



# CITY OF ATASCADERO

## PLANNING COMMISSION STAFF REPORT

Item F1

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**Department:** Community  
Development  
**Date:** 04/21/2026  
**Placement:** Management  
Report

**TO:** PHIL DUNSMORE, COMMUNITY DEVELOPMENT DIRECTOR  
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**SUBJECT:** Zoning Code Update – Mixed-Use Zones and Standards

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### RECOMMENDATION:

Planning Commission receive an update on the Zoning Code Update project and receive information about next steps.

### BACKGROUND:

The new General Plan replaces land use designations with new “placetypes” that will need to be reflected within the new zoning code for consistency. One of those placetypes includes a Mixed-Use designation. Mixed-use typically includes a mixture of commercial and residential uses on a single site, whether the residential use is above or alongside the commercial use. New zoning standards will implement the placetype by specifying property development standards (density, form) for up to four different mixed-use districts within areas. This report focuses “Mixed-Use standards and uses”.

### DISCUSSION:

The General Plan designation for Mixed-Use will replace certain commercial designations with the option for mixed use. This designation would encourage infill and economic development outside of major commercial nodes. Four Mixed-Use zoning districts are proposed (see Attachment 1a for the proposed MU zoning map), each with varying characteristics that may warrant differentiation through development standards which can be applied to each district. Areas designated under the Mixed-Use placetype are generally:

- Del Rio Marketplace and Mission Oaks at Del Rio Road and El Camino Real
- South of Curbaril (Food-4-Less, Smart & Final, and surrounding parcels)
- Ramona Road south of Del Rio Road
- The Morro Road Corridor
- Locations surrounding the San Anselmo interchange
  - San Palo

- North-east quadrant of ECR and San Anselmo East
- Mid-Block areas fronting El Camino real to the north and south of Downtown
  - South of the Major retail center (Vons) on the east side of ECR
  - North of downtown to San Anselmo

The General Plan lists a density range of 20 to 36 dwelling units per acre, allowing for neighborhood compatibility and a transition between existing commercial and residential areas. The purpose of the designation is to provide opportunities for a mix of residential and non-residential uses to stimulate redevelopment of vacant or underutilized commercial strips, increase housing opportunities, and support economic strength throughout the City.

### **1. MIXED-USE CONCEPTS:**

There are generally two forms of mixed-use: vertical and horizontal. Some sites may contain both.

- **Vertical mixed-use** requires commercial on the ground floor with residential uses on upper floors. Generally, some incidental residential areas can be located on the ground floor such as parking, entry lobbies and mail rooms, and bike storage areas, but commercial remains the primary ground floor use. Outdoor residential amenity spaces are generally shared with commercial tenants or located above the ground floor, such as a roof deck or upper floor courtyard.
- **Horizontal mixed-use** concepts allow for some residential on the ground floor, generally in the rear (behind street oriented commercial uses) or in areas of a site where a transition to residential uses is desired. Horizontal mixed-use projects may also include vertical mixed-use buildings along the main street frontage. Residential amenity areas may be incorporated into the site design for residential use only or may be shared spaces with the commercial tenants.

### **Development Standards:**

The shift to “placetypes” from “land uses” in the General Plan increases the focus on building form, aesthetics, massing, and placement on a site. Incorporating these elements in the zoning code will implement the vision established in the General Plan by establishing site and building design parameters for new development. Development standards focus on the following key concepts:

- **Ground floor height:** Viable commercial tenant spaces require adequate height in order to be successful in accommodating a variety of tenants. Establishing standards for minimum ground floor height can ensure that commercial tenant spaces can be modified over time to accommodate a wide variety of uses. Most new commercial buildings have a ground floor height of 16 feet or greater to accommodate restaurants and other commercial uses.
- **Setbacks/Build-to lines:** How development interacts with the street is a key factor in encouraging pedestrian vibrancy and synergy. Setbacks are already in place to accommodate street trees for shading and layering, however, setting standards for a

*maximum* setback can ensure that buildings are oriented to the street and parking is located toward the middle or rear of the site.

- Minimum commercial standards: Similar to ground floor height, establishing standards for commercial spaces can ensure a successful commercial component. Standards can include minimum square-footage, minimum depth, and/or minimum width. When applying minimum commercial standards to horizontal mixed-use projects, placement of each use on the site becomes more critical.

***Use Considerations:***

Zoning districts will identify which uses are “Allowed” and “Conditionally Allowed” in each of the mixed-use districts. The list of uses can be tailored to the vision and goals for each area and can respond to the need for neighborhood compatibility. Each proposed zoning district listed below includes a brief overview of the types of uses that may be appropriate. A draft list of uses is included in Attachment 2.

