

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: SUSIE MURRAY, SENIOR PLANNER  
PLANNING AND ECONOMIC DEVELOPMENT  
SUBJECT: FALL 2020 GENERAL PLAN AMENDMENT PACKAGE:  
YOLANDA INDUSTRIAL PROJECT

AGENDA ACTION: TWO RESOLUTIONS AND ONE ORDINANCE INTRODUCTION

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RECOMMENDATION

It is recommended by the Planning Commission and the Planning and Economic Development Department that the Council: 1) by resolution, adopt a Mitigated Negative Declaration; 2) by resolution approve General Plan diagram amendments changing General Plan land use designations from Retail & Business Services to Light Industry or from Medium-High Density Residential to Light Industry; and 3) introduce an ordinance rezoning from CG (General Commercial) or R-3 (Multi-family Residential) to IL (Light Industrial), for those parcels at 0, 324, 324, 328/340, 330, 350/358, and 326/368 Yolanda Avenue, which are also identified as Assessor's Parcel Numbers 044-081-029, 044-081-024, 044-072-006, 044-072-007, 044-072-008, 044-072-009, and 044-390-061; File No. PRJ19-002.

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EXECUTIVE SUMMARY

The Yolanda Industrial Project (Project) proposes a General Plan diagram amendment and Rezoning to allow cannabis-related uses for six contiguous parcels by changing the General Plan land use designation from Retail and Business Services and Medium-High Density Residential to Light Industry and Rezoning the area from the CG (General Commercial) and R-3-15 (Multifamily Residential) zoning districts to the IL (Light Industrial) zoning district.

The Council is being asked to consider three actions:

1. Adoption of a Mitigated Negative Declaration (MND) - The scope of review for the Initial Study and resulting MND includes the General Plan Amendment to change the land use designation to Light Industry; the Rezoning to change the zoning district to Light Industrial (IL); redevelopment of the properties at 350/358 and 368 Yolanda Avenue; and the addition of various cannabis uses including dispensary, non-volatile manufacturing and distribution at 350/358 Yolanda Avenue; and

2. Approval of a General Plan Amendment to change the land use designation from Retail & Business Services and Medium-High Density Residential to Light Industry; and
3. Approval of a Rezoning to change from the General Commercial (CG) and Multifamily Residential (R-3-15) zoning districts to the Light Industry (IL) zoning district.

## BACKGROUND

The Yolanda Industrial Project applications have been submitted in accordance with the following policies and regulations of the City of Santa Rosa:

- City of Santa Rosa [General Plan 2035](#), Section 1-7 Changing the General Plan, allows amendment of the General Plan Land Use Diagram three times per year (p. 1-11). City Council shall conduct hearings after consideration by Planning Commission. The Project is being brought forward for review as part of the Fall 2020 General Plan Amendment package.
- Zoning Code [Chapter 20-64 Amendments](#) allows and regulates application, processing, noticing, and review of proposed General Plan and Zoning Map amendments.

## PRIOR CITY COUNCIL REVIEW

On March 12, 2019, the Council considered an appeal of the Cannabis Policy Subcommittee decision to allow the Friends and Farmers Dispensary, located at 350/358 Yolanda Avenue, to continue through the Conditional Use Permit (CUP) review process. Since that meeting, the operating name for the proposed dispensary has been changed to HerbaBuena. While the dispensary use is not dependent on the requested land use or zoning amendments, the use is considered in the MND.

## ANALYSIS

### 1. Project Description

The Yolanda Industrial Project (Project) is located on the south side of Yolanda Avenue, between Petaluma Hill Road and Santa Rosa Avenue, and is within the Santa Rosa Avenue Priority Development Area.

