



Agenda Item: 4.A.

Meeting Date: February 23, 2022

Prepared By: Linda Ruffing, Planning Consultant

Reviewed By: Scott M. Duiven
Scott M. Duiven
Community Development Director

REQUEST FOR PLANNING COMMISSION ACTION

PROPERTY ADDRESS: 1801 Boxheart Drive (APN 091-060-037)

PROPERTY OWNER: Kendal at Sonoma, a Zen Inspired Community; Stephen Bailey

DEVELOPER: Kendal at Sonoma, a Zen Inspired Community

SUBJECT: Requested modifications to approved entitlements for the Enso Village Senior Living Community include:

(1) First Amendment to the Development Agreement by and between the City of Healdsburg, CCS Healdsburg, LLC, and Kendal at Sonoma, a Zen Inspired Community, for the North Village Project (DA 2020-01.01) to modify affordability levels for 10 of the 15 units targeted to Very Low Income employees and volunteers;

(2) amendment to master conditional use permit (CUP 2019-04.01) to modify affordability levels; and

(3) amendments to site-specific use permit (CUP 2020-02.01) and design review permit (DR 2020-09.01) to authorize changes to on-site parking resulting in a net loss of 13 parking spaces; and modifications to floor plan and facades of car barn to address recent Building and Fire Code requirements for mechanical smoke removal system and to accommodate use of a carousel vehicle lift system.

RECOMMENDED ACTION:

By motion, it is recommended that the Planning Commission:

- 1) Approve Resolution No. 2022-02 (Exhibit 1) recommending that the Healdsburg City Council approve the proposed First Amendment to the Development Agreement by and between the City of Healdsburg and Kendal at Sonoma, a Zen Inspired Community, as approved and agreed to by CCS Healdsburg, LLC for the North Village Project (DA 2020-01.01); and
- 2) Approve Resolution No. 2022-03 (Exhibit 2) modifying the master conditional use permit for the North Village Project (CUP 2019-04.01) and the site-specific conditional use permit (CUP 2020-02.01) and design review permit (DR 2020-09.01) for the Enso Village Senior Living Community to conform housing affordability levels to the First Amendment and to authorize a reduction in on-site parking and minor modifications to the car barn floor plan and facades.

DESCRIPTION OF PROPOSED AMENDMENTS:

First Amendment to Development Agreement. An amendment to the Development Agreement that would be by and between the City of Healdsburg and Kendal at Sonoma, a Zen Inspired Community (“Developer”), as approved and agreed to by CCS Healdsburg, LLC for the North Village Project (“DA”) is proposed, along with modifications to the master conditional use permit, site specific conditional use permit and design review permit for the Enso Village Senior Living Community. The Enso Village Project location is shown on Exhibit 3.

The DA was entered into between the City and CCS Healdsburg, LLC (“Comstock”). Comstock assigned portions of the rights and obligations under the DA to the Developer. The proposed amendment to the DA (“First Amendment”) is attached to Resolution No. 2022-02 (Exhibit 1) and modifies a portion of the DA that was assigned to the Developer, specifically the affordability requirements in Section 5.4 of the DA pertaining to housing units designated for Very Low Income households for employees and volunteers within the senior living community. This amendment is requested because the Developer determined that not all of the employees/volunteers who will utilize this affordable housing have incomes that are within the Very Low Income threshold. The First Amendment would modify Section 5.4 as follows:

- Section 5.4 calls for the development of thirty (30) units of "Senior Living Community Affordable Housing" within the Senior Living Community component of the Project, with twenty (20) units designated for Very Low Income households. These Very Low Income units are restricted to use by employees and volunteers of the Senior Living Community who qualify for the age restrictions of the RCFE license. An additional ten (10) Moderate Income units are required to be made available to the public, subject to local preference requirements. No alterations are requested for these Moderate Income units. To align the income requirements in the DA with the actual incomes of the employees and volunteers of the Senior Living Community, the Developer requests that five (5) of the Very Low Income units be converted to Moderate Income units, and five (5) of the Very Low Income units be converted to Low Income units. The remaining ten (10) units would be available to Very Low Income households.

Per State and local law, prior to the City Council acting on a development agreement or a substantial amendment to a development agreement, the Planning Commission must provide a recommendation to the City Council addressing the consistency of the proposal with the general plan and any applicable area plan or specific plan. The First Amendment is brought forward to the Planning Commission for that purpose.

