

CITY OF SEBASTOPOL CITY COUNCIL
AGENDA ITEM REPORT FOR MEETING OF: APRIL 2, 2024

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To: Honorable Mayor and City Councilmembers
From: John Jay, Associate Planner
Subject: 1009-1011 Gravenstein Highway North - “Canopy” 80 unit townhome residential housing project a Conditional Use Permit to allow a 100% residential project within an Office Light Industrial District; Major Tentative Map to subdivide two parcels into two lots and 80 condominium units, plus common areas; Density Bonus (under State Law and City Ordinance) for increased building height; and, certification of an Environmental Impact Report under the California Environmental Quality Act requirements.

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RECOMMENDATIONS:

Adopt a resolution certifying the Environmental Impact Report (EIR) pursuant California Environmental Quality Act (CEQA) and adopt a resolution approving the entitlements for the Conditional Use Permit, Vesting Tentative map for a two-lot subdivision with 80 condominium units and common areas, and Density Bonus for increased building height.

EXECUTIVE SUMMARY:

The proposed project is an 80-unit residential housing development with a potential for 16 American Disabilities Act (ADA) Accessory Dwelling Units (ADUs) in lieu of a third bedroom, 160 parking spaces, and various site improvements. The project site is an approximately 6.1 acre vacant lot at 1009-1011 Gravenstein Highway North, on the east side of Gravenstein Highway North southeast of its intersection with Mill Station Road, and behind the O’Reilly Media Center office building that fronts Gravenstein Highway north and adjacent to the City of Sebastopol’s northwestern boundary. The site is roughly bounded by the O’Reilly Media Center office building to the west, along with other commercial uses along Gravenstein Highway North (Hwy 116), the Charter School and West County Trail to the north, and residential uses to the east and south.

The Project entitlements include a conditional use permit for 100% residential in an Office Light Industrial Zone, a vesting tentative map for the creation of two lots and 80 residential condominium units, a density bonus waiver to allow three stories and up to 40’ in building height. Additionally, an Environmental Impact Report (EIR) was developed drafted and made public since December 7, 2023, for the Canopy Residential Project at 1009-1011 Gravenstein Highway North (“Project”).

As the project includes the subdivision of land, the City Council is the final review authority for certification of the EIR and Conditional Use Permit, Vesting Tentative Map, and Density Bonus applications. The design review and tree permits would be reviewed after the City Council decision by the Design Review/Tree Board.

BACKGROUND AND DISCUSSION:

The proposed project would involve the construction of 80 solar all-electric, three-story townhome-style condominiums, with the potential for up to 16 ADUs. The project proposes 20 buildings spread out across the site where there is a mix of 3 to 4 units per building and one building would hold up to 8 units. All 20 proposed buildings would be up to 37’ tall and three stories. Access to the proposed residential units and garages would be taken from newly constructed private streets between the buildings, which would connect to Gravenstein Highway North. Access to the site via Gravenstein Highway North would be provided by two new inlet and outlet points at the northwest and southwest portions of the site on either side of the existing O’Reilly Media Center site.

The project would include a total of 160 parking spaces in individual unit garages and 58 surface spaces across the site. The project would include construction of landscaped internal walkways throughout the site, including a new, enhanced 6-foot-wide pedestrian pathway to connect the West County Trail to Gravenstein Highway along the southern border of the site; a bicycle repair station is proposed at the same location. The project would include 96 bicycle parking spaces, with 80 long-term spaces located in each residential garage and 16 spaces in onsite bicycle racks.

The proposed project would involve the removal of 21 trees (20 protected native trees including Oaks, Redwoods and Douglas Fir) while preserving the remaining 111 trees primarily along the perimeter of the site. An existing large, mature coast live oak tree would be retained at the primary entrance to the project entry. Proposed landscaping would include new plantings throughout the open spaces, along drive aisles, roadways, and streets, and surrounding the proposed buildings. Other amenities, including gardens, active and passive seating areas, children's play areas, and a meditation hammock garden are also proposed.

