CALISTOGA PLANNING COMMISSION STAFF REPORT

TO: Chair Cooper and Members of the Planning Commission

FROM: Zach Tusinger, Planning & Building Director

Justin Shiu, Consultant Planner (M-Group)

MEETING DATE: January 27, 2021

SUBJECT: Silverado Terrace Use Permit, Design Review and Tentative

Map, and Request for a Density Bonus and Affordable Housing Incentives/Concessions 1408, 1412 & 1506 Grant Street (UP

2020-8, DR 2020-7, TM 2020-3)

ITEM

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1 Consideration of:

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

BACKGROUND

- 7 Project setting: The project site consists of two existing parcels at 1408 and 1412 Grant
- 8 Street (APN 011-101-001) and 1506 Grant Street (011-101-009). The 1.95-acre project
- 9 site is located at the north side of the Grant Street and Stevenson Avenue intersection.
- The site is developed with existing residential and commercial/industrial uses. Two single
- family residences are developed at 1408 and 1412 Grant Street. An approximately 25,000
- square foot structure that has been used recently as a vehicle restoration, repair, and
- storage use and a tree servicing business is located at 1506 Grant Street. Vegetation on
- site consists of ornamental landscaping in the yards, a vegetated strip along the Grant
- Street frontage, and plantings around the commercial portion of the site.
- Surrounding uses include vacant, commercially-zoned properties to the north; single-
- family dwellings and a vacant, R-3 multi-family residential property to the west; residential
- and commercial uses to the east, and Palisades High School and the Monhoff Center
- across the street to the south.
- 20 Historical uses: The original construction on the site reportedly dates to 1859 as a
- building used as a horse stable for a nearby racing track as part of Sam Brannan's original
- Hot Springs Resort. The use has since changed over time to include a winery and spring
- water bottling facility. Additions were reportedly made in 1934 and 1953. The single-family
- residences were constructed around the 1940s.
- 25 Previous projects: In 2017, the site was approved for the development of a 50-unit rental
- project, with 4 live-work units and 46 residential condominiums, known as Calistoga Vista

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27 (UP 2017-8, DR 2017-6, TM 2017-1). The project did not proceed to the construction

28 phase and the approvals have since lapsed.

PROJECT DESCRIPTION

The project proposes the construction of 50 dwelling units, comprising 40 stacked-flat, townhome style units within four three-story buildings and 10 live-work units in two street-facing three-story buildings (Attachment 2). The site is redeveloped with new landscaping, common open space areas, and an interior circulation street that provides access of garage and parking spaces. A tentative map is proposed that redraws the parcels within the site and allows for condominium development. Eight units are proposed to be affordable for rent at the low-income level (Attachment 3). Through the provision of

37 affordable units, the project is eligible for and requests a density bonus and development

38 standard concessions/incentives.

39 Project components

- The site plan has been designed with two buildings fronting Grant Street, three buildings
- grouped around open space in the center of the site, and a building at the western side
- of the site (Attachment 6). The development would be served by a loop road accessed
- from Grant Street. Ten units are designed as live-work units in the two buildings that front
- on Grant Street. The remaining forty units are designed as stacked-flats located in the
- 45 four interior buildings.
- The live-work units are approximately 1,500 square feet with two bedrooms and a one
- car garage. The ground floor has front door along Grant Street and contains an open floor
- plan office and a powder room; private living areas are located in the second and third
- 49 story.

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- 50 The remaining units are designed as stacked-flat style units that have two bedrooms. One
- layout (Plan 2) features 751 square feet of area and a one car garage. The other layout
- 52 (Plan 2X) features 933 square feet and a two-car garage.
- Frontage improvements and site access are proposed along Grant Avenue. The project
- would construct a five-foot wide sidewalk along the frontage of the site. As conditioned,
- the sidewalk would also be extended eastward to connect to Wappo Avenue. Vehicle
- access to the interior circulation street is to be provided from a driveway on Grant Street.
- A separate emergency vehicle accessway would also be provided from Grant Street and
- would contain removable bollards.
- The project provides 70 garage and 33 surface parking spaces (including three ADA
- parking spaces). Parking meets the municipal code standard of 2 parking spaces per
- dwelling unit. The street frontage also includes six public parking spaces along Grant
- Street. Three electric vehicle charging stations would be provided for the surface parking
- stalls. In addition, each garage will have hanging bicycle racks.
- Trash and recycling bins are provided in each of the units and would be brought out to
- the edge of the interior circulation street for pick-up.

