

APPEAL FORM

Attachment 2

Date Received: 3/20/2017

Fee: \$475.00 per Jessie

City Clerk's Office/Rec'd by:

Name of Appellant: Richard Deringer for Odyssey Dev. Co.

RECEIVED

MAR 20 2017

CITY OF SANTA ROSA CITY CLERK'S OFFICE

TO THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL:

The above named appellant does hereby appeal to your Honorable Body the following:

Planning Commission

The decision of the: (List Board/Commission/Dept.)

Decision date: March 9, 2017

Decision: (approval, denial, other) Approval

Name of Applicant/Owner/Developer: Richard Deringer for Odyssey Dev. Co.

Type of application: (Rezoning, Tentative Map, etc.) Conditional Use Permit

Street address of subject property: 60 Montgomery Village but actual is 363 W.9th Street

The grounds upon which this appeal is filed are: (List all grounds relied upon in making this appeal. Attach additional sheets if more space is needed.)

- 1. see attached ground document which is an integral part of this Appeal. Violation of CEQA as to proper filing guidelines, (No required environmental study) Violation of General Plan Goals and Policies; Violation of Catagoric Exemption allowance improperly granted by City; 2. Violation of Stateion Area Plan Guidelines and policies; Violation of Cultural Heritage guidelines requiring CHB review and approval; Violation of State Housing Guidelines, including Density Bonus and Affordable housing requirements;

Violation in that this project will create adverse impact to the community.

The specific action which the undersigned wants the City Council to take is: (Attach additional sheets if more space is needed.)

Reverse this approval and send it back to the Planning Commission for proper evaluation based on the appeal issues or turn this application down altogether

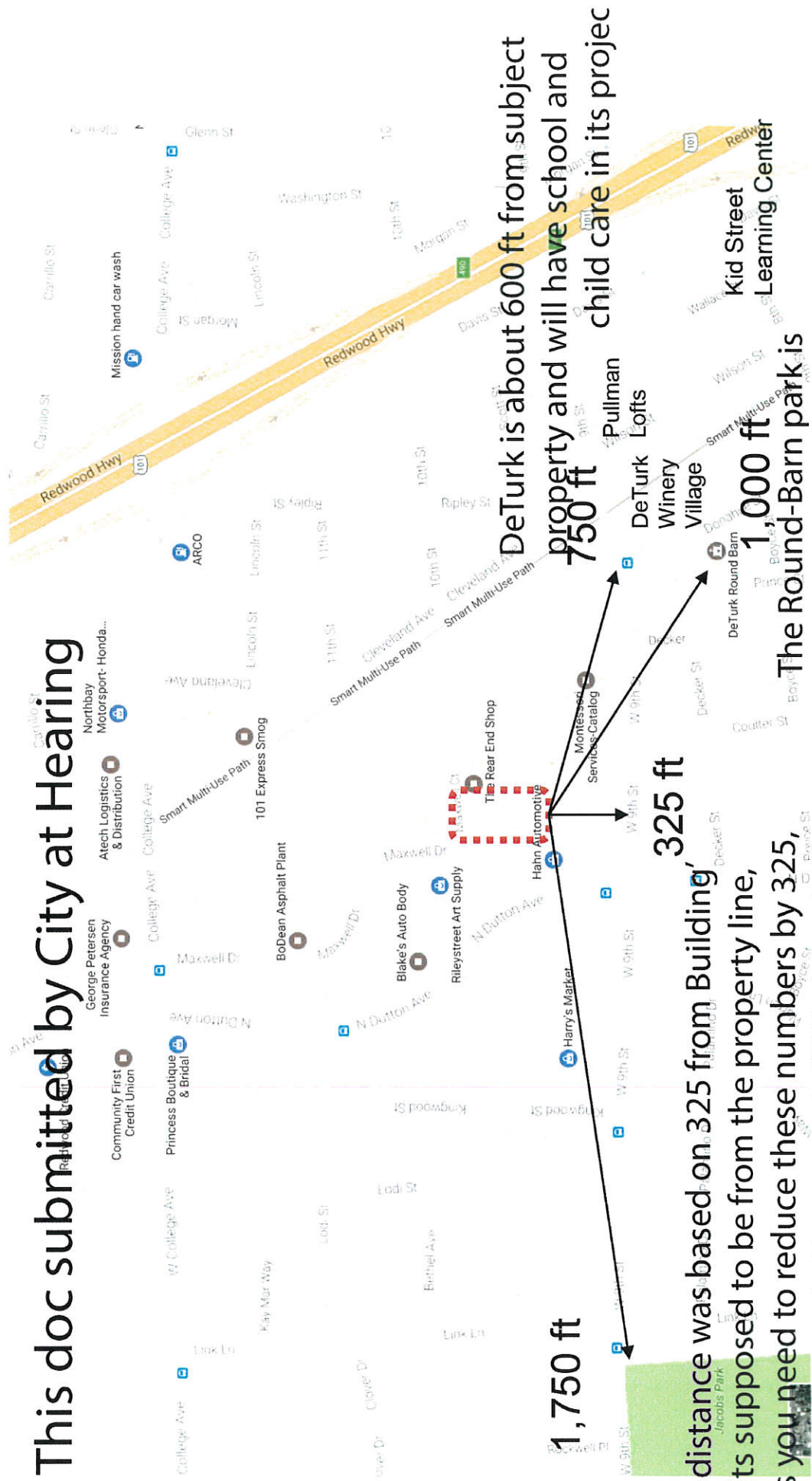
Appeals shall be submitted in writing.....on a City application form within 10 calendar days after the date of the decision. The time limit will extend to the following business day where the last of the specified number of days falls on a day that the City is not open for business.

