

CITY OF SANTA ROSA
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
STAFF REPORT FOR PLANNING COMMISSION
June 25, 2026

PROJECT TITLE

MD Market

APPLICANT

Harman Dhillon

ADDRESS/LOCATION

1995 Sebastopol Road

PROPERTY OWNER

Paulsen Land Company, LLC

ASSESSOR'S PARCEL NUMBER

125-071-013

FILE NUMBERS

PLN25-0495

APPLICATION DATES

January 8, 2026

APPLICATION COMPLETION DATE

April 20, 2026

REQUESTED ENTITLEMENTS

Major Conditional Use Permit

FURTHER ACTIONS REQUIRED

Building Permit

PROJECT SITE ZONING

CG – General Commercial

GENERAL PLAN DESIGNATION

Retail and Business Services

PROJECT PLANNER

Sheila Wolski

RECOMMENDATION

Approval

Agenda Item #11.2
For Planning Commission Meeting of: June 25, 2026

CITY OF SANTA ROSA
PLANNING COMMISSION

TO: CHAIR WEEKS AND MEMBERS OF THE
PLANNING COMMISSION
FROM: SHEILA WOLSKI, SENIOR PLANNER
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
SUBJECT: MD MARKET – ALCOHOL SALES AND EXTENDED HOURS OF
OPERATION

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Planning Commission, by resolution, approve a Conditional Use Permit (CUP) to allow the sale of alcoholic beverages for off-site consumption and to allow extended hours of operation at the proposed MD Market, located at 1995 Sebastopol Road, Assessor's Parcel No. 125-071-013.

BACKGROUND

1. Project Description

The project involves a request for a Major Conditional Use Permit (CUP) to allow the sale of alcoholic beverages for off-site consumption and extended hours of operation for one hour: 11:00 p.m. to 12:00 a.m. Operating hours for the neighborhood-serving market are proposed from 6:00 a.m. to 12:00 a.m., seven days per week, at a proposed neighborhood-serving market located at 1995 Sebastopol Road. The underlying market use is permitted by right in the CG (General Commercial) zoning district; the CUP is required only for alcohol sales and extended hours of operation.

MD Market is proposed as a grocery and convenience market offering general grocery items, packaged foods, prepared foods, coffee, and alcoholic beverages for off-site consumption. Alcohol sales would be accessory to the primary market use, and the business would not function as a standalone liquor store.

The business would operate within an existing 7,500-square-foot commercial

building, formerly occupied by O'Reilly Auto Parts. No expansion of the building footprint is proposed. Interior tenant improvements will be reviewed separately through the building permit process.

The project site is located within walking distance of other commercial shopping centers, as well as several housing subdivisions. The market is intended to serve nearby residents and employees, and transit users.

The applicant proposes operational and security measures intended to address loitering and safety concerns, including well-lit exterior premises, security cameras, and on-site management presence during operating hours.

There is an existing MD Market approximately 80 feet from the project site, at 1930 Sebastopol Road. This store was permitted under County of Sonoma and California Department of Alcoholic Beverage Control (ABC) regulations, which include alcohol sales. This store is open seven days a week with the following hours: Sunday-Thursday 6:00 a.m. – 12:00 a.m. and Fridays and Saturdays 6:00 a.m. – 2:00 a.m.

If the Conditional Use Permit for the new location is approved, the applicant will transfer their ABC license to the new location and close the existing store location. Operations at the new location will include participation in the United States Department of Agriculture (USDA) Supplemental Nutrition Assistance Program (SNAP), which provides eligible low-income households with monthly benefits to supplement grocery budgets. Eligible SNAP foods include dairy products, breads, cereals, and snack foods, all of which will be sold at the market.

2. Surrounding Land Uses

North: Commercial – Stony Point Plaza Shopping Center (Starbucks, etc.)

South: Commercial – Popeye's

East: Commercial – AutoZone

West: Commercial – Stony Point Plaza Shopping Center (FoodMaxx, etc.)

3. Existing Land Use – Project Site

The project site is currently developed with a vacant, approximately 7,500-square-foot retail store with associated parking and landscaping areas.

