

**STAFF REPORT – PLANNING
CITY OF TEMECULA
PLANNING COMMISSION**

TO: Planning Commission Chairperson and members of the Planning Commission

FROM: Luke Watson, Director of Community Development

DATE OF MEETING: May 6, 2020

PREPARED BY: Stuart Fisk, Case Planner

PROJECT SUMMARY: Long Range Project Number LR20-0209, an amendment to the Old Town Specific Plan to allow four-story hotels within the Downtown Core district and to add language to the Specific Plan to clarify the intended use of a Minor Exception for building height

CEQA: Environmental Impact Report (EIR) Addendum; Section 15164

RECOMMENDATION: Adopt a Resolution recommending City Council adopt a Resolution adopting an EIR Addendum and adopt a Resolution recommending that City Council adopt a Resolution amending the Old Town Specific Plan to allow four-story hotels within the Downtown Core district and to add language to the Specific Plan to clarify the intended use of a Minor Exception for building height

BACKGROUND SUMMARY

On May 25, 2010, City Council adopted Ordinance 10-09 to approve a comprehensive amendment to the Old Town Specific Plan. This Specific Plan Amendment utilized form-based zoning to establish standards for building placement, building form, and building type to facilitate pedestrian friendly development, and emphasized implementation of these standards over specific land uses. While land uses are addressed in the Specific Plan, more emphasis was placed on the form-based development standards considering that specific uses will come and go over the life of a building, and if the appropriate types of buildings for a pedestrian oriented downtown were developed within Old Town, the appropriate types of land uses would also occur.

The 2010 Specific Plan Amendment allows four-story buildings when at least one floor of residential is provided, or when at least one floor of office (with parking) is provided. The purpose for allowing four-stories when at least one floor of residential is provided was to encourage residential uses within the Downtown Core district, with the intent that the residents would help to support the commercial businesses within Old Town. The allowance for four-story buildings when one floor of office (with parking) is provided was made based on community input provided during the visioning and Specific Plan development process, with the goal of providing additional options and flexibility for development within Old Town.

The 2010 Specific Plan Program EIR analyzed development of Old Town based on a mixture of commercial, hotel, residential, civic, and office uses. Based on market absorption projections developed by Keyser Marston Associates (KMA) for the 2010 Specific Plan Amendment, the Program EIR assumed an additional 499 hotel rooms (beyond the hotel rooms existing in Old Town at that time). The 2010 Specific Plan Amendment allows three-story hotels throughout the Downtown Core district and allows up to eight stories within the Downtown Core-Hotel Overlay district when a full service hotel with conference facilities, restaurant and other guest services is provided.

In addition to the four-story buildings currently permitted in the Downtown Core district (for buildings that provide at least one floor of residential, or at least one floor of office with parking), the proposed Specific Plan Amendment would also allow four-story hotels in the Downtown Core district.

ANALYSIS

Since the adoption of the 2010 Specific Plan Amendment, staff has heard from multiple hotel developers that the ability to construct four story hotels in the Downtown Core is necessary for new hotels to be economically feasible. Staff has reached out to KMA, who prepared the market study that guided development of the 2010 Specific Plan Amendment, and received information validating assertions relating to the economic feasibility of three story versus four story hotels in the Downtown Core. It should also be noted that no three story hotels have been built in the Downtown Core district since the 2010 Specific Plan Amendment was adopted.

Considering the intent of the current Specific Plan requirement that four story buildings located within the Downtown Core district provide at least one floor of residential or one floor of office use with parking, the primary goal was to provide an incentive for the development of residential units in Old Town by allowing a fourth floor. With more residents located within Old Town, it was anticipated that those residents would help support the businesses located in Old Town. During the development of the 2010 Specific Plan Amendment, property owners seeking the ability to construct four story buildings that did not include residential units negotiated the provision for four story buildings that include one floor of office use with parking.

While residents living in Old Town may help support the businesses located in Old Town by occasionally shopping or dining in Old Town, it is likely that hotel rooms in Old Town would provide even greater support to Old Town's businesses anticipating that the hotel patrons would frequently shop and dine in Old Town.

To allow four story hotels in the Downtown Core district, the proposed Old Town Specific Plan Amendment would modify the requirements in the Specific Plan for multi-story buildings within the Downtown Core district. As stated above, the current Specific Plan (Section IV.B.2.a) requires four story buildings to provide at least one floor of residential or one floor of office use with parking. The Downtown Core Hotel Overlay Zone, located within the Downtown Core zoning designation, allows up to eight stories and does not require residential or office to be included in hotels. The existing OTSP allows for up to 499 hotel rooms within the Downtown Core and

Residential/Limited Mixed-Use Districts, based on a market study that supported the 2010 Specific Plan Amendment and Program EIR. Of those 499 allowable hotel rooms, 343 hotel rooms have already either been constructed or approved, leaving a balance of 156 hotel rooms analyzed in the 2010 Program EIR. Projects that exceed 499 total hotel rooms will be required to prepare additional CEQA documentation.

In addition, to clarify the intended use of a Minor Exception for building height, the proposed Old Town Specific Plan Amendment would add footnotes to Table IV-8 (Allowable Building Types and Height in the Downtown Core and Downtown Core/Hotel Overlay District), Table IV-17 (Allowable Building Types and Building Height in the Residential/Limited Mixed-Use District), and Table IV-28 (Allowable Building Types and Building Heights in the Neighborhood Residential District) of the Specific Plan to state that “Section 17.03.060 of the Temecula Municipal Code, which provides criteria for Minor Exceptions to development regulations, may be utilized for building height in Old Town for the purpose of providing architectural elements to a portion (or portions) of a building to add roofline variation or to otherwise enhance the aesthetics of the building consistent with its architectural style. A Minor Exception is not intended to be utilized to add overall height to the base roof line of the building nor to add extra floor to ceiling height of any one or more stories.”

