



## Planning Commission Meeting Minutes

February 26, 2019 6:00 PM  
City Council Chambers

### 1. ROLL CALL

Commissioners present: Civian, Bottarini, Breznikar, Eddinger, Luks, Petrik, Tracy

Commissioners absent: None

City Staff present: Planning and Building Director Maya DeRosa, Contract Planner Linda Ruffing, City Attorney's Office Deborah Kartiganer, Administrative Specialist Shawn Sumpter

### 2. ADMINISTRATIVE ACTIONS

A. On a motion by Commissioner Eddinger, seconded by Commissioner Bottarini, the Commission voted 7-0 to approve the February 26, 2019 agenda.

B. On a motion by Commissioner the Commission voted 6-1-0 (Eddinger no) approving the amended minutes for February 12, 2019.

C. Acceptance of Communications and Correspondence:

- Letter from Abramson regarding item 4A.
- Document from Commissioner Petrik regarding affordable housing demand

D. Declarations of Conflicts of Interest: None

E. Disclosures of Ex Parte Communications: None

### 3. PUBLIC COMMENTS:

Brigette Mansell, Healdsburg, expressed concerns about public input procedures during public hearing testimony.

Ron Grassi, Healdsburg, suggested that when there is a large number of attendees meetings should be adjourned to a different venue. He also requested that the current development map provided on the City's website include the number of units proposed.

### 4. PUBLIC HEARINGS

#### A. Item

**Description:** North Area Entry Plan (NEAP) Public Review Draft

#### Project

**Description:** .Area Plan for the future development of a 32 acre site

**Location:** 16977 Healdsburg Avenue and the adjacent Healdsburg Avenue roadway

**Applicant:** City of Healdsburg

#### Environmental

**Determination:** Environmental Impact Report

Contract Planner Linda Ruffing presented the staff report.

Commissioner Tracy asked if the increase in the commercial floor area cap from 200,000 square feet to 270,000 square feet would essentially be comprised of the residential care portion of the facility so that only the actual residential senior units would be included as a part of the residential cap.

Planner Ruffing confirmed.

Commissioner Breznikar stated that she is not in favor of changing the cap. The assisted living is a business and should stay at 200,000 square feet.

Ruffing explained that initially 200,000 square feet was intended for retail other commercial businesses to maintain the mixed use commercial center in the neighborhood. She noted that the senior complex is not called out in the document because this is a plan and not the project. Specific uses will be reviewed at the project level.

Commissioner Breznikar stated that she does not agree with staff's recommendations.

Commissioner Bottarini noted that in the plan there are floor area ratios (FAR), lot coverage, parking standards, setbacks , and all sorts of criteria for development standards; why do we need this 200,000 square foot limitation in the first place.

Ruffing stated that the Commission can get rid of it, the question is whether the Commission wants to provide some constraints beyond the 1.0 FAR in the mixed use district and the site coverage limitations.

Commissioner Bottarini asked why focus on a number which really doesn't get to the design of the project. It is a number that doesn't have much use to it other than an analytical purpose in the EIR.

Ruffing stated that the EIR's established buildout scenario which looked at 290 multi-family units and 200,000 square feet of commercial space as a mix of retail and services.

Commissioner Bottarini said his point is if all of the constraints exist why is there a debate.

Commissioner Petrik asked how an event or assembly center is classified.

Ruffing confirmed that the use is classified as commercial.

Attorney Kartiganer responded to Commissioner Bottarini stating that there was previous direction from the Commission to limit some of the commercial uses to ensure that a large commercial use was not established on the site. If there is no FAR to regulate non-residential uses you could end up with a development that was almost completely commercial rather than a mix of commercial and residential.

Chair Civian opened the hearing for public comment.

Jake Rutherford, University at Powell, expressed concerns about where the people working in the project area will park and live.

Diane Anderson, Healdsburg, stated that, at this time, the Planning Commission is charged with creating development guidelines for the north area. They are not charged with reviewing a particular development. She described the difficulty in the managing the difference between the review of the plan area and the review of the project. She noted that the developer has been criticized for withholding details about the project when the development of the plan has been put on hold until after the NEAP adoption. She expressed concerns that potential housing has been delayed as this process continues. She asked the Commissioners follow the existing constraints contained in General plan and approve the NEAP now, so that the project plans can be developed and evaluated by the Commission for its merits at that time.

