

CALISTOGA PLANNING COMMISSION STAFF REPORT

To: Calistoga Planning Commission
From: Lynn Goldberg, Planning & Building Director
Meeting Date: December 13, 2017
Subject: **Calistoga Vista Use Permit, Design Review and Tentative Map
 1408 & 1506 Grant Street (UP 2017-8, DR 2017-6, TM 2017-1)**

ITEM

Consideration of:

- Use permit and design review applications for a 50-unit condominium project
- A tentative map application for an airspace condominium subdivision
- A requested density bonus and affordable housing concessions/incentives

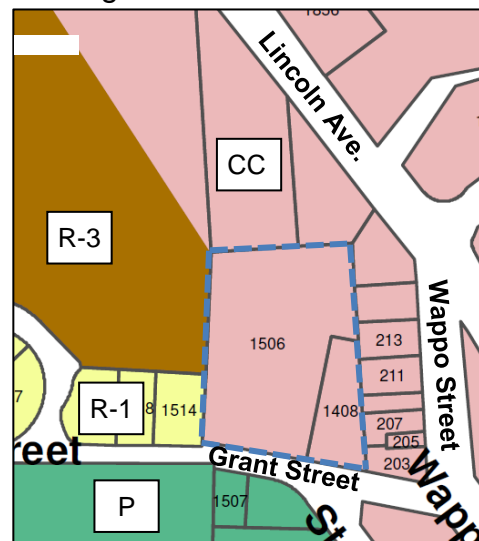
BACKGROUND

Project setting: The 1.93-acre project site consists of two properties located on the northeast side of Grant Street at the northern end of Stevenson Avenue. The .36-acre property at 1408 Grant is developed with two small single-family dwellings adjoining the street. The 1.57-acre property at 1506 Grant is supports an approximately 26,000-square foot structure currently occupied by vehicle repair and tree service businesses.

The remaining portion of the larger property is surfaced with asphalt and concrete. The two properties are vegetated with 23 trees.

Surrounding uses include vacant, commercially-zoned property to the north; vacant, multi-family residential-zoned property and single-family dwellings to the west; and residential and commercial uses to the east. Palisades High School and the Monhoff Center are located across the street to the south.

Historical uses: The main portion of the building was reportedly constructed in 1859 by Sam Brannan and originally used as a horse stable for the nearby racing track. The building was then converted to a winery in the late 1800's and continued until prohibition when the site was reportedly used for bottling spring water. The winery use was reportedly reinstated after the repeal of prohibition. More recently, the project site was again used for bottling spring water that operated at the site until 1998. The building was reportedly enlarged with two additions in 1934 and 1953. The dwellings at 1408 Grant Street were constructed in approximately 1940.



PROJECT DESCRIPTION

The project proposes the construction of 50 multi-family dwelling units comprised of 46 residential condominiums and 4 live/work townhomes. The units are intended to be rented for an undefined period although the applicant seeks approval of a tentative map that would allow them to be sold in the future. The applicant has offered to include a number of affordable units and requests approval of a density bonus and development incentives/concessions.

Project components

The site plan has been designed with four buildings surrounding a central courtyard. Building B, a two-story structure fronting on Grant Street, would be comprised of four two-bedroom live/work units, with a potential commercial space and ADA-accessible bathroom located on the first floor of each unit. The residential side of a live/work unit would be entered off the central courtyard through the unit's private patio. An interior door would connect the living area with the work area.

The three other buildings in the complex would include 18 studios, 15 one-bedroom units, 9 one-bedroom plus a flex-room units, 2 two-bedroom units and 2 three-bedroom units. Each unit would be a patio or deck. The entry stair halls, with seating areas at the stair landings, would each serve six units and lead directly into the courtyard.

Buildings A and C on the east and west sides of the courtyard would be three stories. Building D at the north side of the courtyard would be a three-story structure that steps down to two stories, and contain a community center with two community rooms, a small gym, a kitchen, a tool library, the central mailboxes, and access - by stair and elevator - to a large roof deck. The roof deck would feature shade trellises, seating and table, and barbeque grills, with views of the palisades and vineyards to the north.

The courtyard would feature a swimming pool, a pool building with 2 ADA-accessible bathrooms, green areas with shade trees, a community garden with tool storage and an area with tables and chairs.

