



MEMORANDUM

TO: PLANNING COMMISSION

FROM: TERESA McCLISH, COMMUNITY DEVELOPMENT DIRECTOR

BY: JOHN RICKENBACH, CONSULTING PLANNER

SUBJECT: CONTINUED CONSIDERATION OF THE EAST CHERRY AVENUE SPECIFIC PLAN PROJECT (GENERAL PLAN AMENDMENT 15-001; DEVELOPMENT CODE AMENDMENT 15-001; SPECIFIC PLAN 15-001; VESTING TENTATIVE TRACT MAP 15-001; CONDITIONAL USE PERMIT 15-004; CONDITIONAL USE PERMIT 16-001) AND ENVIRONMENTAL IMPACT REPORT; LOCATION – EAST CHERRY AVENUE AND TRAFFIC WAY; APPLICANTS – SRK HOTELS, MANGANO HOMES, INC., AND ARROYO GRANDE VALLEY JAPANESE WELFARE ASSOCIATION

DATE: SEPTEMBER 20, 2016

RECOMMENDATION:

It is recommended that the Planning Commission consider the project plans, staff report and environmental review for the Cherry Avenue Specific Plan Project, receive public comment, and adopt a Resolution recommending that the City Council certify the Environmental Impact Report and approve the project as conditioned.

BACKGROUND:



Figure 1. Project Location

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The Specific Plan area encompasses 15.29 acres of undeveloped, vacant, and agricultural land at the southern commercial gateway of the City of Arroyo Grande (Figure 1). The plan area consists of five (5) parcels (street addresses of 490 and 112 East Cherry Avenue, and 501 Traffic Way) under three separate ownerships. For the purpose of the Specific Plan, these are organized into three subareas as shown in Table 1.

Table 1. East Cherry Avenue Specific Plan Properties

Subarea	Current Ownership	APN	Existing Zoning/Land Use	Acreage
1	Harshad and Vina Panchal, et al.	076-621-076, -077, -078	Traffic Way Mixed-Use (TMU D-2.11)/ Mixed-use	2.16
2	NKT Development, LLC	076-621-079	Agriculture/ Agriculture	11.12
3	Arroyo Grande Valley Japanese Welfare Association (JWA)	076-210-001	Agriculture/ Agriculture	2.01
Total Acres				15.29
<i>Notes: TMU D-2.11 - Traffic Way Mixed-Use with D-2.11 Design Overlay. Acreages include 0.50 acres transferred from Subarea 2 to Subarea 3 as part of an intended future lot line adjustment. Source: City of Arroyo Grande 2015a.</i>				

The Specific Plan area is situated north of the Vagabond Mobile Home Park, single-family residences, and the Saint Barnabas’ Episcopal Church; east of Traffic Way and its interchange with U.S. Highway 101; south of East Cherry Avenue; and west of Luana Lane and Los Olivos Lane. Note that the three applicants associated with this project are referred to as a singular “applicant” throughout this report, unless stated otherwise.

PREVIOUS ADVISORY BODY REVIEW:

Staff Advisory Committee

The Staff Advisory Committee (SAC) conceptually reviewed the proposed project as a “Pre-SAC” item on June 10, 2015. At that time, the SAC discussed various aspects of the project, including but not limited to long-term development concepts, and the design framework that would guide such development. The SAC’s input was used to help develop the draft Specific Plan currently proposed. The SAC considered the project again on April 27, 2016, and provided additional input and refinement to the current plan.

Architectural Review Committee

The Architectural Review Committee (ARC) previously reviewed the proposed project on March 7, 2016, and expressed general concurrence with the design concepts presented at that time. The ARC formally reviewed the project’s proposed Design

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Guidelines and other applicable standards, as well as issues related to architecture, site layout and massing. The ARC recommended approval of these aspects of the project, with recommendations for further clarification of the proposed design of the hotel within Subarea 1, as well as some of the language included in the Architectural Guidelines section of the Specific Plan, as they relate to the Traffic Way Mixed Use standards as they apply to Subarea 1. The ARC reviewed the applicant's proposed responses to these issues at its meeting on August 15, 2016, with an additional condition of approval that the hotel and restaurant architecture return to the ARC for a final review to ensure architectural treatments address concerns regarding building height, massing and community fit. The ARC recommended approval of the project with these changes. It should also be noted that the ARC expressed a general preference for including two-story residential structures along East Cherry Avenue within Subarea 2, which would be a modification of the applicant's proposal to limit all alley-loaded residential units (including those along East Cherry Avenue) to a single story.

Traffic Commission

The Traffic Commission (TC) reviewed the proposed project on July 25, 2016. Their purpose was to provide input on various transportation design issues, including parking and access within each Subarea. The TC unanimously recommended approval of the project, subject to the following considerations:

1. Consider and review the proposed bike lane configuration within the Specific Plan, especially on East Cherry Avenue.
2. The proposed Tract Map for Subarea 2 should include an exhibit showing where trash would be collected, in such a way to allow for trash trucks to have adequate access.
3. Trash and mailbox areas should be designed in such a way to keep sidewalks clear.
4. Garages need to be big enough for large vehicles.
5. Clarify and confirm there will be two points of access to development within Subarea 1.
6. Clarify how proposed CC&Rs could be enforced.
7. There should be no reliance on shared parking at offsite locations for the proposed hotel and restaurant.
8. Clarify potential impacts to the Fair Oaks southbound off-ramp.