LEGAL NOTICING REQUIREMENTS

Notice of the public hearing was published in the *SD Union Tribune* on April 23, 2020 and mailed to the property owners within the required 600-foot radius.

ENVIRONMENTAL DETERMINATION

Pursuant to the California Environmental Quality Act ("CEQA"), staff has reviewed and considered the Final Program Environmental Impact Report ("FPEIR") for the 2010 Old Town Specific Plan Amendment certified by the City Council on May 11, 2010, including the impacts and mitigation measures identified therein. Based on that review, the proposed Specific Plan Amendment does not require the preparation of a subsequent Environmental Impact Report or Mitigated Negative Declaration as none of the conditions described in Section 15162 of the CEQA Guidelines (14 Cal. Code Regs. 15162) exist. Specifically, there are no substantial changes proposed by the Amendment that will require major revisions of the previous Program EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; no substantial changes have occurred with respect to the circumstances under which the Amendment are undertaken that will require major revisions of the previous Program EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and there is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous Program EIR was adopted, showing that: (a) the Amendment will have one or more significant effects not discussed in the Program EIR; (b) there are significant effects previously examined that will be substantially more severe than shown in the Program EIR; (c) there are mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the City declines to adopt the mitigation measure or alternative; or (d)

mitigation measures or alternatives which are considerably different from those analyzed in the Program EIR would substantially reduce one or more significant effects on the environment, but the City declines to adopt the mitigation measure or alternative.

The proposed Specific Plan Amendment to allow four-story hotels in the Downtown Core district of the Old Town Specific Plan and to add language to clarify the intended use of a Minor Exception for building height has been determined to be consistent with the previously adopted 2010 Program EIR and an EIR Addendum is the appropriate CEQA action for the proposed Specific Plan Amendment pursuant to CEQA Section 15164.

FINDINGS

The proposed Specific Plan Amendment is consistent with the General Plan and Development Code.

The proposed Specific Plan Amendment conforms to the existing policies within the City of Temecula General Plan. The General Plan Land Use Element, as noted on page LU-26, anticipates that the City will provide comprehensive planning of large areas and identifies the Old Town Specific Plan as a specific plan area. The proposed Specific Plan Amendment is consistent with the General Plan Land Use Element Goal 7 of having “A viable, high-quality Old Town Temecula area that enhances the City economically, preserves historic structures, and provides civic, cultural, shopping, and meeting and gathering places for tourists and residents.” The proposed Specific Plan Amendment also complies with all applicable Development Code Standards required for Specific Plan amendments including Section 17.16.060 (amendments to approved plans) and Section 17.01.040 (relationship to General Plan) and is consistent with the City of Temecula General Plan goals, policies and objectives.

The proposed Specific Plan Amendment would not be detrimental to the public interest, health, safety, convenience or welfare of the City.

The proposed Specific Plan Amendment has been reviewed pursuant to the City’s General Plan and all applicable State laws and has been found to be consistent with the policies, guidelines, standards and regulations intended to ensure that development within the Old Town Specific Plan area will be constructed and function in a manner consistent with the public health, safety and welfare.

The subject property is physically suitable for the requested land use designations and the anticipated land use developments.

The Old Town Specific Plan consists of approximately 153 acres, and the subject area of the Specific Plan Amendment (the Downtown Core district) comprises approximately 48 acres of the Specific Plan. As outlined in the Land Use Element of the City’s General Plan (page LU-32), the purpose of Specific Plans is to provide a comprehensive planning document for large areas so that a coordinated planning approach is provided for all anticipated land use developments. As such, the entire Specific Plan area has been reviewed based on existing structures and future build out potential and is physically suitable for the land use designations provided by the Amended Old Town Specific Plan.

The proposed Specific Plan Amendment shall ensure the development of desirable character which will be compatible with existing and proposed development in the surrounding neighborhood.

As identified within the City's General Plan Land Use Element, page LU-30, Old Town Temecula is a strong identification point for the City and the City desires to ensure that Old Town remains a focal point for social, cultural, civic, tourist and economic development activities. The Old Town Specific Plan was originally adopted to support and complement the desirable character of Temecula's downtown and the proposed Amendment to the Old Town Specific Plan further supports its downtown character. The City's General Plan Land Use Element states that the City will continue to implement the Old Town Specific Plan and will modify or amend it as needed to respond to development trends in the area (LU-40). As such, the proposed Amendment to the Old Town Specific Plan provides a means to enhance the area economically while also ensuring the development of a desirable character compatible with existing and proposed development in Old Town and the surrounding neighborhood.

- ATTACHMENTS:**
1. Aerial Map
 2. Draft PC Resolution – EIR Addendum
Exhibit A – Draft City Council Resolution
Exhibit A – EIR Addendum
 3. Draft PC Resolution – Specific Plan Amendment
Exhibit A – Draft City Council Resolution
Exhibit A - Specific Plan Amendment
(Underline/Strikeout)
 4. Old Town Specific Plan Program EIR
 5. Notice of Public Hearing
 6. Draft Notice of Determination with County Clerk