff and the applicant to provide initial feedback about the proposed project. Representatives from Economic Development, Planning, Building, Public Works, and Fire Prevention Bureau participated in this review. The proposed 70-foot building height, which exceeds the maximum allowable building height of 45 feet in the MU2 – Mixed Use 2 zoning district, was discussed. A second DRC meeting was held on May 5, 2022, at which City staff discussed required entitlements with the applicant.

On May 11, 2022, the applicant was informed that the application was deemed incomplete. The letter also provided a preliminary determination regarding required legislative and discretionary approvals, as well as a statement regarding the application of the Permit Streamlining Act to this project. The letter also included advisory staff comments.

On June 2, 2022, a meeting was held with the applicant to discuss incompleteness and advisory items for their project application. Planning staff recommended scheduling the required Neighborhood Outreach Meeting(s) pursuant to [IZO Section 24.100, Public Notice](#), prior to a study session with the HCPC.

On June 29, 2022, and on August 28, 2022, Planning received new and revised application materials in response to incomplete notices provided on May 11, 2022, and on July 29, 2022. Staff found the application to be materially incomplete and issued a letter to inform the applicant. The letter stated items to complete and submit as part of the project documentation, included advisory staff comments for information and provided recommendations for the applicant to consider.

On September 29, 2022, the City determined that the HSPAR, Tree Removal & CUP applications were complete. Required next steps, including a Neighborhood Meeting and a Study Session, were discussed with the applicant.

On January 10, 2023, the proposed hotel came before HCPC as a study session item to solicit input during the Planning review process. HCPC provided feedback at the study session, which was non-binding, and HCPC took no formal action. The HCPC understood that the project would be brought before it for discretionary Major HSPAR review when the additional studies for the project were completed. HCPC reflected concerns about the proposed hotel's height, massing, scale, and form. The HCPC also provided suggestions to address the design and requested additional analysis and documentation to assist with the development and review of the project, as well as renderings from additional viewpoints in the city and detailed studies related to height. Staff is awaiting the submittal of the requested information.

On March 8 and 9, 2023, a two-day workshop, site visit, walking tour of the Downtown area, and a second Development Review Committee meeting were conducted by the applicant and City staff to explore the scope and extent of a building form overlay proposal.

In addition to Major HSPAR, the project application now includes General Plan and Zoning Text Amendments to establish a Building Form Overlay and is before PC and HCPC for a second study session to consider the Building Form Overlay and hotel design. PC and HCPC feedback provided through the study session will be non-binding, and the PC and HCPC will take no formal action.

### ***Project Context***

The hotel and overlay are proposed in Downtown Petaluma and include parcels within an area designated by the [2025 General Plan](#) as the Downtown Subarea. Several General Plan Subareas abut or are in the vicinity, including (1) the Central Petaluma Specific Plan Subarea that abuts the site to the north across Petaluma Boulevard, (2) the Petaluma Boulevard South Subarea that begins roughly 2 blocks to the southeast along Petaluma Boulevard South, (3) the West Subarea that is approximately two blocks to the south and east and includes part of the historic residential core of Petaluma, and (4) the East Washington Corridor Subarea that is approximately two blocks to the north. Generally, the Downtown, Central Petaluma Specific Plan, Petaluma Boulevard South, and East Washington Corridor Subareas support a mix of commercial and residential uses, while the West Subarea is predominantly residential but includes commercial and institutional uses.

### ***General Plan and Implementing Zoning Ordinance Context***

The General Plan Land Use Classification for the hotel site and for most of the parcels within the overlay are classified as Mixed Use; the overlay also includes parcels that are classified as Public/Semi-Public. The Mixed Use classification encourages pedestrian-oriented development and calls for a range of uses to include retail, residential, service commercial, and offices. The maximum FAR for the Mixed Use classification is 2.5 for residential, non-residential, and mixed uses. The Public/Semi-Public classification includes proposed gateways, public utility facilities, government offices, and community service uses (e.g., churches) and lands. The Public/Semi-Public uses in the area include uses/buildings such as the Petaluma Historical Library & Museum at 20 4<sup>th</sup> Street, the Unitarian Universalists of Petaluma building at 16 5<sup>th</sup> Street, and City parking lots garages. The General Plan land use classifications in the vicinity of the project are depicted in Figure 2, below.