66 Architectural and landscape designs

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The proposed building designs feature a modern "Farmhouse" style. The roofing materials consists of concrete shake tile. The live-work buildings have ground-floor and second-floor stucco exteriors, with horizontal siding accents. The third level consists primarily of vertical siding with stucco accents. These two buildings are proposed at nearly 34 feet in height. The stacked-flat units also are primarily stucco-finished, with horizontal siding elements on the first level and vertical siding elements on the second level. The third level consists mainly of vertical siding with stucco elements. These buildings are proposed at approximately 34 feet in height.

The project employs three different color schemes, as provided in Sheet A9 of the plan set (Attachment 6). The two buildings facing Grant Street are each assigned a unique color scheme. The interior buildings would all apply the remaining color scheme.

The project's landscape design features the planting of new trees throughout the site and creation of new landscaped areas, as shown on Sheet L-1. All of the existing trees on the project site would be removed. Three trees along the frontage but outside of the property lines would also be removed. However, nine new accent trees would be planted in the front yards of buildings facing the Grant Street. New accent trees and open space trees are provided in front of building entries, in common areas, and in landscaped open space. New trees would also be planted to replace some of the existing trees to be removed around the perimeter. The plant palette for the entire project site includes shrubs, groundcovers, vines, and plants suitable for bio-retention. All plants range from very low to moderate water use.

Open space amenities include both common and private open space. A community gathering area with a dining table, grass paving, flexible seating, petanque court, and garden boxes would be located at the western portion of the site. Outdoor seating areas are also provided at either end of the central courtyard area. Each residential unit will also have at least 50 square feet of private open space offer by the upper story decks.

The project site would feature three types of fencing. A six-foot wooden good neighbor fence is proposed along the east side property line and portions of the west property line adjacent to existing single family residential properties. A four-foot-high low wood fence is proposed along the Grant Street frontage. The remaining portion of the west property line and the rear property line features a wood and wire fence consisting of 2'-10" of solid wood fencing with 3'-2" of framed mesh wire above.

Affordable housing

The project proposes to provide eight units affordable to low-income households, which meets the inclusionary housing requirement of Calistoga Municipal Code Section 17.08.020. The affordable units would be distributed equally throughout the four stacked-flat buildings as the third floor, 2 bedroom-2 bath units in "Plan 2" of the project plans. The number of affordable units exceeds the City's minimum inclusionary requirement of five units, or 10% of the total proposed units, to be provided at rents/sales prices affordable to low-income households, which is defined as 80% of the area median income (AMI). For reference, the California Department of Housing and Community Development (HCD) provides a table of containing the AMI and 2020 Income Limits for various income levels

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- and households sizes, which lists the low-income level as \$85,800 for a four-person 109
- household, \$77,250 for a three-person household, and \$68,650 for a two-person 110
- household in Napa County. 111
- The developer would be required to work with the City in the preparation of an affordable 112
- housing agreement to maintain the proposed level of affordable for a period of 55 years. 113
- This has been included as a condition of approval. 114
- Through the provision of these affordable units, the project qualifies for a density bonus 115
- to exceed the base density of the land use designation and up to two 116
- concessions/incentives for variation from general development standards under 117
- California Government Code Section 65915. As discussed below, the project is eligible 118
- to develop 50 units through the density bonus and request concessions/incentives for a 119
- height increase and utility undergrounding waiver. 120