Although not specifically addressed by the Traffic Commission, the Final EIR included a mitigation measure to address access considerations to Subarea 1, prior to the approval of a CUP for that area. The Access, Circulation and Parking Study for Subarea 1 has since been updated and is included as Attachment 1. In summary, the study found that the primary driveway should be relocated from Traffic Way to East Cherry Avenue, the existing eastbound exclusive left turn lane to the 5 Cities Swim School parking lot should be converted to a two-way left turn lane

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terminating at Road "A" (which is the project internal road separating Subareas 1 and 2), and that the proposed parking is adequate given Development Code Section 16.56.050 which allows parking reductions for mixed use developments through the CUP process. It should be noted that the mixed use parking reduction is only occurring between the restaurant and hotel on Subarea 1. There is no consideration for mixed use parking reductions between any of the other Subareas nor between Subarea 1 and the existing commercial developments on Traffic Way.

Planning Commission

The Planning Commission has not yet formally reviewed the proposed project, but did take public input on the project at its meeting of September 6, 2016. Following a staff report presentation, an applicant presentation of the proposed project, and public comment on the project, that meeting was continued without the Planning Commission deliberating on the project, or without making a recommendation to the City Council.

There were nineteen (19) public speakers who provided testimony on the proposed project during the meeting of September 6, 2016. The following summarizes the key issues raised through public comments on September 6, 2016:

1. *Traffic Issues.* Comments addressed a variety of traffic concerns, including those related to the following topics:
 - a. Impacts related to high speeds and safety, including past accidents on Traffic Way related to tailgating;
 - b. Impacts related to schools, especially increases in traffic in the morning; and
 - c. Whether or not proposed "Road A" should be designed as a Collector in the location shown to accommodate potential future growth to the south, as is contemplated under a possible (but not yet adopted) Circulation Element update.
2. *Water Issues.* Two key issues were raised:
 - a. Whether or not there is sufficient water supply to accommodate the proposed project; and
 - b. Whether the potential ag water use on the Flora Road property, which is intended to be put into an agricultural easement to mitigate for the conversion of Subarea 2, was considered in the assessment that there would be a net increase in possible water supply as a result of the project.
3. *Scale of Hotel and Restaurant in Subarea 1.* Some comments suggested that the scale of the hotel and restaurant is too large, and that a three-story hotel is too tall. Some believed the building height was either out of scale/character with the City, or that it could block sunlight to neighboring mobile homes.
4. *Bike Planning.* Some comments suggested placing the proposed bike lanes on E. Cherry adjacent to the curb, for safety reasons. Other comments

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suggested adding bike trails from the end of the collector up the slope to the south of the project site (included in Attachment 8).

With respect to the traffic and water issues, the following additional information and analysis that address key concerns is included for the Planning Commission's consideration:

Traffic. Traffic issues were addressed in detail in the Final EIR, and considered a variety of issues, including impacts to potentially affected roadways and intersections, both as a result of the proposed project and cumulative long-term development in the City. It also considers a variety of safety issues, particularly pedestrian safety.

A review of the accident history along Traffic Way shows that the preponderance of accidents have been concentrated near the intersection of Traffic Way and Fair Oaks Avenue. It is expected that the proposed mitigation to signalize this intersection will greatly improve safety conditions along Traffic Way.

With respect to impacts related to school traffic, especially in the morning, the EIR and related traffic study considered AM Peak Hour trips in the analysis, including AM peak hour conditions at the intersections along Traffic Way, to help determine the level of impact and appropriate mitigation measures.

Relative to proposed "Road A"'s status as a Collector, and its relationship to potential future development to the south of the project site, it should be noted that this is intended that the extension of the stubbed end of this roadway is not currently planned, nor is included as part of the proposed project. Thus, to analyze impacts of a possible future roadway to the south would be speculative. However, the collector stub is considered part of the proposed project and environmental effects associated with this roadway stub are included with project impacts in the Final EIR (e.g., Sections 3.6, *Hydrology and Water Quality*, 3.7, *Land Use*). Further, potential growth inducing impacts resulting from this collector stub have been identified within Section 4.2.4, *Other CEQA Considerations*.

The collector stub and a possible future collector road on the hillside south of the project site are not included in the existing General Plan Circulation Element. However, the General Plan, Circulation Element Map indicates a "Circulation Study Area" that surrounds South Traffic Way, U.S. Highway 101, and Castillo Del Mar. The Circulation Element Policy CT5-5 describes the intent of this study area, which states:

"Define and preserve "study area" corridors and alternatives for future freeway, arterial and collector street connections, extensions, completions, reconstruction, widening, frontage road alternatives or extensions, and/or

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other improvements to the Circulation and Transportation networks until cooperative resolution of Element revisions and/or capital improvement programs.”

