



Council Agenda Report

From: Darcy Delgado, Associate Planner

Subject: Approval of the Oak at Ardmore Project, Including a Zoning Map Amendment, a Special Planned Development Overlay Zoning Designation, and an Oak Tree Removal

CEQA Determination: On February 20, 2024, the City adopted a Mitigated Negative Declaration (MND) for a commercial/industrial project (“Covelop”) consisting of 240,000 square feet of floor area spanning six buildings for this project site. Staff recommends the City Council approve an addendum to the 2024 MND for the original Covelop project. The Addendum is the appropriate document under CEQA to analyze the consistency of the residential Project with the type and intensity of development previously analyzed for the site in the MND as provided for in CEQA Guidelines section 15162 and 15164.

Date: April 21, 2026

Facts

1. Covelop, Inc. & MD3 Investments (“Applicant”) has applied for entitlements for a 154-unit residential subdivision on an approximate 12.98-acre property located at 2930 Union Road (Lots 6 & 13 of APN 025-362-050).
2. The General Plan designation is Commercial Service (“CS”) and the zoning designation is Commercial/Light Industrial with a Planned Development Overlay and Special Planned Overlay “F” (C3-PD, District “F” Overlay).
3. The entitlements associated with the Project request include a Zoning Code Amendment (“RZN 25-03) requesting an amendment to the Zoning Map and Zoning Code to revise the designation of the subject property to include the addition of a Mixed-Use (“MU”) Overlay and a Special Planned Development (“SPD”) Overlay (“Overlay K”), Planned Development 25-14 (“PD25-14”), Modification 26-04 (“MOD26-04”), Conditional Use Permit 25-05 (“CUP25-05”), Vesting Tentative Tract Map 3255 (“VTM 3255”), and Oak Tree Removal 25-09 (“OTR 25-09”).
4. In addition to the rezoning request for the MU Overlay, the project will require an allocation of 154 General Plan surplus density units to be allocated from the Cycle 2 Surplus Density Unit pool.
5. Past approvals for this site included a commercial/industrial project (“Covelop”) which consisted of 240,000 square feet of floor area spanning six buildings across the project site. On February 20, 2024, the City adopted a Mitigated Negative Declaration (“MND” or “2024 MND”) for the Covelop project.
6. The project was reviewed by the Development Review Committee on December 15, 2025. The Development Review Committee was overall supportive of the project, but needed clarification on what aspects of the project were requiring modifications such as property setbacks and retaining wall heights. Additional information has since been provided by the Applicant and are included in the discussion below.
7. An Addendum to the 2024 MND has been prepared and is the appropriate document under CEQA to analyze the consistency of the proposed residential Project with the type and intensity of development previously analyzed for the site in the 2024 MND as provided for in CEQA Guidelines section 15162 and 15164.

8. The Planning Commission held a public hearing on March 24, 2026, and considered the facts as presented in the staff report prepared for this project, and accepted public testimony regarding the project, and on five-consecutive votes of 5-1-1 (Commissioner Marlow absent) voted to recommend the City Council approve the project and associated environmental documents.

Community Outreach

Before both the Planning Commission and City Council hearings, the City sent notices to all owners and tenants of properties within 300 feet of the property and a notice was published in the New Times.

Options

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

1. Take no action;
2. Recommend approval of the project by taking the following actions:
 - a. Approve Resolution 26-XXX(A), certifying an Addendum to a Mitigated Negative Declaration for Planned Development 25-14, Rezone 25-03, Modification 26-04, Vesting Tentative Tract Map 3255, Conditional Use Permit 25-05, and Oak Tree Removal 25-09; and
 - b. Introduce for first reading, by title only, Ordinance XXXX, approving Rezone 25-03 regarding updates to the El Paso de Robles Zoning Code and Zoning Map; and
 - c. Approve Resolution 26-XXX(B), approving an allocation of 154 Surplus Density Units to Parcel 025-362-050; and
 - d. Approve Resolution 26-XXX(C), approving Planned Development 25-14, Conditional Use Permit 25-05, and Modification 26-04; and
 - e. Approve Resolution 26-XXX(D), approving Vesting Tentative Tract Map 3255; and
 - f. Approve Resolution 26-XXX(E), approving Oak Tree Removal 25-09.
3. Provide alternative direction to staff.

Analysis and Conclusions

Summary of Request

The project proposes the development of a 154-unit residential subdivision consisting of for-sale, townhome-style units. The project includes the following entitlement requests:

- **Rezone 25-03 (“RZN25-03”):**
 - To establish a Mixed-Use Overlay to allow residential uses by-right, in addition to a request for an allocation of 154 surplus density units;
 - To establish a Special Planned Development Overlay (“SPD Zoning Overlay K”) to allow:
 - Reduced setbacks including zero lot line development as part of the associated development plan;
 - Exceptions to the Special Planned Development Overlay “F” designation as outlined by PRMC Section 21.04.070, to eliminate the requirement for a solid wall adjacent to residentially zoned land;
 - Minimum lot size, parking requirements, and common recreation amenities.
- **Planned Development 25-14 (“PD25-14”) and Conditional Use Permit 25-05 (“CUP25-05”):**
 - To establish a 154-unit residential development;
- **Modification 26-04 (“MOD26-04”)**
 - To allow deviations from specific Zoning Code development standards, including:

- *Objective Design Standard Tier 1* – A portion of the project’s frontage along Ardmore Road (facing west) will not have pedestrian-oriented entries along the street frontage;
 - *Objective Design Standard Tier 4* – The project incorporates only one (1) out of the two (2) required design strategies for roofs;
 - *Objective Design Standard Eave Projections* – The project will have eaves that project between 0 and 12 inches beyond the roofline, instead of the required 18 inches;
 - *Hillside Development Standards* – The project will include retaining walls in five locations throughout the project site in which the heights exceed the six-foot maximum height by more than two feet; and
- **Vesting Tentative Tract Map 3255 (“VTTM 3255”):**
 - To subdivide the site into 154 individual fee-simple residential lots, ten common lots, and the proposed right-of-way for the Ardmore Road extension; and
- **Oak Tree Removal 25-09 (“OTR25-09”)**
 - To allow the removal of six (6) Valley Oak trees totaling 265-inches, and the replanting of thirty-four (34) 2-inch diameter mitigation Oak trees.

Background/Project History

On February 20, 2024, the City of Paso Robles City Council approved a mixed-use commercial and light industrial project for the site, consisting of approximately 240,000 square feet of floor area across six buildings.

Since that approval, the applicant has reevaluated the site’s development potential in response to evolving market conditions, the City’s housing objectives, and the City’s Five-Year Economic Development Strategic Plan. Based on this reassessment, the applicant now proposes a residential project that reflects a balanced approach to housing by incorporating units that are affordable by design, supporting homeownership opportunities, and leveraging the site’s urban location to provide residents with convenient access to employment opportunities, transit, services, and community amenities.

General Description

The project site is situated approximately 0.25 miles south of Highway 46 East and 2.3 miles east of downtown Paso Robles, with existing access provided from Ardmore Road. The property is zoned Commercial/Light Industrial (C3) with a Planned Development (PD) overlay. It is also subject to Special Planned Development Overlay “F,” which includes various stipulations intended to ensure compatibility with adjacent residentially zoned properties.

Mixed Use Overlay and Special Planned Development Overlay “K”

The rezone to include the MU Overlay is necessary so that the project may be developed with residential uses by-right, since the C3, PD zoning is not a residential zoning district.

The SPD Overlay “K” is necessary for the project since, due to the nature of the townhomes being attached, zero lot line development can only be established with the special overlay. Also, as part of the SPD Overlay, the site is seeking to be relieved from a stipulation created by Overlay “F” and to eliminate the requirement for a solid wall adjacent to residentially zoned land, which is no longer necessary since it was originally intended to separate residentially zoned land from commercial development on the site.

The attached draft Ordinance (Attachment 3) outlines the findings supporting approval of both the MU Overlay and SPD Overlay “K.”

