



Agenda Item #: 4.B.
Meeting Date: February 28, 2023
Prepared By: Linda Ruffing, Planning Consultant
Reviewed By: Scott M. Duiven
Scott Duiven
Community Development Director

REQUEST FOR PLANNING COMMISSION ACTION

PROJECT TITLE: North Village Project - Modifications to Sitewide and Parcel 4 Entitlements

SUBJECT: Development Agreement Amendment (DA 2020-01.04)
Master Conditional Use Permit Amendment (CUP 2019-04.02)
Parcel 4 Design Review Permit Amendment (DR 2021-07.01)
Parcel 4 Conditional Use Permit Amendment (CUP 2021-04.01)
Parcel 4 Tentative Map (TM 2022-07)

The applicants seek approval of five interrelated entitlements: (1) amendment to North Village Development Agreement to modify affordability levels for residential uses on Parcels 2 and 4; (2) amendment to sitewide Master Conditional Use Permit to modify shared parking plan; (3 and 4) amendments to Major Design Review and Conditional Use Permit for mixed-use retail/residential development on Parcel 4 to modify facades, building massing, landscaping, and site amenities; and (5) approval of Tentative Map to establish a common parcel and three airspace parcels on Parcel 4, each in reliance on the certified NEAP EIR and with adoption of a CEQA exemption pursuant to Public Resources Code section 21083.3 and CEQA Guidelines section 15183.

PROPERTY ADDRESSES: Parcel 4: 1830 Boxheart Drive, 1840 Boxheart Drive, 70 Dovetail Lane, 80 Dovetail Lane
Parcel 2: 201 Dovetail Lane
Parcel 3 (Hotel): 101 Dovetail Lane
Parcel 1 (Enso Village): 1801 Boxheart Drive.

ASSESSOR PARCEL NOS.: Parcel 4: 091-060-039, 091-060-025
Parcel 2: 091-060-041
Parcel 3 (Hotel): 091-060-04
Parcel 1 (Enso Village): 091-060-037

GEN'L PLAN & ZONING: Mixed Use (MU)/ North Entry Area Plan Overlay (NEAP)

APPLICANTS: Comstock Healdsburg, LLC (DA 2020-01.04; CUP 2019-04.02; TM 2022-07)
Burbank Housing Development Corporation (DR 2021-07.01; CUP 2021-04.01)

RECOMMENDED ACTIONS:

By four separate motions, it is recommended that the Planning Commission:

- (1) Approve Resolution No. 2023-xx (Attachment 1) recommending that the Healdsburg City Council approve the proposed Fourth Amendment to the Development Agreement by and between the City of Healdsburg and CCS Healdsburg, LLC, for the North Village Project (DA 2020-01.04).
- (2) Approve Resolution No. 2023-xx (Attachment 2) modifying the Master Conditional Use Permit for the North Village Project (CUP 2019-04.02) to conform housing affordability levels to the Fourth Amendment to the DA and to authorize modifications to the sitewide Shared Parking Plan.
- (3) Approve Resolution No. 2023-xx (Attachment 3) amending Major Design Review Permit (DR 2021-07.01) and Major Conditional Use Permit (CUP 2021-04.01) for the North Village Mixed Use Project (Parcel 4), based on the suggested findings and subject to the recommended conditions of approval.
- (4) Approve Resolution No. 2023-xx (Attachment 4) approving a Tentative Map (TM 2022-07) for Parcel 4 of the North Village Project based on suggested findings and subject to the recommended conditions of approval.

BACKGROUND:

Site Vicinity & Description. The 32-acre North Village Project site is located at the northern end of Healdsburg between US 101 and Healdsburg Avenue (Attachment 5, Site Vicinity Map). The site is bisected by an inactive rail corridor which runs parallel to Healdsburg Avenue upon which the Sonoma-Marín Area Rail Transit has plans for future passenger rail service. Access to the site is provided via a public, at-grade rail crossing and a private street (Boxheart Drive) with a secondary emergency vehicle access from Healdsburg Avenue located near the north property boundary.

North Entry Area Plan. The North Village Project site comprises the North Entry Area Plan ("NEAP") planning area. In May 2019, the Healdsburg City Council certified an Environmental Impact Report ("NEAP EIR") and adopted the NEAP and an ordinance amending the Healdsburg Municipal Code to establish implementing regulations for the NEAP. The NEAP establishes a vision concept, land use guidelines, development standards and design guidelines for a new mixed-use neighborhood on the 32-acre North Village site.

North Village Development Agreement. In April 2020, the City Council entered into a Development Agreement ("DA") for the North Village project (DA 2020-01). The DA allows for development of up to 301 residential units, approximately 12,000 square feet of commercial space, and a 108-key hotel with a restaurant, bar and other amenities. The DA required the developer to construct a minimum of 15 low-

and very low-income units, 39 moderate-income units and 26 middle-income units, plus 20 senior living units affordable to households with very low-income and 10 units to households with moderate-incomes. The DA was amended in June 2022 at the request of the Enso Village developer (Kendal at Sonoma, a Zen Inspired Community) to change the affordability levels for 10 of the 20 very low-income senior living units that are reserved for the "Zen Teachers" to 5 low-income and 5 moderate-income units with 10 remaining as very low-income units (DA 2020-01.01). Two other amendments to the DA have been approved. One amendment modifies Comstock and City obligations with regard to construction of a Fire Substation (DA 2020-01.02); the other modifies the timing for recordation of the affordable/workforce housing regulatory agreement and middle-income housing regulatory agreement (DA 2020-01.03). The DA and its three amendments are available for review on the City's website at: <https://www.ci.healdsburg.ca.us/842/North-Entry-Area-Plan>.

Existing Entitlements. The following entitlements have been approved by the Planning Commission for development on the North Village project site:

- Master Conditional Use Permit (CUP 2020-04; February 2020) ("MCUP") established allowable uses and densities for each of the four parcels on the North Village site, defined required backbone infrastructure improvements to serve the development, and authorized a Shared Parking Plan which allocated 608 total on-site parking spaces to the various uses and allowed for elimination of up to 24 spaces to accommodate angled parking on Dovetail Lane.

CUP 2020-04 was amended by the Planning Commission in February 2022 to modify the affordability requirements for Enso Village (CUP 2020-04.01) to conform to DA 2020-01.01 as discussed above. This was accomplished by adding language stating "In the event that a modification to the Development Agreement is approved by the City Council that conflicts with the affordability mix shown below, the Development Agreement shall control."

- Enso Village Design Review & Conditional Use Permit (DR 2020-09, CUP 2020-02; November 2020) authorized development of a senior living community on Parcel 1 with 221 senior independent living units, 54 assisted living/memory care beds, and associated amenities.

These permits were amended in February 2022 to authorize a net reduction of 13 on-site parking spaces at Enso Village and to authorize modifications to the floor plan and facades of the car barn (DR 2020-09.01, CUP 2020-02.01).

