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DATE: July 10, 2023

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

FROM: Andrew Trippel, Planning Manager  
Dylan Brady, Assistant City Attorney

SUBJECT: Adoption (Second Reading) of an Ordinance Approving the Acquisition of a Parcel of Land Comprised of Portions of APNs 019-210-038, 019-210-039, and 019-210-010 Located at 1601 Petaluma Boulevard South

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### **RECOMMENDATION**

It is recommended that the City Council adopt the attached Ordinance approving the acquisition of a parcel of land comprised of portions of APNs 019-210-038, 019-210-039, and 019-210-010 located at 1601 Petaluma Boulevard South.

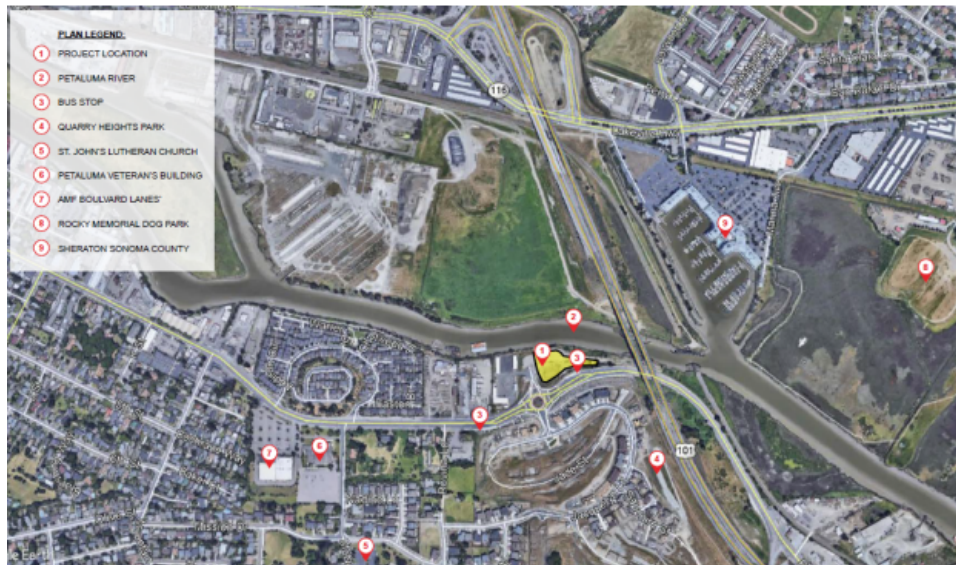
### **BACKGROUND**

On June 19, 2023, City Council introduced by a vote of 7-0 Ordinance No. 2856 N.C.S. (Attachment 1), which would result in the City acquiring a 1.68-acre portion of a  $\pm$  3.43-acre site at no cost from Lands of Burbank Housing Petaluma River Place LLC as part of the development of the approved River Place Apartments project (see Attachment 2 – Project Mapping Exhibit 2023). River Place Apartments (River Place), formerly referred to as the North Quarry Apartments project, is an SB-35 affordable, multifamily development approved by the City on June 26, 2020. The development will be located on 1.75-acres of a  $\pm$  3.43-acre, triangular-shaped site comprised of three underlying parcels bounded by Petaluma Boulevard South to the south, the Petaluma River to the north, the future Caulfield Lane Extension/cross-town bridge and CalTrans facility to the west and the U.S. Highway 101 corridor to the east (Figure 1: Location of River Place Apartments) (Attachment 4 – River Place Apartments SB 35 Approval Letter).

