



MEMORANDUM

TO: CITY COUNCL

FROM: TERESA McCLISH, COMMUNITY DEVELOPMENT DIRECTOR

BY: KELLY HEFFERNON, ASSOCIATE PLANNER

SUBJECT: CONSIDERATION OF DEVELOPMENT CODE AMENDMENT 17-001, VESTING TENTATIVE TRACT MAP 16-001 (TRACT 3079) AND A DRAFT MITIGATED NEGATIVE DECLARATION FOR A 7-LOT RESIDENTIAL SUBDIVISON; LOCATION- RODEO DRIVE AND GRACE LANE; APPLICANT- KIRBY GORDON; REPRESENTATIVE – JEFFREY EMRICK

DATE: MAY 9, 2017

RECOMMENDATION:

It is recommended the City Council: 1) Introduce an Ordinance amending Ordinance No. 355 C.S. "Royal Oaks Estates" to increase the maximum allowed density within Planned Development 1.3; and 2) Adopt a Resolution adopting a Mitigated Negative Declaration and approving Vesting Tentative Tract Map 16-001.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

None.

BACKGROUND:

The 7.52-acre project site is located within the Royal Oaks Planned Development (PD 1.3) as shown below. The vacant property is bounded by Rodeo Drive to the south and Grace Lane to the east.



Project Site



View of project site from Rodeo Drive, looking west

**CITY COUNCIL
CONSIDERATION OF DCA 17-001 & VTTM 16-001
MAY 9, 2017
PAGE 2**

Surrounding land uses include St. Patrick's school and low-medium density residential development within the Rancho Grande Planned Development (PD 1.2) to the west, low-medium density residential development in the Grace Lane subdivision to the north, open space and low-medium density residential development to the east, and vacant multi-family residential property owned by the County of San Luis Obispo to the south. Site topography ranges from a previously graded flat terrace area to steeply sloped banks. The site has not been maintained for an extended period of time, and existing vegetation consists primarily of weeds, grasses and shrubs. A tree inventory was conducted as part of a previous Pre-Application for this property by Pleinaire Design Group, which identified a total of sixteen (16) trees in varying degrees of health. Trees identified include Monterey Pine, London Plane, Eucalyptus, and Coast Live Oak (see Attachment 1 for tree inventory).

Arroyo Grande Municipal Code Section 16.44.010 provides for the Planned development (PD) district, which only applies to existing planned developments of record and listed in that Section. The 7.52-acre project site is located within the Royal Oaks Planned Development, and is listed in Section 16.44.010 as PD 1.3, which was established in 1987 by Ordinance 355 C.S. (Attachment 2) and was later amended by the following Ordinances:

<u>Ordinance No.</u>	<u>Title</u>
356	Amending 355 C.S. Re: Lot A and Via La Barranta Drainage System in Royal Oaks Estates
358	Amending Lot A, and Lots 34-40 Lot Lines in Royal Oaks Estates
384	Sidewalk Construction in Royal Oaks Subdivision
406	Amending Ordinance No. 355 C.S. Royal Oaks Estates to Modify Exhibit "A"
418	Amending Ord. No. 355 C.S. Royal Oaks Estates
430	Amending Ordinance 355 C.S. by Allowing a Church on Lot B, Royal Oaks
449	Amending Ordinance No. 355 C.S. "Royal Oaks Estates" by Allowing a Church on Lot 184 and Approving and Adopting Specific Development Plan 91-05
553	Amending Ordinance No. 355 C.S. "Royal Oaks Estates" To Increase The Maximum Allowed Density Within The Planned Development, And Amending The Zoning Map To Designate The Subject Property As Residential Rural (RR) With A Planned Development Overlay; Development Code Amendment 02-001, Applied For By Don McHaney, For Property Located On Grace Lane (Lot 182 and portion of Lot B of Tract 1390)