Tentative Map 121

- The developer is requesting approval of a Vesting Tentative Map to subdivide the site 122
- and allow for the creation of air-space condominium units. However, at this time, the 123
- developer plans to operate the development as for-rent apartments. Therefore, the 124
- property management division of DeNova Homes, rather than a homeowner's 125
- association, will be maintaining the property: private streets and street-lights, utilities, 126
- landscape and hardscape, fencing, buildings (interior and exterior), bio-retention facilities 127
- and access easements. If the development transitions to ownership condominium units, 128
- a homeowners' association will become responsible for these maintenance functions. 129
- Proposed conditions of approval have been included to require compliance with design 130
- and improvement requirements for subdivisions under Calistoga Municipal Code Title 16. 131
- Subdivisions and to provide covenants, codes, and restrictions (CC&Rs) to establish 132
- ownership and maintenance responsibilities to the City for review and approval. 133

CONSISTENCY ANALYSIS

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

Calistoga General Plan 136

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Land use designation 137

- The site has a General Plan land use designation of Community Commercial. The 138
- Community Commercial designation includes areas at the edge of the downtown that are 139
- transitional between the downtown commercial area and residential neighborhoods. The 140
- designation allows the development of multi-family housing at densities of 10-20 dwelling 141
- units per acre. Through the provision of eight low-income affordable housing, the project 142
- is eligible to use a density bonus under California Government Code Section 65915 to 143
- propose a design at 25.6 units per acre. The project provides for open office space in the 144
- live-work units, where the likely uses include personal services and professional offices. 145 which are allowed under the land use designation. 146
- The project is consistent with relevant Land Use Element policies, including: 147

- P1.1-5 The City shall encourage infill development and development on land with necessary public infrastructure in place.
 - P1.4-2 Development that meets performance standards for growth consistent with community character shall be given a high priority, including affordable housing, mixed-use projects, infill development and second units.
 - P3.1-1 New development shall be focused within the existing developed areas, and not at the city's periphery.
- Character area overlay

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The site is located within the Stevenson/Grant area of the *Downtown Character Area Overlay*, which is a transitional area between the historic downtown area and the *Resort Character Area*. The Land Use Element notes there is significant potential for redevelopment in this 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

- In general, the development and design considerations specified for the Historic District of the Downtown Character Area should be applied in this area.
- 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:

- Creating live-work units that provide opportunities for mixed-use with ground floor spaces facing Grant Street. Stacked-flat style residential buildings are located in the interior of the site
- Incorporating a stepback at the third story on the live-work buildings along the Grant Street frontage.

- Using materials reflecting historic building materials such as stucco, metal railings, and fiber cement board that offers a wood siding appearance.
 - Complying with the submittal of a lighting plan, as conditioned, that would minimizes impacts on surrounding properties.

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. The City's "Local Preference Policy" (City Council Resolution No. 2008-114) 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.
- P2.1-1 Provide incentives for the development of affordable housing.
- A2.1-1 Adopt an ordinance providing 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.

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. A condition of approval has been included to construct a sidewalk along the length of the site's frontage and extending west along Grant Street to the intersection at Wappo Avenue, consistent with the plan's proposed pedestrian network map.
- The Calistoga Climate Action Plan (CAP) establishes goals aimed at reducing greenhouse gas emissions. The project incorporates bicycle parking in each unit to promote the use of alternative transportation modes. It provides opportunities for livework arrangements that can minimize personal vehicle use and vehicle miles traveled. Encouraging compact development is an objective in the CAP, and the project is in-fill development that redevelops a site to accommodate townhome and live-work style

development around the downtown area.

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226 Zoning Code and Development Standards

The project site is zoned Community Commercial (CC). The intent of the CC Zoning
District includes serving as a transition between the more intense activities in the
Downtown Commercial (DC) District and the less intense activities in the residential
districts adjacent to commercial areas. Mixed residential-commercial uses are identified
as being appropriate in this district. Multifamily dwellings and live-work units are allowed
with approval of a conditional use permit.

