



# Council Agenda Report

**Department Name:** Community Development  
**Cost Center:** 4003  
**For Agenda of:** December 3, 2019  
**Placement:** Consent  
**Estimated Time:** N/A

**FROM:** Michael Codron, Community Development Director  
**Prepared By:** Rachel Cohen, Associate Planner

**SUBJECT:** ADOPTION OF ORDINANCE REZONING PROPERTIES AT 609 & 633 PALM, 610, 614 & 630 MONTEREY, 970 & 972 NIPOMO STREETS FROM OFFICE WITH A HISTORIC DISTRICT OVERLAY (O-H) AND MEDIUM-HIGH DENSITY RESIDENTIAL (R-3) TO DOWNTOWN COMMERCIAL ZONE WITH A HISTORIC DISTRICT OVERLAY (C-D-H), TO BE CONSISTENT WITH THE PALM NIPOMO PARKING STRUCTURE PROJECT AND GENERAL PLAN AS AMENDED

## RECOMMENDATION

Adopt Ordinance 1671 (2019 Series) (Attachment A) rezoning property at 609 & 633 Palm, 610, 614 & 630 Monterey, 970 & 972 Nipomo Streets.

## SITE DATA

<b>Applicant</b>	SLO Rep and City of SLO
<b>Representative</b>	SLO Rep – Bryce Engstrom City of SLO – Richard Burde
<b>Zoning</b>	O-H (Office-Historic District Overlay) and R-3 (Medium-High Density Residential)
<b>General Plan</b>	Office and Medium-High Residential
<b>Site Area</b>	1.38
<b>Environmental Status</b>	Certified FEIR and an Addendum



## DISCUSSION

On November 12, 2019, the City Council voted 3-0-2 to introduce Ordinance 1671 (2019 Series) to rezone the properties at 609 & 633 Palm, 610, 614 & 630 Monterey, 970 & 972 Nipomo Streets from Office with a Historic District Overlay (O-H) and Medium-High Density Residential (R-3) to Downtown Commercial with a Historic District Overlay (C-D-H) to be consistent with the Palm Nipomo Parking Structure Project and with the General Plan. Ordinance No. 1671 is now ready for adoption. The Zoning Map change will become effective 30 days after its adoption.

**Background****Previous Council and Advisory Body Action**

- November 12, 2019 – City Council reviewed and approved the architectural design of a new performing arts facility and a new parking structure, a deviation in the height and Floor Area Ratio (F.A.R.) for the parking structure, use permits to allow the SLO Rep Theatre and a parking structure within the Downtown Commercial Zone and adopted a General Plan Amendment changing the project site from Office and medium-high density residential to General Retail. The City Council also introduced changing the zoning of the project site from Office with a Historic District Overlay (O-H) and Medium-High Density Residential (R-3) to Downtown Commercial with a Historic District Overlay (C-D-H).
- October 23, 2019 – Planning Commission reviewed the project and recommended that the City Council approve the project as proposed and made a recommendation that the forthcoming building that will line the parking structure include residential units, based on the architectural concept that was presented at the October 23, 2019 Planning Commission meeting. The Planning Commission made a second motion and recommended the Council consider developing a process to identify parties to move the adobe and find creative adaptation for its use.
- September 23, 2019 – CHC reviewed the proposed project plans and recommended the PC find the Palm Nipomo parking structure compatible with the Downtown Historic District. They recommended continuance on the review of the Heyd Adobe component of the project and continuance of the review of the facade design of the SLO Rep Theatre.
- September 16, 2019 – ARC reviewed the revised plans that incorporated their direction and made a recommendation that the PC find the project consistent with the Community Design Guidelines with direction that the applicant of the SLO Rep Theatre revise the façade of the building with better balance and proportion of the wall cladding - specifically, reduce the variegated terracotta facade at the exterior of the black box theatre and at the upper portion of the walls of the main theatre projecting above the roof deck level (approximately at the 218.45 foot elevation and above) and soften the contrast of the terracotta tiles with each other.
- August 19, 2019 – ARC reviewed the proposed architecture of the project and the ARC continued the review and provided seven directional items to the applicants requesting the applicants produce elevations and renderings that showed the two structures together and to include a revised western elevation of the parking structure that had more articulation and design.
- July 17, 2018 – City Council reviewed and adopted the Final Environmental Impact Report (FEIR) Palm Nipomo Parking Structure Project. The CHC, ARC and PC each reviewed the document and provided comments and recommendations to the City Council.

**Policy Context**

As discussed in the Council Agenda Report dated November 12, 2019, the project is consistent with policies outlined in the Land Use Element, Circulation Element and the Downtown Concept Plan.

