



**STAFF REPORT  
HOLLISTER CITY COUNCIL  
MEETING DATE: April 21, 2025  
REPORT # Community Development-2025-24**

**AGENDA ITEM: DISCUSSION AND POSSIBLE DIRECTION REGARDING A CITYWIDE GENERAL PLAN UPDATE, THE 6th CYCLE HOUSING ELEMENT UPDATE, AND PENDING GENERAL PLAN AMENDMENT AND PREZONING/ANNEXATION APPLICATIONS**

**DEPARTMENT:** Community Development  
**DEPARTMENT HEAD:** Rod Powell, Assistant City Manager  
**STAFF CONTACT:** Eva Kelly, Planning Manager

**RECOMMENDED ACTION:** Staff recommends the Council take the following actions:

1. Receive the presentation and hold a public hearing.
2. Provide direction regarding the initiation of a **citywide General Plan Update**, including direction on the inclusion of any necessary updates to the City's adopted **Climate Action Plan**.
3. Provide direction regarding the City's ongoing **6<sup>th</sup> Cycle Housing Element Update**.
4. Provide direction regarding whether to initiate any citywide effort related to adoption of an **Urban Growth Boundary**.
5. Provide direction on how staff and applicants should proceed with the following in-process Prezoning for Annexation & General Plan Amendment applications as it relates to the direction given on a citywide General Plan Update:
  - a. **General Plan Amendment 2020-1, Prezone 2020-2 – Hollister Research Campus**
  - b. **Prezone 2020-1 – Lico & Greco Properties**
  - c. **General Plan Amendment 2022-2, Rezone 2022-1 – Hollister Multifamily LLC**
  - d. **Prezone 2019-2 – Joseph Nguyen/Clearist Park**
6. Adopt a resolution denying the request for **Initiation of General Plan Amendment 2022-3 and Prezone 2022-1 – Severita Hamana**.
7. Regarding **Initiation of General Plan Amendment 2023-1 and Prezone 2023-1 – MLC Holdings/Sarwat Fahmy** – staff recommends either of the following:
  - a. If the City Council directs staff to initiate a citywide general plan update, staff's recommendation on this item is to adopt a resolution denying the request for Initiation of General Plan Amendment 2022-3 and Prezone 2022-1; and to provide any desired direction regarding the land use on this parcel for incorporation into the city's general plan update effort.
  - b. If the City Council directs staff to not initiate a citywide general plan update, staff recommends that the City Council adopt a resolution either approving or denying the initiation request.

8. Regarding **Initiation of Prezone 2023-2 – Joe Tonascia** – staff recommends either of the following:

a. If the City Council directs staff to initiate a citywide general plan update, staff's recommendation on this item is to adopt a resolution denying the request for Initiation of Prezone 2023-2; and to provide any desired direction regarding the land use on this parcel for incorporation into the city's general plan update effort.

b. If the City Council directs staff to not initiate a citywide general plan update, staff recommends that the City Council adopt a resolution either approving or denying the initiation request. If the Council desires to approve the request for initiation, the Council must also authorize the initiation of a General Plan Amendment for this project as proposed.

9. Regarding **Initiation of Prezone 2023-3 – Lico & Greco Properties** – staff recommends either of the following:

a. If the City Council directs staff to initiate a citywide general plan update, staff's recommendation on this item is to adopt a resolution denying the request for Initiation of Prezone 2023-3; and to provide any desired direction regarding the land use on this parcel for incorporation into the city's general plan update effort.

b. If the City Council directs staff to not initiate a citywide general plan update, staff recommends that the City Council adopt a resolution either approving or denying the initiation request. If the Council desires to approve the request for initiation, the Council must also authorize the initiation of a General Plan Amendment for this project as proposed.

## **DISCUSSION:**

### **1. Background**

At the regular meeting of December 3, 2024, the City Council adopted Resolution 2024-201 Adopting the 2040 General Plan. On January 23, 2025, proponents filed a referendum petition regarding Resolution 2024-201. Following the filing of the referendum, the City Council repealed Resolution 2024-201 rescinding the adoption of the 2040 General Plan at the regular meeting of March 3, 2025.

The repeal of the 2040 General Plan has reinstated the City of Hollister 2005-2023 General Plan as the City's guiding long-range policy document. There are multiple ongoing city and private projects that are affected by the repeal of the 2040 General Plan. This discussion seeks to identify affected projects and receive direction from the City Council on whether and how to proceed with any new citywide general plan update effort, and how to proceed with the affected projects in light of the repeal.

The land uses, policy, and environmental review documents that were prepared for the 2040 General Plan were intended to serve as background foundational documents for ongoing city projects, as well as multiple private development/annexation proposals. These projects were being processed concurrently with, but separately from, the 2040 General Plan Update, but anticipated the adoption of the 2040 General Plan as an expected existing condition. The repeal of the 2040 General Plan therefore necessitates all projects to revise the direction that they were previously proceeding under and revise scopes of work, timelines, and costs accordingly. Any new direction the Council may

give regarding another citywide general plan update effort will also influence the same projects and the changes that are needed for each of them to proceed. For this reason, before the Council provides any direction on the general plan or other items, the current status, options for paths forward, and the effects that direction on one project will have on each subsequent project will be outlined in this report. After all items are presented, staff request direction from the council on each of the following projects:

1. Citywide General Plan effort
2. Climate Action Plan updates
3. Citywide Urban Growth Boundary effort
4. 6<sup>th</sup> Cycle Housing Element Update
5. Active Project: General Plan Amendment 2020-1, Prezone 2020-2 – Hollister Research Campus
6. Active Project: Prezone 2020-1 – Lico & Greco Properties
7. Active Project: General Plan Amendment 2022-2, Rezone 2022-1 – Hollister Multifamily LLC
8. Active Project: Prezone 2019-2 – Joseph Nguyen/Clearist Park

Additionally, staff requests the Council make a determination to either approve or deny the following applications:

9. Initiation of General Plan Amendment 2022-3 and Prezone 2022-1 – Severita Hamana
10. Initiation of General Plan Amendment 2023-1 and Prezone 2023-1 – MLC Holdings/Sarwat Fahmy
11. Initiation of Prezone 2023-2 – Joe Tonascia
12. Initiation of Prezone 2023-3 – Lico & Greco Properties

## **2. Legislative Framework**

### **A. California Environmental Quality Act (CEQA)**

All projects which have the potential to have an impact on the environment are subject to the California Environmental Quality Act (CEQA). Unless a project meets the requirements for a statutory or categorical exemption, the project must be analyzed in a technical document to further evaluate the potential impacts and identify necessary mitigation measures to eliminate or reduce the environmental effects to a non-significant level. A proper environmental analysis document under CEQA considers the following three scenarios to determine whether the Project may have an environmental impact:

1. Existing conditions
2. Existing plus Project
3. Cumulative Impact

Both the existing conditions and cumulative impact analysis portions of a CEQA document rely on establishing a baseline series of conditions, evaluating other projects that are ongoing or in the anticipated pipeline, as well as studying all previous environmental documents that have been prepared for relative projects. In this way, CEQA documents rely and build upon each other as new projects are analyzed and

approved.

For the purposes of this discussion, it is important to understand that projects that are being analyzed under CEQA concurrently, but separately, need to have an established “order” for development/approval in order to establish the baseline and cumulative conditions for each analysis.

**Example:**

Presume the City is considering Project A, Project B, and Project C – all of which are subject to CEQA and therefore require a technical analysis of their individual environmental impacts. The City could consider all projects together, and could complete one CEQA document that analyses the potential impact of the collective project (“Project ABC”), which assumes that Project A, Project B, and Project C are all approved and implemented. However, if the City proceeds with the environmental review of Projects A, B, and C individually, a determination must be made as to the order in which the projects are expected to be implemented in order to prepare three CEQA documents at the same time.

For this example, it is determined that Project A will happen first, then Project C, then Project B.

Project A’s CEQA document will include the existing conditions in a typical fashion as they exist at the time of preparation, and the cumulative analysis will not assume either Project B or Project C is in the pipeline.

Project C’s CEQA document will include the existing conditions as they exist at the time of preparation *plus Project A*. The cumulative analysis will assume Project A is a part of existing/pipeline conditions but will not assume Project B is in the pipeline.

Project B’s CEQA document will include both Projects A and C as existing and pipeline conditions for the existing and cumulative analyses.

**B. Local Agency Formation Commission (LAFCO)/ Sphere of Influence**

The Local Agency Formation Commission (LAFCO) is a regional agency that has the authority to approve changes in organizational boundaries between jurisdictions and special districts. All LAFCOs are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. San Benito LAFCO is a five-member committee with two representatives from the San Benito County Board of Supervisors, one representative from each of the City of Hollister and City of San Juan Bautista City Councils, and one member from the public at large.

The major legislative mandate of LAFCO is to promote orderly development, discourage urban sprawl, preserve open space and prime agricultural lands, and to efficiently extend government services.

For every jurisdiction, LAFCO adopts a boundary called the Sphere of Influence (SOI), which is intended to serve as the ultimate service area and the area where the

jurisdiction intends to grow. The SOI serves as a guide for annexation and service extensions for the jurisdiction. LAFCO approval must be received before any property may be annexed into the city, the Sphere of Influence to be changed, or for city services to be extended outside of our city limits- within or outside of the SOI.

**C. Housing Element**

All cities and counties in the State of California are required to adopt a General Plan that serves as the guiding long-range planning document for the jurisdiction. A General Plan has a series of seven mandated “elements” outlined in the Government Code, including a Housing Element. While a general plan may be updated very infrequently, the Housing Element must be updated on a regular basis, typically an 8-year cycle. In order to adopt the Housing Element, it must first be reviewed and certified by the California Department of Housing and Community Development (HCD). The City of Hollister is currently in the process of completing our 6<sup>th</sup> Cycle Housing Element (2024-2032) to receive HCD certification. Hollister is currently out of compliance with state requirements, as the city does not have a certified Housing Element at this time.

The purpose of the Housing Element is to identify and plan for the City’s existing and projected housing needs. The Housing Element must contain goals, policies, quantifiable objectives, and programs that will support the preservation, improvement, and development of housing for the community. The City is mandated to adopt both policies and land use designations that will accommodate the Regional Housing Needs Allocation (RHNA) that is determined by first HCD and then the local regional transportation planning agency – in the case of the City of Hollister, the San Benito County Council of Governments (SBCOG).

The City of Hollister’s 6<sup>th</sup> Cycle RHNA as determined by SBCOG is outlined in Table 1 below. The RHNA is divided by income category, and the City must adopt policies and programs in the Housing Element to support the development of housing units across all incomes.

**Table 1. City of Hollister 6<sup>th</sup> Cycle RHNA**

<b>Income Category</b>	<b>Percent of Area Median Income (AMI*)</b>	<b>RHNA</b>
Very Low-Income	0-50% AMI	846 units
Low-Income	51-80% AMI	678 units
Moderate-Income	81-120% AMI	826 units
Above Moderate-Income	>120% AMI	1,183 units
<b>TOTAL RHNA</b>		<b>4,163 units</b>

*\*The San Benito County AMI is \$140,200 for a family of four, according to the 2024 HCD Income Limits.*

**D. Council Deferral Policy for General Plan & Annexation Applications**

On November 6, 2023, the City Council moved to defer the intake and processing of new and ongoing General Plan Amendment and Annexation applications until the adoption of the 2040 General Plan (see **Attachment 1**, November 6, 2023 Minutes). Both General Plan Amendment applications and Rezoning for Annexation applications require amendments to the City’s General Plan as part of the proposal. It is typical for

jurisdictions not to consider individual proposals for amendments to the General Plan while the City itself is developing a comprehensive general plan update.