Mark Bisignani, Healdsburg, expressed concerns about hotels and the impact additional low paying jobs will have on the resulting affordable housing demand. He stated that this project does not seem to address the housing needs of the town. He expressed concerns about another hotel and the resulting traffic impacts. He opined that this does not seem like a locally serving plan.

Mitch Firestone-Gillis, Healdsburg, his support for the housing proposed in the project.

Bruce Abramson, Healdsburg, expressed frustration with the lack of specific information provided on the development project. He opined that a 130 room hotel is not necessary for this project. He disagreed with the idea that the profitability of the hotel would make the housing portion of the project work. He cited Sorrento and Chiquita Grove as examples of projects that

do not include a hotel. He requested that information be provided regarding the number and types of living units and assisted living care to help the community better understand the project.

Janis Watkins expressed her opposition to the inclusion of a 130 room hotel in the plan. She cited the citizen survey results. She described the number of existing and approved hotel rooms. She questioned whether more hotel rooms are necessary for a successful business plan and stated that we do not have enough information from the developer to make that determination. She discussed the property tax exempt status of senior living facilities. She stated that the Housing Action Plan and Measure P should help establish the priorities for this project.

Brigette Mansell expressed concerns regarding the safety of seniors trying to exit the property in an emergency. She stated that although a secondary emergency vehicle access across the railroad tracks has been mentioned she has not been able to find it on any of the maps. She opined that a 130 room cap on the size of the hotel is too large and that the developer will always build to the cap. She stated that she is adamantly opposed to the hotel. She expressed a need to address the housing crisis.

PJ Lenz stated that she is okay with the hotel if it results in workforce housing and senior housing. She said that she attended a workshop on the project and she is stunned to hear people saying that something has been hidden. She urged the Commission to move forward with the process and expressed concerns about leaving a 32 acre site empty.

Jack May, University Street, suggested that the developer be given a chance to put forth a project. He stated that he does not believe it is true that there are too many hotels. He opined that this hotel could be great and noted that it will not solve everything.

There being no further speakers, Chair Civian closed the public input portion of the hearing.

Chair Civian asked the Commission to comment on the floor area ratio (FAR) recommendation.

Commissioner Tracy stated that he is fine with the 200,000 square foot cap on the commercial uses. He further stated that he had not realized that the original 435,000 square feet of residential development included the senior living component. If you eliminate that there might be an argument to increase or add another category. He said he would be supportive of increasing since the whole 430,000 has been eliminated.

Planner Ruffing explained that the other option is to add a 70,000 square foot category for uses related to the independent senior living.

Commissioner Tracy said that he would probably support that.

Commissioner Breznikar stated that she feels 200,000 square feet is sufficient for the commercial uses. She stated that she feels the assisted living should be counted in the 200,000 because then we could cut down on the amount of commercial use and she is fine with that. She stated she would rather not have a hotel. If there has to be a hotel 10-50 rooms but not 130 rooms. The assisted living should be counted as commercial because it is a commercial use.

Commissioner Eddinger stated that he thinks the staff recommendation of 200,000 square feet works and that the assisted living should be exempted or the square footage cap should be increased so that it can be built.

Commissioner Bottarini noted that the General Plan limits what can be built on this property. He stated that it seems like we are just adding layers of regulation without a reason. He stated that he does not see where the caps make sense. They just create another layer to requirements that already constrain the project. He stated that uses accessory to memory care or a facility for seniors should not be counted as commercial use. It is a component of an assisted living community with many functions that work as a whole. If the Commission wants to classify it as

commercial and up the cap to 270,000 square feet he stated he would be willing to vote that way but does not think that is the right way to handle it.

Commissioner Petrik stated that he feels there are more fundamental issues that should be talked about rather than floor area limits.

Chair Civian asked, if this is an area plan why are we getting so specific about use. Why call out senior housing when we don't have an application for the site. It could be a use and we are not excluding it but why is it being called out specifically.