The project would construct a four-foot wide sidewalk along its entire frontage. Vehicle access to the site would be provided by two driveways extending from Grant Street. The western driveway would be located in approximately the same location as the existing driveway for the light industrial facility. The eastern driveway would be located east of the existing limit line on the east leg of the intersection of Stevenson and Grant Streets.

Covered parking areas would border the east and west sides of the site. Six electric-vehicle charging stations would be provided, two of which would be ADA spaces, along with 18 bicycle parking spaces. Trash and recycling enclosures constructed of corrugated steel and standing seam metal roofs would be located at the end of each parking area. A permeable-surfaced emergency egress route would connect the parking areas across the courtyard and would be accessed through the removal of bollards.

The storm water bio-swale design has been integrated into the courtyard along the central space and around the edges of the site. The landscape design features roses, flowering vines, fruit trees and edible plants and herbs. The proposed grey water system would capture water from showers, tubs, bath sinks and washers and provide enough treated water to irrigate the project's landscaping and flush its toilets.

Architectural and landscape designs

The proposed building designs feature Craftsman-style elements, blended with agricultural-type corrugated metal siding. Proposed building materials include wide horizontal fiber cement lap siding at the first floor and smooth fiber cement at the second and third floors, with corrugated galvanized vertical siding accents. The roof design would feature traditional gables with standing seam metal. Roof overhangs are two feet, with the exception of the commercial entrances, which would be provided with four to six feet of sun and rain protection.

The old-growth redwood-framing members of the site's large existing structure are planned to be saved and reused for project signage, trellises and accent walls.

Heating and air conditioning equipment would be mounted on top of the buildings and screened from off-site view by surrounding roof elements.

The proposed color palette features creamy white walls with bright white trim and brackets, galvanized corrugated siding and terracotta-color metal roofs.

The project's landscape design features roses, flowering vines, fruit trees and edible plants and herbs. All of the existing trees on the project site would be removed. However, street and shade trees would be planted along the project's frontage, around its perimeter within the parking areas, and in the courtyard.

The project's landscaping would be irrigated with a grey water system that would capture water from showers, tubs, bath sinks and washers. Stormwater bio-swales have been integrated into the courtyard along the central space and around the edges of the site.

Affordable housing

The applicant proposes to meet the inclusionary housing requirements of Calistoga Municipal Code (CMC) Section 17.08.020 by providing 5 units (10% of the project's total units) at rents/sales prices affordable to low-income households (i.e., 80% of area median income, or AMI). Based on the current AMI, these would translate to maximum rent (including project utilities) of \$1,304 for a one-person household and \$1,490 for a two-person household. The maximum price for a two-person household would be \$203,160.

The applicant also proposes to provide 3 additional low-income units, for a total of 8, which equates to 20% of the 39 maximum units allowed by the project site's General Plan land use designation. By doing so, the project qualifies for a 35 percent density bonus under state law. The applicant is requesting a lesser bonus of 28 percent to achieve the 50 total units.

Both the inclusionary and density bonus units would be required to be income-restricted for 55 years, as proposed by the applicant.

Tentative Map

Although the applicant plans on renting the proposed units for a period of time, approval of an “air space” condominium map is requested to allow the units to be sold at a future date.

CONSISTENCY ANALYSIS

The project’s consistency with the City’s plans, policies and codes is evaluated below.

Calistoga General Plan

- Land use designation

The project site is designated by the General Plan’s Land Use Map as *Community Commercial*, which allows the development of multi-family housing at densities of 10-20 dwelling units per acre. As described above, the applicant requests the approval of a 28 percent density bonus, which equates to a project density of 26 units per acre. The designation also allows personal services and professional offices, which are potential uses for the commercial portions of the live/work units.

- Character area overlay

The project site is subject to the Stevenson/Grant sub-area of the *Downtown Character Area Overlay*, which is a transitional area between the historic downtown area and the *Resort Character Area*. Properties with a character area overlay merit particular attention to ensure that the values and vision of the community are realized and that Calistoga’s identity as a unique historic small town is preserved.

The Land Use Element notes that there is significant potential for redevelopment in this character area that should build upon the complementary mix of existing uses.