Further, Policy CT5-5.3 states “when new development occurs in the vicinity of study areas or plan lines, and where legally and financially feasible, require a portion of rights-of-way and improvements associated with new development.” The East Cherry Avenue Specific Plan and the proposed collector stub are within the vicinity of the study area. The proposed collector stub is considered an improvement that may be needed to accommodate future development to the south of the site anticipated under the City’s General Plan and zoning maps. The effects of extending this collector stub will be appropriately analyzed as part of the Circulation Element update and associated CEQA documentation.

Lastly, in response to comments regarding the proposed collector stub, the applicant has provided an updated site plan that if the Planning Commission and ultimately City Council finds is superior, would construct temporary asphalt curbing and a landscaped area at the terminus. (Attachment 9). This would provide the area necessary for the collector road to eventually be connected to a road in the future.

Water Use. The Final EIR evaluates where or not there is sufficient water supply for the proposed project, based on the City’s existing water portfolio in the context of buildout under the City’s General Plan. As described in the EIR, there is sufficient water supply to serve the City at General Plan buildout. In summary, the City’s existing water supplies derive from three sources: the Tri-Cities Mesa Groundwater Basin, the Arroyo Grande Alluvial Basin (a separate groundwater basin), and Lopez Reservoir. Collectively, the City’s water supply of 3,813 acre-feet per year (AFY) is sufficient to serve the City and its future development at General Plan buildout.

As described in the EIR, existing water demand on the project site from irrigated agricultural uses is estimated at 41.3 AFY. Projected water demand from development on the site would be 36.2 AFY, which would replace the current irrigated agricultural water use. Thus, there would be a net decrease in overall water demand of an estimated 5.1 AFY (refer to Attachment 7)

The agricultural mitigation parcel on Flora Road has historically been in irrigated agriculture use. The purpose of acquiring this property is to ensure that it remains in agriculture in perpetuity. Its past irrigation and water use characteristics would not change as a result of this mitigation measure, so this does not represent a net increase in overall water use citywide.

Staff will be available to address these and other issues that may arise during the September 20 public hearing.

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In addition, the Planning Commission took public input on the Draft Environmental Impact Report (EIR) for the project in a public workshop on May 17, 2016.

City Council

The City Council authorized the initiation of a Specific Plan for the project area on July 8, 2014. The City Council also considered policy-related mitigation for potential agricultural impacts related to the project on July 28, 2015. No action related to the land use pattern or design framework of the Specific Plan was considered or taken at that time.

On July 26, 2016, at the request of the applicant, the City Council considered whether or not additional policy-related mitigation would be needed for potential agricultural impacts related to development within Subarea 3. This request responded to a mitigation measure included in the Final EIR, which provided discretion to the City Council regarding how to appropriately address a City policy related to agricultural preservation. The consensus direction of the City Council was that no additional mitigation would be needed as part of approving the Conditional Use Permit for development within Subarea 3, for the following reasons:

- Historically, the Subarea 3 area has not been used for agricultural production;
- Development would include a farm stand for the sale of agricultural products grown in the area;
- The proposed development would in part be intended to celebrate one aspect of the City's cultural heritage, which includes the development of cultural gardens and other amenities related to the Japanese community's importance to the City.

PREVIOUS PUBLIC OUTREACH EFFORTS:

The applicant has provided multiple outreach opportunities to engage the community in general, with special focus on neighboring property owners. Input received through these efforts has been instrumental in guiding the ultimate project design for all three subareas. Applicant outreach efforts have included:

1. Kickoff "tent revival" meeting on January 31, 2015.
2. Formed a neighborhood group to help disseminate information.
3. Met with the neighbors approximately 5 times.
4. Continue to provide updates via email/mail.
5. Provided neighbors with a calendar of the tentative dates for all of the hearings.
6. Met with Reverend Rob Keim, Pastor of St. Barnabas, who hosted the three applicants to make a presentation after Sunday service.

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7. Met with the owners of the adjacent mobile home park.
8. Continue to update the website – www.eastcherryavenue.com.

In addition, the formal CEQA process provided several opportunities for community outreach and input, especially during the Notice of Preparation and Draft EIR phases of the process. A formal workshop on the Draft EIR was held before the Planning Commission on May 17, 2016. The Draft EIR was publicly circulated from April 8 to May 23, 2016.

PROPOSED PROJECT OVERVIEW:

Project Description

The project is a Specific Plan, General Plan Amendment, Development Code Amendment, Vesting Tentative Tract Map and two (2) Conditional Use Permits (the East Cherry Avenue Specific Plan). While the first three entitlements would address the entire 15-acre site, the Vesting Tentative Tract Map would only address the central portion of the site encompassing 11.62 acres, which is described further below as Subarea 2. Subareas 1 and 3 are each subject to a Conditional Use Permit to allow development in those areas.

The site is divided into three subareas, with development envisioned in each as follows:

Subarea 1. Proposed development within Subarea 1 would include a 90-100 room hotel and restaurant (up to 4,000 square feet). The proposed project plan and related architectural and design materials are included as Attachment 2. These are intended to be consistent with the overall proposed Specific Plan, which is included as Attachment 3.

