

---

DATE: November 8, 2016 AGENDA ITEM NO. 9.A

TO: Planning Commission

FROM: Kevin Colin, Deputy Planning Manager

REVIEWED BY: Heather Hines, Planning Manager

SUBJECT: **LOMAS ANNEXATION PROJECT**  
Various Parcels Adjacent to Petaluma Blvd South between McNear Avenue and Crystal Lane  
File #07-ANX-0623

---

### **RECOMMENDATION**

It is recommended that the Planning Commission:

- Adopt a resolution recommending the City Council approve a Negative Declaration prepared pursuant to the California Environmental Quality Act (CEQA) (**Attachment A**);
- Adopt a resolution recommending the City Council support annexation of APNs 019-210-010, -038, -039, -005, -006, -007, -008, -009, -013, -014, -021, -022, -025, -029, -032, -033, -034, -035 and -036 into the City of Petaluma as well as that portion of Petaluma Blvd South located south of APN 019-210-005 and not within the City Limits (**Attachment B**); and
- Adopt a resolution recommending City Council adopt an ordinance to amend the official zoning map of the City of Petaluma by pre-zoning APN 019-210-009, -013, -014, -021, -022, -025, -029, -032, -033, -034, -035, -036 to Residential (R4) and APN 019-210-005, -006, -007, -008, -010, -038 and -039 to Mixed Use 1A (MU1A) (**Attachment C**).

### **BACKGROUND**

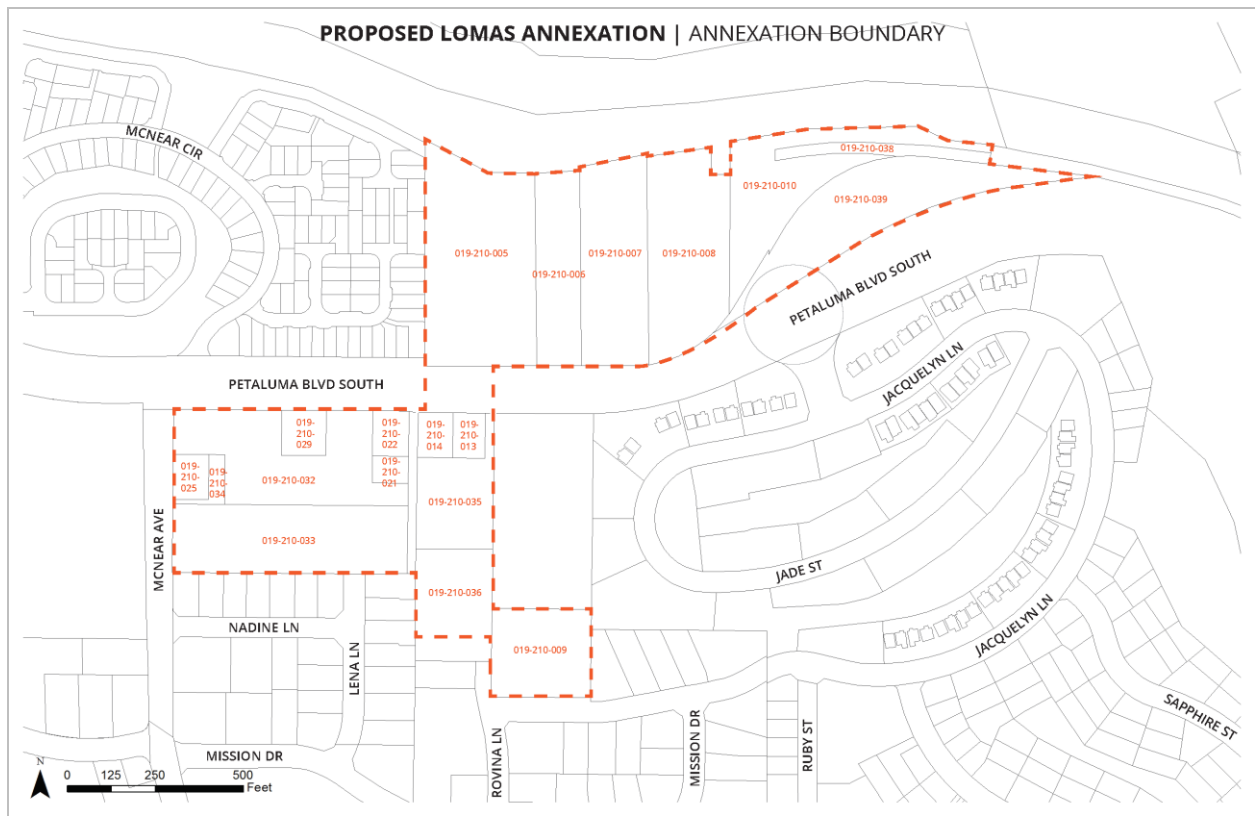
This boundary change and zoning amendment request are the result of a condition imposed by the Sonoma County Local Agency Formation Commission (Sonoma County LAFCO) on the Quarry Heights development at the intersection of Petaluma Blvd South and Crystal Lane. After orienting readers on the project's location this background discussion will summarize the relevant past actions that relate to the current request as well as pertinent General Plan policies.