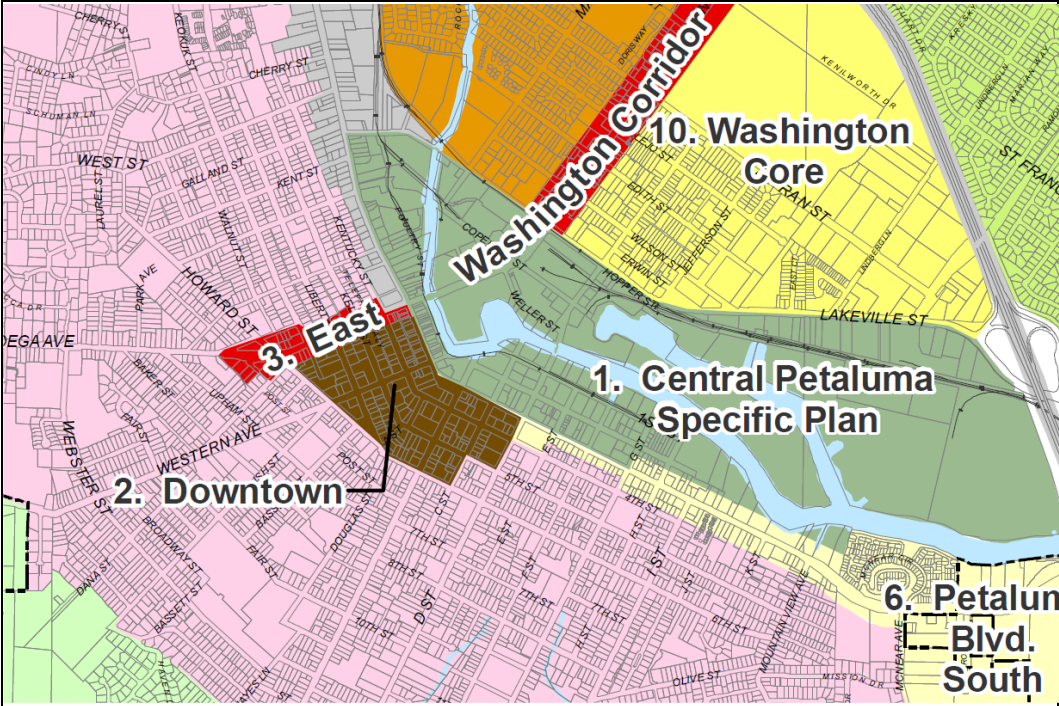


Figure 1: Petaluma General Plan 2025 – Planning Subareas

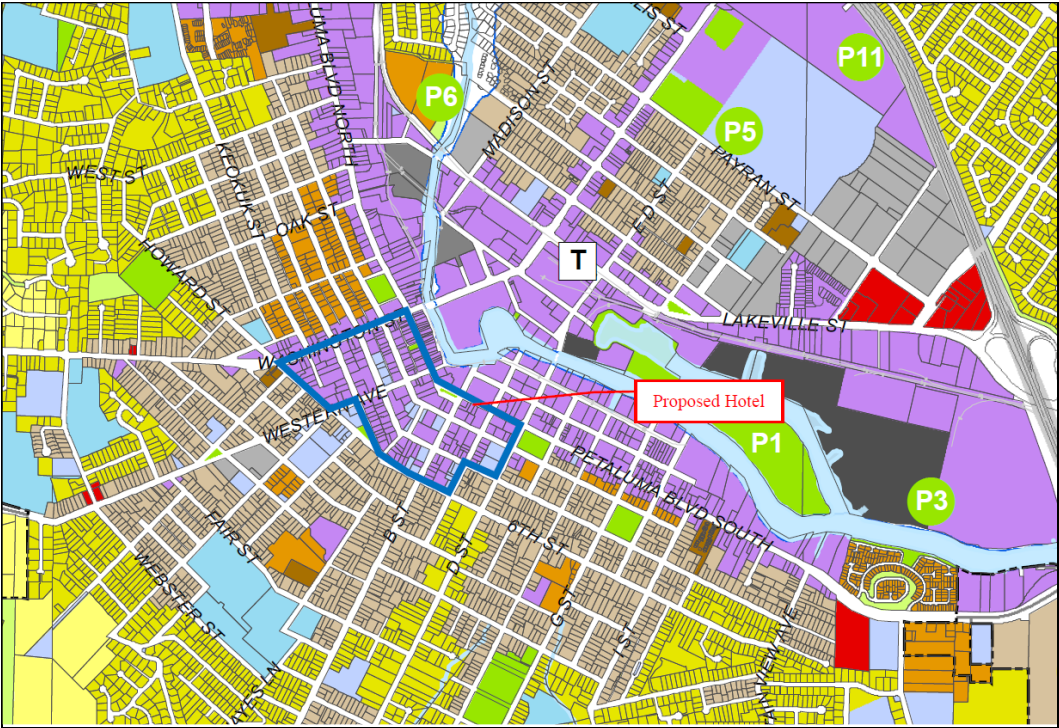
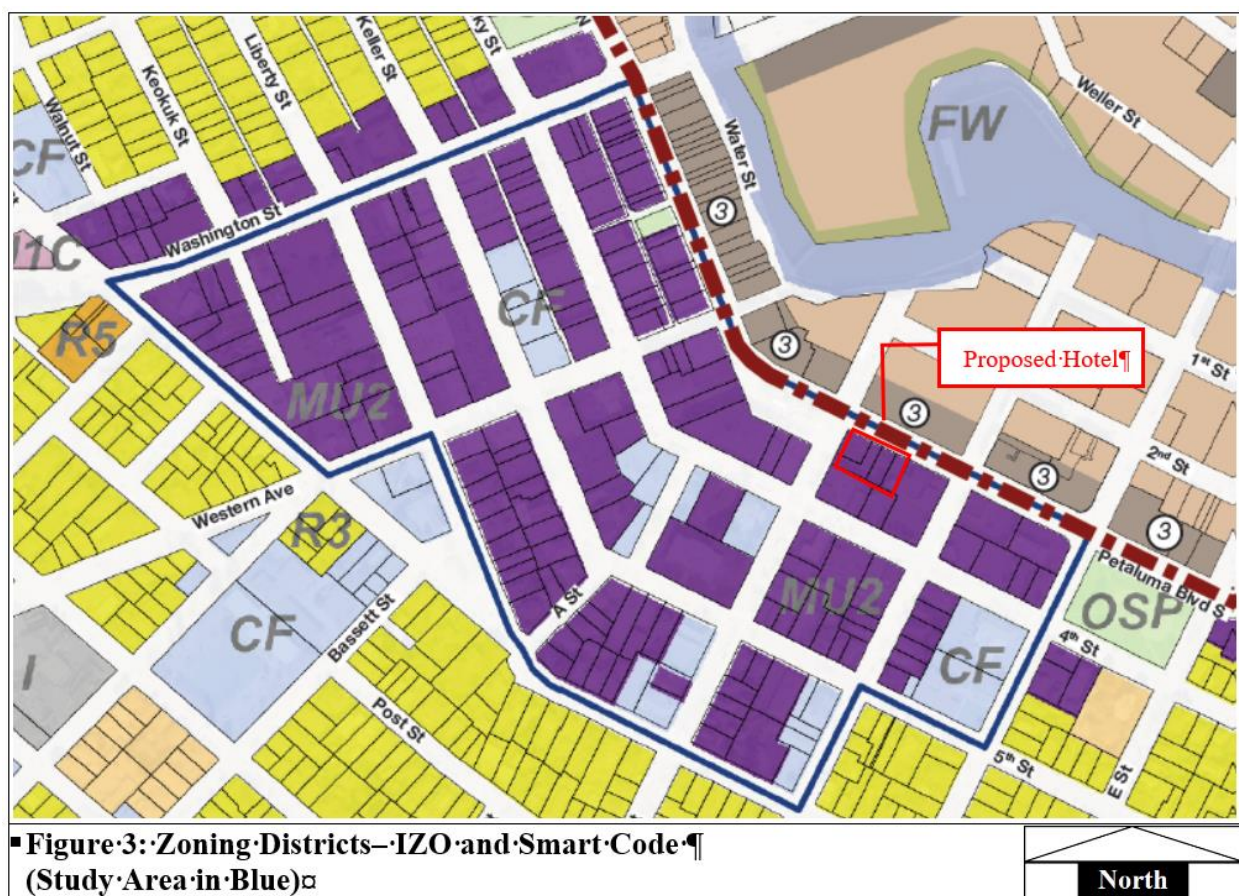