4. Project History

Zoning Context and Project History

January 8, 2026 Project application submitted

April 17, 2026 Notice of Application mailed

April 20, 2026	Application deemed complete
June 12, 2026	Public Hearing notice mailed and published

ANALYSIS

1. General Plan

The most relevant applicable General Plan goals, policies and actions with Staff's analysis are included below:

Goal 2-2: Promote city-centered growth and investment with a neighborhood-focused approach to create complete and connected communities that provide community members' daily needs within an easy walking or biking distance.

Policy 2-2.1: Support development of complete neighborhoods, especially in Areas of Change, ensuring they offer convenient, equitable access to goods and services needed to support daily life, such as healthy food, recreation, active transportation infrastructure, and transit.

Policy 2-2.3: Maintain close land use/transportation relationships to promote multi-modal transportation and discourage travel by automobile in all private development, capital improvement projects, and area plans.

Goal 2-5: Create a business-friendly, diverse, and sustainable economy through the attraction of new business, and the expansion, retention, and support of existing business.

Action 6-6.1: Encourage convenience stores, liquor stores, and neighborhood markets to carry fresh produce and participate in programs such as CalFresh, especially in Equity Priority Areas.

Staff Analysis: General Plan Consistency

The project site is designated Retail and Business Services in [Santa Rosa General Plan 2050](#), and is located within an Area of Change and Equity Priority Area. The Retail and Business Services designation supports retail and service enterprises, and the reuse of an existing commercial building is consistent with General Plan policies encouraging compact development, complete neighborhoods, and transit-oriented land use patterns, including Policies 2-2.1 and 2-2.3. The discretionary aspects of this request are the sale of alcoholic beverages and the proposed hours of operation. Conditions of approval related to exterior lighting, site management, security monitoring, and operational standards are intended to address compatibility with nearby uses, particularly during evening hours. With these operational controls, staff finds the request consistent with the General Plan.

2. Roseland Area/Sebastopol Road Specific Plan

The project is located in the Roseland Area/Sebastopol Road Specific Plan Area. The following Specific Plan goals and policies are most relevant to the proposed project:

Goal RET-1: Enhance access to goods and services by providing retail uses proximate to all residents.

Policy RET-1: Expand local-serving retail and personal services uses to accommodate the daily needs of Roseland area residents, visitors, and employees.

Policy RET-1.3: Encourage small neighborhood stores, such as corner food markets, in residential areas to provide services within walking and bicycling distance. Location of such stores is allowed where they can be economically supported.

Policy RET-2.2: Encourage small-scale, local-serving, and active retail uses that encourage walking, browsing, and social interaction.

Policy RET-3.2: Preserve the local character and maintain existing businesses in the plan area by promoting and encouraging locally run businesses and working with existing businesses to ensure that they remain viable and thrive.

Policy HF-1.5: Support development of small-scale neighborhood nodes that provide a range of neighborhood-serving retail, public amenities, and services to residents within walking distance of their homes.

Policy ED-1.2: Encourage local-serving retail, especially on Sebastopol Road.

Policy ED-1.3: Continue to support existing businesses and future entrepreneurial opportunities along Sebastopol Road.

Staff Analysis: Specific Plan Consistency

The project site is located within the [Roseland Area / Sebastopol Road Specific Plan](#), which addresses land use, circulation and infrastructure needs for the plan area. The Specific Plan focuses on improving quality of life and the physical environment for residents and employees, with particular emphasis on opportunities for walking and bicycling to services. The project supports Goal RET-1; Policies RET-1, RET-1.3, RET-2.2, HF-1.5, in that the project directly advances Goal RET-1 and associated policies by introducing a local-serving convenience market within an existing developed area, and improving access to daily goods for nearby residents, employees, and visitors. The market is

consistent with policies encouraging small-scale neighborhood retail uses, such as corner markets, that are accessible by walking and bicycling. Its scale and function support the development of a neighborhood-serving node, providing a convenient destination that encourages walk-in customers and fosters casual social interaction. By offering everyday necessities within proximity of surrounding residential areas, the project contributes to a more complete and connected neighborhood environment.

