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|   | PLANNING COMMISSIONAGENDA REPORT |
| DATE: | September 2, 2016 |
| AGENDA OF: | September 15, 2016 |
| ITEM:  | **GP15-0002, Draft Downtown Recovery Plan Amendments** |

**RECOMMENDATION**: Hear presentation, hold public hearing to accept public comments, discuss item and by motion, recommend that the City Council accept the Draft Amendments to the Downtown Recovery Plan for the purposes of initiating the environmental analysis of the amendments.

The purpose of this public hearing is to encourage comments on DRAFT development standards for the Central Business District (CBD) as currently located in the Downtown Recovery Plan (DRP), and to consider recommending that the City Council accept the draft amendments for the purpose of beginning the environmental analysis in accordance with the California Environmental Quality Act (CEQA).

BACKGROUND:

The Planning Department and the Planning Commission have been working on development standards for the Pacific Avenue Retail District and the Front Street/Riverfront Corridor since the City Council provided direction to undertake a massing study for this area in October 2014.

The September 15th Planning Commission meeting will be the 15th public hearing/meeting to discuss the Downtown Recovery Plan development standards.

It is important to note that the scope of the massing study was to identify issues that might be of concern if allowable building heights were to be increased for properties in the study area. This effort and direction was never intended to be an entire re-write of the Downtown Recovery Plan or to modify the successful policies and standards that have served the City well for the past twenty-five years.

Instead, the effort was to focus on these areas as opportunities to achieve some of the key City objectives (e.g. providing additional housing and connections to the Riverwalk), while still preserving the positive aspects of downtown and the original vision as developed from the post Loma Prieta earthquake Vision Santa Cruz process.

In addition to the public hearings and meetings with the Planning Commission and City Council, in December 2015 a Planning Commission ad hoc committee was formed to evaluate ROMA Design Group recommendations relating to development standards. This committee completed its analysis in May 2016.

On April 28, 2016, the Planning Commission heard a presentation from ROMA Design Group and McCann Adams Studio with recommendations for modifications to the development standards in the study area. This Planning Commission meeting was followed by similar presentation to the City Council on May 10, 2016.

Additional Planning Commission meetings were held on June 16, 2016, July 21, 2016 and August 18, 2016. A second ad hoc Planning Commission subcommittee was formed on June 16th for the specific purpose of focusing on the development standards relating to affordable housing provisions, the skyline variation for Front Street properties, and the details of how development would interface with the Riverwalk. The subcommittee suggestions are included in the September 15th Draft Plan.

FORMAT OF THE REVISIONS

There are several documents available for public review:

1. Master Clean Version of the entire Downtown Plan.
2. Redlined Version of the entire Downtown Recovery Plan

(Chapter 4 of this version is a previously re-organized draft dated July 21, 2016 and includes all Planning Commission and staff suggested changes made since the July 21st version.)

1. Draft Local Coastal Program Policy Amendments relating to the San Lorenzo Urban River Plan (SLURP)

Additional background reports and presentations are available on the Planning Department website under the Downtown Recovery Plan Amendments tab.

The focus of the modifications to the Downtown Recovery Plan is on Chapter 4, the development standards. However, when viewing the DRP as a guiding document for context, it was apparent that simply modifying Chapter 4 would lead to internal inconsistencies. Maintaining the context of the original plan is critical, but an update of some of the language is equally important to recognize the past twenty-five years of positive development that has occurred in the downtown. The Redlined version and modifications to Chapters 1, 2, and 3 represent an attempt to balance maintaining the key visions from the original plan, but to also acknowledge that the City has grown and is currently experiencing critical needs for housing. These revisions are part of an overall effort (along with the Corridor Planning work) to re-confirm the City objective to maintain a compact and efficient urban form with public greenbelt to limit suburban-type sprawl and to provide some appropriate development incentives to activate the river connections, a longstanding objective of the City’s vision.

Chapter 4 of the draft master clean version has been reorganized to combine redundant sections and also add more section titles and topic headings for easier reference and administration of the standards. Much of the existing DRP language fluctuated between a general guideline and a specific standard, so rather than re-write much of the existing language, the categories were combined by topic and hopefully, can be more effective in the way the language is administered. Including some of the ‘intent’ language alongside any specific development standard should help to achieve better understanding of the section.