#### **Project Location**

The project area is situated on both the northern and southern sides of Petaluma Boulevard South, generally between McNear Avenue and the Highway 101 overpass (**Figure 1**). This area is located within the Petaluma Boulevard South subarea of the Petaluma General Plan which

serves as the southern gateway to the City as it is approached from Highway 101. This area presents a working industrial face to the northeast, grassy fields dotted with oaks to the southeast and distant vistas across the Petaluma River and the southeast quadrant of the community to the Sonoma Hills.

Many of the existing parcels in this subarea consist of industrial parcels accommodating storage and working yards and residential parcels typically developed with single-family homes. The presence of street frontage improvements, or lack thereof, currently provides a visual indication of properties which are located within the City from those that are within unincorporated areas of the County. The project area is within the “Highway 101 to D Street” portion of the planning subarea, which becomes more urban in character as one approaches downtown.



**Figure 1 – Project Vicinity**

Two-Phase Annexation

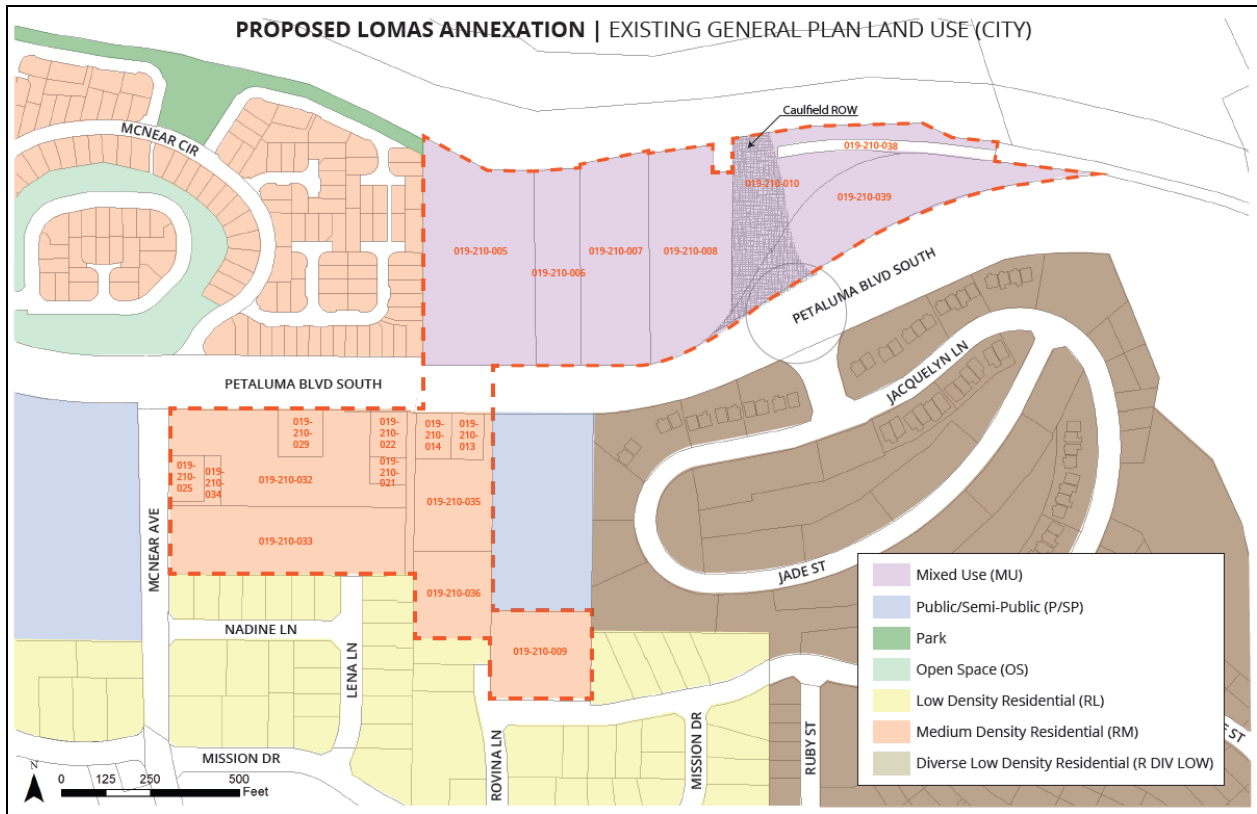
The area now under review was not annexed with the Quarry Heights project because the portion south of Petaluma Blvd South and east of Crystal Lane was a former surface mine that, at the time of prior approvals (2005-2006), was not yet reclaimed in accordance with the Sonoma County Surface Mining Ordinance and California Surface Mining and Reclamation Act (SMARA). The City of Petaluma has no surface mines subject to SMARA and, as a result, the City Council imposed a condition on the Quarry Height subdivision map preventing annexation under reclamation was complete under the jurisdiction of the County of Sonoma and California Office of Mine Reclamation. **Table 1** summarizes the past actions leading to the current request.

