

**Creating an Active Multigenerational Community for the
Riverfront Master Development (Parcel 5 & 6) at
500 Hopper Street, Petaluma**

July 13, 2021 Planning Commission Study Session

Background

Spirit Living Group (“Spirit”) is a local, family run company that has been developing and managing vibrant senior care communities in the Bay Area for 25 years. Spirit proposes to develop an active, mixed-use, multigenerational senior housing community (“Project”) at 500 Hopper Street, Petaluma (Parcels 5 & 6 of the Riverfront Mixed Use Development Project) consisting of approximately a 170-room, best-in-class Residential Care Facility for the Elderly (“RCFE”) on the upper floors and a mix of commercial, live-work and RCFE amenity space on the ground floor.

The RCFE will provide a continuum of care for seniors ranging from those who are more independent to those requiring assisted living and memory support. The goal of Spirit is to allow Petaluma residents and families to continue enjoying their life in the town they call home by supporting them to remain active and engaged as they age in place without having to be displaced as their care needs change. The need for senior housing and care is especially pressing in Petaluma where residents have limited choices.

RCFE Community

Similar to its RCFE community in Berkeley which provides housing on the upper floors and active spaces on the ground floor in a commercial corridor, the Project would activate the street front through a vibrant and engaging design philosophy that provides commercial spaces and RCFE amenities at the ground level with open and transparent floor to ceiling glass storefront doors and windows, encouraging a natural engagement between the neighborhood, similar to European town squares.

This design approach is rooted in Spirit’s belief that the growing senior community adds to the rich and diverse fabric of any neighborhood, offering wisdom, presence and life experiences to the community, particularly the younger generations. As such, the Project’s transparent and open design concept seeks to promote resident connection to the neighborhood and invite neighbors to connect to the building by using its amenities.

Spirit believes the Project offers the following benefits to the City of Petaluma:

- 1) Providing much needed senior housing and services to Petaluma residents and families where there is a significant need and a shortage of senior housing options.
- 2) Creating more than 50 locally sourced jobs across three full-time daily shifts.
- 3) Approximately 13,500 square feet of commercial and live work spaces at the ground level (plus an additional 1,300 square feet of pedestrian access easements that are required to run through the middle of the buildings to the park). These commercial uses may include an art gallery and workshop space, a music studio, fitness and wellness center, day spa and café.
- 4) A Project with a lower environmental footprint, less parking demand and lower traffic impact because most residents of the RCFE don't drive and don't have cars. A dedicated shuttle van with a full-time driver serves both residents and employees with their transportation needs.
- 5) RCFE amenity spaces at the ground level designed to activate the street front with storefront doors and windows, including lobby, café lounge and restaurant style dining.

Direction Requested from the Planning Commission

- 1) Would the City of Petaluma support the RCFE Use of the Project?

We are informed that while the Zoning Ordinance allows Residential Care Facilities for the Elderly (RCFE) on the upper floors or in non-street fronting spaces in the MU1A and MU1B zones, RCFE use is not listed as either prohibited or allowed by right or with CUP in the T6 zone (or any other zone in the SmartCode). The SmartCode has procedures for determining whether a proposed use may be allowed if it is found to be similar and compatible to an allowed listed use. A determination may be made administratively by the Director or the Director may refer the question to the Planning Commission for a determination at a public meeting. Section 8.10.020(G)(1)(a.- e.) of the SmartCode (at p. 172) establishes the findings required to determine a proposed use is similar and compatible to a listed use of the T6 zone.

Spirit believes that the housing and amenities provided by an RCFE are similar and compatible to the allowed listed uses in the T6 zoning. For example, the resident rooms of an RCFE share similar characteristics to a hotel or bed and breakfast inn and are used for lodging. At the same time, these rooms serve as the residence for seniors in the same way as multi-family housing. The amenities provided to seniors

are similar and compatible to numerous allowable listed uses in the SmartCode such as Bed and Breakfast Inn, Hotel/Motel, Catering Service, Restaurant, Adult Day Care, etc. For example, a new Marriott Hotel was built across the street from the parcels.

2) Would the City of Petaluma support 15,000 square feet of commercial, live-work and pedestrian access easements on the ground floor as well as RCFE amenity spaces at the ground level?

We note that when the original Riverfront Master Plan was conceived in 2010, it envisioned 30,000 square feet of commercial space at the ground level and 100 apartments on upper floors on these parcels. However, Basin Street (the seller) and dozens of other potential buyers have been unable to create a feasible project with that much commercial space. The two parcels are challenging to work with because they are narrow and long. The RCFE use requires a much lower parking ratio of .25:1 while commercial requires 1 parking space per 500 square feet and generates more traffic demand and parking which takes away functional space that can be used for active uses and services for the community. In addition, demand for ground level commercial/retail has taken a turn for the worse since the Master Plan was conceived more than 10 years ago, which has led to rising vacancies.¹ Together with rising construction costs, these factors have presented challenges to secure the financing needed to build on these parcels.

To address these challenges, Spirit's vision would entail reducing the 30,000 square feet commercial component of the Project to 15,000 square feet, including public pedestrian access easements that run through the center of the buildings to the play field. This allows Spirit to provide thoughtfully designed amenity spaces at the ground level that will create an exceptional community and quality of life for senior residents. These spaces are similar in character to the ground level spaces at the neighboring Marriott Hotel and include lobby/reception, restaurant and accessory spaces needed to operate the RCFE.

Spirit believes that it is offering a balanced approach to providing much needed housing and services for Petaluma's aging population and that a beautiful, active, multigenerational senior housing community, with families and kids integrating in the neighborhood is the best use for this site.

¹ Commercial spaces are struggling even in surrounding areas that have more density, are more commercial in character and have better traffic access. It is likely that empty storefronts would remain dark for the foreseeable future in this area.

We look forward to your direction and feedback on July 13th. Please let us know if you have any questions prior to our meeting.

Warm regards,

A handwritten signature in black ink, consisting of a large, stylized capital 'A' followed by a smaller 'K' and a dot.

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