



## Agenda Item {14}

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DATE: September 18, 2023

TO: Honorable Mayor and Members of the City Council through City Manager

FROM: Andrew Trippel, Planning Manager

SUBJECT: Resolution Adopting an Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Oyster Cove Mixed Use Neighborhood Project, Resolution Approving a General Plan Amendment, Introduction of an Ordinance (First Reading) Adopting a Zoning Map Amendment, and Resolution approving the Tentative Map for Subdivision and Condominium Purposes and Associated SmartCode Warrants

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### **RECOMMENDATION**

It is recommended that the City Council conduct the required public hearing and adopt the following resolutions and ordinance for the Oyster Cove Mixed Use Neighborhood Project:

- Resolution adopting the project-level Final Initial Study/Mitigated Negative Declaration (IS/MND) identifying potentially significant impacts related to Air Quality, Biological Resources, Cultural Resources, Geology/Soils, Hazards, Hydrology, Noise, and Tribal Cultural Resources and a Mitigation Monitoring and Reporting Program (MMRP) to avoid or reduce potentially significant impacts identified to less than significant (Attachment 1); and
- Resolution approving a General Plan Amendment to change the General Plan land use designation on a portion of the parcel located at 100 E D Street (Assessor Parcel Number 007-700-006) from River Dependent Industrial (RDI) to Mixed Use (Attachment 2); and
- Introduction (first reading) of an Ordinance approving an Amendment to Section 2 of the Amended SmartCode Regulating Plan (2013) on a portion of the subject site from River Dependent Industrial (D3) to Urban Center (T5) consistent with the proposed General Plan Amendment (Attachment 3); and
- Resolution approving a Tentative Map for Subdivision and Condominium Purposes to subdivide the project site into 22 lots with 132 airspace condominiums and approximately 9,000 SF of commercial space and approving associated SmartCode warrants to allow modifications to SmartCode standards for the T5 Urban Center Zone, including (Attachment 4):

- Removal of the required “Hopper Loop Road” described in SmartCode Section 5.10.100 – Thoroughfare Regulating Plan Central Petaluma Specific Plan Area;
- Modification of minimum Ground Floor Ceiling height requirement for Residential Uses and All other uses from 10 feet and 14 feet, respectively, to a minimum of nine feet for all uses, if required (Urban Standards Table, Table 4.10.m);
- Modification to allow commercial use activity within the minimum 30-foot Ground Floor Space Depth, if required (Urban Standards Table, Table 4.10.n);
- Reduction in minimum Lot Size width from 18 feet to 16 feet, and depth from 80 feet to 36 feet, if required (Section 4.80.100.B);
- Modification of minimum Main Body Width requirement of 18 – 36 feet (maximum) to 16 – 34 feet (maximum), if required (Section 4.80.100.D);
- Elimination of the Private Open Space requirement for Townhouse building types (Section 4.80.100.H); and
- Modification to Parking Location requirements to allow enclosed parking to encroach into the required 2nd Layer (within the first 20 feet of unit ground floors) as described in SmartCode Section 6.10.020 – Location of Parking (Urban Standards Table, Table 4.10.p)

## **BACKGROUND**

### **Project Summary**

#### *Overview*

The Oyster Cove Mixed Use Neighborhood Project proposes adaptive re-use of an existing industrial site into a predominantly residential mixed-use development consisting of 132 residential condominium units arranged in 21, 3-4 story buildings oriented to East D St., the Petaluma River, and McNear Canal. Eleven of the units facing East D St. would be three to four-story live/work units with living space above ground floor non-residential. The balance of the site will have 121 attached residential homes. The project complies with the City’s inclusionary housing requirement by reserving 15% of units for income-qualifying households (7.5% at Low-Income and 7.5% at Moderate Income). In addition to proposed residential development, the project proposes adaptive reuse of the existing “Oyster Shed” industrial building, adjacent to East D. St. and the Petaluma River, for a covered public plaza, public-serving boathouse, and commercial restaurant with an outdoor dining patio. Site landscape improvements and required offsite improvements would also be implemented. All project components including proposed residential, mixed-use, and commercial development, site access, on- and off-site improvements, parking, open space, public art, landscaping, lighting, site furnishings, utilities, requested warrants, sea level rise, construction activities, and architectural design are discussed in further detail later in this staff report.

#### *Public Benefits*

As proposed, the project will fund and construct public improvements that would provide community- level benefits to Petaluma and support the continuing success of Petaluma’s Downtown area including:

- A new multi-use trail along the Petaluma River;
- A new multi-use path with a dedicated bike lane and retail along East D Street;
- 20 new affordable housing units in the Downtown area;
- A new signalized intersection at East D Street and Copeland;
- New onsite parking dedicated to Steamer Landing Park and the Heritage Center;
- Renovation and adaptive reuse of the Oyster Shed building as a public amenity that acts as an entry/draw for the Petaluma River Park and increases public access to the river;
- Residential living opportunities for existing and new public transit users within walking distant to the Transit stations;
- East D Street activation with shopfronts and multi-modal infrastructure; and
- Improved access to the Steamer Landing and Petaluma River Parks.

Additionally, the project is required to pay Development Impact Fees that are calculated based on residential and commercial characteristics. A Development Impact Fee estimate was prepared based on project information provided in this staff report using Fiscal Year 2022 impact fee values. Estimated total Development Impact Fees would be \$5,015,450 for the project as proposed. Because development impact fees generally increase each year, an increase in total fees collected is anticipated by the time fees are collected. Highlights of estimated development impact fees that the developer would pay include:

- Payment of ± \$30,240 in Commercial Development Housing Linkage fees to support affordable housing development throughout the City, in addition to proposed construction of 20 affordable housing units;
- Payment of ± \$907,032 in open space and parkland acquisition and development fees, in addition to creating an approximately 1,500 SF public plaza at the Oyster Shed, improving access to Steamer Landing Park by constructing publicly accessible alleyways throughout the development, a multi-use path along the Petaluma River, and improving River Trail along the McNear Canal;
- Payment of ± \$1,748,685 in Traffic Development Impact fees, in addition to constructing bike lane and sidewalk improvements on East D and Copeland Street frontages, as well as installing traffic signalization at the intersection of East D and Copeland Streets;

## **Review Process**

Planning review of required discretionary Planning entitlements is divided into two phases. Phase 1 includes these requests for a General Plan Map Amendment, SmartCode Regulating Plan Zoning Map Amendment, and Tentative Map for Subdivision and Condominium Purposes with associated SmartCode warrants (described above), all of which require approval by the City Council. Phase 2 entitlements will consist solely of Major Site Plan and Architectural Review (Major SPAR), for which the review authority is the Planning Commission. Planning Commission and City Council comments or feedback provided during the Phase 1 review will inform the development of the Phase 2 Major SPAR application.

## *Planning Commission*

### Phase 1 Entitlements

Project recommendations to the City Council concerning the project's environmental document and Phase 1 entitlements were considered by the Planning Commission on May 9, 2023. The Planning Commission approved four resolutions as follows and are included in Attachment 5:

- Resolution No. 2023-05 recommending the City Council adopt a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program;
- Resolution No. 2023-06 recommending the City Council approve a General Plan Amendment to change the land use designation for a 1.86-acre portion of a 3.86-acre parcel from river-dependent industrial to mixed use;
- Resolution No. 2023-07 recommending the City Council adopt a Zoning Map Amendment to the SmartCode regulating plan zoning map to change the zoning designation for a 1.86-acre portion of a 3.86-acre parcel from River Dependent Industrial district (D3) to Urban Center (T5); and
- Resolution No. 2023-08 recommending the City Council approve a Tentative Map for subdivision and condominium purposes to subdivide the project site into 22 lots with 132 airspace condominiums and approximately 9,000 square feet of commercial space.

Discussion points provided by Commissioners were related to:

- Sewer capacity;
- Recycled water for landscape irrigation;
- Easement language related to Vulcan Shamrock;
- Parking lot located at the end of Copeland Street (potential relocation; parking restrictions);
- Flooding and sea level rise;
- Proximity of the trail to the riverbank;
- Traffic coordination on D Street;
- Lack of private open space;
- Timing of construction of nearby Haystack development;
- Plans for rehabilitation of existing docks;
- Undergrounding of utility lines;
- Landscaping and bank stabilization;
- Proximity to the Petaluma River Park and ensuring public access is highlighted;
- Watercraft access and other amenities;

Overall, the Planning Commission concluded that the IS/MND provides an adequate review of environmental impacts, the project incorporates smart growth principles that are appropriate for the site, and the proposed density is appropriate for the site. All resolutions were approved unanimously by the Planning Commission. Revisions to Conditions of Approval as a result of

Planning Commission discussion included the following and have been incorporated into City Council Resolutions (Attachment 1 through Attachment 4), as applicable:

- Modifications to Mitigation Measures BIO-4, BIO-5, and HAZ-1
- Requirement for site-ready condition for recycled water, once available
- Add language related to the potential for nuisance as a result of the nearby Vulcan Shamrock industrial operation

#### Preliminary Comments on Project Design

Illustrative perspectives/renderings accompanying Phase 1 land use entitlement applications are intended only to provide a conceptual perspective of the site layout, density, and building locations, heights, and massing. After the land use entitlements are approved, architectural character and style will be more fully developed and finalized through a future SPAR process. The Oyster Cove SPAR application will incorporate design principles such as integrity, authenticity, local references, and other propositions to encourage a Petaluma sense of place. In addition to the adopted resolutions listed above, the Planning Commission provided preliminary comments on the project's architecture and design to the applicant. Preliminary comments included the following:

- General preference for modern architecture;
- Provide variation in design across the development, including varying rooflines;
- Prescriptive/defined use for Oyster Shed reuse, preference for river-dependent uses;
- Incorporate vertical garden element/greenspaces/rooftop gardens;
- Incorporate elements reflective of the surrounding ecology;
- Incorporate articulating features (balconies, windows, etc.);
- Incorporate materials that are reflective of the surrounding natural area;

#### *Peer Review of Initial Study/Mitigated Negative Declaration*

Following the Planning Commission's review of the IS/MND and approval of a resolution recommending that the City Council adopt the project's CEQA document, staff received additional public comment questioning the adequacy of the document with a particular focus on the Air Quality analysis. Peer review by outside counsel was requested through the City Attorney's Office, and the peer review concluded that the analysis provided was thorough and adequately addressed all potential impacts. Outside counsel did not recommend additional changes beyond those minor modifications requested by the Planning Commission. The Final IS/MND, MMRP, and Response to Comments are provided as attachments to this staff report.