The subject property is identified as Lot 184. Lots "B", 182 and 184 were zoned specifically for "single family estate homes" allowing only one dwelling unit per lot. The 2001 General Plan changed the land use of these lots from PD 1.3 residential estate lots to Single Family Residential Low Density with a Planned Development overlay (SFR-LD-

**CITY COUNCIL
CONSIDERATION OF DCA 17-001 & VTTM 16-001
MAY 9, 2017
PAGE 3**

PD), allowing up to one dwelling unit per acre. The 2001 Land Use Element of the General Plan reflects the fact that the City is reaching “buildout”, with limited remaining vacant, undeveloped land available for continued residential subdivision. Policy LU2-2 of the Land Use Element provides justification for the increase in density for various properties within the City, including the subject property, as follows:

“LU2-2: Accommodate the development of Residential Hillside cluster development and large lot conventional subdivisions in appropriate areas, classified as Single Family Residential Low Density (SFR-LD).

LU2-2.2: Accommodate the development of large lot conventional subdivisions (1du/1ac) within appropriate SFR-LD areas (zoned City RR).”

Tract 2236 (the “Grace Lane” residential subdivision) was approved on January 13, 2004, which allowed nineteen (19) residential lots to be constructed on Lots 182 and a portion of “B”, leaving one residential unit to be constructed on Lot 184. Lot 184 remains the only undeveloped parcel within PD 1.3.

Previous Pre-Application

The Planning Commission considered Pre-Application 14-006 on March 3, 2015 for a clustered subdivision of the subject 7.52-acre property into eighteen (18) residential lots with an average of 4,000 square feet in size (see Attachment 3 for meeting minutes). The remaining land area was to be used as common open space. The applicant revised the project based on Planning Commission comments to reduce the number of lots from eighteen (18) to thirteen (13), providing for a less dense development and larger lot sizes. The City Council considered the redesign on April 28, 2015 (see Attachment 4 for meeting minutes). Because the project would require a General Plan Amendment to increase density beyond what was evaluated in the General Plan Program EIR, especially during an exceptional drought condition, the project was not well received and the applicant did not pursue a formal application. The consensus from the City Council was that a seven (7) lot subdivision, consistent with the General Plan Land Use Map, could be supported.

Staff Advisory Committee:

The Staff Advisory Committee (SAC) reviewed the proposed project on July 27, 2016. Discussion focused on building envelopes, emergency access and adequate turnaround, slope analysis, perimeter fencing, design guidelines, maintenance of the drainage basins, water availability, and sight distance at the access driveway. The SAC discouraged a previous proposal of providing access to Lot 5 from Grace Lane because of the amount of grading required, and to limit the number of access points from Grace Lane given its collector street designation. Overall, the SAC was in support of the project.

Architectural Review Committee:

The Architectural Review Committee (ARC) considered the project on March 6, 2017 (see Attachment 5 for meeting minutes) and recommended approval of the project Design Guidelines with the following amendments:

CITY COUNCIL
CONSIDERATION OF DCA 17-001 & VTTM 16-001
MAY 9, 2017
PAGE 4

- Require landscaping along the Grace Lane and Rodeo Drive frontages that utilizes native or Mediterranean plant materials to create an enhanced natural look. Lots 1, 5, 6, and 7 would be subject to this requirement through the Architectural Review process. The soil will need to be amended appropriately to encourage successful plant establishment.
- Homeowners are required to eradicate Pampas Grass on their property. A note to this effect shall be shown on individual landscape and irrigation plans.
- Native coast live oak trees are to be retained on undisturbed slopes regardless of size.
- Homes constructed on Lots 5-7 shall have detailed articulation and/or additional screening on the rear building elevation facing the street to improve the aesthetic views from Grace Lane and Rodeo Drive.

These recommendations have been incorporated into the project Design Guidelines.