Project History

This project was first introduced to the Planning Commission at a preliminary review at their October 8th, 2019, meeting where they heard a staff report and presentation from the applicant. At the time of that preliminary review the applicant had proposed to develop 100 units on this site with no ADU options. The Planning Commission at that time was supportive of the project, and provided comments related to the site, including reviewing and reducing number of trees proposed for removal; potential pedestrian and bicycle connection to Hurlbut for the trail, and/or considering vehicle access there, increasing setbacks to the properties along Winona Lane; and, consideration of the topography and hill at the northeast side of site (bounded by the Trail and Winona Lane). The Commission also expressed concerns regarding the Ceres Garden, which has since been relocated to the Charter School.

Since that meeting the applicant has refined the project, and in doing so revised the number of units to 80 townhomes, with an optional 16 ADA ADU's should owners want that as an option (this would be the conversion of a bedroom to an ADU within the townhome units). During the City's Housing Element update, this project was discussed and included as part of the "pipeline" projects to fulfill the City's requirements to show the ability to meet the City's Regional Housing Needs Allocation (RHNA) target. The proposed 80 units (along with any ADUs developed) will count towards the City's Above Median Income (i.e. market rate) and Moderate Income RHNA targets

Staff Analysis:

For this project to be approved, City Council needs to find that the project is consistent with the General Plan, is consistent with the Zoning Ordinance which includes the findings for each entitlement being requested (Conditional Use Permit, and Vesting Tentative map), and is consistent with the CEQA guidelines for an EIR. In the sections below staff lays out how this project meets the criteria of all those key points. At the March 12, 2024, Planning Commission meeting, the commission voted (4,0,1) in favor of recommending this project for approval to Council as they agreed with staffs recommendations.

General Plan Consistency:

This project is consistent with the following General Plan policies as shown below:

- *Goal LU1 - Maintain Sebastopol as a unique, charming, and environmentally sensitive small town that provides residents, businesses, and visitors with opportunities to enjoy a high quality of life.*
- *Policy LU 1-2: Avoid urban sprawl by concentrating development within the City limits; favor infill development over annexation.*