- North Village Hotel Design Review & Conditional Use Permit (DR 2021-06, CUP 2021-03; May 2021) authorized development of a 108-key hotel with fitness facility, spa, restaurant, rooftop bar and meeting spaces on Parcel 3.
- North Village Mixed Use Project Design Review & Conditional Use Permit (DR 2021-07, CUP 2021-04; May 2021) authorized development of a mixed-use project on Parcel 4 with 12,000 square feet of commercial/retail space, 45 multi-family units, and 5 live-work units. Of these units, 24 would be targeted to moderate-income households and 26 would be targeted to middle-income households.

Status of Development of the North Village Project. Much of the sitewide backbone infrastructure (i.e., streets, underground utilities, frontage improvements) has been installed. The traffic signal at the project entrance will be installed in the spring of 2023. The Enso Village senior living community is under construction and is expected to be completed and occupied in late 2023. Rough grading and

backbone utilities have been completed on Parcel 3 (Hotel) and building permits for the hotel are under review. In addition to the interrelated entitlements addressed in this staff report, Comstock has submitted applications for Design Review and a Tentative Map for a 24-unit middle-income residential development on Parcel 2. Those applications are scheduled for preliminary review by the Planning Commission at a workshop in late March.

DESCRIPTION OF PROPOSED AMENDMENTS & TENTATIVE MAP

Applicants' Objectives

There are two applicants involved in this set of applications. The master developer for the North Village project, Comstock Healdsburg LLC ("Comstock"), submitted applications for a Development Agreement amendment ("4th DA Amendment"), a Master Conditional Use Permit amendment ("MCUP Amendment"), and the Parcel 4 Tentative Map. Burbank Housing Development Corporation ("Burbank") submitted the application for amendments to the Design Review and Conditional Use Permits for Parcel 4. Following approval of these entitlements, Burbank would assume title to the airspace parcel for the residential uses on Parcel 4 and operate the affordable housing project. Comstock would be responsible for leasing or selling the airspace parcels for the commercial/retail uses. Both parties would be involved in construction of the Mixed Use Project.

As explained in the Master Conditional Use Permit Project Narrative ([Attachment 6](#)), the MCUP Amendment would allow for the affordable/workforce housing to be developed on Parcel 4 instead of Parcel 2 and for the middle-income housing to be developed on Parcel 2 instead of Parcel 4. Comstock has proposed the MCUP Amendment and the 4th DA Amendment (which modifies the affordability levels for residential uses on Parcels 2 and 4) in order to enable Burbank to develop an affordable housing project on Parcel 4 that is appropriately scaled and financially feasible. The five live-work units that were approved on Parcel 4 would be eliminated in lieu of apartment units and the total number of units on Parcel 4 would be increased from 50 to 53 units. Modifications to the sitewide shared parking plan are also proposed. [Attachment 7](#) presents Burbank's description of the requested Design Review and Conditional Use Permit amendments (DR/CUP Amendments) for Parcel 4. Comstock proposes to develop middle-income housing on Parcel 2 as a for-sale product consisting of 24 townhome units each having a two-car garage. Comstock's Design Review and Tentative Map applications for Parcel 2 are being processed separate from the amendments to the master entitlements (i.e., DA and MCUP) and the Parcel 4 entitlements.

4th Amendment to the Development Agreement

The proposed 4th DA Amendment ([Attachment 8](#)) would modify the affordability levels for the Affordable/Workforce Housing Units and the Middle Income Housing Units. Specific changes are shown below with ~~strike-through~~ text denoting words to be deleted and underlined text denoting words to be added.

5.1 Affordable/Workforce Housing Units.

(a) Developer shall cause construction of a minimum of ~~thirty (30)~~ fifty-three (53) units of Affordable/Workforce Housing within the Project, affordable to households with very low, low, and moderate incomes, as follows:

(i) ~~Six (6)~~ Approximately ten (10) dwelling units are anticipated to be made available for occupancy at an affordable rent, adjusted for household size, to Very Low Income Households.

(ii) ~~Nine (9)~~ Approximately forty-two (42) dwelling units are anticipated to be made available for occupancy at an affordable rent, adjusted for household size, to Low and Moderate Income Households.

~~(iii) — Fifteen (15) One (1) dwelling units, the manager's unit, will be a restricted unit, up to 120% of AMI, are anticipated to be made available for occupancy at an affordable rent, adjusted for household size, to Moderate Income Households.~~

(b) Notwithstanding the foregoing, the final mix of Affordable/Workforce Housing units in any given affordability category may vary, but in no event shall less than three (3) units be occupied by Very Low Income Households, and no greater than thirteen (13) units be occupied by Moderate Income Households, nor shall more than fifteen (15) units be occupied by households between 80% and 120% of AMI.

(c) Developer shall provide approximately ~~five (5)~~ eighteen (18) one-bedroom dwelling units, ~~nine (9)~~ twenty-four (24) two-bedroom dwelling units, and ~~sixteen (16)~~ eleven (11) three-bedroom dwelling units within the Affordable/Workforce Housing. Notwithstanding the foregoing, Developer shall have the right to construct at least eight (8) three-bedroom dwelling units within the Affordable/Workforce Housing.

(d) Developer or developer's successor in interest with respect to the parcel or parcels on which the Affordable/Workforce Housing is to be located shall enter into an "Affordable Housing Agreement" with City setting forth its obligations to provide and maintain the Affordable/Workforce Housing units for a term of 55 years. The Affordable Housing Agreement shall be executed by Developer or developer's successor in interest with respect to the portion of the Property containing the Affordable/Workforce Housing units and be recorded against such portion of the Property containing the Affordable/Workforce Housing units prior to City issuance of a final certificate of occupancy for the hotel. The Affordable Housing Agreement shall be assignable to and assumable by the owner and operator of the Affordable/Workforce Housing units, and all portions of the Property except for the parcel containing the Affordable/Workforce Housing units shall be released from the City shall release the Affordable Housing Agreement from the Property except for the parcel containing the Affordable/Workforce Housing units upon the first to occur of (i) issuance of a final certificate of occupancy for the Affordable/Workforce Housing units or (ii) delivery to City of a issuance of a completion guaranty pursuant to Section 5.5(a) of this Agreement, whichever is earlier. After satisfaction of the earliest to occur of such conditions, and upon request of Developer or its successor, City will provide a release in recordable form from the obligations of the Affordable Housing Agreement with respect to those portions of the Property no longer subject to such obligations and authorize recordation thereof in the Official Records.

5.2 Middle Income Housing Units.

(a) Developer shall cause construction of a minimum of ~~fifty (50)~~ twenty-four (24) units of Middle Income Housing within the Project, which shall be made available at an affordable rent to ~~households with moderate and middle incomes~~ Middle Income Households, as follows:

(i) Twenty-four (24) dwelling units shall be made available for occupancy at an affordable rent, adjusted for household size, to ~~Moderate~~ Middle Income Households.

