



MEMORANDUM

TO: PLANNING COMMISSION

FROM: TERESA McCLISH, COMMUNITY DEVELOPMENT DIRECTOR

BY: MATTHEW DOWNING,^{MD} ASSOCIATE PLANNER

SUBJECT: CONSIDERATION OF A RESOLUTION RECOMMENDING THE CITY COUNCIL DENY GENERAL PLAN AMENDMENT 14-002; SPECIFIC PLAN AMENDMENT 14-001, CONDITIONAL USE PERMIT 14-009, VESTING TENTATIVE TRACT MAP 14-001, AND DEVELOPMENT AGREEMENT 15-002; SUBDIVISION OF TWO (2) COMMERCIAL PARCELS INTO THIRTY-EIGHT (38) RESIDENTIAL LOTS, ONE (1) COMMON AREA LOT, AND THREE (3) COMMERCIAL LOTS; LOCATION – SOUTHWEST CORNER OF EAST GRAND AVENUE AND SOUTH COURTLAND STREET; APPLICANT – NKT COMMERCIAL; REPRESENTATIVE – RRM DESIGN GROUP

DATE: SEPTEMBER 1, 2015

RECOMMENDATION:

It is recommended that the Planning Commission adopt a resolution recommending the City Council deny General Plan Amendment 14-002, Specific Plan Amendment 14-001, Conditional Use Permit 14-009, and Vesting Tentative Tract Map 14-001 and Development Agreement 15-002.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The proposed project would cause a relatively neutral shift in property taxes for the site, as a majority of the site would be converted to single-family residential. Although commercial property taxes are typically higher than residential, the number of single-family residences would be anticipated to offset any reduction. Sales tax revenue for the proposed commercial development is anticipated to be approximately \$25,000 annually, based upon information provided by the City's economic development consultant. Denial of the project would result in the sales tax revenue being unrealized.

BACKGROUND:

On August 18, 2015, the Planning Commission considered the proposed project for the subdivision of two (2) commercial parcels into thirty-eight (38) residential lots, one (1) common area lot, and three (3) commercial lots. At that time, the Planning Commission took tentative action to recommend denial of the project to the City Council. Due to a resolution recommending denial not being present at the time of the Planning Commission's determination, a new Resolution recommending denial with appropriate

PLANNING COMMISSION

CONSIDERATION OF A RESOLUTION RECOMMENDING THE CITY COUNCIL DENY GENERAL PLAN AMENDMENT 14-002; SPECIFIC PLAN AMENDMENT 14-001, CONDITIONAL USE PERMIT 14-009, VESTING TENTATIVE TRACT MAP 14-001, AND DEVELOPMENT AGREEMENT 15-002

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findings for denial is required to be adopted prior to the Council's consideration of the project.

ANALYSIS OF ISSUES:

Staff has developed findings for the denial of the proposed project based on issues identified by the Planning Commission at the August 18, 2015 meeting. Findings required for approval of the project that could not be made in the affirmative based on Planning Commission discussion are indicated in bold italics in the attached Resolution.

ALTERNATIVES:

The following alternatives are presented for the Planning Commission's consideration:

- Adopt the attached Resolution recommending the City Council deny General Plan Amendment 14-002, Specific Plan Amendment 14-001, Conditional Use Permit 14-009, and Vesting Tentative Tract Map 14-001 and Development Agreement 15-002;
- Modify and adopt the attached Resolution recommending the City Council deny General Plan Amendment 14-002, Specific Plan Amendment 14-001, Conditional Use Permit 14-009, and Vesting Tentative Tract Map 14-001 and Development Agreement 15-002;
- Do not adopt the attached resolution; or
- Provide direction to staff.

ADVANTAGES:

Adoption of the Resolution would affirm the tentative action taken on August 18, 2015 and allow to the project to proceed for consideration by the City Council with findings for denial agreed upon by the Planning Commission.

DISADVANTAGES:

There is no disadvantage identified that would result from the Planning Commission's recommendation being made to the City Council.

ENVIRONMENTAL REVIEW:

In accordance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the Arroyo Grande Procedures for the Implementation of CEQA, staff has conducted an Initial Study and prepared a Draft Mitigated Negative Declaration (MND) for the project.