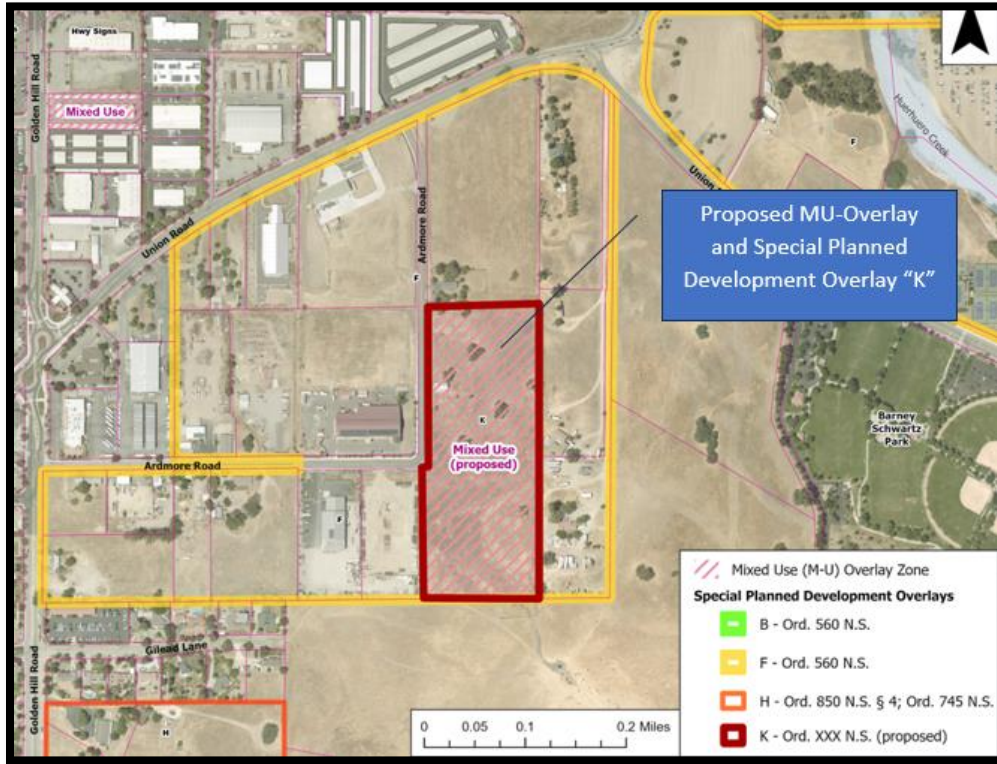


Image 1: Proposed Zoning Overlays

Phase Vesting Tentative Tract Map

The proposed project will subdivide Lots 6 and 13 of APN 025-362-050 into 154 individual fee-simple residential lots ranging from 1,563 to 5,058 sq. ft., ten common lots ranging from 477 to 68,436 sq. ft., and the proposed right-of-way for the Ardmore Road extension. The Project is proposed to be developed in two phases.

Amenities proposed in Phase 1 include an approximately 3,000-square-foot clubhouse, an outdoor pool, and a covered patio with dining and seating areas. Supporting features surrounding the clubhouse include pool cabanas, parcel lockers, and a mail kiosk, all with convenient access from nearby residential buildings. Additional amenities include bicycle parking, picnic areas, and a network of public sidewalks connecting each amenity area to the broader pedestrian circulation system.

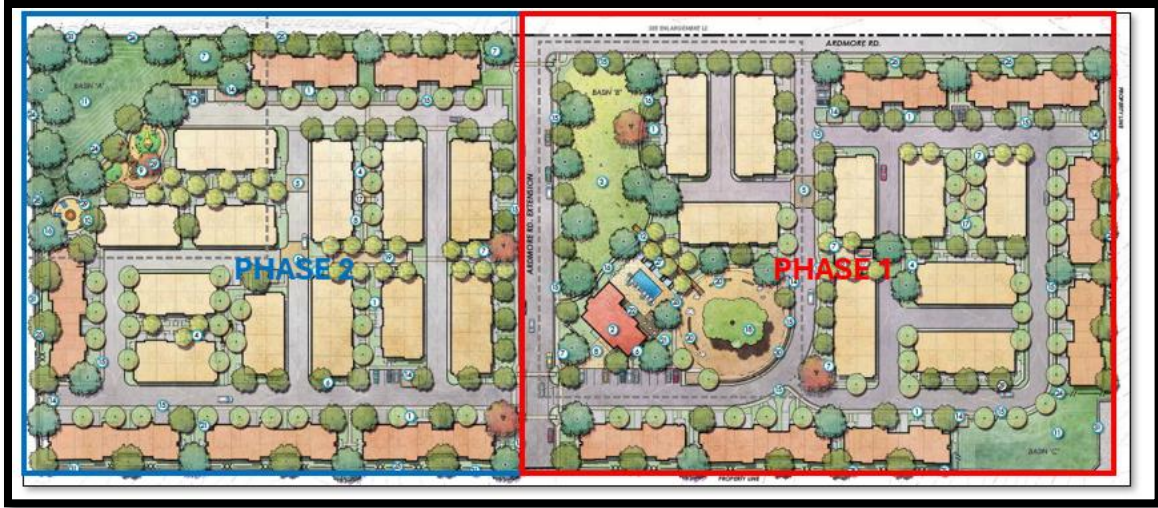


Image 2: Proposed phasing overlaid illustrative site plan



Image 3: Close-up view of Clubhouse and Basin B

Phase 1 also includes two drainage basins, one of which is designed to function as an active recreational amenity. Basin “B,” located adjacent to the clubhouse, will incorporate a “no-mow” turf substitute and be encircled by a meadow trail walking loop. This area is intended to accommodate informal activities such as small group sports and community gatherings, and will include a temporary soccer net to support casual play.

Additional amenities are proposed in Phase 2, including a large playground located in the southwest corner of the site. According to the Applicant’s Preliminary Play Equipment Schedule, a minimum of 17 pieces of play equipment are proposed. To ensure timely installation, a condition of approval has been included in Resolution D requiring that the tot lot be completed prior to issuance of a Certificate of Occupancy for the 100th residential unit.



Image 4: Close-up of playground

Townhome Design and Architecture

The project consists of 34 residential buildings containing a total of 154 townhome units, resulting in an overall density of 11.86 dwelling units per acre. All units will be air gapped. Four primary building types are proposed: Townhome-A Front-Loaded (4-Pack and 5-Pack) and Townhome-B Alley-Loaded (4-Pack and 5-Pack). The key distinction between these types is garage orientation: Front-Loaded models feature garages at the front of the unit, while Alley-Loaded models provide rear-access garages via shared alleys. Notably, the townhomes along Ardmore Road feature enhanced rear frontage treatments, including

shorter fencing, upgraded landscaping, and a courtyard-oriented design that strengthens the pedestrian connection and enhances the overall streetscape character.



Image 5: Typical townhome rendering

All units will include a private entry, an attached one- or two-car garage, and a private outdoor area. All townhomes will share a consistent architectural language characterized by similar massing, complementary rooflines, and cohesive color and material palettes to create a unified yet visually interesting streetscape. Subtle variations in unit design, façade articulation, and roof pitch help break up massing and enhance neighborhood character.