At the March 3, 2025 City Council meeting, however, the City Council repealed the 2040 General Plan, and is currently not undergoing a General Plan Update effort. Following the repeal, the City Council did provide direction for staff to bring forward the submitted applications for further direction and/or consideration, which will be discussed in this report. Also, in anticipation of this larger discussion surrounding a citywide general plan effort, the City Council directed staff to otherwise sustain the deferral policy on new general plan amendment and annexation application submittals. Following this discussion and direction provided by the City Council, the Council will need to reconsider the deferral policy. The Council can potentially adopt a new deferral policy if a citywide general plan effort is initiated, but the Council cannot keep a deferral policy in place with no context or sunset date.

#### **E. 4/5<sup>th</sup> Vote Requirement for Initiation of a General Plan Amendment**

Pursuant to [Section 17.24.290\(A\)](#) of the Hollister Municipal Code, authorization of a General Plan Amendment, city-initiated or proposed by a private property owner, requires an affirmative 4/5<sup>th</sup> vote of the City Council in order to proceed.

### **3. General Plan**

Following the repeal of the 2040 General Plan, the 2005-2023 City of Hollister General Plan (2005 General Plan). The 2005 General Plan can be found on the City's website, here:

[https://hollister.ca.gov/government/departments/development\\_services/planning/general\\_plan.php](https://hollister.ca.gov/government/departments/development_services/planning/general_plan.php).

The 2005 General Plan has not been comprehensively updated in twenty years and is currently out of compliance with many legislative requirements. These include, but are not limited to, necessary updates to the Safety and Noise Elements, the need for incorporation of environmental justice requirements, and the need to bring the environmental analysis for the various policies into compliance with current CEQA regulations. As described briefly above and as will be discussed in further detail later in this report, the Housing Element is also currently out of compliance, though the 5<sup>th</sup> Cycle Housing Element was adopted more recently, in 2016.

In 2018, the City Council initiated a comprehensive General Plan Update to bring the city's general plan into compliance with current legislation and provide an update to the City's guiding goals and policies to extend the life of the General Plan through the year 2040. Through the General Plan Update effort, the 2040 General Plan was developed and adopted by the City Council on December 3, 2024, but was repealed following a referendum petition on March 3, 2025.

Staff requests that the City Council provide direction on whether, and if so to what extent, to initiate a new citywide general plan update effort in the wake of the repeal.

Staff have identified several paths forward for the City Council to consider regarding a citywide general plan update, each with its own level of effort, costs, and consequences

to other affected projects. Dependent upon the Council's direction, staff will return at a later date with additional details on costs, timeline, and scope of work for council consideration. Also dependent upon the Council's direction on the General Plan, staff will return as necessary with additional details on costs, timeline, and scope of work for other affected projects.

A. **General Plan Option 1 (GP1)**. Forgo a citywide General Plan Update.

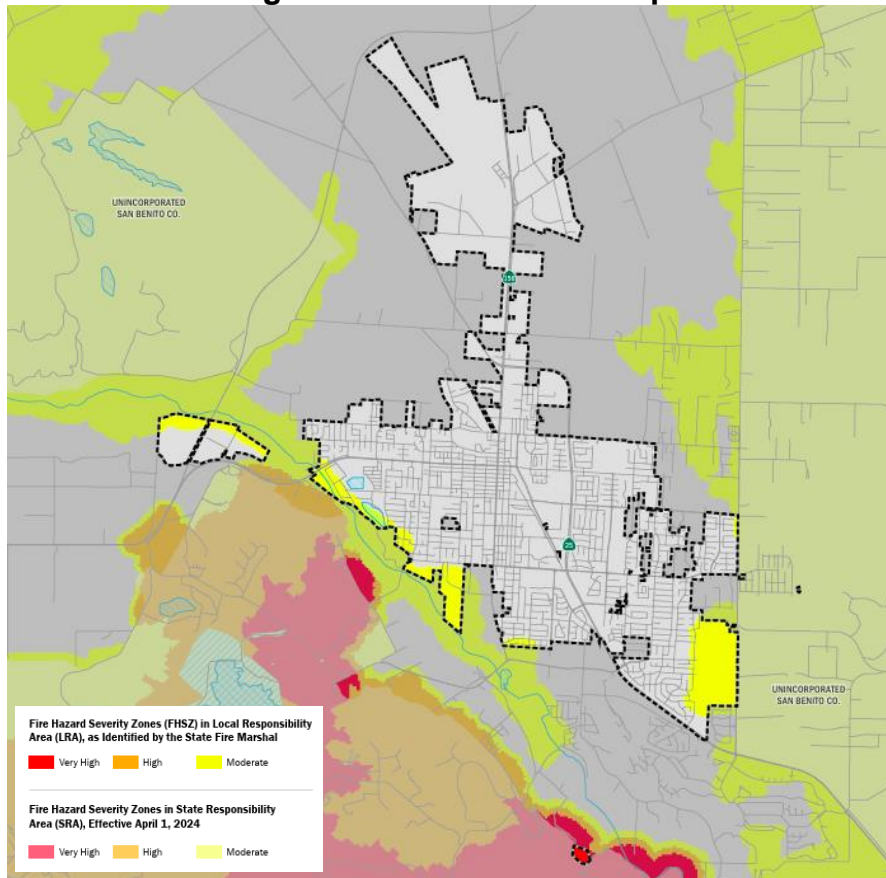
The first option available to the City Council for the general plan would be to maintain the 2005 General Plan for the foreseeable future. City efforts and project applications would move forward under the provisions of the current General Plan policies, and the Council may amend the General Plan in small ways as appropriate from time to time, rather than a comprehensive update like the 2040 General Plan effort was.

*GP 1 - Necessary additional general plan work*

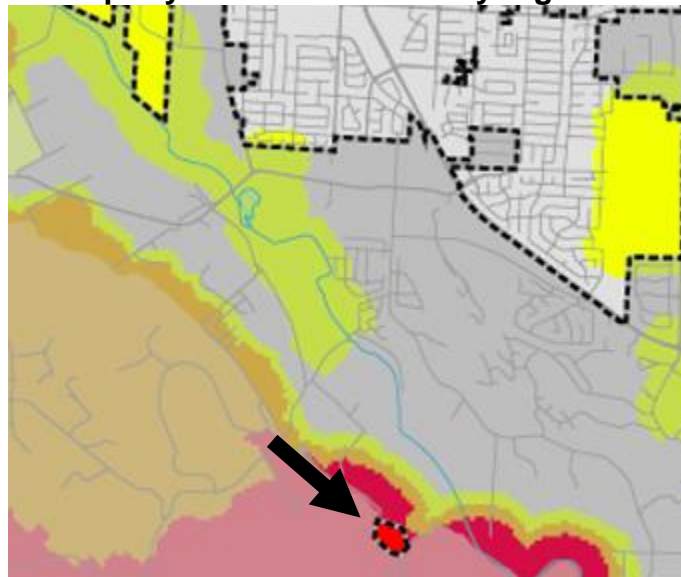
Forgoing a citywide general plan update will mean that there is no inherent additional effort necessary for the general plan. However, there are some updates that are currently legislatively required that staff will need to bring back for the council to consider adopting into the General Plan. The 2040 General Plan addressed all of the legislative issues with the 2005 General Plan and brought the City's General Plan into compliance. Staff will need to do an analysis of the 2005 General Plan in order to identify specific needed changes, which would be brought back to Council at a later date.

Additionally, there has been a recent change in 2025 which will affect any future revisions to the general plan. On March 10, 2025, the Office of the State Fire Marshal (OSFM) released updated Fire Hazard Severity Zone (FHSZ) maps (See **Attachment 2** Hollister FHSZ Map). Figure 1 below shows the City of Hollister's revised FHSZ map.

**Figure 1. Hollister FHSZ Map**



**Figure 2. Property Located within Very High Severity Zone**



As demonstrated in Figure 2, the revision of the State's FHSZ maps identified a property within the city limits that is also in the very high fire hazard zone in the Local Responsibility Area. Staff were previously unaware of this property being incorporated into the City limits. Staff have confirmed that this is both a city-owned property and have confirmed with the San Benito County Assessor's office that it is an incorporated parcel. It appears to have been annexed around the 1970s; an exact date or annexation

documents were not located.

Because the City now has identified property within its jurisdictional boundary in a high fire hazard severity zone, amendments to the Safety Element must be sent CALFire for their review of the policies. Following the January 2025 fires in Los Angeles, CALFire has indicated that they intend to be more stringent in their reviews and enforcement of their right to review local general plans. The Safety Element must include certain policy restrictions on development in high fire hazard zones that CALFire will look for in their review. Additionally, the City will need to address emergency evacuation routes, likely needing to develop a formal emergency evacuation plan as part of this process.

The City of Hollister adopted a Local Hazard Mitigation Plan (LHMP) in 2022, and a Climate Action Plan (CAP) on December 3, 2024 along with the 2040 General Plan. These documents may require minor amendments or updates to make them consistent with the 2005 General Plan. The policies within the documents remain enforceable under the 2005 General Plan. However, inconsistencies between the adopted Climate Action Plan, Local Hazard Mitigation Plan and the adopted General Plan, may affect funding opportunities that are based on having a consistent adopted CAP or LHMP.

B. **General Plan Option 2 (GP 2)**. Initiate a citywide General Plan Update.

The second option for the City Council related to the General Plan would be for the Council to direct staff to initiate a citywide general plan update effort. This option has been divided into three sub-options because depending on the direction given, the scope of work, costs, and level of effort could range significantly.

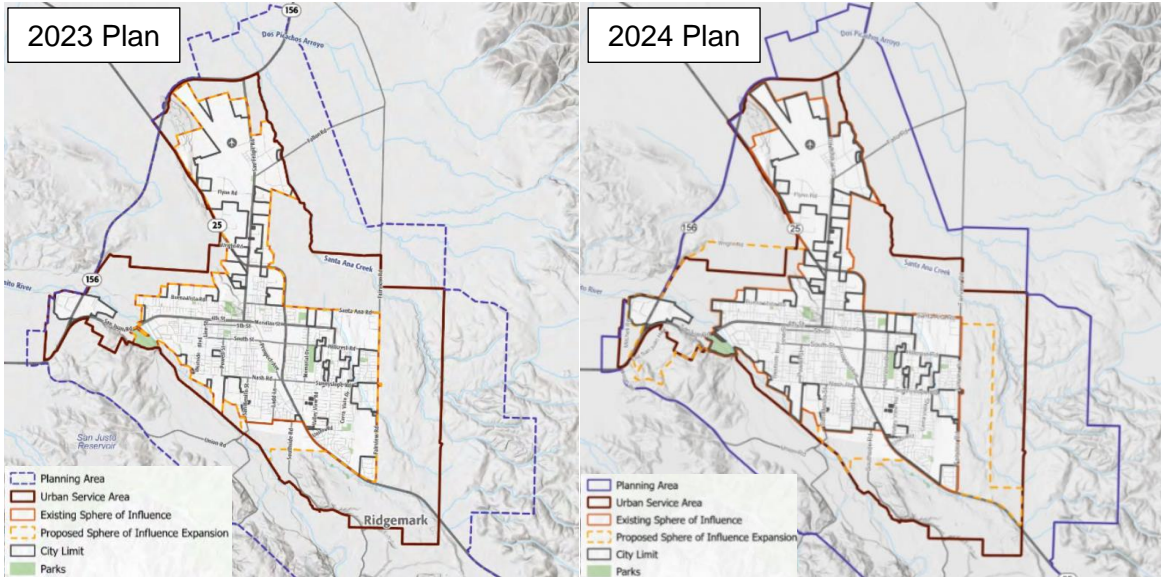
- a. **GP 2A** – Revisit the 2040 General Plan within the bounds of policy and land uses analyzed in either the 2023 Draft GP or the 2024 Final GP

In April 2023, the City released a Public Review Draft 2040 General Plan (2023 Plan). The 2023 Plan was considered by the City Council on September 11, 2023, where direction for amendments were made. The Council also provided additional direction on the General Plan at the November 20, 2023 council meeting. This direction ultimately resulted in the October 2024 Final 2040 General Plan (2024 Plan). The 2024 Plan was adopted in December 2024. The minutes of the September 11, 2023 and November 20, 2023 City Council meetings are attached as **Attachment 3** and **Attachment 4**, respectfully.