PUBLIC NOTIFICATION AND COMMENTS:

The agenda and staff report were posted at City Hall and on the City's website on August 28, 2015.

RESOLUTION NO.

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF ARROYO GRANDE RECOMMENDING THE CITY COUNCIL DENY GENERAL PLAN AMENDMENT 14-002, SPECIFIC PLAN AMENDMENT 14-001, VESTING TENTATIVE TRACT MAP 14-001, CONDITIONAL USE PERMIT 14-009, AND DEVELOPMENT AGREEMENT 15-002; LOCATED AT THE SOUTHWEST CORNER OF EAST GRAND AVENUE AND SOUTH COURTLAND STREET; APPLIED FOR BY NKT COMMERCIAL

WHEREAS, the project site is located in the area of the Berry Gardens Specific Plan and is identified as Subarea 3; and

WHEREAS, the applicant has filed Specific Plan Amendment 14-001 to amend the Berry Gardens Specific Plan as it relates to the development of Subarea 3; and

WHEREAS, the applicant has filed General Plan Amendment 14-002 to amend the General Plan Land Use Element as it relates to development in the area of the intersection of East Grand Avenue and Courtland Street to include single-family detached housing at multi-family densities as part of mixed-use projects; and

WHEREAS, the applicant has filed Vesting Tentative Tract Map 14-001 to subdivide Subarea 3 into forty-two (42) parcels, including three (3) commercial parcels, thirty-eight (38) residential parcels, and one (1) common area parcel.; and

WHEREAS, the applicant has filed Conditional Use Permit 14-009 to develop three (3) commercial buildings of 3,600-6,500 square-feet, four (4) second-floor condominiums of approximately 1,000 square feet-each in a vertical mixed-use arrangement; and

WHEREAS, the applicant and the City entered into a Memorandum of Understanding on February 10, 2015 for the negotiation of a development agreement for the subject property; and

WHEREAS, the applicant has filed Development Agreement 15-002 in accordance with the executed Memorandum of Understanding; and

WHEREAS, the Planning Commission has reviewed this project in compliance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the Arroyo Grande Rules and Procedures for Implementation of CEQA and has reviewed the draft Mitigated Negative Declaration; and

WHEREAS, the Planning Commission of the City of Arroyo Grande reviewed the project at a duly noticed public hearing on August 18, 2015 and took tentative action to recommend the City Council deny the project; and

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WHEREAS, the Planning Commission finds, after due study, deliberation and public hearing, the following circumstances exist:

General Plan Amendment Findings:

1. The proposed General Plan Amendment is consistent with the goals, objectives, policies and programs of the General Plan and will not result in any internal inconsistencies within the plan.

The proposed General Plan Amendment is not consistent with the goals, objectives, policies, and programs of the General Plan as it would allow single-family detached housing on a commercial parcel at a density and design that is incompatible with the nearby residential neighborhood.

2. The proposed amendment will not adversely affect the public health, safety and welfare;

The proposed General Plan Amendment would allow single-family detached housing with a design as to create issues with open space and support facilities.

3. The potential environmental impacts of the proposed amendment are insignificant or can be mitigated to an insignificant level, or there are overriding considerations that outweigh the potential impacts;

The proposed General Plan Amendment and resulting project have been reviewed in compliance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the Arroyo Grande Rules and Procedures for implementation of CEQA and the impacts of the proposed project have been included in a draft Initial Study and Mitigated Negative Declaration dated November 10, 2014, which was revised in July 2015, and have been reduced to an insignificant level.

Specific Plan Amendment Findings:

1. The proposed Specific Plan Amendment is consistent with the goals, objectives, policies and programs of the General Plan.

The proposed Specific Plan Amendment would permit single-family detached housing in a commercial district which is not consistent with Land Use Element implementation policy LU5-10.1, which calls to promote development of a high intensity, mixed-use, pedestrian activity node centered on the Courtland Street/East Grand Avenue intersections as a priority example of revitalization of this corridor segment known as Gateway.

2. The proposed Specific Plan Amendment will not adversely affect the public health, safety and welfare or result in an illogical land use pattern;

The proposed Specific Plan Amendment would permit single-family detached housing between commercial and multi-family residential development and would result in parking and circulation deficiencies due to the density of the detached housing style.