~~(i) Twenty one (21) dwelling units shall be made available for occupancy at an affordable rent, adjusted for household size, to Middle Income Households.~~

~~(ii) Five (5) live work units shall be made available for occupancy at an affordable rent, adjusted for household size, to Middle Income Households.~~

~~(b) Developer shall provide fifteen (15) studio dwelling units, sixteen (16) one bedroom dwelling units, fourteen (14) two bedroom dwelling units, and five (5) live work dwelling units of approximately 1,000 square feet per unit within the Middle Income Housing.~~

(eb) The Middle Income Housing will require Growth Management Ordinance (“GMO”) Category C allocations. ~~If the GMO is modified in the future to allow units sold at an affordable sales price to Middle Income Households to qualify for Category C allocations,~~ Developer may, in its sole discretion, develop the Middle Income Housing for sale rather than for rent at an affordable sales price to Middle Income Households.

(c) Developer or its successor in interest shall enter into a “Middle Income Housing Agreement” with City setting forth its obligations to provide and maintain the Middle Income Housing units for a term of 55 years. The regulatory agreement shall meet any applicable requirements of the GMO Policies and Procedures as may be amended, or applicable new GMO policies and procedures that may be adopted, by the City Council specifically for Middle Income Housing units that do not otherwise conflict with the terms of this Agreement. The Middle Income Housing Agreement shall be executed by Developer or its successor in interest with respect to the portion of the Property containing the Middle Income Housing units and be recorded against such portion of the Property containing the Middle Income Housing units prior to City issuance of a final certificate of occupancy for the hotel. The Middle Income Housing Agreement shall be assignable to and assumable by the owner and operator of the Middle Income Housing units, and ~~City shall release the Middle Income Housing Agreement from all portions of the Property except for the parcel containing the Middle Income Housing units shall be released from the Middle Income Housing Agreement upon the first to occur of (i) issuance of a final certificate of occupancy for the last Middle Income Housing units to be constructed or (ii) delivery to City of a completion issuance of a guaranty pursuant to Section 5.5(a) of this Agreement, whichever is earlier. After satisfaction of the earliest to occur of such conditions, upon request of Developer or its successor, City will provide a release in recordable form from the obligations of the Middle Income Housing Agreement with respect to those portions of the Property no longer subject to such obligations, and authorize recordation thereof in the Official Records.~~

In addition to the modifications noted above, the 4th DA Amendment includes the following minor changes:

- Recital E in the DA is modified to reflect the changes to the mix and affordability levels for the Affordable/Workforce and Middle Income housing.
- Section 5.4(c) is updated to clarify that the obligations of the Senior Living Community Affordable Housing Agreement have been assigned to Kendal at Sonoma as the owner and operator of the Senior Living Community.

- Section 5.5(a) is modified to refer to the form of the completion guaranty attached to the 4th DA Amendment and to cross-reference other sections that reference the guaranty.

Master Conditional Use Permit Amendment

As explained in the Master Conditional Use Permit Project Narrative (Attachment 6), the MCUP Amendment would relocate the Affordable/Workforce housing to Parcel 4 and the Middle Income housing to Parcel 2. This would enable Burbank to develop an affordable housing project on Parcel 4 that is appropriately scaled/financially feasible. Burbank proposes to increase the total number of residential units on Parcel 4 from 50 to 53 units. The modifications include elimination of the 5 live-work units and changes to the affordability levels prescribed by the DA. Comstock proposes to develop the middle-income housing on Parcel 2 as a for-sale product. They are proposing 24 townhome units with individual two-car garages. This is 6 fewer units than the 30 units originally contemplated on Parcel 2. The proposed modifications to the housing mix on Parcels 2 and 4 result in a net loss of 3 units sitewide.

As shown below, the proposed MCUP Amendment would revise Condition #14 (including the North Village Use Table) to correspond to the changes in the unit mix and the changes to the affordability levels on Parcels 2 and 4. The table is also updated to reflect the proposed modifications to the Shared Parking Plan as proposed in the current applications. Subsections C and D of Condition #18 are modified to transfer the requirements for amenities to serve the Affordable/Workforce housing from Parcel 2 to Parcel 4.

14. The Project shall provide a mix of affordable housing in accordance with the Development Agreement, as shown on the North Village Use Table, below. In the event that a modification to the Development Agreement is approved by the City Council that conflicts with the affordability mix shown below, the Development Agreement shall control. On Parcel ~~2~~ 4, the final mix of Affordable/Workforce Housing units in any given affordability category may vary, but in no event shall less than three (3) units be occupied by Very Low Income Households, nor shall more than ~~fifteen (15)~~ thirteen (13) units be occupied by households between 80% and 120% of AMI.

North Village Use Table
(See Conditions #10, #13, #14 and #16)

	Parcel 1	Parcel 2	Parcel 3	Parcel 4	
Use type	Senior Living Community	Multi-Family Housing	Hotel	Mixed Use Residential	
Allowable uses	221 independent living units and ancillary facilities; Total of 54 assisted living and memory care beds; ancillary facilities	24 <u>30</u> apartments	108 key hotel; restaurant (60 seats indoor; 40 seats outdoor); Rooftop bar (60 seats); "Grange" building; Fitness center/spa	53 <u>45</u> apartments; 5 live-work units ; 12,000 SF-commercial/retail	

	Parcel 1	Parcel 2	Parcel 3	Parcel 4	
Floor Area	388,000 SF - senior independent living units and ancillary facilities; 54,000 SF - assisted living/memory care and ancillary facilities	45,000 SF	87,000 SF - interior floor area; 27,000 SF - exterior covered areas	55,000 SF - apartments and live-work units; 12,000 SF - commercial/retail	Interior: 641,000 SF Interior/Exterior: 668,000 SF
Non-Residential Floor Area	54,000 SF		87,000 SF	12,000 SF	Total: 153,000 SF Cap: 200,000 SF
Floor Area Ratio	0.63	0.36	0.25	0.30	Average FAR: 0.46
Site Coverage	147,000 SF	17,500 SF	54,200 SF	25,600 SF	Total: 244,300 SF (.31) Cap: 475,675 SF (.60)
Affordable Housing	30 units: very low (10) low (5) moderate (15)	30 24 units: very low (6) low (9) moderate (15) <u>middle (24)</u>	N/A	50 <u>53</u> units: <u>very low (10)</u> <u>low and moderate (42)</u> <u>manager's unit: moderate (1) (24)</u> middle (26)	Total: 110 <u>107</u> affordable units
Housing Unit Mix (approx.)		1 BR (5) 2 BR (9) 3 BR (16) <u>to be determined</u>	N/A	Studio (15) 1 BR (46) 18 2 BR (44) 24 live-work 3 BR (5) 11	
Shared Parking Plan	238 onsite 33 street/shared 271 TOTAL	39 48 onsite 16 <u>10</u> street/shared 55 <u>58</u> TOTAL	124 <u>106</u> onsite 4 street/shared 124 <u>110</u> TOTAL	64 <u>85</u> onsite (apts) 69 <u>49</u> shared 133 <u>134</u> TOTAL	583 <u>573</u> TOTAL

18. In addition to any requirements elsewhere in these conditions, the following requirements shall apply to future design review submittals for development on the Project site:
- A. The design for Parcel 4 shall include public restrooms within a commercial or mixed-use building to serve the users of community amenities within the "central focal point."
 - B. For the mixed use buildings on Parcel 4 that front on the Street "A", the ground floor frontage along Street "A" shall be occupied solely by commercial uses in order to activate that frontage. Access doors that provide ground floor access to residential uses on upper floors shall be permitted.