The changes from the 2023 Plan to the 2024 Plan were as follows:

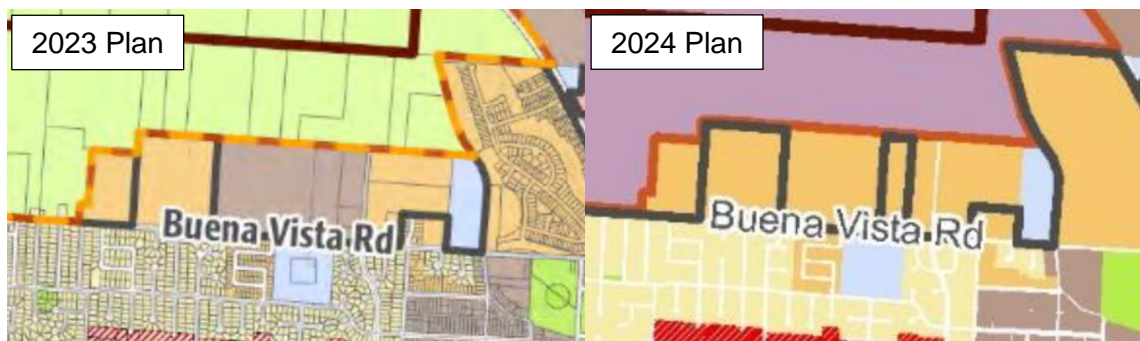
- **SOI Expansion.** The Council directed that the Sphere of Influence should be extended east of Fairview Road, north of Buena Vista Road, south of San Juan Road on the west side of the City Limits, and to include two additional parcels in the Union Road expansion proposed in the 2023 Plan. See Figure 2 below.

**Figure 2. Sphere of Influence Changes**



- **Land Use Changes for Buena Vista Road, Chappell Road/Santa Ana Road, Meridian Road Special Planning Area, and Glenmore Drive.** See **Attachments 5 & 6** for the complete 2023 Plan and 2024 Plan Land Use Maps, respectively. Parcels on Buena Vista Road were changed from High Density Residential to Medium Density Residential (Figure 3). Parcels on Chappell Road were changed from High Density Residential to Medium Density Residential (Figure 4). Parcels in the Meridian Road Special Planning Area were changed from Residential Estate to Medium and High Density Residential (Figure 5). A parcel on Glenmore Drive was changed from High Density Residential to Low Density Residential (Figure 6).

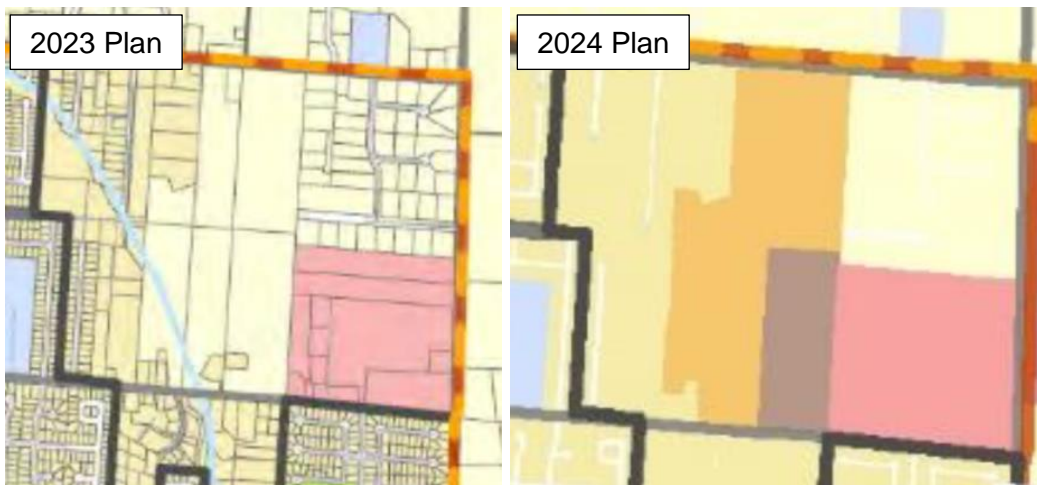
**Figure 3. Buena Vista Road Land Use Changes**



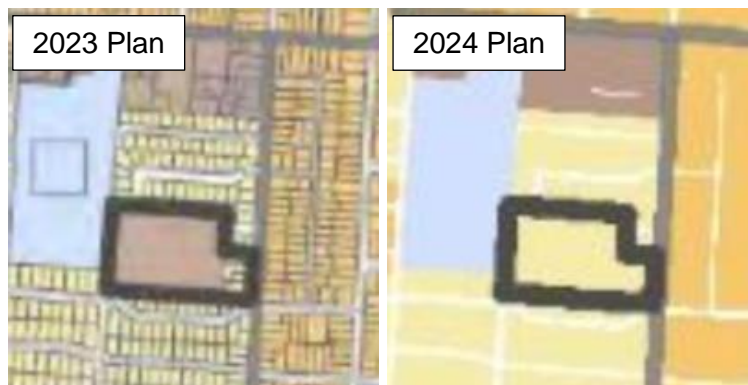
**Figure 4. Chappell Road/Santa Ana Road Land Use Changes**



**Figure 5. Meridian Road Special Planning Area Land Use Changes**



**Figure 6. Glenmore Drive Land Use Changes**



- **North Gateway to Mixed-Use.** The Council directed that the North Gateway commercial designation be modified to become a mixed-use designation, allowing both commercial and residential uses. Staff had requested this change because during the process of updating the Housing Element for 6<sup>th</sup> Cycle, it was determined that the 2005 General Plan does not have enough sites to meet the City's RHNA requirements to certify the housing element.

- **Public Art Fee.** The Council directed staff to add a policy to consider the implementation of a public art fee for development. Action AC-4.2 was incorporated into the 2024 Plan, which reads “**Public Art Fee.** Prepare a study that evaluates and compares potential public art fee programs to be paid by new development that establish new publicly accessible art.”
- **Agricultural Lands Preservation Program.** The Council directed staff to change the Agricultural Lands Preservation Program (ALPP) from a 2:1 preservation ratio to a 1:1 preservation ratio. The ALPP is a separate document from the General Plan. However, if the General Plan is to include a policy that references the specific ratio of preservation in the development of such a policy, the general plan and ALPP would need to be consistent.
- **Inclusionary Housing Ordinance.** The Council directed staff to amend the policy in the General Plan that identified developing an Inclusionary Housing Ordinance to have a 15% inclusionary requirement, rather than a 20% requirement. The Inclusionary Housing Ordinance is a separate document from the General Plan. The City Council adopted an Inclusionary Housing Ordinance in August 2024. Any revisions to the General Plan should take into consideration the adopted ordinance that is in place.

General Plan Option 2A (GP 2A) assumes that the City Council directs staff to revise the 2005 General Plan which includes land uses and/or policies that have already been considered in either the 2023 Plan or the 2024 Plan.

*GP 2A – Necessary additional general plan work*

To revise and adopt a general plan update under this option, the text and maps of the 2023 Plan and 2024 Plan would need to be amended to reflect the current direction of the City Council. The amendment would also need to reflect the necessary Safety Element changes described above related to the Fire Hazard Severity Zones and evacuation plans that are now a requirement of a general plan amendment, which was not completed for either previous document.

The City Council certified the Environmental Impact Report (EIR) for the adoption of the 2040 General Plan, Climate Action Plan, and Agricultural Lands Preservation Program on December 3, 2024. Under GP 2A direction, the certified EIR could be utilized as an established baseline document. As long as the direction from Council does not result in potential new environmental impacts that were previously described, an addendum is appropriate. Staff, in consultation with our CEQA team, believe that items studied previously under either the 2023 Plan or the 2024 Plan should fall within the previously analyzed impacts. An EIR Addendum does not require additional public review period for the CEQA document, and could be adopted alongside a revised General Plan.

It is staff’s recommendation that any amendments proposed to the General Plan include appropriate revisions to the adopted Climate Action Plan (CAP), to ensure that the documents are consistent. The Climate Action Plan implements policies that take into consideration the Greenhouse Gas Emissions and Air Quality effects as a result of the implementation of the 2040 General Plan, and the CAP also served as CEQA mitigation for the 2040 General Plan. If the documents are inconsistent, the General Plan may

have a greater impact on the environment – which could mean that additional environmental work under CEQA would be required prior to adoption. Also, having a consistent and adopted CAP can help the city qualify for grant funding, whereas if the CAP is not consistent with the General Plan, the city may not be qualified for certain funding programs.

Staff have discussed this option with our general plan consultants for a rough estimate of potential costs, as it is the least costly option, and it would be approximately \$300,000 to complete this revision work on the General Plan, Climate Action Plan, and EIR Addendum. A complete and accurate scope of work, timeline, and budget would be prepared following direction from the Council.

- b. **GP 2B** – Revisit the 2040 General Plan with additional discussions of new topics not previously analyzed in either 2023 or 2024 Draft GP

General Plan Option 2B (GP 2B) assumes that the Council directs staff to revise the General Plan with new, but specific, land use and/or policy direction that has not been addressed in either the 2023 Plan or the 2024 Plan. The direction could include anything the Council wishes to include in a revised General Plan, but this option assumes that the direction is very specific, so that staff/consultants can input and analyze the specific revision. This direction would not include additional public workshops or study sessions to discuss additional topics and open the document for additional further revisions. Similar to the specific direction provided by Council on the 2023 Plan, staff would take the direction, reanalyze the changes as necessary, and return with a revised document.

GP 2B – Necessary additional general plan work

This direction would include all necessary text and map revisions to the general plan document itself, additional adoption hearings, and additional CEQA environmental work. The scope of the changes would depend upon the direction that is provided. For minor changes, the CEQA work may still fall within the boundaries of preparation of an EIR Addendum, but the changes could increase substantially if the direction creates potential new impacts. This could include but not be limited to needing a Supplemental EIR or a completely new environmental document altogether. Staff would also recommend amendments to the Climate Action Plan to be consistent with the direction of the revised general plan under this scenario.

- c. **GP 2C** – Initiate a new General Plan Update Process (significant public outreach, opening of new topics, etc.)

