

CITY OF SANTA ROSA  
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL  
FROM: CLARE HARTMAN, DIRECTOR  
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT  
SUBJECT: 1650 W STEELE LANE APARTMENTS APPEAL

AGENDA ACTION: RESOLUTION

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RECOMMENDATION

It is recommended by the Zoning Administrator and the Planning and Economic Development Department that the Council, by three resolutions, deny the appeal and uphold the decision of the Zoning Administrator to 1) adopt an Addendum to the certified North Santa Rosa Station Area Specific Plan Environmental Impact Report, 2) approve a Minor Conditional Use Permit, and 3) approve Minor Design Review for the 1650 W Steele Lane Apartments Project located at 1650 W Steele Lane.

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EXECUTIVE SUMMARY

On January 25, 2023, the Zoning Administrator approved the 1650 W Steele Lane Apartments Project (the Project), which proposes to construct a 36-unit multifamily residential development located at 1650 W Steele Lane. The project included three Planning approvals including an Addendum to a previously certified EIR, a Minor Conditional Use Permit, and Minor Design Review. On February 6, 2023, an appeal of that action was received, which requires City Council review and action. The Project is related to the City Council's Goals/Priorities to Provide Housing For All, to Reduce Homelessness and Its Impacts, and Climate, by proposing multifamily housing including four units available to households making less than 50% of the Sonoma County Area Median Income (AMI) in a walkable, transit-oriented location in close proximity to a wide variety of retail and services.

BACKGROUND

**1. Project Description**

The Project proposes to construct a 36-unit multifamily dwelling development located at 1650 W Steele Lane, with a 35% State Density Bonus and 65% Supplemental Density Bonus. The project proposes 36 off-street parking spaces, and has been conditioned to restripe a portion of W Steele Lane to provide eight

public street parking spaces on the Project's northern frontage. The structures would be placed surrounding an internal courtyard that provides a community gathering space for residents. The Project would restrict four units to Very Low Income (less than 50% AMI), which include three one-bedroom units and one three-bedroom unit.

## 2. **Surrounding Land Uses**

South – Multifamily dwelling

West – Multifamily dwelling, Single-family detached dwelling

North – W Steele Lane, Snoopy's Home Ice

East – Retail: Shopping Center

## 3. **Existing Land Use – Project Site**

The 0.98-acre project site is currently undeveloped, vacant land. The site features grasses and scattered trees.

## 4. **Project History**

On April 15, 2021, the City received the entitlement applications for the 1650 W Steele Lane Apartments Project.

On April 30, 2021, the City distributed a Notice of Application for the Project.

On January 15, 2020, a Neighborhood Meeting was held for the Project. The Neighborhood Meeting had approximately ten attendees, who shared concerns related to the residential density of the project, increased traffic in the area, and lack of provision of on-site parking.

On March 5, 2020, the Project received Concept Design Review by the Design Review Board. The Design Review Board provided the following comments regarding the Project:

- Provide dynamic materials and color for courtyard facades;
- Consider reducing size of courtyard for unloading zone;
- Consider Design Guidelines applicable to the North Santa Rosa Station Area Specific Plan;
- Avoid blank walls in the project;
- Consider adding materials to the palette;
- Ensure continuity of the accessory buildings with finishes;
- Recommend gray color to verticals and on courtyard walls for color variation;
- Recommend one parking stall per unit;
- Consider vines on courtyard walls;
- Consider adding tile returns at the courtyard element walls;

- Recommend enhanced landscaping;
- Consider screening of equipment at mechanical wells facing W Steele Lane;
- Incorporate glazing into top of garage doors;
- Encourage preparation of Traffic Study; and
- Add tile and landscape details to next submittal.

The consideration and incorporation of these comments has been summarized by the applicant and is included as Attachment 7.

On December 20, 2022, the Director of the Planning and Economic Development Department approved the State Density Bonus application.

On January 25, 2023, the Project received approval at a Special Meeting of the Zoning Administrator.

On February 6, 2023, the City Clerk's Office received an Appeal application submitted by Charles M. Schulz Creative Associates. According the City of Santa Rosa Zoning Code Chapter 20-16, the review authority of an appeal of a decision made on a project that qualifies for reduced review authority for a Design Review action is the City Council.