- C. The recreational amenities for Parcel ~~2~~ 4 (which includes ~~30~~ 53 units of affordable housing) shall, at a minimum, include a “tot lot” for use by the residents of that parcel. Additional outdoor amenities may be required at the time of design review for Parcel ~~2~~ 4.
- D. In connection with design review for open space and recreational amenities on Parcel ~~2~~ 4, the Applicant shall provide additional details for review, as reasonably required by the City, including but not limited to:
 - Proposed manufacturer and line, dimensions and components, age appropriateness (2-5, 5-12) for any play structure proposed for the development;
 - Proposed surfacing material for any play structure (engineered wood fiber, poured-in-place rubber, etc.); and
 - Other site amenities such as benches, picnic tables, grills, etc.

Amendments to Parcel 4 Conditional Use Permit and Design Review Permit

Attachment 7 provides a detailed narrative that describes the modifications requested by Burbank to the Major Design Review permit (DR 2021-07/CUP 2021-04) for Parcel 4 as approved by the Planning Commission on May 21, 2021. Attachment 9 presents a Plan Set for the proposed Affordable/Workforce Housing project on Parcel 4 that identifies the proposed modifications to the approved project design. As explained in Attachment 7, modifications to the plans include the following:

- The third story on Building 14 has been elongated to accommodate one additional unit.
- Usable, ground level common open space has been provided in-lieu of private open space (balconies).
- Juliet balconies have been incorporated to further articulate the second and third stories.
- Metal railings have been modified from horizontal to vertical for safety reasons to prevent climbing.
- The colonnade has been refined on courtyard-facing elevations of Buildings 13 and 14.
- Stone finish has been refined to further articulate elevations.
- Horizontal wood paneling has been incorporated to screen ground floor private patios.
- A community room with a kitchenette and space for activities and gatherings has been added.
- A mail center and indoor bicycle storage are included.
- Laundry hook-ups are provided in individual units.
- Outdoor amenities, including a tot lot, BBQ and gathering area with tables and benches for outdoor seating, and bike racks are provided.
- The following unit mix is proposed:

Unit Type	No. of Units	Unit Size
1 Bedroom	18	564-644 square feet

2 Bedroom	24	751-896 square feet
3 Bedroom	11	902-905 square feet
Total	53	approx. 40,000 square feet

- 85 dedicated parking spaces are provided for the 53 affordable/workforce units on Parcel 4 which exceeds State Density Bonus Law requirements of one space per one-bedroom unit and 1.5 spaces per two- and three-bedroom units. 49 shared parking spaces would be available for the commercial/retail uses.

Parcel 4 Tentative Map

The proposed Tentative Map for Parcel 4 is presented in Attachment 10. The Map establishes three airspace parcels and one common area parcel. Two of the parcels would be established for the ground floor of each building on Boxheart Drive where the retail uses will be located. The third parcel would encompass all of the apartments and ancillary residential uses in the three buildings. Sheet 2 of the Tentative Map includes a diagram showing which parts of the buildings comprise the retail and the residential parcels.

CONSISTENCY ANALYSIS - PLANNING POLICIES AND REGULATIONS

A detailed analysis of the consistency of the proposed 4th DA Amendment, MCUP Amendment, Parcel 4 DR/CUP Amendments and Parcel 4 Tentative Map with applicable City policies and regulations is provided in the following attachments and summarized below:

- Attachment 11 - Healdsburg General Plan 2030 Consistency Analysis
- Attachment 12 - North Entry Area Plan Consistency Analysis
- Attachment 13 - Land Use Code Consistency Analysis

Healdsburg 2030 General Plan

The Healdsburg 2030 General Plan land use designation for the North Village site is Mixed Use ("MU"). This land use classification provides for a broad range of commercial and residential uses, including multi-family residential, hotels and retail uses. Attachment 11 presents a table that identifies relevant policies in the General Plan and evaluates the consistency of the proposed project (including the DA and MCUP amendments and the Parcel 4 entitlements) with the policies. As shown, the project and the proposed amendments are consistent with General Plan guiding principles and policies relating to housing, natural resources, safety and community design.

North Entry Area Plan (NEAP)

The Healdsburg 2030 General Plan identifies the northern entry to Healdsburg as an area warranting special study in recognition of its importance both as an attractive gateway into the City and an area of transition from the rural landscape of the Alexander Valley to the more urban core of downtown Healdsburg. In May 2019, the City Council adopted the NEAP to provide specific policies and regulations to guide development on a 32-acre parcel of land located on the west side of Healdsburg

Avenue at the north entry to Healdsburg (i.e., the North Village project site). Attachment 12 presents a table that identifies relevant guiding principles and policies from the NEAP that relate to Land Use, Design, Circulation and Open Space, and Utilities. The table provides an evaluation of the project's consistency with these planning policies. As summarized in the table, the amended project is consistent with all of the applicable requirements of the NEAP.

Land Use Code

The Land Use Code contains regulations to implement the policies of the Healdsburg 2030 General Plan, including the NEAP. Applicable Land Use Code regulations for the project include provisions relating to permitted and conditionally permitted uses; specific development standards for lands within the Mixed Use District and within the NEAP Overlay; and general development standards for parking, landscaping, and refuse and recycling areas. Consistency of the project with Land Use Code requirements is addressed in Attachment 13, and the project, as amended, is consistent with applicable Land Use Code provisions.

DISCUSSION/ANALYSIS:

Modifications to Affordability Requirements (4th DA Amendment)

The following tables summarize the existing unit count and affordability mix for the North Village Project as established by the North Village DA and the modifications proposed in the 4th DA Amendment.

NORTH VILLAGE - APPROVED HOUSING AFFORDABILITY MIX					
Affordability	AMI	Parcel 4	Parcel 2	Enso Village	TOTAL
Very Low and Low	50 - 80%		15	15	30
Moderate	80 -120%	24	15	15	54
Middle	120 -160%	26			26
TOTAL UNITS		50	30	30	110

Note: Enso originally had 20 Very Low and 10 Moderate units. This was modified by the 1st DA Amendment to 10 Very Low, 5 Low and 15 Moderate units (June 2022)

NORTH VILLAGE - PROPOSED HOUSING AFFORDABILITY MIX					
Affordability	AMI	Parcel 4	Parcel 2	Enso Village	TOTAL
Very Low and Low	50 - 80%	40		15	55
Moderate	80 -120%	13		15	28
Middle	120 -160%		24		24
TOTAL UNITS		53	24	30	107

The proposed 4th DA Amendment deepens the affordability levels for the North Village project by increasing the number of Low- and Very Low-Income units and decreasing the number of Moderate-Income Units. The number of Middle-Income units (i.e., the Category C units) is decreased from 26 to 24 and, overall, the sitewide number of units would decrease by 3 units.