When developed, River Place will provide 49 affordable housing units and one manager unit within a two- to four-story, 65,605-square-foot multifamily residential building. Rental units will be designated for households earning between 30-80 percent of Area Median Income (AMI), which allows for Extremely Low Income (up to 30 percent AMI), Very Low Income (up to 50 percent AMI), and Low-Income housing types (60-80 percent AMI). River Place will construct required on- and off-site improvements, including a portion of the planned River Trail, and

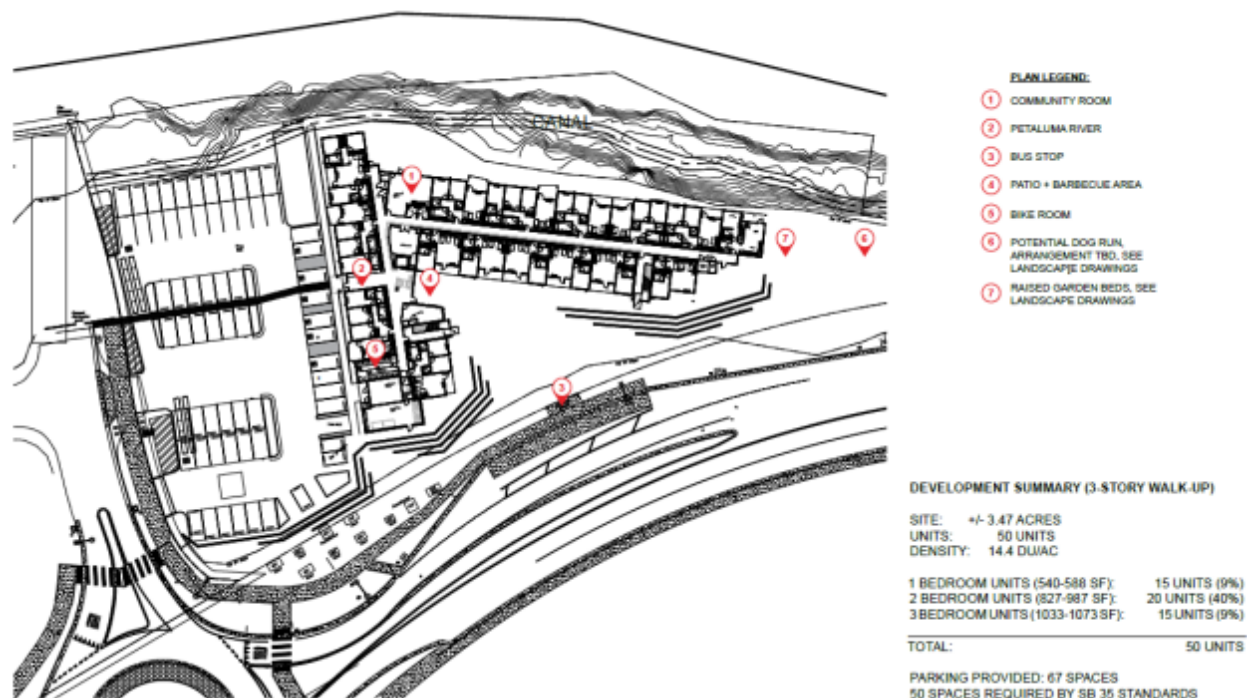
will provide surface parking for 67 vehicles and 38 indoor bicycle parking spaces (Figure 2: Approved River Place Site Plan) (Attachment E – Approved Project Plan Set 2022).

**Figure 1: Location of River Place Apartments**



Source: River Place Approved Plan Set (2020)

**Figure 2: Approved River Place site plan**



Burbank Housing will construct, own, and operate River Place. In 2023, permanent funding sources for the development of River Place total \$33.3M, including \$23.8M in primary funding

from HCD's California Housing Accelerator Program (CHAP), which was created to replace federal tax credits as the primary funding source, and additional program funding from No Place Like Home (\$4.4M), Joe Serna Farmworker Housing (\$5.1M), and a Sonoma County CDC grant from HCD CDBG-DR funds (\$500K).