The Project includes five applications:

General Plan Amendment – Change the land use designation for five parcels (Assessor's Parcel Nos. 044-081-029, -024, 044-072-006, 007, and -008) from the

Retail and Business Services and one parcel (Assessor's Parcel No. 044-390-061) from the Medium-High Density Residential to Light Industry;

Rezoning – Rezone five parcels (Assessor's Parcel Nos. 044-081-029, -024, 044-072-006, 007, and -008 from the CG (General Commercial) zoning district and one parcel (Assessor's Parcel No. 044-390-061) from R-3-15 (Multifamily Residential) zoning district to the IL (Light Industrial) zoning district;

\* Conditional Use Permit – Proposal to operate a Cannabis Retail facility, Cannabis Manufacturing (non-volatile) and Cannabis Distribution; and

\* Design Review (two applications) – Redevelop the properties, including demolition and reconstruction for commercial/light industrial buildings, at 350/358 and 326/368 Yolanda Avenue (Assessor's Parcel Numbers 044-072-008 and -009).

\* Plans for redevelopment and proposed cannabis uses will be reviewed by applicable review authorities at a later date, including the Zoning Administrator for minor Design Review; the Design Review Board for major Design Review; and the Planning Commission for a Conditional Use Permit.

## 2. Surrounding Land Uses/Zoning

Image 1: Area Land Uses



Source: Google Maps, October 2020

- North: Retail & Business Services/CG; currently developed with Yolanda Avenue and a vacant property with an approved 252-unit apartment complex.
- South: Retail & Business Services and Medium-High Residential/CG and Planned Development Multifamily Residential (PD 00-001); currently developed with commercial and multifamily residential uses.
- East: Light Industry and Medium-High Residential/IL and PD 00-001; currently developed with commercial and multifamily residential uses.
- West: Retail & Business Services/CG; currently developed with commercial uses.

3. Existing Land Uses and Zoning (Project Site)

The area proposed for General Plan Amendment and Rezoning is comprised of six properties, with the following land use designations and zoning:

**Image 1: Existing Land Uses**



Source: Provided by applicant

APN	Address	General Plan Land Use Designation/Zoning
044-081-029	324 Yolanda Avenue	Retail & Business Services/CG
044-081-024	328/340 Yolanda Avenue	Retail & Business Services/CG
044-072-006	324 Yolanda Avenue	Retail & Business Services/CG
044-072-007	330 Yolanda Avenue	Retail & Business Services/CG
044-072-008	350/358 Yolanda Avenue	Retail & Business Services/CG
044-390-061	No address assigned	Medium-High Density Residential/ R-3-15 (Multifamily Residential)

The subject properties are currently operating with a mix of light industrial and commercial businesses, including used office furniture, gym, flooring installation, plumbing and heating repairs, shoe recycling, RV/vehicle repair and sales, and fireplace sales and manufacturing.

#### 4. Project History

On May 31, 2017, a Conditional Use Permit (CUP17-063) application was submitted proposing the operation of various cannabis uses at 368 Yolanda Avenue.

On May 31, 2017, a Design Review (DR17-037) was submitted requesting Concept Design Review for a new industrial building at 368 Yolanda Avenue.

On August 10, 2017, a Design Review (DR17-057) was submitted requesting minor Design Review to redevelop 324, 330 and 358 Yolanda Avenue.

On April 20, 2018, a Conditional Use Permit (CUP18-070) application was submitted to operate a dispensary at 330 Yolanda Avenue.

On June 18, 2018, a Neighborhood Meeting (PRAP18-067) was held for the dispensary proposed at 330 Yolanda Avenue.

On September 24, 2018, a Pre-application Meeting (PRAP18-107) was held with City staff. These meetings are intended to offer applicants an interdepartmental staff review of preliminary or conceptual design applications.

On September 28, 2018, an application for the subject General Plan Amendment (GPAM18-007) was submitted to Planning and Economic Development (PED).

On November 14, 2018, the Cannabis Policy Subcommittee selected the Friends and Farmers Dispensary at 330 & 358 Yolanda Avenue, against staff's recommendation, to continue through the review process.

On November 26, an appeal of the Cannabis Policy Subcommittee was received.