3. The proposed Specific Plan Amendment is necessary and desirable in order to implement the provisions of the General Plan;

The proposed Specific Plan Amendment will not implement the provisions of the General Plan, including Land Use Element implementation policy LU5-10.1, which calls to promote development of a high intensity, mixed-use, pedestrian activity node centered on the Courtland Street/East Grand Avenue intersections as a priority example of revitalization of this corridor segment known as Gateway.

4. The development standards contained in the proposed Specific Plan Amendment will result in a superior development to that which would occur using standard zoning and development regulations.

The development standards contained in the proposed Specific Plan Amendment would result in a project lacking sufficient parking for anticipated demand due to the density of single-family detached residential development.

5. The proposed Specific Plan Amendment will not create internal inconsistencies within the Specific Plan and is consistent with the purpose and intent of the Specific Plan it is amending.

The proposed Specific Plan Amendment will not create any internal inconsistencies within the Berry Gardens Specific Plan and is consistent with the Berry Gardens Specific Plan as it provides for both commercial and residential development.

Vesting Tentative Tract Map Findings:

1. The proposed tentative tract map is consistent with the goals, objectives, policies, plans, programs, intent and requirements of the Arroyo Grande General Plan, as well as any applicable specific plan, and the requirements of this title.

The proposed Vesting Tentative Tract Map would allow the subdivision of 4.47 acres into forty-two (42) lots consistent, including thirty-eight (38) for the development of single-family detached housing that is inconsistent with the General Plan, including Land Use Element implementation policy LU5-10.1, which calls to promote development of a high intensity, mixed-use, pedestrian activity node centered on the Courtland Street/East Grand Avenue intersections as a priority example of revitalization of this corridor segment known as Gateway.

2. The site is physically suitable for the type of development proposed.

The site is 4.47 acres of vacant land adjacent to one of the City's main commercial corridors and is not physically suitable for the density of residential development proposed.

3. The site is physically suitable for the proposed density of development.

The site is 4.47 acres of vacant land adjacent to one of the City's main commercial corridors and is not physically suitable for the design and density of single-family detached residential development proposed.

4. The design of the tentative tract map or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

The design of the tract map is not anticipated to cause substantial environmental damage due to the implementation of mitigation measures identified in the draft Initial Study and Mitigated Negative Declaration prepared for the project and revised in July 2015, in accordance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the Arroyo Grande Rules and Regulations for Implementation of CEQA.

5. The design of the subdivision or type of improvements is not likely to cause serious public health problems.

The design of the subdivision results in a development overly dense for the subject property as there is insufficient space to provide facilities to support the development, including resident, guest, and customer parking.

6. The design of the tentative tract map or the type of improvements will not conflict with easements acquired by the public-at-large for access through, or use of, property within the proposed tentative tract map or the alternate easements for access or for use will be provided, and that these alternative easements will be substantially equivalent to ones previously acquired by the public.

There are no easements for the public-at-large currently on the subject property. Emergency access easements to the multi-family housing project to the south will be modified and recorded to ensure adequate access is maintained for emergency response purposes.

7. The discharge of waste from the proposed subdivision into an existing community sewer system will not result in violation of existing requirements as prescribed in Division 7 (commencing with Section 13000) of the California Water Code.

The proposed development will retain the 95th percentile of water discharge on site and excess discharge will be directed to an existing infiltration basin across South Courtland Street. No discharge of waste will result in a violation identified in Division 7 of the California Water Code.

8. Adequate public services and facilities exist or will be provided as the result of the proposed tentative tract map to support project development.

There are adequate provisions for public services to serve the project development and no deficiencies exist.

Conditional Use Permit Findings:

1. The proposed use is permitted within the subject district pursuant to the provisions of this section and complies with all the applicable provisions of this title, the goals, and objectives of the Arroyo Grande General Plan, and the development policies and standards of the City.

The proposed development for single-family detached housing on the subject property is inconsistent with the General Plan, including Land Use Element implementation policy LU5-10.1, which calls to promote development of a high intensity, mixed-use, pedestrian activity node centered on the Courtland Street/East Grand Avenue intersections as a priority example of revitalization of this corridor segment known as Gateway.