On May 23<sup>rd</sup>, 2023, the Council elected to continue the item to a date uncertain.

### PRIOR CITY COUNCIL REVIEW

Not applicable.

### ANALYSIS

#### 1. **General Plan**

The site is located within the Medium Density Residential General Plan Land Use Designation (GPLU) which allows for a maximum of 18 units per acre. The site acreage is 0.98 acres, therefore, a maximum of 17.6 market rate units could be built on the site. However, pursuant to California Government Code 65915, when an affordability component is introduced to a project, the base density is rounded up (18 units).

The Director of Planning and Economic Development (Director) has approved a State Density Bonus granting 35% of units allowed by the base density, an additional six units, be added to the base density due to 15% of the base density units being deed restricted for Very Low-Income households.

The Project is consistent with and implements numerous General Plan goals and policies. A few are listed below:

**Goal LUL-A:** *Foster a compact rather than a scattered development pattern in order to reduced travel, energy, land, and materials consumption while promoting greenhouse gas emission reductions citywide.*

**Policy LUL-A-1:** *As part of plan implementation – including development review, capital improvements programming, and preparation of detailed area plans – foster close land use/transportation relationships to promote use of alternative transportation modes and discourage travel by automobile.*

**Goal H-A:** *Meet the housing needs of all Santa Rosa residents.*

**Goal H-C:** *Expand the supply of housing available to lower-income households.*

**Policy H-C-6:** *Facilitate higher-density and affordable housing development in Priority Development Areas (PDA), which include sites located near the rail transit corridor and on regional/arterial streets for convenient access to bus and rail transit. Implement existing PDA specific plans – the Downtown Station Area Specific Plan and the North Santa Rosa Station Area Specific Plan – and develop new plans, such as the Roseland Specific Plan, to encourage the development of homes that have access to services and amenities.*

By proposing an infill development residential project, the Project encourages a compact rather than a scattered development pattern that fosters a close relationship between the residential land use and nearby public transit opportunities. This project promotes use of alternative transportation modes and discourages travel by automobile, while providing housing that meets the needs of Santa Rosa residents by expanding the supply of housing available to lower-income residents.

## 2. **Other Applicable Plans**

The Project is located within the North Santa Rosa Station Area Specific Plan, which is centered on an approximately one-half mile area around the northern station site for the Sonoma-Marin Area Rail Transit (SMART) on Guerneville Road. The primary objective of the Specific Plan is to support rail transit by increasing the number of residents and employees within walking distance of the SMART station by improving pedestrian, bicycle, auto, and transit connections while increasing residential density.

The Project implements and is consistent with many policies of the North Santa Rosa Station Area Specific Plan goals and policies. A few are listed below:

**Goal LU-4:** *Promote Sustainable Site Design*

**Policy LU-4.3:** *Encourage green site design by utilizing native and/or drought tolerant trees and plants where possible, incorporating permeable paving and designing resource-efficient landscapes and gardens.*

**Goal AH-1:** *Provide a variety of housing types and densities in the Specific Plan Area, including those affordable to lower-income households.*

**Policy AH-3.1:** *Encourage the development of housing for all groups, including students and seniors, particularly near the SMART station and the pedestrian/bicycle bridge.*

**Goal CM-1:** *Integrate the Coddington Mall property into the surrounding land use fabric.*

**Policy CM-1.1:** *Encourage multilevel transit-oriented development lining the streets around the existing mall.*

The Project would provide one three-bedroom unit and three one-bedroom units to Very Low Income households within walking distance to the North Santa Rosa SMART Station. Future residents of the site could also walk to Coddington Mall, which offers a variety of retail and services uses. The Project includes a multi-level transit-oriented development in close proximity to Coddington Mall.

