



Agenda Item #:	<u>3</u>
Meeting Date:	<u>January 25, 2022</u>
Prepared By:	<u>Joel Galbraith, Senior Planner</u>
Reviewed By:	<u>Scott M. Duiven</u> Scott M. Duiven Community Development Director

PLANNING COMMISSION WORKSHOP

PROPERTY ADDRESS: 400, 412 and 418 Healdsburg Avenue (APNs: 002-171-005, -006, -025)

APPLICANT: Piazza Hospitality

PROPERTY OWNERS: 400-418 Healdsburg Avenue, LLC

SUBJECT: Planning Commission Workshop on the 16-room HH Residences (hotel) located at 400, 412, and 418 Healdsburg Avenue.

RECOMMENDED ACTION:

The Planning Commission will conduct a workshop to receive a presentation from the applicant (Piazza Hospitality) regarding their proposal to remove existing commercial buildings and a private parking lot to construct a new 16-room hotel, to receive public input, and to provide informal feedback to the applicant and City staff. No official action will be taken.

BACKGROUND:

In 2017, the City Council initiated a discussion regarding the need to regulate hotel development in response to public concerns related to additional traffic and parking impacts within the limited downtown footprint and the loss of diversity of uses. At the March 26, 2018, goal setting session, the City Council established the following goal: “Draft and implement planning and land use policies that address development of hotels downtown and their impacts on workforce housing, parking, and retail space availability to enhance the quality of life of residents and businesses and align development with our community values.”

On August 20, 2018, the City Council directed staff to move forward with limiting the number of hotel rooms in the Plaza Retail District to 67 rooms (the current existing number of rooms). With respect to the Downtown Commercial District, the Council directed Staff to limit new hotels to those that include no more than five rooms and to limit the number of rooms per block face to five. The Council also discussed adding standards for hotel uses that would require hotels to be located behind or above first floor retail space, prevent hotels from fronting on streets that also front on a residential district, and requiring that all parking needs be met onsite.

On October 30, 2018, the Planning Commission conducted a public hearing regarding the proposed amendments to the Land Use Code with respect to the development of hotels in the downtown area. At

the hearing the Commission asked if it was possible to allow projects in process to move forward without the need to comply with the new regulations. The question was raised in response to the proposed expansion of the Duchamp Hotel. The Commission agreed that project applications that have been “deemed complete” should not be subject to the new hotel regulations.

The Planning Commission at its October 30, 2018, hearing recommended that the City Council adopt the proposed ordinance with following revisions:

- 1) Allow existing hotels in the PR and CD zoning districts, rendered nonconforming by this ordinance, to be able to rebuild if destroyed.
- 2) Exempt hotel projects for which a discretionary application has already been submitted and deemed complete by the Planning Department.
- 3) Change the requirement for on-site parking to on-site or in close proximity, and require real incremental parking spaces, as opposed to allowing existing unassigned parking spaces to fill a new or expanded hotel’s parking requirement.
- 4) Reconsider and broaden the definition of ‘Motel, Hotel, Extended Stay Hotel’
- 5) Require proposed hotel rooms to be located above retail or lobby space on a primary street frontage.

With the above modifications, the Planning Commission (4-0) voted to recommend that the City Council adopt the ordinance limiting hotels within the Plaza Retail (PR) and Downtown Commercial (CD) districts.

At its meeting of December 3, 2018, the City Council considered the proposed amendments to the Land Use Code limiting the size and location of hotels within the PR and CD districts. The City Council revised the section of the proposed amendment requiring that parking for hotels within the PR and CD districts be located on-site or in close proximity by removing the language allowing for parking to be located in close proximity and instead requiring parking on-site only. The City Council introduced the ordinance, with the revision, for first reading.

On December 17, 2018, the City Council approved Ordinance No. 1181 establishing Land Use Code Section 20.20.090 to limit the size and location of future hotel uses within the Plaza Retail (PR) and Downtown Commercial (CD) Zoning Districts with the following provision:

Section 9. Applicability.

Hotel projects for which an application has already been submitted and deemed complete by the Planning Department as of the effective date of this ordinance shall be exempt from the provisions of this ordinance.

On January 16, 2019, the Planning and Building Director and the City Manager informed the Planning Commission and City Council that the Design Review application (current application DR2019-02) for the 16-room HH Residence Hotel at 400 Healdsburg Avenue had been deemed complete prior to the new hotel ordinance becoming effective and would be going before the Planning Commission for a workshop and then a public hearing regarding the design of the hotel. The project has generally been inactive since 2019. On December 13, 2021, the applicant submitted an application requesting today’s Planning Commission Workshop.

PLANNING COMMISSION WORKSHOP:

The City of Healdsburg Planning Commission By-Laws allow the Planning Commission to conduct a workshop to discuss a specific subject. The Planning Commission By-Laws require an opportunity for the public to speak.

