



# Agenda Report

December 16, 2019

**TO:** Honorable Mayor and City Council  
**FROM:** Planning & Community Development Department  
**SUBJECT: PREDEVELOPMENT PLAN REVIEW OF A PLANNED DEVELOPMENT ZONING DISTRICT AT 491-577 SOUTH ARROYO PARKWAY**

**RECOMMENDATION:**

This report is intended to provide information to the City Council; no action is required.

**BACKGROUND:**

The applicant, The Arroyo Parkway, LLC, has submitted a Predevelopment Plan Review (PPR) application to develop the properties at 491-577 South Arroyo Parkway. The project site consists of five lots (AINs: 5722-008-019, -002, -012, -017 and -016), with a total site size of approximately 143,748 square feet or 3.3 acres. The site is currently occupied by five commercial buildings.

The proposed project consists of the retention of three existing buildings, partial demolition of existing buildings, and the establishment of a new Planned Development (PD) zoning district and a new PD Plan. The PD Plan would facilitate the construction of a 150,000 square-foot, seven-story, medical office building and a 180,000 square-foot, eight-story, assisted living facility. The PD Plan would incorporate an existing 91,145 square-foot Food Sales use (Whole Foods) as part of the project. 604 new parking spaces would be provided. The project site is within the CD-6 (Central District, Arroyo Corridor/ Fair Oaks subdistrict) zoning district. The applicant is proposing to establish a Planned Development zone for the 3.3 acre project site.

The PPR process is established in Section 17.60.040.C of the City's Zoning Code as a process by which better projects can be achieved through early consultation between City staff and applicants. The process coordinates the review of projects among City staff, familiarizes applicants with the regulations and procedures that apply to the projects, and avoids significant investment in the design of a project without preliminary input from City staff. It also helps to identify issues that may arise during application processing, such as community concerns and consistency with City regulations and policies.

Projects that meet the threshold of "community-wide significance" (greater than 50,000 square feet in size with at least one discretionary action, 50 or more housing units, or any project that is deemed by the Director of Planning & Community Development Department to be of major importance to the City) are presented to the City Council as a way to inform Councilmembers and the public of significant upcoming projects.

This report provides a project description, identifies the anticipated entitlement and environmental review processes, and summarizes key areas of concern regarding Zoning Code and General Plan compliance.