Planner Ruffing explained that the question is that if you have a 200,000 square foot limitation on commercial where would the non-residential component of a senior housing component go.

Chair Civian described his involvement with several senior facilities and they are residential. All of the uses that go with a senior facility are residential. He listed movie theaters, beauty parlor, bingo area, billiards, restaurant, etc. all being included in residential. He stated his concerns that if we call out specifically what a person can build aren't we limiting ourselves. He asked the Director to weigh in.

Director DeRosa clarified that the General Plan designation is MU and a 1.0 FAR still applies. When a development application comes in it is evaluated to make sure that it does not exceed that FAR. The General Plan is very clear that you don't count residential uses toward that FAR. She stated that she wanted avoid any confusion if a senior housing component is proposed how those associated uses would be categorized.

Chair Civian addressed a question posed during public input regarding emergency vehicle access (EVA). He stated that his understanding is that an EVA is being required for the development of the site.

Planner Ruffing concurred, stating that the plan has a policy that requires an EVA prior to any development on the site. She stated that the developer has been in dialog with NCRA and SMART and has negotiated an EVA.

Commissioner Eddinger said that is important to note that even if it had not been done yet the Commission would require it.

Chair Civian stated that with regard to the specific plan if you look at all of the limitations with regard to the GMO (Growth Management Ordinance), we haven't seen an application yet and he does not like mixing the two. Just like we did not mix the CHAP plan and what Replay is doing. It is very unusual to do a concurrent specific plan and development application in his experience. If an applicant came in later what would they be able to build? They would not be able to build apartments because of the GMO. He stated that the snapshot that the developer has given describes one possibility of what he could do under the limitations. One of those options is a senior housing facility. He voiced concerns about getting into legal problems by being too specific with the NEAP with regard to what an application might include in the future.

Commissioner Tracy asked whether staff's preference would be to exempt it (from commercial) or add a number. Would adding a number reduce future confusion?

Director DeRosa stated that it would help to set an upper threshold for future development. The intent is to set a vision for how much development in certain categories will happen on the site.

Commissioner Bottarini asked staff to describe the GMO allocations for the next few years.

Director DeRosa briefly described the GMO and associated development categories. She described the allocations obligated to date in Cycle 7 (2019-2021) noting that if the Mill District development agreement is approved at the next Council meeting there will be no category B allocations available at the end of the cycle. These are the market rate allocations needed for residential development within the project. Up to 25 allocations from category A (available only to projects with fewer than 5 units) may become available for reallocation at the end of the cycle

if they are not used. Looking at Cycle 8 we have a similar situation. The purpose of the NEAP is to set good policies. There will be an opportunity at the time of the master CUP to hone in, potentially with a development agreement, on what housing types and income levels would be included and what allocations would be potentially be guaranteed. She stated that her perspective of what the Commission has before them today is a very elegant way of showing how you can truly develop this site without GMO allocations especially given that we have added category C allocations that allows the community to have a strong expectation that we will get some missing middle housing.

Commissioner Bottarini asked how the Farmstand subdivision is accounted for in the cycle.

Director DeRosa explained that Farmstand received its allocations from the previous cycle.

Chair Civian asked for consensus on the 200,000 cap on commercial square footage.

There was a consensus to retain the 200,000 square foot cap on commercial square footage.

Chair Civian suggested modification of the wording to state that if a senior facility were proposed, the associated uses would be exempt from the 200,000 square foot commercial cap.

Commissioner Breznikar objected to the exemption.

There was consensus from the rest of the commission to recommend Chair Civian's suggested modification.

Chair Civian asked if the Commission needs to address limiting whether senior housing is going to be allowed at all.

Commissioner Luks retracted his suggestion at a previous meeting that the senior housing be restricted, stating that he now thinks that is the wrong approach. He stated that he would like to see as much affordable and moderate rate housing as possible. He previously thought that limiting senior housing would help achieve that goal. He stated that he no longer believes this to be true.

Chair Civian agreed, stating that it gives an applicant the ability to come up with a creative solution.

Planner Ruffing confirmed for Commissioner Tracy that the 290 is based on 16 units per acre specified by the General Plan based on net acreage.

