

CITY OF SANTA ROSA
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
STAFF REPORT FOR PLANNING COMMISSION
MARCH 12, 2026

PROJECT TITLE

MD Market

APPLICANT

Mangal Singh Dhillon

ADDRESS/LOCATION

1478 Guerneville Road

PROPERTY OWNER

BMR Lands, LLC

ASSESSOR'S PARCEL NUMBER

041-043-056

FILE NUMBERS

PRJ24-014 (CUP24-027)

APPLICATION DATES

June 3, 2024

APPLICATION COMPLETION DATE

December 23, 2025

REQUESTED ENTITLEMENTS

Major Conditional Use Permit

FURTHER ACTIONS REQUIRED

Building Permit

PROJECT SITE ZONING

TV-M – Transit Village-Mixed

GENERAL PLAN DESIGNATION

Transit Village Mixed Use

PROJECT PLANNER

Kristinae Toomians

RECOMMENDATION

Approval

Agenda Item #11.3
For Planning Commission Meeting of: March 12, 2026

CITY OF SANTA ROSA
PLANNING COMMISSION

TO: CHAIR WEEKS AND MEMBERS OF THE PLANNING
COMMISSION
FROM: KRISTINAE TOOMIANS, 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 1478 Guerneville Road, Assessor's Parcel No. 041-043-056.

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 from 6:00 a.m. to 12:00 a.m., seven days per week, at a proposed neighborhood-serving market located at 1478 Guerneville Road. The underlying market use is permitted by right in the TV-M (Transit Village–Mixed) zoning district; the CUP is required only for alcohol sales and extended hours of operation.

MD Market is proposed as a specialty 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 would not function as a standalone liquor store.

The business would operate within an existing 5,040-square-foot commercial building, formerly occupied by a retail paint store, with no expansion of the

building footprint proposed. Tenant improvements and minor site upgrades will be reviewed separately through the building permit process.

The project site is located within walking distance of the North Santa Rosa SMART Station and surrounding multi-family housing, and is intended to serve nearby residents, employees, and transit users.

The applicant proposes operational and security measures intended to address loitering and safety concerns, including exterior lighting upgrades, security cameras monitored by a third-party service, and on-site management presence during operating hours.

2. Surrounding Land Uses

North: Multi-Family

South: Multi-Family

East: Professional and Medical Offices & Multi-Family

West: Super Chavez Market

3. Existing Land Use – Project Site

The project site is currently developed with an approximately 5,040-square-foot retail store with associated parking and landscaping areas.

4. Project History

Zoning Context and Project History

At the time the Conditional Use Permit application was initially submitted, the project site was zoned PI – Public Institutional. Under the PI zoning district, the sale of alcoholic beverages is limited to uses incidental to and in conjunction with a restaurant, and retail alcohol sales independent of a restaurant are not permitted. Although the site had a long-standing history of commercial retail use (previously occupied by the Kelly Moore paint store), approval of alcohol sales under the PI zoning designation would have required findings related to the expansion of legal nonconforming use, increasing the complexity of the entitlement review.

Following application submittal, the City adopted Santa Rosa General Plan 2050 and the associated Municipal Code and Zoning Map Implementation Package, which rezoned properties citywide to align zoning with General Plan land use designations. As part of this effort, the subject property was rezoned from PI (Public Institutional) to TV-M (Transit Village Mixed). Under TV-M, a neighborhood-serving market with alcohol sales may be considered with approval of a Major Conditional Use Permit, and the requested hours of operation are evaluated through the applicable permit process. The project

before the Planning Commission is therefore reviewed for consistency with current TV-M zoning standards, applicable CUP findings, and General Plan 2050 policies.

ANALYSIS

1. General Plan

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

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.

Policy 2-4.1: Encourage compact, attractive development that creates complete neighborhoods.

Staff Analysis: General Plan Consistency

The project site is designated Transit Village Mixed Use in [Santa Rosa General Plan 2050](#), and is located within an Area of Change, Health Food Priority Area, and Equity Priority Area. The Transit Village Mixed Use designation supports neighborhood-serving commercial uses in proximity to housing and transit, 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 (Policies 2-2.1, 2-2.2, 2-2.3, and 2-4.1). The discretionary aspects of this request are the sale of alcoholic beverages and the proposed hours of operation. Conditions of approval related to lighting, site management, security monitoring, and operational standards are intended to address compatibility with nearby multi-family residential and office uses, particularly during evening hours. With these operational controls, staff finds the request consistent with the General Plan.