Amendments to Conditional Use Permits and Design Review Permit. In addition to the First Amendment, the Developer is requesting amendments to project entitlements as follows:

- Amend the master conditional use permit (CUP 2019-04.01) for the North Village Project to conform the stated affordability levels for the thirty (30) units of affordable housing in the Senior Living Community to the proposed First Amendment by:
 - decreasing the number of Very Low Income units from twenty (20) units to ten (10) units
 - adding five (5) Low Income units
 - increasing the number of Moderate Income units from ten (10) to fifteen (15) units
- Amend the design review permit (DR 2020-09.01) and major conditional use permit (CUP 2020-02.01) to modify project parking (see Exhibit 4, Sheet 01) as follows:
 - Reduce the number of on-site parking spaces from 251 parking spaces to 238 parking

- spaces.
- No changes are proposed to the shared parking (22 spaces along south side of Dovetail Lane; 11 spaces along west side of Boxheart Drive).
- Total project parking would be reduced from 284 to 271 spaces (net reduction of 13 spaces).
- Amend the design review permit (DR 2020-09.01) and major conditional use permit (CUP 2020-02.01) to modify the car barn. The modifications are necessary to accommodate the Parkmatic carousel vehicle lift system. The original car barn plans incorporated the CityLift vehicle lift system which is no longer available as the company is in bankruptcy. Exhibit 5 illustrates the vehicle stacking in the Parkmatic carousel lifts. (Note: Exhibit 5 depicts an outdated building footprint as a second bay was subsequently removed at the southeast corner for circulation purposes.)
 - As shown on Exhibit 4, Sheet 02, increase the length of the car barn by approximately 10 feet and increase the width by approximately 3 feet. Remove the two southeasterly bays. The modifications to the building footprint are necessary to accommodate the Parkmatic carousel lifts and to provide adequate turning radii for delivery vehicles utilizing the loading dock to the southeast of the car barn.
 - As shown on Exhibit 4, Sheets 03 and 04, modify the facades of the car barn to use fixed panels instead of fixed glass and mesh grills for cross ventilation and to use six entry gates with roll-up perforated garage doors instead of open gates at each of the bays. Exhibit 6 includes photos of the proposed Microcoil Grille Garage Doors. These changes are necessary to meet new Fire and Building Code requirements for vehicle storage facilities using mechanical lift systems.

BACKGROUND:

The City of Healdsburg and Comstock entered into the DA for the North Village Project on May 6, 2020. On August 20, 2020, pursuant to authority provided by Section 9.1 of the DA, Comstock and the Developer entered into a Partial Assignment of Rights and Assumption of Obligations Under Development Agreement which assigns Section 5.4 of the DA to the Developer.

Section 5.4 calls for the development of thirty (30) units of affordable housing within the Senior Living Community component of the Project, with twenty (20) units designated as Very Low Income and restricted to use by employees and volunteers of the Senior Living Community who also qualify per the age restrictions of the RCFE license. An additional 10 Moderate Income units would be made available to the public, subject to local preference requirements defined in the DA.

The master conditional use permit (CUP 2019-04) for the North Village Project was approved by the Planning Commission on February 11, 2020. CUP 2019-04 establishes the allowable uses and densities for each of the four master parcels on the North Village site. For Parcel 1 (the Enso Village site), CUP 2019-04 authorized a 221-unit senior living community with affordability requirements as identified in the DA.

On November 17, 2020, the Planning Commission approved Major Design Review (DR 2020-09) and major conditional use permit (CUP 2020-02) for the Enso Village Senior Living Community. In part, these permits authorized a total of 251 on-site parking spaces (132 in a car barn and 119 in surface parking spaces) plus 22 shared on-street parking spaces on Dovetail Lane and 11 shared on-street spaces on Boxheart Drive.