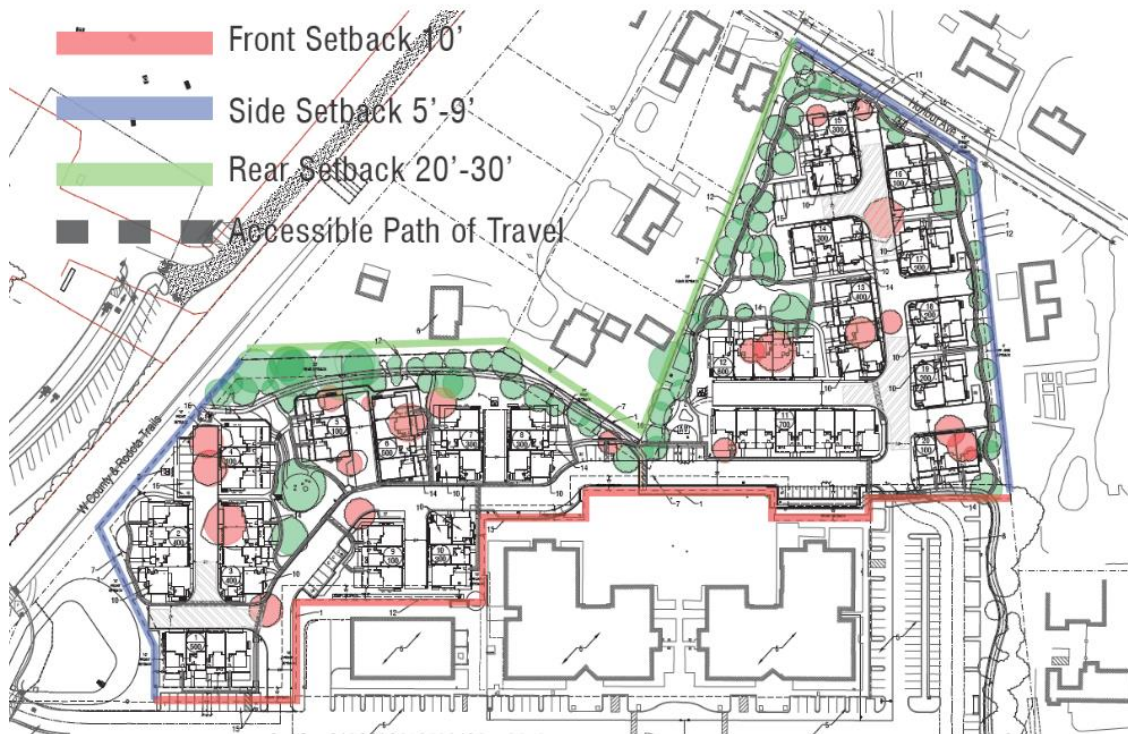
- *Policy LU 1-7: Encourage new development to be contiguous to existing development, whenever possible.*
- *Policy LU 5-5: Strongly encourage residential development in a balanced and efficient pattern that reduces sprawl, preserves open space, and creates convenient connections to other land uses.*
- *Policy LU 6-1: Promote increased residential densities.*
- *Policy LU 6-2: Promote compact urban form that provides residential opportunities in close proximity to jobs, services, and transit.*
- *Policy CIR 1-5: When analyzing impacts to the circulation network created by new development or roadway improvements, consider the needs of all users, including those with disabilities, ensuring that pedestrians, bicyclists, and transit riders are considered preeminent to automobile drivers.*
- *Housing Element Policy C-4: The City will encourage development of new housing to meet a range of income levels, including market-rate housing, and a variety of housing sizes and types.*
- *Housing Element Goal D-1: Promote Housing Affordability for both Renters and Homeowners*
- *Community Design Policy 1-2: Ensure that new residential and commercial development is sensitive to the surrounding architecture, topography, landscaping, character, scale, and ambiance of the surrounding neighborhood, in that it is the same scale or lower than the adjacent office buildings, it has significant setbacks from adjoining residential structures, it breaks down the massing of the development by proposing twenty separate structures for the units, it retains the majority of trees between the site and the adjoining residential uses, and maintains two-thirds of the site as open space, and will be planting additional trees.*

Zoning Ordinance Consistency:

The project site is designated as Office/Light Industrial (OLM) and according to Section 17.25.010 of the Sebastopol Municipal Code (SMC), the purpose of the OLM District is to implement the “Office/Light Industrial” land use category of the General Plan and to provide areas for well-planned, integrated business parks that may include office and related uses. Section 17.25.020 of SMC lists the allowed uses of the OLM district, which includes R7-Multifamily Residential (12.1-25 du/ac), with Planning Commission review and approval of a conditional use permit. The originally approved development of a parking structure and additional office space was never built due to economic factors and changes in demand for office space.

	Required (R7)	Proposed
Front Setbacks	10'	10' (facing Highway 116) Shown in red in image below
Side Setbacks	5'-9'	9' (Adjacent to Hurlbut Ave on eastern edge of property and adjacent to West County Trail on Northern property line) Shown in blue in image below
Rear Setbacks	20'-30'	20'-30' (Eastern facing property lines) Shown in green in image below
Maximum density	153	80 with 16 potential ADUs*
Minimum density	74	80 with 16 potential ADUs*
Building Height	30', 2 stories	Up to 40' with State Density bonus waiver, 3 stories

Lot coverage	40%	26%
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Required Findings:

Listed below are the findings required for the multiple entitlements being proposed on this project.

Conditional Use Permit:

Conditional use permits are discretionary and shall be granted only when the review authority determines that the proposed use or activity complies with all of the following findings:

1. The proposed use is consistent with the General Plan and all applicable provisions of this title.
2. The establishment, maintenance, and operation of the use applied for will not, under the circumstances of the particular case (location, size, design, and operating characteristics), be detrimental to the health, safety, peace, morals, comfort, or general welfare of persons residing or working in the area of such use or be detrimental or injurious to property and improvements in the neighborhood or to the general welfare of the City.