2. North Santa Rosa Station Area Specific Plan

The following Specific Plan goals and policies are most relevant to the proposed project:

Policy E-1.1. Expand local-serving retail and personal services uses to accommodate daily needs of station area users, visitors, employees, and

residents within easy walking distance of residential areas and the SMART station.

Policy CM-1.2. Encourage infill retail development along the Guerneville Road street frontage.

Policy UD-4.3. Provide appropriately scaled and designed lighting for all modes of travel throughout the station area. Pedestrian paths, surface parking areas, alleyways, parks, and urban plazas should be well lighted for safety.

Staff Analysis: Specific Plan Consistency

The project site is located within the [North Santa Rosa Station Area Specific Plan](#), which provides detailed land use, urban design, and circulation policies to implement transit-oriented development around the SMART rail station on Guerneville Road. The project supports Policy E-1.1 and Policy CM-1.2 by reactivating an existing commercial building on Guerneville Road with a neighborhood-serving use within walking distance of surrounding housing and the SMART station. Policy UD-4.3 is addressed through recommended conditions and project commitments related to lighting and surveillance to support visibility and safety in the parking area and pedestrian routes.

The proposed project is consistent with the North Santa Rosa Station Area Specific Plan by supporting neighborhood-serving commercial uses near transit, encouraging reinvestment along Guerneville Road, improving site circulation and safety, and incorporating design and operational measures that enhance compatibility with surrounding uses.

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 TV-M (Transit Village–Mixed) and is located within the North Santa Rosa Station Area Specific Plan. The TV-M zoning district is intended to accommodate a mix of higher-density residential, office, and neighborhood-serving commercial uses within walking distance of transit facilities. 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 TV-M zoning district and the Transit Village Mixed Use 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 TV-M zoning district.

Parking and Circulation

The project involves reuse of an existing 5,040-square-foot commercial building. The proposed market would provide 17 on-site parking spaces. While the Zoning Code would otherwise require 20 spaces based on floor area, the site is located within one-half mile of the North Santa Rosa SMART Station and qualifies under Assembly Bill 2097 (Government Code Section 65863.2), which prohibits the City from imposing minimum parking requirements for qualifying transit-adjacent sites.

In addition, Zoning Code Section 20-36.040(C)(2) allows existing parking to remain for a change in use where no additional floor area is added and parking demand is comparable. No building expansion is proposed.

The applicant revised the site circulation pattern in response to the Final Trip Generation Study to improve ingress and egress, allowing vehicles to enter from Guerneville Road and exit onto Herbert Lane. This reconfiguration improves internal circulation and eliminates the need for off-site roadway improvements. Based on the site's transit-adjacent location, operational characteristics, and revised circulation design, the proposed parking supply and layout are adequate and are not anticipated to result in significant spillover or circulation impacts.

Alcoholic Beverage Sales

Pursuant to [Santa Rosa Municipal Code Section 20-42.034](#), the Planning Commission must consider specific criteria when reviewing applications for the sale of alcoholic beverages. The following analysis addresses the applicable review findings.

1) Whether the use serves public convenience or necessity

The proposed alcohol sales are accessory to an existing neighborhood-serving market use and do not constitute a standalone liquor store. The project site is located within the TV-M (Transit Village–Mixed) zoning district and the North Santa Rosa Station Area Specific Plan area and is intended to serve nearby residents, employees, and transit users by providing grocery items, prepared foods, and alcoholic beverages for off-site consumption within walking distance of multi-family housing and transit facilities. The use is consistent with the General Plan's Complete Neighborhoods and transit-oriented development objectives and serves a local convenience function

rather than a destination for late-night alcohol use.

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 reviewed the request as part of the interdepartmental review process. Based on departmental experience and familiarity with the reporting district, Police indicated that the Coddington area would not be characterized as a high-crime area relative to other parts of the City and is generally considered to fall within the middle range of citywide crime levels. Police noted that while the area experiences some localized challenges associated with unhoused individuals, the presence of other alcohol-serving establishments in the vicinity does not raise additional concerns regarding the proposed accessory alcohol sales at this location. Police also indicated that environmental design and operational measures proposed by the applicant, including exterior lighting, security cameras, and on-site management presence, are beneficial features that can help reduce opportunities for nuisance activity and crime when properly maintained. Accordingly, Police did not identify public safety concerns that would preclude approval of the proposed accessory alcohol sales. Police reviewed the request and did not express concerns regarding the proposed accessory alcohol sales at this location.