General Plan Option 2C assumes that the Council directs staff to bring back proposed new policy ideas to the public for additional outreach, workshops, study sessions, etc. This option would generally restart the process – even though previous policies could be considered in the conversations – and would involve regrouping with the community on what changes from the 2005 General Plan are desired in a citywide general plan update.

GP 2C - Necessary additional general plan work

This option is the broadest in terms of the scope of work that would be required.

However, generally it assumes additional public outreach, possible formation of a new advisory committee for the new general plan update process, all revisions to the document itself following the new outreach and getting direction on the plan, and necessary additional CEQA analysis work. The CEQA for starting the general plan update process over is almost certainly going to require a Supplemental EIR at minimum, if not a completely new EIR document to be prepared.

#### 4. Housing Element

The City of Hollister is currently also in the process of updating the Housing Element for the 6<sup>th</sup> RHNA Cycle. The Housing Element is a chapter of the General Plan, but it is updated on a different timeline than the rest of the General Plan. It was coincidental that the 6<sup>th</sup> Cycle Housing Element Update coincided with a citywide comprehensive general plan update process. However, because of this, the Draft 6<sup>th</sup> Cycle Housing Element and 2040 General Plan were being prepared to be consistent with each other.

The current draft 6<sup>th</sup> Cycle Housing Element (available on the city’s website at [https://hollister.ca.gov/government/departments/development\\_services/planning/housing\\_element.php](https://hollister.ca.gov/government/departments/development_services/planning/housing_element.php), under November 2024 Public Review Draft) was prepared under the assumption that the 2040 General Plan would be adopted and take effect. The proposed candidate sites analysis as well as the intended CEQA review for the 6<sup>th</sup> Cycle Housing Element was dependent upon this occurrence. The candidate sites analysis in the current draft housing element proposes rezoning of some sites to be consistent with the increased densities which were proposed in the 2040 General Plan, shown in Table 2 below. The Housing Element also includes multiple candidate sites that were being redesignated to residential or mixed-use, or to a higher density residential, from the 2005 General Plan designations within the 2040 General Plan.

**Table 2. 2040 General Plan Density Changes (Residential & Mixed-Use)**

Land Use Designation	2005 General Plan Density	2040 General Plan Density
(RE) Residential Estate	0.2 du/ac	0.2 to 1 du/ac
(LDR) Low Density Residential	1 to 8 du/ac	6 to 10 du/ac
(MDR) Medium Density Residential	8 to 12 du/ac	11 to 29 du/ac
(HDR) High Density Residential	12 to 35 du/ac	30 to 65 du/ac
(MU) Mixed-Use Commercial and Residential	25 to 40 du/ac	30 to 65 du/ac
(DMU) Downtown Commercial and Mixed-Use	25 to 45 du/ac	30 to 125 du/ac
(HO) Home Office	8 to 12 du/ac	11 to 29 du/ac
(WG) West Gateway	20 to 35 du/ac	30 to 65 du/ac
(NG) North Gateway	Residential Not Permitted	30 to 65 du/ac

The 2040 General Plan proposed the increased densities across the city’s residential and mixed-use zones to support infill development, affordable housing development, and other goals identified in the general plan. The adoption of the 2040 General Plan also would have completed the redesignation of any parcels with a changed land use through the new Land Use Map in the general plan. Additionally, the certified EIR for the

2040 General Plan also analyzed the potential environmental impacts that could occur with the implementation of the new land uses and residential densities. The 2040 General Plan was drafted with the intent to have not only enough growth and land use changes to accommodate the 6<sup>th</sup> Cycle RHNA (2024-2032), but also to potentially accommodate the 7<sup>th</sup> Cycle RHNA (2032-2040) to decrease future environmental analysis work necessary for certification of both RHNA cycles.

With the 2040 General Plan revising land use designations of specific properties (land use map), revising the densities of all land use designations, and studying the environmental impacts of those changes, the 6<sup>th</sup> Cycle Housing Element, therefore, could utilize the 2040 General Plan as an established baseline document. Since the 2040 General Plan has been repealed, the housing element is in need of significant revisions to identify candidate sites. The 2005 General Plan does not have enough land designated for housing, nor do the densities allowed in the 2005 General Plan meet the requirements to meet the City's 6<sup>th</sup> Cycle RHNA. In order to meet the necessary requirements for certification, the Housing Element is going to need to make significant land use changes - possibly even create new land use designations that accommodate higher density housing which don't exist in the 2005 General Plan - and completely revise the candidate sites analysis, policies, and programs in order to accommodate the RHNA. In order to adopt the 6<sup>th</sup> Cycle Housing Element, the City Council will also need to amend the 2005 General Plan Land Use, Safety, and other elements to reflect the necessary changes. This work will require its own CEQA analysis, because the 2040 General Plan was not implemented, so the Housing Element Update itself must become the Project that makes the density and land use revisions. Previously, the Housing Element adoption could have relied on the 2040 General Plan adoption and EIR, and it was intended that the adoption of the Housing Element would have qualified for a CEQA exemption.

The November 2024 Draft 6<sup>th</sup> Cycle Housing Element was submitted to HCD in December 2024, and comments were received in late January 2025. The State continues to have concerns with the candidate sites analysis in the current draft for the candidate sites which are non-vacant. At this time, the city has additional site-specific analysis to prepare for each of the identified non-vacant sites to justify their inclusion in the 6<sup>th</sup> Cycle, regardless of the direction on the General Plan. The City has limited vacant sites within the City limits to select, even further limited by pipeline projects, so a balance of justification for higher densities, and also justification for use of non-vacant sites is needed in order to get HCD approval.

Given the above, staff have identified three paths forward for the 6<sup>th</sup> Cycle Housing Element, which are dependent upon the path chosen by the Council for the General Plan.

**A. GP 1 – Housing Element Option 1 (HE 1) – Starting Over**

If the Council elects GP 1 (forgo a citywide general plan update), the 6<sup>th</sup> Cycle Housing Element Update must essentially be started over. Staff have not identified another Housing Element path if that is the direction of Council.

**HE 1 – Necessary additional housing element work**

As described above, the candidate sites, policies, programs, and environmental work for

the current draft 6<sup>th</sup> Cycle Housing Element were entirely dependent upon the implementation of the 2040 General Plan. The 2005 General Plan does not have adequate densities or residentially zoned sites to accommodate the RHNA. Only the adopted 2024 Plan for the 2040 General Plan included enough residential and mixed-use designated sites to accommodate the RHNA. The 2023 Plan also did not include enough sites, which is the reason that staff recommended that the North Gateway Commercial designation be modified to allow for mixed-use.

The City will need to prepare a revised scope of work for updating the 6<sup>th</sup> Cycle Housing Element that includes a new candidate sites analysis, all necessary General Plan revisions to the Safety Element, Land Use Element, and any other element to create consistency between the Housing Element and the 2005 General Plan (including the fire hazard Safety Element updates), completing the rezoning of any parcels required by the revised candidate sites analysis, and preparing a CEQA document that analyzes the implementation of the necessary land use and policy changes.

It is noted that under the 2005 General Plan, it is likely that significantly more parcels within the City will need to be redesignated to residential in order to accommodate the RHNA because the current densities of the general plan are much lower than the 2040 General Plan.

**B. GP 2 – Housing Element 2 (HE 2) – General Plan direction can accommodate the RHNA**

If the Council directs staff to initiate a citywide General Plan Update, staff have identified two paths for the Housing Element, which are dependent upon the general plan direction.

HE 2 assumes that the Council's direction on the General Plan will result in a document that has enough residential sites to accommodate the 6<sup>th</sup> Cycle RHNA. This means that densities and/or land use designation changes will be proposed in the revised General Plan that will create enough residentially zoned parcels for the Housing Element.

The City can then revise the Housing Element to be consistent with the new General Plan, and rely on the General Plan for the rezones and CEQA work.

**HE 2 – Necessary additional housing element work**

The city will need to complete some additional candidate sites work to address the latest HCD comments above as well as to ensure that previously selected sites are still consistent with the revised General Plan. The level of effort will be dependent upon the significance of the changes in the direction of the General Plan.

Under this option, the Housing Element would need to be set up to follow the adoption of the revised General Plan. The rezoning and CEQA for the Housing Element would be processed by the General Plan project, rather than the Housing Element project. Timelines and delays to those timelines on the General Plan effort, will therefore have inherent delays to the Housing Element effort.

### **C. GP 2 – Housing Element Option 3 (HE 3) – General Plan direction cannot accommodate the RHNA**

If the council directs revisions to the 2005 General Plan, but the direction will result in a General Plan that does not have enough residentially zoned sites to accommodate the 6<sup>th</sup> Cycle RHNA, HE 3 would be the only path forward for the Housing Element. HE 3 will require that the Housing Element effort itself, separately and additionally, amend the newly revised General Plan in order to be consistent and able to be certified. It is noted that staff would not recommend that the Council provide General Plan direction that will not accommodate the 6<sup>th</sup> Cycle RHNA.

#### *HE 3 – Necessary additional housing element work*

Under this option, the City would be preparing revisions to the 2005 General Plan and then would need to revise that new document in whatever ways necessary to complete the 6<sup>th</sup> Cycle Housing Element update. It is difficult to say with any certainty the level of effort necessary for the 6<sup>th</sup> Cycle amendments under this direction. However, it is likely that the City will need to do additional candidate sites analysis; Housing Element policy and program changes; General Plan amendment work to text, maps, Land Use, and/or Safety Element for consistency; rezoning as necessary; and a separate CEQA analysis to study the proposed Housing Element Update scope.

The Housing Element would need to follow the General Plan update revisions, so any timeline or delays to that timeline would inherently affect the timeline of the certification and adoption of the 6<sup>th</sup> Cycle Housing Element.

### **5. Urban Growth Boundary**

At the April 7, 2025 City Council meeting, the City Council heard a presentation on Urban Growth Boundaries. The Council directed staff to return with additional information on possible implementation of an Urban Growth Boundary (UGB). During the presentation, it was noted that the most typical and likely cost-effective way for the City to move forward with implementation of an UGB would be to incorporate the boundary line into the City's General Plan. Following that, the City could, if desired, submit the boundary for consideration by a vote of the people on an election ballot, though that is not legislatively required.

For detailed information on purpose, benefits, and policy considerations for implementation of an UGB, please refer to the April 7, 2025 city council meeting recording available online (<https://pub-hollister.escribemeetings.com/Meeting.aspx?Id=e0f7055c-df3a-46f2-85a0-e33722c8c158&Agenda=Agenda&lang=English&Item=48&Tab=attachments>). The presentation is also attached to this report as **Attachment 7**.

For the purpose of this discussion, staff requests the Council to provide direction on whether or not to pursue implementation of an UGB, within the context of other direction the Council gives on amending the 2005 General Plan. Staff have identified the following paths related to an UGB.

**A. GP 1 – Urban Growth Boundary Option 1 (UGB 1) – No Urban Growth Boundary**

If the Council elects not to initiate a citywide general plan update, the Council may select also not to initiate any effort related to the implementation of an Urban Growth Boundary. It is not required that the City adopt an UGB, and there are other policy decisions that can be made that can accomplish some of the goals of implementation of an UGB, like preservation of agricultural lands, reduction of urban sprawl, etc.