2. The proposed use would not impair the integrity and character of the district in which it is to be established or located.

The proposed single-family detached residential development is at too great a density to include adequate support facilities, which will impair the integrity and character of the surrounding area by resulting in increased overflow street parking demand.

3. The site is suitable for the type and intensity of use or development that is proposed.

The site is 4.47 acres of vacant land adjacent to one of the City's main commercial corridors and is not physically suitable for the design and density of residential development proposed.

4. There are adequate provisions for water, sanitation, and public utilities and services to ensure public health and safety.

The provisions for water, sanitation, and public utilities were examined during development and revision of the Initial Study and subsequent Mitigated Negative Declaration and it was determined that adequate public

services will be available for the proposed project and will not result in substantially adverse impacts.

5. The proposed use will not be detrimental to the public health, safety or welfare or materially injurious to properties and improvements in the vicinity.

The proposed single-family detached housing is at such high densities as to create issues with open space and facilities necessary to support the development, including parking facilities.

Development Agreement Findings:

1. The development agreement is consistent with the goals, objectives, policies, general land uses, and programs of the General Plan and any applicable specific plan.

The proposed Development Agreement would facilitate development of single-family detached housing in a commercial district which is not consistent with Land Use Element implementation policy LU5-10.1, which calls to promote development of a high intensity, mixed-use, pedestrian activity node centered on the Courtland Street/East Grand Avenue intersections as a priority example of revitalization of this corridor segment known as Gateway.

2. The development agreement is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located;

The proposed Development Agreement would facilitate development of single-family detached housing in a commercial corridor segment known as Gateway, which is not consistent with Land Use Element implementation policy LU5-10.1.

3. The development agreement is in conformity with public convenience, general welfare, and good land use practice;

The proposed Development Agreement would facilitate development of single-family detached housing between commercial and multi-family residential development and would result in parking and circulation deficiencies due to the density of the detached housing style, therefore failing to conform to good land use practice.

4. The development agreement will not be detrimental to the health, safety, or general welfare;

The proposed Development Agreement would facilitate construction of single-family detached housing is at such high densities as to create issues with open space and facilities necessary to support the development, including parking facilities.

5. The development agreement will not, in respect to the subject property or any other property, adversely affect the orderly development thereof or the preservation of property values;

The proposed Development Agreement would facilitate development of single-family detached housing between commercial and multi-family residential development and without concurrent approval of a General Plan Amendment and Specific Plan Amendment would result in parking and circulation deficiencies due to the density of the detached housing style, therefore failing to result in orderly development of the property.

Required CEQA Findings:

1. The City of Arroyo Grande has prepared an Initial Study pursuant to Section 15063 of the Guidelines of the California Environmental Quality Act (CEQA), for General Plan Amendment 14-002, Specific Plan Amendment 14-001, Vesting Tentative Tract Map 14-001 and Conditional Use Permit 14-009 and was subsequently revised to include Development Agreement 15-002.
2. Based on the Initial Study, a Mitigated Negative Declaration was prepared for public review. A copy of the Mitigated Negative Declaration and related materials is located at City Hall in the Community Development Department.
3. *After holding a public hearing pursuant to State and City Codes, and considering the record as a whole, the Planning Commission recommends the City Council not take action on the Mitigated Negative Declaration due to recommendation for the denial of the proposed project studied under the Initial Study.*

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Arroyo Grande hereby recommends the City Council deny: General Plan Amendment 14-002, deny Specific Plan Amendment 14-001, deny Vesting Tentative Tract Map 14-001, deny Conditional Use Permit 14-009, and deny Development Agreement 15-002.

On motion by Commissioner _____, seconded by Commissioner _____, and by the following roll call vote, to wit:

AYES:
NOES:
ABSENT:

the foregoing Resolution was adopted this 1st day of September, 2015.

**RESOLUTION NO.
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LAN GEORGE, CHAIR

ATTEST:

**DEBBIE WEICHINGER,
SECRETARY TO THE COMMISSION**

AS TO CONTENT:

**TERESA MCCLISH
COMMUNITY DEVELOPMENT DIRECTOR**