Planning staff has scheduled the workshop at the applicant's request to receive the Planning Commission's reaction to the proposed design for the HH Residences Hotel prior to formal revisions being submitted to the City and prior to resuming the formal Design Review process. The workshop provides an informal opportunity to discuss design concepts and provide guidance on meeting community goals.

The applicant will be at the workshop to describe and discuss the proposed design. They will discuss the various considerations that informed the proposed siting and design of the facility. The Planning Commission may provide its general nonbinding comments on the suitability of the development concepts for this project. No formal action will be taken by the Planning Commission. The opportunity for public comment should be provided before the Planning Commission members comment on the project.

Following the Planning Commission workshop, the applicant will have an opportunity to modify the project and submit revised plans to the Community Development Department for formal review. Prior to acting on the Design Review application the Planning Commission will receive a thorough analysis of the project's consistency with applicable policies and regulations along with a staff recommendation regarding project findings and conditions of approval.

PROJECT DESCRIPTION:

The applicant has submitted illustrative plans (Attachment 2) which also include a detailed description of the project and the proposed operation.

The project is proposed on three existing parcels located at the northeast corner of Healdsburg Avenue and North Street. The three parcels are currently developed with a private parking lot and two, one and two-story commercial buildings located north of the parking lot. All the existing on-site improvements are proposed to be removed to allow for the new 4-story, 16-room commercial hotel.

The building will generally occupy the entire 0.32-acre site. The hotel will include 16 guest rooms which are designed as suites with a large apartment-like layout with separate living area, bedrooms, kitchen or wet bar, and dining area. Each suite has 2 to 3 bedrooms, 2 full bathrooms, and private patio and/or balcony. The suites generally range in size from 932 square feet to 1,400 square feet. Five of the suites are designed as 3-story townhouses and the remaining 11 suites are designed as single-story flats.

Accessory uses include a lobby, semi enclosed plaza, swimming pool terrace, restaurant facing North Street, and retail shops facing Healdsburg Avenue.

Parking for 34 cars is provided on-site within a parking garage utilizing a parking lift system with valet service.

DESIGN REVIEW PROCESS:

Through the Design Review process, the Planning Commission is tasked with ensuring that new development is attractive and enhances the appearance of the community, that the best possible traffic circulation is obtained, that the design and layout of new development is in scale and character with surrounding uses, and that new development complies with the Healdsburg General Plan, and the Land Use Code.

In order to approve the Design Review applications, the Planning Commission must make the following findings:

1. The proposed development or use is consistent with all applicable policies and requirements of the General Plan and Land Use Code.
2. The proposed design of the development or use, and all appurtenant structures, is consistent with the policies set forth in the Citywide Design Guidelines, as may be amended from time to time.
3. The proposed development or use is consistent with the purposes of the zoning district in which it is located.
4. The proposed development or use is consistent with all other conditions imposed by the planning commission or City Council with respect to any matter related to the purpose of design review.

Based upon the decision of the City Council to exempt in-process projects, the proposed hotel is not subject to the current provisions of Land Use Code Section 20.20.090 which requires hotels to obtain a Conditional Use Permit, limits the size of hotels to five guest rooms, requires the guest rooms to be located above or behind retail or lobby space, prohibits hotels fronting on a residential zoning district, and requires all parking to be on-site. The proposed hotel is required to comply with the following:

1. The project requires Design Review approval by the Planning Commission and shall be reviewed for consistency with the current Citywide Design Guidelines. Major design topics for the project include “small town character”, surrounding context, appropriate scale, and pedestrian-focused features.
2. The hotel use is permitted by right and a conditional use permit is not required.
3. The project is required to comply with all the current development standards of the CD (Downtown Commercial) Zoning District which allow a maximum height of 50 feet, 0-foot setbacks, a maximum site coverage of 100%, and a maximum floor area ratio of 200%.
4. The project site is located within the Downtown Parking In-Lieu Fee Area which allows non-residential use parking requirements to be met by the payment of a parking-in lieu fee. Although not codified prior to the adoption of the current hotel ordinance it has been the City’s practice to require hotels to provide parking on-site, and therefore it is expected that the proposed hotel would be required to provide all required parking on-site as currently proposed.

ENVIRONMENTAL ANALYSIS: The workshop discussion is not a “project” pursuant to the California Environmental Quality Act (CEQA) Guidelines because the item for discussion does not involve an action and therefore no environmental determination is required. A project specific environmental analysis will be conducted once plans are resubmitted with any revisions based upon comments received at the Planning Commission workshop.

FISCAL IMPACT: The proposal is a privately funded development project that does not involve the use of public funds.

ATTACHMENTS:

1. Site Location Map
2. Project Plans (includes written project description and operation)
3. City Council Ordinance No. 1181 (Hotel Ordinance)