**B. GP 1 – Urban Growth Boundary Option 2 (UGB 2) – City General Plan Effort**

If the Council elects not to initiate a citywide general plan update, the Council may direct staff to pursue the adoption of a specific general plan update to create an Urban Growth Boundary. Staff would return to the Council with a scope of work, timeline, and cost for this effort. It would include amendments to the 2005 General Plan, public outreach, and environmental analysis.

The Council may also choose to amend the 2005 General Plan to create an Urban Growth Boundary line, and then select to send the proposed boundary line to a vote of the people for consideration. This would have its own costs associated with placing an item on the ballot for a general or special election, in addition to the costs for developing the Urban Growth Boundary line, amendments to the General Plan, and CEQA analysis.

**C. GP 1 – Urban Growth Boundary Option 3 (UGB 3) – Election**

This path is distinguished from UGB 2, in that prior to initiating the general plan amendment effort for creating an Urban Growth Boundary, the Council could first direct staff to place the *concept* of creating an Urban Growth Boundary on an election ballot. Following the results of the election, if the community directs the council to create an UGB, the process would be the same as identified for UGB 2, also with the optional consideration to send the final established boundary back to a future vote of the people as well.

**D. GP 2B – Urban Growth Boundary Option 4 (UGB 4) – Council-Defined UGB**

This path is identified under GP 2B (specific direction, not previously identified) for the Council's general plan direction. An Urban Growth Boundary was not previously considered or analyzed in the 2040 General Plan (neither the 2023 Plan or the 2024 Plan). The creation of an UGB is a new policy consideration that would result in additional work needed for the General Plan effort (GP 2B).

This option would necessitate that the City Council provide the explicit direction and boundary proposal to include in a revised General Plan. As described above, GP 2B is a limited revision to the General Plan that would not include significant additional community outreach efforts, which will help to limit the costs and level of effort.

However, staff would not recommend that the City Council define the Urban Growth Boundary without further community outreach regarding the proposal. Implementation of an UGB has the potential to have a significant impact on the community's future, both in development and in preservation of agricultural uses, and the boundary should be created as a result of community input from affected stakeholders. At this time, the public have not had an opportunity to weigh in on the creation of an UGB. Given that a

referendum was filed on the 2040 General Plan after the Council did not allow for additional public outreach for the 2024 Plan revisions, it is possible that another public referendum could occur related to a significant policy change like implementing an UGB, if the public is not consulted during the effort.

#### **E. GP 2C – Urban Growth Boundary Option 5 (UGB 5) – Community-Defined UGB**

If the Council elects to amend the 2005 General Plan and include direction to staff to consider the implementation of an Urban Growth Boundary within that amended General Plan, UGB 5 is staff's recommendation. This path would incorporate additional community outreach efforts through the course of creation of a new citywide general plan update, and would allow for the public to provide feedback for consideration related to defining or adopting the Urban Growth Boundary, as well as any other new policies that may be proposed in a revised General Plan. While restarting the outreach process is the most expensive and time-consuming up front effort when it comes to a citywide general plan amendment, it is ideal to ensure that the General Plan is consistent with the goals of the community to avoid future referendums, repeals, and/or additional significant amendments following the adoption of a new General Plan.

#### **6. In-Process General Plan Amendment/Annexation Applications**

The City of Hollister currently has four applications for individual General Plan Amendment and/or Rezoning for Annexation applications on file that are at various stages of the analysis process. **For the purposes of this discussion, it is important to note that the City Council is NOT making a decision on whether to approve or deny these project proposals.** All applications still require completion of necessary project and environmental analysis. They will each return to the City Council at a future date when project analysis is complete for the Council to consider whether to approve or deny the applications. The Council is requested to provide direction to staff and the applicants on how to amend the proposals as it relates to CEQA only, for the purpose of determining whether each project should be 1) incorporated into a citywide general plan effort; 2) revised to proceed ahead of a citywide general plan effort; or 3) revised to follow the adoption of a citywide general plan effort.

#### **Option Analysis**

The three options identified above produce the same pros and cons for each project, so they are described here, prior to the individual project analysis, for the council's consideration.

Path 1. For any project, this path would eliminate any additional direct costs to project applicants, as the City would take on the general plan amendment and/or annexation analysis as part of the general plan effort. This path would also eliminate – in theory – an immediate request for individual amendment to the city's newly adopted General Plan by the project applicants, because their project would be incorporated into the General Plan already. However, the various project applicants would be subject to the timelines and ultimately the direction of the City's final adopted General Plan. The applicants have expended time and money in the analysis of their projects, and this path would essentially revoke the initiation authorization previously provided by the City Council. If the City Council changes the direction on their property through the city's

effort, the applicants would have to restart the general plan amendment application process to amend the city's adopted general plan if so desired.

Path 2. Staff does not recommend path 2 for any individual project. This path would mean that an individual project proposal would be permitted to proceed ahead of the city's general plan update process. As environmental analysis works, the City's general plan update would become dependent upon the timelines and ultimately the approval of the individual project proponents' application. Any delays or modifications to the private application would cause delays and potentially additional costs for modifications to the city's citywide effort to reflect those private changes.

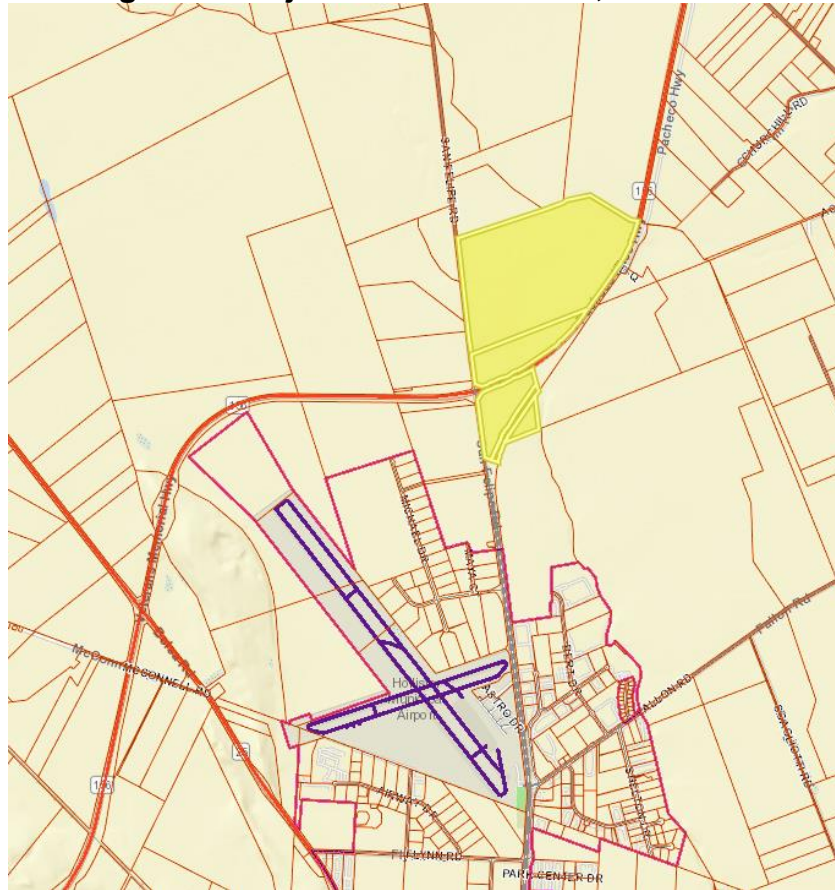
Path 3. If the council selects to initiate a citywide general plan effort, this path would mean that the individual project would proceed separately from the city's effort, but would need to be analyzed to follow the adoption of the city's revised general plan. The individual application would potentially be delayed and/or require revisions if the city's general plan effort is delayed or revised as it moves forward. Costs for amendments to the applicant's environmental analysis would be borne by the applicant.

See **Attachment 8** for the process flowchart of the General Plan Amendment (GPA), Prezone (PZ), and Rezone (RZ) applications in the City of Hollister. All of the four applications below have received approval from the City Council for Initiation of their project applications.

**A. GPA 2020-1, PZ 2020-2 – Hollister Research Campus**  
**Initiation Application Submitted: June 24, 2020**  
**Formal Application Submitted: December 18, 2020**

The project proposes to amend the general plan to designate ~230 acres of land located at the intersection of San Felipe Road and Highway 156 for industrial and commercial uses, expand the Sphere of Influence to incorporate the land, and proposes annexation of the land into a Planned Development zoning overlay with Light Industrial (M1) and Industrial Business Park (IBP) underlying zoning districts.

**Figure 7. Project Site GPA 2020-1, PZ 2020-2**



The project was authorized for Initiation on 10/19/2020 by the City Council.

The project applicant submitted the formal GPA and PZ applications on 12/18/2020, and staff and the applicant are in the process of preparing the environmental analysis for the project. The environmental analysis for the project was generally complete. However, as described in the legislative context of this report, in order to prepare both this project's and the city's 2040 General Plan EIR, one of the projects had to be determined to be adopted first. This project has been analyzed to follow the adoption of the 2040 General Plan, and included the 2040 General Plan EIR as a baseline.

Table 3 describes the effect of the City Council's direction on a citywide general plan update on this project. It is noted where specific direction will be needed by the Council depending on the general plan direction.

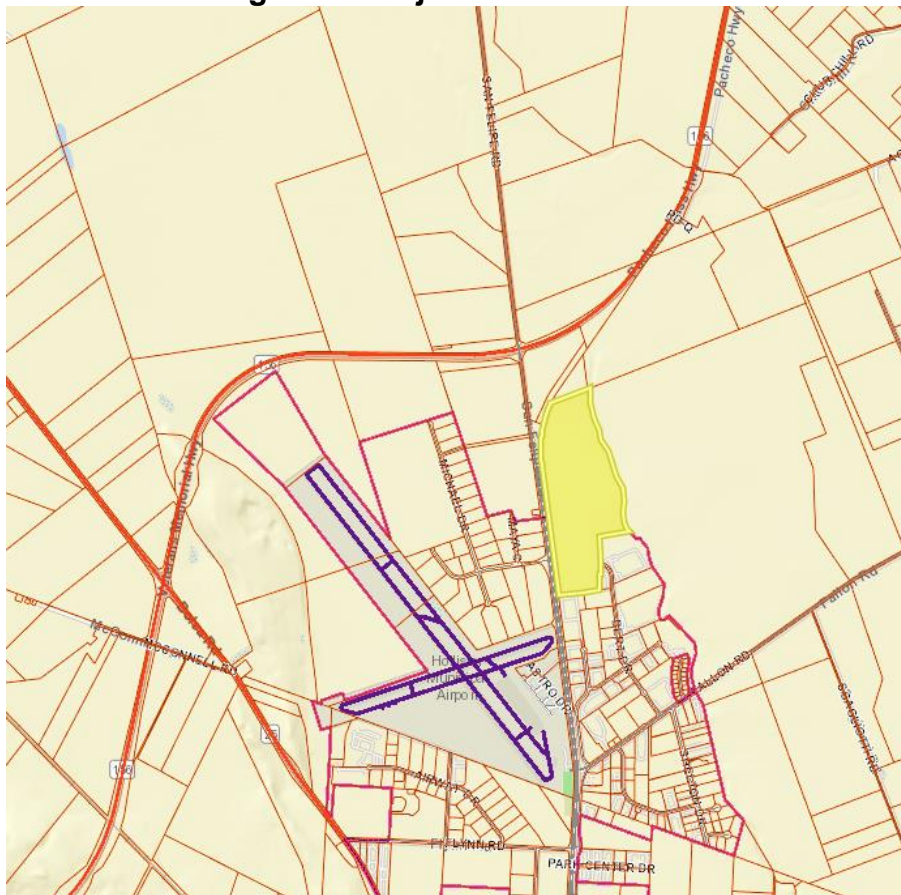
**Table 3. GPA 2020-1, PZ 2020-2 Options**

GP Path	Project Path	Further Direction Needed?
GP 1	Revise Project CEQA to use 2005 GP as baseline	None
GP 2A	Revise Project CEQA to use Revised GP as baseline; Project must follow City's revised General Plan (Path 3)	None
GP 2B or GP 2C	<ol style="list-style-type: none"> <li>1) Include Project in City's GPU</li> <li>2) Allow project to move ahead of City's GPU; Revise Project CEQA to use 2005 GP as baseline</li> <li>3) Project must follow City's GPU; Revise Project CEQA to use revised GP as baseline</li> </ol>	Yes – Council needs to identify Path 1, 2, or 3 for the project

**B. Prezone 2020-1 – Lico & Greco Properties**  
**Initiation Application Submitted: May 18, 2020**  
**Formal Application Submitted: June 19, 2020**

The project proposes to expand the Sphere of Influence to incorporate ~98 acres of land currently designated as Industrial within the 2005 General Plan, and to annex the land into the M1 Zoning District. The property is located off of San Felipe Road at the end of Bert Drive.