Applicant's Signature: [Signature] Date: 3/20/2017 Richard Deringer for Odyssey Dev. Co.

Applicant's Name (type or print): Address: 707-310-2291

Daytime Phone Number: Home Phone Number

This doc submitted by City at Hearing



1,750 ft

DeTurk is about 600 ft from subject property and will have school and child care in its project

750 ft

325 ft

1,000 ft

This distance was based on 325 from Building, But its supposed to be from the property line, Thus you need to reduce these numbers by 325, which will relocate these points 325 c;loser to the Sounthern border of the subject property..

The Round-Barn park is about 400 feet closer than what the City is showing on this drawing. **20**

From the City of Santa Rosa General Plan outline: What is Necessary to Approve a Conditional Use Permit? A Conditional Use Permit is acted on by the Planning Commission and involves a public hearing and compliance with the General Plan, Zoning Code, and California Environmental Quality Act (CEQA). In order for a review authority to approve a Minor or Major Conditional Use Permit, the authority must first make the following findings: August 3, 2016 4 1. The proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of the Zoning Code and the City Code; 2. The proposed use is consistent with the General Plan and any applicable specific plan; 3. The design, location, size, and operating characteristics of the proposed activity would be compatible with the existing and future land uses in the vicinity; 4. The site is physically suitable for the type, density, and intensity of use being proposed, including access, utilities, and the absence of physical constraints; 5. Granting the permit would not constitute a nuisance or be injurious or detrimental to the public interest, health, safety, convenience, or welfare, or materially injurious to persons, property, or improvements in the vicinity and zoning district in which the property is located; and 6. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA). The following will identify the reasons that this application has not met this criterion and should be rejected.

Attachment: Appeal Issues-Reasons for Denial

1. A requirement of the California Environmental Quality Act (CEQA) is that a notice be sent to all impacted residents. This is a mandatory requirement. The City of Santa Rosa Planning Department claimed they submitted these notices to all residents and business located 400 feet from the subject property. However, that did not occur. Instead a notice was sent out to neighbors and business owners within 400 feet of the edge of the subject building, but not by the edge of the property which is required. The legal address of this property is 363 W.9th Street. This eliminated about 200 neighbors from getting proper notice of scheduled neighborhood meetings or hearings. This is a sensitive issue since these eliminated residents are within the West End Preservation District, and across the street from

four historic properties, listed on the list of California historic properties. This alone should invalidate the hearing, since after the City was told of this issue before the hearing they did not try to fix this error.