#### *City Council*

#### Phase 1 Entitlements

The purpose of this staff report is to present the proposed project, discuss Planning review of the proposed project for consistency with adopted policies and regulations, provide an overview of the Planning Commission's review of the project, and recommend discretionary actions to City Council concerning CEQA review, the General Plan Amendment, Amendment to Section 2 of the Amended SmartCode Regulating Plan (2013), and Tentative Map and requests for SmartCode

warrant applications before the Council. Certain types of project information submitted by the applicant, such as a Preliminary Site Plan (Attachment 10), Concept Landscape Plan (Attachment 12), and illustrative perspectives (Attachment 13), are intended to help all reviewers develop a comprehensive understanding of the proposed project; however, approval of these components is not part of the Council's review at this time. Council's review should focus on whether the project is consistent with applicable goals and policies contained in adopted plans, complies with regulations contained in the SmartCode and Petaluma Municipal Code, and consider whether the project meets the applicable findings related to the proposed amendments, including:

- The proposed amendment is in general conformity with the Petaluma General Plan and any applicable plans.
- The public necessity, convenience, and general welfare require or clearly permit the adoption of the proposed amendment.

The Tentative Map is conditioned to require a second point of access, restricted for emergency vehicles only, and may be taken from Hopper Street in the northeast portion of the site or from E D Street at an existing driveway across from Weller Street at the southwest portion of the site. The preferred emergency access is from Hopper Street, which would be provided by way of a land exchange between the City of Petaluma and Vulcan Lands Inc. In support of the land exchange, on May 23, 2023, the Planning Commission made a General Plan Conformity Determination (Resolution 2023-09) consistent with California Government Code Section 65402(a) and recommended that the City Council approve the proposed land exchange. If approved by the City Council, the land exchange will allow for a second point of access for emergency vehicles. A review of the land exchange would occur at a subsequent City Council hearing of a date yet to be determined.

#### Preliminary Comments on Project Design

Following discussion and decision on the Phase 1 entitlements for the proposed project, staff recommends that the City Council provide feedback to the applicant on the architectural design.

#### **General Project Location, Site, and Description**

The ± 6.13-acre project site is located at 100 E D St. and is comprised of three parcels:

- 100 E D St. (APN 007-700-006), gross site area of approximately 3.86 acres;
- 0 E D St. (APN 007-700-003), gross site area of approximately 0.64 acres; and
- 0 Copeland St. (APN 007-700-005), gross site area of approximately 1.60 acres.

The C-shaped site wraps around the terminus of the McNear Canal from north to south and is bisected at approximately mid-point by Copeland Street. The Petaluma River borders the lower section of the project site to the south, with Steamer Landing Park to the east and East D St. to the west. The McNear Canal borders the upper section of the project site to the south, with commercial development to the west, an unused freight rail spur (owned by SMART) to the north, and industrial development to the east. The River Trail provides access to Steamer Landing Park and the future Petaluma River Park, which are adjacent to the lower portion of the site, and to Hopper St., which is adjacent to the upper portion of the site. Properties comprising the project site were historically used for offloading, processing, and distribution of fossilized oyster shells. The site is currently developed with three vacant steel buildings, docks, and moorings located on the

southernmost portion of the site closest to the Petaluma River and is used for warehouse and open yard storage of industrial materials.



**Figure 1:** Proposed project site (boundary in red) (Source: Google Earth, 2021)

The project site is located in the Central Petaluma Specific Plan Subarea of the City's 2025 *General Plan* and is within the boundaries of the *Central Petaluma Specific Plan*, the *Petaluma SMART Rail Station Areas: Transit-Oriented Development (TOD) Master Plan*, and the *Petaluma River Access and Enhancement Plan*. The property is subject to Appendix A: SmartCode Amendments adopted in July 2013. The project site is included in the Lakeville Priority Development Area due to its proximity to the Downtown Petaluma SMART Station (within 0.16 miles from the Station).

A majority of the site is designated Mixed Use by the 2025 General Plan and is zoned Urban Center (T5) by the SmartCode Regulating Plan; however, an approximately 1.86-acre portion of the 3.86-acre parcel addressed as 100 E D Street (Assessor Parcel Number 007-700-006) is currently designated River Dependent Industrial (RDI) by the General Plan and zoned River-Dependent Industrial (D3) by the SmartCode. General Plan Map and Zoning Map Amendments are requested to change this portion of the site to a Mixed Use General Plan land use designation and rezone it to Urban Center (T5), which is an implementing zoning district of the Mixed Use designation.

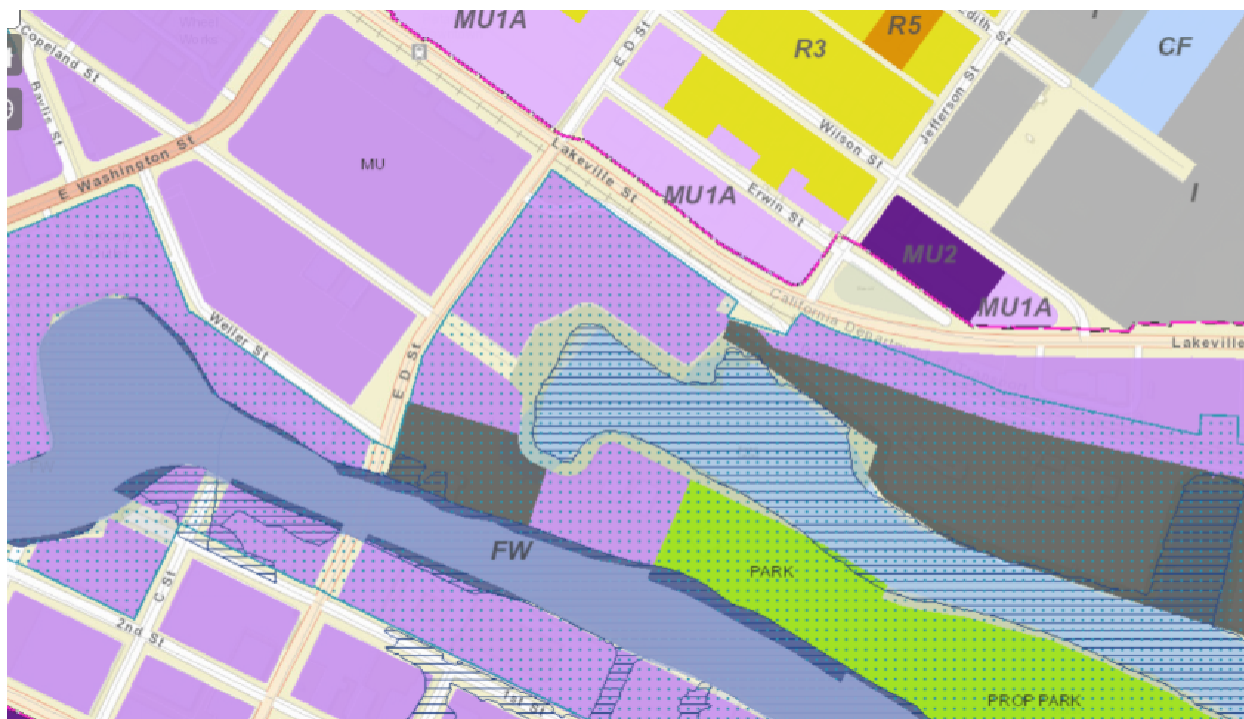
The project site is located immediately across the Petaluma River northeast from Downtown Petaluma and is within walking or biking distance of commercial retail goods and services; restaurants, the Boulevard 14 Cinema and other entertainment options, a museum, community parks, and other public gathering areas, as well as various commercial retail goods and services establishments along 1st and 2nd streets south of the Historic Downtown and at the Petaluma River Plaza on East Washington St.; and a variety of restaurants and commercial retail goods and services along East Washington St., East D St., and Lakeville Highway. Each of these commercial or institutional land uses offers employment opportunities for differing skill and educational levels.

The proposed development is immediately adjacent to developed portions of the Petaluma River Trail, Steamer Landing Park, and the future Petaluma River Park, as well as close proximity to Walnut and Wickersham Parks. The Petaluma Regional Library and Petaluma Fairgrounds are



located approximately ½-mile northeast of the project site.

The project site is located within the Petaluma City School District (PCS) and Petaluma Joint Union High School District. Per the Petaluma City Schools website, PCS is the district of residence for grades TK-12. McKinley School is the neighborhood school for students in grades TK-6 who reside within the proposed residences and is located within one mile of the proposed project site. Students in grades seven and eight would attend Petaluma Junior High (PJHS) and students in grades nine through 12 would attend Petaluma High School (PHS). Both schools are located within 1.3 miles of the project site.



**Figure 2:** Current General Plan Land Use Designations and Zoning (Source: City GIS, June 2020)

### Site Constraints

The Oyster Cove neighborhood seeks to maximize the benefits and minimize the downsides of new development for downtown residents, merchants, and the community at large. However, there are inherent constraints on the site that limit the level of density that is feasible.

**Emergency access:** The neighborhood is designed to provide the requisite widths for fire truck access to all units, and building heights are limited to three stories/30 feet to provide ladder access to every building when the clear alley width is less than 30 feet. As discussed in detail above, the Tentative Map is conditioned to require a second point of access, restricted for emergency vehicles only, and may be taken from Hopper Street in the northeast portion of the site or from E D Street at an existing driveway across from Weller Street at the southwest portion of the site. The preferred emergency access is from Hopper Street and will be finalized through the Final Map process.

**Site Geometry:** The shape of the site also limits feasible density in that its unusual C-shaped geometry and significant setbacks from the river result in a highly dimensionally constrained buildable area that does not provide the necessary widths and clearances for taller multi-family residential buildings that could offer higher densities.



**Soil conditions:** Soil conditions on the site, which include compressible silts and clays, limit building heights to relatively lightweight buildings of approximately 3-4 stories since building higher would require unfeasibly complex and expensive building foundations.

## **Smart Growth Principles**

Smart growth is an urban planning and transportation theory that concentrates growth in compact walkable urban centers to avoid sprawl. The project seeks to activate Smart Growth principles to create an activated riverfront destination and a unique residential development to support the City of Petaluma's vision for this area as outlined in the Station Area Master Plan and associated SmartCode. These overarching principles were developed by the Congress for New Urbanism, the American Planning Association, the U.S. Environmental Protection Agency, and others, and they overlap much of the community conversation currently occurring around the General Plan update process. While not specifically adopted by the City of Petaluma, these principles offer a good metric to consider if a project's underlying design concept is oriented around a compact neighborhood, transit-oriented development, and pedestrian- and bike-friendly design concepts. The proposed project responds to these principles in a variety of ways, as described below.