The zoning code can also establish performance standards for uses to further ensure compatibility within a particular use designation. For example, artisan production or specialized machining type uses may only be appropriate in a mixed-use setting if odors, noise, and hours of operation are limited. Establishing performance standards for use categories will ensure viable mixed-use projects with minimized conflicts.

**2. PROPOSED MIXED-USE ZONING DISTRICTS**

- **MU-4:** *Del Rio Road and Curbaril Road (Marketplace, Mission Oaks, Food-4-Less and Smart & Final), and the San Jacinto Center.* (Attachment 1b)  
This zone would be limited to vertical mixed-use and the focus would remain on commercial activity. This district would be applied to existing and new shopping centers, incorporating some surrounding areas. The purpose would be to support revitalization of existing centers, such as the Food-4-Less and Mission Oaks center and increase vibrancy and redevelopment opportunities.
- **MU-3:** *Morro Road corridor, San Palo Road and El Camino Real north of San Anselmo East (former Ford Dealership).* (Attachment 1c and 1d)  
This zone would allow for horizontal mixed-use (some residential on ground floor) with a strong commercial presence along the primary street frontage. Standards in this district can also be tailored to respond to adjacent residential uses and double frontage parcels along Morro Road.
- **MU-2:** *Parcels fronting Ramona Road from Campo Road to the commercial property at the corner of Del Rio Rd and Ramona Rd.* (Attachment 1e)  
This area was changed from Innovation/Flex to Mixed-Use during the October 28, 2025 City Council meeting to provide a transition from existing residential neighborhoods to commercial uses fronting the 101 freeway. This is proposed to be a distinct zone to accommodate a lower residential density and specific land uses, providing compatibility and transition to Apple Valley. Horizontal mixed use would be allowed in this zone.

- **MU-1:** *Mid-block locations on the east side of El Camino Real north and south of Downtown.* (Attachment 1f)

These areas are generally characterized by smaller parcels with limited depth. Many have gradual to moderate slopes, limiting their development potential due to access and site accessibility options. These areas have a mix of land uses, many underutilized sites, and many with existing residential uses, especially on El Camino Real north of Downtown. This zone may allow for horizontal mixed-use or in some cases, residential uses without commercial uses.

**A. MU-4 (VERTICAL MU ZONE)**

**MU-4** is intended to be the highest intensity mixed-use zoning district with a focus on preserving commercial activity at key nodes. Areas proposed for this designation include existing shopping centers in addition to some surrounding parcels where continuing the strong commercial focus will support synergy and vibrancy. Specifically, this district includes:

- Del Rio Marketplace
- Mission Oaks Center (and parcels to the south abutting the Innovation/Flex zone)
- Food-4-Less and Smart & Final centers (and parcels directly across on the east side of ECR)
- San Jacinto Center

While allowing residential uses can provide opportunities for revitalization and increased vibrancy, requiring vertical mixed-use with minimal incidental residential spaces on the ground floor will maintain a strong commercial focus in these zones. These centers and surrounding properties can remain as anchors for commercial activity in the City outside of Downtown. Zoning standards can guide future development and redevelopment toward this vision. Proposed standards include:

Development Standard	MU - 4
Density	36 du/ac
Height	35 ft (plus 10 feet for architectural features)
Setbacks:	
<i>Front</i>	No minimum or maximum required except as needed to accommodate street tree setbacks.
<i>Side/Rear</i>	None required except transitions to adjacent single-family (existing standard) and 10 ft setback if adjacent to multi-family zoning district (proposed).
Floor to Ceiling Height for first floor	14 ft

<b>Residential Use Requirements</b>	Residential uses allowed <b>only on upper stories</b> (vertical mixed use only).
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**B. MU-3 (HORIZONTAL MU ZONE: MORRO RD, SAN ANSELMO ADJACENT)**

MU-3 is intended to allow for horizontal mixed-use with a strong commercial component along major streets. This district is focused along Morro Rd where parcels range from narrow to deep and some have double frontage on neighboring residential streets. The vision for this area in the General Plan is to create a corridor for office and supporting uses. Due to the depth of many lots and the double frontage condition, horizontal mixed-use presents an opportunity to incorporate transitions to adjacent residential neighborhoods and flexibility in use while maintaining a commercial focus along Morro Rd.

