



City Council Agenda Report

From: Katie Banister, Associate Planner

Subject: Approval of a Development Plan for 24 Residential Units including an Affordable Housing Density Bonus; Fence-Height Modification; Removal of Ten Oak Trees; and a One-Lot Tract Map (PD24-07, MOD25-09, OTR25-04, Tentative Tract Map 3254, P24-0100)

CEQA Determination: The project is exempt from environmental review as a class 32 categorical exemption for infill development pursuant to the State's Guidelines to Implement the California Environmental Quality Act (CEQA), § 15332.

Date: March 17, 2026

Facts

1. Stephen Ross representing Montage Development, Inc. (applicant) has applied for development plan including an affordable housing density bonus, site plan modifications, oak tree removals, and a request for approval of a 24-unit residential condo project in twelve duplex buildings.
2. The project includes a 4.32-acres located at 420 Creston Road (APN 009 541 010 and 009 541 011) (See Vicinity Map, Attachment 1).
3. The site has a General Plan land use designation of Residential Multiple Family, Low Density 8 units per acre (RMF-8); and is within the Low-Density Multi-Family Residential (R-2) zoning district where multi-family dwellings are an allowed use.
4. Consistent with [Paso Robles Municipal Code Section 21.41.070](#), only 3.1 acres of the site are classified as developable. The average slope of the developable area of the site is 9.8%.
5. Consistent with [Paso Robles Municipal Code Section 21.33.050](#), sites in the R-2 zoning district with a developable area between 5 and 10% average slope have a maximum density of 6.5 density units/acre; a maximum of 20 density units are permitted on the site.
6. The applicant proposes to deed restrict 5% of all dwellings (1 dwelling) for a very-low income household (making 50% of county median income) for 55 years. According to the [San Luis Obispo County Affordable Housing Standards](#) updated January 12, 2026, if the affordable unit were available for sale now, the maximum sale price would be approximately \$200,000.
7. Consistent with [California Government Code Section 65915\(f\)\(2\)](#), in exchange for providing 5% affordable units, the project is entitled to a 20% density bonus, or 4 additional density units for a total of 24 density units. Additionally, consistent with California Government Code Section 65915(e), the project is entitled to one concession from the City that will result in identifiable and actual cost reductions.
8. The applicant has requested the City concede the requirement to provide a playground with at least three pieces of permanent play equipment ([Paso Robles Municipal Code Section 21.33.060.E.2](#)).
9. The project is consistent with General Plan General Plan Policy LU-2I, which is to "Encourage infill development as a means of accommodating growth, while preserving open space areas, reducing vehicle miles traveled, and enhancing livability/quality of life."
10. Consistent with [Paso Robles Municipal Code Section 21.16.010](#), approval of a development plan is required for multi-family residential projects with 11 or more dwelling units.

11. The project includes a request to remove ten oak trees with diameters totaling 176 inches.
12. Consistent with [Paso Robles Municipal Code Section 10.01.050.D](#), the City Council must review requests for the removal of oak trees with a diameter of six or more inches that are not clearly dead or diseased beyond correction.
13. Consistent with [Paso Robles Municipal Code Section 21.09.020.B](#), “Multiple applications for the same project shall be processed concurrently and shall be reviewed—and approved or denied—by the highest review authority designated by this zoning code for any of the applications.”
14. The project was reviewed by the [Development Review Committee on June 2, 2025](#). The Development Review Committee recommended the project next be heard by the Planning Commission with a request for:
 - added detailing on the garage side elevations near the entry facing Creston Road and garage facing the drive into the project, and
 - the applicant to explore proving a pedestrian path to the rear open space, and
 - a detailed landscaping plan, and
 - a detailed fence plan, and
 - the tentative tract map, if applicant intends to subdivide the property.
15. On February 10, 2026, the Planning Commission conducted a duly noticed public hearing to consider the facts as presented and to accept public testimony regarding this request for a development plan, site plan modification, oak tree removal permit, and tentative tract map; and on a vote of 6-0 (Marlow absent) recommended the City Council approve the project with an amendment to Site Specific Condition of Approval #53, striking the phrase, “ADA-Compliant”.
16. On January 21, 2020, the City Council approved Resolutions [20-011](#) and [20-012](#) to approve a 20-unit residential project on the property (PD19-05, OTR19-24, P19-0068). The entitlements expired on January 21, 2022.
17. The project is exempt from environmental review as a class 32 categorical exemption for infill development pursuant to the State’s Guidelines to Implement the California Environmental Quality Act (CEQA), § 15332.
18. At its regular meeting on March 3, 2026, the City Council opened a duly noticed public hearing for the project. No staff report was presented and no speakers addressed the Council, however a new written public comment was received prior to the hearing and is included as Attachment 9 to this report. The City Council continued the hearing to March 17, 2026.