DISCUSSION/ANALYSIS:

Change in Affordability Requirements. When the City approved the DA, it intended to have a portion of the Senior Living Community be reserved as housing for employees and volunteers at the facility to provide workforce housing opportunities on-site. To ensure that the housing was accessible, City and the Developer agreed to affordability levels for the units based on assumptions about the income levels of the employees and volunteers. However, the Developer has since determined that some employees and volunteers would be over-income. As noted in the Project Description, above, the modifications to the affordability requirements established in the DA and the master conditional use permit are necessary to accommodate the City and Developer's intention to house 20 senior Zen teachers at the facility. The Developer submitted the following statement justifying the requested change:

Two sizes of units for the Zen Teachers are available – 550 sq ft units meant for single teachers and 650 sq ft units meant to be shared by couples. The teachers with the most seniority, who have been living at San Francisco Zen Center for 40 years or more and receiving a small monthly stipend plus room and board, and devoting their lives to teaching meditation, have partners who were allowed to be employed outside San Francisco Zen center. These partners did accrue income and invested it, causing the couples to have required minimum distributions, and in some cases pensions and higher social security. Their income exceeds that allowed for couples at the Very Low Income level. However, they can all easily fit within the Moderate Income level. Therefore, we are requesting 5 of the Very Low Income units become Moderate income units.

Also, a few of the Zen teachers have other assets, and their dividends and/or pensions that were earned before spending their required 20 years in residence at San Francisco Zen Center cause them to be slightly over the Very Low Income limit. Therefore, we request that 5 of the Very Low Income units become Low Income units.

Staff recommends that this modification be approved as the 20 Very Low Income units are restricted to employees who meet the age-restrictions of the facility. Modifying the affordability requirements for 10 of those units will make it possible for the Developer to meet that intention by aligning the affordability requirements with the actual incomes of the employees and volunteers of the Senior Living Community.

Modification to number of on-site parking spaces

After receiving project approvals and submitting building permit applications, the Developer found that CityLift, the original vendor selected to provide the vehicle lift system for the car barn cannot supply the lifts as a result of pandemic-related supply chain issues. This necessitated the selection of an alternate vendor. The selected Parkmatic lift system employs a "carousel" operation as opposed to the previous "puzzle lift" and it has slightly different dimensions and vehicle storage capacity.

Utilization of the new lift system required the floor plan of the car barn to be slightly modified as shown on Exhibit 4, Sheet 02. It also resulted in the number of vehicles that can be stored in the car barn being reduced from 132 vehicles to 112 vehicles. To help offset this loss of on-site parking, the Developer is proposing an additional seven onsite parking spaces. Two are valet spaces that will be located in front of the southeastern corner of the car barn and five new diagonal parking spaces are proposed along the one-way access road immediately west of the southwesterly parking area as shown on Exhibit 4, Sheet 01. These changes would result in a net reduction of 13 onsite parking spaces.

As noted in Exhibit 7, Addendum to the Transportation Demand Management Plan for Enso Village (Walker Consultants, 01/31/22), the proposed changes will reduce the overall parking supply at Enso Village from 284 to 271 spaces. Walker Consultants evaluated this change in the context of demands

generated by Enso Village as well as in the context of the shared parking analysis for the entire North Village development. They concluded that the 271 parking spaces that would be provided by Enso Village would exceed parking requirements in the City's Land Use Code and would exceed the shared parking model's peak hour demand estimate by 29 spaces. Furthermore, it is noted that Enso Village can manage parking demand and utilization by directing staff, visitors and employees to specific parking spaces, through the provision of valet services, and by providing access to alternative transportation modes such as shuttles, shared vehicles, bike shares and walking paths. Based on this assessment, staff recommends that the Planning Commission approve the reduction in onsite parking.

Modifications to footprint and elevations of the car barn

Exhibit 4 shows the approved and proposed changes to the floor plan and the elevations of the car barn structure. The modifications are necessary to accommodate the alternate vehicle lift system and to meet new Fire Code and Building Code requirements for smoke exhaust systems. As shown, the changes are relatively minor and will not alter the overall aesthetics of the car barn structure.

FINDINGS FOR FIRST AMENDMENT TO DEVELOPMENT AGREEMENT:

Chapter 17.20.030(C) of the Healdsburg Municipal Code requires the City Council to make the following findings when approving a proposed development agreement or an amendment thereto:

- The development agreement is consistent with the Healdsburg General Plan, any applicable specific plan and the zoning ordinance. This finding may be satisfied by a determination that the development agreement is consistent through provisions that are to be adopted concurrently with approval of the development agreement; and
- The development agreement will provide Healdsburg with tangible benefits beyond those that may be required by the City through project conditions of approval; and
- Any environmental impacts related to the development agreement have been reviewed and considered in accordance with the provisions of the California Environmental Quality Act.