**Mix Land Uses.** Smart growth supports mixed land uses as a critical component of achieving better places to live. By putting residential, commercial, and recreational uses in close proximity to one another, alternatives to driving, such as walking or biking, become viable. *Oyster Cove incorporates this principle by mixing a variety of townhomes, ADUs, live/work units, commercial and recreational uses (in the Oyster Shed), and waterfront open spaces/trails, all in direct proximity to one another. This mix is designed to complement the greater urban and park context.*

**Take Advantage of Compact Building Design.** Smart growth provides a means for communities to incorporate more-compact building design as an alternative to conventional, land-consumptive development. *Proposed Oyster Cove buildings grow vertically rather than horizontally, and by incorporating integral rather than surface parking, they reduce the footprint of new construction. This not only uses land efficiently, but it also protects more open land to absorb and filter rainwater through pervious paving. Integral ADUs will also support compact building design.*

**Create a Range of Housing Opportunities and Choices.** Providing quality housing for people of all income levels is an integral component of any smart growth strategy. Housing is a critical part of the way communities grow because it constitutes a significant share of new construction and development. *The proposed neighborhood underpins this principle by providing a variety of housing opportunities, including live/work units, a mix of missing middle townhomes, and ADUs. Additionally, fifteen percent of the units will be sold to low- and middle-income households, further expanding the variety of income levels within the community.*

**Create Walkable Neighborhoods.** Walkable communities that are desirable places to live, work, learn, worship, and play are a key component of smart growth. Their desirability comes from two factors. First, goods (such as housing, offices, and retail) and services (such as transportation, schools, and libraries) are located within an easy and safe walk. Second, walkable communities make pedestrian activity possible, thus expanding transportation options and creating a streetscape for a range of users – pedestrians, bicyclists, transit riders,

and drivers. *To foster walkability, Oyster Cove integrates a mix of land uses and compact buildings, as well as ensuring safe and inviting pedestrian corridors, including new and improved sidewalks, trails, and a Class 4 bike lane. These mobility elements are stitched together and connected to the city network.*

**Foster Distinctive, Attractive Communities with a Strong Sense of Place.** Smart growth encourages communities to craft a vision and set standards for development that respect community values of architectural beauty and distinctiveness, as well as expand choices in housing and transportation. *Although the architectural character for this project will be finalized through a future SPAR process, the application assimilates design principles such as integrity, authenticity, local references, and other propositions to encourage a sense of place appropriate for Petaluma.*

**Preserve Open Space, Farmland, Natural Beauty and Critical Environmental Areas.** “Open space” refers to natural areas that provide important community space, habitat for plants and animals, and recreational opportunities, as well as farm and ranch land (working lands), places of natural beauty, and critical environmental areas (e.g. wetlands). *Oyster Cove will transform the site’s industrial riverbank along the Petaluma River into a community amenity with trails and a riparian landscape pallet, reestablishing a critical environmental area. The project also proposes to eliminate a proposed road along the McNear Canal that would infringe on existing environmental areas.*

**Strengthen and Direct Development Towards Existing Communities.** Smart growth directs development towards existing communities already served by infrastructure, seeking to utilize the resources that existing neighborhoods offer, and conserve open space and irreplaceable natural resources on the urban fringe. *The project proposal implements the Central Petaluma Specific Plan and SMART Code, which are based on directing development towards the existing surrounding neighborhoods.*

**Provide a Variety of Transportation Choices.** Providing people with more choices in housing, shopping, communities, and transportation is a key aim of smart growth. Communities are seeking a wider range of transportation options in an effort to improve beleaguered current systems. *The project is well located to support this principle. The Transit Mall and SMART Station are directly across the street, leading to a Transit Score of 41 (some transit). The site’s Walk Score is 95 (walker’s paradise), and the Bike Score is 63 (bikable).*

**Make Development Decisions Predictable, Fair and Cost Effective.** For a community to be successful in implementing smart growth, the concept must be embraced by the private sector. Only private capital markets can supply the large amounts of money needed to meet the growing demand for smart growth developments. Governments that make the right infrastructure and regulatory decisions will support fair, predictable, and cost-effective smart growth. *Oyster Cove is consistent with the 2025 General Plan and General Plan Update, Central Petaluma Specific Plan, SMART Code, and other associated regulating plans. Requested warrants would strengthen adherence to Smart Growth Principles by promoting more compact building design, walkability, and preservation of open space. Staff notes that consistency with applicable plans is addressed in the Discussion section.*

**Encourage Community and Stakeholder Collaboration in Development Decisions.** Growth can create great places to live, work, and play—if it responds to a community’s own sense of how and where it wants to grow. The common thread is that the needs of every

community and the programs to address them are best defined by the people who live and work there. *The project applicant has embraced community engagement throughout the design process, including soliciting input from staff, stakeholders, and residents. Comments led to refitments that improved the plan.*

## **Detailed Project Description**

### *Residential Development*

The project proposes the development of 132 residential condominium units on a  $\pm$  6.13-acre site that would result in a development density of 21.5 units per acre. Unit types are designed to be adaptive and responsive to market needs or preferences, including a desire for work-from-home space, changes in household living needs, and changes in mobility needs and lifestyle activities as the City's Downtown area continues to evolve and access to transportation alternatives increases. Unit types include:

- 121 multi-story attached, 2 and 3-bedroom residential townhome units ranging in size from approximately 1,345 to 1,995 square feet, with at least 20 of the units reserved for income-qualified households in compliance with the City's Inclusionary Housing Ordinance. The proposed unit square footages are reflective of the need for increased internal circulation square footage due to the units' multi-story design and flexible space for work-from-home alternatives and provide for the future conversion of square footage to Accessory Dwelling Units (ADUs) should the property owner choose to do so.
- 11 multi-story live/work units of approximately 2,100 square feet each fronting East D Street. Ground floor "work" spaces would cumulatively provide approximately 9,000 square feet of ground floor commercial space along D Street.
- 12 ground-floor ADUs, ranging in size from approximately 300 to 450 square feet, to be optioned within market-rate townhomes in order to provide additional housing choices and affordability levels. The project has preliminarily identified 12 locations that are well suited for ADUs, which are typically at building ends; however, any unit owner could develop an ADU by converting under-utilized garage space. ADUs are proposed to be sold with the primary dwelling unit and not marketed separately.

Each proposed residential unit would have private outdoor space in the form of a patio, balcony, or rooftop garden and include a one- or two-car garage. Units designed with ADUs would be limited to one-car garages. No dedicated parking would be provided for ADUs.

Because the project is a residential condominium/ownership project of five or more units, in that the project proposes 132 residential units, including proposed live/work units, compliance with the City's Inclusionary Housing Ordinance is required (IZO Section 3.040). In accordance with §3.040.B, the project proposes to reserve at least 15% of units, or 20 units, for low- and moderate-income households such that 7.5% of the residential units shall be affordable to low-income households and 7.5% of the residential units shall be affordable to moderate-income households. The project is collaborating with the Sonoma County Housing Land Trust to ensure the effective implementation of affordability covenants that would be binding on owners of residential units and their successors for at least 45 years.

As required by §3.040.C, the inclusionary units would be constructed and occupied concurrently with the market-rate residential units in the project and distributed throughout the residential

project site to the fullest extent practicable. The design, appearance, and general quality of the affordable units would be comparable and compatible with the design of the market rate units as determined through the Site Plan and Architectural Review process, provided all other zoning and building codes are met. Affordable units may have a one-car garage option as a trade-off for additional living space.



**Figure 3: Illustrative perspective of proposed project**

The project's residential units are required to comply with Residential Visitability and Universal Design requirements contained in Petaluma Municipal Code Chapter 17.14. Proposed site grading and primary entrance elevations anticipate the need for a minimum of 30% of the units to meet the standards set forth in that ordinance. Detailed unit floor plans to be prepared and submitted as part of the Phase 2 Major SPAR application will demonstrate compliance with required standards.

#### *Mixed Use and Commercial Development*

The Oyster Cove project implements the Smart Growth principle of mixing land uses by proposing 11 three-to-four-story live/work units with living space above ground floor non-residential uses along the East D St. frontage. Anticipated ground floor uses include a mix of maker spaces, galleries, and retail. The ground floor spaces accommodate different sizes of workspace depending on user needs and market conditions. These units could be up to approximately 2,100 square feet, inclusive of the ground floor workspace. This same building type would wrap the southwest corner of the site, facing the Oyster Shed building and Class I multi-use path.

The project proposes adaptive re-use of the existing Oyster Shed industrial building into a publicly accessible boathouse (6,000 square feet), covered public plaza (1,500 square feet), and a restaurant/commercial use space (1,500 square feet) and an outdoor patio area on the structure's southeast side. Visitors to the Oyster Shed will be able to experience the Petaluma River from the building and its existing docks; however, facilities that would provide access to the river for water sport and recreation activities would require a separate application process that proposes design and function based on the end user and their needs. Staff notes that in 2023, the Friends of the Petaluma River are installing a new dock facility at Steamer Landing Park approximately 600 feet east of the Oyster Shed, that would provide water access. The project proposes a publicly



accessible multi-use path along the river's edge that would connect the Oyster Shed to Steamer Landing Park. Taken together, these shared amenities activate and enliven what is anticipated to be the most heavily trafficked and visible areas of the site.



**Figure 4: Mix of makers spaces, retail, and galleries along East D Street frontage**



**Figure 5: Adaptive re-use of the Oyster Shed and future water access**

#### *Multi-modal Access, Circulation, and Off- and On-site Improvements*

The project site is located in a transit-rich area of the city. Access to local and regional public transit services, including SMART, Golden Gate Transit, Sonoma County Transit, and Petaluma Transit, is provided at the SMART Petaluma Downtown Station and at the Copeland Street—Petaluma Transit Mall, both of which are  $\pm$  900 feet north/northwest of the project site. Other nearby Petaluma Transit stops are located within 200 feet of the project site on D Street.

Multi-modal access to the site is provided by pedestrian and bicycle connections to East D and Copeland Streets, while vehicular access is taken from Copeland Street via East Washington or

East D Streets. A network of sidewalks is proposed throughout the complex, oriented away from vehicle access alleys and providing pedestrians with dedicated access routes to all buildings. A majority of the pedestrian access pathways are lined with landscaped areas. Connected pedestrian pathways provide access throughout the project site, and 20- to 26-foot-wide alleyways are proposed to provide internal vehicular access for fire apparatus, service trucks, and personal vehicles. The alleyway network is intentionally designed to limit vehicular speeds to a safe minimum in order to support and encourage pedestrians and bicyclists. Each building would have an elevation facing pedestrian pathways where pedestrian entrances to residences are located and an elevation facing internal alleyways where vehicles may access residential garages.



**Figure 6: Internal alleyways provide unit access and support multi-modal activity**

The project would install frontage and offsite improvements along D Street and Copeland Street to extend the project site entry, including a public sidewalk along D Street and Copeland Street that extends to the entrance of Steamer Landing Park. Curb and gutters would be required along D Street and Copeland Street, and the streets would be required to be improved to the centerline. In addition, the project will install curbs, streetlights, curb cuts, and a Class IV “protected” or “cycle track” bike lane that is separated from the roadway on D Street, extending from the drawbridge across the project’s frontage. Street trees and landscaping will be implemented along D Street and Copeland Street public rights-of-way and adjacent to public infrastructure on the project site.