Figure 2: Petaluma General Plan 2025 – Land Use Map (Study Area in Blue)

The zoning for the hotel site and for many of the parcels within the overlay is classified as Mixed Use 2; the overlay also includes parcels that are classified as Civic Facility. The MU2 designation is applied to Downtown Petaluma and adjacent areas that are intended to evolve into the same physical form and character of development as that in the historic Downtown area. The MU2 zone is consistent with and implements the mixed-use land use classification of the general plan, which establishes a maximum FAR limit of 2.5 for residential and nonresidential uses within the classification, and a maximum density of 30 units per acre for residential. The Zoning Map designations for the site and surrounding area are depicted in Figure 3, on page 6 of this report.

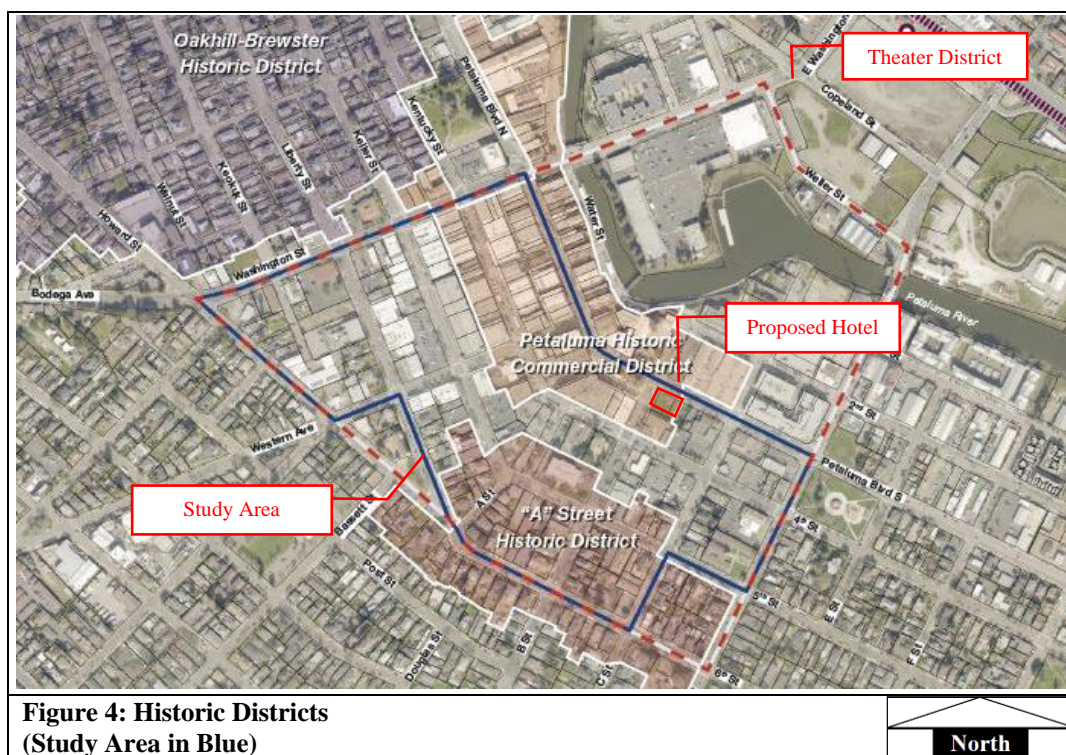
As part of the IZO, there are historic district overlays indicating the historic districts, and the theater district overlay. Properties within the historic district are subject to [IZO Chapter 15, Historic Preservation](#). The theater district overlay was intended to promote the development of movie theaters, including “first-run” movie theaters, and also theaters that provide limited, incidental showings of independent and foreign films. The theater district overlay will expire on August 4, 2023.<sup>2</sup>



<sup>2</sup> An overlay district, sometimes known as an overlay zone or combining district, is a geographic zoning district layered on top of another existing zoning district, or districts, that implements additional regulations. Overlay districts are frequently used in zoning codes to protect sensitive environmental features, preserve historic buildings, prevent development on unstable or vulnerable land features, or promote specific types of development, such as transit-oriented development. Like other zoning regulations, overlay districts can control building codes and urban design, permitted land use, density, and other factors.

### *Historic Context*

Downtown Petaluma was established in the mid-1800s and developed with a grid of regular streets and small blocks. Its pedestrian-friendly, walkable street network supports a variety of uses, including retail, restaurants, public uses, and professional offices, with limited opportunities for residential uses. Buildings within the historic district are generally three stories or less in height, creating a consistent scale for the district. The Downtown continues to reflect its historic structures, iron front facades, and mixed-uses.



A portion of the hotel site is located in the [Petaluma Historic Commercial District](#), and the proposed overlay would include portions of the Petaluma Historic Commercial District and the [A-Street Historic District](#). The Historic Commercial District was listed on the [National Register of Historic Places \(NR# 95000354\)](#) on March 31, 1995, and adopted as a City Landmark with a Historic Overlay Zoning on September 7, 1999. The district exhibits a period of significance spanning from 1854 to 1945 featuring prominent architectural styles such as Late Victorian, Italianate, and Streamline Moderne. As noted within the National Register form, the buildings within the district demonstrate district unity by their built lot lines composition, storefronts with recessed entrances and flanking display windows, flat roofs with parapets, and elaborate ornamentation. The A-Street Historic District was adopted as a City Landmark with a Historic Overlay Zoning in 1986. Architectural styles within the district range from 1860 to 1925 and include prominent and transitional combinations. Styles include Greek Revival, Gothic Revival, Italianate, Stick Style, Queen Anne, Shingle Style, Colonial Revival, Georgian Revival, Neo-Classical Revival, Craftsman, Spanish Colonial Revival, and Period Revival. Historic Districts are depicted in Figure 4, below. The hotel site, at the intersection of B Street and Petaluma Boulevard South, was the location of a gas station (Chevron, most recently, and in the 1950s, a Standard

Station). In 2009, the gas station was removed, and the site has remained vacant since that time. Additional historic context is available in **Attachment C**.