2. The subject property was not properly analyzed under CEQA. Cannabis production is a new use that has not been studied by any Environmental study performed in the City of Santa Rosa, including the Station Area Plan. Cannabis production is a unique animal that is unlike all other industrial uses. It is neither manufacturing or storage in the traditional jargon. There are serious issues that are unique to Cannabis that require extensive review, yet this project was given a categorical exemption, which we argue is not applicable for this project. Cannabis has been determined by the Federal Government as an illegal use. This is significance since no Bank that gets funds from the Federal Government can fund any loans for residential development, which impacts current and future housing projects. It's also been quoted in documents provided from various cities in California, such as Petaluma, that this use is a public nuisance and based on the numerous fires, and armed break-ins to these facilities, a danger to the community. By not preparing an environmental review the City did not supply proper documentation on certain critical environment issues. One of these is power usage. In a study by Michael Evans, senior scientist for California Berkeley National Laboratory. Mr. Evans claims that indoor cannabis cultivation released 3,000 pounds of carbon dioxide into the atmosphere per every pound of cannabis produced. By contrast, producing a personal computer releases approximately 70 pounds of CO₂; producing a pound of red meat releases 22 pounds; and producing a pound of chicken releases only 6. In a later study by Mr. Evans, he restated his position that 3,000 pounds of carbon dioxide will be produced per pound of cannabis produced in indoor facility by increasing that number to 4,600 pounds of carbon dioxide per pound of cannabis. We as residential developers are mandated to study greenhouse impacts, as just one environmental study. Yet this cannabis production facility received no study review on this issue.

We feel this is wrong. Not included in this study is the fact that in the winter these indoor cannabis facilities must maintain their interior lighting to be on 24 hours a day, making the use of electric grid more expensive and creating an even greater CO2 use. Annually this study states, for the US, cannabis consumption accounts for 15 tons of Greenhouse Gas emissions (CO2), EQUAL TO THAT OF THREE MILLION AVERAGE CARS. A typical 5,000 sq. ft. indoor cannabis facility uses 29,000+ kilowatt hours of electricity monthly. A local household consumes 630 kWh. In downtown Denver as an example, it has been estimated that over the last year Cannabis facilities downtown produced 200 million kilowatts of power for this industry, basically taking up to 2% of the entire power grid for this City. These projects create a massive requirement for power to run the equipment for filtration and production. A typical 10,000 sq. ft. production facility will require more than many times + the normal use of power of a typical warehouse/light manufacturing facility. This is a serious issue especially relating to greenhouse gas absorption. CO2 has proven to be a major issue for Santa Rosa. It was the reason that they participated in creating the passenger train to the City. Thus one must ask why take the reduction of CO2 from what is created on the roads, but reduced by the train, and allow this one industry to create massive carbon dioxide increases. There is also issues about waste removal since the by-product of production is the production of toxic fertilizer and algae blooms that cannot be put into the sewer system but must be trucked off the property. This is a state regulated item (toxic waste) that must be reviewed and dealt with. There is also an issue of water in an area where the City has already determined new water pipes must be added to meet normal water use. We take the position that this project will cause a direct physical change to the environment and that it is reasonably foreseeable that this project will have an indirect change in the environment (see Below). There are significant environmental issues that rise to a level that will impact this very important "Housing Opportunity Site". Keep in mind these impacts are not limited just to current impacts but they apply to future impacts on housing, which is

the primary use of this district and to future schools and Parks that are not only planned for this area but have started into a permit process and funding process.

Who must comply with CEQA?

CEQA applies to certain activities of state and local public agencies. A public agency must comply with CEQA when it undertakes an activity defined by CEQA as a "project." A project is an activity undertaken by a public agency or a private activity which must receive some discretionary approval (meaning that the agency has the authority to deny the requested permit or approval) from a government agency which may cause either a direct physical change in the environment or a reasonably foreseeable indirect change in the environment.