Live-work units shall also be subject to consideration of additional guidelines:

- The required off-street parking for the exclusive use of dwelling units is provided pursuant to Chapter 17.36 CMC.
- A screened yard area of not less than 300 square feet is provided per dwelling unit, except in cases where due to the location of existing structures there is no land available for said yard.
- In the case of shared residential and commercial uses, the commercial use is compatible with the health and safety of persons residing on the property (lighting, noise, fumes and hours of operation, etc.).

A condition of approval has been included to limit potential commercial uses to uses that would not create conflict with the health and safety of residential use, including issues with lighting, noise, fumes and hours of operation.

The following table compares the project's design with the development standards of the CC District and identifies density bonus concession/incentive requests.

CC District Development Standard per Zoning Code		Project	Compliant
Minimum front yard	10 feet	11 feet	Yes
Minimum interior side yard, west property line	5 feet	13 feet	Yes
Minimum interior side yard, east property line	0 feet	32 feet	Yes
Minimum rear yard	0 feet	30 feet	Yes
Maximum lot coverage	60%	31%	Yes
Maximum building height	30 feet	33 feet, 7 in.	No*
Maximum no. of stories	3 with use permit	3	Yes

*requested concession/incentive through the density bonus

The project's inclusion of eight units affordable at the low-income level, which translates to 21 percent of the 39 units allowed under the base density, allows the applicant to request a density bonus and up to two concessions/incentives. The project qualifies for a 38.75 percent density bonus under California Government Code Section 65915; however, the applicant is requesting a 28 percent bonus to achieve the 50 total units (similar to the

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253 previously approved project UP2017-08). The applicant has requested the following two concessions/incentives:

- Increase in building height. Calistoga Municipal Code Section 17.22.060 establishes a height standard of 30 feet and three stories. The applicant requests an exception to increase the height standard to 34'-6" (the building is designed to a height of 33'-7" but an additional 11" is proposed to accommodate any potential adjustments that may be needed based on building code requirements). The additional height is needed to allow for the full three stories and to achieve the total number of units needed to make the project economically feasible.
- Waiver of utility undergrounding. Calistoga Municipal Code Section16.16.090 establishes the requirement for new development to place all existing and proposed utility underground. The code allows for the waiver of the undergrounding requirement if the length of required undergrounding is less than 200 feet, it is unlikely additional undergrounding will occur on adjacent properties within 10 years, and the visual burden of leaving utilities above ground will be insignificant. As the length of the required underground would exceed 200 feet, the project is not eligible for an exception based on the code and instead requests the application of a density bonus concession/incentive to waive the undergrounding standard.

The applicant explains that the undergrounding of two existing poles and a number of overhead utilities along the Grant Street frontage would be cost prohibitive and would make the project infeasible (Attachment 2). All new on-site utilities will be undergrounded.

Although the project does not meet the 200 foot standard that would otherwise have made it eligible for consideration of a waiver under the Calistoga Municipal Code, it could meet the other two criteria. Adjacent single family and established commercial properties are unlikely to underground utilities within the next 10 years. The visual burden of leaving the overhead lines in place will be insignificant as these lines have been in place and extend along the rest of Grant Street.

Where the application is eligible for and the applicant has requested specific concessions/incentives, the City shall provide a requested concession/incentive unless the City makes one of the following findings¹. Staff does not believe there is basis for rejecting the requests, as noted.

• The concession or incentive does not result in identifiable and actual cost reductions to provide for affordable housing costs or rents for the targeted units. The requested deviation from development standards is necessary to provide the number of market-rate units and forego cost-prohibitive expenditures, in order to make the entire project economically viable and allow for creation of affordable units.

¹ Cal. Govt. Code §65915(d)(1)

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- The concession or incentive would have a specific adverse impact upon public health and safety or the physical environment or any real property listed on the California Register of Historic Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable.
 - The requested increase in the building height standard and maintenance of existing utilities above ground would not adversely impact health, safety, or the physical environment.
- 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.