On January 22, 2019, the companion Rezoning (REZ19-003) application was submitted to PED.

On March 12, 2019, the Council upheld the Cannabis Policy Subcommittee's decision and allowed the Friends and Farmers Dispensary to continue through the review process.

On August 7, 2019, a Neighborhood Meeting was held for the General Plan Amendment, Rezoning and redevelopment of the Project site (PRAP19-004).

On September 12, 2019, an application requesting Design Review (DR19-068) to demolish the existing building and construct a new commercial/light industrial building at 368 Yolanda Avenue was submitted.

On October 14, 2020, a Stop Work Order (CE20-0807) was issued at 328 Yolanda for tenant improvements without benefit of permits.

On November 9, a building permit application in response to the code violation above.

On November 12, 2020, the Planning Commission considered the proposed project and adopted three resolutions recommending to Council approval of the MND, General Plan Amendment and Rezoning.

#### PRIOR CITY COUNCIL REVIEW

On March 12, 2019, the Council considered an appeal of the Cannabis Policy Subcommittee decision to allow the Friends and Farmers Dispensary, located at 350/358 Yolanda Avenue, to continue through the Conditional Use Permit (CUP) review process. Since that meeting, the operating name for the proposed dispensary has been changed to HerbaBuena.

#### ANALYSIS

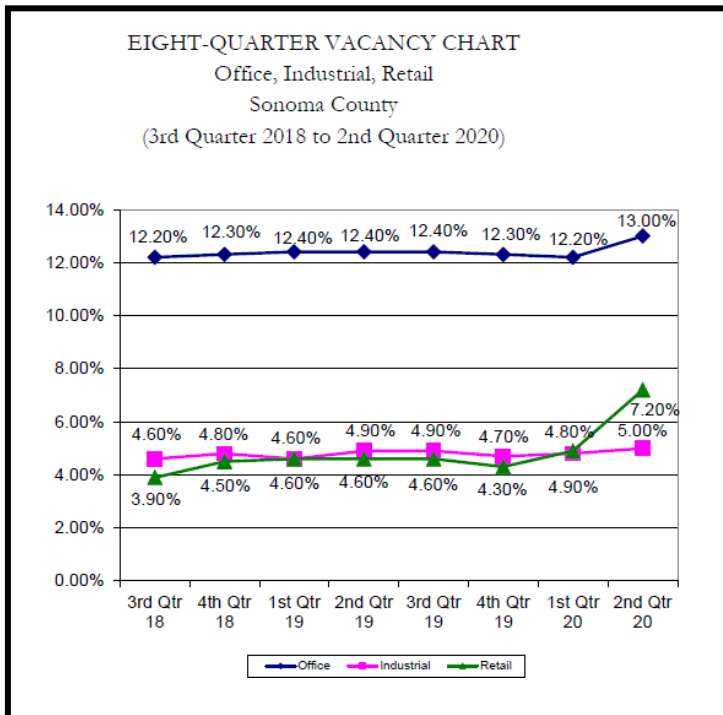
##### 1. General Plan

The area proposed for General Plan Amendment is designated as Retail & Business Services and Medium-High Density Residential on the General Plan Land Use Diagram. These designations allow retail and service enterprises, offices, and restaurants and housing development at a density of 18 to 30 units per acre. The implementing zoning districts are CG (General Commercial) and R-3-15 (Multifamily Residential) respectively. The parcel that is currently designated for residential uses, APN 044-390-061, has a maximum residential development potential of six units. It is also land-locked and depends on access through the project site.

The applicant requests a General Plan Amendment to Light Industry. The Light Industry General Plan land use designation accommodates light industrial, warehousing and heavy commercial uses. Uses appropriate to this land use category include auto repair, bulk or warehoused goods, general warehousing, manufacturing and assembly with minor nuisances, home improvement retail, landscape materials retail, freight or bus terminals, research oriented industrial, accessory offices, employee-serving commercial uses, services with large space needs such as health clubs, and a broader range of cannabis uses. As shown in the Existing Land Uses and Zoning (Project Site) section of this report, the current uses are more closely related to the proposed Light Industry land use designation.

