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ORDINANCE NO. XXXX N.S.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES, CALIFORNIA, ADOPTING ZONING CODE AMENDMENT RZN 25-03 REGARDING UPDATES TO THE EL PASO DE ROBLES ZONING CODE AND ZONING MAP

APPLICANT – COVELOP, INC. & MD3 INVESTMENTS APN: 025-362-050

WHEREAS, Covelop, Inc. & MD3 Investments (“applicant”) have applied for 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”); and

WHEREAS, the project site is a +/- 12.98-acre property located at 2930 Union Road, Lots 6 & 13 of APN 025-362-050; and

WHEREAS, in conjunction with the above request, the applicant has also applied for Planned Development 25-14, Modification 26-04, Conditional Use Permit 25-05, Vesting Tentative Tract Map 3255, and Oak Tree Removal 25-09, requesting approval of a 154-unit residential subdivision; and

WHEREAS, on November 4, 2025, the City Council of the City of Paso Robles approved Resolution 25-124, authorizing a reservation of 154-units from the Cycle 2 Surplus Density Unit pool to be applied to this project site; and

WHEREAS, the General Plan designation is Commercial Service (CS) and the zoning designation is Commercial/ Light Industrial with a Planned Development Overlay and special district “F” overlay (C3-PD, District “F” Overlay); and

WHEREAS, as part of RZN 25-03, the applicant is requesting the site be rezoned to include the MU Overlay to allow residential uses by-right. The purpose of the MU Zoning Overlay zoning is to provide for locations appropriate for development of multi-family residential in nonresidential zoning districts, either in combination with commercial uses or as stand-alone residential development projects; and

WHEREAS, as part of RZN 25-03, and in accordance with Section 21.11.050 of the Zoning Code, the applicant is also requesting SPD Zoning Overlay “K” be established to allow:

- Reduced setbacks including zero lot line development as part of the associated development plan; and
- 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; and

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WHEREAS, RZN 25-03 requests consideration of an amendment to the Zoning Map to amend the zoning designation to include the “MU Overlay” and “SPD Overlay K”, as shown in Exhibit A, Zoning Map; and

WHEREAS, RZN 25-03 requests consideration of an amendment to the Zoning Code that would apply special conditions to the property, through a new Section 21.04.120, as shown in Exhibit B, Zoning Code Text; and

WHEREAS, on February 20, 2024, the City adopted a Mitigated Negative Declaration (MND) (SCH No. 2023090132) (2024 MND) for a commercial/industrial project (“Covelop”) consisting of 240,000 square feet of floor area spanning six buildings for this project site (Planned Development 22-20, Conditional Use Permit 22-20, Vesting Tentative Parcel Map 22-0054, Oak Tree Removal 23-11). 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; and

WHEREAS, on March 24, 2026, the Planning Commission held a duly noticed public hearing at which it received a staff report, considered all public testimony, and reviewed the proposed amendments to the Zoning Code and Zoning Map; and

WHEREAS, all legal prerequisites to the adoption of this Ordinance have occurred.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct and are incorporated herein by reference.

Section 2. Findings for Approval of RZN 25-03 to Establish a Zoning Map Amendment for the “MU-Overlay”. Based upon the facts and analysis presented in the staff report, public testimony received, and the record, and consistent with Paso Robles Municipal Code Section 21.10.070, the City Council finds that the proposed amendments to the Zoning Map are appropriate for the following reasons:

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PRMC Section 21.10.070 Findings for Zoning Code and Zoning Map Amendments.

1. The rezone to include the MU-Overlay is consistent with the General Plan as it is consistent with General Plan Land Use Policy 1A, which is to “provide an appropriate mix and diversity of land uses” and Policy 2I, which is to “Encourage infill development as a means of accommodating growth while preserving open spaces areas, reducing vehicle miles travelled and enhancing livability/quality of live.”
2. The rezone to include the MU-Overlay will not be detrimental to the public interest, health, safety, convenience, or welfare, since the General Plan contemplates mixed use and infill opportunities within city limits. Further, concurrent with the request for the MU-Overlay is a development plan for the residential subdivision including a well-designed site plan, new roadways, pedestrian crossings, emergency access, site lighting, and other amenities that will complement the surrounding area.
3. The rezone to include the MU-Overlay is internally consistent with other applicable provisions of this zoning code because other existing development standards will still apply, including the requirement for there to be an approved development plan that will establish setbacks, height, parking, etc. The MU-Overlay simply allows residential uses in addition to the base zoning of C3 (Commercial/Light Industrial). Further, concurrent with the request for the MU-Overlay is a request to adopt SPD Overlay K, which will set forth additional conditions for development at the site with a Development Plan.
4. Specific to the Zoning Map amendment, the affected site is physically suitable in terms of design, location, operating characteristics, shape, size, topography; is suitable in terms of the provision of public and emergency vehicle access and public services and utilities; and is served by highways and streets adequate in width and improvement to carry the kind and quantity of traffic the proposed use would likely generate to ensure that the proposed use(s) and/or development will not endanger, jeopardize, or otherwise constitute a hazard to the property or improvements in the vicinity in which the property is located, which was thoroughly studies as part of environmental and technical studies performed for the project, including noise, traffic, air quality, biological, and cultural resources, which demonstrate that impacts will be less than significant with standard mitigation measures. The design promotes general welfare through thoughtful housing, neighborhood amenities, and streetscape improvements. The project includes a well-designed site plan, new roadways, pedestrian crossings, emergency access, site lighting, utility access, and other amenities that ensure site compatibility with the proposed use and will complement the surrounding area.