Subarea 1 is currently zoned Traffic Way Mixed Use (TMU) with a Design Overlay (D-2.11). The primary purpose of the D-2.11 Design Overlay is to encourage the use of design elements to enhance the character and appearance of this southern commercial gateway to Arroyo Grande.

The EIR evaluates potential hotel and restaurant uses, which is consistent with the property owner's goals for this site. Changes to the current TMU zone within the Specific Plan area are proposed in order to be more consistent with the design concept set forth by the applicant, and concurred by the Architectural Review Committee (ARC).

Subarea 2. Subarea 2, the largest portion of the site, is proposed for residential development. Conceptually, the Specific Plan includes a 60-lot subdivision with a total of 58 single-family residential lots, which are shown in more detail in a proposed Vesting Tentative Tract Map. Access to the project site would be via East Cherry

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Avenue. No private driveways will be located on East Cherry Avenue. All homes will be accessed via residential streets and alleyways. A second access is located at the future property boundary with the Subarea 3 property.

The proposed Vesting Tentative Tract Map and related materials are included as Attachment 4. These are intended to be consistent with the overall proposed Specific Plan (Attachment 3).

An existing drainage feature is located at the toe of the slope approximately twenty feet (20') from the southerly border of the property. This drainage feature, created in this location due to the historical agricultural activities, takes sheet flows from the hillside below the St. Barnabas' Church property. A 2- to 5-foot tall concrete retaining wall/drainage facility would be located along the southern boundary of the residential lots at the base of the hillside. A neighborhood park (about 0.35 acres) is planned for the interior of the project site on proposed Lot 59.

Subarea 3. The JWA portion of the site is envisioned as a private historically-oriented park, featuring several gardens, landscaping, pathways, and related buildings. The proposed project plan and related architectural and design materials are included as Attachment 5. These are intended to be consistent with the overall proposed Specific Plan.

The proposed Arroyo Grande Valley JWA land use plan for Subarea 3, the eastern 1.51 acres of the Specific Plan area identifies a private historically-oriented park that would highlight the Issei pioneers (first generation settlers) of Arroyo Grande. Proposed land uses would include historical residential and public assembly uses, and would provide expanded commercial use and residential density necessary for present and future economic sustainability of the property. Specifically, Subarea 3 would include limited commercial retail (farm stand), passive recreation (historic walking paths and gardens), limited residential (independent senior housing consisting of approximately 10 units), public and quasi-public community facilities (cultural archive and community center), visitor-serving (B&B guest house), and public assembly (heritage and demonstration gardens) uses, as well as related support amenities (e.g., onsite parking). While the current Subarea 3 includes approximately 1.51 acres, an additional approximately 0.5-acre parcel would be added via the Subarea 2 Vesting Tentative Tract Map and a future lot merger.

ANALYSIS OF ISSUES:

Legislative vs. Judicial Acts

Every decision a local government makes can be placed into one of three categories – legislative, quasi-judicial or ministerial:

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- Legislative acts are those that create policy, such as general plan updates, zoning ordinances or specific plans. These acts establish local law – rules that apply to everybody within the jurisdiction. Under California law, legislative acts are subject to initiative and referendum.
- Quasi-judicial acts are those that apply policy (created through legislative acts) to projects, such as consideration of tentative maps or use permits. These acts are discretionary, based on the decision-makers interpretation and application of policy to a particular project. Quasi-judicial acts are not subject to initiative or referendum.
- Ministerial acts are those that require no discretion on the part of the local government, such as the mandatory issuance of a permit if certain conditions are met.

The proposed project would be both a legislative (General Plan Amendment, Development Code Amendment, and Specific Plan) and quasi-judicial action (Tract Map and Conditional Use Permits). Therefore, the approval authority for the project rests with the City Council.

Project Entitlements

Each of the proposed entitlements is briefly described below, with key features of each summarized as necessary.

General Plan Amendment 15-001. The applicant has requested a General Plan Amendment to modify the City’s General Plan land use map to accommodate updated land use designations that would be envisioned under the East Cherry Avenue Specific Plan. Land use designations within the 15.29-acre site would change as shown on Table 2 below:

Table 2. General Plan Amendment – Proposed Land Use Designations

Portion of SP Area	Existing Land Use Designation	Proposed Land Use Designation	Acreage
Subarea 1	Traffic Way Mixed Use	No change	2.16
Subarea 2	Agriculture	SFR Medium Density	11.12
Subarea 3	Agriculture	Mixed Use	2.01
<i>Note: The entire Specific Plan area will retain its existing Specific Plan overlay designation</i>			

With these proposed changes, the Specific Plan would be consistent with the General Plan land use map as amended.

In addition, the proposed General Plan Amendment would amend the Agriculture, Conservation and Open Space Element Creek Locations Map. Based on an

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evaluation of current and historic conditions, and the determination by the U.S. Army Corps of Engineers that the onsite agricultural drainage located at the southern boundary of the Project site is not a Waters of the U.S. or a natural stream or river under jurisdiction of the California Department of Fish and Wildlife (City of Arroyo Grande 2015d), this amendment would remove its status as a drainage way subject to City policies from the General Plan Agriculture, Conservation and Open Space Element's Creek Locations Map COS-1.