**TABLE 1 – SUMMARY OF PAST ACTIONS RELATED TO ANNEXATION**

DATE	ACTION
2005-06.06	City Council adopted Resolution No. 2005-087 N.C.S. supporting an application to the Sonoma County Local Agency Formation Commission (LAFCO) for Assessor’s Parcel Numbers 019-210-010, -011, -026, -038, and -039 and 019-220-012 and -027 for a project known as the Lomas Residential Development and pursuant to the Cortese/Knox Local Government Reorganization Act of 1985. ( <b>Attachment D</b> )
2006-06.19	City Council adopted Resolution No. 2006-119 N.C.S. authorizing the City Manager to execute a memorandum of understanding with the County of Sonoma regarding jurisdiction over compliance with the Petaluma Quarry Revised Reclamation Plan and also an agreement with South Petaluma Partners LLC regarding a two-part annexation of various unincorporated properties along the vicinity of Petaluma Boulevard South. ( <b>Attachment E</b> )
2006-08.08	A Pre-Annexation Agreement Regarding Two-Park Annexation and Restrictive Covenants was entered into between the City of Petaluma and South Petaluma Partners LLC and recorded as Document No. 2006097772. ( <b>Attachment F</b> )
2006-10.04	Sonoma County LAFCO adopted Resolution No. 2518 approving the annexation supported by City Council Resolution No. 2005-087 N.C.S. but with Condition No. 3(a) which reads in full, “Not later than 30 days after the City receives notice from the County of Sonoma of the completion of reclamation of APNs 019-210-010, 019-210-038, and 019-210-039, the City and/or the Applicant shall initiate proceedings with the Commission for the annexation of APNs 019-210-005, 019-210-006, 019-210-007, 019-210-008, 019-210-009, 019-210-013, 019-210-014, 019-210-021, 019-210-022, 019-210-025, 019-210-029, 019-210-033, 019-210-034, 019-210-035, and 019-210-036 to the City.” ( <b>Attachment G</b> )
2015-12.02	County of Sonoma provided notice to the California Office of Mine Reclamation, pursuant to the provisions of the Surface Mining and Reclamation Act of 1975, that the Petaluma Quarry (State Mine Id# 91-49-0012) was fully reclaimed as specified by the adopted reclamation plan.
2016-01.20	California Office of Mine Reclamation responded to the County of Sonoma’s December 2, 2015 notice and concurred the Petaluma Quarry (State Mine Id# 91-49-0012) had been substantially reclaimed in accordance with the approved reclamation plan and, therefore, the County has fulfilled the requirements of California Code of Regulations §3805.05.