### 3. Zoning

The proposed multi-family dwelling land use is allowed by right pursuant to Zoning Code Chapter 20-16 due to its location within the North Santa Rosa Station Area Specific Plan. The Project's restriction of four units to Very Low Income families (less than 50% AMI) allows the Project to receive waivers from standard Zoning Code requirements, provided those requirements would potentially make the project economically infeasible. The City has limited discretion to deny requests for waivers, and can only do so if granting the waivers would result in a specific, adverse impact to public health, safety, the environment, or any property listed in California Register of Historic Places (Government Code Section 61915). A description of these requests and discussion of their cost reduction are included in Attachment 3. The waivers include:

1. Reduction of required parking spaces from 52 to 36 spaces.
2. Increase of maximum building height from 35 feet to 45 feet

3. Decrease of required interior side setback from 10 feet to five feet.

The project otherwise complies with all Zoning Code standards.

On January 1, 2023, the California State Assembly's Assembly Bill (AB) 2097 went into effect. This Bill limits the review authorities of local jurisdictions in their ability to deny a project based on lack of available off-street parking when the project site is located within one-half mile of a light rail station. The Project is located less than one-half mile from the North Santa Rosa SMART Station, so the Project is subject to the regulations and requirements of AB 2097. This Bill is discussed in further detail in response to the grounds for appeal in Section 5 below.

The Project also requests the approval of a Minor Conditional Use Permit to allow a Supplemental Density Bonus of 65%. The Project complies with all standards established by Zoning Code Section 20-31.070 (Supplemental Density Bonus).

#### 4. **Design Guidelines**

Construction of the multi-family development requires approval of Minor Design Review pursuant to Zoning Code Chapter 20-16. Projects which require Design Review are reviewed for consistency with the City's Design Guidelines. The North Santa Rosa Station Area Specific Plan establishes specific Design Guidelines for projects within its boundaries. The proposed design and layout reflects careful consideration and incorporation of design guidelines from the Specific Plan related to site development, as follows:

- a. **Building Placement:** Project structures are proposed to be built to the minimum setback, with an approved concession allowing a reduction of required site setback abutting a General Commercial (CG) zoning district from 10 feet to five feet. In addition, greater than 60% of the project structures' north-facing facades are proposed to be built parallel to the W Steele Lane right-of-way, and buildings are arranged to define, connect, and activate sidewalks and public spaces by providing a walkable community nearby many goods and services that would serve future residents' daily needs.
- b. **Landscaping:** Native and drought-tolerant species are proposed with the project to the extent possible, and the project provides a courtyard that is proposed to be located in the center of the structures that would serve as additional landscaping and open space amenities.
- c. **Parking:** Two connected, perpendicular alleys are proposed to provide vehicle access from Meadowbrook Court to on-site covered parking

spaces, and parking spaces are completely screened by the project's structures from the W Steele Lane perspective.

- d. Parks and Playgrounds: The project proposes to provide a shared courtyard that would serve as a community gathering area, in addition to providing shade trees that would shield residents from the sun.
- e. Urban plazas: The proposed courtyard includes a seat wall at the accessible ramp and at the perimeter wall defining the plaza, as well as site furnishings for shaded seating. A vertical element (a semi-circular arbor) is located outside of the required vision triangle. The proposed courtyard includes an adequate area of hardscape and seating to host a range of activities. Landscaping and a central tree planter complement the primarily social function of the space. A shade tree (*Arbutus Marina*) and shaded seating under the arbor and at umbrella tables provide sun protection for residents. The entry plaza is lit with exterior wall sconces, as demonstrated in the Project Plan Set (Attachment 4) photometric plan and sheet A10.1, Colors and Materials, for exterior light fixtures.

The project also integrates recommendations from the Architectural Guidelines for the North Station Area Specific Plan Design Guidelines:

- a. Articulation: A pattern of fenestration and tile panels assist in providing human scale and visual articulation to the three-story elevations of Buildings 1, 2 and 3. The façades of the residential buildings are active and open, engaging the street fronts at W Steele Lane and Meadowbrook Court, and architectural detail enhances the street level pedestrian and vehicular experience.
- b. Multi-Building Complex: The automated parking structure relates to the residential buildings with an upper-level register of ornamental aluminum panels simulating the pattern of the tile panels on the residential buildings.
- c. Building Frontage: The proposed project employs the forecourt entry design as described in Table 4.10.1 of the Design Guidelines, which facilitates a plaza entry that activates the pedestrian experience along W Steele Lane and provides pleasant wayfinding for the project's entry.
- d. Building Entrances: The main building entry would be located at the corner of W Steele Lane and Meadowbrook Court, and is clearly defined by the semi-circular arbor.
- e. Parking Structures: The upper level of the proposed parking structure, that would house the automated parking system, will be screened with a laser cut aluminum screen that relates to the pattern of the four-color tile accent panels on the residential buildings and site walls. The metal screen color

complements the earth-toned color of the stucco walls of the residential buildings.

- f. Corner Buildings: The project would provide definition at the corner of W Steele Lane and Meadowbrook Court by means of attractive architecture and entry plaza, in addition to a modest tower feature.

## 5. Appeal

### Regulatory Framework for Appeals

Zoning Code §20-16.070 (Modifications to Design Review) establishes that Design Review for new development in defined Priority Development Areas is delegated to the Zoning Administrator through the Minor Design Review process. Zoning Code §20-52.030 (Design Review) establishes procedures for the City's review of the design aspects of proposed development (for example, building design, landscaping, and site planning and development), for consistency with the City's Design Guidelines. Zoning Code §20-50.020 (Table 5-1), which regulates permit application and filing, identifies the Zoning Administrator as the City official responsible for reviewing and making decisions on Minor Design Review applications.

### Appeal Application dated received February 6<sup>th</sup>, 2023

The grounds upon which this appeal is filed are:

- **The City's approval of much-reduced on-site parking for the project, leading to parking and traffic issues in the surrounding neighborhood.**

*"...the project approval ignores significant traffic and parking compaction already present in the area. Failing to provide adequate parking for the new residents will exacerbate the existing safety issues in the area, and poses a great likelihood of worsening traffic. Simply put, the residents will need to put their cars somewhere, and the project as proposed ignores this reality and the impact it will pose on the neighborhood.*

*Any on-site inspection of traffic levels for the 2020 report would have occurred at the height of COVID-19 related business restrictions. The Children's Museum, Schulz Museum and Ice Arena were all closed for significant periods of time in order to comply with County Health regulations. Traffic counts during that time period would, as a result, be significantly diminished from traffic under current conditions and fulltime operations. Adding vehicles driven by residents looking for somewhere to park will only serve to increase the dangerous conditions in the area."*



**Staff Response:**

The Focused Traffic Study prepared by W-Trans (Attachment 9) uses standard trip generation and parking demand rates published by the Institute of Traffic Engineers (ITE) to evaluate the anticipated trip generation and parking demand of the Project. The project is anticipated to result in a total of 17 AM peak trips, and 20 PM peak trips. A Traffic Impact Study is required when a project is anticipated to exceed 50 peak trips during any AM or PM peak hour. Because neither of these totals exceed 50 AM or PM peak trips, a Focused Traffic Study was provided pursuant to the City of Santa Rosa's *Guidance for the Preparation of Traffic Operational Analysis, 2019*. A Focused Traffic Study does not include traffic counts or the evaluation of intersection operations. Therefore, the analysis of anticipated traffic generation of the Project did not include any traffic counts, and is not subject to any analytical discrepancies or anomalies as a result of the COVID-19 Shelter in Place order.

*"The traffic and parking study conducted by W-Trans demonstrates quite clearly that "the proposed parking supply would be deficient (pursuant to City standards) **by 16 spaces**." (Julia Walker, W-Trans; Traffic Study for the 1650 West Steele Lane Project (2020); p. 5.) (emphasis added) While the report goes on to explain that the project's proximity to public transportation renders it eligible for parking reductions, the sterile application of standards and codes fails to account for the conditions in the area.*

*Appellants acknowledge the limitations imposed on the City following the passage of AB-2079. What bears further review, however, is the City's ability to impose minimum parking requirements where, as here, failure to do so would have a substantially negative impact ... on residential or commercial parking within one-half mile of the proposed housing development. Government Code §65863.2. All of the Appellants are located within one-half mile of the proposed project, and indeed, the Ice Arena and Schulz Museum Appellants are directly across the street from the proposed project. The visitors and employees of the Appellants' various organizations utilize the entirety of existing parking at their locations. The project as proposed will have an immediate impact on the parking availability at the Appellants' locations, which the City has thus far ignored."*

**Staff Response:**

Based on the ITE rates for a Project of this type and in this location, the Project would generate a peak parking demand of 39 parking spaces

which exceeds the number of parking spaces included with the Project by three parking spaces.