### ***Proposed Hotel Project Description***

The hotel site is comprised of three vacant lots totaling  $\pm$  0.32 acres (APN 008-063-008, -009, and -011). A sidewalk abuts the site within the public right-of-way and includes three unused curb cuts and driveway aprons that served the former gasoline/service station. The hotel would include 93 guest rooms within a 6-story, 68'-10" tall building over a below-grade, 58-space parking garage (valet only), with a total building area of approximately 77,000 gross square feet. The ground floor would include the hotel lobby and a restaurant with interior and exterior seating for 150 guests. Floors 2-5 would include 93 hotel rooms and a fitness center for hotel guests. Floor 6 would include a 1,372-square-foot event space and an exterior bar/event space with seating for 56 guests. The hotel would also include three outdoor spaces including a 901 square-foot ground-floor outdoor seating area, an 898 square-foot second-floor outdoor terrace area, and a 5,514 square-foot rooftop outdoor terrace.

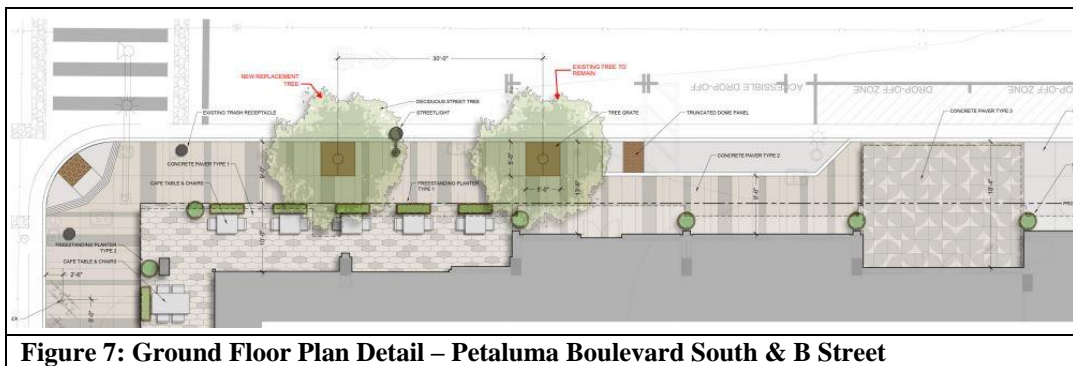
In May 2023, the applicant modified the overall form of the building to increase the setback to the enclosed portion of the fifth floor from roughly four feet to ten feet along Petaluma Boulevard South. The intention of this setback was to reduce the form's heavy appearance from the street frontage facing Petaluma Boulevard South and B Street (elevations facing Petaluma Boulevard South and B Street are provided in Figures 5-6 and bird's-eye renderings to depict the North and West building elevation are provided in Figures 8-9). All other design features, including height, scale, and massing, have remained the same. Floor plan views of the 5<sup>th</sup> and 6<sup>th</sup> floors and building sections are provided in **Attachment D**. No additional plans to depict the change to the 5<sup>th</sup> floor or other revisions were provided by the applicant.

The proposed hotel exceeds the development standards established by the General Plan and IZO for FAR, building height, and lot coverage. Please refer to pages 11-19 of the January 2023 HCPC staff report (**Attachment B**) for an overview & analysis of the three (3) required discretionary planning entitlements. To approve the hotel in its current proposed design, amendments to the General Plan and IZO are required, as well as the three (3) discretionary Planning entitlements listed below:

- Historic Site Plan and Architectural Review (HSPAR)
- Conditional Use Permit (CUP)
- Tree Removal Permit



**Figure 5: North Elevation – Petaluma Boulevard South**





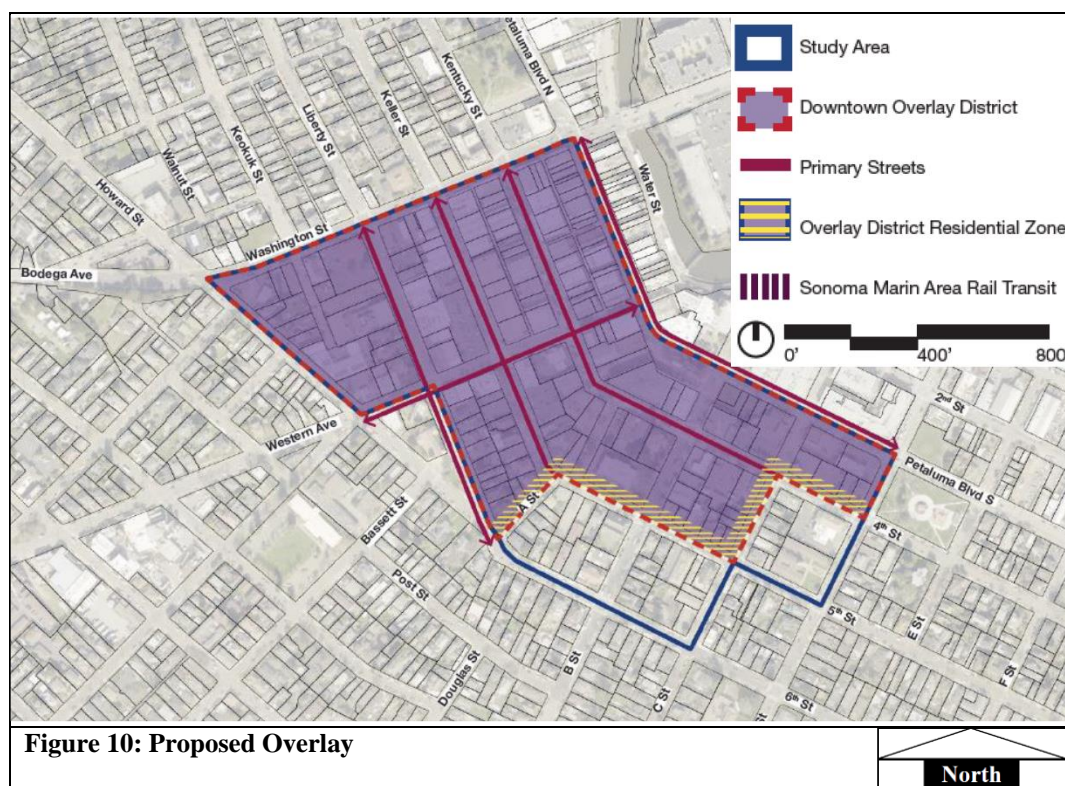
**Figure 9: Hotel Rendering – Bird’s-eye View Looking South**