Similar to Morro Rd, the existing commercial and hotel area on San Palo Road, and the old Ford dealership site and adjacent vacant or underutilized parcels, offer similar characteristics and opportunities. Standards can be adopted to ensure that commercial components of development projects provide adequate space for the types of uses envisioned for these areas and that certain site design criteria be incorporated to enhance activation toward the street and provide for greater pedestrian orientation. Proposed standards include:

Standard	MU - 3
<b>Density</b>	36 du/ac
<b>Height</b>	35 ft (plus 10 feet for architectural features)
<b>Setbacks:</b>	
<i>Front</i>	Commercial: Maximum: 15 ft setback for commercial Minimum: As needed to accommodate street tree setbacks Residential: 12 ft minimum, no maximum
<i>Double Loaded Secondary Front</i>	12 ft minimum, no maximum
<i>Side/Rear</i>	None required except transitions to adjacent single-family (existing standard) and 10 ft setback if adjacent to multi-family zoning district (proposed).
<b>Floor to Ceiling Ground Floor Height</b>	14 ft
<b>Commercial Requirement</b>	Building frontage: 100% of the primary front ground floor building frontage must be commercial Commercial: 35 ft minimum depth

**C. MU-2 (HORIZONTAL MU ZONE: RAMONA ROAD)**

The MU-2 zoning district is proposed for the parcels fronting Ramona Road toward Del Rio Road. Ramona Road fronts the 101 freeway, providing visibility for commercial businesses and easy access from the Del Rio Road off ramps. This area was originally identified as an opportunity zone for development centered on employment and small business uses (Innovation/Flex Zone); however, during the October 28, 2025 City Council meeting, concerns related to adjacency to single-family neighborhoods were expressed and the designation was changed to mixed-use to provide for greater compatibility. While this area is envisioned to allow for horizontal mixed-use similar to the Morro Rd corridor, a unique zoning designation is proposed to set a lower residential density of 24 units/acre.

Parcels in this district tend to be relatively deep providing opportunities for commercial uses along the frontage and residential uses in the rear. This area also tends to have a more rural feel than parcels along El Camino Real or Morro Road. These differences have been incorporated into staff’s proposed standards, as follows:

Standard	MU - 2
Density	24 du/ac
Height	35 ft (plus 10 feet for architectural features)
Setbacks:	
<i>Front</i>	Minimum 15 ft
<i>Side/Rear</i>	Minimum 5 ft; unless adjacent to a zoning district other than MU-2 – then setbacks match the adjacent zoning district.
Floor to Ceiling Ground Floor Height	14 ft
Commercial Requirement	Building frontage: 100% of the primary front ground floor building frontage must be commercial Commercial: 35 ft minimum depth

**D. MU-1 (MID BLOCK INFILL ON ECR)**

The MU-1 zoning district would apply to parcels along the east side of El Camino Real north and south of Downtown. These parcels can be narrow in depth and width and can have slopes that limit development potential. As these parcels have limited potential for larger retail or entertainment type uses, they can provide an opportunity for infill development that supports commercial nodes by allowing for increased residential density. Although these parcels are currently zoned for commercial uses, many are underutilized or maintained as residential properties, creating a pattern of inefficient and disconnected shopping and activity areas. Leveraging these parcels for increased residential density may support redevelopment and may enhance the vibrancy of adjacent nodes by increasing demand for retail, personal service, and

entertainment uses at larger commercial nodes. In some cases, a parcel may be allowed to be developed with solely residential uses with the approval of a use permit.

General development standards would remain similar to other mixed-use zoning designations, as follows:

Standard	MU - 1
Density	36 du/ac
Height	35 ft (plus 10 feet for architectural features)
Setbacks:	
<i>Front</i>	Commercial: Maximum: 15 ft setback for commercial Minimum: As needed to accommodate street tree setbacks Residential: 12 ft minimum, no maximum
<i>Side/Rear</i>	None required except transitions to adjacent single-family per Section 9-4.130(j)
Floor to Ceiling Ground Floor Height	14 ft
Commercial Requirement	100% residential development allowed with approval of an AUP and specific findings.

**CONCLUSION:**

While mixed-use development has been allowed in certain commercial zoning districts for many years, implementation of the Mixed-Use General Plan placetype through the establishment of unique zoning districts allows for the adoption of tailored standards for each district. This can help achieve the City’s vision for development in each area and respond to varied site characteristics.

**NEXT STEPS:**

Staff will return to the Planning Commission for an overview of commercial zoning districts on May 5<sup>th</sup>. Final adoption of the Zoning Code Update is anticipated in late summer, with new standards taking full effect by November.

**ATTACHMENTS:**

1. Mixed Use Zone Maps
  - a. Combined MU zoning map

- b. MU-4
  - c. MU-3a
  - d. MU-3b
  - e. MU-2
  - f. MU-1
2. Mixed-Use Zones Use Table
  3. Draft Land Use Definitions