However, the Project has been approved for a Density Bonus that allows the waiver of required parking of up to 50% of required parking spaces. Zoning Code Section 20-36.040 establishes that the Project would need to provide 52 parking spaces, therefore, a reduction of 50% would result in the Project being required to provide 26 parking spaces. A total of 36 on-site parking spaces were approved. In order for the City to deny a concession, the City must find that granting the concession would potentially result in a specific, adverse impact upon public health, safety, the environment, or on any property listed in the California Register of Historic Resources. In reviewing the application and all associated materials, including the prepared Addendum (Attachment 5), the City did not make any of these findings and approved the concession to reduce the parking requirement by a total of 31%.

Additionally, the State Assembly adopted AB 2345 which added to existing State Density Bonus law that prohibits a local jurisdiction from requiring a parking ratio that exceeds 0.5 spaces per unit when the project includes at least 11% of its units for Very Low Income households and provides unobstructed access to a major transit stop. The Project includes four out of its total 36 units for Very Low Income households (11.11%) and is located within one-half mile of the North Santa Rosa SMART station; therefore, the City cannot require a parking ratio that exceeds 0.5 spaces per unit. This means the City could not require the Project to provide more than 18 parking spaces for the 36-unit housing development; however, the Project proposes 36 on-site parking spaces.

While the parking concession was approved under State Density Bonus law, further limitations are imposed on the City by Assembly Bill (AB) 2097. AB 2097 limits local jurisdictions' ability to deny a project based on lack of available on-site parking for projects located within one-half mile of an existing rail or rapid bus transit station, or any bus stop that is an intersection of two or more bus routes that each have a service frequency of 15 minutes. The Project is located within a one-half mile walking distance of from the North Santa Rosa SMART Station, thus, the regulations established by AB 2097 apply to the Project. Government Code Section 65663.2 is not accurately characterized by the Appellant's appeal application which describes the City's ability to impose minimum parking requirements but fails to reference the requirement that the City must make written findings within 30 days of the receipt of a complete application that any lack of on-site automobile parking would have a substantially negative affect on:

- a. The City's ability to meet its share of the regional housing need for low- and very low-income households; or
- b. The City's ability to meet any special housing needs for the elderly or persons with disabilities, as defined; or
- c. Existing residential or commercial parking within one-half mile of the proposed housing development project

## 5. **Summary of Public Comments**

A summary of written public comments is provided below. Submitted public comments are included as Attachment 10 to this Staff Report.

- Electricity-powered parking structure will not work during power outage
- Design is not compatible with surrounding area
- Density is too high
- Increased traffic and high speed limit on W Steele Lane
- Increased issues related to traffic violations and crime
- Residential development during prolonged drought
- Insufficient Parking

## 6. **Public Improvements**

The public improvements that are required of the Project are included in Resolution 3 – Exhibit A (Engineering and Development Services, dated December 21, 2022). The improvements include curb, gutter, and planter strip on the project frontages on Meadowbrook Court and W Steele Lane, in addition to a bike lane on W Steele Lane.

### FISCAL IMPACT

Not applicable.

### ENVIRONMENTAL IMPACT

On October 18, 2016, the Council adopted Resolution Number 28187 certifying the Final Environmental Impact Report for the North Santa Rosa Station Area Specific Plan and associated General Plan, Zoning Code, Design Guidelines, Citywide Creek Master Plan and Bicycle and Pedestrian Master Plan Amendments - File Number ST10-009 (the FEIR), in compliance with the California Environmental Quality Act (Pub. Resources Code § 21000 et seq), the State CEQA Guidelines (Cal. Code Regs., tit. 14 § 15000 et seq.) and the City's local CEQA Guidelines (collectively, "CEQA").