All townhomes will share a consistent architectural language characterized by similar massing, complementary rooflines, and cohesive color and material palettes to create a unified yet visually interesting streetscape. Subtle variations in unit design, façade articulation, and roof pitch help break up massing and enhance neighborhood character. Townhome-A buildings are oriented along internal drive aisles and feature horizontal offsets and varied rooflines to create rhythm and reduce visual bulk. Townhome-B buildings incorporate vertical massing breaks and rear-loaded garages to foster a pedestrian-scaled environment along internal walkways. Building heights range from 28 to 30 feet above finished floor.

Parking

Pursuant to PRMC Section 21.48.030, a minimum of 308 residential parking spaces and 31 guest spaces are required. The project provides 282 garage spaces and 90 driveway spaces, totaling 372 residential parking spaces, along with 33 guest spaces. Guest spaces are evenly distributed throughout the site, with a greater concentration of spaces being located in front of the club house for ease of access. In addition, Ardmore Extension will include 26 parallel parking spaces along both sides of the street.

Waste Enclosures

The project proposes a total of eight (8) screened waste storage enclosures to serve the proposed buildings. Each enclosure is designed to accommodate refuse, recycling and organics bins in compliance with PRMC Section 21.51.030.

Fencing

The project proposes a variety of fencing types throughout the site to ensure privacy, safety, and design cohesion. Perimeter horizontal wood-slat fencing will be used along the entire property boundary to define the residential edge, screen adjacent uses, and provide privacy for future residents. The wood slats will be finished in a neutral, natural stain that complements the overall architectural palette and landscaping. Shorter, 3-foot fencing was initially proposed along the rear property line of the Ardmore Road townhomes to enhance the pedestrian experience, however, per direction from the Planning Commission, it was requested the applicant evaluate an alternative fence at this location that would be taller and more durable given its proximity to Ardmore Road. The City Council will be asked to determine the final appropriate fencing type along this section of the project's frontage on Ardmore Road. Additional fencing materials are discussed in the following section.

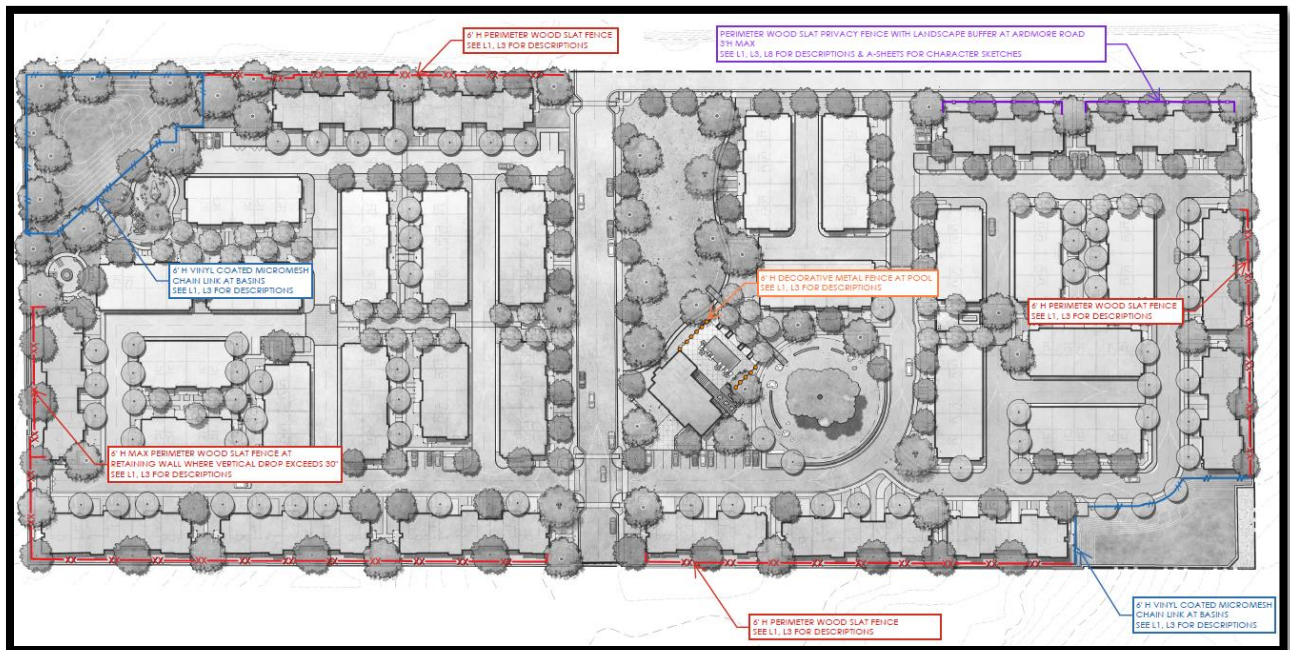


Image 6: Fencing plan

Development Plan Modifications

Setbacks

A modification from the setback standards outlined in PRMC Section 21.36.050-1 is requested to allow varying reduced front, side, and rear setbacks, including zero-foot setbacks in instances where townhomes feature shared walls along zero-lot lines or alley-loaded designs with zero-foot front setbacks. This modification is necessary to achieve the proposed density while maintaining the project's front- and rear-loaded quad and quasi-plex design concept, which reduces lot sizes and supports the City's goal of providing attainable housing that is affordable by design.