Senate Bill 35 (SB-35) amends Government Code Section 65913.4 to require local entities to streamline the approval of certain housing projects by providing a ministerial approval process, removing the requirement for CEQA analysis, and removing any requirement for Conditional Use Permit or other similar discretionary entitlements. While the process may be streamlined, projects must still comply with all the City's adopted zoning and objective design standards. It is a voluntary program that an applicant may elect to pursue, provided that certain eligibility criteria are met, including but not limited to:

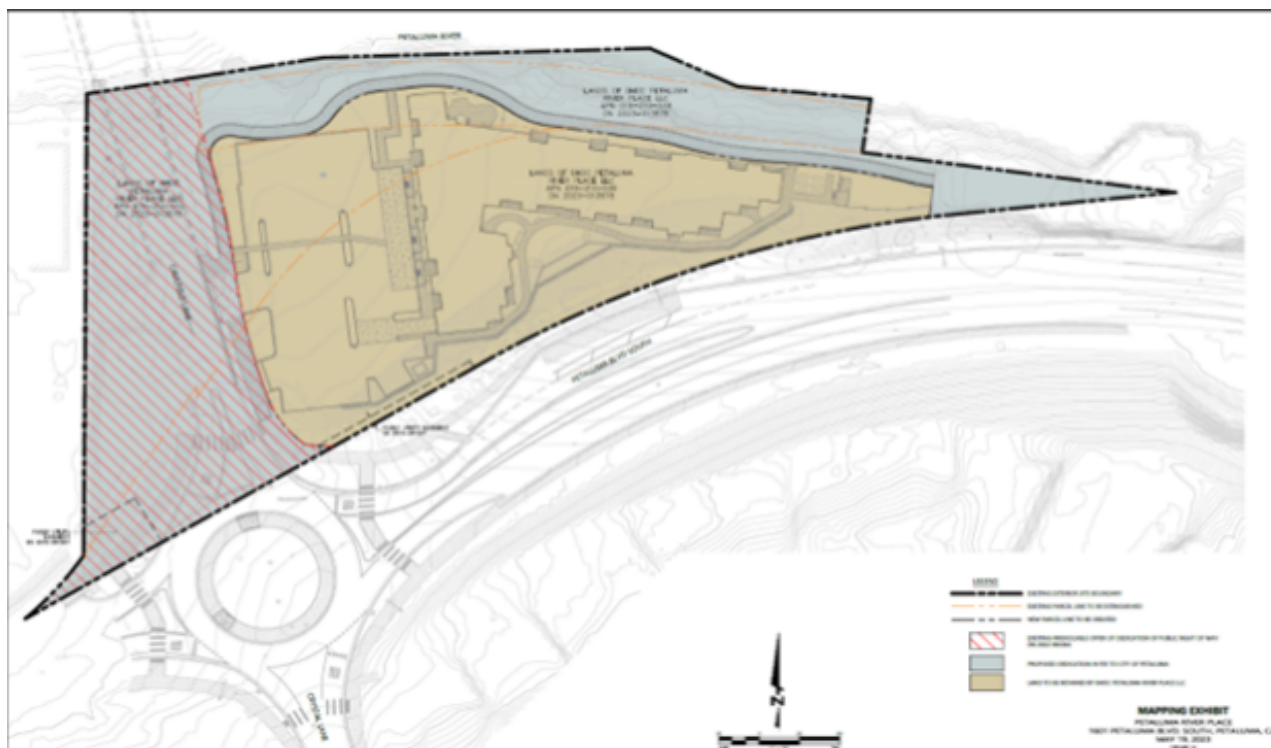
- At least 50% of the proposed residential units must be dedicated as affordable to households at 80% AMI for either rental or ownership projects;
- Development is not within a coastal zone, prime farmland, wetlands, a high fire hazard severity zone, hazardous waste site, a delineated earthquake fault zone, a flood plain, a floodway, a community conservation plan area, a habitat for protected species, or under a conservation easement;
- The project is consistent with Objective development and design standards; and
- The development project will pay prevailing wages.

The City of Petaluma's SB 35 process includes a review by the Planning Commission to provide nonbinding comments and recommendations. After initial review, River Place was brought before Planning Commission on May 12, 2020, during a public meeting study session (Attachment 5 – River Place Staff Report 2020). At this meeting, staff discussed the SB 35 process and the Project's merits.

Following the study session, ministerial review was completed, and on June 26, 2020, the Planning Division issued an approval letter for Burbank Housing's North Quarry Apartments affordable housing project located at 1601 Petaluma Boulevard S., after determining that the project as proposed and conditioned was eligible for ministerial review under Government Code Section 65913.4 (Senate Bill [SB] 35) and that the project would comply with all applicable objective development standards. Of note is Condition of Approval No. 23, requiring that all land conveyances as described in the project are completed prior to issuance of building permit(s).