Since the adoption of the Santa Rosa General Plan 2035, the City has implemented a robust set of regulations allowing various cannabis uses, which have consumed much of the City’s industrial space. Keegan & Coppin Company, Inc. produces a quarterly report that estimates Sonoma County vacancy rates (attached). As shown in Image 3 below, the results indicate that industrial space has maintained a lower vacancy rate than that of retail or office (commercial) space.

**Image 3: Eight-Quarter Vacancy Chart, 3<sup>rd</sup> Quarter 2018 to 2<sup>nd</sup> Quarter 2020**



Source: Keegan & Coppin Company, Inc.

General Plan 2035 identifies Santa Rosa’s share of Regional Housing Needs Allocation (RHNA) as 4,662 units, as assigned by Association of Bay Area Governments (ABAG). The City’s quantified housing objective, or its response to

its RHNA assignment, is to construct 4,917 new units by 2023 (Table 4-33: Quantified Objectives, 2015-2023).

Approval of the subject General Plan Amendment and Rezoning would not have a significant effect on potential housing development given the current zoning of the single parcel that is currently designated for residential development, which would yield only six units given its zoning designation which allows one unit per 2,900 square feet. It would, however, have a significant effect for commercial and light industrial development by amending the designated land use for over 250,000 square feet for these uses.

The following General Plan goals are applicable to the project:

### **LAND USE AND LIVABILITY**

**LUL-K** Protect industrial land supply and ensure compatibility between industrial development and surrounding neighborhoods.

### **ECONOMIC VITALITY**

**EV-B** Facilitate the retention and expansion of existing businesses and provide sufficient land for business expansion and attraction of new employers that utilize the area's existing labor pool.

**EV-D** Maintain the economic vitality of the downtown, business parks, offices and industrial areas.

Prior to approving a General Plan Amendment, the following findings must be made, as shown on the draft resolution:

A. The proposed amendment ensures and maintains internal consistency with the goals and policies of all elements of the General Plan.

The proposed amendment ensures and maintains internal consistency with the goals and policies of all elements of the General Plan. Since the adoption of the Santa Rosa General Plan 2035, the City has implemented a robust set of regulations allowing various cannabis uses, which have consumed much of the City's industrial space, resulting in a consistently low vacancy rate.

General Plan 2035 also identifies Santa Rosa's share of Regional Housing Needs Allocation (RHNA) as 4,662 units, as assigned by Association of Bay Area Governments (ABAG). The City's quantified housing objective, or its response to its RHNA assignment, is to construct 4,917 new units by 2023 (Table 4-33: Quantified Objectives, 2015-2023). The approximately 0.45-acre parcel, identified as Assessor's Parcel No. 044-390-061, currently designated for residential development is land-locked and depends on access from



Yolanda Avenue through the project site, rendering it unlikely to be developed for residential uses in the future. Given its current zoning, R-3-15, which allows one residential unit per 2,900 square feet, it has a development potential of six residential units.

The Yolanda Industrial Project General Plan Amendment is part of the Fall 2020 General Plan Amendment Package. The package also includes a land use amendment for 3575 Mendocino Avenue, a housing development that will increase the development potential by 371 residential units. In accordance with the Housing Crisis Act of 2019 (SB 330) and Section 65863(c)(1), there will be no net loss of residential density due to the concurrent adoption of these projects within the Fall 2020 General Plan Amendment Package.

Pursuant to City Code Chapter 21-02, all new commercial development, including industrial or retail uses, are subject to the Commercial Linkage Fee, which shall be used by the City's Housing Authority only for the development of housing situated within the City limits that is affordable to households of lower and moderate incomes, including, but not limited to, the acquisition of property, costs of construction, including costs associated with planning, administration and design, as well as actual building or installation costs, and program administration. Housing associated with commercial linkage fees shall be subject to a minimum 55-year affordability agreement with the Housing Authority.