The project further supports economic development and local businesses (Policies RET-3.2, ED-1.2, ED-1.3) by reinvesting in a vacant building and supporting the viability of commercial uses in the Roseland area. Consistent with these policies, the convenience market represents an opportunity for a locally operated business that contributes to the area's unique character and economic resilience. The project also aligns with policies encouraging both the retention of existing businesses and the creation of new entrepreneurial opportunities, particularly along the Sebastopol Road corridor. By activating an underutilized site, the project helps strengthen commercial activity and supports a stable, thriving business environment.

3. Zoning

The [Zoning Code](#) implements the goals and policies of the General Plan by classifying and regulating the use of land and structure development within the City.

The project site is zoned CG (General Commercial) and is located within the Roseland Area/Sebastopol Road Specific Plan area. The CG zoning district is applied to areas appropriate for a range of retail and service land uses that primarily serve residents and businesses throughout the City, including shops, personal and business services, and restaurants. The CG zoning district is consistent with the Retail and Business Services land use classification of the General Plan. The proposed market use, including the sale of alcoholic beverages with a Major Conditional Use Permit, is consistent with the purpose and intent of the CG zoning district and the Retail and Business Services land use designation of the General Plan.

The project proposes reuse of an existing commercial building with no expansion of the building footprint. As no new building construction is proposed, the project complies with applicable development standards, including lot coverage, setbacks, and height, which remain unchanged from the existing condition and conform to the requirements of the CG zoning district.

Parking and Circulation

The project involves the reuse of an existing, vacant 7,500-square-foot commercial building and has 29 existing, on-site parking spaces. While the Zoning Code requires 30 parking spaces based on floor area of the uses proposed, Zoning Code Section 20-36.040(C)(2) allows for a change in use without requiring additional parking when the building is not expanded, provided that any parking deficiency does not exceed 10 spaces or 25 percent of the required parking, whichever is greater. The proposed parking supply results in a deficiency of one space, which is well below the allowable threshold. In addition, ADA-compliant parking will be maintained. There are three bicycle parking spaces, which exceeds Zoning Code requirements. Accordingly, the project provides adequate parking and is consistent with Zoning Code requirements.

A Preliminary Transportation Impact Study prepared by W-Trans, dated April 9, 2026, evaluated the proposed relocation and operation of the market. The study concluded that the site's 29-space parking supply is adequate to serve the proposed use, with peak parking demand estimated at approximately 20 spaces. No changes to existing driveway locations or design are proposed.

Alcoholic Beverage Sales

Although ABC has indicated that a formal Public Convenience or Necessity determination is not required for the license transfer, the Planning Commission must still consider whether the proposed alcohol sales serve public convenience or necessity as part of the City's Zoning Code review, pursuant to [Zoning Code Section 20-42.034](#). The following analysis addresses the applicable review findings.

1) Whether the use serves public convenience or necessity

The proposed alcohol sales are accessory to the existing neighborhood-serving market use and do not constitute a standalone liquor store. The project site is located within the CG (General Commercial) zoning district and the Roseland Area/Sebastopol Road Specific Plan area and is intended to serve nearby residents and employees by providing grocery items, prepared foods, and alcoholic beverages for off-site consumption within walking distance of various residential subdivisions and commercial shopping centers. The use is consistent with the General Plan's Complete Neighborhoods and serves a local convenience function rather than a destination for late-night alcohol use.

While the ABC has indicated this census tract is considered over-concentrated with respect to alcohol licenses, the ABC is not requiring a Public Convenience or Necessity (PCN) determination because the applicant's existing Type 21, Off-Sale General license at 1930 Sebastopol

Road would be transferred to the new location at 1995 Sebastopol Road. The transfer results in no net increase in the number of active ABC licenses in the census tract. Furthermore, the proposed hours of operation at the new location – 6:00 a.m. to 12:00 a.m. seven days per week – are less permissive than those currently authorized at the existing store, which is permitted to operate until 2:00 a.m. on Fridays and Saturdays. The proposed new location therefore represents a reduction in the intensity of late-night alcohol availability compared to the existing operation.

