

City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2019-00331

April 2, 2019

Public Hearing Item 21

Title: Ordinance Amending Sections 17.220.110, 17.220.210, 17.220.310, and 17.220.410 of the Sacramento City Code, Relating to Manufacturing, Service, and Repair in the Industrial Zones, and Transit-Oriented Development Ordinance Status Update (Passed for Publication 03/05/2019; Published 03/08/2019; Noticed 03/22/2019) [Continued from 03/26/2019]

Location: Citywide Industrial Zones

Recommendation: 1) Conduct a public hearing and upon conclusion, adopt: a) a Resolution concluding the proposed ordinance is a subsequent project within the scope of the City's Master Environmental Impact Report for the 2035 General Plan (Cal. Pub. Res. Code sec. 21157.1 and CEQA Guidelines section 15177) and the project will not have a significant effect on the environment; and b) an Ordinance Amending Sections 17.220.110, 17.220.210, 17.220.310, and 17.220.410 of the Sacramento City Code, relating to Manufacturing, Service, and Repair in the Industrial Zones; and 2) review and comment on status update of the transit-oriented development ordinance.

Contact: Ryan Dodge, Associate Planner, (916) 808-8044; Matt Hertel, Senior Planner, (916) 808-7158, Community Development Department

Presenter: Ryan Dodge, Associate Planner, (916) 808-8044, Community Development Department

Attachments:

1-Description/Analysis

2-Ordinance - Redline

3-Ordinance - Clean

4-Resolution - Environmental

5-Proposed Framework to Revising the Transit-Oriented Development Ordinance

Description/Analysis

Issue Detail: On October 17, 2017, City Council directed the City Manager to bring forward policy and code changes that would limit low-density auto-oriented uses near light rail stations. Uses that are incompatible with light rail are those that are auto-oriented and generate high levels of Vehicle Miles Traveled (VMT) while not encouraging the use of transit. Compatible uses are those that increase transit ridership. Examples of compatible uses are high-density housing and job-intensive office and retail uses.

On December 11, 2018, City Council adopted Ordinance No. 2018-0055 amending various sections of Title 17 of the Sacramento City Code, relating to Transit-Oriented Development, which became effective January 10, 2019. This ordinance inadvertently prohibited manufacturing, service, and repair uses within ½ mile of a light rail station in four zoning districts. These uses were previously allowed by right.

The proposed ordinance would fix this error and amend the City Code to permit manufacturing, service, and repair uses with a conditional use permit if the use is located within a ½ mile from the center of an existing or proposed light rail station platform, subject to special use regulations in section 17.228.127 in the following zoning districts:

1. M-1 Zone (Light Industrial)
2. M-1(S) Zone (Light Industrial)
3. M-2 Zone (Heavy Industrial)
4. M-2(S) Zone (Heavy Industrial)

Manufacturing, service, and repair uses will continue to be permitted by right if the use is located greater than a ½ mile from the center of an existing or proposed light rail station platform.

On February 14, 2019, staff presented this item to the Planning and Design Commission, who recommended approval. On February 26, 2019, the Law and Legislation Committee recommended approval. Staff is returning to the City Council on April 2, 2019 with the technical corrections to the Transit-Oriented Development Ordinance, as well as provide an update on the outreach to affected property owners/businesses and recommended next steps (Attachment 5).

Policy Considerations: None. The proposed change is a minor technical correction to address unintended code changes.

Economic Impacts: None. The proposed change is a minor technical correction to address unintended code changes.

Environmental Considerations: No effect on the environment. The proposed change is a minor technical correction to address an error created when the TOD ordinance was adopted in December. Impacts from the TOD Ordinance were analyzed in the previously approved Initial Study for the project and determined that the project would not result in any additional significant environmental effects not previously analyzed in the Master EIR. Pursuant to CEQA Guidelines section 15177, the Transit-Oriented Development Ordinance was a subsequent project within the scope of the Master EIR for the City of Sacramento 2035 General Plan, certified by the City as lead agency on March 3, 2015, and no additional environmental review for the project was required. No new additional mitigation measures or alternatives were required. The initial study can be accessed at <https://www.cityofsacramento.org/Community-Development/Planning/Environmental/Impact-Reports>

Additionally, the City Code, prior to the adoption of the ordinance, allowed manufacturing, service, and repair by right in the M-1, M-1(S), M-2, and M-2(S) zones, regardless of their proximity to a light rail station platform. This ordinance would require a developer to obtain a conditional use permit to operate these uses within a half mile of light rail. As a result, there will be less development of these uses in these zones as compared to the (by-right) baseline. Accordingly, the ordinance will not have a significant effect on the environment.