Options

After consideration of any public testimony, the City Council should consider the following options:

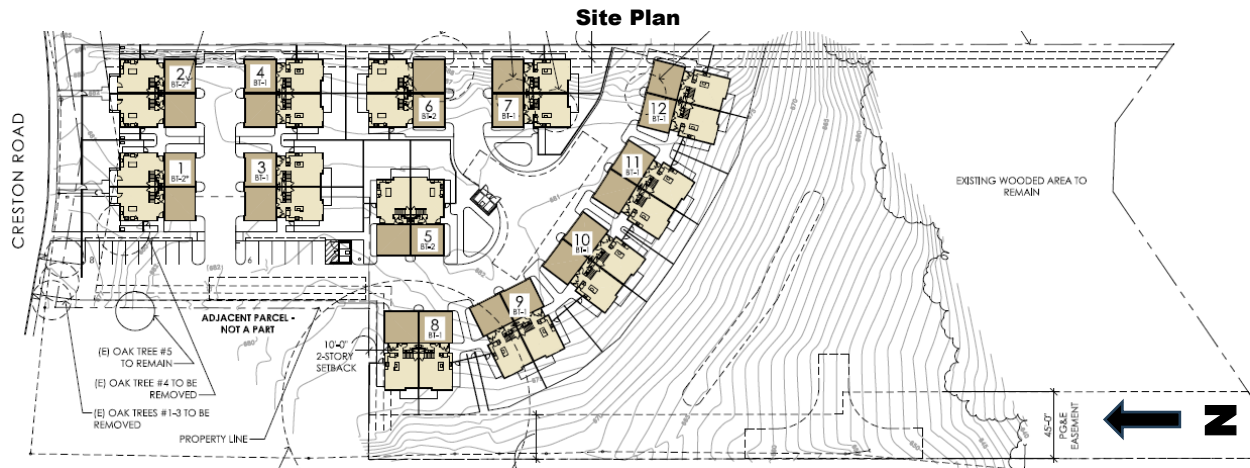
1. Approve the project development plan, site plan modification, oak tree removal permit, and tentative tract map by approving Resolution 26-XXX based on findings and subject to conditions of approval.
2. Approve the project with modifications by amending and approving Resolution No. 26-XXX.
3. Refer the project back to the Planning Commission for additional analysis.
4. Deny the project by adopting findings of denial.

Analysis and Conclusions

The project is the development of 24 dwelling units on a 4.32-acre, vacant, but disturbed site on Creston Road, between Capitol Hill Drive and Ferro Lane. Each unit would be a four-bedroom condominium in one of twelve duplex buildings. Each residence includes a two-car garage. Thirteen uncovered parking spaces are provided, for a total of 61 parking spaces.

Development Standards

Density. The site is in the Low-Density Multi-Family Residential (R-2) zoning district. The maximum density in the multi-family districts is calculated using the “developable area” of the site, which as defined in [Paso Robles Municipal Code Section 21.41.070](#), excludes areas over 35% slope, groupings of 10 or more mature oak trees, and areas to be dedicated for public road purposes. The property is relatively flat near Creston Road. About 400 feet south of the road, the site begins to slope steeply down to a seasonal creek and oak woodland at the southern edge of the property so that only 3.1 acres of the 4.32-acre site are classified as developable. The average slope of the developable area of the site is 9.8%. Consistent with [Paso Robles Municipal Code Section 21.33.050](#), sites in the R-2 zoning district with a developable area between 5 and 10% average slope have a maximum density of 6.5 density units/ acre; a maximum of 20 density units are permitted on the site. Each dwelling unit proposed constitutes a full density unit (i.e., no fractional density is utilized).