**Figure 8. Project Site PZ 2020-1**



The project was authorized for Initiation on 6/15/2020 by the City Council.

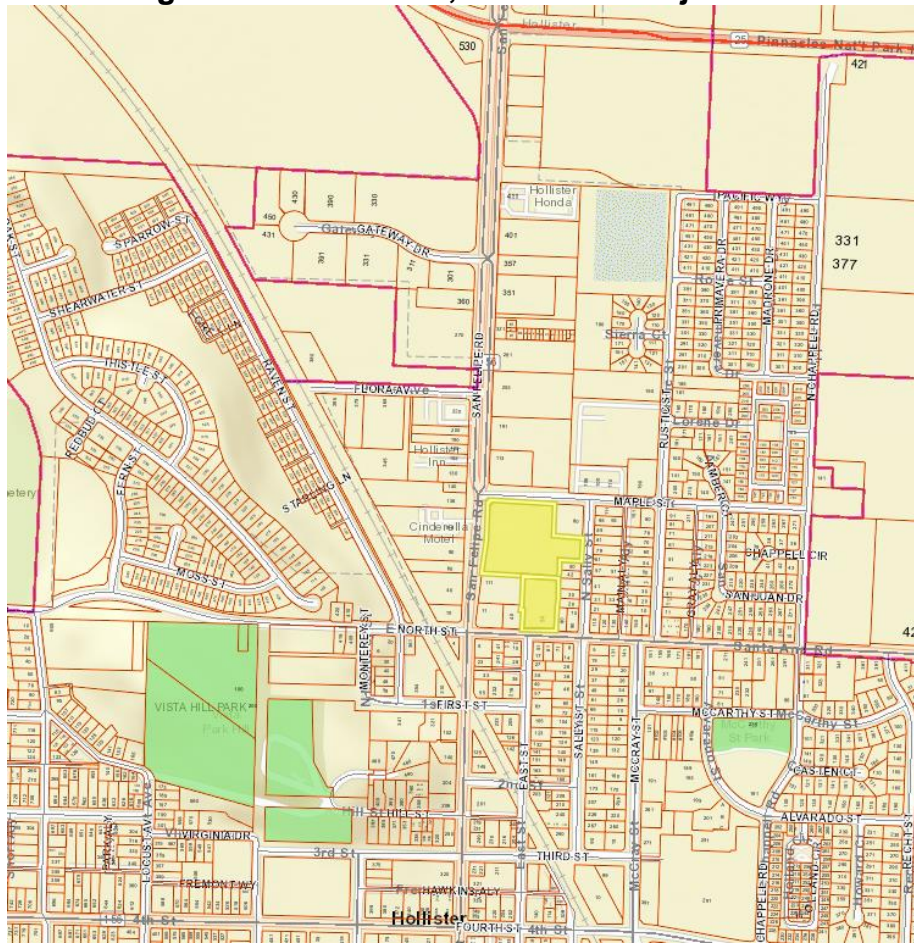
The project applicant submitted the formal PZ applications on 6/19/2020. It is noted that while an application for a GPA was not submitted with the request, since the time of original approval of the initiation, it has been determined that an amendment to the Sphere of Influence does require a general plan amendment. This would be incorporated into the ultimate project approval. However, the initiation authorization of the council was approved unanimously (meeting the 4/5<sup>th</sup> vote requirement) and the description included the Sphere of Influence amendment, so the initiation request was not brought back for further consideration by the Council. Staff requested a scope of work for environmental review and provided a cost letter to the applicant on 8/3/2020, and the applicant never proceeded with authorizing the environmental work. However, this property provides contiguity for the Hollister Research Campus project (identified above) and has since been incorporated into that project as part of the ongoing environmental analysis.

This project, therefore, stands in the same position as the Hollister Research Campus project above, and any direction the Council provides for that project (Table 3) will also apply to this project. The projects will continue to be processed together as one project.

**C. General Plan Amendment 2022-2, Rezone 2022-1 – Hollister Multifamily LLC  
Initiation Application Submitted: September 1, 2022  
Formal Application Submitted: Application has not been submitted**

The project proposes to amend the 2005 General Plan land use designation of North Gateway Commercial to Mixed-Use, and to rezone the property from North Gateway (NG) to Neighborhood Mixed-Use (NMU). The project is located near San Felipe Road and Maple Street, within the city limits, and totals approximately 4.6 acres in size.

**Figure 9. GPA 2022-2, RZ 2022-1 Project Site**



The project was authorized for Initiation on 1/17/2023 by the City Council.

The project applicant has not submitted a formal application for the GPA or RZ as of the date of this report. Staff have heard from the property owner that the developer has withdrawn from negotiations regarding this project. However, a withdrawal of the application for GPA or RZ has not been received by staff from the applicant, and the initiation authorization remains in place.

Per the Council's direction on 1/17/2023, the 2040 General Plan was amended to reflect this amendment as a baseline, and the site was revised to be shown as mixed-use in the 2040 General Plan. The project site remains North Gateway Commercial in the 2005 General Plan.

Table 4 describes the effect of the City Council's direction on a citywide general plan update on this project. It is noted where specific direction will be needed by the Council depending on the general plan direction.

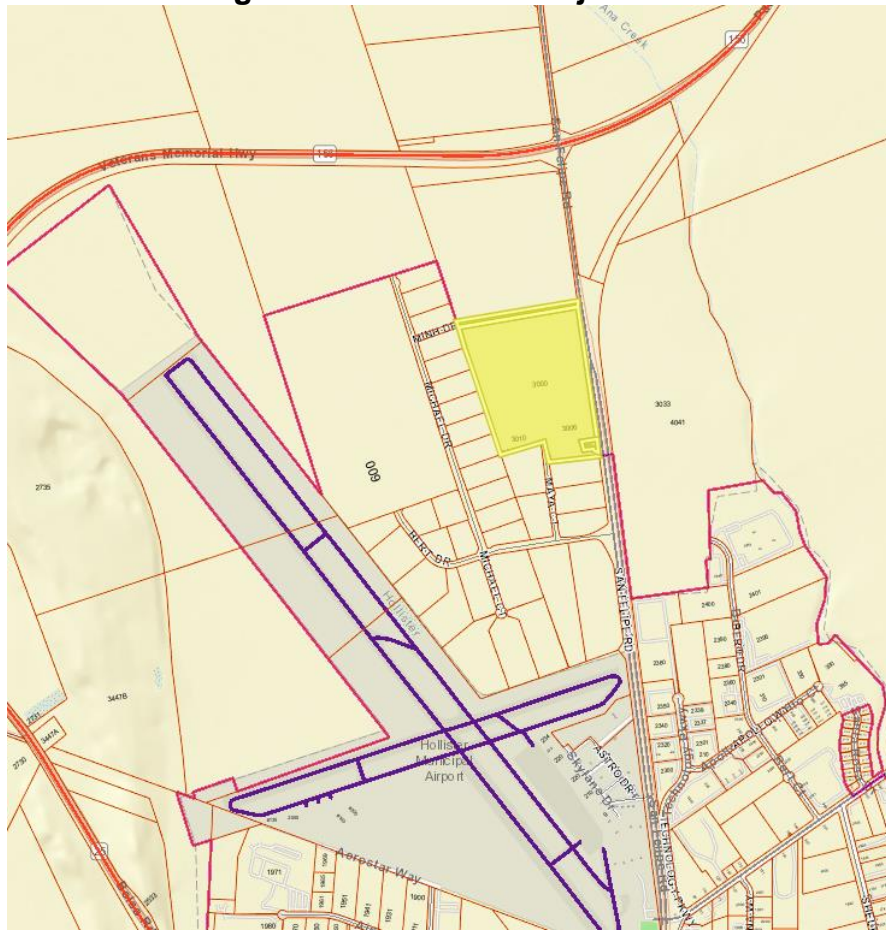
**Table 4. GPA 2022-2, RZ 2022-1 Options**

<b>GP Path</b>	<b>Project Path</b>	<b>Further Direction Needed?</b>
GP 1	Revise Project CEQA to use 2005 GP as baseline	Yes – Does the Council want to reconsider the authorization of the initiation, given the lack of action by the applicant?
GP 2A	<ol style="list-style-type: none"> <li>1) Include Project in City’s GPU (Project was already considered in 2024 Plan)</li> <li>2) Revise Project CEQA to use Revised GP as baseline; Project must follow City’s revised General Plan</li> </ol>	Yes – Does the Council want to reconsider the authorization of the initiation, given the lack of action by the applicant?
GP 2B or GP 2C	<ol style="list-style-type: none"> <li>1) Include Project in City’s GPU</li> <li>2) Allow project to move ahead of City’s GPU; Revise Project CEQA to use 2005 GP as baseline</li> <li>3) Project must follow City’s GPU; Revise Project CEQA to use revised GP as baseline</li> </ol>	Yes – Council needs to identify Path 1, 2, or 3 for the project and/or reconsider the authorization of the initiation, given the lack of action by the applicant.

**D. Prezone 2019-2 – Joseph Nguyen/Clearist Park**  
**Initiation Application Submitted: February 27, 2019**  
**Formal Application Submitted: April 15, 2019**

The project proposes annexation of approximately 46 acres of property located east of San Felipe Road and north of the Hollister Municipal Airport into the Industrial Business Park (IBP) Zoning District. The property is located within the Sphere of Influence, and is designated Industrial within the 2005 General Plan.

**Figure 10. PZ 2019-2 Project Site**



The project was authorized for Initiation on April 1, 2019 by the City Council.

The project applicant submitted a formal application for the Prezone on April 15, 2019. The next step in the process is the preparation of an environmental analysis pursuant to CEQA. The City has requested proposed for the environmental work for this project and provided cost letters to the applicant on four separate occasions: August 2019, July 2021, March 2022, and August 2022. On each of these occasions, the applicant has refused to provide payment to the City in order for the work to be authorized, and therefore no work has proceeded on the application. The applicant's representative reached out to the Planning Division on December 5, 2024 requesting to receive additional proposals for the environmental work on this project following the adoption of the 2040 General Plan. However, the referendum and repeal of the 2040 General Plan has changed the status of processing and baseline conditions for annexation proposals as has been outlined in this report.