At the February 28th Planning Commission hearing, representatives from Comstock and Burbank will be present to discuss why they are requesting the 4th DA Amendment and to respond to questions. As background, it is noted that in 2020, Comstock and Burbank teamed up to develop the Affordable/Workforce Housing on Parcel 2. Burbank applied for tax credit financing for a 36-unit affordable housing project on Parcel 2 and was unsuccessful. In 2021, Burbank applied for tax credit financing for a 53-unit affordable housing project on Parcel 4 with a mix that included moderate-income units. That application was also unsuccessful. Burbank and Comstock are now seeking to fund the project through the issuance of tax-exempt revenue bonds through the California Municipal Finance Authority (CFMA) Joint Powers Authority. They are seeking flexibility in the number of units in each affordability category in order so that the mix can be tailored to revenue requirements and market conditions.

The City of Healdsburg's draft Housing Element Update (6th Cycle) presents a strategy for addressing the City's Regional Housing Needs Allocation (RHNA) which incorporates assumed North Village Project development at the approved affordability levels. The strategy is presented in the following table:

Income Group	2023 - 2031 RHNA Allocation	Pending, Approved, or Permitted Units	Acquisition and Converted Units	Projected ADUs	Total Credits	% of RHNA
Lower						
Extremely Low	83	5	22	16	43	
Very Low	107	114	39	16	169	
Low	<u>109</u>	<u>116</u>	<u>0</u>	<u>32</u>	<u>148</u>	
Lower, Subtotal	299	235	61	64	360	120%
Moderate	49	65		32	97	198%
Above Moderate	<u>128</u>	<u>501</u>		10	<u>511</u>	399%
Total	476	801	61	106	968	203%

Sources: City of Healdsburg; ABAG.

As shown, the RHNA identifies the greatest unmet housing needs as in the Very Low, Low-, and Above Moderate-Income categories all of which would be addressed by proposed housing on Parcels 2 and 4 of the North Village Project and the modifications included in the 4th DA Amendment. The initial blend of housing for North Village, which skewed towards Moderate- and Middle-Income housing, was attractive to the City because housing at those affordability levels is more challenging to finance than Low- and Very-Low income housing. As it turns out, the financing challenges- which are exacerbated

by rising interest rates, inflation and supply chain issues- are precisely what is driving the applicants' proposed modifications to the affordability levels prescribed in the DA.

Modifications to Shared Parking Plan (Master CUP Amendment)

The applicants propose to modify the sitewide Shared Parking Plan for the North Village Project. This plan has been modified a number of times as site-specific entitlements have been granted. Currently, the Shared Parking Plan provides for a total of 583 parking spaces across the North Village site. Of these, 465 spaces are assigned to specific uses and the remaining 118 are shared parking spaces.

The proposed modifications to the Shared Parking Plan are shown in the following table:

NORTH VILLAGE - APPROVED SHARED PARKING					
	Enso	Parcel 2	Hotel	Parcel 4	TOTAL
On-Site/reserved	238	39	124	64	465
Shared	33	16		69	118
TOTAL SPACES	271	55	124	133	583

NORTH VILLAGE - PROPOSED SHARED PARKING					
	Enso	Parcel 2	Hotel	Parcel 4	TOTAL
On-Site/reserved	238	48	106	85	477
Shared	33	10	4	49	100
TOTAL SPACES	271	58	110	130	573

The modified Shared Parking Plan reflects a 10-space decrease in the overall number of parking spaces sitewide. The reduction in spaces is due to the following:

- Additional parking spaces have been added for people with disabilities. These are wider spaces and reduce the overall number of spaces.
- The solid waste storage area in the east parking lot and its access has resulted in the loss of spaces.

The modified Shared Parking Plan also reallocates spaces among the uses in order to increase the number of reserved parking spaces for residential uses on Parcel 4. [Attachment 14](#) presents a diagram of the proposed Shared Parking Plan that illustrates the layout and modified assignment of parking spaces on the North Village Site.

Walker Consultants evaluated these changes in the context of the sitewide parking demands during peak periods ([Attachment 15](#)). The projected peak sitewide parking demand for the entire site during a typical peak parking condition is for 539 spaces. This need is below the 573 parking spaces available sitewide, with a surplus of 34 parking spaces remaining. Representatives from Walker Consultants will attend the Planning Commission's February 28, 2023 hearing to explain their analysis and respond to questions.

Each of the uses at North Village has a Transportation Demand Management Plan ("TDM Plan") that identifies measures to reduce vehicle trips and parking demands. The TDM Plans for the Mixed Use Project and the Hotel, which were incorporated into the project approvals for both projects, are presented in [Attachment 16](#) and [Attachment 17](#). The demand reduction measures are presented in tables at the end of each document. These TDM Plans (and the Enso Village TDM Plan) identify transportation and mobility strategies that will provide residents, visitors and employees with access to multiple transportation options and viable alternatives to driving alone.

The TDM Plans for the North Village Hotel and the Enso Village senior living community include provision of a shuttle service to and from downtown Healdsburg that would be made available to residents, visitors and employees of the Mixed Use Project. The TDM Plan for Parcel 4 notes:

"The future management of the mixed-use development may also consider contributing funding to the operation of the shuttles and/or adding a third shuttle vehicle to increase frequency of operation and opportunities for everyone in the development. Frequent shuttle service and extended hours of operation throughout the day and the week, from morning to evening, provide a reliable and dependable service option that can significantly reduce the need of residents, visitors and employees to drive their own vehicle, as they will have an alternative means of getting around and access work, medical, social, grocery shopping and recreational opportunities in Downtown Healdsburg."

In addition to the shuttles, direct access to Sonoma County Transit Route 60 service will be provided at bus stops located on either side of Healdsburg Avenue at the North Village project entry.

Conditions of the previously approved Design Review and Conditional Use Permits for the Hotel and for the Mixed Use Project require submittal of a parking signage plan for City review, implementation of the TDM Plan, and submittal of annual monitoring reports to provide a process whereby adaptive measures can be required if mobility and shared parking objectives are not met.

Changes to Parcel 4 Design Features (Design Review/CUP Amendments)

The Planning Commission granted a Design Review Permit (DR 2021-07) and Conditional Use Permit (CUP 2021-04) for the Mixed Use Project in May 2021. Burbank has requested amendments to those permits to address proposed design modifications to the buildings, the facades, the landscape plan and site amenities. Sheet A0.10 of the Parcel 4 DR Plan Set ([Attachment 9](#)) provides a table that summarizes the proposed modifications.