Relevant provisions include the following:

Land Use Considerations

- *Support redevelopment of the Gumina property with a mixed use project that includes ground floor commercial uses fronting on Grant Street and with higher density residential uses on the interior of the site.*

Development and Design Considerations

- *New development in the district shall be compatible in mass, scale and character with the historic context and immediate neighborhood setting.*
- *Three-story buildings should be designed so that the upper floor is “stepped back” to lessen the perceived scale at street level.*
- *Use of historic building materials such as stucco, brick and wood is encouraged.*

- *Outdoor lighting shall be designed to preserve and protect the nighttime environment in accordance with the International Dark Sky Association model ordinance objectives.*

The project is consistent with the land use, development and design considerations of this character area overlay by:

- Providing a mixed-use project that includes ground floor commercial uses fronting on Grant Street, with higher-density residential uses on the interior of the site
- Utilizing a two-story building design at the project frontage that is compatible in terms of scale with the adjoining single-family residences and is similar to the project site's existing building, and lessens the project's perceived scale at street level
- Using historic building materials such as wood and metal siding
- Providing ample separation between the three-story buildings and neighboring existing/future structures. Three-story Building C would be set back approximately 68 feet from Grant Street, past the closest adjoining residence, and located 56 feet from the common property line.

A recommended condition of approval requires the submittal of a lighting plan that minimizes impacts on neighboring properties and the community.

- Housing Element

The Housing Element of the General Plan provides a long-term, comprehensive plan to address existing and projected housing needs for all economic segments of the community. It includes strategies for meeting the City's share of region-wide housing need for the planning period between 2015 and 2023, as required by state law.

Rents/prices for 8 of the project units would be affordable to low-income households. Assuming that these would be the studio units occupied by one- or two-person households, the maximum monthly rent (including project-provided utilities) would be \$1,304 and \$1,490, respectively, based on current area median income (AMI). The maximum purchase price based on this AMI would be \$203,160, including any HOA fees. The City's "Local Preference Policy" requires that priority be given to income-eligible persons who live and/or work in Calistoga when inclusionary housing units are rented or sold.

The project would be consistent with relevant Housing Element policies and actions, including:

- P1.1-2 Encourage the development of housing in combination with commercial uses.*
- P1.1-3 Encourage the development of housing where public services are available.*
- P1.2-1 Make the best use of available housing sites when they are developed.*

A1.2-1 Encourage new residential development to be built with no less than 50 percent of the maximum number of dwelling units prescribed by the General Plan for specific properties, subject to conformance with the City's residential design guidelines and the General Plan's residential design policies.

A2.1-1 ...provide for the approval of density bonuses and other incentives for projects that reserve units for extremely low-, low- and moderate-income households, consistent with State law.

Furthermore, construction of the project would satisfy the City's Regional Housing Needs Allocation in the moderate-income housing category for the 2015–2022 planning period.

Other Policy Documents

The Calistoga Active Transportation Plan (ATP) calls for sidewalks on the north side of Grant Street as part of the city's planned bicycle and pedestrian network. Project plans indicate that sidewalk would be constructed along the entire length of the site's frontage, which implements the planned improvements.

The proposed bicycle parking would be consistent with the ATP's goals as well as those of the Calistoga Climate Action Plan (CAP), which calls for maximizing bicycle parking at appropriate locations throughout the community. Other CAP goals that would be implemented by the project include the planting of street trees to promote carbon sequestration, and installation electric vehicle charging stations to minimize greenhouse gas emissions.

Furthermore, the applicant plans to meet LEED Platinum standards and incorporate the following sustainable and environmentally-friendly features:

- Enough solar photovoltaic panels to offset the project's PG&E power bills on a yearly basis
- A highly-insulated, tightly-sealed building envelope
- High-quality windows with awnings on all south- and west-facing sides
- A greywater system to keep potable water use at extremely low levels
- The absence of natural gas service at the site, which coupled with the solar arrays are anticipated to result in the project using zero net energy.

Zoning Code

The project site is zoned Community Commercial (CC). The intent of the CC Zoning District, in part, is to provide a transition between the more-intense activities in the Downtown Commercial District and the less-intense activities in the residential districts adjacent to commercial areas. Mixed residential-commercial uses are specifically identified as being appropriate in this district.