Before a city can acquire property, Government Code Section 65402 requires a jurisdiction's planning agency to find that the acquisition of the property was in conformance with the city's general plan. On June 13, the Planning Commission with a 5-0 vote, adopted a resolution making required findings pursuant to Government Code Section 65402 that the acquisition of the property was in conformance with the City's General Plan.

**Figure 3: Land Conveyance Mapping Exhibit (2023)**



*Source: Project Mapping Exhibit (2023)*

As depicted in Figure 3, three existing parcels would be merged to create a single  $\pm 3.43$ -acre parcel. A 1.68-acre portion of that parcel, shaded in light blue, would then be conveyed to the City of Petaluma, with the remaining 1.75-acre portion, shaded in light brown, becoming the River Place project site. Portions of the parcel conveyed to the City would be used in future Caulfield Crossing and River Trail development projects, which are described more fully in the Discussion section.

In addition to supporting River Place's compliance with conditions of approval, the 1.68-acre parcel received by the City would support future development of the Caulfield Lane Extension and a portion of the River Trail, with areas designated Floodway or Flood Plain, or delineated as wetlands remaining undeveloped. The 1.75-acre River Place project site does not include any Floodway or Flood Plain areas, or any delineated wetlands.

## **DISCUSSION**

To support affordable housing development, the City previously agreed to accept an irrevocable offer of land dedication of a portion of the  $\pm 3.47$ -acre overall project site that does not include the River Place Apartment project site. As described in Figure 3 and more fully detailed in Attachments 2 and 3, the 1.68-acre parcel to be conveyed to the City includes lands to the west,

north, and east of the future River Place Apartments project site, with Petaluma Blvd. S. establishing the southern boundary. Consistent with Government Code Section 64052(a), the Planning Commission found on June 13, 2023, that the proposed land acquisition conforms with the City's General Plan.

The majority of the  $\pm$  3.47-acre overall project site is designated Mixed Use in the 2008 General Plan Land Use Map, with a very narrow strip of land on the project site adjacent to the Petaluma River designated Floodway and Flood Plain by current FEMA FIRM maps. Maximum Floor Area Ratio (FAR) for residential and non-residential uses is 2.5, and the maximum residential density is 30 dwelling units per acre. Although the 1.75-acre River Place parcel is not the subject of this acquisition ordinance determination, the River Place multi-family residential project (2.07 acres) is consistent with the development types anticipated under the Mixed Use designation, maximum allowed FAR, and dwelling unit density in that the project's FAR is 0.72, and its dwelling unit density is 24 units per net acre.

The Floodway land use designation delineates the channel of the Petaluma River or other watercourse and the adjacent land areas that must be reserved in order to discharge the "base flood" without cumulatively increasing the water surface elevation by more than one foot. No development, site improvements, grading, or any other proposed work on the River Place project site will be located in areas designated Floodway. As such, the project is consistent with the General Plan's Floodway designation and the Flood Plain Overlay.

The General Plan and the Bicycle and Pedestrian Plan envision Class II bicycle facilities (on-street, striped travel lane with signs) along the Caulfield Lane and Petaluma Boulevard frontage. As previously outlined, the project will implement the bicycle facilities envisioned by the General Plan and the Bicycle and Pedestrian Plan, with the construction of Class I and Class II facilities on Caulfield Lane. Required bicycle facilities have already been installed along Petaluma Boulevard South in conjunction with the recently completed road diet. The project will also be implementing the envisioned River Trail as previously outlined. The project is consistent with the circulation/bicycle and pedestrian facilities envisioned in the General Plan.