As discussed above, the applicant proposes to eliminate the five live-work units and, instead of constructing 45 multi-family apartment units to construct 53 apartment units for a net gain of three units on Parcel 4. The retail square footage would be slightly reduced and the floor area of the residential uses would be slightly increased as would the site coverage. As explained in [Attachment 12](#), NEAP Consistency Analysis, all of these changes are consistent with the NEAP. Proposed changes also include an increase in dedicated on-site parking for residents and a corresponding decrease in shared parking as discussed above.

As explained in the Parcel 4 DR-CUP Amendment Narrative ([Attachment 7](#)), the primary changes are the addition of a third story on the easterly portion of Building 14 (the easternmost building), elimination of most of the balconies on the second and third stories of all three buildings, and establishment of additional ground level common open space amenities.

Starting on Sheet A3.11 of Attachment 9 (Plan Set), the applicant has provided comparisons of the approved and proposed facades. The modified buildings retain the fundamental design features of the approved project - the form is substantially the same and the materials continue to include standing seam metal roofs, vertical painted wood siding, horizontal painted wood siding, and natural stone. The most notable changes are to the fenestration (windows) and the elimination of the continuous balconies along the second and third stories.

As shown on Sheets A3.11 and A3.13, the street level facades of the two buildings on Boxheart Drive are fairly similar to what was approved, however, the decorative metal trellis with flowering evergreen clematis vines at the Boxheart Drive entry to the breezeway between the two mixed use buildings that connects to the Promenade is now eliminated. This feature was added in response to Planning Commission comments pertaining to connectivity during the initial Design Review and was intended to help accentuate the walkway and draw pedestrians to the Promenade. A condition is recommended to reinstate this feature.

Other substantive changes are shown on Sheet A3.15. The ground floor of Building 14, Elevation 1 - which fronts on the Promenade is revised to eliminate the storefront windows and doors, because these are now residential units rather than live-work units.

Building 14, Elevation 2, shows the third story that would be added on the northeast wing of the building. The east elevation of Building 14 will be the most visible elevation from Healdsburg Avenue. The additional massing resulting from the third story is not significant. The stone base on the east and northeast elevations of this building has been substantially reduced.

Usable open space. HMC Section 20.08.175(B) requires a minimum of 200 square feet of usable open space per dwelling unit, unless the requirement is reduced or waived by the Planning Commission in consideration of open space or recreational facilities that are available within reasonable proximity. HMC Section 20.20.15 establishes that required open spaces may be either common or private open space and that each square foot of private open space shall be considered the equivalent of two square feet of common open space and may be so substituted.

Sheet A0.10 tallies up the proposed open space for residential uses on Parcel 4. As shown, a total of 17,885 square feet of open space would be provided which exceeds the amount required. Sheet A1.00 shows the primary Open Areas on the site and Sheet L1.10 shows the Preliminary Landscape Plan for the project. The Promenade now has intermittent container plantings/green screens in front of the doorways of the ground floor units in Building 14 to create a private zone in front of the doorways. Benches, shade trees, water features, and paseo lighting are retained within the Promenade. A children's play area is tucked into the open space on the east side of Building 14. Sheet L2.00 shows representative images of the proposed play equipment. Picnic tables and BBQ facilities are located along the north side of the playground adjacent to the Community Room.

In addition to the onsite open space, the Perimeter Trail provides linear access through the open space along the north and west perimeters of the North Village project and the Foss Creek Pathway extension along the site's eastern boundary will provide bicycle and pedestrian access to downtown Healdsburg and beyond. Lastly, the site is across the street from a planned 36-acre community park on the east side of Healdsburg Avenue.

Refuse storage area. Attachment 9, Sheet A3.17 includes plans for the trash enclosure that will be located in the parking lot on Parcel 4. The materials and design are simple, unobtrusive and consistent with the design of the Mixed Use Project, as amended.

Compliance with Water Efficient Landscape Ordinance. Land Use Code Section 20.16.105 establishes the City's water-efficient landscaping requirements. It is intended to implement a "whole systems approach to design, construction, installation and maintenance of the landscape resulting in water-conserving climate-appropriate landscapes." Compliance with this objective is especially important given the increasing frequency of drought-related water shortages in the region.

Sheet L1.10 presents updated Water Efficient Landscape Calculations for the amended Mixed Use Project. The calculations indicate that the entire landscape area (4,353 SF) is estimated to use 44,320 gallons of water per year. This is substantially less than the previously estimated 162,388 gallons per year and results primarily from the reduction of irrigated lawn area.

Parcel 4 Tentative Map (TM 2022-07)

The Tentative Map defines three airspace parcels and a common area parcel. The subdivision is necessary to facilitate the transfer of ownership of the residential development to Burbank. The Tentative Map will not require subdivision improvement plans because construction of such improvements is covered either by the MCUP improvements or the individual on-site building permits.

The Tentative Map has been reviewed by the City's Principal Engineer and was found to be compliant with all City requirements. Because this is a minor subdivision establishing five or fewer parcels, the Planning Commission has approval authority for the Tentative Map. The Final Map requires approval by the City Council.

It is noted that Comstock has submitted an application for a Lot Line Adjustment (LLA) to transfer the portion of Parcel 4 that lies between the NCRA railroad tracks and Healdsburg Avenue to Parcel 3 (the Hotel parcel). This is proposed as the Hotel owner will be the managing entity for implementation of the sitewide HOA. The LLA will not affect the parcelization of the three airspace parcels on the Tentative Map.

FINDINGS & RECOMMENDATION REGARDING 4TH DA AMENDMENT

Development Agreement Findings

- A. The Development Agreement and its Fourth 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 Fourth 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.
- B. The Development Agreement and its Fourth Amendment will provide Healdsburg with tangible benefits including: 107 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.

- C. 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 Fourth 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.

Staff Recommendation: Attachment 1 presents a draft Planning Commission resolution recommending that the City Council adopt an ordinance approving the 4th DA Amendment (DA 2020-01.04) based on the findings cited above.

FINDINGS & RECOMMENDATION REGARDING MASTER CUP AMENDMENT

Master Conditional Use Permit Findings

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

The North Village Project site is designated Mixed Use (MU) in the Healdsburg General Plan and assigned the NEAP Overlay by the Land Use Code. The use and density for development of each parcel on the North Village Site were established in Master Conditional Use Permit CUP 2019-04. The proposed modifications to the number of multi-family apartments would be consistent with the intent of the MU land use designation and the NEAP Overlay district as detailed in Attachment 11 and Attachment 12. The proposed mix of uses and internal arrangement of uses would continue to be consistent with the vision for a mixed use neighborhood established in the NEAP.

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

The location of the subject property is in MU district and the operation of the mix of uses permitted by CUP 2019-04, as modified by the proposed amendment, would continue to be consistent with the development standards established for the MU District in the Land Use Code. Attachment 13 presents a detailed consistency analysis for applicable Land Use Code provisions and the Project, as amended by CUP 2019-04.02 would remain consistent.