Section 3. Findings for Approval of RZN 25-03 to Establish a Zoning Map and Zoning Code Amendment for “SPD Overlay K”. Based upon the facts and analysis presented in the staff report, public testimony received, and the record, and consistent with Paso Robles Municipal Code Section 21.10.070 and Section 21.11.060, the City Council finds that the

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proposed amendments to the Zoning Map and Zoning Code (Title 21 of the City Municipal Code) are appropriate for the following reasons:

PRMC Section 21.10.070 Findings for Zoning Code and Zoning Map Amendments.

1. The rezone to include the SPD Overlay “K” is consistent with the General Plan as it is consistent with General Plan Land Use Element which allows for “innovation and flexibility in the design of residential... developments” especially when “(a)approval of a planned development can allow modification of certain development standards if it results in better design or greater public benefit.” SPD Overlay K will allow modification of certain development standards for both commercial and residential uses through a development plan.
2. The rezone to include the SPD Overlay K will not be detrimental to the public interest, health, safety, convenience, or welfare, since General Plan Land Use policy LU-2D recognizes “attractive streetscapes, a pedestrian friendly setting, and coordinated site design, architecture, and amenities” as a means to “create livable, vibrant neighborhoods”. The modifications being incorporated into SPD Overlay K are necessary to allow zero-lot line development as part of the design of the project, which results in a thoughtfully designed for-sale townhome style development that includes neighborhood amenities such as open spaces, a tot lot, and clubhouse, and streetscape improvements. The removal of a masonry wall along the south side of the development is not injurious to adjacent parcels, since the requirement was set in place in the event the site is constructed with a commercial land use.
3. The rezone to include the SPD Overlay K is internally consistent with other applicable provisions of this zoning code because other existing development standards will still apply, including the requirement for there to be an approved development plan that will establish site planning design, building height, required onsite parking, architectural review, etc. Further, concurrent with the request for the SPD Overlay K is a request to rezone the site to include the MU-Overlay, which permits mixed-use projects to allow residential uses in addition to the base zoning of C3 (Commercial/Light Industrial).
4. Specific to the Zoning Map amendment, the affected site is physically suitable in terms of design, location, operating characteristics, shape, size, topography; is suitable in terms of the provision of public and emergency vehicle access and public services and utilities; and is served by highways and streets adequate in width and improvement to carry the kind and quantity of traffic the proposed use would likely generate to ensure that the proposed use(s) and/or development will not endanger, jeopardize, or otherwise constitute a hazard to the property or improvements in the vicinity in which the property is located. The proposed project was thoroughly studied as part of environmental and technical studies performed for the project, including noise, traffic, air quality, biological, and cultural resources, which demonstrate that impacts will be less than significant with standard mitigation measures. The design promotes general welfare through thoughtful housing, neighborhood amenities, and streetscape improvements.

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The project includes a well-designed site plan, new roadways, pedestrian crossings, emergency access, site lighting, utility access, and other amenities that ensure site compatibility with the proposed use and will complement the surrounding area.

PRMC Section 21.11.060 Findings

- A. **Consistency.** The proposed special planned development is consistent with the goals and policies established by the general plan, particularly the purpose of the applicable land use category, because the SPD overlay and created modifications encourages compact, infill development and well-designed residential neighborhoods, which are consistent with Paso Robles General Plan Policy 2I, which is to “Encourage infill development as a means of accommodating growth while preserving open spaces areas, reducing vehicle miles travelled and enhancing livability/quality of live.” The project advances the City’s housing objectives by providing attainable housing that is affordable by design, with smaller lots and attached townhomes, while offering convenient access to jobs, services, and transit. The SPD overlay also allows flexibility to achieve these goals while maintaining consistency with the City’s General Plan, Housing Element and Economic Development Strategic Plan.
- B. **Design or Public Benefit.** The proposed special planned development will result in better, more creative, and higher quality architectural and site development design or greater public benefit than would otherwise be allowed under adopted development standards, because it allows the project to be designed specifically with zero-lot line setbacks, enabling the townhome configuration proposed by the project which is not otherwise achieved under the base zoning development standards.
- C. **Compatibility.** The proposed special planned development is compatible with surrounding development, since the site abuts residential zoning to the south, which under the base C-3 zoning could result in incompatible uses; however, with the proposed residential development, the project aligns with adjacent neighborhoods and creates a well-thought transition point from the other surrounding commercial uses to the west. The project also supports removal of the SPD Overlay “F” wall requirement which was intended to establish a solid, decorative masonry wall between commercial/industrial projects under C-3 zoning and the adjacent residential to the south. By establishing the residential use, the solid masonry wall is no longer necessary.
- D. **Sensitive to Topography and Natural Resources.** The proposed special planned development is sensitive to the natural topography of the site, minimizes alterations to the land, and maintains and enhances significant natural resources, since there is an associated development plan that includes a well-thought grading plan which has been designed to work with existing landforms where feasible, and retaining walls are located in specific, functionally necessary locations to accommodate slope conditions and support required drainage features and development. Only oak trees identified as safety hazards and in poor