General Plan

The Petaluma General Plan includes a Land Use Map which establishes categories of land use and development density and intensity. As shown at **Figure 2** below, the project area includes properties designated Mixed Use and Medium Density Residential.



**Figure 2: General Plan Land Use Map at Project Area.**

**PROJECT DESCRIPTION**

The project includes the proposed annexation of nineteen (19) parcels from the County of Sonoma into the City of Petaluma, as required by Sonoma County LAFCO Resolution No. 2518. A list of these parcels and their associated Assessor’s Parcel Number (APN), address, and lot size are listed in Table 1 below. **Attachment H** includes a brief profile of existing conditions at each property proposed for annexation and pre-zoning.

**Annexation**

LAFCO Resolution No. 2518 identifies the affected territory as being within the sphere of influence and voter-approved Urban Growth Boundary (UGB) for the City, as well as within the “urban services area” boundary of Petaluma as defined in the Sonoma County General Plan.

The project would result in the annexation of seven (7) parcels with a mix of uses and twelve (12) parcels with residential uses. The mixed-use parcels are presently used for outdoor storage, maintenance/repair service, and auto vehicle sales and rentals, and with some vacant/undeveloped parcels. The residential parcels primarily consist of single-family residences. A few vacant/undeveloped parcels also occur within the project area. No development is proposed as part of the project. Existing public infrastructure (e.g., water, sewer, roads) would remain in their current state.

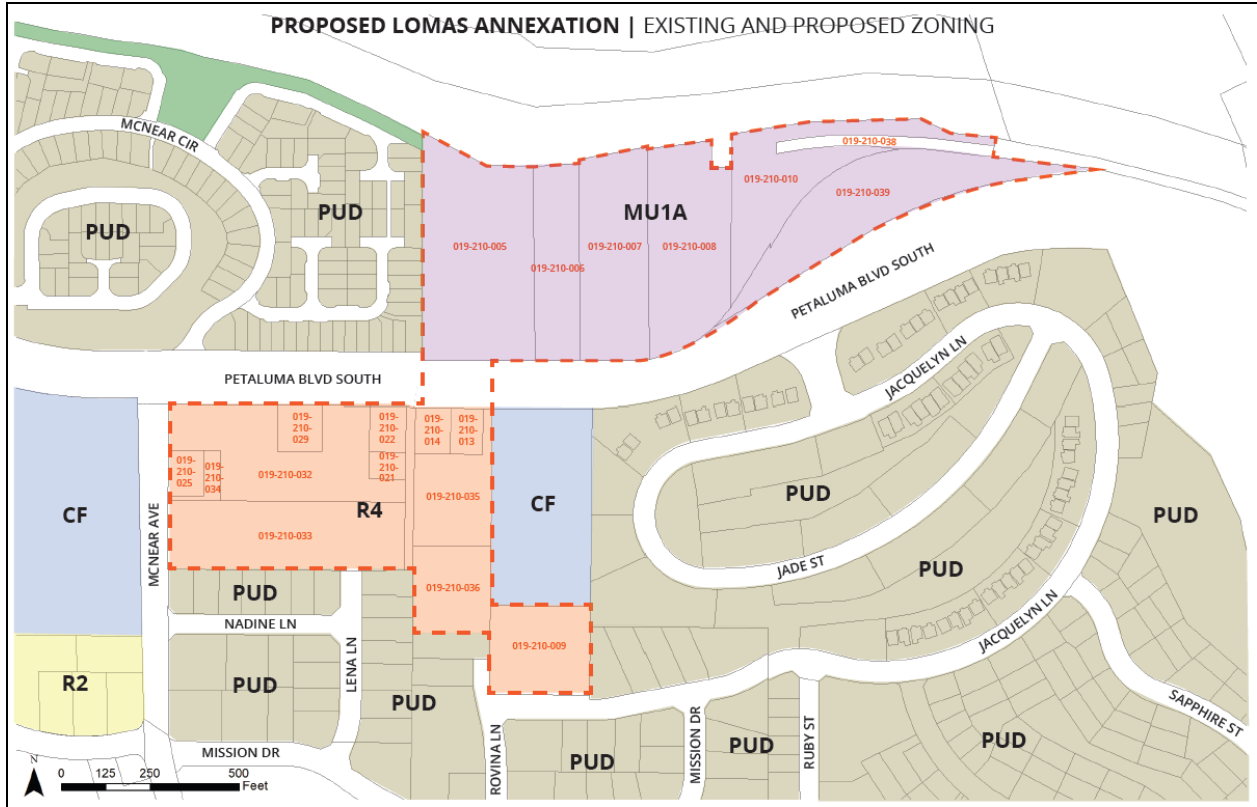
**TABLE 2: LOMAS ANNEXATION AREA PARCELS**