Residential Design Guidelines

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

- Parking and vehicular circulation will be separated from pedestrian circulation.
- The buildings fronting Grant Street give some step back of the third story to reduce the scale of the facades.
- 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 defined entries, upper story decks, and varying colors and finish materials.
- Massing offsets, varied textures, openings, recesses and design accents would provide visual interest.
- Traditional gable and hip roof forms would be used.
- 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 trim.
 - The main entrance to a unit would be clearly identifiable.
 - Materials, finishes and colors would be consistent with the desired architectural style and sensitive to any prevailing pattern in the vicinity.
 - Compatible accent colors are used to enhance important architectural elements and details.
 - Parking areas would be located within a project's interior and not along street frontages.
 - A variety of height, textures and colors are used in the project's landscape palette; and a combination of trees, shrubs and ground cover are incorporated into landscaping plans
 - Interior buildings are oriented around the central open space. Gathering places are incorporated into the plan.

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GROWTH MANAGEMENT

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- The project would connect to public water and sewer. Annual allocations of 12.45 acre feet of water and 7.30 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

- The project meets the conditions for a statutory exemption pursuant to Section 15183 and 338 a categorical exemption pursuant to Section 15332 of the State California Environmental 339 Quality Act (CEQA) Guidelines (Attachment 4). California Public Resources Code Section 340 21083.3 and CEQA Guidelines Section 15183 allows a streamlined environmental review 341 process and a statutory exemption for projects that are consistent with the densities 342 established by existing zoning, community plan, or general plan policies for which an 343 Environmental Impact Report (EIR) was certified. California Public Resources Code 344 Section 21084 and State CEQA Guidelines Section 15332 provide that listed classes of 345 projects, including the Class 32 In-Fill Exemption, are determined not to have a significant 346 effect on the environment. 347
- The Project is consistent with the General Plan land use designation and zoning for the site and meets the streamlining provisions under CEQA Guidelines Section 15183(d)(1).
- The project meets Section 15332 in that:
 - The project is consistent with the City of Calistoga General Plan land use designation, complies with the established zoning regulations, and is a permitted use;
 - The project is located within City limits on a site that is less than 5 acres and is substantially surrounded by established urban uses;
 - The site is developed and has no habitat that would support endangered, rare or threatened species;
 - The project would not result in any significant effects relating to traffic, noise, air quality, or water quality;
 - The project is adequately served by all required utilities and public services; and
 - There are no exceptions that would preclude application of the exemption.

An evaluation of the historical and architectural significance found that warehouse building was the former Brannan Stable building and was associated with the 19th century Brannan Hot Springs Resort, but the building has been altered in so many ways over the years that it is unable to convey its significant historical associations. 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. The redwood construction material was noted as the only remaining significant resource and should be salvaged; this has been incorporated as a proposed condition of approval.

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A Phase I Environmental Site Assessment previously conducted for the project site as 371 part of UP2017-8, by EBA Engineering November 2016, concluded that releases of 372 petroleum hydrocarbons has occurred on the 1506 Grant Street property related to past 373 activities. The assessment's recommendations included further sampling and 374 characterization of the property's soil, testing water supply wells if they were to remain, 375 and an assessment for the presence of lead-based paint and asbestos-containing 376 materials prior to demolition of the existing structures. A proposed condition of approval 377 has included for the applicant to incorporate Phase I Environmental Site Assessment 378 recommendations into the project. 379

FINDINGS

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To reduce repetition, the bases for making the required findings to approve the project's requested entitlements are contained in the attached draft resolutions.

RECOMMENDATIONS

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

Adopt Resolution 2021-XX approving Use Permit UP 2020-8, Design Review DR 2020-7, and TM 2020-3, and approving a density bonus and an affordable housing concession/incentive for the project.

ATTACHMENTS

- 1. Draft Resolution 2021-XX
- 2. Project description
- 3. Inclusionary Housing Proposal and Request for Density Bonus Concessions
- 4. CEQA Section 15183 and 15332 Exemption Justification
- 5. Vicinity Map
- 6. Silverado Terrace Project Plans