

Urban Chat Recommendations on Proposed Downtown Overlay

Submitted for November 14, 2023 Petaluma Planning Commission/HCPC Hearing

Summary

Urban Chat supports the Downtown Overlay as currently proposed and encourages a positive recommendation by the Planning Commission and Historical and Cultural Preservation Committee.

However, Urban Chat has comments and concerns about how the Overlay was presented to the public. Also, we have recommendations for subsequent, post-approval steps that are integral to our support. Both are further explained below.

Alignment of Petaluma Urban Chat with Downtown Overlay

The Urban Chat support of the Downtown Overlay flows largely from the alignment between the Urban Chat mission statement and the Overlay. The four pillars of the mission statement demonstrate this alignment:

- Adequate Housing - The Overlay is intended to provide a possible path toward new housing.
- Reduced Car-Dependency - The downtown location of the Overlay would create more homes and offices that can be accessed without cars or with reduced car travel.
- Sustainable Municipal Finances – The buildings incentivized by the Overlay would have a high ratio of private investment to public infrastructure, which is a principal path to improved city finances.
- Climate Action - Both multi-story buildings and reduced car travel are among the principal options for climate action.

Despite this alignment, Urban Chat members, during their participation in the public process to-date, have suggested improvements to the Downtown Overlay and process and continue to believe that the Overlay could be more effective. These suggestions are further delineated later.

Background Comments

Relationship of Downtown Overlay and Proposed Appellation Petaluma Hotel: We understand that the hotel applicant has no interest in the Overlay beyond its impact on the hotel site. Instead, the hotel applicant became the Overlay applicant and agreed to pay for the consultant

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studies and staff time needed to process the Overlay application only after being advised that the hotel couldn't proceed without the Overlay. Thus, we understand that the hotel applicant became the Overlay applicant only to preserve their investment in the hotel entitlement process.

Furthermore, we understand that the Overlay can be largely justified under the current General Plan, although a few minor amendments are still required, and presumably wasn't proposed at an earlier date only because of the lack of resources which the hotel applicant has now provided.

Remaining Flexible: There will always be unknowns about how new zoning standards will work in practice. Over time, as Petaluma adjusts to a climate-change world and as applicants devise new ways to work with the Downtown Overlay, it is certain that the impact of the Overlay will differ from what might be expected today. It will be essential to monitor what happens under the Overlay and to adjust as needed.

Separation of Overlay and Hotel: We understand that the Downtown Overlay must be approved before the hotel process can proceed and that, except for the EIR, the only topic of the November 14 Planning Commission/HCPC hearing is the Overlay. Thus, these comments pertain only to the Overlay and not to the hotel.

Comments on the Process

1) We understand that approximately six months passed between when Planning advised the hotel applicant of the need for the Downtown Overlay and when the public was alerted to this significant proposed zoning change. We appreciate that these six months allowed the Overlay configuration to be presented to the public closer to a final form. However, those six months also created an aura of secrecy and collusion that was not conducive to effective public involvement. In the future, we encourage a more open process.

2) While Planning has acknowledged that the hotel applicant became the Downtown Overlay applicant only to protect their hotel entitlement investment, the public communication of this point hasn't been expressed in sufficiently clear language or frequently enough to allay community concerns about the relationship between the two processes. These concerns interfered with the broader community dialogue about how the Overlay might encourage the

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development of vacant parcels, help address the housing shortage, positively impact City coffers with tax revenue that can be applied to public projects, etc.

3) Planning could have been clearer in the explanation that the Downtown Overlay could have been largely justified under the current General Plan. Not having this point generally understood by the public created a sense of misunderstanding and mistrust that was unhelpful to the public process.

4) Even as Urban Chat accepted the task of organizing the first public forum on the proposed Downtown Overlay, we argued that multiple forums should proceed under multiple organizers, with the additional information sharing improving the public process. We still believe that additional forums would have been helpful, although we admit the possibility that we're placing too much hope in the public process.

5) Based on a development feasibility study prepared for the General Plan update and cited in the staff report for this item, it's apparent that little downtown development will be feasible in the foreseeable future regardless of whether the Downtown Overlay is adopted. Further supporting this expectation is that the Central Petaluma Specific Plan, which was adopted in 2003 and adjoins but does not overlap the Overlay area, allows six-story buildings but none have broken ground after 20 years.

Sharing this information effectively would have allayed fears that the Overlay adoption would rapidly result in multiple new building projects and a runaway transformation of downtown. Instead, it would have made it clear that the Overlay is intended to facilitate a long time evolution of downtown over the coming decades, as should be the role of planning.

Possible Post-Adoption Adjustments

1) We concur that the setbacks proposed for the Downtown Overlay are generally desirable for aesthetic and shadowing reasons. However, we also understand that they can complicate the structural engineering of a building, increasing the cost per square foot. As one of the goals of the Overlay is to facilitate affordable downtown housing, we suggest that Planning coordinate with structural engineers regarding the cost impacts of the setback requirements and adjust the Overlay if appropriate.

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2) We support the “economic benefit” provisions that would be linked to conditional use approval of buildings above 60 feet. However, there is a nationwide history of applicants technically complying with provisions like these without providing the intended public benefits. We suggest reviewing the history of these provisions in other communities and adjusting the Overlay as appropriate.

3) While not solely related to the Downtown Overlay, we note that the proposed hotel was first presented to the Planning Commission in about 2008. Given the need for housing and other possible community-serving land uses, we propose a renewed assessment of how development reviews can proceed more expeditiously.

4) Too many downtown sites remain vacant. The Downtown Overlay could be a step toward the needed correction. Consistent with the goal of adding housing and other community needs to the downtown, we suggest consideration of a vacancy tax.

Urban Chat Members Who Participated in these Recommendations

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Urban Chat is an organization of local residents which connects with more than 500 people and has been advocating for the betterment of Petaluma since its founding nearly 12 years ago.