Therefore, amending the land use designation will help meet the commercial and light industrial needs of Santa Rosa business operators and will not result in a net loss to land designated for residential development.

- B. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

Five of the properties included in the General Plan Amendment, that are currently designated for Retail and Business Services, include a mix of commercial and light industrial uses more appropriate for the Light Industry land use designation, including warehousing, auto repair and manufacturing uses. The remaining parcel is land-locked and, if developed, would depend on access from Yolanda Avenue through the project site.

- C. The site is physically suitable (including absence of physical constraints, access, compatibility with adjoining land uses, and provision of utilities) for the requested/anticipated land use developments.

The area proposed for land use amendment to Light Industry is within the Santa Rosa Avenue Priority Development Area where all utilities and services are available.

- D. The proposed project has been reviewed in compliance with the California

Environmental Quality Act (CEQA).

Refer to the Environmental Impact section of this report.

2. Applicable Government Code Sections

Government Code Section 65863 requires the following findings be made prior to approving an amendment to general plan land use or zoning that would reduce the residential density for a parcel.

- A. The reduction is consistent with the adopted general plan, including the housing element.
- B. The remaining sites identified in the housing element are adequate to meet the requirements of Section 65583.2 and to accommodate the jurisdiction's share of the regional housing need pursuant to Section 65584. The finding shall include a quantification of the remaining unmet need for the jurisdiction's share of the regional housing need at each income level and the remaining capacity of sites identified in the housing element to accommodate that need by income level.

As discussed in the previous section of this report, the proposed amendment has been found to be consistent with General Plan 2035 and will not preclude the City from meeting its share of housing development as assigned by ABAG.

Also discussed above, the proposed amendment would result in the possible reduction of six residential units given current land use designation and zoning. In accordance with the Housing Crisis Act of 2019 (SB 330) and Section 65863(c)(1), there will be no net loss of residential density due to the concurrent adoption of the Downtown Station Area Specific Plan zoning implementation package which rezones properties within the Downtown Station Area to accommodate an additional 5,275 housing units beyond the 2007 Downtown Station Area Specific Plan and existing Housing Element.

To further offset the reduction in land designated for housing development as proposed by the Yolanda Industrial Project, the Fall 2020 General Plan Amendment Package also includes an amendment to increase the allowable residential density at 3575 Mendocino Avenue, which will result in an increase of 371 units.

3. Other Applicable Plans

Not applicable.

4. Zoning

The applicant requests a rezoning of the subject parcels from the CG (General Commercial) and R-3-15 (Multifamily Residential) zoning districts to the IL (Light

Industrial) zoning district. The IL (Light Industrial) district is the primary implementing zoning district of the General Plan Light Industry land use designation and would allow the proposed Cannabis Retail, Manufacturing (non-volatile), and Distribution uses, subject to a Major Conditional Use Permit as required by [Section 20-24.030 Industrial district land uses and permit requirements](#).

Prior to approving a Zoning Map Amendment, the following findings must be made:

- A. The proposed amendment is consistent with the goals and policies of all elements of the General Plan, and any applicable specific plan.

At the meeting on November 12, 2020, the Planning Commission adopted a resolution recommending to Council a General Plan Amendment to change the land use designation for the subject six properties to Light Industry. Rezoning the properties to the IL (Light Industrial) zoning district will maintain General Plan consistency.

The proposed Rezoning area is not located within a specific plan area.

- B. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.

The Yolanda Industrial Project plans have been reviewed by City staff, outside agencies, utility companies, and the Graton Rancheria and Lytton Rancheria, including the review of an Initial Study/Mitigated Negative Declaration that includes a Mitigation Monitoring and Reporting Program (MMRP) that will reduce any potential impacts to a less than significant level. The Planning Commission, at its meeting held on November 12, 2020, by resolution, recommended to Council adoption of the Mitigated Negative Declaration and General Plan Amendment. The subject Rezoning will implement the new land use designation of Light Industry.