2) The crime rate in the reporting district and adjacent reporting districts as compared to other areas in the City

The Santa Rosa Police Department (SRPD) reviewed the request as part of the interdepartmental review process. Based on department experience and familiarity with the reporting district, the Police Beat 5 Lieutenant expressed 'no concerns' regarding the proposed accessory alcohol sales at this location with relation to crime and indicated a review of incident data within 1,000 feet of this location does not reflect any existing or location-specific public safety concern.

The SRPD does not prepare comparative "high" or "low" crime designations among reporting districts because reporting areas vary significantly in size, land use composition, and population. The SRPD prepares and publishes police beat newsletters for each of the nine police beats throughout the City. These newsletters include data on calls for service, arrests, collisions and more. Police beat newsletters for adjacent police beats are attached to the staff report.

3) The number of alcohol licenses per capita in the reporting district and in adjacent reporting districts as compared to the county-wide average

The ABC provides information on alcohol licenses based on census tract. In the Project's census tract, there are a total of 10 off-sale alcohol licenses. The latest U.S. Census Bureau Report indicates a population of 4,093 residents in this census tract. This equates to 2.44 licenses per 1,000 people. For the five adjacent reporting or census tracts, the number of licenses per 1,000 people is as follows: 1.21, 0.51, 0, 0.61 and 2.45. The California Department of Public Health's 2023 report indicates that countywide, the per capita number of off-sale licenses per 1,000 people is 1.57.

Based on coordination with the California Department of Alcoholic Beverage Control (ABC), the area is considered over-concentrated with respect to alcohol licenses. However, ABC indicated that a Public Convenience or Necessity (PCN) determination is not required for the proposed license type at the new location since the existing license at 1930 Sebastopol Road would transfer to this location, and there would be no net change in the number of

licenses. Final determination regarding license issuance remains under ABC's authority.

4) The number of alcohol-related calls for service, crimes, or arrests in the reporting district and in adjacent reporting districts

The Police Department (SRPD) does not collect data that could provide a direct correlation between the sales location of alcohol and arrest records. The Santa Rosa Police Department does not prepare comparative crime-rate analyses among reporting districts because reporting areas vary significantly in size, land use composition, and population. As a result, the Department provides raw activity data rather than comparative statistics.

Staff reviewed alcohol-related activity data provided by the SRPD for the area surrounding the project site. The data indicates that, for the two-year period of 2024 and 2025, there were 37 alcohol-related arrests within a 1,000-foot radius of the proposed location. According to the May 2026 Beat 5 SRPD Newsletter, from January 2026 - May 2026 there were 18 Driving Under the Influence (DUI) arrests. Adjacent Police Beats 3, 7 and 9 logged 24, 38, and 33 DUI arrests, respectively.

Staff therefore considered both the available activity data and the professional assessment of the responsible Police Lieutenant familiar with the area. Based on this information, Police did not express concerns that the proposed accessory alcohol sales would result in increased nuisance or crime at this location. SRPD reviewed incident data within approximately 1,000 feet of the project site and indicated that the data reflects existing area activity and does not indicate a location-specific or use-related public safety concern.

5) The proximity of the alcoholic beverage outlet to residential districts, day care centers, parks and recreation facilities, places of religious assembly, and schools

The project site is located adjacent to several commercial uses and centers along Stony Point Road and Sebastopol Road. There are residential districts located within walking distance (one-quarter mile) of the location. There are two schools located within a half-mile distance of the project: Cesar Chavez Language Academy and St. Michael's Orthodox Elementary School. There are two churches within a half-mile distance of the project. There are no day care centers or parks within a half-mile distance. Proximity to residential uses is addressed through the Conditional Use Permit process, including operational limitations and conditions intended to ensure compatibility with nearby residences.