The applicant intends to deed restrict one dwelling unit (5% of 20 dwellings) for rental or sale to a very-low income household for 55 years. [California Government Code Section 65915\(f\)\(2\)](#) requires the City to grant a 20% density bonus, resulting in 4 additional units, and one concession of a development standard that will result in identifiable and actual cost reductions. The project includes 24 dwellings.

Front Elevation for Buildings 1 and 2



Setbacks

The project meets all applicable setbacks as demonstrated in the table below:

Setback Location	Requirement	Proposed
Front (from an arterial street)	25 feet	25 feet
Side (for 2-story building)	10 feet	10 feet
Rear	10 feet	> 10 feet

Open Space and Recreational Amenities. In multi-family districts [Paso Robles Municipal Code Table 21.33.050-2](#) requires at least 375 square feet of open space for each unit. Private open space has a value of 1.5 times the value of shared open space consistent with [Paso Robles Municipal Code Section 21.33.060.E.1](#). The project does not include any formal shared open space, so at least 250 square feet of private open space is required for each unit. The project includes a private yard for each unit that is at least 250 square feet in size. In addition, the draft resolution includes conditions of approval to require pedestrian access be maintained to the informal open space at the rear of the lot.

[Paso Robles Municipal Code Table 21.33.060-3](#) requires one playground open-space amenity with three pieces of permanent equipment for a multi-family development with 11-25 units. The applicant has requested the City concede the requirement in conformance with [California Government Code Section 65915\(b\)\(1\)\(B\)](#) related to Density Bonuses and Other Incentives. Because 5% of the allowed units will be deed restricted to a very-low income household, the project is entitled to one concession to result in identifiable and actual cost reductions.

Objective Design Standards. [Paso Robles Municipal Code Chapter 21.50](#) lists the City's Objective Design Standards, which are "intended to facilitate high-quality site planning and building design and to accelerate housing production through the clear communication of design objectives and efficient permitting process for qualifying residential and mixed-use development projects". For buildings with 2-10 dwellings and facades less than 100 feet, the following design strategies are required. Italicized words explain how the project meets the relevant standard.

1. All Tier I Standards (Required Components)
 - Building Orientation – *each dwelling unit in Buildings 1 and 2 includes a pedestrian entry (porch) facing Creston Road.*
 - Transparencies – *the buildings include at least 15% transparencies (windows and openings) in each wall.*
 - Blank Walls – *there are no blank walls over 20 feet in length visible from the public right-of-way.*
 - Building Corner Treatments – *the buildings include a massing break with minimum dimensions of 1 foot in depth by 3 feet in length by 8 feet in height located within twenty-five feet of building's corner.*
2. One Tier II Standard (Wall Plane Variation) – *the buildings include a General Massing Break of at least 1 foot in depth, 3 feet in length, and 8 feet in height in the second story in the front and rear elevations.*
3. Two Tier III Standards (Fenestration) – *the buildings include windows that are recessed at least 2 inches with trim at least 3.5 inches wide. The buildings also include more than one siding material.*
4. One Tier IV Standard (Roofs) – *the buildings include eaves with a 24-inch projection.*

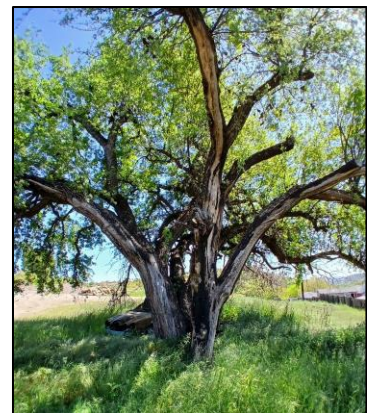
Parking. The applicable parking requirement listed in [Paso Robles Municipal Code Section 21.48.030](#) for multi-family development is two parking spaces for each dwelling, and one guest space for every five units. In this case, a total of 53 parking spaces are required. The project includes 48 covered parking spaces in private garages and 13 uncovered spaces in a shared lot, for a total of 61 parking spaces (8 more than required). Parking areas must include eight square feet of landscaping for every parking space with shade trees that will result in 25% shade cover within five years. There are landscape planters at the ends of the row of uncovered parking spaces. In addition, the adjacent driveway is lined on the west by a 5-foot-wide landscape planter. The conditions of approval included in the draft resolution include a requirement to provide shade trees in each of these planters.