The CC District allows live/work units and multi-family dwellings by use permit. In the case of shared residential and commercial uses, the commercial use must be compatible with the health and safety of persons residing on the property (lighting,

noise, fumes and hours of operation, etc.). A recommended condition of approval would limit the types of uses for the commercial spaces of the live/work units to those that do not generate noise or fumes, and do not operate during the evening.

The following table compares the project’s design with the development standards of the CC District.

CC District Development Standard per Zoning Code	Project	Compliant
Minimum front yard	10 feet	Yes
Minimum interior side yard, west property line	5 feet	Yes
Minimum interior side yard, west property line	0 feet	Yes
Minimum rear yard	0 feet	Yes
Maximum lot coverage	60%	Yes
Maximum building height	30 feet	36 feet, 6 in. No*
Maximum no. of stories	3 with use permit	3 Yes
Minimum setback for parking	10 feet – front yard	12 feet Yes

*requested concession/incentive

By qualifying for a density bonus, the project is entitled to up to two “concessions” or “incentives.”¹ The applicant has requested approval of a modification to CMC Section 17.22.060, which limits the height of primary buildings to 30 feet, to allow a maximum project building height of 36 feet, 6 inches. The increased height would accommodate the three-story design of buildings that would house most of the units.

The City may deny a requested incentive or concession only if it makes one of the following findings². Staff does not believe that the basis exists for making any of them, as noted.

- The concession or incentive is not required in order to provide for affordable rents for the targeted units.
The requested deviation from the CC District development standards is necessary in order to provide affordable rents/prices for the targeted units and construct sufficient market-rate units to make the project economically viable.
- The concession or incentive would have a specific adverse impact upon health, safety, or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.
The requested increase in building height would not adversely impact health, safety, or the physical environment.

¹ Govt. Code Sections 65915(d) and (k)

² Cal. Govt. Code §65915(d)(1)

- The concession or incentive would be contrary to state or federal law.
The requested deviation from the CC District development standards is not contrary to state or federal law.

The project is also entitled to relief from the Zoning Code's parking standards per Govt. Code Section 65915(p), which provides that the vehicular parking ratio, inclusive of handicapped and guest parking for qualifying projects cannot exceed the following ratios: (a) one-bedroom unit: one space, (b) two or three bedroom units: two spaces. Pursuant to these ratios, the development is not required to provide more than 58 spaces. However, since the site design can accommodate more parking, the development would provide a total of 68 parking spaces.

The Zoning Code requires one bicycle parking space for every three dwelling units. The 18 proposed bicycle parking spaces would exceed this requirement.

Residential Design Guidelines

The City's Multi-Family Residential Design Guidelines apply to the project (Attachment 9). The proposed design elements of brackets, rafter tails, decorative balcony railings, varying window sizes, pop outs and awnings would help create interesting articulation on the building facades. The larger buildings are broken up by the recessed entrance stair hall elements and roof direction changes that have varying heights and ridge directions.

Staff believes that the project is consistent with the City's Multi-Family Residential Design Guidelines because of the following project design features:

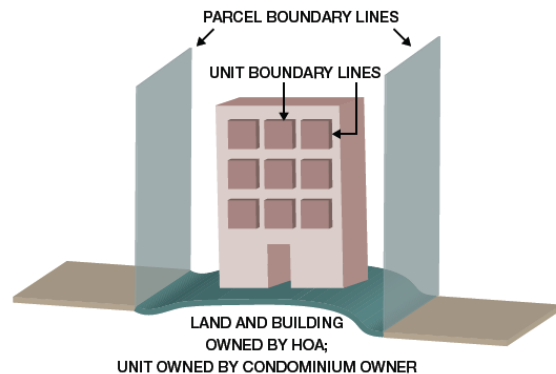
- Parking and vehicular circulation will be separated from pedestrian circulation.
- The building fronting Grant Street would be two stories, thereby reducing the scale of the project as viewed by the general public. The main entrances to the live/work units would be clearly identifiable and articulated with functionally- and architecturally-appropriate projecting and recessed forms so as to create a sheltered landings.
- The perceived height and bulk of the buildings would be reduced by dividing the building masses into smaller-scale components and incorporating details such as projecting eaves and awnings; moldings; and varying finish materials.
- Massing offsets, varied textures, openings, recesses and design accents would provide visual interest.
- Traditional gable hip roof forms would be used, consistent with neighborhood character, and varying ridgeline heights and alignments will provide visual interest.
- Roof overhangs would be appropriately-sized to the mass and design of the buildings.
- Window types, materials, shapes and proportions would complement the architectural style of the building, and windows will be articulated with moldings and awnings.