The Final EIR evaluates this amendment, and agrees this conclusion, as stated in Section 3.4.1.2. of that document:

“The drainage ditch along the southern edge of the Project site directs overflows from the adjacent sloping hillside and fields within the site so that the Project site does not flood. This drainage was excavated on dry land and is regularly maintained under agricultural practices, and historic topographic maps show that there was no historic tributary within or adjacent to the site (see Appendix F of the FEIR; Erin M. Hanlon, U.S. Army Corps of Engineers, 2015). The drainage ditch is listed as a riverine wetland type by the National Wetlands Inventory (USFWS 2015b), and a drainage way in the City General Plan (City of Arroyo Grande 2007). Based on the evaluation of current and historic conditions, the onsite drainage ditch does not fall under the jurisdiction of the U.S. Army Corps of Engineers (USACE) or California Department of Fish and Wildlife (CDFW; Hanlon 2015).”

East Cherry Avenue Specific Plan (Specific Plan 15-001). Under California law (Government Code §65450-65457), a Specific Plan is a planning tool that allows a community to articulate a vision for a defined area and apply guidelines and regulations to implement that vision. The City's General Plan calls for a Specific Plan to guide development within the project area that defines land uses, creates an integrated circulation system, coordinates infrastructure, and provides development standards.

The East Cherry Avenue Specific Plan (Specific Plan) provides a bridge between the City's General Plan and detailed plans, such as development plans and subdivisions. It provides guidance for all facets of future development within the area including the designation of land uses, designation of required access and circulation elements, location and sizing of infrastructure, phasing of development, financing methods for public improvements, and the establishment of standards of development. Projects submitted to the City will be required to comply with the land use and development standards in the Specific Plan. The Specific Plan is intended to also serve as the City's long-range plan for the development and on-going use of the various properties within the boundaries of the Specific Plan.

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Proposed development within each of the three subareas included in the Plan is described more fully in this staff report under Project Overview. Proposed development standards for each subarea are summarized below. The entire Specific Plan is included in this staff report as Attachment 3.

Subarea 1. Subarea 1 is currently zoned Traffic Way Mixed Use (TMU) with a Design Overlay (D-2.11). The primary purpose of the D-2.11 Design Overlay is to encourage the use of design elements to enhance the character and appearance of this southern commercial gateway to Arroyo Grande.

Uses allowed within the TMU zone are limited to automobile and light truck sales and services and related automotive parts stores, repair shops, and similar vehicle sales, services and accessory uses. All other permitted uses and Minor Use permitted uses would be considered subject to a Conditional Use Permit.

The Specific Plan would amend the existing TMU standards to address architectural and design issues, as directed by the ARC (see discussion earlier in the staff report). However, these amended standards would apply only to the area within the Specific Plan, and not communitywide. Existing TMU standards that apply elsewhere in the City would remain in place unchanged.

A summary of development standards within the Specific Plan TMU district is provided in Table 3.

Table 3. Specific Plan Traffic Way Mixed-Use (TMU) District Development Standards

Development Standard	Traffic Way Mixed-Use (TMU) Requirement
Maximum Density Mixed-Use Projects	New residential limited to live-work units in conjunction with allowed uses. Density determined by discretionary action.
Minimum Lot Size	10,000 square feet (gross)
Minimum Lot Width	80 feet
Front Yard Setback	0 - 15 feet. Exceptions may include areas for outdoor sales determined through discretionary action.
Rear Yard Setback	0 - 15 feet. Wherever a lot in any commercial or mixed-use district abuts a residential use or a lot in any residential use district, a minimum building setback of 20 feet measured from the property line shall be required for proposed commercial use.).
Side Yard Setback	0 feet. Wherever a lot in any commercial or mixed-use district abuts a residential use or a lot in any residential use district, a minimum building setback of 20 feet measured from the property line shall be required for proposed commercial use.
Street Side Yard Setback	0 - 15 feet. Exceptions may include areas for outdoor sales determined through discretionary action.
Building Size Limits	Maximum height is 30 feet or three stories, whichever is less;

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Development Standard	Traffic Way Mixed-Use (TMU) Requirement
	a maximum of 36 feet is allowable through the CUP process for visitor serving uses. Maximum building size is 50,000 square feet; a greater size may be allowed through the CUP process.
Site Coverage and Floor Area Ratio (FAR)	Maximum coverage of site is 75 percent. Maximum floor area ratio is 0.75.
Site Design and Signs	See Design Guidelines and Standards D-2.11. Additional sign standards also in Chapter 16.60
Off-Street Parking and Loading	See Design Guidelines and Standards D-2.11 Exhibit A for shared parking locations. See Also Section 16.56.020. Exceptions allowed by Section 16.16.120

Source: City of Arroyo Grande 2015a.

Subarea 2. Development within Subarea 2 would be subject to the Specific Plan Village Residential (VR) District standards, included in Appendix B of the Specific Plan. These regulations, while based on the City’s existing Development Code, are specific to this area, and supersede any existing Development Code requirements that might otherwise conflict.