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 North Village Project site is in the MU District, surrounded by undeveloped land to the north, vacant land and the Simi Winery to the south, Healdsburg Avenue and the Montage Healdsburg development to the east, and the U.S. 101 corridor 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 would not alter that determination. The proposed amendment to the Shared Parking Plan was evaluated by Walker Consultants, the consultants who prepared the Shared Parking Study for the North Village Project, who determined that the reduction in the number of parking spaces would continue to meet the Project's peak parking demands.

Staff Recommendation: Attachment 2 presents a draft Planning Commission resolution for approval of the Master Conditional Use Permit Amendment (CUP 2019-04.02). The resolution includes the findings cited above, plus existing and proposed modified Conditions of Approval.

FINDINGS & RECOMMENDATION REGARDING DESIGN REVIEW/CUP AMENDMENT

Design Review Permit Findings

Pursuant to Land Use Code section 20.28.125, the Planning Commission is required to make the following five findings in order to approve a Major Design Review Permit. Suggested language to support each finding is shown in italicized text below each finding:

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

The proposed North Village Mixed Use project is a commercial use type that is permitted within the Mixed Use "MU" land use classification in the Healdsburg 2030 General Plan. Prior approvals of the Master Conditional Use Permit (CUP 2019-04) and the Development Agreement (DA 2020-01) for the North Village Project determined that the mix of uses and densities proposed for the North Village are consistent with the General Plan. The North Village Project advances General Plan policies encouraging development of a variety of housing types to address housing needs in the community, including affordable housing. The Project is also consistent with General Plan policies encouraging mixed use development. The Project is consistent with the vision, guiding principles, policies and guidelines of the North Entry Area Plan ("NEAP") which was adopted as an amendment to the Healdsburg 2030 General Plan. The Project complies with 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) as discussed in detail in the staff report and [Attachment 11](#) and [Attachment 12](#) for the February 28, 2023, Planning Commission hearing for DR 2021-07.01 and CUP 2021-04.01.

- 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.**

Although the Citywide Design Guidelines are applicable to all projects subject to Major and Minor design review, they are only mandatory within "Character Area 1." In areas subject to a specific Area Plan, such as the NEAP, the Area Plan provides design guidelines and standards, and the Citywide Design Guidelines are only used to provide additional information about topics not addressed within the Area Plan. The North Village site is located within the planning area for the NEAP, which establishes comprehensive design standards for development. Therefore, the project design was evaluated for 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 North Village Project includes a mix of uses that was determined to be consistent with the special purposes of the MU District and the NEAP Overlay when the Planning Commission granted the Master Conditional Use Permit (CUP 2019-04) for the North Village Project on February 11, 2020. The Mixed Use Project includes "residential uses as part of a mixed use development which is a use type that require a site-specific conditional use permit. The amendment to Major Conditional Use Permit (CUP 2021-04.01) has been considered in conjunction with the Major Design Review Permit Amendment (DR 2021-07.01). The proposed residential and retail uses are generally consistent with the zoning district, and as conditioned, the Project is consistent with the zoning district's specific requirements.

- 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 proposed North Village Mixed Use Project, as amended, is consistent with the NEAP, the Master Conditional Use Permit for the North Village Project, as amended, (CUP 2019-04.02), and the North Village Development Agreement, as amended (DA 2020-01.04). All applicable conditions associated with the Master Conditional Use Permit are incorporated into this approval. The Mixed Use Project is also required to comply with all applicable mitigations of the Final Environmental Impact Report for the North Entry Area Plan (NEAP FEIR) and the NEAP FEIR Addendum, as presented in the adopted Mitigation Monitoring and Reporting Program (NEAP MMRP).

- 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 and Attachment 12 for Design Review Amendment DR 2021-07.01 (NEAP Consistency Analysis), the amended Mixed Use Project is consistent with the Guiding Principles, Land Use & Development Standards, and Design Guidelines established in the NEAP.

Conditional Use Permit Findings

Pursuant to Land Use Code Section 20.28.165, the Planning Commission is required to make the following findings in order to approve a conditional use permit. Suggested language to support each finding is shown in italicized text below each finding:

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 entire North 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). As detailed in the staff report for Design Review Amendment DR 2021-07.01 and Attachment 11 (Healdsburg 2030 General Plan Consistency Analysis) and Attachment 12 (NEAP Consistency Analysis), the amended North Village Mixed Use Project is consistent with the Healdsburg 2030 General Plan and the NEAP.

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

The residential uses in the North Village Mixed Use Project include multi-family residences which require a site-specific conditional use permit. Both the use type and the project location are consistent with the Mixed Use (MU) District and the North Entry Area Plan (NEAP) Overlay as established in the Land Use Code. As detailed in the staff report Design Review Amendment DR 2021-07.01 and Attachment 13 (Land Use Code Consistency Analysis), the amended Mixed Use Project complies with the applicable development standards of the Land Use Code.

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 North Village Mixed Use Project site is in a Mixed Use (MU) District, surrounded by lands within the North Village Project site to the north, west and south and the NCRA railroad right-of-way, Healdsburg Avenue and the Montage Healdsburg development to the east. The NEAP EIR determined that the North Village Project as a whole would not significantly impact properties or improvements in the immediate vicinity of the site. The NEAP Final EIR and the NEAP MMRP include mitigation measures to ensure that construction-related activities do not result in impacts to nearby properties and/or uses. Based on the analysis in the NEAP EIR and its required mitigation measures, the proposed North Village Mixed Use Project will not result in or create a detrimental condition on the property, property vicinity or within the community.

Staff Recommendation: Attachment 3 presents a draft Planning Commission resolution for approval of the Design Review and Conditional Use Permit Amendments (DR 2021-07.01/CUP 2021-04.01). The resolution includes the findings cited above, plus existing and proposed new Conditions of Approval.

FINDINGS & RECOMMENDATION REGARDING TENTATIVE MAP

Tentative Map Findings

Per HMC Section 17.04.100(B), the following six findings must be made prior to approval of a Tentative Map. The italicized text provides evidence of the consistency of the proposed Tentative Map with each finding.

A. The proposed map and its design and improvements are consistent with the general plan and any applicable specific plan.

The proposed Tentative Map (TM 2022-07) establishes three airspace parcels that are consistent with the intent of the Mixed Use land use classification in the General Plan and the North Entry Area Plan. The parcels will allow for the separate ownership of retail and residential components in the Mixed Use Project. Attachment 11 and Attachment 12 provide a detailed analysis of the Project's consistency with the Healdsburg 2030 General Plan and the North Entry Area Plan, respectively.

B. The site is physically suitable for the type and proposed density of development.

The Project site is generally level and is accessed by Boxheart Drive and Dovetail Lane. It is designated for Mixed Use development and the proposed project is consistent with the General Plan, the North Entry Area Plan and prior entitlements for the North Village Project.