The following data summarizes alcohol-related law enforcement activity near 1478 Guerneville Road from September 2019 through December 2025. This summary distinguishes between the immediate project vicinity (200-foot radius) and the broader neighborhood context (1000-foot radius).

Metric	200-Foot Radius (Immediate Site)	1000-Foot Radius (Neighborhood)
DUI Crime Reports	5	12
DUI Dispatch Calls	2	11
DUI Arrests	4	8
Public Intoxication Arrests	2	7
Total Alcohol-Involved Incidents	13	38

The Santa Rosa Police Department does not prepare comparative “high” or “low” crime designations among reporting districts because reporting areas

vary significantly in size, land use composition, and population. Additionally, the Department does not classify incidents or calls for service as “alcohol-related” within its reporting systems. For this reason, Police provide raw activity data for the surrounding area rather than comparative statistical analysis. Staff therefore relied on both the data provided and the professional assessment of the responsible Police Lieutenant familiar with the area.

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

Based on coordination with the California Department of Alcoholic Beverage Control (ABC), the area is not considered over-concentrated with respect to alcohol licenses. ABC has indicated that a Public Convenience or Necessity (PCN) determination is not required for the proposed license type. 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

Staff reviewed activity data provided by the Santa Rosa Police Department for the area surrounding the project site. The data indicates that between September 2019 and December 2025 there were approximately 13 alcohol-involved incidents within a 200-foot radius of the site and 38 incidents within a 1,000-foot radius.

The Santa Rosa Police Department does not categorize calls for service, crimes, or arrests as “alcohol-related” within its reporting systems and 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 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.

Activity data provided by the Santa Rosa Police Department for the surrounding area is summarized in the table above.

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 near multi-family residential uses and office uses.

The surrounding area is characterized by a mix of residential and commercial development along the Guerneville Road corridor. There are no day care centers, public parks, or schools located immediately adjacent to the site. 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, and these design and operational features are conditions of approval, intended to reduce the potential for alcohol-related problems, including:

- Open visibility within the store and to exterior areas;
- Enhanced exterior lighting, including motion-activated lighting in low-visibility areas;
- Security camera coverage monitored by a third-party service;
- On-site management presence during operating hours; and
- A revised parking and circulation layout that reduces conflicts and discourages congregation.

These features promote surveillance, visibility, and site control, and reduce opportunities for loitering and nuisance behavior. 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 July 5, 2024. A Neighborhood Meeting was held on September 9, 2024, at a time when the property was zoned PI – Public Institutional. Planning staff subsequently received extensive written correspondence from nearby residents, property owners, and business representatives. Many commenters expressed opposition to the proposed alcohol sales and extended hours of operation.

Additional written correspondence was received following distribution of the Planning Commission hearing notices. Comments include both opposition and support for the proposed market. Several commenters expressed support for the project, stating that a nearby market would provide convenient access to groceries, snacks, and prepared foods within walking distance of surrounding housing and workplaces. Supporters also noted that activating the currently vacant building could improve activity and perceived safety in the area. Other commenters reiterated concerns regarding alcohol sales, extended hours of operation, potential crime, and compatibility with nearby residential uses. All

public comments received to date have been reviewed and are included as attachments to this staff report.

The primary concerns raised by the public can be summarized as follows:

- **Support for a Neighborhood-Serving Market:**
Several commenters expressed support for the project, stating that a nearby market would provide convenient access to groceries, snacks, and prepared foods within walking distance of surrounding housing and workplaces. Supporters also noted that activating the currently vacant building could improve activity and perceived safety in the area.
- **Public Safety and Crime:**
Many commenters expressed concern that alcohol sales, especially with late evening operating hours, could contribute to increased loitering, vandalism, theft, substance abuse, and other nuisance or criminal activity. Several commenters cited personal experiences with crime in the surrounding area or referenced incidents at other alcohol-serving establishments in Santa Rosa, expressing concern that the project could increase calls for police service.
- **Late-Night Operations and Loitering:**
A recurring concern was that operating until midnight could encourage lingering activity, loitering, and congregation during late evening hours, potentially affecting nearby residents, employees, and businesses. Commenters expressed concern that late-night activity would be incompatible with the surrounding neighborhood.
- **Proximity to Residential Uses:**
Commenters emphasized the site's proximity to multi-family residential developments, including large apartment complexes housing families, seniors, and individuals with disabilities. Concerns included potential noise, safety, and quality-of-life impacts for residents, particularly during evening hours.
- **Compatibility with Surrounding Uses:**
Several commenters raised concerns about compatibility with nearby professional offices, medical uses, and commercial tenants, noting that employees and patients may be present during evening hours and could feel unsafe navigating the area.
- **Overconcentration of Alcohol Uses:**
Some commenters asserted that the area is already adequately served by existing liquor or convenience stores and expressed concern that an additional alcohol outlet was unnecessary and could exacerbate existing conditions.