SITE #	PARCEL (APN)	ADDRESS	LOT SIZE (ACREAGE)
1	019-210-005	1473 Petaluma Boulevard South	2.59
2	019-210-006	1475 Petaluma Boulevard South	1.00
3	019-210-007	1501 Petaluma Boulevard South	1.55
4	019-210-008	1525 Redwood South Highway	1.00
5	019-210-010	1601 Petaluma Boulevard South	1.44
6	019-210-038	1601 Petaluma Boulevard South	0.28
7	019-210-039	1601 Petaluma Boulevard South	1.82
8	019-210-009	2 Rovina Lane	1.00
9	019-210-036	3 Rovina Lane	1.00
10	019-210-035	1450 Petaluma Boulevard South	0.86
11	019-210-013	1430 Petaluma Boulevard South	0.17
12	019-210-014	1420 Petaluma Boulevard South	0.19
13	019-210-022	1410 Petaluma Boulevard South	0.18
14	019-210-021	1400 Petaluma Boulevard South	0.11
15	019-210-033	149 McNear Avenue	1.80
16	019-210-029	1280 Petaluma Boulevard South	0.23
17	019-210-034	0 McNear Avenue	0.09
18	019-210-025	55 McNear Avenue	0.18
19	019-210-032	1340 Petaluma Boulevard South	1.71
<b>TOTAL ACREAGE</b>			<b>17.20</b>

Pre-Zoning

Consistent with the requirements under the Cortese-Knox-Hertzberg Act (Gov’t Code §5600 et al), all parcels proposed for annexation must have a proposed “pre-zone” designation. Pre-zoning essentially refers to the preliminary assignment of a future City zoning designation for each parcel that would go into effect in the event annexation is approved by the Sonoma County LAFCO. Proposed pre-zone designations for the annexation area are shown at **Figure 4** below and include two zones: Mixed Use 1A (MU1A) and Residential 4 (R4).

The zoning designations at **Figure 3** were chosen since Table 2-1 of the City of Petaluma Implementing Zoning Ordinance considers them to be designations compatible with existing, underlying General Plan Land Use designations. By assigning a zoning designation to each parcel, a set of allowable uses and development standards would guide all future development and changes within the annexation area. Some existing uses within the project area would be permitted under proposed pre-zone designations while others are prohibited and would be rendered legal non-conforming after annexation. **Attachment H** identifies which parcels would be considered to have non-conforming uses after annexation and pre-zoning.



**Figure 3: Proposed Pre-zone Designations**

**DISCUSSION**

The nature of this request is largely housingkeeping as it relates to compliance with an already-imposed condition of approval and fulfillment of the terms of an existing agreement between the City and applicant. Only one aspect – the specific mixed use pre-zone designation – required specific analysis and discretion on the part of staff in relation to the recommendation. Before addressing the rationale for choosing the MU1A designation, this section will discuss the policy basis upon which the annexation requirement is based and supported by the Petaluma General Plan.

Cortese-Knox-Hertzberg Act (Gov’t Code §5600 et al)

Local agency formation commissions were created by state law in 1963 to encourage the orderly formation of local government agencies, to preserve agricultural and open space land, and to discourage urban sprawl. Sonoma LAFCO has jurisdiction over changes in local government organization occurring within Sonoma County.

Proceedings for changes of organization of special districts or cities are subject to LAFCO review, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000, et seq.). With respect to this request, a change in organization includes annexation to the City of Petaluma.

Amongst the many policies of the Cortese-Knox-Hertzberg Act, those relating to orderly growth

are relevant to the current request. More specifically, those pertaining to unincorporated islands are the focus of review and state, with respect to this request, that the creation of islands of unincorporated territory via annexation is prohibited.