### **PROJECT SUMMARY:**

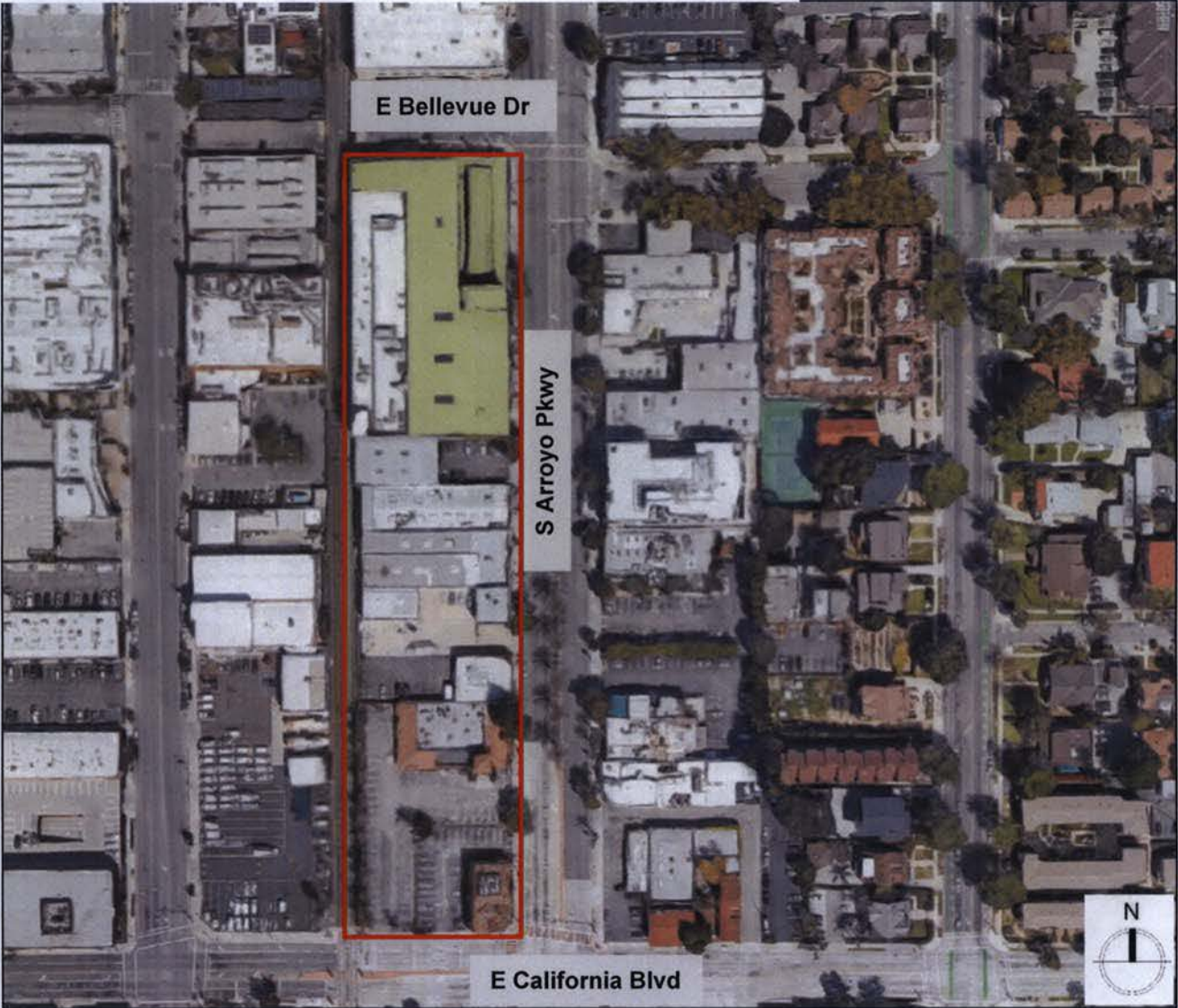
The 3.3-acre subject site has frontage along South Arroyo Parkway to the east, East Bellevue Drive to the north, and East California Boulevard to the south. The site is currently developed with five commercial buildings and associated on-grade and subterranean parking improvements. The project includes:

- Retention of three existing buildings and subterranean parking;
- Partial demolition of existing buildings and surface parking;
- Establishment of a Planned Development (PD) zoning district for the project site;
- PD Plan that would prescribe development standards and allowed or conditionally allowed uses in the PD; and
- Construction of a 150,000 square-foot, seven-story, medical office building and a 180,000 square-foot, eight-story, assisted living facility.

The project site is zoned CD-6, with a maximum residential density of 48 dwelling units per acre and a maximum floor area ratio (FAR) of 1.5. The site is designated High Mixed Use in the General Plan Land Use Element, with a density of 0-87 dwelling units per acre and a floor area ratio of 0-3.0. The applicant is proposing a Planned Development application with a FAR of 2.98.

An aerial map of the existing site and the proposed site plan and elevations are provided on the following pages.

**Figure 1: Aerial View and Existing Conditions**





**Figure 3: Renderings**



**Arroyo Parkway: Looking southwest towards proposed medical office building, with assisted living facility in the background.**



**Arroyo Parkway: Looking southwest, from Bellevue Drive intersection, towards existing Whole Foods, with assisted living facility in the background.**

## **PREDEVELOPMENT PLAN REVIEW ANALYSIS:**

The PPR has been reviewed by staff from all applicable departments. Complete comments from all departments are provided in Attachment A. Planning staff met with the applicant to clarify code requirements and discuss specific concerns, which are described below.

### **Context and Compatibility**

Although a PD plan allows an applicant to prescribe its own development standards, staff evaluates the proposed development standards for a PD plan in consideration of the existing development standards for the base zoning district. As proposed, the project would not be consistent with the following key development standards in the CD-6 zoning district:

<b>Standard</b>	<b>Proposed</b>	<b>CD Requirement</b>
FAR	2.98	1.5
Height	90'	50'

### ***Massing and Scale***

The applicable FAR for the site, pursuant to 17.30.040, Table 3-2, Figure 3-9 (Central District Maximum Floor Area Ratio) of the Zoning Code, is 1.5. For this site, up to 215,622 square feet of floor would be allowed under the established FAR in the base zoning district. The FAR indicated by the Land Use Diagram for the site is 0-3.0.