The non-residential storefronts of live/work units along D Street will be furnished with fully accessible, split-level sidewalks and ramps. As discussed in further detail below, the ground floors of units along East D Street will be at an elevation of 14 feet above sea level, which is outside of the floodplain. Therefore, one level of the sidewalk will be at East D St. to support pedestrian activity along the street and access to the street, while a separate sidewalk connected to street-level pedestrian facilities will be elevated to allow for entry to the buildings. The lower and upper sidewalks will be divided by landscaped planters with wide bench ledges and connecting steps.

Primary Emergency Vehicle Access (EVA) is proposed via the project’s alleyway network accessed from Copeland Street, and an additional required secondary EVA access point is proposed from Hopper Street at the northeast corner of the project site. The secondary EVA would

be gate-controlled in order to limit vehicular access to emergency personnel only. At present, the property on which the secondary EVA would be developed is owned by Vulcan Lands, Inc., and the City's River Trail facility bisects this portion of the property without the benefit of a public access easement. As noted previously, the Planning Commission at the May 23, 2023, public hearing made a General Plan conformance determination and recommended that the City Council approve the land exchange. When the land exchange is complete, the project would be required to obtain an EVA easement from the City in order to provide the required secondary EVA access point. The City would support the granting of the EVA easement to provide the required secondary EVA for the project.

Enhanced pedestrian and bicycle access to and through the project site is an important feature of the project's overall design. The siting of the proposed development is unique in several ways: (1) its location on East D St. between the Petaluma River and Copeland St. results in the project having multiple frontages with differing needs; (2) the project site is located immediately adjacent to Petaluma River Park, Steamer Landing Park, and River Trail facilities; and (3) the project is located between East D and Copeland Street public rights-of-way that facilitate access to Steamer Landing Park and the future Petaluma River Park, both of which are located south of the project site. Therefore, supporting public access through the project site is as important as ensuring that pedestrians and bicyclists can gain access to the project site.

To maximize non-vehicular access to and through the site, the project proposes to construct a northbound protected (Class IV) bike lane along East D Street and a 12-foot-wide shared multi-use path (Class I) along the majority of the project's Petaluma River frontage. These mobility infrastructure components would be located in public rights-of-way or be subject to public access easements granted to the City. The existing River Trail shared multi-use path (Class I) along the McNear Canal from Copeland St. to the Heritage Center at Steamer Landing Park and from Copeland St. to Hopper St. will be improved with new hard and permeable surfaces, such as concrete and decomposed granite. Path design, materials used, and construction will be subject to City design and development standards for mobility infrastructure. Bicycle racks will be installed throughout the project and in each of the residential parking garages, along with an EV charging station in each garage. This will support access to the adjacent recreational amenities.

A wayfinding signage program designed to support access to public facilities within and adjacent to the proposed project is vital to successfully integrating the site with its surroundings. City and nonprofit stakeholders understand this need, and the project's Tentative Map resolution is conditioned to require collaborative development of a wayfinding signage program that will be reviewed as part of the required Major SPAR application.

### *Parking*

Pursuant to Assembly Bill (AB) 2097, signed by the Governor on September 22, 2022, the City is prohibited from imposing a minimum parking requirement on residential and commercial development projects located within a half-mile radius of a major transit stop. AB 2097 is applicable to this project due to its proximity to the Petaluma Downtown SMART Station. This parking analysis is offered to support a complete review of the proposed project.

The Smart Code requires at least one parking space per market rate unit and 0.5 parking spaces for each affordable unit. For all other uses, 2 spaces per 1,000 square feet are required. For the proposed residential use, 131 spaces are required, and for the approximately 9,000 square feet of commercial space, 18 parking spaces are required. Proposed residential vehicle parking includes



224 – 253 garage parking spaces incorporated into individual residential units with two-car garages designed for tandem (inline) or side-by-side parking. Approximately half of the live/work units will be limited to one garage space. Other units may have a one-car garage option as a trade-off for additional living space, while units with ADUs would be limited to one garage space, and ADUs will have no dedicated parking. An additional 19 parking spaces will be provided for visitors and commercial uses for a total parking count of between 243 and 272 spaces. Retail/visitor parking spaces will be accessed from the alley network, as will a small new off-site parking lot for the Petaluma River Park and Heritage Center.

On-street parking is not allowed on East D St.; therefore, the project would not introduce on-street parking to East D Street. On-street parking is currently provided on Copeland St., adjacent to the project site, and this parking would be maintained as public parking. There is no internal on-street parking proposed for the project as there are no internal streets, only alleys.

#### *Open Space & Public Art*

The project will introduce a new 12-foot-wide riverfront trail and public access easement along the north bank of the Petaluma River connecting D Street to the Heritage Center and Petaluma River Park. This trail will be comprised of pervious concrete and landscaped with natural and native plantings. The new riverfront trail and open space within and adjacent to the State Lands Public Trust Easement Parcel is the project's principal outdoor/shared amenity. The project will landscape beyond the high-water mark with native plantings to blend and transition from the natural bank into the project's landscaped areas. These plants will consist of lower-growing grasses, groundcovers, and perennials that will provide a mixture of textures and flowers, while not disrupting the view of the water's edge. As the project moves into the final design during the SPAR process, the project applicant will refine the landscape plan along the riverfront.

The existing 12-foot-wide trail extending from the Steamer Landing parking lot to the River Heritage Center along the McNear Canal is on public property and would not be removed; however, improvements to the River Trail will be required by the City's Public Works Department. Within the project site, smaller secondary open spaces such as paseos, landscaped planters, and bioretention areas are scattered throughout between buildings adjacent to pedestrian paths as shown on the preliminary Site Plan. Central paseos are designed with bioretention basins at the center, below grade, with groundcover and aesthetic plantings that line either side of pedestrian pathways. The alleyways are proposed to be improved with pervious pavers, shrubs, and pocket planters between concrete driveway aprons. Given the proximity to Steamer Landing and Petaluma River Parks, no synthetic park space is planned on-site.



**Figure 7: Proposed multi-use path/public promenade along Petaluma River**

The project would feature art that weaves the story of the site's history into the fabric of the project by reclaiming and repurposing industrial marine artifacts from the Oyster Cove operations and incorporating material elements and treatments that speak to the natural context of the project location. The project would seek to preserve existing nautical artifacts in and along the river as a nod to the site's history and a way to animate the user experience.

#### *Landscaping, Lighting, and Site Furnishings*

The project will be required to submit a Preliminary Landscape Plan, subject to Planning Commission review, with its Phase 2 SPAR application. The D Street frontage is designed as a bi-level space separated by a raised central planter. Streetlights and tree wells with large canopy trees will run along the frontage of D Street, and colored concrete will be utilized to differentiate and enhance the front walk experience. The lower plaza is intended to provide multi-use access for bicycles and commuters to walk to the local SMART station, while the raised portion of the plaza, with access by multiple staircases and a ramp at the Copeland Street corner, provides access to the live-work residences. A raised planter is designed to provide ample public seating and to support decorative plantings to create a more intimate setting for the retail businesses behind.

A network of walks is designed to weave from the raised Plaza along D Street, throughout the development, to Steamer Landing Park, the River Trail, and Petaluma River Park, which includes a trail that circles the peninsula at the water's edge, and then loops back along a new Petaluma River trail to the Oyster Shed building (see Attachment 7– Project Plan Set and Attachment 12 – Concept Landscape Plan).

The comprehensive planting scheme of the project would seek to remain natural and complement the existing context. Drought-tolerant shrubs and trees of various colors and textures would add seasonal interest. More formal shrubs will occur at the foundations of the buildings and then transition out to a more native and natural landscape. All proposed plants are selected to be low-maintenance, fire as well as flood-resistant, and drought-tolerant. Proposed planting along the riverbank will be mainly trailing groundcovers, perennials, and flowering shrubs. The stormwater treatment areas will have bio-filtration-appropriate plantings of native rushes, sedges, and grasses,

and all proposed landscaping will be irrigated by water-conserving drip methods.

Pedestrian lighting will be integrated into bollards and poles installed along pedestrian paths and within alleyways, and all lighting will be required to comply with IZO Chapter 21 Performance Standards for glare.

Open space areas within the project site, including the alleyways, trails, landscaping, lighting, and bioretention areas, would be maintained by the Oyster Cove Homeowner's Condominium Association.



**Figure 8: River Trail around McNear Canal**

### *Utilities*

The proposed project is required to comply with the City's All-Electric in Newly Constructed Buildings Ordinance (PMC CH. 17.09). The project would utilize public water and sewer from existing mains in D Street, Copeland Street, and Hopper Street. Potable water would be accommodated via the installation of new water lines within the project site that would connect to the existing water mains in D and Copeland Streets. Wastewater would be conveyed from the project site through new sanitary sewer pipes to the existing sanitary sewer main within Hopper Street and ultimately to the Ellis Creek water recycling facility.

Stormwater runoff generated from the new buildings and other impervious surfaces would be collected and routed to landscaped flow-through bioretention areas throughout the site, allowing for treatment prior to discharge. Excess stormwater would then be conveyed to and discharged via two outfalls, one new outfall on the north side of the McNear Canal and one existing outfall to the Petaluma River near the southeast portion of the site, which will be reconstructed by the project.

### *Warrants*

The applicant has requested approval of SmartCode Warrants as part of the Tentative Map to provide relief from the SmartCode standards per Table 4.10 of T5 Urban Standards and to the Townhouse Standards per Section 4.80.100. These requests include:

- Removal of the required "Hopper Loop Road" described in SmartCode Section 5.10.100 –

Thoroughfare Regulating Plan Central Petaluma Specific Plan Area is requested and required as part of Phase 1 project approvals

- Modification of minimum Ground Floor Ceiling height requirement for Residential Uses and All other uses from 10 feet and 14 feet, respectively, to a minimum of nine feet for all uses, if required (Urban Standards Table, Table 4.10.m)
- Modification to allow commercial use activity within the minimum 30-foot Ground Floor Space Depth, if required (Urban Standards Table, Table 4.10.n)
- Reduction in minimum Lot Size width from 18 feet to 16 feet, and depth from 80 feet to 36 feet, if required (Section 4.80.100.B)
- Modification of minimum Main Body Width requirement of 18 – 36 feet (maximum) to 16 – 34 feet (maximum), if required (Section 4.80.100.D)
- Elimination of the Private Open Space requirement for Townhouse building types (Section 4.80.100.H)
- Modification to Parking Location requirements to allow enclosed parking to encroach into the required 2nd Layer (within the first 20 feet of unit ground floors) as described in SmartCode Section 6.10.020 – Location of Parking (Urban Standards Table, Table 4.10.p)

Removal of the requirement to construct the Hopper St. Loop Rd. is essential to the proposed project's site design. As described in the Thoroughfare Plan Regulating Plan for the Central Petaluma Specific Plan Area, roadway connectivity between Copeland and Hopper Streets would be achieved through the construction of a roadway that would extend Copeland St. north and east along the edge of the McNear Canal to a point of intersection with Hopper Street. The applicant indicates that the removal of the roadway is central to the primary goal of the Oyster Cove project, which is to maximize the utility and usability of the waterfront for pedestrians and cyclists. To facilitate the implementation of this goal, the project accommodates vehicular traffic away from the water to the maximum extent feasible. It would also have the added benefit of reducing the overall impervious surface adjacent to the Petaluma River. Warrant requests are more fully analyzed beginning on p. 32 of this staff report.