Commissioner Breznikar asked how we enforce the fact that we want a variety of housing if we remove a limit on senior housing. Would it be okay if it resulted in a project proposal for all senior housing?

Commissioner Tracy stated that a developer could propose it but he would not approve it.

Commissioner Luks stated that the way things stand now the 290 unit limit will result in a mix because of the inclusionary rules requiring 15% affordable.

Chair Civian stated that he would like to see it left more general at 290 and have the applicant come up with what they choose to. They may be looking at how can they craft a project and not be torpedoed by the GMO. Potentially, the way to do that is to do senior housing. He stated that he does not think it would be wise to specifically call out the type of units.

Attorney Kartiganer confirmed for Chair Civian that it would not be an issue and would be consistent with the policies of the plan which include a mix of types of housing units on the site.

Commissioner Eddinger stated that he agrees opining that the Commission can make it so hard to develop that nothing will happen. We need to leave this as open as we can and the 290 unit limit does that.

Commissioner Petrik commented that he is not necessarily in favor of limiting but in the draft plan there is a variety of goals and policies. He cited policy 1.3 and 1.4 which describes a variety of housing types, age groups and income levels. Based on could you approve a project that came in the door with 220 senior units and say it was consistent with those goals and policies?

Commissioner Bottarini stated Commissioner Petrik made a good point. When an application comes in it will have to be evaluated against the policies of the plan.

Commissioner Petrik stated that he understands and said that he has seen where there are goals and policies that get kicked aside when a project is proposed.

Commissioner Bottarini stated that it wasn't for the GMO he would not be considering anything other than a small commercial and all residential on that site. However with all of the limitations in place this is the best we are going to get right now.

Commissioner Eddinger rebutted Commissioner Petrik's statement that goals and policies are overlooked by the Commission.

Planner Ruffing confirmed for Chair Civan that the Commission has the ability to modify the language for LU-1.3 and LU-1.4.

Chair Civan suggested adding the phrase "to the best extent feasible" to reflect the actual process of evaluating a project as a whole.

Commissioner Petrik said that he could support that approach to this because he would like to be able to review a project that he can square with the language in the plan.

Commissioner Breznikar expressed concerns about the need to interpret the phrase. She opined that the more specific word "provide" is better.

Commissioner Eddinger opined that is what you call planning. No project is ever going to completely measure up to every detail in a plan. It is up to the Commission to evaluate.

Chair Civan proposed that the word in LU-1.3 and 1.4 be changed from "provide" to "promote".

Commissioners Breznikar and Petrik commented that use of the word "promote" was an issue with the case heard at the last meeting.

Chair Civan advised that the Commission not bring the previous project into tonight's discussion.

There was a consensus to change the word to "promote" or "encourage".

Chair Civan asked for and received consensus to leave the maximum residential units at 290 without classification as currently proposed.

Planner Ruffing asked for and received confirmation that the word "promote" or "encourage" should be substituted for the word "provide".

After a short break Chair Civan recalled the meeting to order.

Chair Civan asked the Commission to discuss affordable housing. He noted that the City Council develops affordable housing policy and provides direction in terms of that policy. He would agree with the staff recommendation.

Commissioner Tracy asked staff to describe the policies recently under discussion by the Council.

Director DeRosa described the Council discussions regarding accessory dwelling units (ADUs) and the inclusionary housing ordinance (IHO) which will be forwarded to the Planning Commission for their review. She described the redistribution of requirements proposed by the Community Housing Committee (CHC).

Chair Tracy noted that there is nothing limiting an applicant from coming forward with an innovative project that exceeds the minimum requirements.

Director DeRosa concurred and noted that exceeding the threshold is encouraged.

Commissioner Breznikar asked if the proposed policies address the missing middle.

Director DeRosa explained that the policies have been broadened to include low, moderate, and middle income.

Attorney Kartiganer confirmed for Chair Civian that the ordinances in place at the time of receipt of a complete project application or application approval depending upon the situation would govern.

Commissioner Bottarini asked if all of the affordable units would be required to be on one parcel.

Attorney Kartiganer stated that the inclusionary ordinance permits construction of affordable units on a different lot. She noted that the entirety of this area is required to be subject to a single conditional use permit.