6) Whether the site plan and floor plan incorporate design features to assist in reducing alcohol-related problems

The applicant proposes the following design and operational features, which are incorporated as conditions of approval, intended to reduce the potential for alcohol-related problems:

- Open visibility within the store and to exterior areas, supported by a floor plan that positions the checkout counter near the entrance;
- Well-lit exterior premises;
- Security cameras monitoring interior and exterior areas of the premises 24 hours per day;
- “No Loitering” signage posted on the exterior of the premises;
- Mandatory identification checks for all alcohol purchases using point-of-sale controls; and
- Employee training in responsible beverage service and legal compliance.

These features promote surveillance, visibility, and site control, deter loitering and nuisance behavior, and support responsible alcohol sales. Additional measures may be imposed through conditions of approval, as appropriate.

4. Summary of Public Comments

A Notice of Application for the project was mailed to surrounding residents and tenants on April 17, 2026. In response to the Notice of Application, Planning staff received a phone call from a resident concerned about convenience markets and alcohol sales, in general.

Staff Response:

The underlying market use is permitted by right in the CG zoning district as a “general retail” land use, and the Planning Commission’s review is limited to the alcohol sales and extended hours component of the project. The one comment received in response to the Notice of Application expressed a general concern about convenience markets and alcohol sales.

The Santa Rosa Police Department reviewed the request, and the responsible Police Beat 5 Lieutenant expressed no concerns regarding the proposed accessory alcohol sales at this location. Recommended Conditions of Approval require exterior lighting, surveillance cameras, on-site management presence, and operational standards intended to minimize loitering and support compatibility with nearby uses. Given law enforcement’s review, the proposed transfer of the existing alcohol license from the current MD Market to the proposed new location, the applicant’s proposed on-site management, and conditions of approval, staff finds that the requested Conditional Use Permit for alcohol sales and extended hours of operation can be supported.

5. Public Improvements

The project proposes reuse of an existing commercial building and does not include expansion of the building footprint. No new public improvements are proposed as part of the Conditional Use Permit request. Interior tenant improvements will be reviewed separately through the building permit process.

FISCAL IMPACT

Approval of the Project will not have an effect on the General Fund.

ENVIRONMENTAL IMPACT

The project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Existing Facilities), which applies to the operation, repair, maintenance, permitting, leasing, or minor alteration of existing public or private structures involving negligible or no expansion of existing or former use.

The proposed project involves the reuse of an existing commercial building for a neighborhood-serving market with the sale of alcoholic beverages for off-site consumption. No expansion of the building footprint is proposed. On-site improvements are limited to interior tenant improvements and minor site-related improvements, consistent with the existing commercial use of the site. The Preliminary Transportation Impact Study prepared for the project did not identify transportation impacts or site-access issues that would preclude use of the categorical exemptions.

Additionally, to the extent any minor physical improvements are required, the project is also exempt under CEQA Guidelines Section 15303 (New Construction or Conversion of Small Structures), which applies to minor construction and installation activities associated with existing facilities.

None of the exceptions to the use of categorical exemptions set forth in CEQA Guidelines Section 15300.2 apply.

Accordingly, the project is exempt from further environmental review under CEQA.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

PUBLIC NOTIFICATION

The project 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, mailing notice to surrounding absentee property owners and occupants, providing electronic notice to parties that had expressed interest in projects taking place in this geographic area of Santa Rosa, and posting notices on bulletin boards 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.

LEVINE ACT

This project is subject to the Levine Act (Gov. Code Section 84308) which prohibits City officials from participating in certain decisions regarding licenses, permits, and other entitlements for use if the official has received a campaign contribution of more than \$500 from a party, participant, or agent of a party or participant in the previous 12 months. The Levine Act is intended to prevent financial influence on decisions that affect specific, identifiable persons or participants. Please see the attached Disclosure Form for information on individuals interested in the proposed land use action and any monetary contributions to City officials. For more information, see the FPPC website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html

ISSUES

None.

ATTACHMENTS

Attachment 1 – Disclosure Form
Attachment 2 – Location Map
Attachment 3 – Project Description
Attachment 4 – Project Plans
Attachment 5 – Transportation Impact Study
Attachment 6 – ABC Comments
Attachment 7 – Police Information
Attachment 8 – Census Tract Information
Attachment 9 – California Department of Public Health Alcohol Outlet Density in California, 2023

Resolution

CONTACT

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