- Materials, finishes and colors would be consistent with those found in the neighborhood.
- The parking area would be located within the project's interior and not along its street frontage.
- The widths of the driveways and their curb cuts would be as narrow as possible.
- A variety of height, textures and colors would be used in the project's landscape palette.
- Trees will be used to create canopies and shade along walkways, in parking areas and open space areas, and would provide a transitional buffer between neighboring properties.
- The project buildings would be arranged to create a large courtyard that would include such community features as recreational areas, community gardens and other gathering places. The common open space area would be sheltered from the noise and traffic of adjacent streets and incompatible uses.
- Fencing would be constructed of natural materials.
- No mechanical equipment or trash enclosures would be viewable from residences, common areas or the street.
- Mailboxes would be located in highly visible, heavily-traveled areas for convenience, to allow for casual social interaction and to promote safety.

Subdivision Design

The proposed subdivision would involve an "airspace" condominium arrangement. The boundaries of an airspace condominium unit typically include the interior, unfinished surfaces of the unit's perimeter walls, floors, ceilings, windows and doors. The property owned by an owner (the owner's separate interest) consists of the block of airspace created by the interior, unfinished surfaces of the unit's perimeter walls, floors and ceilings. Using this structure, the owner would own the paint on the walls and ceilings, and any finishes placed on the floor (e.g., tile, hardwood, carpet), as well as the block or "cube" of airspace located within those boundaries and any improvements located within that airspace (e.g., cabinetry, appliances, plumbing fixtures).

Airspace Condominium



Everything existing beyond those boundaries (the physical drywall, subfloor, unit foundation, roof, etc.) would generally constitute common area. The owner of an airspace condominium unit often also has certain portions of association common area designated for the owner's exclusive use (e.g., patios, balconies, decks, parking spaces). These "exclusive use common areas" are not owned by the owner in his/her

individual capacity; they are a portion of common area reserved for the owner's exclusive use via the provisions of the association's CC&Rs.

The proposed conditions of approval would ensure that the project complies with the design, dedication and public improvements requirements of Municipal Code Title 16, Subdivisions.

Council Goals and Objectives

Approval of the project would help fulfill the following City Council goals, objectives and priority projects for Fiscal Year 2017-18:

Goal 4: *Create an environmentally-sustainable community.*

Priority Projects

3. *Implement the Calistoga Active Transportation Plan in order to improve and enhance walkways and bicycle trails.*

Goal 7: *Address the community's housing needs.*

Objectives

2. *Expand housing opportunities, including workforce housing.*

GROWTH MANAGEMENT

The project would connect to public water and sewer. Annual allocations of 7.448 acre feet of water and 4.382 acre feet of wastewater would be required to serve the project.

A Growth Management Allocation must be awarded to the project, and the developer will be required to pay water and wastewater service connection fees.

ENVIRONMENTAL REVIEW

California Public Resources Code Section 21084 requires the California Environmental Quality Act (CEQA) Guidelines to include a list of classes of projects which have been determined not to have a significant effect on the environment and which are, therefore, exempt from the provisions of CEQA. In response to that mandate, the Secretary for Resources has found that certain classes of projects do not have a significant effect on the environment, and they are declared to be categorically-exempt from the requirement for the preparation of environmental documents. This approach is encouraged by the State, where appropriate, to reduce delay and paperwork.

The Project qualifies for a Class 32 Categorical Exemption for In-Fill Development Projects. The bases for how the Project meets the mandated conditions follow.

15332. IN-FILL DEVELOPMENT PROJECTS

Class 32 consists of projects characterized as in-fill development meeting the conditions described in this section.