### ***Proposed Downtown Building Form Overlay Project Description***

Staff considered various alternatives to amend the General Plan and IZO, (applying the amendment to the entire MU2 district, creating various sub areas within the MU2, creating an exception process that could apply anywhere). Ultimately, staff chose the current proposal which would involve creating a zoning overlay to apply to the Downtown. The overlay zone would establish design standards and guidelines to allow additional density and taller buildings and features for properties in an area that spans roughly 11 blocks and would include the hotel site. The study area for this overlay includes the blocks bounded by Washington Street to the north, Petaluma Boulevard to the east, D Street to the south, and Howard Street/Liberty Street to the west (Figure 10). The overlay would increase the base building height from 45 feet to 60 feet, with new bulk and mass controls, and establish qualifying criteria to increase building height to an overall maximum of 75 feet, with new bulk and mass controls.

The overlay would establish a new base level height of 60 feet and a new overall maximum height of 75 feet. The maximum height would include mechanical equipment, screening, elevator shaft, or vertical other projections, with no exceptions. For any building above 60 feet, at least three of the following eligibility requirements must be met:

- Provide a ground floor activating use on building facades that face the street;
- Provide a public benefit with an aim to improve the existing streetscape through widened sidewalks, additional street trees, new mid-block walkways/ paseos, public plazas, parks, etc.;
- Provide publicly accessible private space i.e., rooftop deck;
- Establish massing to express an existing datum line of the street wall or adjacent historic resource, if established; or
- Provide for a minimum ground floor height of at least 14 feet.



The overlay would replace the setback and step back development standards found in [IZO Table 4.10](#) with new bulk and mass controls intended to address the new building height as well as specific setbacks for new development along A Street, 5<sup>th</sup> Street, C Street, and 4<sup>th</sup> Street, or for a new building that would abut a contributing building within a historic district. These development standards are described in the tables that follow and are illustrated on pages 38-43 in **Attachment E**. To provide for more consistent development within the overlay, the overlay would also have building setbacks and step backs from a property line that abuts the public right-of-way be based on the frontage, instead of the front or street-side yard used by the IZO (please refer to Figure 10, above, for a depiction of the streets to be designated as primary frontages).

Table 1 provides the setback and stepback development standards that would apply to new buildings in the overlay, generally:

<b>Table 1, Setbacks/Step-backs General</b>				
	Setbacks	Stepbacks, Based on Building Height		
		0-45' 1/4-stories	Above 45' 1/4-stories (whichever is less)	Above 60' 1/5-stories (whichever is less)
Primary Street Frontage	0	NA	10' Min	20' Min
Secondary Street Frontage	0	NA	5' Min	5' Min
Interior Side	0	NA	5' Min	5' Min
Rear	0	0	0	0

Table 2 provides the setback and step back development standards that would apply to new buildings in the overlay along A Street, 5<sup>th</sup> Street, C Street, or 4<sup>th</sup> Street (the ‘overlay district residential zone’ depicted in Figure 10, above).

<b>Table 2, Setbacks/Step-backs Along A, 5<sup>th</sup>, C, or 4<sup>th</sup> Streets</b>			
	<b>Setbacks</b>	Stepbacks, Based on Building Height	
		0-30'/2-stories	Above 30'/2-stories (whichever is less)
Primary Street Frontage	0	NA	10' Min
Secondary Street Frontage	0	NA	5' Min
Interior Side	0	NA	5' Min
Rear	0	0	0

Note: Additional 10' stepback to be applied for every story above 30'

Table 3 provides the setback and step back development standards that would apply to new buildings in the overlay that abut a contributing building within a historic district:

<b>Table 3 – Setbacks/Step-backs Abutting Contributing Structures in Historic Districts</b>					
	<b>Setbacks</b>	Stepbacks, Based on Building Height			
		0-30'/2-stories	Above 30'/2-stories (whichever is less)	Above 45'/4-stories (whichever is less)	Above 60'/5-stories (whichever is less)
Primary Street Frontage	0	NA	0	10' Min	20' Min
Secondary Street Frontage	0	NA	0	5' Min	5' Min
Interior Side, abutting contributing building	0	NA	10' Min	10' Min	10' Min
Interior Side, not abutting		NA	5' Min	5' Min	5' Min
Rear	0	0	0	0	0

Note: For a new building along A Street, 5<sup>th</sup> Street, C Street, or 4<sup>th</sup> Street and abut a contributing building within a historic district, the stepbacks depicted in Table 2 and Table 3 would each apply.

Application materials and the January 10, 2023, HCPC study session staff report related to the hotel are available for reference in **Attachments A and B** of this report. This proposal is in advance of the General Plan Update and initiates various city goals and policies. The following section discusses the building form overlay's intentions and components in a discussion format to present its holistic approach and potential integration with existing and historic resources, and current city projects, including the General Plan Update, climate actions, and sustainability initiatives.