- C. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).

Refer to the Environmental Impacts section of this report.

- D. The site is physically suitable (including absence of physical constraints, access, compatibility with adjoining land uses, and provision of utilities) for the requested zoning designations and anticipated land uses/developments.

The area was previously designated for commercial uses, and the six subject properties operate completely independently in terms of circulation from the commercial properties to the west and north; the light industrial, commercial and residential uses to the east; and the residential and commercial uses to the south. Any future proposals that require additional discretionary review

will be reviewed based on the operating characteristics of the proposed use.

5. Design Guidelines

Staff is currently reviewing two Design Review applications, one minor and one major, both proposing demolition and reconstruction of commercial/light industrial buildings, at 350/358 and 326/368 Yolanda Avenue (Assessor's Parcel Numbers 044-072-008 and -009), respectively. Both are included in the scope of work considered in the MND. The minor Design Review will be scheduled before the Zoning Administrator and the major before the Design Review Board at a later date.

6. Neighborhood Comments

One comment, an email from Graton Rancheria (copy attached), was received requesting additional language requiring consultation with cultural affiliated tribe(s) in the event any resources are discovered during periods of construction. The changes have been incorporated.

No other public comments have been received at the time that this Staff Report was prepared.

7. Public Improvements/On-Site Improvements

No public improvements are required as part of the General Plan Amendment and Rezoning.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

The Project has been found in compliance with the California Environmental Quality Act (CEQA). An Initial Study/Mitigated Negative Declaration (IS/MND) was prepared and identified potentially significant impacts in Air Quality, Cultural Resources, Geology and Soils, Greenhouse Gases, Hazards and Hazardous Materials, Noise and Tribal Resources. The project impacts would be mitigated to a less-than-significant level through implementation of the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program (MMRP) prepared for the project. A Notice of Intent to adopt a Mitigated Negative Declaration was posted with the California State Clearinghouse and the Sonoma County Clerk's Office, initiating a 30-day public comment period commencing June 30, 2020. One comment, from Graton Rancheria, was received requesting additional language to require consultation with cultural affiliated tribe(s) in the event any resources are discovered during periods of construction. The changes have been incorporated into the MND.

## BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On November 12, 2020, the Planning Commission approved three resolutions recommending that Council adopt the MND and approve the General Plan Amendment and Rezoning associated with the Yolanda Industrial Project included in the Fall 2020 General Plan Amendment Package by a vote of (6-0-1), with one Commissioner abstaining.

## NOTIFICATION

In November 2020, all required public noticing was done in compliance with Zoning Code Chapter 20-66, including the installation of a public hearing sign at the Project site, a mailed Notice of Public Hearing to property owners and occupants within 600 feet of the Project site, and a Notice of Public Hearing published in the Press Democrat.

## ATTACHMENTS

- Attachment 1 - Disclosure Form
- Attachment 2 - Location and Neighborhood Context Map
- Attachment 3 - Initial Study/Mitigated Negative Declaration, prepared by Edd Clark & Associates, Inc., dated May 26, 2020
- Attachment 4 - Mitigation Monitoring and Reporting Program, dated May 26, 2020
- Attachment 5 - Vacancy Estimates for Sonoma County, prepared by Keegan & Coppin
- Attachment 6 - Council Resolution No. RES-2019-028, dated March 12, 2019
- Attachment 7 - Planning Commission Resolution No. 12036, for MND, dated November 12, 2020
- Attachment 8 - Planning Commission Resolution No. 12037, for General Plan Diagram Amendment, dated November 12, 2020
- Attachment 9 - Planning Commission Resolution No. 12038, for Rezoning, dated November 12, 2020
- Attachment 10 - Public Correspondence
- Resolution 1 - MND (including the draft IS/MND)
- Resolution 2 - General Plan Amendment
- Ordinance 1 - Rezoning

## CONTACT

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