- **Traffic, Parking, and Circulation:**
Concerns were raised regarding increased traffic, parking demand, and circulation impacts, including spillover parking into adjacent office properties, congestion near transit facilities, and impacts associated with SMART rail crossings along Guerneville Road.
- **Economic and Business Impacts:**
Nearby business owners, including an adjacent grocery store operator, expressed concern about potential economic impacts, competitive effects, and consistency with conditions previously imposed on similar businesses in the area. The operator of an adjacent grocery store expressed concern that approval of alcohol sales and extended hours at the proposed market could negatively affect their business and potentially result in reduced employment.
- **Effectiveness and Enforcement of Security Measures:**
While the applicant proposed security measures such as lighting, cameras, and on-site management, several commenters expressed skepticism regarding the long-term effectiveness of these measures and the City's ability to enforce conditions of approval over time.
- **Existing Site Conditions:**
Some commenters acknowledged that the building's current vacancy has contributed to safety and nuisance issues but expressed concern that the proposed use, particularly alcohol sales and extended hours, could introduce new or intensified impacts rather than resolve existing problems.

Staff Response:

The underlying market use is permitted by right in the TV-M zoning district, and the Planning Commission's review is limited to the alcohol sales and extended hours component of the project.

Nearby business owners, including one nearby grocery store operator, expressed concern that approval of another market selling alcohol with extended hours could negatively affect their business. Economic competition between private businesses, however, is not a land use consideration under the Zoning Code. Staff also considered concerns raised regarding hours of operation and potential safety impacts. These concerns are addressed through the Conditional Use Permit findings, consultation with the Santa Rosa Police Department, and recommended conditions related to lighting, security cameras, on-site management presence, and operational standards intended to discourage loitering and nuisance activity.

Staff evaluated the concerns raised regarding crime, late-night activity, and alcohol sales in light of applicable Municipal Code findings and interdepartmental review. The Santa Rosa Police Department reviewed the request and indicated

that the surrounding area would not be characterized as a high-crime area relative to other parts of the City and did not express 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 protect nearby residential uses.

5. Public Improvements

The project proposes reuse of an existing commercial building and does not include expansion of the building footprint. Public improvements associated with the project are limited and primarily consist of on-site circulation, parking lot, and safety-related improvements.

Significant improvements include modifications to the internal parking lot circulation to improve site access and safety, including revised ingress from Guerneville Road and egress to Herbert Lane, which avoids the need for off-site roadway improvements. Additional on-site improvements include parking lot restriping, lighting upgrades, security enhancements, and installation of bicycle parking, as required.

No off-site public infrastructure improvements are proposed or required at this time. Any required frontage, access, or safety-related improvements will be addressed through Engineering Development Services conditions of approval, as applicable. For a comprehensive list of required on-site and off-site improvements, refer to the DAC Report - Exhibit A (Conditions of Approval) attached to this staff report.

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. Minor on-site improvements, including interior tenant improvements, lighting upgrades, parking lot restriping, circulation modifications, and installation of security features, are limited in scope and consistent with the existing commercial use of the site.

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.

The project does not include any features that would trigger an exception to the use of a categorical exemption pursuant to CEQA Guidelines Section 15300.2, including unusual circumstances, cumulative impacts, impacts to scenic highways, hazardous waste sites, or impacts to historical resources.

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, 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.

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

Issues identified during review include zoning consistency (resolved through the site's rezoning to TV-M), circulation (addressed through the revised ingress/egress configuration), and compatibility/public safety concerns associated with alcohol sales

and late operating hours. These concerns are addressed through operational commitments and recommended Conditions of Approval.

ATTACHMENTS

- Attachment 1 - Disclosure Form
- Attachment 2 - Location Map
- Attachment 3 – Project Description
- Attachment 4 – Project Plans
- Attachment 5 – Final Trip Generation Study
- Attachment 6 – ABC Comments
- Attachment 7 – Public Correspondence
- Attachment 8 – Correspondence from Police

Resolution 1/Exhibit A

CONTACT

Kristinae Toomians, Senior Planner
ktoomians@SRCity.org
(707) 543-4692