Planning Commission

The Planning Commission reviewed the proposed Development Code Amendment and subdivision on March 21, 2017 (see Attachment 6 for meeting minutes) and recommended approval to the City Council with the following modifications to the Tract Map conditions of approval, which have been incorporated into the attached Resolution (note that reference to condition numbers below do not correspond to the proposed condition numbers due to renumbering):

- Condition No. 46, add “or determined by the City Engineer” at the end of the sentence.
- Condition No. 61, add the basin to be landscaped and maintained through a maintenance agreement.
- Condition No. 81, add an additional requirement regarding tree pruning.
- Add a condition that the fence type shall be decorative metal along the rear property line and remove old barbed wire fencing.
- Add a condition to allow a driveway off of Grace Lane to serve Lot 5.
- A driveway maintenance agreement is not required for Lot 4 if Lot 5 is accessed from Grace Lane.
- The developer shall eradicate the Pampas Grass on site prior to final map using a method approved by the Community Development Director.

ANALYSIS OF ISSUES:

Project Description

The proposed project involves amending the Arroyo Grande Municipal Code to allow additional residential units within Planned Development 1.3 and subdividing a 7.52-acre property into seven (7) residential lots ranging in size from 0.58 to 1.32 acres with a 0.28-acre offer of dedication for roadway purposes. The intent of the dedication is to provide for the potential realignment of Grace Lane as one of the alternatives associated with the

**CITY COUNCIL
 CONSIDERATION OF DCA 17-001 & VTTM 16-001
 MAY 9, 2017
 PAGE 6**

Drainage

The soil at this location is not conducive to good percolation and the slopes are relatively steep for portions of the site. Low Impact Development (LID) standards to retain stormwater runoff for a project of this size require LID measures to be implemented. The project proposes two (2) drainage basins along the Rodeo Drive frontage and individual lots will be required to meet LID requirements through the building permit process. Project conditions of approval include full compliance with State Water Board stormwater requirements. The drainage basins will be maintained through an approved cooperative maintenance agreement between all lot owners.

Affordable Housing

As conditioned, the applicant will pay an affordable housing in-lieu fee to satisfy the City's affordable housing requirements.

Slope Analysis

A slope analysis was prepared for the project that provided the following information for each lot:

Table 2: Slope Analysis

Slope	Lot 1 (36,388 sq. ft.)	Lot 2 (37,479 sq. ft.)	Lot 3 (37,383 sq. ft.)	Lot 4 (33,354 sq. ft.)	Lot 5 (57,602 sq. ft.)	Lot 6 (55,173 sq. ft.)	Lot 7 (25,180 sq. ft.)
0 – 7%	42%	18%	44%	64%	46%	24%	60%
7 – 15%	5%	0%	0%	2%	2%	9%	5%
15 – 25%	0%	0%	0%	0%	0%	0%	0%
>25%	53%	82%	56%	34%	52%	67%	35%
Avg. Slope	36%	52%	37%	24%	34%	40%	25%

Per Table Table16.20.050-A of the Development Code, lots located on 7-15% slopes have a minimum size requirement of 10,000 square feet while lots located on 15-25% slopes have a minimum size requirement of 20,000 square feet. Slopes over 25% are to be preserved for open space. All of the lots have some percentage of slopes greater than 25% and all are over the 20,000 square foot requirement. The majority of development will occur on slopes between 0% and 7% where the site was previously graded, with the exception of Lots 1 and 2 which have a higher percentage of steeper slopes. It is anticipated that development of these two lots will cut into the existing slope with the back wall of the home serving as a retaining wall.

Project Landscaping

A landscape and irrigation plan consistent with the State Model Water Efficiency Landscape Ordinance (MWELo) is required as a condition of approval for each lot prior to issuance of building permit. The ARC recommended that project frontage landscaping along Rodeo Drive and Grace Lane should be required as part of the

CITY COUNCIL
CONSIDERATION OF DCA 17-001 & VTTM 16-001
MAY 9, 2017
PAGE 7

subdivision entitlement rather than leaving it in its current condition (see Attachment 7 for site photos). This recommendation has been included in the conditions of approval.