All other requests for warrants would support the implementation of the Preliminary Site Plan or facilitate building and unit design efforts to be undertaken as part of the Phase 2 SPAR design development process.

### *Sea Level Rise Analysis*

The project site is located adjacent to a Floodway Zone that encompasses the Petaluma River, but the boundaries of the Floodway Zone do not encroach on the project site. A portion of the site currently developed with the existing Oyster Shed building is located within the 100-Year Floodplain, which is mapped by City GIS. A Sea Level Rise (SLR) Assessment was prepared for the proposed project and has been reviewed by the City's Floodplain Administrator. Phase 1 and Phase 2 project designs to address sea level rise include:

- Site design and proposed elevations for Oyster Cove are aligned with the SLR Planning and In-Place Protection solutions discussed in the City of Petaluma's General Plan Update – Sea Level Rise & Climate Change White Paper.
- The project has studied the potential risks associated with the various SLR scenarios that

are advised to be evaluated in the State of California's Sea Level Rise Guidance.

- The project is utilizing an SLR scenario based upon the 2100 Medium-High Risk Aversion model with 6.6' of Sea Level Rise with Mean Higher High Water and 100-year Storm Surge conditions.
- The project utilized the Our Coast, Our Future (OCOF) Viewer to establish the minimum elevation for the future buildings to be at or above the future water surface elevation and avoid inundation estimated in the 2100 SLR Scenario w/ 100-year storm surge. This minimum elevation is 14 feet.
- All proposed buildings will have a ground floor elevation of 14' or higher to provide end-of-century protection against future sea level rise.
- The trail system around the perimeter of the site will be designed with the capacity to allow for future adaptive measures, such as raising the trail, construction of floodwalls, etc., to provide the ability to adapt in the future and protect the site if sea level rise exceeds current 2100 projections.
- The final building design of the Oyster Shed will meet the City's requirements for the renovation of existing structures within flood zones.

#### *Site Preparation & Grading*

Soils would be excavated, removed from the site, and disposed of at an appropriate facility in accordance with the site remediation plan (Appendix F-2). Clean soil will be imported to fill voids.

Preparation will also include the demolition and removal of two of the three existing steel buildings onsite, removal of existing dry utility facilities and storm drain facilities, removal of the existing utility box, removing existing curb, gutter, and sidewalk, and scraping existing gravel surfaces, concrete, and asphalt. Site preparation will also involve grubbing to remove grasses, vegetation, and trees. Fifteen trees are proposed to be removed, of which 9 are protected and require a Tree Removal Permit. Eight of the trees proposed for removal are protected due to their location within public property, and one is protected because of its species (coast live oak). Mitigation is required for the removal of protected trees so that the trees shall be replaced at a one-to-one trunk diameter basis. Replacement trees shall be at a minimum 24-inch box size (for more information, see Mitigation Measure BIO-5 in the MND). Grading activities will result in the transport and filling of approximately 12,500 cubic yards of soil to achieve a level topography to support buildings and site improvements. As proposed, finish floor elevations will be 14 feet above sea level, and site improvements outside of buildings will be elevated to 12.3 to 14 feet above sea level or above the future water surface elevation without a 100-year storm surge. The Oyster Shed building is located within the flood plain and will remain in this location under the proposed project. Improvements to the Oyster Shed building will meet the City's requirements for the renovation of existing buildings within flood zones, including anchoring to prevent floatation, collapse, or lateral movement, constructed with materials and equipment resistant to flood damage, and shall provide for adequate drainage of flood waters.

Following completion of grading activities, infrastructure improvements and building foundations will be constructed. Onsite existing overhead lines and pole facilities along D Street and new electrical lines will be routed underground. Utilities, storm drains, and catch basins are required to be installed. As all public utilities currently extend to the project site, improvements will be limited

to the installation of new laterals and tie-ins to connect to the existing water, sewer, and electricity utilities in place at D Street and Copeland Street.

### *Architectural Design*

Site Plan and Architectural Review is required, and the applicant has indicated that a SPAR application will be submitted after Phase 1 entitlements are completed. The applicant notes in the Project Description that “Per the Central Petaluma Specific Plan, Appendix B: Architectural Guidelines, the recommended design approach is as follows: “redevelopment and infill in this area should adopt the existing patterns of simple building forms, industrial materials, and utilitarian detailing.” This guidance has been adopted in the project’s architectural approach to foster a unique local sense of place, as seen in the prototypical conceptual building elevations. Potential fourth floors along D Street and roof terraces peppered throughout the site will add an additional layer of complexity and scale. Shopfronts will differentiate the live/work buildings with a vibrant urban frontage.

## **DISCUSSION**

### **Overview**

The IS/MND prepared for the project as well as the project’s General Plan Amendment, Zoning Map Amendment, Tentative Subdivision Map, and associated Warrants, are before the City Council for consideration. As previously discussed, the Planning Commission unanimously approved four separate resolutions recommending the City Council adopt the IS/MND and MMRP and approve the project entitlements. Associated findings are discussed in the May 9, 2023, Planning Commission staff report and have been incorporated into the adopted Planning Commission resolutions, all of which can be found in Attachment 5 to this staff report. Findings are also discussed below and incorporated in the draft resolutions and ordinance for the Council’s consideration (Attachment 1 through Attachment 4).

Given the proposed legislative entitlements, the City Council has a great deal of discretionary authority in its consideration of the project. Staff recommends that the City Council weigh housing production on the project site, which is identified as an opportunity site in the City’s recently certified 2023-2031 Housing Element, against factors such as floodplain development, sea level rise, traffic operations on D Street, and overall neighborhood character.

### *Standards of Review*

The purpose of this section is to provide Planning’s analysis of the proposed project’s consistency with goals and policies contained in adopted plans that include the project site and compliance with applicable regulations contained in the SmartCode, and Petaluma Municipal Code, including the Implementing Zoning Ordinance.

- City of Petaluma General Plan 2025;
- City of Petaluma Bicycle and Pedestrian Plan 2008, adopted as an appendix to the General Plan (see Mobility Chapter discussion);
- River Access and Enhancement Plan adopted May 1996;
- Central Petaluma Specific Plan (CPSP) adopted June 2, 2003;



- Petaluma SMART Rail Station Areas: TOD Master Plan, Station Areas Master Plan (2013);
- SmartCode adopted July 1, 2013;
- Petaluma Municipal Code, Title 20 Subdivisions; and
- Implementing Zoning Ordinance, as applicable.

## **Entitlements**

### *General Plan Map Amendment*

The project proposes a General Plan Land Use Map amendment to change the land use designation of a  $\pm 1.86$ -acre portion of a  $\pm 3.86$ -acre parcel that is included in the  $\pm 6.13$ -acre project site from River Dependent Industrial to Mixed Use. The project site is currently designated Mixed Use (MU) and River Dependent Industrial (RDI), with a majority of the site designated MU and a  $\pm 1.86$ -acre portion of the site designated RDI. This portion is surrounded by land designated Mixed Use. The Mixed Use designation encourages integrated residential and commercial development oriented toward the pedestrian, with parking provided. It allows for a maximum floor area ratio (FAR) for both residential and non-residential uses of 2.5, and a maximum residential density of 30 dwelling units per acre; however, it defers to CPSP FAR and density policies for projects located within the CPSP boundary.

*Staff Discussion:* The project proposes an amendment to the General Plan Land Use Map (Figure 1-1) to change the land use designation of a  $\pm 1.86$ -acre portion of the project site from River Dependent Industrial to Mixed Use so that the proposed development can be found to be consistent with the current General Plan. Previously, the entire project site supported an active, river-oriented industrial use that processed oyster shells for reuse; however, that use has ceased, and the site is now used for outdoor storage. The proposed development application is an indication that the local real estate development market has identified a higher and better use of the land than that allowed by its current RDI designation. Additionally, the current General Plan identifies that a change in land use is preferred when a majority of the land use is proposing to change.

The General Plan recognizes that it will be subject to site-specific amendments 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 it refers to State law that limits the number of times a city can amend its general plan by stating that generally, no jurisdiction can amend any mandatory element of its General Plan more than four times in one year. The proposed amendment is allowed by General Plan administrative policy and, as the first General Plan amendment in 2023, is allowed by State law. Therefore, discretionary review of the proposed amendment may be processed.

General Plan Goal 1-G-1 Land Use seeks to maintain a balanced land use program that meets the long-term residential, employment, retail, institutional, education, recreation, and open space needs of the community. Land Use Policy 1-P-1 promotes a range of land uses at densities and intensities to serve the community needs, while Policy 1-P-2 promotes infill development at equal or higher density and intensity than surrounding uses in order to use land efficiently, and Policy 1-P-6 encourages mixed-use development, which includes opportunities for increased transit access. The project site is identified in the 2023-2031 Housing Element, adopted by the City Council on March 20, 2023, as capable of providing up to 132 housing units and identifies potential constraints, including access easement.



Government Code Section 65358 allows General Plan amendments when it is deemed in the public interest to do so. The proposed amendment to the General Plan is in the public interest as the amendment would allow for residential mixed-use development of 132 housing units that will further implement General Plan Goal 1-G-1 and Policies 1-P-1, 1-P-2, and 1-P-3 by changing the land use designation on the subject parcel to Mixed Use to support the long-term residential needs of the community, promote residential infill development at a higher density and intensity than surrounding uses that would use land more efficiently, and support mixed-use development at a location that will increase transit access. Additionally, it would implement the 6th cycle Housing Element, adopted by the City Council on March 20, 2023, which forecasts the development of 132 housing units on the project site where the General Plan Amendment is requested.

Staff recommends that the City Council approve a General Plan Map Amendment as proposed, subject to adoption of the CEQA Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, as described in the Environmental Review section of this staff report.

#### *Amendment to Section 2 of the Amended SmartCode Regulating Plan (2013)*

The project proposes an Amendment to Section 2 of the Amended SmartCode Regulating Plan (2013 to rezone a  $\pm$  1.86-acre portion of a  $\pm$  3.86-acre parcel that is included in the  $\pm$  6.13-acre project site from River Dependent Industrial District (RDI) to Urban Center (T5).

*Staff Discussion:* The project proposes residential mixed-use development of a 6.13-acre site that is comprised of three parcels:

- 100 East D Street (APN 007-700-006; 3.86 acres) that is within the River Dependent Industrial District (D3) (1.86 acres) and Urban Center (T5) (3.0 acres) zoning districts;
- 0 East D Street (APN 007-700-003; .64 acres) that is within the T5 zoning district; and
- 0 Copeland Street (APN 007-700-005; 1.6 acres) that is within the T5 zoning district.