## **DISCUSSION**

As previously mentioned in the summary of this staff report, staff requests that the PC and HCPC review the changes made to the hotel project and review the proposed overlay for discussion. The discussion presented in the following subsections focuses on aspects of the proposed building form overlay, including (1) development standards and opportunities; (2) historic districts, contributing resources, and landmarks; and (3) review of proposed new developments. Additional topics for consideration include (a) climate action, (b) 15-minute neighborhoods, (c) and sustainability initiatives.

### ***Development Standards and Opportunities***

As described and presented in the Building Form Overlay report (**Attachment E**), the proposed building form overlay intends to provide additional development standards for parcels within its boundary without changing underlying zoning regulations provided by the IZO. The overlay's development standards would be applied in addition to the existing development standards of the IZO and historic district design guidelines, which provide quantitative development standards and qualitative design guidelines for any future development proposed within the overlay boundary. The overlay's goals are the following:

1. Encourage higher density, mixed-use infill developments that prioritize additional housing in the Downtown core.
2. Acknowledge, reflect, and complement Downtown's historic context and its historic resources.
3. Activate and encourage neighborhood and cultural tourism-oriented uses.
4. Spur economic growth by creating attractive development opportunities Downtown.
5. Enhance the pedestrian experience with high-quality streetscapes that include primary entrances that face the street, links towards the Petaluma River with access and visibility, and context-sensitive building designs.
6. Improving the quality of life in the Downtown and around the Petaluma River.

The direct and immediate benefit of this overlay is to increase the allowable height for new development within the overlay area. With the increase in height, there is also a need to consider density, scale, massing, and form. The development standards include setbacks, stepbacks, and the use of materials for compatible development in the Downtown area.

New development would support a variety of goals for the City, including sustainable economic growth, reduction in vehicular use, enhanced pedestrian access, and site activation. The overlay report identifies "opportunity sites" for future development within vacant sites, abandoned structures, and underutilized parking areas in the Downtown area. These types of sites may benefit from new development when a variety of densities, mixed uses, public spaces, and pedestrian-friendly spaces are incorporated into the Downtown area.

### ***Historic Districts, Contributing Resources, and Landmarks***

As illustrated within the study area, the overlay would be applied to selected areas of the Historic Commercial Districts and the A-Street Historic District and include City landmarks. The building form overlay's development standards, as an addition to the historic district design guidelines, are in an effort to guide development with quantitative constraints with height and massing controls for new development. An HSPAR application and discretionary review would continue to be required for proposed new development within the historic districts.

No demolition, demolition by neglect, or incompatible designs would be allowed or supported by the building form overlay development standards. New development may occur in a vacant lot within a historic district. When the proposed developments are adjacent to or abutting, a residential zone or a historic resource, certain conditions are to be met. The new development abutting a contributing historic resource would require a 10-foot setback, and its massing would need to express existing datums. These two requirements are in an effort to avoid impacts on the historic resources within the overlay areas.

At present, the structures within the Historic Commercial District have been identified as contributing and non-contributing. However, the A-Street Historic District would need a reconnaissance-level survey to evaluate and identify its contributing and non-contributing structures for the applicability of the building form overlay's development standards. Structures within the A-Street Historic District can be evaluated through the district's period of significance and architectural styles. Its historic design guidelines notes that "almost every building in the District is important in contributing to an unbroken tapestry of pre-1925 structures, nearly all intact examples of their various styles." There is also an opportunity to consider development as rehabilitation projects for non-contributing structures in a historic district with this building form overlay. The building form overlay report provides a range of new development precedents adjacent to or near older buildings, though it is not noted if these are designated or contributing structures within a historic district. The precedents (noted on pages 48 and 49 of the report) demonstrate a high level of design development, which includes setbacks, stepbacks, datums, use of materials, and other design strategies.

The Historic Commercial District's design guidelines thus far include fair guidelines for new construction of infill buildings to address proportions of the façade, composition, detailing, materials, colors, and building setbacks. However, with the intention of the building form overlay's development standards as an addition to the historic district design guidelines, the historic district design guidelines may need to be updated for the following reasons: (1) to reflect the historic districts and its structures' existing conditions, (2) incorporate refined definitions and character descriptions, and (3) provide robust guidelines for its historic resources. The proposed building form overlay development standards would provide the opportunity for new and infill development to have the option of a height above the IZO maximum and would control the form and massing when abutting contributing structures, with the intention of reducing and removing potential impacts to the contributing structures.

Therefore, clear identification of contributing and non-contributing structures within a historic district, along with updated historic design guidelines, would support a successful, appropriate, and compatible design with the building form overlay development standards and the historic district design guidelines.

Local landmarks are unique historic resources that the City Council has individually designated for preservation and recognition within the City. There are approximately 18 in the City, and six are located within the proposed building form overlay. There can be further review and consideration of the building form overlay proposal to exclude local landmarks. Since the intention of the overlay's development standards and guidelines is not to demolish or negatively impact historic resources, then there is no need to further impose additional heights or alter the form of local landmarks.

### ***Review of New Developments***

New buildings developed within the overlay would be subject to the same discretionary review process(es) otherwise required by the IZO, and subject to CEQA, as new buildings are today. The proposed hotel is subject to HSPAR, and a new building within either historic district that is within the overlay area would be subject to HSPAR; a new building not within a historic district would be subject to Major SPAR. The overlay would allow a new base level height limit of 60 feet and a 'conditional' height limit of 75 feet.

