



City of Grass Valley City Council Agenda Action Sheet

Title: Direction to staff to prepare a Request for Proposals (RFP) to conduct a feasibility study and a traffic study to support the drafting of an ordinance to incentivize the conversion of under-utilized upper and basement level spaces to residential use within the Town Core (TC) zoning designation.

CEQA: Not a project under CEQA; If directed to prepare an ordinance, the appropriate CEQA review will be completed at that time

Recommendation: That Council direct staff to prepare an RFP for a feasibility study and traffic study to support the drafting of an ordinance that would incentivize conversion of under-utilized upper and basement level spaces to residential use within the TC zoning designation.

Prepared by: Amy Wolfson, City Planner

Council Meeting Date: September 12, 2023 **Date Prepared:** September 7, 2023

Agenda: Administrative

Background Information: The city recently completed the pedestrian improvements and renovation of Mill Street which is stimulating a revitalization of downtown. Staff have received inquiries from property owners about the possibility of converting upper-level offices to residential use along the Mill Street pedestrian corridor. However, while the TC zone allows 20 dwelling units per acre, most of the buildings in this zone sit on very small lots, prohibiting them from taking advantage of the generous density allowance. Many of the buildings are large in size, and with the demise of office space interest in favor of home-office use, much of the non-ground level space is under-utilized. An ordinance to incentivize the non-ground floor uses for residential use will provide the following benefits:

- Add to the revitalization effort of downtown
- Encourage housing close to employment opportunities and close to the Tinloy Transit Station
- Encourage investment in older buildings
- Further the goals of the General Plan:
 - **Land Use- 9-LUP:** Provide for higher residential densities on infill sites and in the Downtown area.
 - **Land Use- 23-LUP:** Encourage mixed-use developments incorporating a variety of densities on infill sites and in areas proposed for annexation.

- **Housing- HE Goal D, POLICY 1:** The City shall encourage private reinvestment in older residential neighborhoods and private rehabilitation of housing. (While the TC zone is not considered a residential neighborhood, but the program encourages reinvestment in older buildings for the purpose of housing.)

Staff anticipates that the ordinance will include parameters for the following:

- Maximum density limit within the Town Core
- A provision to allow or not allow dwelling units to be used as short-term rentals
- Off-street parking requirement for residential units
- Level of permit review (administrative vs discretionary)
- Restriction on expansion of existing buildings

At least two special studies will be necessary to consider consistency with the general plan and compliance with the California Environmental Quality Act (CEQA). A feasibility study will be used to determine the number of dwelling units the adopted general plan anticipated within the TC zone so that staff can recommend a density limit that is consistent. The city will also need to rely on a traffic study based on Vehicle Miles Traveled (VMT), which is the metric used for determining impacts under CEQA, and also based on Level of Service (LOS), which is the metric used in the city's general plan.

Council Goals/Objectives: Direction to pursue this ordinance supports the 2022 Strategic Plan Update, Goal #1: The City of Grass Valley is dedicated to promoting programs and projects that improve livability and enhance the character and charm of Grass Valley.

Fiscal Impact: Development of the ordinance will require staff time and will require a consultant-prepared feasibility study and a traffic study, the cost of which will be better understood with responses to an RFP.

Funds Available: None

Account #: TBD

Reviewed by: Tim Kiser, City Manager

Attachments: None