Sustainability: None. The proposed change is a minor technical correction to address unintended code changes.

Commission/Committee Action: On February 14, 2019, staff presented to the Planning and Design Commission. The commission forwarded a recommendation to the City Council to adopt Item A: Environmental Determination – Subsequent Project within the scope of the City's Master Environmental Impact Report for the 2035 General Plan (Cal. Pub. Res. Code sec. 21157.1 and CEQA Guidelines section 15177) and the project will not have a significant effect on the environment; and Item B: An Ordinance Amending Sections 17.220.110, 17.220.210, 17.220.310, and 17.220.410 of the Sacramento City Code, relating to Manufacturing, Service, and Repair in the Industrial Zones.

On February 26, 2019, the Law and Legislation Committee forwarded a recommendation to the City Council to adopt: 1) A Resolution concluding the project is a subsequent project within the scope of the City's Master Environmental Impact Report for the 2035 General Plan (Cal. Pub. Res. Code sec. 21157.1 and CEQA Guidelines section 15177) and the project will not have a significant effect on the environment; and 2) An Ordinance Amending Sections

17.220.110, 17.220.210, 17.220.310, and 17.220.410 of the Sacramento City Code, relating to Manufacturing, Service, and Repair in the Industrial Zones.

Rationale for Recommendation: The proposed changes would permit manufacturing, service, and repair uses in the Industrial Zones consistent with how the use is considered in other zoning districts, which would meet the intent of the previously approved Transit-Oriented Development Ordinance. (Ordinance No. 2018-0055).

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

ORDINANCE NO.

Adopted by the Sacramento City Council
Date Adopted

**AN ORDINANCE AMENDING SECTIONS 17.220.110, 17.220.210, 17.220.310,
AND 17.220.410 OF THE SACRAMENTO CITY CODE, RELATING TO
MANUFACTURING, SERVICE, AND REPAIR IN THE INDUSTRIAL ZONES**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

The city council finds the following:

1. As amended by this ordinance, the Planning and Development Code complements, supports, and facilitates the implementation of the goals, policies, and other provisions of the general plan and the city’s specific plans and transit village plans; and
2. The amendments in this ordinance promote the public health, safety, convenience, and welfare of the city.

SECTION 2.

A. A row for “manufacturing, service, and repair” is added to subsection B.3 of section 17.220.110 (M-1 zone) of the Sacramento City Code to read as follows:

<u>Manufacturing, service, and repair</u>	<u>Permitted with a conditional use permit if use is located within ½ mile from the center of an existing or proposed light rail station platform, subject to special use regulations in section 17.228.127</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.220.110 remain unchanged and in full effect.

SECTION 3.

A. A row for “manufacturing, service, and repair” is added to subsection B.3 of section 17.220.210 (M-1(S) zone) of the Sacramento City Code to read as follows:

<u>Manufacturing, service, and repair</u>	<u>Permitted with a conditional use permit if use is located within ½ mile from the center of an existing or proposed light rail station platform, subject to special use regulations in section 17.228.127</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.220.210 remain unchanged and in full effect.

SECTION 4.

A. A row for “manufacturing, service, and repair” is added to subsection B.3 of section 17.220.310 (M-2 zone) of the Sacramento City Code to read as follows:

<u>Manufacturing, service, and repair</u>	<u>Permitted with a conditional use permit if use is located within ½ mile from the center of an existing or proposed light rail station platform, subject to special use regulations in section 17.228.127</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.220.310 remain unchanged and in full effect.

SECTION 5.

A. A row for “manufacturing, service, and repair” is added to subsection B.3 of section 17.220.410 (M-2(S) zone) of the Sacramento City Code to read as follows:

<u>Manufacturing, service, and repair</u>	<u>Permitted with a conditional use permit if use is located within ½ mile from the center of an existing or proposed light rail station platform, subject to special use regulations in section 17.228.127</u>	<u>PDC</u>
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B. Except as amended by subsection A above, all provisions of section 17.220.410 remain unchanged and in full effect.