Development would also be subject to the East Cherry Avenue Specific Plan Design Guidelines, which are included as Appendix E of the proposed Specific Plan. These regulations are specific to this area, and focus on architectural and design issues. These were reviewed by the ARC, who recommended them for forwarding to the Planning Commission and City Council for potential approval.

A summary of development standards within the Specific Plan Village Residential (VR) District is provided in Table 4.

Table 4. Specific Plan Village Residential (VR) District Development Standards

Development Standard	Village Residential (VR) Requirement
Maximum Density (units/gross acre)	5.0 dwelling units per gross acre
Minimum Lot Size	4,475 net square feet
Minimum Lot Width	50 feet at building setback
Minimum Average Lot Depth	88 feet
Minimum Front Yard New Subdivisions of 5+ Lots¹	15 feet to residential structure, 10 feet to porch, 20 feet to front loaded garage
Infill and Additions	Setbacks listed above or the average setback of structures to the street on either side and directly across block front for properties in the same district.
Minimum Interior Side Yard Setback	5 feet
Minimum Front/Street Yard Setback¹	10 feet building, 5 feet to porch, 18 feet to garage

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Development Standard	Village Residential (VR) Requirement	
Minimum Rear Yard Setback²	10 feet (1-story), 15 feet (2-story)	
Maximum Lot Coverage	55 percent at alley loaded residential structures, 50 percent at street loaded residential structures	
Maximum Height	30 feet or 2 stories, whichever is less; 14 feet for accessory buildings	
Minimum Distance between Buildings	10 feet, including between main dwellings and accessory structures	
Fencing Setback	5 feet from property line, 0 feet from access easement	
Floor Area Ratio (FAR)	Lot Size	FAR
	0—4,000 square feet net	0.35
	4,001—7,199 square feet net	0.55
	7,200—11,999 square feet net	0.50
PARKING³		
Single-family Homes	2 spaces/unit within an enclosed garage	
¹ The East Cherry Avenue Specific Plan Design Guidelines encourages varying setbacks by as much as 5 feet. ² Infill development on a parcel within a previously approved project. Where the City has established specific setback requirements for single-family or multi-family residential parcels through the approval of a specific plan, subdivision map, planned unit development, or other entitlement, those setbacks shall apply to infill development and additions within the approved project. ³ Chapter 16.32 Residential Districts Section 16.32.030 F. Special Use Regulations for the Village Residential District shall apply. ⁴ Source: City of Arroyo Grande 2015a.		

Subarea 3. Development within Subarea 3 would be subject to the Specific Plan Village Mixed Use (VMU) District standards, included in Appendix B of the Specific Plan. These regulations, while based on the City’s existing Development Code, are specific to this area, and supersede any existing Development Code requirements that might otherwise conflict. A summary of development standards within the Specific Plan Village Mixed-Use (VMU) District is provided in Table 5.

Table 5. Village Mixed-Use (VMU) District Development Standards

Development Standard	Village Mixed-Use (VMU) Requirement
Maximum Density	15 dwelling units per gross acre
Minimum Lot Size	5,000 square feet
Minimum Lot Width	40 feet
Front Yard Setback	0 - 15 feet
Rear Yard Setback	0 - 15 feet. 10 feet required when the project abuts a residential district.
Side Yard Setback	5 feet when the project abuts a residential district for single-story

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Development Standard	Village Mixed-Use (VMU) Requirement
	structures and 10 feet is required, on one side, for a multiple stories. ¹
Street Side Yard Setback	0 - 15 feet.
Building Size Limits	Maximum height is 30 feet or three stories, whichever is less; a maximum of 36 feet is allowable through the MUP process. Maximum building size is 10,000 square feet.
Site Coverage and Floor Area Ratio (FAR)	Maximum coverage of site is 100 percent. Maximum floor area ratio is 1.0.
Site Design	See Specific Plan Design Guidelines (see Design Guidelines and Standards for Historic Districts ²)
Off-Street Parking and Loading	See parking below. [See Section 16.56.020(C)].
Signs	See Chapter 16.60 Signage
PARKING^{3, 4}	
Senior housing – independent living	Studio - 1 space /unit 1+ Bedrooms – 1 space/unit
Public and semi-public buildings	1 space/5 fixed seats or 1 space/50 square feet of floor area designed for public assembly
General retail	1 space/300 square feet of gross floor area accessible to the public, excluding restrooms
Hotels & motels, includes B&B	1 parking space/unit, and 2 parking spaces for the manager’s office, as applicable
Outdoor sales	1 space/2,000 sf open area for the first 10,000 sf, then 1 space/5,000 sf greater than 10,000 sf
¹ The proposed archive building is exempt from these requirements, as it will be reconstructed in the original location of the former hall building. ² Design Guidelines and Standards for the Historic Character Overlay District (D-2.4) are noted for reference only, as the East Cherry Avenue Specific Plan Design Guidelines shall prevail. ³ Parking required for residential use in mixed-use projects does not need to be covered. See Municipal Code Section 16.56.060 Item 1. ⁴ Required parking may be reduced pursuant to Municipal Code Section 16.56.050. ⁵ Source: City of Arroyo Grande 2015a.	