***General Plan 2025 Consistency***

As described within the building form overlay report (page 8), the General Plan 2025 identifies the Downtown in Petaluma, and prescribes Goal 2-G-3 to “Advance Downtown Petaluma as a focus of civic and cultural activity in the community, retain a strong pedestrian orientation and scale, preserve and enhance buildings of historic and architectural importance.”<sup>3</sup> Other general plan policies which the proposed building form overlay supports are:

- 1-P-1: Promote a range of land uses at densities and intensities to serve the community’s needs within the Urban Growth Boundary (UGB).
- 1-P-2: Use land efficiently by promoting infill development at equal or higher density and intensity than surrounding uses in order to use land efficiently.
- 1-P-3: Use land efficiently by promoting infill development, at equal or higher density and intensity than surrounding uses.
- 1-P-6: Encourage mixed-use development, which includes opportunities for increased transit access.
- 1-P-7: Encourage flexibility in building form and in the nature of activities to allow for innovation and the ability to change over time.
- 1-P-11: Allow land use intensification at strategic locations along the arterial corridors leading to Downtown and Central Petaluma, including aging commercial and industrial sites.
- 1-P-12: Encourage reuse of under-utilized sites along East Washington Street and Petaluma Boulevard as multi-use residential/commercial corridors, allowing ground-floor retail and residential and/or commercial/office uses on upper floors.
- 2-P-3: Maintain landmarks and aspects of Petaluma’s heritage that foster its unique identity.
- 2-P-5: Strengthen the visual and aesthetic character of major arterial corridors.
- 2-P-14: Promote the development and intensification of the Downtown commercial core as both a visitor destination and a neighborhood retail center.
- 2-P-17: Pursue the development and promotion of cultural activities and facilities, such as museums, meeting halls, community theatres, public art galleries and shows, and outdoor gathering places within the Downtown area.
- 2-P-57: Foster connections to the river from surrounding areas and ensure that new development adjacent to the river is oriented toward it.
- 5-P-4: New development and/or major expansion or change of use may require construction of off-site mobility improvements to complete appropriate links in the network necessary for connecting the proposed development with existing neighborhoods and land uses.
- 9-P-12 Maintain and expand Downtown as a hub of commercial and retail activity with residential opportunities.
- 9-P-13 Expand and diversify Petaluma’s retail base.

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<sup>3</sup> City of Petaluma. *General Plan 2025*. Revision Date May 12, 2021. Pages 2-6 described the Downtown’s goals, policies and programs.

### ***Climate Action***

The City of Petaluma has adopted an aggressive goal to reduce Greenhouse Gas Emissions to net zero by 2030. To accomplish this goal, the City is preparing a Climate Action Plan (CAP) that will guide municipal operations as well as future development in the City. The CAP includes strategies that address transportation, clean energy, green building, carbon sequestration, water conservation, and municipal operations. Some of the key concepts that translate between the CAP and the proposed building form overlay area include removing parking minimums and implementing policies that support active transportation and transit, increasing tree canopy coverage, and reducing impervious surfaces in the City. The City is undertaking a comprehensive General Plan update that considers climate action as it relates to the many topics covered in the General Plan, notably Land Use and Transportation.

### ***15-Minute Neighborhoods***

The City is also addressing climate change by forwarding and considering the application of the idea of 15-Minute Cities. In 15-minute Cities or 15-Minute Neighborhoods, community members can fulfill most of their needs for daily life within a 15-Minute walk from their homes. Increased ease of access to daily needs and the ability to walk to meet them leads to fewer cars on the road, decreased Greenhouse Gas Emissions, and increased public health and community strength. This concept was discussed at the City Council by the Sustainable Design Assessment Team (SDAT) that visited from the American Institute of Architects (AIA) in August 2022 and will arise as part of General Plan Discussions.<sup>4</sup> The building form overlay's general intentions to densify and activate sites (including vacant and abandoned buildings and underutilized parking areas) in the Downtown area would support the City's direction and efforts in a 15-minute neighborhood. Design opportunities that accommodate cohesive building designs for mixed uses and active ground floors would provide for short walking and biking distances within the Downtown area.

### ***Sustainability Initiatives***

The Building Form Overlay offers the opportunity to encourage new development within the City's Downtown area. Such infill development can play an important role in helping the City advance its sustainability work. To further help meet climate goals, Petaluma is investing approximately \$46m in the Capital Improvement Program (CIP) for projects that have been categorized as Climate First initiatives. These initiatives range from infrastructure, materials, procurement, and the landscape. To achieve this designation, projects must include one or more of the following criteria:

- Improves mobility options by making active transportation and transit safe, accessible, and convenient, thereby reducing car dependency and the associated greenhouse gas and particulate emissions.
- Includes GHG reduction measures.
- Improves energy efficiency of facilities, infrastructure, or equipment.

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<sup>4</sup> City of Petaluma. *Petaluma General Plan: American Institute of Architects – Petaluma Sustainable Design Assistance Team*. Additional information related to the AIA and the SDAT workshop presentation and visit to Petaluma is available at: <https://www.planpetaluma.org/documents>

- Includes execution of agreements or contracts where the contractor commits to prioritizing the use of sustainable materials and practices in design development. This includes utilizing the [EPA's Comprehensive Procurement Guidelines for Construction Products](#) and providing the City with an embodied carbon estimate for overall project(s) using the [Embodied Carbon in Construction Calculator](#).
- Includes project components that result in habitat restoration, carbon sequestration, climate adaptation, or increases in overall tree canopy.
- Results in solid waste diversion or reduction of consumption emissions.
- Supports the electrification of fleet, infrastructure, or municipal operations.

Petaluma also has numerous non-CIP climate initiatives that include solar projects, energy efficiency assessments and upgrades, EV charging infrastructure, and more to support these goals. New development within the overlay may benefit from these initiatives. Below is a list of these initiatives:

- Sysco Energy Solutions Contract
- Solar Initiatives
- Floating Solar
- Integrated Pest Management Plan
- Adoption of Tree Preservation Ordinance
- XeroHome Urban Building Energy Model
- EV Charging Infrastructure Master Plan
- EV Preferred Purchasing Policy
- Citywide Electrification Initiative
- Generator Feasibility Study
- Renewable and Fossil Diesel Usage
- Joint Fueling Services Contract with the County of Sonoma and the City of Santa Rosa

As can be seen, the City is fully embracing and is committed to the goal of carbon neutrality through the various ongoing projects and programs listed above, whether through City infrastructure, procurement projects, or individual site design development. Sustainability initiative projects are in place to continue to deliver on the community's call for action and reduce our impact on the environment.

### ***Feedback Request***

This report provides an overview of the proposed hotel and the building form overlay, and their required entitlements. Staff requests that the PC and HCPC provide non-binding comments and direction regarding the building form overlay to address the following:

1. Is the building form overlay concept to facilitate an increase in building height and density supported by the General Plan and or the General Plan Update?