ORDINANCE NO.

Adopted by the Sacramento City Council
Date Adopted

AN ORDINANCE AMENDING SECTIONS 17.220.110, 17.220.210, 17.220.310,
AND 17.220.410 OF THE SACRAMENTO CITY CODE, RELATING TO
MANUFACTURING, SERVICE, AND REPAIR IN THE INDUSTRIAL ZONES

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

The city council finds the following:

1. As amended by this ordinance, the Planning and Development Code complements, supports, and facilitates the implementation of the goals, policies, and other provisions of the general plan and the city's specific plans and transit village plans; and
2. The amendments in this ordinance promote the public health, safety, convenience, and welfare of the city.

SECTION 2.

A. A row for "manufacturing, service, and repair" is added to subsection B.3 of section 17.220.110 (M-1 zone) of the Sacramento City Code to read as follows:

Manufacturing, service, and repair	Permitted with a conditional use permit if use is located within ½ mile from the center of an existing or proposed light rail station platform, subject to special use regulations in section 17.228.127	PDC
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B. Except as amended by subsection A above, all provisions of section 17.220.110 remain unchanged and in full effect.

SECTION 3.

A. A row for "manufacturing, service, and repair" is added to subsection B.3 of section 17.220.210 (M-1(S) zone) of the Sacramento City Code to read as follows:

Manufacturing, service, and repair	Permitted with a conditional use permit if use is located within ½ mile from the center of an existing or proposed light rail station platform, subject to special use regulations in section 17.228.127	PDC
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B. Except as amended by subsection A above, all provisions of section 17.220.210 remain unchanged and in full effect.

SECTION 4.

A. A row for “manufacturing, service, and repair” is added to subsection B.3 of section 17.220.310 (M-2 zone) of the Sacramento City Code to read as follows:

Manufacturing, service, and repair	Permitted with a conditional use permit if use is located within ½ mile from the center of an existing or proposed light rail station platform, subject to special use regulations in section 17.228.127	PDC
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B. Except as amended by subsection A above, all provisions of section 17.220.310 remain unchanged and in full effect.

SECTION 5.

A. A row for “manufacturing, service, and repair” is added to subsection B.3 of section 17.220.410 (M-2(S) zone) of the Sacramento City Code to read as follows:

Manufacturing, service, and repair	Permitted with a conditional use permit if use is located within ½ mile from the center of an existing or proposed light rail station platform, subject to special use regulations in section 17.228.127	PDC
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B. Except as amended by subsection A above, all provisions of section 17.220.410 remain unchanged and in full effect.

RESOLUTION NO. 2019-

Adopted by the Sacramento City Council

APPROVING ENVIRONMENTAL REVIEW FOR TITLE 17 CODE AMENDMENTS RELATING TO MANUFACTURING, SERVICE, AND REPAIR IN THE INDUSTRIAL ZONES AS A SUBSEQUENT PROJECT UNDER THE MASTER EIR

BACKGROUND

- A. On February 14, 2019, the City Planning and Design Commission conducted a public hearing and forwarded to the City Council a recommendation to adopt the Title 17 Code Amendments amending Sections 17.220.110, 17.220.210, 17.220.310, and 17.220.410 relating to Manufacturing, Service, and Repair in the Industrial Zones.
- B. On April 2, 2019, the City Council conducted a public hearing, for which notice was given pursuant Sacramento City Code Section 17.812.010 (2)(b), and received and considered evidence concerning the Title 17 Code Amendments amending Sections 17.220.110, 17.220.210, 17.220.310, and 17.220.410 relating to Manufacturing, Service, and Repair in the Industrial Zones.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council finds that the Master Environmental Impact Report for the 2035 General Plan was certified on March 3, 2015 and the 2035 General Plan was adopted on that date.

Section 2. The City of Sacramento was the Lead Agency for the Master EIR.

Section 3. On December 11, 2018, City Council adopted Ordinance No. 2018-0055, which amended various sections of Title 17 of the Sacramento City Code, relating to Transit-Oriented Development. In conjunction with adopting that ordinance, the council reviewed an initial study that concluded the ordinance was a subsequent project within the scope of the Master EIR for the 2035 General Plan.