Planner Ruffing commented that the implementing regulations state that at the master CUP stage the inclusionary housing proposal will be defined and where specific uses and numbers will be assigned to different parcels.

Chair Civian asked for consensus on the recommendation.

Commissioner Tracy stated that he wanted to emphasize that the inclusionary housing is only one part of what the Commission would want to work with the developer on to maximize where housing is concerned.

At Commissioner Petrik's request Planner Ruffing explained that in a previous meeting the question about whether or not the Commission could require more affordable housing in the Plan than is generally required. She responded that in order to do that a study would have to be done to establish a nexus for why the City's inclusionary housing ordinance does not apply to this site and more stringent requirements are appropriate. She further explained that staff was not recommending a study.

Planner Ruffing confirmed for Commissioner Luks that if the City and the developer enter into a development agreement they can agree to any number of affordable and moderate rate housing regardless of the rules.

Commissioner Petrik stated that he felt it was an appropriate time to discuss the information that he provided to the Commissioners at the dais.

Chair Civian expressed frustration with items provided to the Commission at the dais which do not allow the Commission to review and digest the information and reach a conclusion.

Commissioner Petrik discussed the ratio of hotel rooms to affordable housing units. He stated the importance of determining affordable housing needs as related to land use impacts.

A discussion ensued regarding generation of affordable housing need and mitigation of that need being a minimum goal.

Commissioner Petrik stated that a net zero gain in affordable housing does not provide an argument that a hotel will provide the benefit of affordable housing. The demand create equals the housing provided.

Commissioner Breznikar expressed concern about housing the employees of the possible senior living project.

Commissioner Eddinger stated that the Commission needs to see a project to evaluate the merits of the project. He opined that development projects are not going to solve the existing problem, they will only mitigate their impacts. The City should utilize existing property it owns to mitigate the existing housing issues.

A discussion ensued between Commissioner Eddinger and Breznikar about the motivation and obligations for a developer to construct a project.

Commissioner Petrik stated that he feels it is important to understand what the relationship is between specific land uses and housing demand.

Planner Ruffing clarified that staff's position is to not address affordable housing requirements in the NEAP but to address affordable housing through the inclusionary housing ordinance.

Chair Civian pointed out that the Commission works for the City Council and the Council establishes the policy.

Commissioner Luks put forth his opinion that the City should negotiate a development agreement with the developer and the plan should follow that. He used the success of 110 Dry Creek, Saggio Hills, and the Mill District as examples of projects that achieved more than the minimum. He stated that he would like to see 125 affordable units as a result. He stated that he agrees that more than a net zero gain is needed. He stated that he is not in favor of the NEAP as structured.

Commissioner Breznikar asked if the senior living would be required to provide affordable housing.

Commissioner Luks explained that the affordable housing requirement comes from the senior living because there is not yet an inclusionary requirement for hotels.

Chair Civian opined that any developer proposing a project will see what has been approved and know that the minimum is not acceptable.

Commissioner Luks stated that he does not see how it could be prevented.

Commissioner Tracy stated his agreement with much of Commissioner Luk's statements but said that he does not think this plan would prohibit us getting there. It would allow us to go forward with a master CUP and a development agreement.

Attorney Kartiganer discussed other jurisdiction's use of development agreements are required in conjunction with specific types of uses. It is not a subject that has been litigated but it is a strategy that has been used by other jurisdictions.

Commissioner Luks stated that he would not recommend backtracking on this year long process except that he feels that it will result in a unit count greater than 70. He recommended that the Commission not adopt the NEAP and that they recommend to staff that they have a development agreement discussion to create a project that achieves a higher number of affordable units. He stated his preference is not to include a hotel or senior living but also stated that if the additional housing were achieved he would not be opposed.

Commissioner Bottarini asked if Commissioner Luks is suggesting that the Commission scrap the past year of work on the NEAP.

Commissioner Luks stated that the uses should be decided on and then the NEAP would follow. He described a theoretical project moving the hospital and associated medical facilities to the site as the type of project that could happen at that site. He asked if anything that had been done with the NEAP to date made any sense. He expressed his view that this area is different from the CHAP because the CHAP is infill and affects surrounding uses and the downtown. This (the NEAP) area does not affect anything surrounding it.