Most proposals for physical development in California are subject to the provisions of CEQA, as are many governmental decisions which do not immediately result in physical development (such as adoption of a general or community plan). Every development project which requires a discretionary governmental approval will require at least some environmental review pursuant to CEQA, unless an exemption applies.

The environmental review required imposes both procedural and substantive requirements. At a minimum, an initial review of the project and its environmental effects must be conducted. Depending on the potential effects, a further, and more substantial, review may be conducted in the form of an environmental impact report (EIR). A project may not be approved as submitted if feasible alternatives or mitigation measures can substantially lessen the significant environmental effects of the project.

3. Categorical Exemption: The City takes the position that this project is Categorically Exempt from CEQA review. We however reject this position and ask for the Council to determine if our objection creates the need for more environmental review of this project. A categorical exemption shall not be used for an activity where there is a reasonable, In *McQueen v. Mid-Peninsula Regional Open Space* (1988) 202 Cal. App. 3d 1136, the court reiterated that categorical exemptions are construed strictly, shall not be unreasonably expanded beyond their terms, and may not be used where there is substantial evidence that there are unusual circumstances (including future activities) resulting in (or which might reasonably result in) "significant impacts" which threaten the environment. Which is clearly the case in this application.

Public Resources Code Section 21084 provides several additional exceptions to the use of categorical exemptions. Pursuant to that statute, none of the following may qualify as a categorical exemption: (1) a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources within a scenic highway (this does not apply to improvements which are required as mitigation for a project for which a negative declaration or EIR has previously been adopted or certified); (2) a project located on a site included on any list compiled pursuant to Government Code section 65962.5 (hazardous and toxic waste sites, etc.); and (3) a project which may cause a substantial adverse change in the significance of a historical resource due to unusual circumstances. *Note-our historic consultant for our DeTurk project, who is local expert in this area of historic significance states, "The question is, "will the proposed new development reduce the level of significance of the historic resource?" A street scape in an historic district conveys the feeling and character of the district. If a proposed development will negatively impact the historic resource, the impact should be assessed and mitigations considered to reduce the impact on the historic resource". (West End Preservation District is less than 50 feet from the subject property),*

Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.

(c) Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.

(f) Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

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This property is in a General Plan area, TVR, and is in what is stated in the Station Area Plan area as an "Opportunity Site" area. This Opportunity site is located within 1/2 mile for the Smart train. It allows projects to file for Density Bonus, which under current ordinances can provide up to a 55 per acre site allowance. This would create almost 2,000 housing units of which about 200 units will be very low income units. We are of the position this specific use would eliminate for a minimum of 5 years, or more, but could eliminate housing altogether for this entire opportunity site area. It is impossible for housing to be built in an area with Cannabis use, not only due to the 10-16-foot barb-wired fencing, or the 24-hour lighting, or the 57-security camera's or the two armed guards at the building. This is not conducive of the creation of housing. Lenders will evaporate on any future housing project that allows for this use.

4. Ground for rejection: Historic Resource protection bars Categorical Exemption. Protection of Historic properties in the area. Historical Resources. A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource.

What is a Historical Resource? 1 Historical Resources are one of the resources that require a "mandatory finding of significance" under CEQA law (Sec. 15065a). But CEQA does not apply to all resources that a layperson might consider to be historic. CEQA only applies to "historical resources" as defined in CEQA and cross-referenced in the Public Resources Code. There are 4 categories of "historical resources" that must be considered during CEQA project review (CEQA sec. 21084.1): 1. A resource listed in or determined eligible for listing in the California Register of Historic Resources (such resources "must in all cases be granted status as historical resource" CEQA sec. 15064.5)2, 2. A resource included in a local register is

presumed to be historically significant, 3. A resource deemed significant based on Public Resources Code Sec. 5024.1 4. A resource that may not qualify under the previous three categories, but that a local agency chooses to consider "historical".