The project has requested an amendment of the General Plan Land Use Map (Figure 1-1) to change the land use designation of a  $\pm$  1.86-acre portion of the project site from RDI to MU so that the proposed development can be found to be consistent with the current General Plan. If City Council adopts the General Plan Amendment, then the SmartCode Regulating Plan Zoning Map must be amended to replace the D3 zoning that applies to a 1.86-acre portion of the parcel with T5 zoning in order to implement the new Mixed Use land use designation.

Pursuant to IZO [Section 25.010](#) – Amendment, the IZO may be amended by changing the boundaries of any district whenever the public necessity and convenience and general welfare require such amendment. The City Council may adopt the amendments to the IZO upon recommendation of the Planning Commission. For this project, the amendment of the zoning map must be accompanied by the related change to the General Plan Map. The amendment to the zoning map and to the General Plan Map is subject to the findings shown in *italics*, which is followed by the Staff’s proposed finding.

1. *The proposed amendment is in general conformity with the Petaluma General Plan and any applicable plans.* Pursuant to Table 1 Transect Zone Descriptions of the SmartCode, the T5 zone implements the underlying Mixed Use General Plan land use classification and is therefore consistent with the General Plan. Additionally, the rezoning would create consistent zoning for parcel number 007-700-006 (that is currently zoned T5 and D3) and for the entire 6.13-acre project site.

2. *The public necessity, convenience, and general welfare require or clearly permit the adoption of the proposed amendment.* The public necessity, convenience, and general welfare clearly permit the adoption of the proposed amendment in that it would support the development of new housing, including affordable housing, and provide a variety of public benefits, including new multi-modal transportation infrastructure and public spaces. The amendments will create a single zone for a single parcel of land and will allow for one set of rules to apply to the site.

Staff recommends that the City Council adopt the Amendment to Section 2 of the Amended SmartCode Regulating Plan (2013) as proposed, subject to approval of the General Plan Map Amendment as proposed and subject to the adoption of the CEQA Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, as described in the Environmental Review section of this staff report.

#### *Tentative Map for Subdivision and Condominium Purposes*

The Oyster Cove Mixed Use Neighborhood project proposes to subdivide the three-parcel, 6.13-acre project site comprised of parcels located at 100 East D Street, 0 East D Street, and 0 Copeland Street (APNs 007-700-006, -003, and -005) (the “Project”) into 22 lots with 132 airspace condominiums and approximately 9,000 SF of commercial space. The project requests approval of a Tentative Map for Subdivision and Condominium Purposes and associated SmartCode warrant requests.

A discretionary Planning entitlement, Site Plan and Architectural Review, is required prior to the project commencing construction, and application for this required entitlement will be submitted subsequent to City Council adoption of the requested General Plan and Zoning Map Amendments and approval of the Tentative Map application and associated SmartCode warrant requests.

*Staff Discussion:* Detailed information about the proposed project is included in the Background section of this staff report. Therefore, this analysis will focus on the proposed project’s consistency with applicable plans and compliance with applicable City regulations.

#### **Adopted Plan and Policy Documents**

*City of Petaluma General Plan 2025 and the City of Petaluma Bicycle and Pedestrian Plan 2008, adopted as an appendix to the General Plan*

As evidenced in the project description, the proposed development is informed by Smart Growth guiding principles that offer an overall approach to development by encouraging a mix of building types and uses, diverse housing and transportation options, development within existing neighborhoods, and robust community engagement. Smart Growth guiding principles reflect community development best practices that support sustainable development and climate action priorities, and they are aligned with and can implement 15-minute neighborhood concepts. Concepts and best practices for community development that are the foundation for Smart Growth, sustainable development and climate action, and 15-minute neighborhoods are currently guiding General Plan Update work. While the proposed project can be reviewed through the community development constructs that are guiding the General Plan Update, discretionary review findings require that the project is found to be consistent with the current General Plan 2025 and the Bicycle and Pedestrian Plan 2008, adopted as an appendix to the General Plan.

The proposed Oyster Cove Mixed Use Neighborhood is consistent with and implements numerous General Plan policies for Land Use, Community Design, Character, and Green Building, The Natural Environment, Mobility, and Economic Health and Sustainability. Specific policies are provided in Attachment 14 – Applicable General Plan Policies to this staff report.

Located within 1,000 feet of Petaluma’s Downtown SMART Station and the Downtown area, the proposed project is both transit-oriented and pedestrian-friendly. Proposed multi-modal infrastructure improvements, including a protected/separated bicycle lane (Class IV) on East D St., intersection signalization with pedestrian and bicycle activation controls at East D and Copeland Streets, new sidewalks on East D and Copeland Streets, a new multi-use path (Class I) along the Petaluma River, as well as improvements to the existing River Trail (Class I), ensure that the project is consistent with and implements the 2008 Bicycle and Pedestrian Plan. The design and construction of all pedestrian and bicycle facilities will be required to comply with current City regulations.

The draft Tentative Map for Subdivision and Condominium Purposes resolution includes conditions of approval that respond to review authority and public comments and support robust implementation of pedestrian and bicycle design best practices.

*Petaluma River Access and Enhancement Plan, adopted May 1996*

The River Access and Enhancement Plan (Plan) provides a framework for the preservation and restoration of the Petaluma Corridor. Its four major components include the restoration of the river’s natural resources, the construction of a multi-use trail, a vibrant waterfront district adjacent to Downtown, and mixed uses along the river corridor. The Plan identifies General Plan (1987-2005) goals that it seeks to advance and develops systemwide directives comprised of objectives, policies, and programs. Representative, applicable “Balanced Use” objectives include:

- Encourage the development of properties along the River corridor in a manner that responds to the riverfront location, enhances the riverfront environment, and provides public access, and is consistent with the General Plan, as further defined by this Plan.
- Encourage the renovation and re-use of existing facilities along the River to reflect the traditional waterfront heritage of the community.
- Support the continuation and expansion of river-dependent activities to maintain an authentic working waterfront.
- Encourage riverfront public recreational access and uses.

The project falls within the Downstream Segment of the Plan, which depicts a future combined bicycle and pedestrian trail along the north river bank adjacent to the project site with access to public parks on McNear Peninsula. Consistent with the Plan, the project will provide trail improvements, bank stabilization, and revegetation along the river.

The draft Tentative Map for Subdivision and Condominium Purposes resolution includes conditions of approval supportive of the Plan’s implementation.

*Central Petaluma Specific Plan (CPSP) adopted June 2, 2003*

The Central Petaluma Specific Plan was designed to focus on the river as an amenity and its linkage within the City and is aimed at supporting existing viable industrial uses while advocating for

greater densities and mixed-use opportunities. Key Planning Concepts expressed in the Specific Plan that are applicable to this project include:

- Redirect growth into Central Petaluma;
- Reconnect the City to and along the River;
- Encourage diversity in transportation modes;
- Enhance physical structure and identity; and
- Promote sustainable development.

The project is consistent with these guiding concepts through the distribution of land uses, the site design, and the planned development pattern.

#### CPSP Goals, Objectives, & Policies:

The CPSP consists of two sections: a policy document and the SmartCode, the latter of which is the zoning for the Plan area. Below is a list of the Goals (broad and overarching), Objectives and Policies (more location and action-oriented) from the CPSP that are applicable to the Oyster Cove project.

#### Chapter 3 - Land Use

*Goal 1: Support existing viable uses and provide for new uses that complement and complete the urban fabric.* The project proposes the adaptive reuse of a former water-dependent industrial use and includes new residential and flexible live/work uses as well as a host of public amenities that provide a complete urban fabric.

*Goal 2: Provide for a mix of new uses.* The proposal provides for a mix of new residential and live/work uses. Anticipated ground floor live/work uses include a mix of maker spaces, galleries, and retail. Furthermore, the former oyster shed building is planned for reuse as a boathouse, covered public plaza, and restaurant use with outdoor dining.

*Goal 3: Encourage intensification appropriate to the area's central location.* The current proposal provides for a level of overall development intensification appropriate to the current and future context of the site. The project proposes 132 residential units at a density of 21 units per acre, which is consistent with the Mixed Use land use designation of the General Plan.

*Goal 4: Encourage flexibility in building form and in the nature of activities to allow for innovation and the ability to change over time.* The mixed-use buildings along D Street include live/work units that allow for a variety of commercial and residential uses over time. The repurposed Oyster Shed allows for innovation and change in how people interact with the river. As the river becomes more of a destination, new outdoor uses will be activated, such as boating, kite flying, or other recreational pursuits.

*Goal 5: Orient activities to the Petaluma River.* The repurposed Oyster Shed and public plaza proposes associated walkways, outdoor dining, and observation areas that allow for a variety of outdoor activities to take place along the Petaluma River. The project also proposes to retain the existing trail along McNear Channel, which allows for public access and observation of the river and various walkways linked to the river park from elsewhere in the overall development. The repurposed Oyster Shed is envisioned as a future boathouse, which would provide access to the river for a variety of small craft.

*Objective 5: Expand the Lower Reach area as a center of employment, mixed-use, and region-serving commercial activity consistent with maintaining river-dependent industrial uses.*

The proposed project provides employment opportunities (maker space, gallery, and retail jobs), and mixed-use development. The project includes the adaptive reuse of a former water-dependent industrial use to create a unique region-serving destination.

*Policy 5.3: Allow for intense Mixed-Use development on land not utilized for industrial purposes.* The project proposes the adaptive reuse of a former river-dependent industrial site. The former river-dependent industrial portion of the site is non-contiguous with other river-dependent areas and is more centrally located and appropriate for intense mixed development as proposed.

#### Chapter 4 - Community Design

*Goal 1: Enhance Central Petaluma's identity and unique sense of place.*

*Goal 2: Create a strong sense of entry and orientation within Central Petaluma.*

*Goal 3: Strengthen linkages to and along the river and to other districts of the city.*

*Goal 4: Enhance the livability of Central Petaluma.*

*Goal 5: Establish a pedestrian scale within the public realm.*

*Goal 6: Maintain visual landmarks.*

*Goal 7: Emphasize creativity and sustainability in design.*

The urban design principles in the CPSP and the SmartCode are reflected in the community design of the Oyster Cove project. These goals are achievable with the current land use proposal. The community layout begins with an alley network oriented to the pedestrian experience. The proposed land use mix creates walkable destinations for existing and future residents, as well as employees and visitors. The repurposed Oyster Shed and associated public plaza will create a high-profile amenity along the river with pedestrian and bicycle linkages to the existing parks. A number of these goals will require implementation during the design review (SPAR) portion of the project when building architecture, landscaping, and detailed urban design plans are reviewed.