Design Guidelines

The development plan creates seven (7) custom residential lots arranged around a cul-de-sac that utilizes the previously graded upper plateau area. Although a Planned Unit Development application is not required to accompany the proposed subdivision, Design Guidelines have been prepared to ensure that future development of the lots complement the surrounding development to the west within the Rancho Grande Planned Development, and to the north within the Grace Lane subdivision. The proposed Design Guidelines are included as Exhibit C of the Resolution approving the tract map.

The Design Guidelines include information and guidance on **design goals** (setting, concept, intent, application and common facilities), **site design** (drainage, grading, building envelopes and building height), **building design** (style and character, driveway and garages, architectural features, articulation, entries, garage doors, exterior materials, exterior colors, roof materials, roof drainage, trash containers, mechanical equipment, satellite dishes and antennas, fire sprinklers, lighting, secondary units, water conservation and energy efficiency), and **site improvements** (hardscape, landscaping and fencing).

The Design Guidelines do not designate any particular architectural style, although any style proposed should be consistent in detail. Specifically, the Design Guidelines state that architectural styles shall be low profile and may include Farmhouse, Craftsman, Cottage, Bungalow, Prairie and Spanish Eclectic. Unacceptable styles include Victorian, Tudor, Colonial, and Mid Century Modern designs, mainly due to the high roof pitches or flat two-story wall planes.

As conditioned, development plans for individual lots require an approved Architectural Review permit and Architectural Review Committee consideration to ensure adherence with the Design Guidelines.

Fencing

Proposed tract perimeter fencing is 4-foot tall split rail with no climb mesh wire similar to fencing found in Rancho Grande, with a condition that fencing along the rear property line be decorative metal fencing consistent with the adjacent neighborhood. Privacy fencing will be regulated per Development Code Section 16.48.070 ("fences, walls and hedges") and can be of various forms of wood, vinyl, ornamental welded metal, or masonry.

ADVANTAGES:

The proposed project will subdivide a vacant property into residential lots at a low density consistent with the 2001 General Plan. The project will provide the community with residential infill and seven (7) new home sites for housing opportunities.

**CITY COUNCIL
CONSIDERATION OF DCA 17-001 & VTTM 16-001
MAY 9, 2017
PAGE 8**

DISADVANTAGES:

The proposed project produces potential aesthetic impacts with the introduction of hillside residences.

ENVIRONMENTAL REVIEW:

In accordance with the California Environmental Quality Act (CEQA) Guidelines, a Mitigated Negative Declaration has been prepared for this project (Attachment 8). Mitigation is required for aesthetics, biological resources, greenhouse gas emissions, cultural resources, air quality, hydrology/water quality, and noise. Mitigation measures are included in the attached Resolution as conditions of approval.

Referrals were sent to agencies that may be impacted by the project or that may have comments, including: the County of San Luis Obispo that owns property across Rodeo Drive zoned Multi-Family and Public Facility; Caltrans that has the Brisco Road interchange within close proximity; and Heal-SLO Healthy Communities Work Group, which provides responses to planning staff from a healthy community's perspective on proposed land development projects, ordinances, general plan amendments, and special projects. The City received comments from Heal-SLO, which are included as Attachment 9. Caltrans indicated that they did not have any comments and no response was received from the County Planning and Building Department.

PUBLIC NOTIFICATION AND COMMENTS:

A notice of public hearing was mailed to all property owners within 300' of the project site, and expanded to include adjacent neighborhoods (see Attachment 10 for map of properties included in the noticing). A notice was also published in The Tribune and posted at City Hall and on the City's website on Friday, April 28, 2017. The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2. At the time of report publication, no comments have been received.

Attachments:

1. Tree Inventory for the Project Site
2. Ordinance 355 C.S.
3. March 3, 2015 Planning Commission Meeting Minutes
4. April 28, 2015 City Council Meeting Minutes
5. March 6, 2017 Architectural Review Committee Meeting Minutes
6. March 21, 2017 Planning Commission Meeting Minutes
7. Site Photos
8. Initial Study/Draft Mitigated Negative Declaration
9. Referral Response Letter from Heal-SLO
10. Area Noticing Map