Before a permit can be processed, CEQA states that a lead agency must make two determinations regarding historical, archaeological, or tribal resources: 1. "Whether a project will impact a resource that falls within the definition of "historical" or Tribal" resource, and 2. "Whether any such impact will cause a substantial adverse change to the significance of the resource." (Remy et. al. 1999:181) (CEQA Sec. 21084.1) In order for the Item #1 determination to be completed, it is necessary to find out if there are any "historical" or "tribal" cultural resources at a proposed project location. This information cannot be obtained by simply reviewing the existing records of historical or tribal resources housed at a state or local agency. An archaeological field inspection must be conducted and an opportunity for consultation with the appropriate tribal group must be provided for on all discretionary projects to discover if any historical or tribal cultural resources are present.

The subject property is just 50 feet from the West End Preservation District. Over two hundred homes in this district was given no notice of a public neighborhood meeting or about the hearing on this project, which violates CEQA mandated requirements. In addition, there is the DeTurk Round-barn and Park, an historic facility recognized on both the Federal and State listing of historic places. You have the DeTurk Winery project, built in 1875 and is a historic state resource. There are also 4 listed historic single family homes all within a about 100 feet from this site. We address this issue with our Historic Resource Consultant Susan Clark and she stated, "The question is, "will the proposed new development reduce the level of significance of the historic resource?" A street scape in an historic district conveys the feeling and character of the district. If a proposed development will negatively impact the historic resource, the impact should be assessed and mitigations considered to reduce

the impact on the historic resource". We deem this statement accurate and ask the Council to send this project back to the Cultural Heritage Board for evaluation of Historic Resource impact. This issue alone eliminates the Categorical Exemption, and gives us the right to file directly to both the State and Federal Government if required. We however feel the Council will see the negative impact on the historic adjacent neighborhood and deem this project not eligible for a categorical exemption.

5. General Plan objection: This property is shown in the General Plan to be TV-R, mandating a new zoning for this area. The intent of this General Plan designation is for the *creation of Housing, mandated and needed housing for the City of Santa Rosa*. The City of Santa Rosa has mandated 5,000 new housing units between now and 2022. This will never happen if this entire "Opportunity Site" area is eliminated due to this Cannabis use which will eliminate any part of this potential 35-acre site area from having housing now or in the future. Planning Commissioner Vicky Duggan recognized the promises made not only in the General plan but also in the Station Area Plan, by the City for the inclusion of housing. She voted against this project for the same reasons that we feel the council should reject this project. There are about 30 open cannabis production facilities in the permit process, so this one project, located in what we feel is the worst location for this use, should not impede the development of housing for this area, yet that is exactly what it accomplishes.

The owners of this property have turned down all potential offers by residential users because they feel they make more money by keeping it industrial. Currently these cannabis facilities pay twice the normal rental rate for the area, which will make it less likely to create housing. The fact they pay so much in added rental rate has been a negative to maintaining a vibrant industrial community, forcing many industrial users to leave the area. If the goal from the City is to increase housing, then it will not happen unless the City puts safeguards into this district to promote housing. The City of Santa

Rosa received substantial funding from State and Federal government for the creation of the Station Area Plan. This was for the creation of housing needed to meet the needs of the transit system, mainly the Smart train system, and eliminating the bulk of these homes created by this plan is wrong and the Council needs to stop this elimination of housing, in our opinion.

Zoning Applicable section of the Zoning Code include: Chapter 20-64 Amendments, Section 20-64.050(B) Findings for Zoning Code/Map amendments: 1. Findings required for all Zoning Code/Map amendments: a. The proposed amendment is consistent with the goals and policies of all elements of the General Plan, and any applicable specific plan; b. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City; and c. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA), Additional finding for Zoning Code amendments: The proposed amendment is internally consistent with other applicable provisions of this Zoning Code. The proposed Zoning Code text amendment is supported by several General Plan goals and policies, some of which are noted in the section of this report. The City has not properly addressed these issues, by not providing the required CEQA response and must provide proof that the this proposed project meets all findings required by the Santa Rosa Zoning Code. It would not be detrimental to the public interest, health, safety, convenience, or welfare and that land use is allowed currently in the residential and commercial zoning districts that are the subject of this application and the proposal would not change the current permitting requirements in those districts.