#### Chapter 5 - Public Space and River Access

*Goal 1: Establish a continuous and interconnected system of public spaces along the river.*

*Goal 2: Utilize public spaces to extend the amenity of the waterfront inland.*

*Goal 3: Provide urban public spaces that serve multiple purposes.*

*Goal 4: Encourage a waterborne transportation system that interconnects the various waterfront public spaces.*

*Goal 5: Utilize public space to open up views and vistas from inland areas to the river and the mountains.*

*Goal 7: Complete a recreational loop on both sides of the river, including gathering areas of various sizes.*

*Goal 8: Enhance the public space character of city streets.*

*Goal 9: Promote art in public spaces.*

*OBJECTIVE 4: Provide for major new public spaces extending from the river to inland areas.*

*Policy 4.1: Provide for a major band of waterfront public space.*

*Policy 4.2: Establish an integrated network of public space.*

The project includes new public access and a multi-use path as a key component of the CPSP public space and river access goals. The new multi-use path and public plaza associated with the repurposed Oyster Shed further implement Goal 7. Additionally, the project will preserve the existing River Trail along McNear Channel. The repurposed Oyster Shed will serve as a potential boathouse activating the waterfront. The project would feature art that weaves the story of the site's history into the fabric of the project by reclaiming and repurposing industrial marine artifacts from the Oyster Cove operations and incorporating material elements and treatments that speak to the natural context of the project location.

## Chapter 6 - Circulation

*Goal 1: Support Diversity in the transportation system.*

*Goal 2: Reduce the barrier effect of the diverse transportation corridors.*

*Goal 3: Reinforce the role of Central Petaluma as a center for transit and non-vehicular modes of travel.*

*Goal 4: Complete the urban pattern with a pedestrian-scaled grid of streets where it is fragmented in the river area.*

The project supports multi-modal transport, including vehicular, bike, walking, and boating. The proposed multi-use paths will provide alternative connections to destinations, including the river. The Sonoma Marin Rapid Transit ("SMART") Petaluma Downtown Station is 900 feet from the site and would offer residents convenient commuter rail access. The primary bus service (Route 10, 11, & 24) is 250 feet away within the Petaluma Transit Mall. Secondary bus stops are 200 feet away on D Street (Route 10 & 24).

*Policy 1.6: Develop the potential of the river for local and regional transit.* The Oyster Shed will be repurposed as a potential boathouse facility, which increases the ability to utilize the river for transit as well as recreational use.

*Policy 2.4: Create new local streets to improve access and better serve potential development. The new streets shall have logical intersections, safe sight distance, and be at an appropriate scale.* The alley network planned in the Oyster Cove project is laid out on a grid with short blocks at a pedestrian-friendly scale which is consistent with this policy. The intersection design at D Street and Copeland Street will be reviewed in detail during the plan check stage to ensure clearance standards, such as setback and height limits of structures or landscaping at corners, are met.

*Policy 3.1: Provide a multi-use recreational bicycle and pedestrian trail along the Northwestern Pacific right-of-way, with connections to McNear Peninsula and the riverfront.* The project provides a new trail along the riverfront with connections to the existing trail along McNear Channel. This trail connects to two new trails on the site perimeter that lead to Petaluma River Park and Steamer Landing Park.

*Policy 3.5: Provide on-street connections to the river trail (sidewalks, bike lanes, and bike routes) to ensure a logical system of pedestrian and bicycle routes that link to citywide and regional systems.* The riverfront trail is connected to the street and alley system at several locations.

*Policy 3.6: Enhance street landscaping and design to improve the environment for pedestrians and bicyclists.* A Class IV bicycle facility is proposed along East D Street. Separated sidewalks with street trees and perimeter paths, and tree plantings are proposed in order to create a safe and pleasing pedestrian environment.

*Policy 3.7: Provide facilities for bicycles in new commercial development and at transit stations.* The project will provide bicycle facilities such as bike racks, lockers, and showers for new commercial buildings consistent with SmartCode. Facilities will be reviewed through Site Plan and Architectural Review (SPAR) with future project components.

#### *SMART Rail Station Areas TOD Master Plan (2013)*

The proposed project is located less than ½ mile from Petaluma's Downtown SMART Station. It is part of the Downtown Petaluma Station Area that was planned for in the 2013 Petaluma SMART Rail Station Areas: TOD Master Plan (the Plan). The adopted Plan provides a framework for future development, improves connectivity, develops and implements urban design standards, and establishes an integrated development plan that capitalizes on SMART service. Two of the project site's three parcels – 0 East D. St. and 0 Copeland St. (approximately 2.5 acres) – are identified as Opportunity Sites by the Plan.

The proposed project is transit-oriented in both locational and design characteristics, and required infrastructure improvements will support active transportation alternatives. Many of the Plan's policies and development standards were codified in the Plan's Appendix A: SmartCode Amendments adopted on July 1, 2013, and the project is required to comply with the 2013 SmartCode. For these reasons, Planning is able to find that the proposed project is consistent with the 2013 Station Area Master Plan.

#### *2013 SmartCode Amendments*

In addition to the Station Area Master Plan, the Central Petaluma Specific Plan (CPSP) is implemented through the amended [2013 SmartCode](#), rather than the Implementing Zoning Ordinance. The subject property is within the Urban Center (T5) and River Dependent Industrial District (D3). The proposed Zoning Map Amendment will change the portion of the site zoned D3 to T5.

Referring to SmartCode policies (see [Intent section](#)), Planning finds that the project specifically responds to or implements the following policies:

##### Region-level

2. That growth strategies shall encourage infill and redevelopment.
3. That affordable housing shall be distributed throughout the region to match job opportunities and to avoid concentrations of poverty.
5. That the region shall include a framework of transit, pedestrian, and bicycle systems that provide alternatives to the automobile.

##### Community-level

1. That neighborhoods and regional centers shall be compact, pedestrian-oriented, and mixed use.
2. That the size of neighborhoods reflect a five-minute walking distance for the edge to center



(center meaning a railroad connecting transit stop or the existing downtown).

3. That ordinary activities of daily living shall occur within walking distance of most dwellings, allowing independence to those who do not drive.
5. That a variety of thoroughfares shall be designed to serve the needs of the pedestrian, the cyclist, and the automobile equitably.
6. That within neighborhoods, a range of housing types and price levels shall be provided to accommodate diverse ages and incomes.
7. That appropriate building densities and land uses shall be provided within walking distance of transit stops.
8. That civic, institutional, and commercial activity shall be embedded in downtowns, not isolated in remote single-use complexes.

### The Block and Building

1. That buildings and landscaping shall contribute to the physical definition of Thoroughfares as Civic places.
2. That development shall adequately accommodate automobiles while respecting the pedestrian and the spatial form of public areas.
3. That the design of streets and buildings shall reinforce safe environments, but not at the expense of accessibility.
4. That architecture and landscape design shall grow from local climate, topography, history, and building practice.
5. That buildings shall provide their inhabitants with a clear sense of geography and climate through energy-efficient methods.
6. That civic buildings and public gathering places shall be provided as locations that reinforce community identity and support self-government.
7. That the preservation, renewal, and reuse of historic buildings shall be facilitated to affirm the continuity and evolution of society.
8. That the harmonious and orderly evolution of urban areas shall be secured through form-based codes.
9. That new construction shall not degrade the aesthetic and civic character of the neighborhood.

### The Transect

That the Transect Zone descriptions on Table 1 shall constitute the Intent of this Code with regard to the general character of each of these environments.

The Urban Center (T5) zone consists of higher-density, predominately attached mixed-use buildings that accommodate retail, offices, rowhouses, and apartments. It has a tight network of streets, with wide sidewalks, steady street planting, and buildings set close to the sidewalks. Frontage types include shops, storefronts, and galleries with a typical building height of 3-4 stories. The T5 zone allows for a variety of permitted and conditional uses, as illustrated in [Table 3.1: Allowed Building Functions and Permit Requirements](#) of the CPSP.

The following table (**Table 1**) provides a summary of the 2003 SmartCode requirements for development in the T5 zone, as well as the specific Townhome standards of SmartCode Section 4.80.100, against the proposed Oyster Cove project. Specific design standards for live/work units (SmartCode [Section 4.70.020](#)) and mixed use buildings (SmartCode [Section 4.70.030](#)), will be subject to SPAR when more specific architectural and improvement plans are available.

**Table 1. 2013 SmartCode Development Standards**

<b>Development Standards</b>	<b>2013 SMARTCODE REQUIREMENTS</b>	
	<b>T5</b>	<b>Proposed</b>
Block Perimeter	1,700 linear feet max.	N/A
Lot Area	None	2,696 s.f. min.
Lot Coverage	None	SPAR
Front Setback	0' min./10' max.	SPAR
Side Setback	0' min./10' max.	N/A
Rear Setback (No alley)	5' min.	N/A
Rear Setback (Alley)	0' min.	N/A
Principal Bldg. Frontage	75% min.	78% min. (D Street)
Secondary Bldg. Frontage	35% min.	54% min. (Copeland Street)
Private Frontages	Stoop, Forecourt, Dooryard, Shopfront, Terrace, Gallery, Arcade	Stoop, Terrace
Building Height	2 stories min. 4 stories max.	3 stories min. 4 stories max.
Ground Floor Ceiling Height	10' min. – residential 14' min. – commercial	9' min.; Warrant requested
Ground Floor Space Depth	30' min.	Warrant requested
Parking - Required	1 space/ market rate unit and .5 space/ affordable unit (131 spaces); 2 spaces/ 1000 sq. ft. of commercial(18 spaces)	1-2 spaces/unit (224-253 spaces); 2 spaces per 1,000 sq. ft. of commercial (19 spaces)
Parking Location	Permitted only in the 3 <sup>rd</sup> layer	Warrant requested
	<b>Townhouse (4.80.100)</b>	<b>Proposed</b>
Lot Size	18' min. width 80' min. depth	16' min. width; Warrant requested 36' min. depth; Warrant requested
Number of Units	3 min.; 8 max.	5 min.; 8 max.
Main Body Width	18' min.; 36' max	16' min.; 34' max.; Warrant requested
Allowed Frontage	Porch, Stoop, Dooryard	Stoop
Private Open Space	8' min. width 8' min. depth 100 sq. ft. min. area	Warrant requested

The Tentative Map has been designed in accordance with a majority of the required development

standards. As part of the Tentative Map approval, the applicant is requesting approval of warrants for site planning elements that do not conform to the SmartCode. These warrants are intended to create certainty and consistency in the application of site planning standards for the buildout of the Oyster Cove development. Modifications may be approved through a warrant pursuant to SmartCode [Section 8.10.020.H](#) – Warrants and Variances. A warrant is a ruling that would permit a practice that is not consistent with a specific provision of this Code but is justified by the provisions of the Intent of the SmartCode. The requested warrants serve the purpose of preserving the balance among (i) maintaining an appropriate project density and mix of uses, (ii) maintaining a walkable and inviting streetscape envisioned in the CPSP, and (iii) ensuring that the project is economically viable. Requirements related to building design, landscaping, signage, and similar elements will be met through the future Site Plan and Architectural Review requirement. The requested warrants are considered below.

