



Council Agenda Report

From: Warren Frace, Community Development Director

Subject: Uptown/Town Center Specific Plan Boundary Expansions – Olive Street Area Rezoning Issues and Options Report

CEQA Determination: The City find that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378 because this is only a discussion item currently. Any zoning changes to the Uptown/Town Center Specific Plan will be subject to a future CEQA document.

Date: January 31, 2023

Facts

1. On May 3, 2011, City Council adopted the Uptown/Town Center Specific Plan (UTSP) and boundaries (see Attachment 1).
2. The UTSP included most of the original Paso Robles town grid blocks; however, most of the block from Olive Street east was excluded and remained with an R-1 or R-2 zoning designation (see Attachment 2).
3. The City Council formed the Housing Constraints and Opportunities Committee (HCOC) in 2016 to work with staff to identify strategies to increase housing production in Paso Robles. In 2017, the HCOC identified the expansion of the UTSP east of Olive Street as an area that could be rezoned to increase housing production.
4. At the January 22, 2022 meeting, the HCOC considered a report from staff and recommended the City Council consider a specific plan expansion and rezoning of the block east of Olive Street. The basis of the recommendation was the assumption the UTSP's T-3 zoning district allowed more units (density) than the R-1 zoning district.
5. The State of California has recently implemented a number of single-family residential zoning preemptions that now allow both ministerial lot splits and multiple accessory dwelling units on all R-1 lots (SB-9, AB-345, AB-3182, AB-68, AB-881, SB-13).
6. Since the State's zoning preemptions apply to single-family residential zoning (R-1) they do not affect the UTSP's mixed use, multi-family residential zoning districts (T-3 and T-4). Consequently, it is now possible to build more units in the R-1 zoning district than in the T-3 zoning district.
7. The City Council adopted a short-term rental ordinance in 2019 that allows a maximum of 325 short-term rental permits in the City of Paso Robles. Section 21.34.030.D.5. prohibits short-term rental permits from being transferred to a new property owner, except within the Uptown/Town Center Specific Plan's "T" zoning districts (T-3, T-4, TC-1, TC-2).
8. There are approximately 68 short-term rental permits in the rezoning study area.

Community Outreach

No formal community outreach to the UTSP rezone study area has been conducted.

Options

1. Take no action and maintain the existing Uptown/Town Center Specific Plan boundaries;
2. Direct staff to initiate a rezoning process, including public outreach and CEQA as recommended by the HCOC;
3. Table the item for one-year and revisit the issue once development activity levels subside;

4. Refer the item back to the HCOC for additional analysis;
5. Council to provide alternative direction.

Analysis and Conclusions

When the Housing Constraints and Opportunities Committee began discussing the UTSP expansion in 2017, housing issues were significantly different. Since then, the Olsen-South Chandler Specific Plan (1,293 units), Beechwood Specific Plan (911 units), and River Oaks 2 (271 units) have been approved and are in various stages of the planning and construction. Additionally, the Boys School/Landing development plan and environmental impact reports, numerous Airport industrial projects, the Highway 46E interchange project, Gateway Hotel Resort/South Vine Street road realignment, zoning code updates, and the Hunter Ranch Resort/Mill Road annexation have also been submitted to and added to the City's Community Development Department workload.

Updating the UTSP will require a significant amount of staff time to implement. Since the UTSP rezone will not result in any significant potential increase in housing production, staff recommendation is to take no action and maintain the existing UTSP boundaries. If the Council moves forward with Option 2, the existing project list will need to be reprioritized, as the department is overcommitted to the numerous existing development projects in the queue. This action and reprioritization would take place at a future meeting. If the Council moves forward with Option 3, the Department will likely be in the same situation as it will take several years for the current development to complete construction; however, timing of the projects listed above may be clearer and could allow for this additional work, without adverse impacts to the existing projects.

Fiscal Impact

There is no direct fiscal impact from this action.

Recommendation

Take no action and maintain the existing Uptown/Town Center Specific Plan boundaries.

Attachments

1. Uptown/Town Center Specific Plan boundary map
2. Uptown/Town Center Specific Plan rezoning study area