Development Code Amendment 15-001. The intent of the proposed Development Code Amendment is to replace the existing zoning requirements within the Specific Plan area with those in the Specific Plan, as described above. It would also amend the existing zoning map to be consistent with the standards shown above.

Vesting Tentative Tract Map (VTTM 15-001; for Subarea 2). Development within Subarea 2 would be subject to a Vesting Tentative Tract Map (Attachment 4). The map includes details that go well beyond those included in the Specific Plan, including information on lot locations, roadways, drainage, grading, and other information typically associated with Tentative Maps. That said, the Tentative Map is intended to be consistent with the Specific Plan, and implements the VR zoning standards as well as the Design Guidelines contained in the Specific Plan.

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The Map also includes details regarding proposed roadways and circulation improvements. These were reviewed in detail by the Traffic Commission, and there was general concurrence, as described previously in this staff report.

Conditions of Approval for the Tentative Map are included in the attached Resolution. The 158 conditions cover issues ranging from inclusionary housing requirements, building and fire safety, circulation design, grading, drainage and other infrastructure design, water, sewer, utilities, fees, and a variety of mitigation measures that were included in the Final EIR.

Staff's review of the Tentative Map is that, as conditioned, it is consistent with the Specific Plan, both in terms of development potential and design. The basis development parameters allowed under the Map are described previously in this staff report in the Project Overview for Subarea 2.

Conditional Use Permit (CUP 15-004; for Subarea 3). Development within Subarea 3 would be subject to a Conditional Use Permit, and the Conditions of Approval are included in the attached Resolution. The 150 conditions cover issues ranging from inclusionary housing requirements, building and fire safety, circulation design, grading, drainage and other infrastructure design, water, sewer, utilities, fees, and a variety of mitigation measures that were included in the Final EIR. Many are the same as those included for Subarea 2, but several are unique to this area, while some that are required for Subarea 2 do not apply to this subarea.

Conditional Use Permit (CUP 16-001; for Subarea 1). Development within Subarea 1 would be subject to a Conditional Use Permit. The Conditions of Approval are included in the attached Resolution. The 143 conditions cover issues ranging from inclusionary housing requirements, building and fire safety, circulation design, grading, drainage and other infrastructure design, water, sewer, utilities, fees, and a variety of mitigation measures that were included in the Final EIR. Many are the same as those included for Subarea 2 or 3, but several are unique to this area, while some that are required for Subarea 2 or 3 do not apply to this subarea.

CEQA PROCESS – ENVIRONMENTAL IMPACT REPORT (EIR):

A Draft EIR that considered the potential impacts of the project was prepared and addressed the following issues:

- Aesthetics and Visual Resources
- Agricultural Resources
- Air Quality and Greenhouse Gas Emissions
- Biological Resources

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- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Noise
- Recreational Resources
- Transportation and Traffic
- Utilities and Service Systems
- Other Required CEQA Disclosures

Consistent with CEQA Guidelines (Section 15126.6[d]), the EIR assessed a reasonable range of alternatives to the Project that could feasibly attain the project objectives while avoiding or substantially lessening any of the significant effects of the Project. These include the following:

- No Project Alternative (two approaches: no development or development under existing zoning)
- Reduced Development Alternative

Other potential alternatives were rejected from further consideration in the Draft EIR because they did not meet project objectives, or did not lessen potential identified impacts.

The Draft EIR was publicly circulated from April 8 to May 23, 2016. A formal workshop on the Draft EIR was held before the Planning Commission on May 17, 2016.

Based on input received through these efforts, a Final EIR was prepared (Attachment 6). The Mitigation Measures from that document are included as Conditions of Approval, as applicable to the three subareas for which specific entitlements have been requested. An addendum to the water use assessment was also prepared for the project, included as Attachment 7. The addendum demonstrates how the project is in compliance with statewide emergency water conservation requirements.

In addition, appropriate CEQA Findings have been made that would allow approval of the Specific Plan and related entitlements. It also describes why potential alternatives were rejected or discarded, either because they do not meet project objectives, or because of other reasons related to not reducing potential identified impacts. These Findings are included in the attached Resolution.

As identified in the Final EIR and CEQA Findings, the following adverse impacts of the proposed project are considered significant and unavoidable (not fully mitigable):

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A. Project-Level Impacts

- **Impact AQ-2:** *The proposed Project would result in significant long-term operation-related air quality impacts generated by area, energy, and mobile emissions.*
- **Impact AQ-5:** *The proposed Project is potentially inconsistent with the County of San Luis Obispo APCD's 2001 Clean Air Plan.*
- **Impact TRANS-3:** *Project generated traffic would potentially cause delays at the East Grand Avenue/West Branch Street intersection which operates at unacceptable LOS F to increase by more than 5 seconds in excess of City standards in both the AM and PM peak hours, causing a significant impact. There are no feasible funded or scheduled mitigation measures available to reduce this impact to a less than significant level consistent with the requirements of City General Plan Policy CT2-1 which requires improvement to LOS D.*

B. Cumulative Impacts

- **Air Quality and Greenhouse Gas Emissions:** *Long-term operation of the proposed Project would contribute cumulatively and considerably to localized air quality emissions throughout the City and region.*
- **Transportation and Traffic:** *Under cumulative conditions, significant LOS impacts would continue to occur at the intersection of East Grand Avenue/West Branch Street, which cannot be readily mitigated in a known timeframe because of lack of funding and programming.*

Although there are mitigation measures included to address these impacts, they would not reduce potential impacts to a less than significant level. In addition, there are no potential project alternatives that meet project objectives that would reduce such impacts to a less than significant level.