Table 5 describes the effect of the City Council's direction on a citywide general plan update on this project. It is noted where specific direction will be needed by the Council depending on the general plan direction.

**Table 5. PZ 2019-2 Options**

<b>GP Path</b>	<b>Project Path</b>	<b>Further Direction Needed?</b>
GP 1	Initiate CEQA Work (Return to the City Council for authorization to release a Request for Proposals for the CEQA work for the project, authorize a contract, and upon payment by the applicant, initiate CEQA work)	None
GP 2A	Project CEQA must be initiated and designed to use Revised GP as baseline; Project must follow City's revised General Plan	None
GP 2B or GP 2C	<ol style="list-style-type: none"> <li>1) Include Project in City's GPU</li> <li>2) Allow project to move ahead of City's GPU; Initiate CEQA Work using 2005 GP as baseline</li> <li>3) Project must follow City's GPU; Project CEQA must be initiated and designed to use revised GP as baseline</li> </ol>	Yes – Council needs to identify Path 1, 2, or 3 for the project

**7. Submitted Requests for Initiation Authorization**

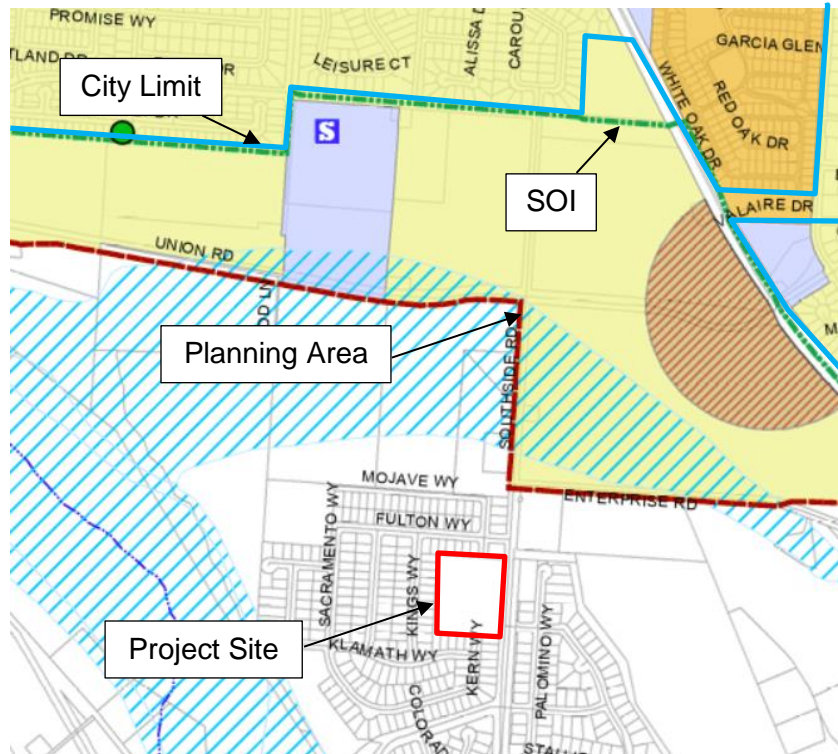
The City of Hollister currently has four applications submitted for requests for initiation of individual general plan amendment and/or prezone for annexation applications. These applications have not been considered and decided upon by the City Council. As has been outlined in this report, requests for general plan amendments and/or annexation of property have an inherent impact on the environmental analysis preparation process for a citywide general plan effort. These applications were not brought forward and were affected by the deferral policy adopted by the Council.

Within the context of providing direction on a citywide general plan effort, staff requests the Council to **take action and determine where to approve or deny the following applications.**

**A. Initiation of GPA 2022-3 and PZ 2022-1 – Severita Hamana  
Initiation Application Submitted: October 12, 2022  
Attachments 9 - 12**

The project proposes a general plan amendment to designate the property located at 2910 Southside Road (APN 020-280-042) as Medium Density Residential, expand the Sphere of Influence to include the property, and prezone the property to Low Density Residential Performance Overlay (R1-L/PZ) Zoning District for annexation. The project site is approximately 5 acres in size.

**Figure 11. GPA 2022-3, PZ 2022-1 Project Site**



The project site is not located within or contiguous to the 2005 General Plan Planning Area, Sphere of Influence, or city limits.

The property is currently zoned Residential Mixed (RM) by San Benito County and is designated Agricultural Productive (AP) in the San Benito County General Plan. The property currently has a single-family residence. The property is surrounded on all sides by unincorporated low density residential development.

Staff recommend denial of the request for initiation because the property does not have any contiguity to the city limits, SOI, or planning area, and the City cannot create an island of newly designated and annexed property for residential development. Staff have attached a resolution of denial to this report (**Attachment 12**) for the Council's consideration.

It is noted that should the Council wish to approve the request for initiation, they must define a contiguous area for increasing the General Plan Planning Area and provide land use designation; and to authorize the annexation, the Council must define a contiguous annexation and Sphere of Influence area for inclusion in the annexation application.

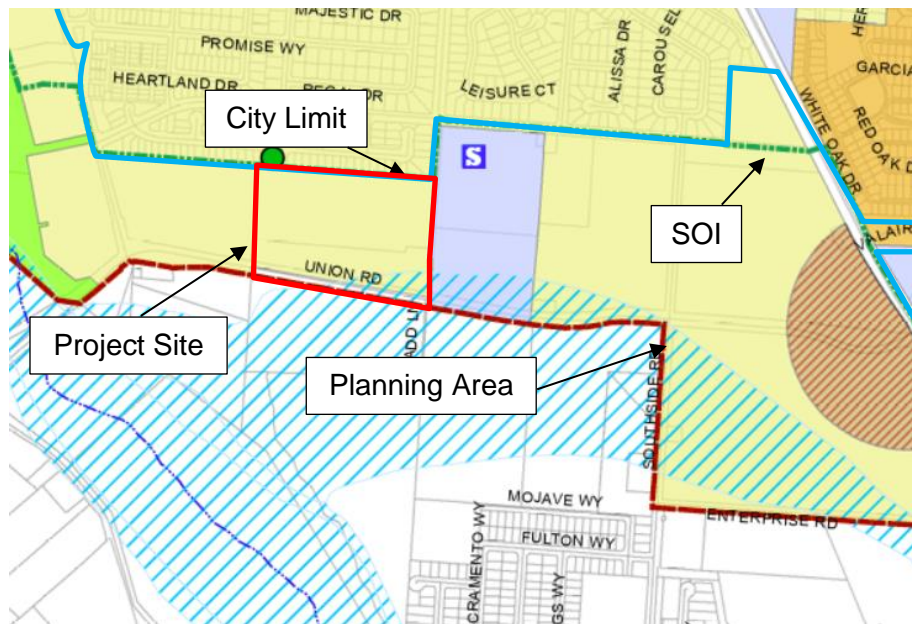
Additionally, since the submission of the application request, the City Council adopted Ordinance 1237, which replaced the previous Planned Development process with Chapter 17.66. The City no longer annexes property into the "performance overlay" zoning districts, but instead would zone a proposal into the "Planned Development" specific designation for the project proposed. The request to be annexed into the R1-L/PZ Zoning District is no longer applicable to current city standards, and if the Council

desires, should determine to annex the property into a Planned Development zoning designation. Finally, the General Plan Designation request of Medium Density Residential must be consistent with the proposed zoning designation – as requested R1-L/PZ is consistent with the Low Density Residential general plan designation, while Medium Density Residential (R3) Zoning is consistent with the Medium Density General Plan Designation.

**B. Initiation of GPA 2023-1 and PZ 2023-1 – MLC Holdings/Sarwat Fahmy**  
**Initiation Application Submitted: February 8, 2023**  
**Attachments 13 - 18**

The project proposed a general plan amendment to change the land use designation of properties located at Ladd Lane and Union Road (APNs 020-280-007 & 020-280-070) from Low Density Residential to Medium Density Residential in the general plan, expand the Sphere of Influence to include the properties, and to annex the properties into the Medium Density Residential (R3) Zoning District. The project site totals approximately 18 acres.

**Figure 12. GPA 2023-1, PZ 2023-1 Project Site**



The project site is designated Low Density Residential in the 2005 General Plan. The property is not located within the Sphere of Influence, but is contiguous to both the city limits and the Sphere of Influence to the north.

The property is currently zoned Rural Residential (RR) by San Benito County and is designated Residential Mixed (RM) in the San Benito County General Plan. The property currently has a single-family residence and is otherwise vacant/agricultural. The property is located next to single-family residential to the north (City), Ladd Lane Elementary School to the east, vacant property and Union Road to the south, and vacant property to the west.

The applicant has proposed development of between 142-214 residential units and the dedication of a public park if annexed into the city limits.

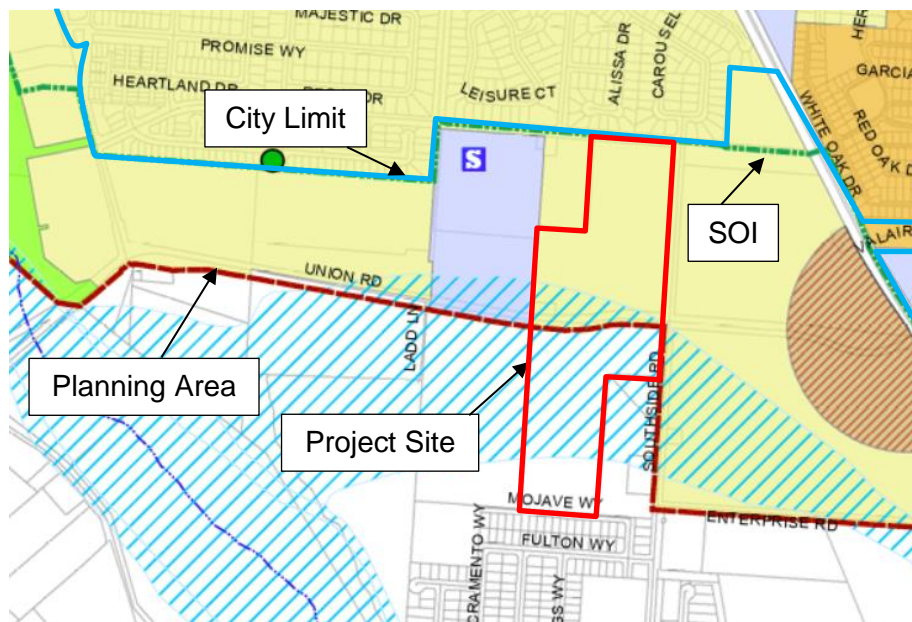
Should the Council direct staff to initiate a citywide general plan update effort, staff recommend denial of the request for initiation of a general plan amendment and annexation. The processing of two separate general plan amendment proposals is costly and complicated as it relates to preparing an environmental analysis, both to the applicant and to the city. If the city is electing to prepare a general plan amendment, staff's recommendation to the Council is to identify the proposed land use and policies that will apply to these parcels through the general plan amendment process. This is the purpose of a citywide general plan - to identify land uses and policies applicable to *all* parcels within the planning area. Staff would recommend that the applicant and property owner participate in the general plan update process, and when a general plan is adopted by the city, they may either apply for a project consistent with the newly adopted general plan, or propose an amendment for the council to consider at that time.