The proposed total FAR for the PD Plan is 2.98, or 429,145 square feet, and exceeds the FAR standard of the zoning district. Per the regulations set forth in 17.26.020.C.3.c of the Zoning Code, the FAR of a PD Plan shall not exceed the FAR allowed on the Land Use Diagram for a project site unless approved by City Council, but only as high as 3.0 The proposed FAR is within the range specified in the Land Use Diagram.

In the CD district, no PD plan may authorize a greater height than that permitted by Figure 3-8 - Central District Maximum Height in the Zoning Code. The site is located in the CD district and Figure 3-8 establishes a height restriction of 50' for the site. The project proposes heights of up to 90' and exceeds the established height standard of the zoning district.

The project proposes the retention and reuse of two existing commercial structures (501 and 523 S. Arroyo Parkway). The Design & Historic Preservation Section has determined that these structures are eligible for landmark designation. It has been indicated to staff that a Variance for Historic Resources will be requested by the applicant, as part of the entitlement, to allow a greater height than the established 50' maximum for the site. As part of the Variance for Historic Resources application, documentation would need to be submitted that identifies how the project meets the purposes and findings specified for the Variance in P.M.C. 17.61.080.H, as follows:

- a. The Variance for Historic Resource is necessary to facilitate the appropriate use of an existing designated historic structure;
- b. The Variance for Historic Resource would not adversely impact property within the neighborhood or historic district; and
- c. Granting the Variance for Historic Resource application would be in conformance with the goals, policies, and objectives of the General Plan and the purpose and intent of any applicable specific plan.

### *Development Capacities*

The 2015 General Plan established caps for residential and non-residential development in each of the specific plan areas. The original allocated development capacities for the Central District Specific Plan included 4,272 residential units and 2,112,000 square feet of non-residential development. As of November 30, 2019, the remaining balance in allocated development capacities are 2,834 residential units and 1,266,435 square feet of non-residential development. The project proposes net new construction of approximately 281,020 square feet of non-residential development, which is within the remaining development intensities.

### **PLANNED DEVELOPMENT ENTITLEMENT PROCESS:**

#### **Discretionary Review Process:**

Establishment of the project would require approval of a Planned Development (PD) application and the following reviews are required:

#### **Planned Development -**

1. **Planning Commission:** The Planning Commission shall consider the application for reclassification to a PD zoning district and shall, at the same time, consider the proposed PD plan accompanying the application. The Commission shall make a written recommendation to the Council whether to approve, approve in modified form, or disapprove the proposed amendment.
2. **City Council:** Planned Developments are heard by the City Council. Upon receipt of the Commission's recommendation, the Council shall, approve, approve in modified form, or disapprove the proposed amendment

#### **Design Review -**

1. **Preliminary Consultation-Design Review:** This project must be reviewed by the Design Commission through the Preliminary Consultation process for preliminary advisory comments.

2. **Concept & Final-Design Review:** This project must be reviewed by the Design Commission through the Concept and Final Design Review process.

This project will be subject to the provisions of the California Environmental Quality Act (CEQA). Additional environmental studies may be needed to determine what type of CEQA analysis is required for the project.

Public hearings before the Planning Commission and City Council are required for the Planned Development application, with the Planning Commissions acting as a recommendation body and the City Council as an approval body. Furthermore, environmental review will occur consistent with the requirements of CEQA. Upon submittal of an official application, the steps included in the review process are as follows:

- Applicant submits Planned Development application;
- Conduct environmental review per CEQA;
- Conduct a noticed public hearing before the Planning Commission;
- Conduct a noticed public hearing before the City Council for: (1) review and approval of the PD district and the PD plan; and (2) consideration of adoption of the environmental determination;
- Preliminary Consultation process conducted with the Design Commission; and
- Conduct a noticed public hearing before the Design Commission for Concept/Final design approvals.



**FISCAL IMPACT:**

This report is for information only and will not result in any fiscal impact.

Respectfully submitted,



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Development

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STEVE MERMELL  
City Manager

Attachments: (3)

- Attachment A – Predevelopment Plan Review Comments to Applicant
- Attachment B – Project Summary Table of Development Standards
- Attachment C – Predevelopment Plan Review Plans