CEQA Guidelines Section 15162 provides that when a project was previously analyzed and approved pursuant to a certified EIR, an Addendum to the EIR may be appropriate to analyze proposed modifications to the project when the following conditions are met:

- a. The proposed Project does not constitute a substantial change that would require major revisions of the previously certified FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and
- b. There have been no substantial changes with respect to the circumstances under which the proposed Project or North Santa Rosa Station Area Specific Plan will be constructed that would require major revisions of the previously certified FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects; and
- c. There has been no new information of substantial importance that was not known and could not have been known with the exercise of reasonable diligence at the time the Specific Plan FEIR was certified that has come to light, and that shows any of the following: (i) that the proposed Project or North Santa Rosa Station Area Specific Plan would have one or more significant effects not discussed in the certified FEIR; (ii) that significant effects previously examined would be substantially more severe than shown in the certified FEIR; (iii) that mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the City declined to adopt such measures; or (iv) that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more significant effects on the environment, but which the City declined to adopt.

The applicant prepared an Addendum to the FEIR, supported by technical studies (Attachment 5), pursuant to CEQA Guidelines Section 15164, which provides that an addendum to an approved EIR is appropriate because only minor technical changes or additions are made but none of the conditions described in Section 15162, above, has occurred.

In addition, the proposed Project is statutorily exempt from CEQA pursuant to CEQA Guidelines section 15182 because the project is consistent with North Station Area Specific Plan for which an Environmental Impact Report (EIR) was prepared.

#### BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

The City of Santa Rosa Zoning Administrator approved the project on January 25, 2023, at a Special Meeting that was properly noticed and held in compliance with all applicable City Codes and State Laws.

## NOTIFICATION

The Council's review of this appeal was noticed as a public hearing per the requirements of Chapter 20-66 of the City Code. Notification of this public hearing was provided by posting an on-site sign, publishing notice in a newspaper of general circulation, mailed notice to surrounding property owners and occupants, electronic notice to parties that had expressed interest in projects taking place in this geographic area of Santa Rosa, and bulletin board postings at City Hall and on the City website. Pursuant to Government Code Section 65091, where necessary, the City has incorporated notice procedures to the blind, aged, and disabled communities. These procedures include audio amplifier/assistive listening device support at public meetings, closed captioning, and optical character recognition conversion of electronic notices. All public notification for the Project has complied with requirements established by applicable City Codes and State Law.

## ATTACHMENTS

- Attachment 1 – Disclosure Form
- Attachment 2 – Conditional Use Permit Narrative
- Attachment 3 – Density Bonus Project Narrative and Cost Reduction Statement
- Attachment 4 – Zoning Administrator Plan Set
- Attachment 5 – Addendum to North Santa Rosa Station Area Specific Plan EIR
- Attachment 6 – Civil Submittal
- Attachment 7 – Consideration of Design Review Board's Concept Comments
- Attachment 8 – Climate Action Plan Checklist
- Attachment 9 – Traffic Study and Parking Program Description
- Attachment 10 – Public Comments received prior to July 25th, 2023
- Attachment 11 – Applicant's Attorney Presentation
- Attachment 12 – Appeal Application – Charles M Shulz Creative Associates
- Attachment 13 – Appellant Presentation
- Attachment 14 – City Council Plan Set
- Attachment 15 – Applicant's Attorney Memo
- Attachment 16 – Zoning Administrator Resolution No. ZA-2023-005
- Attachment 17 – Zoning Administrator Resolution No. ZA-2023-006
- Attachment 18 – Birds Eye View with Rendering
- Attachment 19 – HCD Letter of Support and Technical Assistance
- Attachment 20 – Appellant Disclosure
- Resolution 1 – Addendum to the North Santa Rosa Station Area Specific Plan EIR/Exhibit A: Addendum Document
- Resolution 2 – Minor Conditional Use Permit
- Resolution 3 – Minor Design Review/ Exhibit A: Engineering Development Services dated December 21, 2022

PRESENTER

Conor McKay, Senior Planner