Tentative Map for 5 or more parcels:

A. In recommending approval or conditional approval or in approving or conditionally approving a tentative map, the Planning Commission or City Council as applicable shall find:

1. That the proposed subdivision, together with the provisions for its design and improvement, is consistent with the General Plan, any applicable specific plan, and other applicable provisions of this code; and

2. Except for condominium conversion projects where no new structures are added, that the design of the proposed subdivision provides, to the extent feasible, for future passive or natural heating or cooling opportunities in the subdivision, as described in the State Subdivision Map Act and any guidelines promulgated by the City Council.
- B. In making recommendations or in disapproving, or in approving or in approving at a lower density a housing development which is in compliance with the applicable plans, zoning and development policies in effect at the time the project's application was determined to be complete, the Planning Commission or City Council, as applicable shall make written findings based upon substantial evidence in the record that both of the following conditions exist:
1. The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density.
 2. There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified other than disapproval of the housing development project or approval upon condition that the project be developed at a lower density.
- C. (not applicable to this development)
- D. The Planning Commission may recommend, and the City Council may deny, approval of the tentative map on any grounds provided by law including, without limitation, a finding that the discharge of waste from the proposed subdivision into an existing community sewer system would result in, or add to, violation of existing requirements prescribed by a State regional water quality control board.

A tentative map shall be denied if any of the following findings are made:

1. That the proposed map is not consistent with the General Plan, applicable specific plans, or other applicable provisions of this code;
2. That the design or improvement of the proposed subdivision is not consistent with the General Plan, applicable specific plans, or other applicable provisions of this code;
3. That the site is not physically suitable for the type of development;
4. That the site is not physically suitable for the proposed density of development;
5. That the design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat. Notwithstanding the foregoing, the City Council may approve such a tentative map if an environmental impact report was prepared with respect to the project and a finding was made pursuant to Section 21081 of CEQA that specific economic, social or other considerations make infeasible the mitigation measures or project alternatives identified in the environmental impact report;
6. That the design of the subdivision or the type of improvements are likely to cause serious public health problems;

7. That the design of the subdivision or the type of improvements will conflict with easements of record or easements established by court judgment, acquired by the public at large, for access through or use of property within the proposed subdivision. In this connection, the City Council may approve a map if they find that alternate easements for access or for use will be provided and that those will be substantially equivalent to ones previously acquired by the public. This subsection shall apply only to easements of record or to easements established by judgment of a court of competent jurisdiction, and no authority is hereby granted to the Planning Commission to determine that the public at large has acquired easements for access through or use of property within the proposed subdivision;
8. That all requirements of the California Environmental Quality Act and the rules and procedures adopted by the City Council pursuant thereto have not been met;
9. That the applicant has failed to submit complete or adequate information;
10. Subject to Section 66474.4 of the State Subdivision Map Act, that the land is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (commencing with Section 51200 of the Government Code) and that the resulting parcels following a subdivision of the land would be too small to sustain their agricultural use.

This project was submitted under SB 330, which is the Housing Accountability Act and the requirements for this are as follows. Under the Housing Accountability Act, a housing project cannot be denied, or the density reduced, unless the project is either: (1) inconsistent with objective general plan, zoning, and subdivision standards and criteria; or (2) the City can make the following finding for denial:

“The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. A “specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete; and “There is no feasible method to satisfactorily mitigate or avoid the adverse impact other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.”

Density Bonus Request

The project site is adjacent to the O’Reilly office buildings where there was an approved EIR and development plan for the entire site. Since the first phase of the project was completed the remaining parcels behind, the two proposed parcels were sold off and the project was not completed. As part of the public comment period for the Draft EIR many of the comments that were heard in the public meeting were related to the proposed building height and how it is not in scale with the surrounding neighborhood. However, the approved plans for the two vacant parcels had office buildings at 50’ in height. Even with the proposed density bonus concession to increase the height, the building height is less than the originally approved development for the site.