6. It is our opinion, this proposed project violates the zoning as outlined in the Station Area Plan area, for this "Opportunity site" area. The - LIL combining district is intended to allow the properties within the Maxwell Court neighborhood (Figure 2-8) to maintain a vibrant and thriving industrial area, while also allowing the uses permitted in the

primary zoning district, Transit Village-Residential, to be developed, with ultimate conversion to Transit Village-Residential within the life of the Santa Rosa General Plan 2035. It is our position, which was seconded by Commissioner Vicky Duggan that the approval of this project will not increase the vibrancy of the industrial area, quite the opposite. Industrial users are being pushed out of the area because this use, and the fact they pay way above the current industrial market rate will reduce the traditional industrial users for that area. We are constantly being approached at our building by tenants who have had the leases terminated due to the fact they could not pay the rental price the cannabis facilities will pay. Also, since these facilities will pay a higher rent than residential rental rates they eliminate any reason for creating housing making the TVR zoning inoperative. This is not consistent with the statement, "allowing the uses permitted in the primary zoning district". Basically, approving this project in this area, an area consisting of 35 acres of potential housing opportunity violates the General Plan and the Zoning requirements, violates everything held sacred by the housing advocates who fought so hard to get the "Station Area Plan" approved. If the City is to meet the 5,000 homes required by 2020, as stated in the housing element, this project must be rejected. There are more than 25 applications for other cannabis facilities in the City of Santa Rosa, but not one of these will have such a significant and negative impact on housing as this one. It is our position that the Council must reject this project or give up any chance of creating housing in the "Opportunity site" area. If you placed a casino or a prison, as an example, directly across from housing and across from an historic neighborhood, you would devastate those residential communities, and this subject proposal does just that. If housing is the goal of this City as a primary element of the General Plan this project must be rejected.

From City records:

"Development and new land uses within a combining district shall comply with all applicable development standards of the primary zoning district, except as modified by this Chapter".

"LIL (Limited Light Industrial) district. The LIL combining district is intended to allow the properties within the Maxwell Court neighborhood (Figure 2-8) to maintain a vibrant and thriving industrial area, while also allowing the uses permitted in the primary zoning district, Transit Village Residential, to be developed, with ultimate conversion to Transit Village Residential within the life of the Santa Rosa General Plan 2035. Extended hours of operation will be a new land use for this zoning district and would require a minor Condition Use Permit".

We feel the City must reject this project as follows: The City of Santa Rosa has weaved into its many documents on their web service statements reflecting that there is a 300-foot setback from residential and a 600 setback from schools and parks. (From the Santa Rosa, Medical Cannabis Subcommittee 9/29/16 hearing the City stated" STATE LAW: requires a 600 foot setback between dispensaries, collectives, and any person who cultivates and distributes and schools, which setback many local governments have incorporated into regulations"). (The City of Santa Rosa does not have a distance to school requirement, however, state law provides that certain medical cannabis facilities maintain a minimum distance to a school. This standard is defined in the State's Health and Safety Code Section 11362.7-11362.83, subsection 11362.768 as follows: "No medical marijuana cooperative, collective, dispensary, operator, establishment, or provider who possesses, cultivates, or distributes medical marijuana pursuant to this article shall be located within a 600-foot radius of a school." From the County of Sonoma, it states, "Sonoma County- minimum 100 feet from property lines and a minimum of 300 feet from occupied residences and businesses. Structures should be set back a minimum 600 feet from a school, a public park, childcare center, or an alcohol or drug treatment facility".

7. General Plan Issues: Additional issues supporting rejection of this application: The City states the following goals and policies are applicable to this proposed project.