- Removal of the required “**Hopper Loop Road**” described in SmartCode Section 5.10.100 – Thoroughfare Regulating Plan Central Petaluma Specific Plan Area. is requested and required as part of the project approvals. This warrant is central to a primary goal of the Oyster Cove project, which is to maximize the utility and usability of the waterfront for pedestrians and cyclists. To facilitate the implementation of this goal, the project accommodates vehicular traffic away from the water to the maximum extent feasible, including the elimination of the “loop road” contemplated in the SmartCode. Elimination of the “loop road” will also have the added benefit of reducing the overall impervious surface adjacent to the Petaluma River.
- Modification of minimum **Ground Floor Ceiling** height requirement for Residential Uses and All other uses from 10 feet and 14 feet, respectively, to a minimum of nine feet for all uses, if required (Urban Standards Table, Table 4.10.m). This Warrant is requested to ensure the economic viability of the project.
- Modification to allow commercial use activity within the minimum 30-foot **Ground Floor Space Depth**, if required (Urban Standards Table, Table 4.10.n). The Warrant is requested to maintain an appropriate project density and mix of uses despite the irregular shape of the site.
- Reduction in minimum **Lot Size** width from 18 feet to 16 feet, and depth from 80 feet to 36 feet, if required (Section 4.80.100.B). The Warrant is requested to maintain an appropriate project density and mix of uses despite the irregular shape of the site.
- Modification of minimum **Main Body Width** requirement of 18 – 36 feet (maximum) to 16 – 34 feet (maximum), if required (Section 4.80.100.D). The Warrant is requested to maintain an appropriate project density and mix of uses despite the irregular shape of the site.
- Elimination of the **Private Open Space** requirement for Townhouse building types (Section 4.80.100.H). The Warrant is requested to maintain an appropriate project density and mix of uses and account for the large public parks adjacent to the site.

- Modification to Parking Location requirements to allow enclosed parking to encroach into required 2nd Layer (within first 20 feet of unit ground floors) as described in SmartCode Section 6.10.020 – Location of Parking (Urban Standards Table, Table 4.10.p). This Warrant is required to maintain a walkable and inviting streetscape envisioned in the CPSP.

Accordingly, the above-requested warrants are deemed necessary to further the goals stated in the SmartCode. Staff recommends that the City Council adopt the requested warrants as proposed. If approved, the requested warrants are incorporated into the Tentative Map (refer to Attachment 10) and will be carried forward as a Supplemental Map Sheet on the final map per Condition of Approval.

#### *Petaluma Municipal Code, Title 20 Subdivision Ordinance*

The proposed Tentative Map has been found to be consistent with the Subdivision Ordinance and the Subdivision Map Act by the City Engineer. Some lots proposed in Oyster Cove do not meet the minimum lot depth of 100 feet per Section 20.28.080 of the Subdivision Ordinance but are in conformance with the underlying T5 General Urban Zone District, except where Warrants are required, and further the intent of the CPSP. As such, Section 20.40.075 permits the City Council to approve a modification to vary the minimum lot area required of a lot or lots created by the subdivision; or the minimum dimensions of such a lot.

#### *Implementing Zoning Ordinance, Chapter 25 Amendments*

*See Entitlements, Amendment to Section 2 of the Amended SmartCode Regulating Plan (2013), this section.*

Staff recommends that the City Council approve the Tentative Map for Subdivision and Condominium Purposes with associated Warrant requests, subject to approval of the General Plan Map Amendment as proposed, adoption of the Amendment to Section 2 of the Amended SmartCode Regulating Plan (2013) as proposed, and adoption of the CEQA Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, as described in the Environmental Review section of this staff report.

### **PUBLIC OUTREACH**

Since the onset of the application, the applicant has done extensive outreach including public Study Sessions with the city's Bicycle and Pedestrian Advisory Committee and Planning Commission, a neighborhood meeting, community presentations hosted by Know Before You Grow. Staff and the applicant incorporated much of the feedback into the final project proposal. Most recently, the applicant completed a public hearing with Planning Commission, which unanimously recommended that City Council consider approving the project. This agenda item appeared on the City's tentative agenda document on September 12, 2023, which was a publicly noticed meeting.

#### **Public Meetings**

The Oyster Cove project was initially presented to the City's Bicycle and Pedestrian Advisory Committee on June 1, 2022, and to the Planning Commission on June 28, 2022, during study sessions conducted at public meetings of the Committee and Commission. In addition, as required by City Ordinance, the applicant conducted a Neighborhood Meeting on June 8, 2022 and provided

additional opportunity for community comment and feedback at meetings organized by Know Before You Grow. The proposed project, as presented in this staff report, reflects the applicant's response to feedback received from these public review opportunities. A detailed discussion of comments and feedback received at these various public meetings on the project are provided in the May 92023 Planning Commission staff report (**Error! Reference source not found.**).

### **Public Comments**

All public comments received through September 12, 2023, that are referred to below are provided in Attachment 15 – Public Comments thru September 12, 2023.

On June 29, 2023, the City's Notice of Public Hearing to be held on July 10, 2023, before the City of Petaluma City Council, was published in the Petaluma Argus-Courier and mailed to all residents and property owners within 1,000 feet of the Project as well as persons having requested special notice of said proceedings. As of September 12, 2023, no additional public comments have been received.

Throughout public review and engagement of the project, comments in support and opposition have been received. Comments in support of the project cite the need for housing and how the project will enhance quality of life. Those opposed to the project provided comments related to:

- nature of development (density, multi-family, market-rate)
- location of the proposed development (impacts to river, sea level rise);
- increased traffic congestion on D Street;
- development during drought; and
- increasing urbanization of Petaluma community (loss of open space).

### **COUNCIL GOAL ALIGNMENT**

Based upon the information presented in this staff report, the proposed project complies with Citywide goals and priorities contained in the City of Petaluma General Plan 2025, the City of Petaluma Bicycle and Pedestrian Plan 2008, adopted as an appendix to the General Plan (see Mobility Chapter discussion), the River Access and Enhancement Plan adopted May 1996, the Central Petaluma Specific Plan (CPSP) adopted June 2, 2003, and the Petaluma SMART Rail Station Areas: TOD Master Plan, Station Areas Master Plan (2013). In addition, to the project's consistency with adopted policy documents, the project also implements the following Citywide Goals and Priorities:

- Item 103 - Prioritize and incentivize sustainable infill development.
- Item 119 - Establish bicycle and walking paths and other river access amenities along the Petaluma River as identified in the River Access and Enhancement Plan.
- Item 120 – Robust focus on riverfront and river-oriented development
- Item 140 - Expand the use of Transit Oriented Development (TOD) principles in new development, including greater massing allowances to facilitate thoughtful infill development proximate to TODs.

## **CLIMATE ACTION/SUSTAINABILITY EFFORTS**

The proposed project is consistent the Climate Emergency Framework adopted by the City Council on January 11, 2021 - eliminate transportation emissions by reducing vehicle miles traveled (VMT) through infill development and increased density and encouragement of and support for non-combustion vehicles in that the project proposes infill development on a site located proximate to transit and other multi-modal options and will expand bicycle and pedestrian facilities in the immediate project vicinity and install electric vehicle charging in proposed residences to encourage the use of non-combustion vehicles. The project is required to comply with the City's All-Electric Ordinance. Additionally, the project incorporates several strategies to protect against the impacts of sea level rise, consistent with the Framework.

## **ENVIRONMENTAL REVIEW**

A Draft Initial Study/Mitigated Negative Declaration was prepared for the project. On April 7, 2023, the City published the Notice of Availability on the City Project webpage, in the Petaluma Argus-Courier, filed the NOA with the Sonoma County Clerk, posted the NOA to CEQAnet, and mailed the NOA to all residents and property owners within 1,000 feet of the Project to inform the public and interested parties about the required 30-day public comment period commencing April 7, 2023, and ending May 8, 2023. The Initial Study/Mitigated Negative Declaration concluded that the project could result in potentially significant impacts related to Air Quality, Biological Resources, Cultural Resources, Geology/Soils, Hazards/Hazardous Materials, Hydrology/Water Quality, Noise, and Tribal Cultural Resources. The Initial Study/Mitigated Negative Declaration concluded that all project impacts would be mitigated to less than significant levels through the implementation of recommended mitigation measures or through compliance with existing Municipal Code requirements and City standards. Several public comments were received in response to the IS/MND Notice of Availability. Responses to comments on the environmental documents are provided in Attachment 8.

At the May 9, 2023, Planning Commission public hearing, the Commission requested clarification on a variety of items related to the CEQA environmental review process and requested clarification on the analysis provided in the IS/MND. A summary of Commission comments and questions is provided in the Response to Comments document included as Attachment 8. Following the discussion, the Planning Commission adopted a resolution recommending the City Council adopt the IS/MND and MMRP with revisions to Mitigation Measures BIO-4, BIO-5, HAZ-1, and provide clarification in the IS/MND related to the project's setback for the Petaluma River. These changes are reflected in the Final Initial Study/Mitigated Negative Declaration, included as Attachment 9 to this staff report. Exhibit A of Attachment 1 contains the revised Mitigation Monitoring and Reporting Program.

## **FINANCIAL IMPACTS**

The Oyster Cove Mixed Use Neighborhood Project has a cost recovery account to pay for time and materials for processing the entitlements. Additionally, the project is required to pay its fair share of fees as set forth in the City of Petaluma Development & Capacity Impact Fees Booklet.

## **ATTACHMENTS**

- Attachment 1: Resolution adopting the Final Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program  
Exhibit A: Mitigation Monitoring and Reporting Program
- Attachment 2: Resolution approving the General Plan Map Amendment  
Exhibit A: Revised General Plan Land Use Map Diagram
- Attachment 3: Resolution approving the Zoning Map Amendment  
Exhibit A: Revised SmartCode Regulating Plan Zoning Map
- Attachment 4: Resolution approving the Tentative Map for Subdivision and Condominium Purposes  
Exhibit A: Conditions of Approval
- Attachment 5: May 9, 2023, and May 23, 2023, Planning Commission Materials:  
Staff Report  
Resolution 2023-05  
Resolution 2023-06  
Resolution 2023-07  
Resolution 2023-08  
Resolution 2023-09
- Attachment 6: Project Description (revised) dated received June 17, 2022
- Attachment 7: Project Plan Set (revised) dated received June 17, 2022
- Attachment 8: Oyster Cove Initial Study/Mitigated Negative Declaration Response to Comments
- Attachment 9: Oyster Cove Final Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program
- Attachment 10: Preliminary Site Plan and Tentative Map (revised) dated received June 17, 2022
- Attachment 11: Preliminary Civil Plan (revised) dated received June 17, 2022
- Attachment 12: Concept Landscape Plan dated received March 29, 2022
- Attachment 13: Illustrative Perspectives dated received June 17, 2022
- Attachment 14: Applicable General Plan Policies
- Attachment 15: Public comments received through September 12, 2023