The Redlined version also includes language from the Appendices relating to Floor Area Ratio, High Density Overlay Zone District, a Live Entertainment Ordinance and other Central Business District ordinances. The Floor Area Ratio and High Density Overlay Zone District are no longer relevant since the adoption of the General Plan 2030 included specific density ranges in the Regional Visitor Commercial designation, which encompasses the entire downtown area.

ANALYSIS OF PROPOSED CHANGES

The Draft Downtown Plan recognizes that the City has ‘recovered’ from the devastating 1989 Loma Prieta earthquake and the past 25 years have seen redevelopment of the downtown into an active community environment.

Some of the key changes include:

* Inclusion of a Use Chart in a table format for both ground level and upper level uses for the districts. This modification allows for easier reference with notes to details about particular uses.
* Combining the Guideline language with Development Standard language into the same sections. As noted above, this change allows both the intent and specific language to be read in one location and should help with administration.
* Changes the upper level stepback 42 degree or 52 degree standard to a numeric stepback approach above a specific height.
* Introduces a percentage footprint with varying height limits for the Pacific Avenue Retail District and west of Front Street for projects taller than 55 feet. This volumetric approach ensures both vertical and horizontal variation to avoid monolithic structures. This approach is appropriate for the Pacific Avenue Retail District between Cathcart and Laurel Streets. This approach also provides the appearance of multiple buildings that more closely follow the existing development pattern of the downtown.
* The Draft Plan includes standards for contributing to adjacent public passageways along Cathcart, Elm and Maple. These accessways were identified in the original DRP, but the development standards in the Draft Plan introduce standards that can lead to their construction.
* The Draft Plan includes language to require filling adjacent to the river levee to encourage activating the Riverwalk. The original DRP did encourage filling along the levee, but the proposed language makes this public objective a mandatory design feature for new development.
* The Draft Plan increases allowable heights from 55 feet between Pacific Avenue and Front Street (between Cathcart and Laurel) to 75 feet under certain conditions and up to 85 feet for a smaller portion of large sites.
* The Draft Plan increases the allowable height along Front Street Properties between Soquel Avenue and Laurel Street from a maximum of 50 feet to a maximum of 70 feet under specific conditions. The Draft Plan requires the top floor of Front Street properties to not exceed 60% of the floor below and 60% of the building length, thereby ensuring that the skyline views will avoid a linear wall of building mass. The connections to the Riverwalk between buildings will also provide light, air and open space and will break-up the visual massing of development.

LOCAL COASTAL PROGRAM (LCP) REVISIONS

A portion of the downtown lies within the Coastal Zone and Chapter 4 of the Downtown Recovery Plan is an implementation section of the LCP, which means that revisions to the Chapter 4 require certification by the Coastal Commission. In addition to the development standards of Chapter 4, there are also several LCP land use policies that are proposed to be modified.

Since the original certification of the City’s LCP in 1985, additional plans have been prepared and policies incorporated into the LCP as amendments. One of the documents that the City approved in 2003 was the San Lorenzo Urban River Plan (SLURP). This document was approved as a resource management protection plan for the river. Subsequent to the City Council approval, several resource-related and land use policies were extracted from the SLURP and packaged for certification by the Coastal Commission as an amendment to the City’s LCP.

The resource-related policies and river management policies remain appropriate policies for the long-term ecological health of the river. All of these river management policies remain intact with no proposed changes as part of the update to the DRP.

The remaining SLURP policies that were listed as recommendations in the plan and reflect land use policies that encourage greater access to Riverwalk and better interface between the built environment and the Riverwalk. There were nine SLURP policies relating to Front Street development that were simply added to the LCP for certification after the SLURP was approved. The proposed policy modifications are shown in Attachment 5.