Staff recommends the following findings which are incorporated into Resolution No. 2020-02 presented for Planning Commission consideration (Exhibit 1):

1. The Development Agreement and its First Amendment are consistent with the Healdsburg 2030 General Plan, the North Entry Area Plan, and the Land Use Code. The City Council made findings of consistency in its action to adopt Ordinance No. 1202, approving the Development Agreement, and the First Amendment does not modify the Development Agreement in any way that would conflict with the goals and policies of the Healdsburg 2030 General Plan and the North Entry Area Plan, and requirements of the City's Land Use Code.
2. The Development Agreement and its First Amendment will provide Healdsburg with tangible benefits including: 105 units of Affordable and Middle Income Housing; a \$2,000,000 contribution for construction of a Fire Substation; contribution of \$250,000 to the City for connectivity improvements; annual payments to the City of approximately \$334,000 per year from the Senior Living Community for lost tax revenue and increased demands for services; remittance of a 1/2% Hotel Add-On Fee (beginning 10 years after issuance of a certificate of occupancy for the hotel); and other improvements.
3. Any environmental impacts related to the Development Agreement have been reviewed and considered in accordance with the provisions of the California Environmental Quality Act. On May 20, 2019, the City Council certified the Final Environmental Impact Report ("EIR") for the North Entry Area Plan (State Clearinghouse No. 2018062041) and adopted related

findings, a Mitigation Monitoring and Reporting Program, and a Statement of Overriding Considerations which can be found in the Planning Department's files for the North Village Project at 401 Grove Street, Healdsburg, CA 95448. In accordance with the California Environment Quality Act (CEQA) Guidelines Section 15162, no further environmental review is required for the First Amendment because (i) there are no changes involving new significant environmental effects or a substantial increase in the severity of previously identified significant effects/impacts, (ii) there are no changes with respect to the circumstances under which the project is taken which will require major revisions to the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects/impacts, and (iii) there is no new information of substantial importance that was not known at the time the EIR was certified which shows (a) the project will have one or more significant effects not discussed in the EIR, (b) significant impacts/effects will be substantially more severe than shown in the EIR, (c) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects/impacts, or (d) mitigation measures or alternatives which are considerably different from those analyzed in the EIR would substantially reduce one or more significant effects/impacts on the environment.

FINDINGS FOR MODIFICATIONS TO CONDITIONAL USE PERMITS AND DESIGN REVIEW PERMIT:

Staff recommends the following findings for the requested amendments to the conditional use permits and the design review permit which are incorporated into Resolution No. 2020-03 presented for Planning Commission consideration (Exhibit 2):

Design Review Permit Findings

A. The proposed development or use is consistent with all applicable policies and requirements of the General Plan and Land Use Code.

The proposed amendments (DR 2020-09.01) do not modify the approved uses for the Enso Village Project and the project remains consistent with the Mixed Use "MU" land use classification in the Healdsburg 2030 General Plan, the vision, guiding principles, policies and guidelines of the North Entry Area Plan (NEAP), and the requirements of the Mixed Use "MU" zoning classification and the North Entry Area Plan "NEAP" Overlay as established in the Land Use Code (Healdsburg Municipal Code, Title 20).

B. 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.

The Enso Village Project site is located within the planning area for the NEAP, which comprehensively addresses the design standards for the Project. The proposed amendments do not alter the Project's consistency with the design guidelines established in the NEAP. See discussion below for Finding E.

C. The proposed development or use is consistent with the purposes of the zoning district in which it is located.

The Enso Village Project is a senior living community with both independent living units and assisted living/memory care beds. The use was determined to be consistent with the special

purposes of the MU District and the NEAP Overlay when the Planning Commission granted a master conditional use permit (CUP 2019-04). The proposed amendments do not alter the approved use.

D. 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.

The Enso Village Project was found to be consistent with the NEAP, the Master Conditional Use Permit for the North Village Project (CUP 2019-04), and the North Village Development Agreement (DA 2020-01) when CUP 2020-02 and DR 2020-09 initially were approved. The proposed amendments do not alter that consistency and all conditions of the previous approvals continue to apply, with modifications to the project description per the requested amendments.

