



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: SEPTEMBER 23, 2025

DEPARTMENT: COMMUNITY DEVELOPMENT DEPARTMENT

FROM: LISA BRINTON, DIRECTOR

THROUGH: COURTNEY GROSSMAN, PLANNING MANAGER
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BY: THOMAS WILES, SENIOR PLANNER

TITLE: PUBLIC MEETING PURSUANT TO SENATE BILL 423 (SB 423)
RELATED TO A PROPOSED AFFORDABLE HOUSING PROJECT
TO BE LOCATED AT 467 AND 479 EAST MARKET STREET

RECOMMENDED MOTION:

No action required. This is a public meeting pursuant to SB 423 to provide an opportunity for the public and City Council to comment on a proposed mixed-use development located at 467 and 479 East Market Street.

EXECUTIVE SUMMARY:

On August 6, 2025, Envision II, LLC (Applicant) submitted a preliminary review application (PRE 2025-005) proposing to construct a 100% affordable, mixed-use residential development at 467 and 476 East Market Street. The Applicant also submitted a Notice of Intent to use Senate Bill 423 (SB 423) and Senate Bill 330 (SB 330) which streamline the approval of residential developments to facilitate the production of housing. A public meeting has been scheduled pursuant to SB 423 and Government Code Section 65913.4(q)(1) to provide an opportunity for the public and the local government to comment on a future mixed-use development project located at the above referenced property.

On August 27, 2025, the Applicant notified staff that the plans submitted with the preliminary review application would be revised due to financial feasibility concerns. Revised plans may be provided at the public meeting. Pursuant to Government Code Section 65941.1(d), after submittal of all the information required by Government Code Section 65941.1(a), if the development proponent revises the project such that the increase in number of residential units or square footage of construction is less than 20 percent than the original submittal, no additional review is required.

BACKGROUND:

The Applicant is proposing to demolish existing commercial buildings and construct a five (5) story, 59-foot high, 75-unit 100% affordable mixed-use building consisting of a north and south wing with 7,334 square-feet of ground floor retail space, 97 off-street parking spaces, murals, and alternative means of compliance for landscaping located on a 2.39-acre site. The attached preliminary plans are generally similar to the previous mixed-use project known as Site Plan Review 2021-017 (SPR 2021-017) located at the same site, which was withdrawn by the Applicant on July 22, 2025. SPR 2021-017 included the following five (5) concessions pursuant to Government Code Section 65915:

1. Reduction of usable open space;
2. Modifications to the Recycling and solid waste enclosure pedestrian access;
3. Reduction in the residential bedroom mix requirement of the Residential High Density (R-H-1.8) Zoning District;
4. Elimination of a solid wall along the north and east property lines; and
5. Reduction of ground floor commercial space.

Senate Bill 423 (SB 423)

Senate Bill 423 (SB 423), which took effect on January 1, 2024, extends the provisions of Senate Bill 35 (SB 35), and amended Government Code Section 65913.4 to create a streamlined ministerial approval process for urban in fill projects that are multifamily or mixed-use where at least 2/3 of the square footage is for residential use subject to certain affordability requirements and are consistent with objective General Plan, Zoning, Subdivision, and design review standards.

The process for SB 423 starts with the submittal of a preliminary review application by the Applicant. As a part of the SB 423 process, a public meeting shall be scheduled within 45 days of the submittal of a Notice of Intent to submit a development application and payment of all applicable processing fees pursuant to Government Code Section 65913.4(q)(1). SB 423 also requires tribal consultation. Pursuant to Government Code Section 65913.4(b)(1)(A)(i)(I) and (II), on August 7, 2025, the City provided a formal notice of the Applicant's Notice of Intent to submit a future application to each California Native American tribe that is traditionally and culturally affiliated within the City of Salinas. The formal notice including a description and location of the proposed development and an invitation for a tribal consultation within 30-days of receiving the notice. As of the drafting of this staff report, no consultation request has been received from any applicable California Native American tribe.

Public Meeting

The public meeting is to provide an opportunity for the public and the local government to comment on the development, which may be implemented into the future project submittal by the Applicant. At the meeting, the Applicant will present the proposed project. No determination will

be made by the City Council at the meeting and the future project submittal is not subject to public review. Any future project will be required to comply with all applicable Zoning Code development regulations and State laws.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CALIFORNIA GOVERNMENT CODE §84308 APPLIES:

No.

STRATEGIC PLAN INITIATIVE:

The proposed development advances the City Council's 2025-2028 Strategic Plan Goals of Economic Development and Housing by revitalizing residential and commercial areas and facilitating the production of a variety of housing types for all income levels.

DEPARTMENTAL COORDINATION:

The Community Development Department is working closely with the City Attorney, Housing Division, Permit Center, Fire Department, and Public Works in the processing of this preliminary review.

FISCAL AND SUSTAINABILITY IMPACT:

There is no direct fiscal impact to the General Fund associated with this Preliminary Project Review as staff time for processing is already included in the FY 24-25 and FY 25-26 Operational Budget and offset by the application fee of \$1,097.25.

Fund	Appropriation	Appropriation Name	Total Appropriation	Amount for recommendation	FY 25-26 Operating Budget Page	Last Budget Action (Date, Resolution)
n/a	n/a	n/a	n/a	n/a	n/a	n/a

ATTACHMENTS:

Project plans for 467/479 East Market Street