Environmental Review:

On November 9th, 2022, the application was submitted to the Planning Department and during the review of the documents it was determined that the project triggered the need for an EIR. With that, the Planning Department worked with the applicant to move through the CEQA process. The first part of this was holding a scoping session meeting with members of the public, stakeholders, and other state agencies. This meeting was held on July 19,

2023, at the 425 Morris Street, Sebastopol CA (Youth Annex Building) where members of the public were in attendance in person and via zoom.

After that meeting the Draft Environmental Impact Report was made available for public comment for a 45-day comment period starting December 7, 2023, and ending January 23, 2024. The Draft EIR looked at the following environmental impacts Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Land Use and Planning, Noise, Population and Housing, Public Services, Transportation, Tribal Cultural Resources, and Utilities and Service Systems. During the comment period, a public hearing was held on January 23, 2024, where members of the public were invited to comment on the Draft EIR which would be included in the response to comments as part of the Final EIR.

The Final EIR evaluates impacts on the above-mentioned criteria as well as responding to comments that were submitted during the 45-day public comment period. The final EIR must be certified by the City Council by making the findings outline in CEQA guidelines section 15090 and 15091 (resolution attached). While CEQA looks to mitigate impacts and ensure that they are not significant there will be impacts to the environment due to the project. The purpose of the Mitigation Monitoring and Reporting Program (MMRP) is to provide mitigation measures to reduce an impact that might be significant to a less than significant level. This MMRP document is provided as an attachment and provides direction to the appropriate department on who is responsible for ensuring that the mitigation measure is implemented.

COMMUNITY OUTREACH:

As prescribed by Section 17.460 of the Zoning Ordinance, the Planning Department completed the following: (1) Provided written notice to all property owners within 600 feet of the external boundaries of the subject property; (2) provided a written notice that was published in the Press Democrat; and (3) posted three written notices publicly on and within vicinity of the subject property.

Public comments received as of this staff report are included in the Attachments to this staff report. Additionally, comments received as part of the January 23, 2024, hearing on the draft EIR are included in the Final EIR document.

This item has been noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to the scheduled meeting date.

FISCAL IMPACT:

The city anticipates generating revenue through building permit fees and development impact fees, which are designed to offset the city's expenditures incurred during the planning and development stages. Additionally, we expect an increase in tax revenue and associated expenses once these units become occupied.

OPTIONS:

- **Approve the proposed resolutions as attached in the staff reports**
- **Direct staff to make reasons for denial and schedule a meeting at a date certain.**

ATTACHMENTS:

Resolution 24-xx of CEQA Findings
 Resolution 24-xx Findings of Approval
 Exhibit A – Tentative Map
 Exhibit B – Conditions of Approval
 Exhibit C – Standard Conditions of Approval

Exhibit D – Mitigation Measures and Reporting Program (MMRP)

Exhibit E – Draft and Final Environmental Impact Report

Application Materials

Planning Commission Resolution 24-02 of CEQA Findings with recommendations to City Council

Planning Commission Resolution 24-03 with recommendations to City Council

Staff presentation

Applicant presentation

Public Comment

ADDITIONAL MATERIALS:

Additional project details: <https://www.cityofsebastopol.gov/project/the-canopy-1009-1011-gravenstein-highway-north/#tab1>

APPROVALS:

Department Head Approval: Approval Date: 3/19/24

CEQA Determination (Planning): Approval Date: 3/19/24

Pursuant to California Environmental Quality Act (CEQA) Guidelines §15161, an Environmental Impact Report (EIR) was prepared to assess and mitigate the potential adverse environmental effects of the project.

Administrative Services (Financial) Approval Date: 3/25/24

Costs authorized in City Approved Budget: Yes No N/A

Account Code (f applicable) _____

City Attorney Approval: Approval Date: 3/25/24

City Manager Approval: Approval Date: 3/23/24