The December 2018 ordinance inadvertently prohibited manufacturing, service, and repair within ½ mile of a light rail station in four zoning districts. These uses were previously allowed by right. Accordingly, the ordinance the council is adopting today is intended to fix this error.

The ordinance the council is adopting today has no effect on the environment and consists of a minor technical correction to correct the error in the December 2018

ordinance. Impacts from this ordinance were analyzed in the previously approved initial study for the project, prepared pursuant to Public Resources Code 21157.1 and Guidelines 15177, which concluded the project was described in the Master EIR and that the project would not cause any additional significant environmental effects that were not examined in the Master EIR. The City Council finds that the project is within the scope of the Master EIR, the project will have no additional significant effect not identified in the master EIR, and no new additional mitigation measures or alternatives are required.

Additionally, the City Code, prior to the adoption of the ordinance, allowed manufacturing, service, and repair by right in the M-1, M-1(S), M-2, and M-2(S) zones, regardless of their proximity to a light rail station platform. This ordinance would require a developer to obtain a conditional use permit to operate these uses within a half mile of light rail. As a result, there will be less development of these uses in these zones as compared to the (by-right) baseline. Accordingly, the ordinance will not have a significant effect on the environment.

Section 4. The City has incorporated all feasible mitigation measures or feasible alternatives appropriate to the project as set forth in the Master EIR.

Section 5. Notice of the determination that the project is a subsequent project under the Master EIR was provided in the manner required by CEQA Guidelines section 15177(d) and 15087. The Notice of Subsequent Project was posted in the office of the County Clerk/Recorder on October 19, 2018. The Notice established a thirty-day comment period, beginning on October 22, 2018 and ending on November 21, 2018.

Section 6. The City Council directs that, upon approval of the Project, the City Manager shall file a notice of determination with the County Clerk of Sacramento County and, if the Project requires a discretionary approval from any state agency, with the State Office of Planning and Research, pursuant to the provisions of CEQA section 21152.

Section 7. Pursuant to Guidelines section 15091(e), the documents and other materials that constitute the record of proceedings upon which the City Council has based its decision are located in and may be obtained from, the Office of the City Clerk at 915 I Street, Sacramento, California. The City Clerk is the custodian of records for all matters before the City Council.

Attachment 5 – Proposed Framework to Revising the Transit-Oriented Development Ordinance

On December 11, 2018, City Council adopted Ordinance No. 2018-0055 amending various sections of Title 17 of the Sacramento City Code, relating to Transit-Oriented Development (TOD), which became effective January 10, 2019. City Council requested staff to conduct additional outreach to affected property owners/businesses and return to City Council in the first quarter of 2019 with recommended next steps.

City staff met with business and property owners from three industrial parks: Cannon Industrial Park (District 2), Erickson Industrial Park (District 2), and Johnston Business Park (District 3). These industrial parks are all located within ½ mile of one or more light rail stations, have long-standing industrial uses, and lack pedestrian and bicycle infrastructure and neighborhood-serving amenities and services. Additionally, some of these areas have significant barriers to walking and biking from light rail stations, such as State Route 160 and freight rail lines.

Based on conversations with business and property owners and field observations, City staff has developed an initial framework for potential changes to the TOD Ordinance that encourage existing industrial parks to thrive, while also providing flexibility for other types of land uses that over time may transition into a transit-supportive environment.

Potential solutions include creating a new Industrial Transit Area Zone for certain industrial park areas within ½ mile of a light rail station. The zone would permit the following uses by right:

- Commercial Service
- Manufacturing, service and repair
- Multi-unit dwellings
- Office
- Restaurant
- Retail store
- Warehouse; distribution center

Additionally, staff will reevaluate the ¼ and ½ mile distance from light rail stations and consider revising the TOD Ordinance distance to account for the length of time required to walk and bike from the light rail station to the property instead of “as the crow flies” distance.

City staff also recommends conducting additional neighborhood, corridor and station area planning to develop area-specific TOD strategies. This Spring, staff will be requesting Council’s approval to establish the Neighborhood Development Action Team, which would initiate two to four neighborhood, corridor, or TOD area plans each year.

City staff will refine this initial framework and present recommended changes to the Law and Legislation Committee as well as the Planning and Design Commission in the Spring of 2019. Adoption of an ordinance is anticipated in the Summer.