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condition are proposed for removal, with arborist review supporting their removal. The remaining oak tree will be preserved with appropriate protection measures, and mitigation plantings are included in the landscape plan to ensure compliance with the City's Oak Tree Ordinance.

- E. Circulation. The proposed special planned development's vehicular, bikeway, and pedestrian circulation system is designed to be efficient and well-integrated with the overall city circulation system, because as proposed, there will be a new vehicular access point via a new east-west extension of Ardmore Road, with internal private roads connecting all residences, the clubhouse, and guest parking, meeting the City's minimum 20-foot width and 150-foot maximum hose pull requirements. Pedestrian circulation is continuous and accessible, linking all buildings, open spaces, and parking areas, with sidewalks along internal roads, the Ardmore Road extension, and landscaped pathways.
- F. General Welfare. The proposed special planned development does not pose adverse impacts on the public health, safety, and general welfare, nor on neighboring properties in particular, as determined by relying on environmental and technical studies, including noise, traffic, air quality, biological, and cultural resources, which demonstrate that impacts will be less than significant with standard mitigation measures. The design promotes general welfare through thoughtful housing, neighborhood amenities, and streetscape improvements.

Section 4. Findings on the Necessity for a Subsequent or Supplemental MND or EIR. Based on the substantial evidence set forth in the record, including but not limited to, the 2024 MND, the Addendum, and all related information presented to the City Council, the City Council finds that the Project necessitates only minor modifications to the 2024 MND. Therefore, pursuant to State CEQA section 15164, an Addendum to the 2024 MND is the appropriate document for the Project.

The City Council further finds that the preparation of a subsequent or supplemental MND or EIR is not required for the Project because the Project:

A. will not result in substantial changes that would require major revisions of the 2024 MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and

B. will not result in substantial changes with respect to the circumstances under which the Project is developed that would require major revisions of the 2024 MND due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects; and

C. does not present new information of substantial importance that was not known and could not have been known with the exercise of reasonable diligence at the time the 2024 MND documents were certified showing any of the following:

- (i) the Project would have one or more significant effects not discussed in the 2024 MND;

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- (ii) that significant effects previously examined would be substantially more severe than shown in the 2024 MND;
- (iii) that mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the lead agency declined to adopt such measures; and
- (iv) that mitigation measures or alternatives considerably different from those analyzed would substantially reduce one or more significant effects on the environment, but which the lead agency declined to adopt.

Section 5. Findings on Environmental Impacts. Having considered the Addendum, the administrative record, the 2024 MND and all written and oral evidence presented to the City Council, the City Council finds that all environmental impacts of the Project have been addressed within the 2024 MND and the Addendum. The City Council finds that no new or additional mitigation measures are required. The City Council further finds that there is no substantial evidence in the administrative records supporting a fair argument that the Project may result in any significant environmental impacts beyond those analyzed in the 2024 MND. The City Council finds that the Addendum contains a complete, objective, and accurate reporting of the environmental impacts associated with the Project and reflects the independent judgment and analysis of the City Council.

Section 6. Approval. The City Council of the City of El Paso de Robles, based on its independent judgment and analysis, adopts RZN 25-03, as depicted in Exhibit A and Exhibit B of this Ordinance, incorporated herein by this reference.

Section 7. Custodian of Records. The documents and materials that constitute the record of proceedings on which these findings are based are located at the City of El Paso de Robles Community Development Department, 1000 Spring Street, Paso Robles, CA 93446. The custodian of the record is the City Clerk.

Section 8. Effective Date. This Ordinance shall take effect thirty (30) days after its final passage and adoption.

INTRODUCED at a regular meeting of the City Council held on April 21, 2026, for first reading by the City Council of the City of El Paso de Robles, and adopted on the ___ day of _____, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ATTEST:

John R. Hamon, Jr., Mayor

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Melissa Martin, City Clerk

Exhibit A – Mixed Use Overlay and Special Planned Development Overlay K - Zoning Map Amendments
Exhibit B – Special Planned Development Overlay “K” - Zoning Code Text Amendment