Objective Design Standards

- a. A modification from the Building Orientation Tier 1 Design Strategy outlined in PRMC Section 21.50.050.B.1 is requested to waive the requirement that townhomes along Ardmore Road include pedestrian-oriented entries facing the street. To address the intent of the standard and maintain a strong streetscape presence, the rear elevations have been enhanced with upgraded frontage treatments, including dual-sided landscaping, and courtyard-oriented designs featuring covered porches designed to appear as front entries. These elements create the visual impression

of pedestrian entryways, strengthening the streetscape and enhancing the overall appearance along Ardmore Road. All mechanical equipment will be fully screened, and a mix of shrubs and trees will further soften and enrich the pedestrian environment. Gates are not proposed. Fence maintenance will be managed by the HOA to ensure routine upkeep and timely repairs, preventing deterioration. As a result of the Planning Commission's recommendation for a taller fence, Image 7a below demonstrates an alternative fencing material that, although taller, could achieve the desired effects of improving the streetscape along this section of Ardmore Road.



Image 7: original proposal - 3-foot-tall fencing along Ardmore Road



Image 7a: Planning Commission recommended 6-foot-tall fencing along Ardmore Road (staff recommending pilasters be added to the wall, 25-feet on center)

- b. A modification to the Tier 4 Design Strategies (Roofs) outlined in PRMC Section 21.50.050.E is requested to allow implementation of one complete strategy, supplemented by portions of other strategies, rather than requiring two complete strategies.

The project fully complies with Strategy 6.c, incorporating gables along at least 40% of all façade lengths. In addition, the design integrates key elements from several other strategies, collectively achieving the intent of promoting architectural variety and visual interest. These elements include:

- Roof height variations exceeding 18 inches on most elevations.
- Dormers provided along certain right-of-way-facing facades in accordance with Sub-Standard 1, though covering less than 50% of those elevations.
- Substantial eave and rake projections consistent with Sub-Standard 2, though slightly less than 2 feet in depth.
- Accent standing seam metal roofing consistent with Sub-Standards 5 and 7, applied to less than 25% of some roof lines and under 50% of the total roof area.

- c. A modification to the eave projection standards in PRMC Section 21.50.060.C.2.c is requested to allow eaves to project between 0 and 12 inches beyond the roofline, instead of the required 18 inches. Due to the project's affordable design, featuring smaller lot sizes and reduced or zero-lot-line setbacks, eaves extending more than 12 inches would encroach over the exterior property lines. Additionally, in certain instances where interior lot lines terminate at the roof edge, zero-inch eaves are proposed. Because the project provides one complete roof objective design standard along with key elements from five additional objective design standards, the reduction in eave projection would not diminish architectural variety or the overall visual interest of the roof.

- d. A modification to PRMC Section 21.81.040.D.1.a is requested to allow rear-yard retaining walls to exceed the six-foot maximum height by two feet or more in limited instances, consistent with PRMC Section 21.81.050. Due to both onsite and offsite topographical and drainage constraints, this modification is necessary to facilitate development and support required drainage basins .

In five locations, retaining walls exceed six feet in height; however, in only two of these instances does the visible height exceed six feet (Sections B and F). The applicable section drawings on Sheet A31 from Exhibit D of Attachment 5 are summarized below:

- Section A: An eight-foot retaining wall with a concrete bypass channel is proposed along the southern property line behind Lots 88–92. When standing at the adjacent property line, on the opposite side of the four-foot-wide bypass channel, the exterior visible height of the wall is approximately five feet. The retaining wall is not visible from within the site.
- Section B: A six-foot nine-inch retaining wall is proposed along the eastern property line behind Lot 79 and is visible from the interior of the lot. This condition occurs entirely within the private rear yard, does not result in offsite visual impacts, and is driven by site-grading constraints necessary to accommodate development. The wall configuration will be apparent to future property owners at the time of purchase and does not create an unreasonable visual condition.

- Section C: An eight-foot retaining wall is proposed along the east side of Basin C. The wall is only visible from within the site. When standing at the edge of Basin C, which will be fenced, the visible height is less than six feet. In addition, when the basin contains water, the visible height of the wall is further reduced.
- Section F: An eight-foot six-inch retaining wall is proposed along the north side of Basin C and Lot 17. This wall borders an agricultural field and will be visible from offsite. Due to onsite and offsite drainage patterns and site-grading constraints, Basin C must be located in this position, and the associated retaining wall is necessary to support the basin and ensure compliance with stormwater performance standards.
- Section G: An eight-foot nine-inch retaining wall is proposed along the west side of Lots 106–109. Due to the sloping topography to the west, the visible height of the wall is less than six feet at a distance of approximately ten feet from the wall. This property line is shared with Spurr Construction and is bordered by an existing six-foot-tall chain-link fence with privacy slats, which effectively reduces the visible height to less than six feet.
- Section H: Similar to Section G, an eight-foot one-inch retaining wall is proposed along the west side of Lots 110–113. While the topography slopes more gently in this area, the wall is adjacent to Spurr Construction and screened by an existing six-foot-tall chain-link fence with privacy slats, which effectively reduces the visible height to less than six feet.