- a. LUL-I-1-Provide a range of commercial services that are easily accessible and attractive, that satisfies the needs of people who live and work in Santa Rosa and that attracts a regional clientele. *(We disagree with this project meeting this goal and policies. You are dealing with a facility that has 24-hour lighting, two armed guards, 57 security cameras, tons of toxic CO2 expulsion which is far more aggregates than any other property in the area, and will be a major nuisance to residential users and other users in the area. We deem this project no different than adding a casino, or a prison or a slaughter house in this neighborhood. You have hundreds of children that walk by this property daily from coming and going to local schools.)*
- b. LUL-K-Protect Industrial land supply and ensure compatibility between industrial development and surrounding neighborhood. *(These cannabis facilities are eliminating any housing developer, even affordable housing projects, from locating to the "opportunity sites", that we argue is in violation of State Law relating to the production of housing, and especially affordable housing in the area. Also, this cannabis facility will create other industrial users to move from the area, mainly because these cannabis facilities, who pay much higher rents, thus displacing existing industrial users in the area).*
- c. EV-A Maintain a positive climate in the community. *(We do not feel that this use creates a positive feeling in this community especially since we feel their neighborhood, once properly given legal notice under CEQA, will reject this use as being incompatible to housing and other business uses.)*
- d. EV-A-1 Continue to promote Santa Rosa as the North Bay's premier location for technology, clean/green technologies, and Continue to promote Santa Rosa as the North Bay's premier location for technology, clean/green technologies, and entrepreneurial businesses, which create new products and business models that will attract national and international markets. *(We feel this specific use will do the opposite by creating a use that is still help to be illegal by the Federal Government,*

which will mean any industrial users that deal with Federal funds will lose this avenue to build their business. A product that the Federal Government claims is just below production of Heroin is not something that we believe will enhance the Cities prestige. Santa Rosa is the only City or County in California that does not have setback requirements which we feel will degrade the business community.)

Setback concerns: From the State setback standards, the distance is to be measured in a straight line from the property line of the school to the closest property line of lot on which the facility is to be located. "School" is defined by the statute as: "School means any public or private school providing instruction in kindergarten or grades 1 to 12, inclusive, but does not include any private school in which education is primarily conducted in private homes." The City's interim cultivation ordinance does not include specific distance requirements; however, operators are required to comply with state law locational and operational requirements, such as that noted above.)

In most of the current cannabis hearing staff reflects on these setbacks. Throughout the state of California, every City and State has similar setback requirements or greater. Sonoma County extends the setback from schools and churches to 1,000 feet, you can even see these setbacks reflected in the City cannabis zoning guidelines. But in this subject hearing the City removed all setbacks with no explanations for this. This in our opinion makes no sense since if these setbacks were honored than this project would not have been approved. Real Estate Housing developments like DeTurk Winery Village and Pullman Lofts relied on these setbacks to protect the visual and safety impact of our projects. The City making such a radical change without even any notice or discussion seriously jeopardizes our project and could cost us millions of dollars. There is not a single City or County in California that has removed all these setbacks and we question why this was done. We feel this violates

the General Plan and ignores the recognized safety and environmental conditions that we as developers face in every application we submit to the City. Our rights are being abused due to this situation and we ask the City to reject this. We have a child care facility and a charter school planned for the DeTurk Winery Village and that now this is all in jeopardy over this application. We housing developers became willing partners with the City of Santa Rosa in creating housing, especially affordable housing. Having the City place major obstacles before us is disappointing since we felt the number one goal for the City was housing. There will never be any meaningful housing projects in Santa Rosa without the full support of the City. But putting what we deem is equivalent to a casino or a prison in these residential areas will make our journey a waste of time and money. The City can reject this project since it is not in conformity to the primary General Plan zoning designation.