Section 15093 of the CEQA Guidelines requires that a decision-making agency balance the economic, legal, social, technological, or other benefits of a proposed Project against its unavoidable impacts. When the lead agency approves a project that will result in significant effects identified in the Final EIR that are not avoided or substantially lessened, the agency must state in writing the reasons in support of its action based on the Final EIR and the information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record. Accordingly, a Statement of Overriding Considerations with respect to the proposed Project's significant unavoidable impacts has been prepared, and is included as part of the CEQA Findings.

The Final EIR must be certified by the City Council prior to (or concurrent with) potential project approval. The Planning Commission has the opportunity to consider

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recommendations to the City Council for potential project approval based on this Final EIR and supporting CEQA Findings.

ALTERNATIVES:

It is recommended that after opening the public hearing and taking public testimony, that the Planning Commission takes one of the five (5) options listed below:

1. Adopt the attached Resolution recommending the City Council take the following actions with respect to project approval:
 - a. Certify the project's Final Environmental Impact Report as well as Mitigation Monitoring and Reporting Program;
 - b. Adopt a Resolution approving General Plan Amendment 15-001, amending the General Plan land use map in order to facilitate approval of the East Cherry Avenue Specific Plan;
 - c. Adopt a Resolution and an Ordinance approving the East Cherry Avenue Specific Plan;
 - d. Adopt an Ordinance approving Development Code Amendment 15-001, which modifies provisions of the Development Code in order to facilitate development under the East Cherry Avenue Specific Plan;
 - e. Adopt a Resolution approving Vesting Tentative Tract Map 15-001 as conditioned for Subarea 2;
 - f. Adopt a resolution approving Conditional Use Permit 15-004 as conditioned, allowing development on Subarea 3; and
 - g. Adopt a resolution approving Conditional Use Permit 16-001 as conditioned, allowing development on Subarea 1.
3. Modify and adopt the attached Resolution recommending the City Council defer consideration of Conditional Use Permit 16-001, approve the East Cherry Avenue Specific Plan Project, and certify the associated environmental impact report and related CEQA findings;
2. Make other modifications and adopt the attached Resolution recommending the City Council certify the Final EIR and approve the East Cherry Avenue Specific Plan Project;
4. Refer the Project back to staff for additional analysis;
5. Recommend denial by the City Council of one or more of the actions listed above (1.a. through 1.g.). Recommendations of denial will be forwarded to City Council for a final decision and must be substantiated with clear findings.; or
6. Provide other direction to staff.

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ADVANTAGES:

The proposed project provides the community with single-family residential, commercial and cultural infill development.

DISADVANTAGES:

The project will convert undeveloped agricultural land to residential and commercial uses.

ENVIRONMENTAL REVIEW:

In compliance with the California Environmental Quality Act (CEQA), an Environmental Impact Report (EIR) has been prepared for the project.

PUBLIC NOTIFICATION AND COMMENTS:

A notice of public hearing for the September 6, 2016 meeting was mailed to all property owners within 300' of the project site, was published in the Tribune, and posted at City Hall and on the City's Website. Due to the site not being adequately posted, the public hearing was continued to a date certain of September 20, 2016.

Although not required due to the public hearing being continue to a date certain, a notice of public hearing was mailed to all property owners within 300' of the project site, to property owners on Trinity Avenue, was published in the Tribune, and posted at City Hall and on the City's website on Friday, September 9, 2016. A sign announcing the public hearing was posted at the Traffic Way frontage of the project site on Thursday, September 8, 2016, in accordance with City policy. A second sign was constructed on the Cherry Avenue frontage as well. The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2. The letters that have been received to date are included as Attachment 8, including those received just prior to and subsequently from the continued public hearing of September 6, 2016.

Attachments:

1. Circulation and Access Study for Subarea 1 (September 2016)
2. Project Plans and related materials for Subarea 1 – Previously distributed
3. East Cherry Avenue Specific Plan (including appendices – under separate cover) – Previously distributed
4. Vesting Tentative Tract Map 3081 and related materials for Subarea 2 – Previously distributed
5. Project Plans and related materials for Subarea 3 – Previously distributed
6. Final EIR and Technical Appendices (under separate cover) – Previously distributed
7. Memorandum dated July 24, 2016 regarding water use within the Specific Plan area – Previously distributed
8. Comment letters
9. Alternate site plan for Subarea 2 with collector stub removed