C. The design of the subdivision and the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

The proposed Project would have no impact on fish or wildlife or their habitat. The project will be required to comply with all relevant mitigation measures of the Mitigation Monitoring and Reporting Program for the North Entry Area Plan EIR.

D. The design of the subdivision and the type of improvements are not likely to cause serious public health problems.

The North Entry Area Plan EIR and the EIR Addendum evaluate potential impacts to public health including air quality impacts, noise impacts, hazards and hazardous materials, and wildfire. These analyses concluded that the North Village Project will not result in public health hazards.

E. The design of the subdivision and the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision.

There are no easements for public access through or use of the project site. The North Entry Area Plan and its associated entitlements identifies a perimeter trail corridor for future public access that traverses the property. The design of the Tentative Map and associated site improvements will not conflict with the future trail corridors.

F. Unless otherwise provided by the Subdivision Map Act, the design of the subdivision provides, to the extent feasible, for future passive or natural heating or cooling opportunities in the subdivision.

The design of the subdivision provides for solar access and allows for passive or natural heating and cooling opportunities.

Staff Recommendation: Attachment 4 presents a draft Planning Commission resolution for approval of the Tentative Subdivision Map (TM 2022-02). The resolution includes the findings cited above, plus suggested Conditions of Approval that must be satisfied prior to approval and recordation of the Final Map.

ALTERNATIVES:

The Planning Commission may consider the following alternative actions to any of the above recommendations:

Alternative 1 – Approve Resolution with modifications based on changes identified at the Planning Commission hearing.

Alternative 2 – Continue action on the applications in order for the applicant to address Planning Commission concerns and require that matter be brought back to the Planning Commission for future action. This would likely require noticing of a future public hearing.

Alternative 3 – Continue action on the applications and provide direction to staff to prepare a resolution for denial based on inconsistencies with applicable City regulations or policies. This would require noticing of a future public hearing.

ENVIRONMENTAL ANALYSIS:

During the NEAP planning process, an Environmental Impact Report ("NEAP EIR") was prepared to analyze the potential project and cumulative environmental impacts associated with future development under the NEAP (State Clearinghouse No. 2018062041). The NEAP EIR found that, with the implementation of mitigation measures identified in the EIR, all significant impacts could be reduced to a less than significant level except for the traffic impacts and safety hazards at the U.S. 101/Dry Creek Road intersection and the Dry Creek Road/Grove Street intersection. These impacts were identified as significant unavoidable adverse impacts and pursuant to CEQA Guidelines section 15083, a Statement of Overriding Considerations was adopted as part of the City Council resolution certifying the NEAP EIR. On May 20, 2019, the City Council certified the NEAP EIR and adopted a Mitigation Monitoring and Reporting Program ("NEAP MMRP") to ensure that mitigation measures identified in the EIR are implemented.

Review of the MCUP application for the North Village project involved preparation of an Environmental Checklist in order to determine whether and to what extent the NEAP EIR remained sufficient to address the potential impacts of the project. The analysis included updated traffic modeling and greenhouse gas emissions analysis to account for the specific uses proposed. An Addendum to the NEAP EIR was prepared, pursuant to Public Resources Code section 21166 and CEQA Guidelines section 15164, to document the City's review of the North Village project. As explained in the Addendum, the City determined that the North Village Project did not warrant preparation of a new subsequent or supplemental EIR as it involved no new significant environmental effects and would not result in a substantial increase in the severity of previously identified significant effects.

For the 4th DA Amendment, Master CUP Amendment, Parcel 4 Design Review/Conditional Use Permit Amendments and the Parcel 4 Tentative Map, all of which are components of the North Village Project,

the City has identified the following applicable CEQA streamlining and/or tiering code sections, each of which, separately and independently, provides a basis for the project's CEQA compliance:

- A. A Community Plan Exemption, pursuant to Public Resources Code section 21083.3 and CEQA Guidelines section 15183;
- B. Reliance on the NEAP EIR as a Program EIR, pursuant to CEQA Guidelines section 15168.

Based on an examination of the analysis, findings, and conclusions of the NEAP EIR and Addendum, the potential impacts of the proposed North Village Project remain within the impacts previously analyzed and disclosed in the NEAP EIR and its Addendum. Moreover, none of the circumstances described in CEQA Guidelines section 15162 that require subsequent or supplemental environmental review have occurred. Therefore, per CEQA Guidelines sections 15162, 15164, and 15183 no further analysis is required under CEQA before taking action on the 4th DA Amendment, Master CUP Amendment, Parcel Design Review/Conditional Use Permit Amendment and Parcel 4 Tentative Map for the North Village Project.

FISCAL INFORMATION:

The North 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.

ATTACHMENTS:

1. PC Reso 2023-xx, 4th DA Amendment (DA 2020-01.04)
2. PC Reso 2023-xx, MCUP Amendment (CUP 2019-04.02)
3. PC Reso 2023-xx, Parcel 4 DR/CUP Amendment (DR 2021-07.01/CUP 2021-04.01)
4. PC Reso 2023-xx, Parcel 4 Tentative Map (TM 2022-07)
5. Site Vicinity Map
6. MCUP Amendment Narrative
7. Parcel 4 DR/CUP Amendment Narrative
8. North Village - 4th DA Amendment
9. Parcel 4 DR Amendment Plan Set (12-22-22)
10. Parcel 4 Tentative Map
11. Healdsburg General Plan 2030 Consistency Analysis
12. North Entry Area Plan Consistency Analysis
13. Land Use Code Consistency Analysis
14. Shared Parking Diagram (01-12-23)
15. Walker Consultants Shared Parking Memo (01-12-23)
16. North Village Mixed Use TDM Plan (12-23-20)
17. North Village Hotel TDM Plan (12-23-20)

In addition to the Attachments attached to this report, additional background documentation for the North Village project includes the following documents which are available on the City's website at: <https://www.ci.healdsburg.ca.us/842/North-Entry-Area-Plan>:

- North Entry Area Plan Draft EIR & Appendices (11/30/18)

- North Entry Area Plan Final EIR & Appendix A (04/09/19)
- North Entry Area Plan Mitigation Monitoring & Reporting Program (02/11/20)
- North Entry Area Plan Addendum (02/04/20)
- North Village Development Agreement
- 1st Amendment to the Development Agreement
- 2nd Amendment to the Development Agreement
- 3rd Amendment to the Development Agreement

The following technical documents relating to the North Village project are available for review at the City of Healdsburg Community Development Center, 401 Grove Street, Healdsburg, CA during normal business hours:

- Vegetation Management Plan (April 5, 2021)
- Geotechnical Report (May 2020)
- Master Hydrology Report (April 2020)
- Fire Flow Analysis Reports (September 2019, April 2020)
- Parcel 4 Stormwater Low Impact Development Report (December 14, 2022)
- Preliminary Title Report (December 12, 2022)
- Reciprocal Easement Agreement (August 20, 2020)