The acquisition of the 1.68-acre parcel is consistent with or helps the City achieve the General Plan Goals, Policies, and Programs listed below. It would support the development of the River Place infill multi-family project at an underutilized site. The previously approved River Place project, and the future Caulfield Crossing Extension and River Trail projects, which will be subject to discretionary review at the time they are proposed, will be developed in a fashion that is consistent with the General Plan and municipal code. Additionally, the affordable housing project is consistent with the City's recently approved 2023-2031 Housing Element, in that the development provides housing types at the extremely low, very low, and low-income household levels. These are housing types that the city needs to produce in order to meet Regional Housing Needs Assessment numbers.

- Goal 1-G-1: Land Use – Maintain a balanced land use program that meets the long-term residential, employment, retail, institutional, education, recreation, and open space needs of the community.
- Policy 1-P-1: Promote a range of land uses at densities and intensities to serve the community's

needs within the Urban Growth Boundary (UGB).

- Policy 1-P-2: Use land efficiently by promoting infill development at equal or higher density and intensity than surrounding uses in order to use land efficiently.
- Goal 1-G-5: Petaluma River – Develop land uses in proximity to the Petaluma River that ensure the restoration of the natural River corridor, provide for adequate storm flow capacities, and enable public access and stewardship.
- Goal 5-G-1: Mobility Framework – To improve Petaluma’s mobility system to increase efficiency for all modes of travel.
- Policy 5-P-1: Develop an interconnected mobility system that allows travel on multiple routes by multiple modes.
- Policy 5-P-3: Ensure public improvements are constructed and maintained in a manner that is economically feasible to the budgetary constraints of the City.
- Policy 5-P-4: New development and/or major expansion or change of use may require the construction of off-site mobility improvements to complete appropriate links in the network necessary for connecting the proposed development with existing neighborhoods and land uses.
- Policy 5-P-11: Require proposed development to assist, in addition to seeking other funding sources, in the funding and construction of the following improvements...Caufield Street Extension.
- Goal 5-G-5: Bicycle and Pedestrian Improvements – Create and maintain a safe, comprehensive, and integrated bicycle and pedestrian system throughout Petaluma that encourages bicycling and walking and is accessible to all.
- Program 5-P 15A: Fund and implement the Bicycle Plan and complete gaps in the bikeway network through new development, redevelopment, and the Capital Improvements Program.
- Policy 5-P-25: Establish a network of multi-use trails to facilitate safe and direct off-street bicycle and pedestrian travel.
- Policy 5-P-26: Require all new development and those requiring new city entitlements with “frontage” along creeks and the river to permit through travel adjacent to creeks and the river with access points from parallel corridors spaced at minimum intervals of 500–1,000 feet.
- Program 6-P-2B: Provide public access and recreational opportunities along the length of the Petaluma River and its tributaries, to every extent possible.

As the acquisition of the 1.68-acre parcel by the City will the River Park affordable housing project, completion of a River Park Trail, and is needed for the Caulfield Extension, staff is recommending that City Council introduce and adopt the proposed ordinance.

## **PUBLIC OUTREACH**

The General Plan conformance finding came before the Planning Commission on June 13th. The first reading came before Council at the June 19th, 2023 meeting. This item was also noticed in compliance with the California Brown Act.

## **COUNCIL GOAL ALIGNMENT**

The proposed action supports City Council Goals and Objectives Workplan Item 103: Prioritize and incentivize sustainable infill development by providing a reasonable and justified land transaction to enable Burbank Housing infill development and supports continued public access along the Petaluma River.

## **ENVIRONMENTAL REVIEW**

The City Council's determination to acquire the property is not a “project” pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15378 as it is an administrative activity of government that will not result in any direct or indirect physical change in the environment. Review of the Petaluma River Place development is not subject to CEQA as the development is in accordance with Senate Bill 35 and is deemed a ministerial action. Regardless, further environmental review will be conducted by the City for any future improvements on the acquired property, like the Caufield extension or River Park Trail expansion.

## **FINANCIAL IMPACTS**

The City is not paying for the cost of acquiring the parcel.

## **ATTACHMENTS**

1. Proposed Ordinance with Exhibit A (Grant Deed for the Acquisition Parcel)
2. Project Mapping
3. River Place Title Action 2020
4. River Place SB 35 Approval Letter
5. River Place Staff Report 2020