**Public Engagement**

Consistent with the City’s Public Engagement and Noticing (PEN) Manual, the project was noticed per the City’s notification requirements for Development Projects. A legal advertisement was posted in the New Times 13 days prior to the City Council meeting. Additionally, postcards were sent to both tenants and owners of properties located within 300 feet of the project site 10 days before the City Council meeting. Public comment on the project and the associated environmental document was provided to the advisory bodies through written correspondence and through public testimony at the hearing.

**CONCURRENCE**

Staff comments provided during review of the proposed project are incorporated into the staff report and conditions of approval. Additional comments will be provided in the staff report for the use permit and architectural review regarding public improvement requirements, utility connections, and other site features once those subsequent applications are received and ready for consideration.

**ENVIRONMENTAL REVIEW**

On July 17, 2018, the City Council certified the Final Environmental Impact Report (FEIR State Clearinghouse Number 2017051011), adopted a Mitigation Monitoring and Reporting Program, adopted the following CEQA Findings and Mitigation Measures related to the Palm Nipomo Parking Structure Project, and made a Statement of Overriding Considerations.

On November 12, 2019, the City Council adopted Resolution No. 1671 (2019 Series) adopting the Addendum to the FEIR changing the land use designation from Public to Downtown Commercial and the zoning from Public Facility with a Historic Overlay (PF-H) to Downtown Commercial with a Historic Overlay (C-D-H) to allow for the uses as they are described and analyzed in the FEIR.

**FISCAL IMPACT**

Budgeted: N/A  
Funding Identified: N/A

Budget Year: 2019-21

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Current FY Cost</b>	<b>Annualized On-going Cost</b>	<b>Total Project Cost</b>
General Fund	N/A		
State			
Federal			
Fees			
Other:			
Total			

A detailed discussion on the fiscal impact is discussed in the Council Agenda Report dated November 12, 2019.

**ALTERNATIVES**

**Modify the Proposed Ordinance.** The City Council may make minor, non-substantive changes to the proposed Ordinance for the staff to incorporate in the final documents. Any material changed to the Final Ordinance would require further review by staff and the Planning Commission followed by re-introduction of the Ordinance by the Council.

**Attachments:**

**a - Draft Ordinance No. 1671 (2019 Series)**

**ORDINANCE NO. 1671 (2019 SERIES)**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, REZONING PROPERTIES AT 609 & 633 PALM, 610, 614 & 630 MONTEREY, 970 & 972 NIPOMO STREETS FROM OFFICE WITH A HISTORIC DISTRICT OVERLAY (O-H) AND MEDIUM-HIGH DENSITY RESIDENTIAL (R-3) TO DOWNTOWN COMMERCIAL ZONE WITH A HISTORIC OVERLAY (C-D-H) CONSISTENT WITH THE PALM NIPOMO PARKING STRUCTURE PROJECT WITH AN ADDENDUM TO THE CERTIFIED ENVIRONMENTAL IMPACT REPORT AS REPRESENTED IN THE COUNCIL AGENDA REPORT AND ATTACHMENTS DATED NOVEMBER 5, 2019 (RZ-0460-2019)**

**WHEREAS**, the Planning Commission of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on October 23, 2019, and recommended a revision to the City's Zoning Map (Exhibit 1 attached) consistent with the Palm Nipomo Parking Structure Project as part of the entitlement process for the project (RZ-0460-2019); and

**WHEREAS**, the City Council of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on November 12, 2019, for the purpose of approving the rezone; and

**WHEREAS**, the City Council finds that the proposed amendments are consistent with the General Plan as amended, the purposes of the Zoning Regulations, and other applicable City ordinances; and

**WHEREAS**, the City Council adopted a Final Environmental Impact Report (FEIR) for the project (SCH #2017051011) that addressed impacts related to the rezone at its public hearing of July 17, 2018, and review of the Addendum at its public hearing of November 12, 2019; and

**WHEREAS**, notices of said public hearings were made at the time and in the manner required by law; and

**WHEREAS**, the City Council has duly considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

**NOW, THEREFORE, BE IT ORDAINED**, by the City Council of the City of San Luis Obispo as follows:

**SECTION 1. Environmental Determination.** The City Council hereby finds that this action has been environmentally reviewed pursuant to the provisions of the California Environmental Quality Act (Public Resources Code Sections 21000, et seq. (“CEQA”), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000, et seq.) and the City's local standards. On July 17, 2018, the City Council certified the Final Environmental Impact Report (SCH #2017051011), adopted a Mitigation Monitoring and Reporting Program, and adopted CEQA Findings and Mitigation Measures, including a Statement of Overriding Considerations, for the Palm Nipomo Parking Structure Project per Resolution No. 10923 (2018 Series). A Notice of Determination was filed with the San Luis Obispo County Clerk Recorder’s Office on July 19, 2018.