However, should the Council forgo a citywide general plan update effort at this time, the decision to approve or deny a general plan amendment initiation and annexation proposal lies with the Council. A resolution of approval and a resolution of denial have been attached for the Council's consideration (**Attachments 17 and 18**).

**C. Initiation of PZ 2023-2 – Joe Tonascia**  
**Initiation Application Submitted: April 20, 2023**  
**Attachments 19 - 22**

The project proposes annexation of an approximately 35-acre property located west of Southside Road and north and south of Union Road (APN 020-280-040) into either a Specific Plan or Low Density Residential Performance Overlay (R1-L/PZ) Zoning Designation.

**Figure 13. PZ 2023-2 Project Site**



The northern half of the project site is currently designated Low Density Residential in the 2005 General Plan; the southern half of the project site does not contain a designation in the 2005 General Plan. The property is not located within the Sphere of Influence, but is contiguous to both the city limits and the Sphere of Influence to the north.

Though the applicant has not applied for a initiation request for a General Plan Amendment, in order for the project to be approved, a general plan amendment would be required to change the southern half of the site to have a general plan designation, as well as to amend the Sphere of Influence to include the property.

The property is currently zoned Rural Residential (RR) by San Benito County and is designated Residential Mixed (RM) in the San Benito County General Plan. The property currently used for agriculture. The property is located next to single-family residential to the north (City and County), unincorporated agricultural to the east, unincorporated single-family residential and agricultural to the south, and vacant/agricultural property to the west.

The applicant has proposed a low-density mixed-use project, see **Attachment 20**. This proposal is not consistent with any existing City of Hollister General Plan or Zoning Designation, and would require the preparation of a Specific Plan, as proposed by the Applicant. The Specific Plan, when adopted, would amend the General Plan and would provide the development and policy guidance for the subject property, allowing development that would not otherwise be permitted by the City's existing General Plan and Zoning.

Should the Council direct staff to initiate a citywide general plan update effort, staff recommend denial of the request for initiation of a general plan amendment and annexation. The processing of two separate general plan amendment proposals is costly and complicated as it relates to preparing an environmental analysis, both to the applicant and to the city. If the city is electing to prepare a general plan amendment, staff's recommendation to the Council is to identify the proposed land use and policies that will apply to these parcels through the general plan amendment process. This is the purpose of a citywide general plan - to identify land uses and policies applicable to *all* parcels within the planning area. Staff would recommend that the applicant and property owner participate in the general plan update process, and when a general plan is adopted by the city, they may either apply for a project consistent with the newly adopted general plan, or propose an amendment for the council to consider at that time.

However, should the Council forgo a citywide general plan update effort at this time, the decision to approve or deny a general plan amendment and annexation initiation proposal lies with the Council. A resolution of approval and a resolution of denial have been attached for the Council's consideration (**Attachments 21 and 22**).

**D. Initiation of PZ 2023-3 – Lico & Greco Properties**  
**Initiation Application Submitted: August 14, 2023**  
**Attachments 23 – 28**

The project proposes annexation of an approximately 55-acre parcel located at Union Road and Highway 25 (APN 020-290-056) into either a Specific Plan or Low Density Residential Performance Overlay (R1-L/PZ) Zoning District.

**Figure 14. PZ 2023-3 Project Site**



The project site is currently designated Low Density Residential and Mixed Use in the 2005 General Plan. The property is not located within the Sphere of Influence, but is contiguous to both the city limits and the Sphere of Influence to the east.

Though the applicant has not applied for a initiation request for a General Plan Amendment, in order for the project to be approved, a general plan amendment would be required to amend the Sphere of Influence to include the property.

The property is currently zoned Rural Residential (RR) by San Benito County and is designated Residential Mixed (RM) in the San Benito County General Plan. The property currently used for agriculture, and there are five existing single-family residences. The property is located next to agricultural and unincorporated commercial uses to the north, Highway 25 and single-family residential (City) to the east, and unincorporated single-family residential and agricultural to the south and west.

The applicant has proposed a low-density mixed-use project, see **Attachment 26**. This proposal is not consistent with any existing City of Hollister General Plan or Zoning Designation, and would require the preparation of a Specific Plan, as proposed by the Applicant. The Specific Plan, when adopted, would amend the General Plan and would provide the development and policy guidance for the subject property, allowing development that would not otherwise be permitted by the City's existing General Plan and Zoning.

Should the Council direct staff to initiate a citywide general plan update effort, staff recommend denial of the request for initiation of a general plan amendment and



Plan. In order to make an informed decision and provide direction to staff regarding whether or not to pursue such an effort, the City Council must also consider and provide direction on other ongoing projects that are affected by a citywide general plan update effort. These projects include:

- Climate Action Plan
- 6<sup>th</sup> Cycle Housing Element Update
- Urban Growth Boundary
- Ongoing General Plan Amendment and Annexation Applications
  - General Plan Amendment 2020-1, Prezone 2020-2 – Hollister Research Campus
  - Prezone 2020-1 – Lico & Greco Properties
  - General Plan Amendment 2022-2, Rezone 2022-1 – Hollister Multifamily LLC
  - Prezone 2019-2 – Joseph Nguyen/Clearist Park
- Submitted application requests for General Plan Amendment and/or Annexation
  - General Plan Amendment 2022-3, Prezone 2022-1 – Severita Hamana
  - General Plan Amendment 2023-1, Prezone 2023-1 – MLC Holdings/Sarwat Fahmy
  - PZ 2023-2 – Joe Tonascia
  - PZ 2023-3 – Lico & Greco Properties

Staff have prepared an analysis of potential direction that the Council may provide regarding the General Plan, and the subsequent effects and potential courses of action for the affected other ongoing projects. Staff requests that the Council provide direction regarding the General Plan and all of the affected projects (or in the case of the applications for requests for initiation, to adopt a resolution of approval or denial), so that all projects can continue to move forward in a productive manner.

**FISCAL IMPACT:** Any update to the City's General Plan as a city effort will be at the expense of the General Fund. The costs associated with this project are entirely dependent upon the direction of the City Council, and would include but are not limited to costs associated with additional environmental analysis, community outreach, and updates to the General Plan document itself. Depending on direction received, a scope of work, timeline, and budget will need to be prepared and brought back to the Council at a later date for a decision.

The necessary revisions and additional environmental work that are required to amend the Draft 6<sup>th</sup> Cycle Housing Element Update following the repeal of the 2040 General Plan will be at the expense of the General Fund. The costs associated with this work are dependent upon the direction of the City Council as it relates to a citywide General Plan Update effort. Depending on direction received, a scope of work, timeline, and budget will need to be prepared and brought back to the Council at a later date for a decision. Costs include but are not limited to document revisions, additional efforts related to the candidate sites analysis, and environmental analysis.

To prepare an Urban Growth Boundary will be at the cost of the general fund. Costs for placing any items on the ballot will also be at the cost of the General Fund. If the Urban Growth Boundary is included in a general plan update project, costs for preparation of the document and environmental work would be incorporated together. The preparation

of an Urban Growth Boundary proposal as a separate project would require the preparation of a separate scope of work, timeline, and budget.

For the four applications that have received authorization to initiate rezoning for annexation and/or general plan amendments as described in this report (GPA 2020-1, PZ 2020-2; PZ 2020-1; GPA 2022-2, RZ 2022-1; and PZ 2019-2), costs associated with amendments to the project description and environmental analysis will be borne by each project applicant. However, it is noted that if a citywide General Plan Update is directed to proceed following any of these projects rather than proceed ahead of any of these projects, the City's General Plan Update effort will be contingent upon these projects and additional costs associated with project changes or delays will have an effect and potential impact on costs for the City's project.

The processing of any rezoning or general plan amendment application following authorization of the initiation request would be borne by each project applicant.

#### **PREVIOUS COUNCIL OR COMMISSION ACTION:**

April 4, 2019 – City Council adopted Resolution 2019-70 approving the Initiation of Rezoning 2019-1 (Rezoning 2019-2) for the Joseph Ngyen/Clearist Park project.

June 15, 2020 – City Council adopted Resolution 2020-128 approving the Initiation of Rezoning 2020-1 for the Lico & Greco project.

October 19, 2020 – City Council adopted Resolution 2020-207 approving the Initiation of General Plan Amendment 2020-1 and Rezoning 2020-2 for the Hollister Research Campus project.

January 17, 2023 – City Council adopted Resolution 2022-218 approving the Initiation of General Plan Amendment 2022-2 and Rezoning 2022-1 for the Hollister Multifamily LLC project.

March 20, 2023 – City Council adopted Resolution 2023-35 authorizing the execution of a contract with Kimley-Horn & Associates to complete the 6<sup>th</sup> Cycle 2023-2031 Housing Element Update.

November 6, 2023 – City Council motioned to defer acceptance and processing of individual general plan amendment and annexation requests during the Hollister 2040 General Plan Update.

December 3, 2024 – City Council adopted Resolution 2024-200 certifying a Final Environmental Impact Report for the 2040 General Plan, Climate Action Plan, and Agricultural Preservation Program; Resolution 2024-201 adopting the 2040 General Plan; and Resolution 2024-202 adopting a Climate Action Plan.

March 3, 2025 – City Council repealed Resolution 2024-201, repealing the adoption of the 2040 General Plan.

March 3, 2025 – City Council directed staff to continue the deferral of processing and

acceptance of new individual general plan amendment and annexation applications, and to bring forward an item to discuss those applications which are currently in progress.

**CEQA:** This presentation does not constitute a project under CEQA. Individual potential projects discussed during this presentation are subject to CEQA and will be analyzed individually for any potential environmental impacts in accordance with the requirements of CEQA at the project level.

**ATTACHMENTS:**

1. November 6, 2023 City Council Minutes
2. Hollister FHSZ Map
3. September 11, 2023 City Council Minutes
4. November 20, 2023 City Council Minutes
5. 2023 General Plan Land Use Map
6. 2024 General Plan Land Use Map
7. Urban Growth Boundary Presentation – April 7, 2025
8. GPA, PZ, RZ Process Flowchart

Initiation of GPA 2022-3, PZ 2022-1 – Severita Hamana

9. GPA 2022-3 Application
10. PZ 2022-1 Application
11. PZ 2022-1 Exhibit
12. Resolution of Denial – GPA 2022-3, PZ 2022-1

Initiation of GPA 2023-1, PZ 2023-1 – MLC Holdings/Sarwat Fahmy

13. GPA 2023-1 Application
14. GPA 2023-1 Exhibit
15. PZ 2023-1 Application
16. PZ 2023-1 Exhibit
17. Resolution of Approval – GPA 2023-1, PZ 2023-1
18. Resolution of Denial – GPA 2023-1, PZ 2023-1

Initiation of PZ 2023-2 – Joe Tonascia

19. PZ 2023-2 Application
20. PZ 2023-2 Exhibit
21. Resolution of Approval – PZ 2023-2
22. Resolution of Denial – PZ 2023-2

Initiation of PZ 2023-3 – Lico & Greco Properties

23. PZ 2023-3 Application
24. PZ 2023-3 Exhibit A Vicinity Map
25. PZ 2023-3 Exhibit B Existing Zoning
26. PZ 2023-3 Site Plan
27. Resolution of Approval – PZ 2023-3
28. Resolution of Denial – PZ 2023-3