When reviewing and acting upon the Quarry Heights project, the Sonoma County LAFCO observed that land associated with the project north across Petaluma Blvd South would result in the creation of an unincorporated island. In response, Sonoma County LAFCO adopted Resolution No. 2518 approving the annexation supported by City Council Resolution No. 2005-087 N.C.S. but with Condition No. 3(a) which requires the action now up for review.

General Plan

The area subject to the current annexation and pre-zone request is located within the General Plan’s Urban Growth Boundary and provided land use designations, as illustrated at **Figure 2** above and described in **Table 3**.

<b>TABLE 3: GENERAL PLAN LAND USE DESIGNATIONS IN PROJECT AREA</b>	
LAND USE DESIGNATION	DESCRIPTION
<p><b>Medium Density Residential</b> (8.1 to 18.0 units per acre)</p>	<p>This classification provides for a variety of dwelling types, including single-family and multi-family housing. Under a discretionary review process opportunities to blend live-work or limited commercial/office uses within a residential development may be permitted when abutting an arterial roadway.</p>
<p><b>Mixed Use</b> (2.5 maximum FAR) (30 units per acre)</p>	<p>This classification requires a robust combination of uses, including retail, residential, service commercial, and/or offices. Development is oriented toward the pedestrian, with parking provided, to the extent possible, in larger common areas or garages. Maximum FAR including both residential and non-residential uses is 2.5, and maximum residential density is 30 d.u./acre.</p>

The following General Plan policies below apply to and support the current request.

- Policy 1-P-1**      Promote a range of land uses at densities and intensities to serve the community 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.
- Policy 1-P-12**    Encourage reuse of under-utilized sites along East Washington Street and Petaluma Boulevard as multi-use residential/commercial corridors, allowing ground-floor retail and residential and/or commercial/office uses on upper floors.

**Goal 1-G-3** Encourage innovative site and building design to address parking solutions such as shared, structured, and/or underground facilities.

**Policy 1-P-29** It is the policy of the City to build within the agreed upon Urban Growth Boundary. No urban development shall be permitted beyond the Urban Growth Boundary. “Urban development” shall mean development requiring one or more basic municipal services including, but not limited to, water service, sewer, improved storm drainage facilities, fire hydrants and other physical public facilities and services; but shall not mean providing municipal or public services to open space uses, public or quasi-public uses such as schools or public safety facilities. Said municipal or public services or facilities can be developed beyond the UGB to provide services within the UGB.

**Policy 1-P-30** No urban development beyond the Urban Growth Boundary shall be served by City services except for (1) extensions to residential dwellings in existence or approved for construction on parcels created on or before December 5, 1983; (2) extensions required pursuant to the terms of a service contract in effect as of July 20, 1998; (3) extensions to remedy a clear health hazard to residential dwellings in existence or approved for construction on parcels created on or before July 20, 1998 where there is no reasonable alternative means to remedy that health hazard; (4) extensions to open space and park uses; (5) expansion of service to public and quasi-public uses existing as of July 20, 1998; and (6) extraordinary circumstances pursuant to applicable General Plan policies. (*In relevant part*)

**Policy 1-P-35** Growth shall be contained within the boundaries of the Urban Growth Boundary. The necessary infrastructure for growth will be provided within the Urban Growth Boundary.

### Implementing Zoning Ordinance

Table 2-1 of the Implementing Zoning Ordinance provides a list of established zones and identifies which are considered compatible with particular General Plan designations. For the General Plan designation of Medium Density Residential, the only compatible zoning is Residential 4 (R4). For the General Plan designation of Mixed Use, however, four variations of the Mixed Use zone (i.e., MU1A, MU1B, MU1C, and MU2) are potentially compatible. A description of each mixed use zoning district is provided at **Table 4** below.

For each MU1 subcategory (i.e., A, B, C), IZO Table 4.3 provides a different range of permitted land uses with the same development standards (e.g., building height, setbacks, etc.) applying to all. **Attachment I** consist of IZO Table 4.3 (Allowed Uses and Permit Requirements for Mixed Use Zones) and Table 4.10 (MU1 and MU2 Zone Development Standards). Many of the differences in permitted use types are nuanced and best reviewed at **Attachment I** where they are identified. Also, while many of the MU1 and MU2 development standards are the same, one key difference is the increased height permitted in the MU2 district (i.e., 45 feet compared to 30 feet in MU1).