Commissioner Bottarini disagreed. He stated that the Commission would be abdicating its job if they kick it back after a year and a half. If they don't like the plan they say no and let it go to the City Council. He said he could not support, in any form, suggesting that the City Manager and the developer negotiate a development agreement and then bring that back. He opined that that is a complete abdication of the Planning Commissions role and responsibilities.

Chair Civian posed the question; what happens if a new developer comes along and does not want to do what the current proposal entails, and stated that he feels that Commissioner Luks' has it backwards.

Commissioner Tracy stated that the CHAP and Replay are a successful example of a plan and project and stated that continuing with the NEAP is the right way to go.

Commissioner Luks stated that the only reason he is making this recommendation is that he feels we will get a lot more affordable and moderate housing than otherwise.

Commissioner Tracy pointed out that the Commission is not precluded from refusing a project that does not include the housing they are looking for.

Commissioner Luks stated that if the plan is adopted, the developer may be led to do the minimum. He stated that his proposal is the only way he can see to compel the developer to provide the housing they are looking for.

Chair Civian asked for a consensus on staff recommendation number 3, allowing the inclusionary housing ordinance to establish affordability requirements.

Chair Civian declared a consensus for agreement with staff recommendation number 3.

Chair Civian asked the Commission to discuss recommendation number 4.

Commissioner Tracy stated that he is comfortable with including visitor lodging as a potential use. He stated that he would like to add a few words like "small". He stated that he would eliminate the cap on the number of rooms and let that be determined at the time of the conditional use permit. He would also like to see "low rise" used in conjunction with the description of scale.

Commissioner Breznikar stated that she does not like the use of the word "scale" and would like to consider "small scale" and to use "boutique" which she understands to be 10-100 rooms. She she also pointed out the use of "small retail" and expressed a desire to tighten up the wording.

Commissioner Eddinger stated that he does not want to use "boutique" because it leaves too much room for interpretation. He suggested using a number in the 100 neighborhood.

Commissioner Bottarini pointed out the issues faced by the commission when trying to interpret "small scale" at the last meeting in conjunction with a restaurant. He stated that he would rather have criteria for lot coverage, floor area, and building height, parking and landscape standards. Get rid of the words small or the number of units. Those standards will determine the size of the building.

Commissioner Petrik stated that he is willing to give specific direction. He expressed his complete opposition to a hotel. He opined that small scale has nothing to do with size and has everything to do with number of rooms as an intensity of use. He stated that this the concern that the citizens have expressed in the surveys. He stated that there are lots of examples of small scale or boutique hotels in town that are integrated with the neighborhoods or commercial districts. If there has to be a hotel, a limit on rooms is the only thing he could support. He suggested 40 as a cap on the number of rooms.

Commissioner Breznikar expressed her support.

Commissioner Petrik clarified for Chair Civian that he is against a hotel but if the rest of the Commission is willing to allow it then he would ask the Commission to respect the community's wishes and restrict the size.

Chair Civian described the flaw with relying solely on the surveys to make a decision. He said he likes a hotel as a possible use and stated that he does not like the use of the word "boutique" and, he would strike the words "well designed". In regards to the hotel amenities, it should read shall be instead of should be open to local residents. He stated that he would support a cap of 120 hotel rooms.

Commissioner Luks expressed his desire for a lower number. He would suggest 40-50.

Commissioner Tracy asked about the concept of not having a cap and leaving it to the conditional use permit.

Director DeRosa interjected into the meeting at this point to inform the Commission that she had been informed by the Fire Chief that due to imminent danger of flooding, road closures in the downtown area are going into effect and we are advised to close the meeting to get people home safely. She suggested continuing the meeting to the first regular meeting in March.

On a motion by Commissioner Bottarini, seconded by Commissioner Tracy the Commission voted 7-0 to continue the meeting to the next regularly scheduled meeting on March 12, 2019 at 6:00 PM.

Chair Civian adjourned the meeting at approximately 8:25 PM.

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Maya DeRosa, Secretary

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Jeffrey D. Civian, Chair