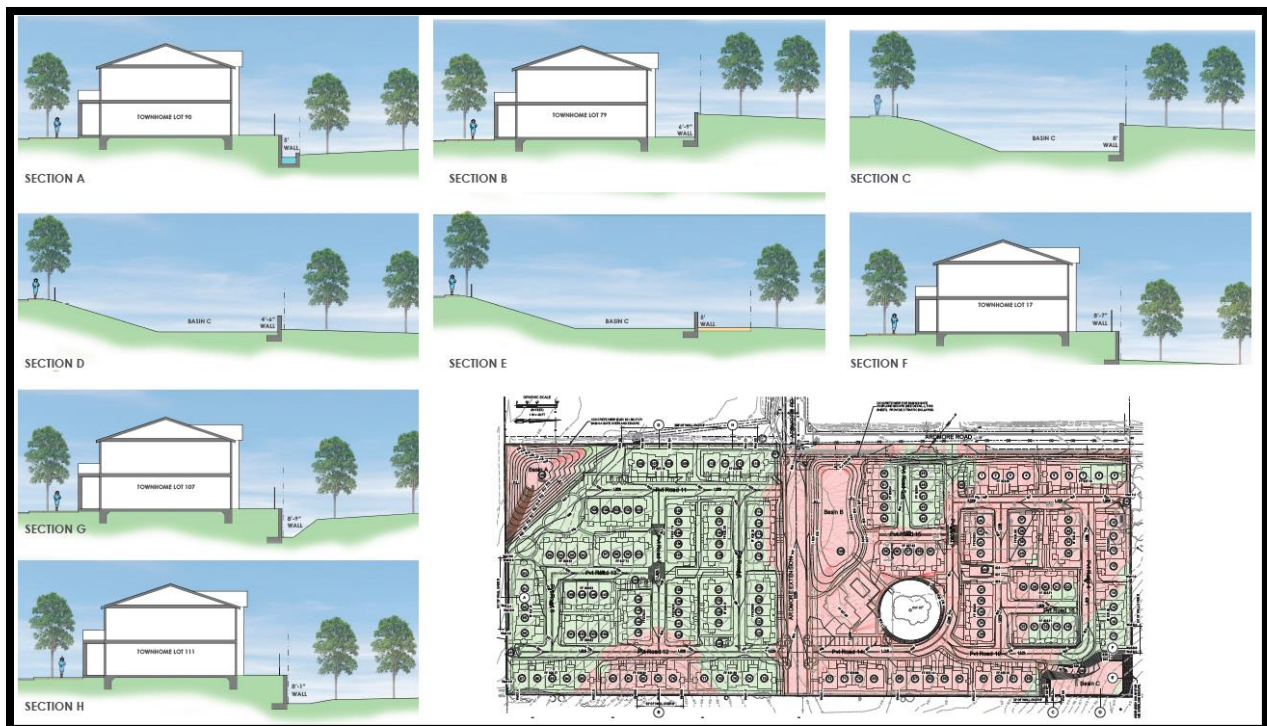


Image 8: Retaining wall height modifications

Affordability Component

As part of the entitlement project, City staff and the applicant have coordinated on an affordable housing component. The applicant proposes to model the component after the County of San Luis Obispo's

Regional Housing Incentive Program, a point-based system designed to simplify access to development incentives similar to the State Affordable Housing Density Bonus Program. The applicant has proposed to contribute an in-lieu fee equivalent to two points in the County system, payable to the City for use in a future tax-credit affordable housing project. This structure would allow the contribution to be leveraged through state, federal, and tax-exempt financing programs, significantly amplifying available nonprofit housing funds.

While staff recognize that the City Council has not formally adopted the County's incentive plan, it provides a useful framework to advance the Council's goals and objectives for increasing affordable housing until a more detailed Council policy is established. The following condition of approval provides the framework for how the in-lieu contribution will be implemented:

Prior to issuance of the first Certificate of Occupancy for any residential unit within the project, the project applicant shall provide an affordable housing in-lieu contribution in the one-time payment amount of sixty thousand dollars (\$60,000) to the City of Paso Robles. The City may deposit the funds into any City-designated affordable housing or housing-related fund, to be used to support the development, financing, or leveraging of income-restricted housing within the City. The obligation established by this condition shall run with the land and shall be binding upon the project applicant and all successors and assigns. Payment of the contribution required by this condition shall satisfy the project's affordable housing contribution associated with this entitlement.

Oak Trees

There are a total of eight (8) oak trees located on the subject property. Certified Arborist Rodney Thurman, with Heritage Tree Arboricultural Consulting Inc. ("HTACI"), prepared an Arborist Report for the initial Covelop project in 2022 to evaluate the oak trees on the Project site. At that time, Trees # 1, 2, 3, 4, 9, and 11, were in poor or very poor condition, with imminent catastrophic failure due to internal fungal root and butt rot. Two additional trees (Tree # 11 and 13) were proposed for protection and were assessed as being in poor and good condition, respectively. An Oak Tree Removal Permit (OTR23-11) was subsequently approved for the removal of the six trees.