**TABLE 4: POTENTIAL MIXED-USE ZONES**

ZONING DISTRICT	DESCRIPTION
<b>Mixed Use 1</b>	<p>The MU1 zone is applied to areas intended for pedestrian-oriented, mixed-use development with ground-floor retail or office uses adjacent to the Downtown Core, and in other areas of the city where existing auto-oriented commercial areas are intended for improvement into pedestrian-oriented mixed use development. The MU1 zone is consistent with and implements the Mixed Use land use classification of the General Plan, which establishes a maximum floor area ratio of 2.5 for both residential and non-residential uses within the classification, and a maximum density of 30 units per acre for residential.</p> <ul style="list-style-type: none"><li>• Mixed Use 1A zone. This zone is applied to parcels located along corridors such as East Washington Street, Petaluma Boulevard North, Bodega Avenue and Lakeville Street. The parcels in these zones vary in size and are typically located adjacent to residential zones.</li><li>• Mixed Use 1B zone. This zone is applied to larger parcels located primarily along major arterial roadways. The larger parcel size should allow for a mix of uses on the site.</li><li>• Mixed Use 1C zone. This zone is applied to smaller parcels located in West Petaluma. Most of these parcels are located in residential areas and the intensity of the uses permitted in this zone is limited.</li></ul>
<b>Mixed Use 2</b>	<p>The MU2 zone is applied to the Petaluma Downtown and adjacent areas that are intended to evolve into the same physical form and character of development as that in the historic downtown area. The MU2 zone is consistent with and implements the Mixed Use land use classification of the General Plan, which establishes a maximum floor area ratio of 2.5 for both residential and non-residential uses within the classification, and a maximum density of 30 units per acre for residential.</p>

For the pre-zone aspect of this project, staff recommends the MU1A zone since, as mentioned in its description, it reflects a range of uses and building height generally compatible with adjacent residential zones. The zones of MU1B and MU1C are intended for different situations and locations (i.e., large shopping centers; isolated, small parcels in west Petaluma). The MU2 zone is not recommended since it generally reflects the intent for a taller, mixed use pattern. For example, the MU2 zone only permits multi-family dwellings in mixed use buildings (above ground floor) and the MU1A requires a conditional use permit for standalone multi-family projects.

Next Steps

Following the City Council’s consideration of the proposed annexation, the applicant, in collaboration with the City will submit an application to The Sonoma County Local Agency Formation Commission (LAFCO). Ultimate approval of the proposed annexation is at the

discretion of LAFCO. Based on discussions with LAFCO staff, they are strongly supportive of the City complying with the previously imposed condition requiring annexation.

### **PUBLIC COMMENT**

A notice of public hearing was published in the Argus Courier on October 6, 2016 and notices were mailed to residents and property owners within 500 feet of the subject property. All property owners located within the annexation area were, in addition to the public hearing notice, also mailed a copy of the CEQA document (discussed below) and a Frequently Asked Questions handout explaining the process underway (see **Attachment J**). As of the writing of this staff report, staff has received phone call inquiries but no written public comments.

### **ENVIRONMENTAL REVIEW**

In accordance with the CEQA, an Initial Study was prepared by staff to address the project's potential effects on the environment (**Attachment K**). The Initial Study does not identify any potentially significant environmental effects. Therefore, a Negative Declaration was prepared rather than an Environmental Impact Report (EIR). The Initial Study and Negative Declaration were circulated for a thirty (30) public review period between October 6, 2016 and November 7, 2016. As of the writing of this staff report, no public comments were received on these documents.

### **ATTACHMENTS**

- A. Draft Resolution Recommending Adoption of Negative Declaration
- B. Draft Resolution Recommending Annexation
- C. Draft Resolution Recommending Pre-Zoning
- D. City Council Resolution No. 2005-087 N.C.S.
- E. City Council Resolution No. 2006-119 N.C.S.
- F. Pre-Annexation Agreement
- G. Sonoma County LAFCO Resolution No. 2518
- H. Property Profiles of Annexation Area
- I. Mixed Use Zones: Allowed Uses and Permit Requirements
- J. Lomas Annexation: Frequently Asked Questions
- K. Initial Study and Negative Declaration