Fences. [Paso Robles Municipal Code 21.44.030](#) limits fences in the front yard (defined as an unobstructed space extending across the front of a parcel for its full width between the front property line and primary building) to 3 feet in height unless a site plan modification (up to 4 feet in height) is approved. The project includes a 42-inch fence between the sidewalk and Buildings 1 and 2. The review authority (ultimately the City Council in this case) can approve this height “provided that the fence shall be constructed in a manner to allow reasonable visibility through it”. The draft resolution includes a condition of approval that requires the face of the fence to include at least 20% gaps.

Underground Utilities. [Paso Robles Municipal Code Section 22.24.190](#) requires all utility distribution facilities supplying service to a residential subdivision to be placed underground. In 2020, the City Council approved Resolutions [20-011](#) and [20-012](#) to approve a 20-unit residential project on the property (PD19-05, OTR19-24, P19-0068). That approval waived the requirement for undergrounding the distribution lines running along Creston Road and instead required the applicant to bury conduit along the frontage to facilitate undergrounding at a future undetermined date when the utilities might be undergrounded as a neighborhood effort (instead of an individual parcel by parcel effort). The draft resolution includes a condition to require installation of conduit at the frontage for that purpose. [Paso Robles Municipal Code Section 21.54.020](#) requires “All new utility service lines shall be under-grounded unless determined to be infeasible or unduly cost prohibitive as determined by the City Engineer.”

Oak Tree Removal Permit. There are 10 native oak trees with diameters totaling 176 inches on the relatively flat and previously disturbed portion of the lot. All 10 trees are proposed for removal. The trees are generally in poor condition with signs of drought stress. Nine of the trees were approved by Council for removal in 2020. Tree #6 was proposed to be preserved with the previous project; however, this tree was damaged in the 2020 River Fire and is no longer safe to retain. Exhibit G of the draft resolution is the arborist report detailing the condition of each tree. The site includes a relatively intact oak woodland at the southern edge of the property adjacent to a seasonal drainage. The project avoids all impacts to these oak trees. Mitigation for the oak removals is replanting 29 native oaks (at least 1.5-inch caliper) on the property.

Fire Damaged Oak Tree #6



Fiscal Impact

Consistent with the City’s policy that development “pay its own way”, the project is subject to development impact fees, which address the project’s impact on the City’s police, fire, library, parks, and transportation infrastructure. Additionally, the project will be required to annex into the City’s Community Facilities District (CFD 2005-1) to address its ongoing impact on the Emergency Services Department, Police Department, and Recreation Services.

CEQA

Staff recommends that City Council find the project is exempt from environmental review as a class 32 categorical exemption for infill development pursuant to the State's Guidelines to Implement the California Environmental Quality Act (CEQA), § 15332. Exhibit H to the draft resolution is a Notice of Exemption explaining why the project is exempt.

Recommendation (Option 1)

Approve Resolution 26-XXX approving Development Plan 24-07, Site Plan Modification 25-09, Oak Tree Removal Permit 25-04, and Tentative Tract Map 3254, based on findings and subject to conditions of approval, and finding the project exempt from environmental review as a class 32 categorical exemption for infill development.

Attachments

1. Vicinity Map
2. Resolution 26-XXX – Montage Condos – Development Plan 24-07 – OTR 25-04
 - a. Exhibit A. Site Specific Conditions of Approval
 - b. Exhibit B. Standard Conditions
 - c. Exhibit C. Architectural Plans
 - d. Exhibit D. Landscape Plan
 - e. Exhibit E. Grading and Drainage Plan
 - f. Exhibit F. Tentative Tract Map 3254
 - g. Exhibit G. Arborist Report
 - h. Exhibit H. CEQA Notice of Exemption
3. Legal Affidavit
4. Mail Affidavit
5. Site Notice Affidavit
6. Public Comment received June 22, 2025
7. Public Comment received January 31, 2026
8. Public Comment received February 8, 2026
9. Public Comment received March 3, 2026