Since that assessment, Tree #3 has since fallen. In light of this and the project's change from an industrial to a residential use, HTACI prepared an updated assessment in July 2025 to reevaluate Tree #13, which was previously identified as being in good condition but at high risk of trunk failure due to advanced internal decay. A July 2025 reassessment was conducted by HTACI that reconfirmed that Tree #13, a 42-inch native oak, remains at high risk of structural failure. Resistograph testing showed significant internal decay, with up to 77% radial wood loss in some areas. While the tree was previously proposed for retention under the industrial use scenario with protective fencing, the transition to residential use introduces more frequent and prolonged public access, including by children. Due to the increased potential for injury, the consulting arborist recommends removal of Tree #13. As such, Tree #10 remains as the only tree to be protected and preserved as part of the project.

Oak tree removals approved as part of this Project will be mitigated in accordance with the City Zoning Code, requiring replacement plantings on an inch for inch basis of 25% of the inches of diameter at breast height of the oak trees removed. In this case, the project is asking for the removal of six (6) Valley Oak trees totaling 265-inches and would require the on-site planting of thirty-four (34) 2-inch diameter mitigation Oak trees.

Tree #	DBH	Recommendation
Tree 1	43"	Remove
Tree 2	47"	Remove
Tree 3	47"	Dead (not included in calcs.)
Tree 4	52"	Remove
Tree 9	51"	Remove
Tree 10	51"	Retain and Protect
Tree 11	30"	Remove
Tree 13	42"	Remove
Total inches proposed for removal	265"	
25% of 265"	67"	
Tree replacements @ 2" caliper	34	

Image 9: Oak tree replacement calculations

Summary of Planning Commission Hearing

The project was reviewed by the Planning Commission on March 24, 2026. The majority of the Planning Commissioners who were present at the meeting voted for the City Council to approve the project, however there were concerns with final fencing details and noise impacts of existing uses that the Commission asked to be brought to the City Council’s attention for final input.

Regarding the 3-foot fence initially proposed for the two townhome buildings with the backyards facing Ardmore Road, it was requested that the applicant evaluate an alternative fence material at this location that would be taller and more durable given its proximity to Ardmore Road. The applicant was asked to provide options to the City Council, and for a final design to be selected as part of the City Council’s motion for Resolution C.



Image 10: 6-foot split face wall along Ardmore frontage

Regarding the Commission’s concerns of noise from existing commercial/industrial uses impacting the future buyers of the residential subdivision, the Planning Commission requested Planning staff to

coordinate with the applicant and come up with language that could be inserted as a condition of approval to Resolutions C and D, alerting buyers of the site’s proximity to existing commercial (C3) uses. In essence, the condition would act as a disclosure and would protect the existing surrounding uses from neighborhood complaints, so long as the existing businesses are operating within the approvals of their respective entitlements.

Applications recommended deed disclosure

Disclosure and Buyer Acknowledgment — Property in C-3 (Commercial/Light Industrial) Zone, City of Paso Robles

Commercial Zoning Disclosure:

1. Location and permitted uses. The subject property is located in the City of Paso Robles C-3 (Commercial/Light Industrial) zoning district. The C-3 district permits a broad range of commercial and some light-industrial activities (examples include retail, restaurants and bars, vehicle services and repair, warehousing/wholesale/distribution, food trucks and outdoor sales/storage, business support services, self-storage and similar uses). These lawful uses may generate truck and service traffic, loading/unloading, outdoor operations, late-evening activity or amplified sound, odors/fumes, vibration, increased lighting, and other effects that can be noticeable to nearby residents.
2. Noise, permitted activity, and nuisance law. The City of Paso Robles enforces a noise control ordinance that sets daytime/evening/night standards and provides permit/condition review for commercial activities. Even operations that comply with City noise and permit rules may nevertheless produce audible, visual, odor or traffic effects at adjacent residences. Lawful uses permitted by the C-3 zone are not automatically a legal nuisance if operated in compliance with law, but such uses may nonetheless affect residents.

Buyer Acknowledgment: I/We, the undersigned prospective buyer(s), acknowledge receipt of the above disclosure and understand that the Property is located in the City of Paso Robles C-3 (Commercial/Light Industrial) zoning district where commercial and light-industrial uses are allowed. I/We further acknowledge that such permitted uses—whether existing now or established in the future—may cause increased traffic, deliveries, loading activity, noise (including amplified sound), odors, lighting, vibration, or other effects even when operated lawfully and in compliance with City permits and the City noise ordinance.

Buyer(s) signature: _____ Date: _____

Fiscal Impact

Approval of the Project is not anticipated to result in any negative fiscal impacts to the City. The proposed residential development is expected to generate ongoing, long-term positive fiscal benefits through increased property tax revenues, building permit and plan check fees, and one-time development impact fees associated with 154 new residential units.