The City Council adopts the following findings to approve the Addendum to the certified FEIR: 1) the minor technical changes addressed in the Addendum do not materially change the findings and conclusions of the certified FEIR; 2) no substantial changes are proposed or would occur that would require major revisions to the certified FEIR; 3) no new significant environmental effects are identified and there would not be a substantial increase in the severity of previously identified significant effects; 4) the project would not result in any significant effects that would be substantially more severe than what was identified in the certified FEIR. Furthermore, the applicant will comply with all mitigation measures and environmentally mitigating project features included in the certified FEIR.

**SECTION 2. Findings.** Based upon all evidence, the City Council makes the following findings:

- a) The rezone allows the implementation of the Palm Nipomo Parking Structure Project by rezoning the site to be consistent with the General Plan as amended.
- b) The rezone is consistent with General Plan Land Use Element policies and map as amended related to the Palm Nipomo Parking Structure Project, including the land uses and conceptual development envisioned for the area for following reasons: 1) The rezone would facilitate the General Plan Land Use map as amended and reflect General Plan development parameters for the area; and 2) the rezone would facilitate appropriate infill development and construction consistent with the City’s Downtown Concept Plan and support General Plan policies for the development of Downtown.
- c) The rezone will not create non-conforming uses at the site because any existing uses that remain on site would be allowed under the new zoning.

**SECTION 3. Action.** The City Council of San Luis Obispo hereby approves the rezone and land use map amendment as shown in attached “Exhibit 1,” which is consistent with the land use designations included in the General Plan as amended.

**SECTION 4 . Severability.** If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

**SECTION 5.** A summary of this ordinance, together with the names of Council Members voting for and against, shall be published at least five (5) days prior to its final passage, in The Tribune, a newspaper published and circulated in this City. This ordinance shall go into effect at the expiration of thirty (30) days after its final passage.

**INTRODUCED** on the 12<sup>th</sup> day of November 2019, **AND FINALLY ADOPTED** by the Council of the City of San Luis Obispo on 3<sup>rd</sup> day of December 2019, on the following vote:

AYES:  
NOES:  
ABSENT:

\_\_\_\_\_  
Mayor Heidi Harmon

ATTEST:

\_\_\_\_\_  
Teresa Purrington  
City Clerk

APPROVED AS TO FORM:

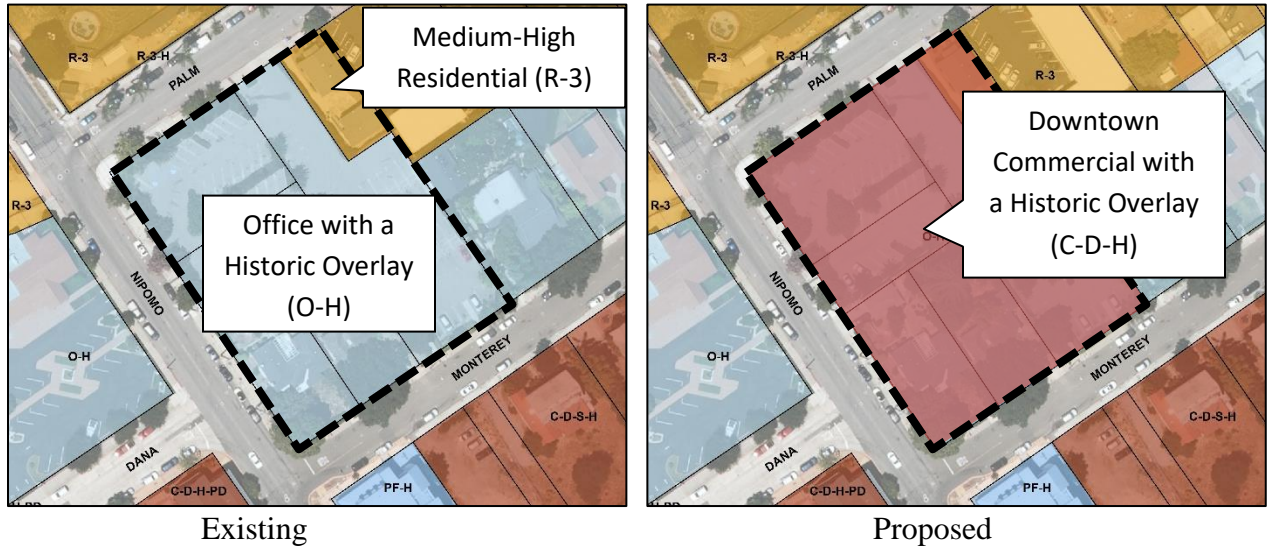
\_\_\_\_\_  
J. Christine Dietrick  
City Attorney

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Teresa Purrington  
City Clerk

**Exhibit 1. Amended Land Use Map and Rezoning Map**

**Palm Nipomo Parking Structure Project Amended Land Use and Rezoning Map**



Existing

Proposed