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

As described in detail above, the Project is consistent with the Community Commercial General Plan land use designation, relevant provisions policies of the Stevenson/Grant Character Area and relevant policies of the General Plan Housing Element. Proposed uses are allowed by the Community Commercial Zoning District and the Project is consistent with applicable development standards, assuming approval of the requested increase in building height.

- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
The project site total 1.93 acres and is bordered on three sides by urban uses.
- (c) The project site has no value as habitat for endangered, rare or threatened species.
The project site is developed and contains no habitat.
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

Based on the findings of the Traffic Study for the Calistoga Vista Project, the anticipated vehicle traffic associated with the Project would not have a significant effect on the local or citywide circulation network. The project would add an estimated 20 AM and 25 PM net peak hour trips. All of the intersections evaluated in the transportation development impact fee study are projected to operate acceptably at LOS D or better with the improvements that would be funded by the impact fee. The 25 additional PM trips that would be generated by the proposed project would have a minimal effect on the results from the impact fee study, and it is reasonable to conclude that the conclusions and recommendations would be unchanged as a result of this small increase in future volumes. While the analysis in the impact fee study did not cover the AM peak period, it is reasonable to conclude that the addition of 20 trips to the network would have a similarly minimal impact on operation. It is therefore concluded that the project would have a less-than-significant impact on traffic operation.

The Project would generate typical noises associated with residential uses, including voices of residents, vehicles, landscape maintenance and air conditioners. Though the auditory content of these new sounds may change from those currently heard in the vicinity, the typical sound levels produced by the Project are not expected to result in average daytime, evening and nighttime sound levels that exceed those currently experienced adjacent to the project site.

Although project construction activities would temporarily impact local air quality due to diesel emissions, project activities would not have a

significant long-term impact, and could reduce local vehicle emissions by providing housing for those who are locally employed.

All project run-off will be retained on-site and filtered prior to discharge to the stormwater system.

- (e) The site can be adequately served by all required utilities and public services.

Recommended conditions of approval and the payment of development impact fees by the Project will ensure that it is adequately served by all required utilities and public services. The Project will be required to address inadequate capacity in the downstream sewer main through the replacement of mains or extending the sewer trunk line and possibly enlarging the Lincoln Avenue sewer line. It will also be required to replace water valves at the Grant/Stevenson intersection.

An evaluation of the historical and architectural significance of the project site's former warehouse building noted that although it was originally constructed as the Brannan Stable and is therefore associated with the 19th century Brannan Hot Springs Resort, it has been altered in so many ways over the years that it is unable to convey its significant historical associations. Furthermore, its multiple additions as well as stucco siding detract from its historic appearance. Therefore, the building lacks integrity of setting, feeling, association, design, materials and workmanship to convey architectural or historical significance under the California Register of Historical Resources criteria.

A Phase I Environmental Site Assessment conducted for the subject properties concluded that releases of petroleum hydrocarbons has occurred on the 1506 Grant Street property related to past activities. The Assessment's recommendations for further sampling and characterization of the property's soil, and an assessment for the presence of lead-based paint and asbestos-containing materials prior to demolition of the existing structures have been included as recommended conditions of approval.

FINDINGS

To reduce repetition, the bases for making the required findings to approve the project's applications, and recommend approval of the project's affordable housing incentives to the City Council are contained in the attached draft resolutions.

RECOMMENDATIONS

Based on the information and analysis contained in this report, staff recommends that the Planning Commission:

1. Adopt Resolution 2017-18 approving Use Permit UP 2017-8 and Design Review DR 2017-6
2. Adopt Resolution 2017-19 approving a density bonus and an affordable housing concession/incentive for the project

3. Adopt Resolution 2017-20 recommending approval of Tentative Map TM 2017-1 to the City Council

ATTACHMENTS

1. Draft Resolution 2017-18
2. Draft Resolution 2017-19
3. Draft Resolution 2017-20
4. Project description dated November 9, 2017
5. Inclusionary Housing Proposal and Request for Density Bonus, Development Standards Concession and Reduced Parking dated October 6, 2017
6. Project plans
7. Color and materials samples (to be presented at meeting)
8. Traffic Study for the Calistoga Vista Project dated November 16, 2017
9. Multi-Family Residential Design Guidelines