In addition, the Project is expected to contribute modest ongoing General Fund revenues through increased service population, including potential sales tax from construction-related activity and future

household consumption, as well as other routine municipal revenue sources. Furthermore, the Project includes an affordable housing in-lieu contribution of \$60,000, which will provide additional funding support for future income-restricted housing opportunities within the City.

Overall, the Project is expected to provide a net positive fiscal benefit to the City over time while not creating any new long-term operational or maintenance obligations beyond those already anticipated within existing service levels.

CEQA

On February 20, 2024, the City adopted a Mitigated Negative Declaration (MND) for a commercial/industrial project (“Covelop”) consisting of 240,000 square feet of floor area spanning six buildings for this project site. As lead agency, and as part of the City’s due diligence, the City required a supplemental Noise Analysis, supplemental Arborist Report, and supplemental Air Quality and Greenhouse Gas Emissions Analysis to determine if the proposed Project would result in any new or more severe significant effects not identified in the original MND. Based on these studies, and a full analysis of the scope of the Project, and the previously adopted 2024 MND, none of the criteria specified in CEQA Guidelines section 15162 requiring a subsequent or supplemental environmental document to be prepared is triggered. In particular, there have been no: (1) substantial changes in the project that will require major revisions to the previous MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effect; (2) substantial changes with respect to the circumstances under which the Project is undertaken that will require major revisions to the previous MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effect; and (3) new information of substantial importance that was not known and could not have been known at the time the previous MND was adopted that shows: (a) the Project would have significant effects not discussed in the previous MND; (b) the Project would have more severe environmental effects; or (4) mitigation measures previously found to be infeasible or new mitigation measures now exist and would be feasible and would reduce significant effects. Therefore, an addendum is the appropriate document under CEQA to analyze the consistency of the Project with the type and intensity of development previously analyzed for the site in the MND as provided for in CEQA Guidelines section 15162 and 15164.

The Addendum incorporates the mitigation measures detailed in the MND. The incorporation of these measures ensures that previously adopted mitigation will be implemented for the Project and that no significant impacts will result from the Project and no new or increased significant impacts will result from the Project. No new or modified mitigation is available, and all impacts will be reduced to a less-than-significant level with the existing mitigation measures.

Recommendation (Option 2)

It is recommended that City Council approve the project by taking the following actions:

- a. Approve Resolution 26-XXX(A), certifying an Addendum to a Mitigated Negative Declaration for Planned Development 25-14, Rezone 25-03, Modification 26-04, Vesting Tentative Tract Map 3255, Conditional Use Permit 25-05, and Oak Tree Removal 25-09; and
- b. Introduce for first reading, by Title only, Ordinance XXXX, approving Rezone 25-03 regarding updates to the El Paso de Robles Zoning Code and Zoning Map; and
- c. Approve Resolution 26-XXX(B), approving an allocation of 154 Surplus Density Units to Parcel 025-362-050; and
- d. Approve Resolution 26-XXX(C), approving Planned Development 25-14, Conditional Use Permit 25-05, and Modification 26-04; and

- e. Approve Resolution 26-XXX(D), approving Vesting Tentative Tract Map 3255; and
- f. Approve Resolution 26-XXX(E), approving Oak Tree Removal 25-09.

Attachments

- 1. Vicinity Map
- 2. Resolution 26-XXX(A) certifying an Addendum to a Mitigated Negative Declaration
 - a. Exhibit A. Addendum to MND
 - b. Exhibit B. Noise Assessment
 - c. Exhibit C. Air Quality and GHG Assessment
 - d. Exhibit D. Oak Tree Assessment
 - e. Exhibit E. 2024 MND
 - f. Exhibit F. Project Plans
 - g. Exhibit G. Project Description
- 3. Ordinance XXXX approving Rezone 25-03
 - a. Exhibit A. Zoning Map Changes
 - b. Exhibit B. Zoning Ordinance Changes
- 4. Resolution 26-XXX(B) approving an allocation of 154 Surplus Density Units to Parcel 025-362-050
 - a. Exhibit A: Surplus Density Units Cycle 2 Tracking
- 5. Resolution 26-XXX(C) approving Planned Development 25-14, Conditional Use Permit 25-05, and Modification 26-04
 - a. Exhibit A. Site Specific Conditions of Approval, Planning
 - b. Exhibit B. Site Specific Conditions of Approval, Engineering and Utilities
 - c. Exhibit C. Standard Conditions of Approval
 - d. Exhibit D. Project Plans
- 6. Resolution 26-XXX(D) approving Vesting Tentative Tract Map 3255
 - a. Exhibit A. Site Specific Conditions of Approval
 - b. Exhibit C. Standard Conditions of Approval
 - c. Exhibit D. Project Plans
- 7. Resolution 26-XXX(E) approving Oak Tree Removal 25-09
 - a. Exhibit A. Oak Tree Location Map
 - b. Exhibit B. Arborist Report, 2022
 - c. Exhibit C. Arborist Supplemental Memo, 2025
 - d. Exhibit D. Site Specific Conditions of Approval
- 8. Legal Notice Affidavit
- 9. Mail Notice Affidavit