The original DRP included key connections to the Riverwalk as key urban development concepts. These connections were identified for Cathcart Street, Elm Street and Maple Street. The SLURP reinforced these connections to the Riverwalk with policies to encourage the interaction. These urban connection concepts have been in place for more than 25 years. While the downtown has largely been reconstructed after the Loma Prieta earthquake and development has successfully followed the DRP guidelines and standards, the redevelopment of Front Street properties to encourage these Riverwalk connections to link downtown and the river have not materialized.

In 2010, the City completed another study to specifically analyze the development standards along Front Street (and other areas) to evaluate and identify the impediments to construction and redevelopment to make these connections more realistic. The River/Front and Lower Pacific Design Guidelines and Development Incentives (River/Front Study) concluded that the narrow depth of the Front Street parcels and the associated on-site parking requirements did not incentivize redeveloping these parcels. The 2010 River/Front Study included an economic analysis that concluded that redevelopment of the parcels at 50 foot height limits would not be economically viable redevelopment due to the land costs, shallow parcel depth and on-site parking requirements. This in-depth study was more complete as a land use planning document than the SLURP and the original DRP. The SLURP was a conceptual land use document.

The ROMA Design Group recommendations relating to the DRP reinforced the River/Front Study analysis that to achieve these river connections and to incentivize more activity along the Riverwalk, additional height would be needed to make the redevelopment of this area economically feasible. The Draft Plan will also allow up to 50% of the residential parking to be located off-site, which will relieve these shallow parcels from the requirement to include all parking on-site.

The combination of the River/Front Study and the additional ROMA massing evaluation have provided technical analysis to move the development standards from the original concepts of the DRP and the SLURP. The resulting Downtown Plan will include far superior (and realistic) development incentives to finally implement the downtown vision to connect people from downtown to the Riverwalk.

Any concern with tall buildings or shade will be addressed with the environmental analysis of the proposed development standards.

The Draft Plan is consistent with the Coastal Act and will:

* Encourage and incentivize maximum public access to the San Lorenzo River in accordance with the Public Access Section 30210 of the Coastal Act.
* Achieve superior connections to the San Lorenzo River above the existing DRP and existing SLURP policies consistent with Section 30211 of the Coastal Act. While the downtown has no coastal beach access within its boundaries, the Plan will provide better public access to the Riverwalk.
* Ensure that development adjacent to the Riverwalk will be designed to prevent impacts to the adjacent sensitive San Lorenzo River and will incentivize clean-up of degraded areas along the levee. The Plan will continue to be sensitive to the pedestrian experience along the Riverwalk with design guidelines and upper floor step backs and open river pedestrian connects that will provide light, air and open space between buildings. The Plan is consistent with Section 30240 of the Coastal Act relating to Land Resources and adjacent development.
* Enhance opportunities to view and interact with the San Lorenzo River as a coastal resource. The Plan standards ensure that development will be sited and designed to be visually compatible with the surrounding downtown, while promoting new open space pedestrian plazas and passageways to the Riverwalk. The filling of the levee and associated required landscaping of these areas is superior to the existing DRP and SLURP land use policies and will better achieve stewardship and scenic values over the existing conditions near the Riverwalk. The Plan supports the Coastal Act Scenic and Visual protection policy Section 30251 to protect and increase opportunities for viewing the river, a coastal resource. New development will not obstruct public views to the San Lorenzo River since the levee is an average of about 10 feet above the Front Street sidewalk, but will increase ability and opportunities for the public to view the river.

The Planning Department is in the process of updating the LCP to simplify the language to truly focus on being consistent with the Coastal Act. The updated LCP is anticipated to be presented to the Planning Commission by the end of 2016 or early 2017.

CONCLUSION: That the Planning Commission recommend that the City Council accept the Draft Amendments to the Downtown Recovery Plan for the purposes of initiating the environmental analysis of the amendments.

Prepared by: Approved by:

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Principal Planner Director of Planning and

 Community Development

Attachments:

1. Master Clean Version of the entire Downtown Plan
2. Redlined Version of entire Downtown Recovery Plan (Chapter 4 of this version is a previously re-organized draft dated July 21, 2016 and includes all Planning Commission and staff suggested changes made since the July 21st version.)

 4. Draft Local Coastal Program Policy Amendments (SLURP policy Revisions)