8. Violates State Housing Guidelines: The State of California has various housing guidelines that this proposed project will, in our opinion, violate creating chaos for housing developers. The average cost to create housing downtown is approximately \$1,000,000+ per project for an average 60-unit project and then take about a year or more to go through the process. Obstacles placed before housing developers will stop the needed flow of housing to the City. This proposed project will eliminate up to 2,000 housing units and about 225 very low income units, all located within these 35 acres "Opportunity Site" areas. Under various Assembly Bills, notably AB 744 and AB 1934, the State states, "The Legislature finds and declares that the development of housing, specifically affordable housing is a matter of statewide concern and is not a municipal affair as that term is used in Section 5 article XI of the California Constitution. Therefore, Section 65915.7 of the State Government Code, as proposed to be added by this act, shall apply to all cities, including charter cities. This proposed use is in our opinion a violation of Section 65915.7 since it will eliminate 35 acres of land within a half mile of a transit facility and leave developers to have virtually no ability to meet future housing affordability. With 30 other applicants for cannabis production we do

not see why this one project should be allowed to eliminate probably to only source of land for affordable housing.

65915.7. (a) When an applicant for approval of a commercial development has entered into an agreement for partnered housing described in subdivision (c) to contribute affordable housing through a joint project or two separate projects encompassing affordable housing, the city, county, or city and county shall grant to the commercial developer a development bonus as prescribed in subdivision (b). Housing shall be constructed on the site of the commercial development or on a site that is all of the following:

- (1) Within the boundaries of the local government.
- (2) In close proximity to public amenities including schools and employment centers.
- (3) Located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code.

This housing conundrum is exasperated by the Federal Government position on Cannabis: "This became problematic to those owners and operators of multi-family housing who are using federal funds in their developments. Marijuana is one of the illegal controlled substances prohibited in federal housing communities, according to a U.S. Department of Housing and Urban Development (HUD) statement. So, one would ask why would this proposed project go forward when there are abundant cannabis production projects in the pipeline to meet their use. In fact, since its becoming clear that cannabis is so profitable now, even though with over 30 applications pending which will drive down cannabis pricing, that housing will drop backwards and the ability to build downtown housing especially affordable housing will evaporate. Yet this City will still be faced with rent control issues, including explaining to the City community where will they find housing, especially to facilitate transit housing opportunity.

SUMMARY: The Station Area Plan is a document that took years to create and took tremendous amount of time and funding to create a document that has certain guidelines and requirements with the common goal of creating transportation expansion and housing, especially affordable housing advancement. There is nothing in this plan that encourages cannabis production, quite the opposite. The residents of this City encouraged and pursued the City Council to create a mechanism to address the fact that housing needs in Santa Rosa have hit a critical point that must be addressed, that's why they stated that the "primary" use of this district is TVR. The real estate developers who for years have begged and pleaded for direction and regulations allowing housing opportunities now are confused why this City thinks this cannabis application is

necessary or advised. We strongly support that any cannabis facility, of any kind, located in an opportunity site must be rejected. This allows these uses in other areas where housing will not slater to come. Otherwise the City will be sending a signal to housing developers you're not welcome in this City. This one application will eliminate more than \$300,000,000 of local housing construction. It will eliminate thousands of good paying construction jobs and it will eliminate millions of dollars of future property tax revenues. This council has the ability to reject this property and place its efforts into assisting housing developers build the potential 2,000 housing units and 250 very low income housing units that can and will be achieved in the opportunity sites if the Council truly encourages and is willing to fight for housing creation. Please keep in mind almost all affordable housing projects gain funding from federal sources, which will be eliminated if these cannabis facilities are located adjacent to these affordable housing units. To the best of our knowledge this is the only application located in the "opportunity site" area. The rest of the approximate 30 applications do not impact housing opportunity like this application does. The City in our opinion, must be looking to creating housing and most importantly affordable housing. Taking people off the street, offering veterans and the elderly a home for safety and survival should be the motivation of this City. New Housing creates less need for rent control. New Housing creates vibrancy, walkability and in so many cases the alternative to living on the street. We hope the council will consider this when they review our appeal.

Richard Deringer