2. Is the building form overlay boundary in the correct area to consider, or should its size and location be reconsidered?
3. Is the increase in building heights in the Downtown area appropriate, or should a greater or lower height be considered?
4. Are the building form overlay development standards bulk and mass controls appropriate, or should other measures be considered?
5. Should the by-right building height be increased to 60 feet, or should such an increase only be allowed when specific criteria are met, or via discretionary approval, such as a conditional use permit?
6. Are the eligibility features to allow a building as tall as 75 feet appropriate, or should other features be considered?

Additionally, feedback on the overall hotel's design, scale, and architectural compatibility and proximity to Petaluma's Downtown and riverfront for community and business engagement are other items where feedback may be helpful.

### ***Public Outreach and Public Comment***

The applicant has held four community meetings and has conducted other outreach to community organizations and groups between July 2022 to June 2023. A summary of the community outreach conducted by the applicant may be found in **Attachment G**.

On June 2, 2023, the applicant installed two signs on-site to inform the public of the upcoming meeting with the PC & HCPC. Pursuant to [IZO Section 24.100.B](#), each sign was at least 12 square feet in area and placed in a position most visible to the public along the Petaluma Boulevard South and B Street frontages.

On or before June 3, 2023, a notice of a public hearing was published in the Argus-Courier and mailed to all property owners and occupants within 1,000 feet of the boundary of the proposed overlay.

Public notice of the June 13, 2023, Study Session with the PC and HCPC, was posted in compliance with the Brown Act and to solicit initial public comments.

Public comments may be viewed in **Attachment I**.

### **CASE STUDIES**

No case studies are provided as part of this staff report.

### **ENVIRONMENTAL REVIEW**

This is a discussion item only. No action will be taken on this item; therefore, no finding under the California Environmental Quality Act (CEQA) is required to be made for this meeting item.

The proposed project requires approval of discretionary entitlements, including a General Plan Text Amendment, Zoning Text Amendment, Historic Site Plan and Architectural Review, and a Conditional Use Permit which triggers review pursuant to CEQA. Upon submittal of requested project entitlements, staff reviewed project application materials, including the Environmental

Impact Questionnaire, which indicates potential environmental impacts, as well as site history to identify additional information needed to evaluate environmental impacts. Preliminary comments were provided by staff as part of the completeness review on a Transportation Analysis, Historic Compliance Review, and Soil and Groundwater Remediation documents submitted by the applicant. Based on the staff's review of the project and environmental considerations, additional technical studies were requested, including an Acoustical Assessment, Air Quality, and Greenhouse Gas Assessment, Archaeological Survey Report, and Preliminary Geotechnical Report. Preparation of these additional technical studies is understood to be in process by the applicant and will be reviewed by staff to ensure that the analyses are adequate for CEQA purposes. Upon receipt and acceptance of technical studies, staff will prepare an Initial Study to determine the level of environmental review required for the project. In addition to analyzing the impacts of the physical development proposed (e.g., construction of the hotel, associated site improvements, off-site improvements, etc.), the CEQA analysis will evaluate potential environmental impacts resulting from the proposed general plan and zoning amendments. Public comments received at this meeting that relate to environmental impacts will be considered and addressed as part of the environmental analysis. Once complete, the CEQA document will be made available for public review and comment in accordance with City and State notification and publication procedures. Prior to acting on project entitlements, including making recommendations to the City Council, the Planning Commission will consider the adequacy of the CEQA analysis at a subsequent public hearing.

### **CITYWIDE GOALS & PRIORITIES**

The proposed hotel and building form overlay is a commercial, mixed-use, and activity-driven project within the City's historic Downtown core, which supports and cross-references two out of five categories of City Council Goals, for an economy that prospers and spaces and places that inspire.<sup>5</sup> The hotel has various internal components and two visual features that positively support the Downtown, including its proposed ground-floor streetscape. The combination of hotel use, streetscape, and public art creates an inviting space to celebrate the city's historic district, encourage sustainable development, and showcase unique works of art. The proposed building form overlay supports new development standards and guidelines to achieve a desired height of up to 75 feet when certain design standards are met, providing for compatible and appropriate development in the Downtown area.

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<sup>5</sup> City of Petaluma. *Goals and Priorities – Fiscal Years 2021-2023*. Five goals include (1) a city that works, (2) a safe community that thrives, (3) an economy that prospers, (4) our environmental legacy, and (5) spaces and places that inspire. Ongoing workplan available to review at: <https://cityofpetaluma.org/departments/city-goals-priorities/>

Specifically, the project is consistent with the following adopted City Council Goals:

- Goal #103     Prioritize and incentivize sustainable infill development.
- Goal #113     Facilitate the development of additional hotels where appropriate.
- Goal #114     Identify potential parking and transportation alternatives for Downtown.
- Goal #121     Identify and prioritize projects to upgrade and improve the Downtown, alleyways, and public spaces.
- Goal #120     Robust focus on the riverfront and river-oriented development, including redevelopment potential of the Golden Eagle Shopping Center and Water Street.
- Goal #135     Encourage temporary art installations and other types of public arts celebrations and partnerships with other arts and community organizations.

### **FURTHER RECOMMENDATION**

No further recommendations are offered for this study session item.

### **ATTACHMENTS**

- Attachment A     Hotel Plan Set, Study Session 1, January 10, 2023
- Attachment B     Hotel HCPC Staff Report, Study Session 1, January 10, 2023
- Attachment C     Hotel Historic Compliance Review Report, June 7, 2022
- Attachment D     Hotel Revised 5<sup>th</sup> and 6<sup>th</sup> Floor and Building Sections, June 7, 2023
- Attachment E     Petaluma Building Form Overlay Proposal in Downtown, June 7, 2023
- Attachment F     Overlay Historic Cultural Resources Report Proposal, May 31, 2023
- Attachment G     Hotel Community Outreach Summary
- Attachment H     Hotel Economic Impact Analysis, June 7, 2023
- Attachment I     Public Comments received through June 8, 2023