E. For proposed developments or uses in the North Entry Area Plan Overlay, the design of the development or use, and all appurtenant structures, is consistent with the goals, policies, objectives and design guidelines set forth in the North Entry Area Plan, as adopted by the Healdsburg City Council on May 20, 2019, as may be amended from time to time.

As detailed in the staff report for Major Design Review Permit DR 2020-09, the proposed Enso Village Project is consistent with the Guiding Principles, Land Use & Development Standards, and Design Guidelines established in the NEAP. That consistency is not altered by the proposed amendments.

Conditional Use Permit Findings

A. The proposed location and operation of the conditional use is in accord with the Healdsburg general plan and any applicable planned development, specific or area plan.

The Enso Village Project site is designated Mixed Use (MU) in the Healdsburg General Plan and is subject to the policies and guidelines of the North Entry Area Plan (NEAP). The project is consistent with these plans and the proposed amendments to CUP 2019-04 and CUP 2020-02 do not alter the consistency.

B. The proposed location and operation of the conditional use is consistent with the applicable development standards of this Land Use Code.

The proposed Project has a use type designation of "residential care, general" in the Land Use Code and it is consistent with the Mixed Use (MU) District and the North Entry Area Plan (NEAP) Overlay. The amendments do not alter the consistency.

C. The proposed location of the conditional use and the conditions under which it would be operated and maintained will not be detrimental to public health and safety or materially injurious to uses, properties or improvements in the vicinity.

The location of the Enso Village Project site is in a Mixed Use (MU) District, surrounded by undeveloped land that is within the North Village Project site to the north, vacant land and the Simi Winery to the south, the NCRA railroad right-of-way, Healdsburg Avenue and the Montage Healdsburg development to the east, and U.S. 101 to the west. Prior project approvals determined that the Project will not result in or create a detrimental condition on the property, property vicinity or within the community. The proposed amendments will not alter that determination.

ENVIRONMENTAL ANALYSIS:

No further environmental review would be required for the First Amendment and modifications to the conditional use permits and design review permit, because the adjustment to the affordability level of the units has no physical effects. In addition the slight reduction in on-site parking would not change the project's overall environmental effects related to transportation. Therefore, (i) there are no changes involving new significant environmental effects or a substantial increase in the severity of previously identified significant effects/impacts, (ii) there are no changes with respect to the circumstances under which the project is taken which will require major revisions to the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects/impacts, and (iii) there is no new information of substantial importance that was not known at the time the EIR was certified which shows (a) the project will have one or more significant effects not discussed in the EIR, (b) significant impacts/effects will be substantially more severe than shown in the EIR, (c) mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects/impacts, or (d) mitigation measures or alternatives which are considerably different from those analyzed in the EIR would substantially reduce one or more significant effects/impacts on the environment.

FISCAL INFORMATION:

The Enso Village Project is a privately funded development. The Project will generate property and sales tax revenues which will help to offset the City's costs of providing services to the Project. In accordance with the Development Agreement for the North Village Project, the nonprofit Senior Living Community developer and operator is required to record a Payment-In-Lieu of Taxes (PILOT) Agreement against the Senior Living Community parcel to reimburse the City for lost property tax revenue in the event that the Senior Living Community receives a "welfare exemption" from ad valorem property taxes, plus the cost of increased demands for services from the City's Fire Department. The annual payment shall equal approximately \$334,000, with increases each year based on the Consumer Price Index.

EXHIBITS:

1. Resolution No. 2022-02 - Recommendation to the City Council regarding First Amendment to the Development Agreement by and between the City of Healdsburg and Kendal at Sonoma, a Zen Inspired Community, as approved and agreed to by CCS Healdsburg, LLC for the North Village Project (DA 2020-01.01)
2. Resolution No. 2022-03 - Recommendation to the City Council regarding Amendments to Conditional Use Permit (CUP 2019-04.01), Conditional Use Permit (CUP 2020-02.01) and Design Review Permit (DR 2020-09.01)
3. Site Location Map- Enso Village
4. Enso Village Amendments - Plan Set (01-31-22)
5. Enso Car barn Attachment (12-23-21)
6. Microcoil Grille Garage Doors
7. Addendum No. 2 to Transportation Demand Management Plan (Walker Consultants; 01-31-22)