

**CITY OF SONOMA
PLANNING COMMISSION
REGULAR MEETING
June 9, 2016**

Community Meeting Room, 177 First Street West, Sonoma, CA

MINUTES

Chair Cribb called the meeting to order at 6:30 p.m.

Roll Call:

Present: Chair Cribb, Comms. Wellander, Coleman, Willers, Sek

Absent: Comms. McDonald, Roberson, Chair Felder

Others

Present: Planning Director Goodison, Associate Planner Atkins Administrative Assistant Morris

Chair Cribb stated that no new items would be heard after 10:30 p.m. unless the Planning Commission so decides. Any decisions made by the Planning Commission can be appealed within 15 days to the City Council. He reminded everyone to turn off cell phones and pagers. Comm. Willers led the Pledge of Allegiance.

COMMENTS FROM THE PUBLIC: None.

APPROVAL OF MINUTES: Comm. Willers made a motion to approve the minutes of April 14, 2016, subject to the correction noted by Comm. Wellander. Comm. Wellander seconded. The motion was unanimously approved (4-0, with Comm. Sek abstaining). Comm. Willers made a motion to approve the minutes of May 12, 2016. Comm. Cribb seconded. The motion was unanimously approved (4-0, with Comm. Sek abstaining).

CHANGES TO AGENDA ORDER: None

CORRESPONDENCE: Item 1 staff revision; late mail on Items 2 and 3 from David Eichar and Mary Martinez; issues update.

Item #1 – Public Hearing – Consideration of a Temporary Use Permit to allow outdoor live music in association with a wine club event from 1 p.m. to 4 p.m. on Sunday, June 12, 2016 at 389 Fourth Street East.

Applicant/Property Owner: Sebastiani Winery /Foley Family Wines, Inc.

Associate Planner Atkins presented staff's report.

Chair Cribb opened the item for public comment.

Gary Geiger, Senior Hospitality Manager/Sebastiani Winery appreciated the consideration for having this one-time event.

Comm. Willers asked about the capacity of the parking lot. Mr. Geiger stated that in his understanding, there were 129 parking spaces.

Comm. Sek asked how event attendance would be controlled. The applicant stated that it is being done through an RSVP process and that only those who made a reservation would be admitted.

The applicant responded that wine club members would pre-register for the event. He stated that the estimated attendance represents the total over the course of the event and he expects there would be fewer people on the site at any one time.

Chair Cribb closed the item for public comment.

Comm. Wellander supported the application in light of the proposed conditions of approval since there have been similar events at the winery with no recent noise complaints. He noted that if it is not managed well, the next event may be evaluated differently.

Comm. Willers stated that although he had some reservations about the number of attendees, he did not object to the hours or the proposed music. He agreed that if problems occurred, that would affect how future requests are reviewed.

Comm. Coleman concurred.

Comm. Sek concurred with her fellow Commissioners and felt that all 600 people would not attend at the same time.

Chair Cribb agreed, especially as no neighbors have voiced objection.

Comm. Willers made a motion to approve the Temporary Use Permit as requested. Comm. Coleman seconded. The motion was unanimously approved (5-0).

Item 2 – Public Hearing – Consideration of a Use Permit to convert a second floor space into a vacation rental unit within the Sonoma Court Shops complex at 533 First Street East.

Applicant/Property Owner: STRATAap Architecture/Sonoma Court Shops, Inc.

Planning Director Goodison presented staff's report.

Comm. Coleman questioned if four occupants are allowed in the one-bedroom unit. Planning Director Goodison agreed with the concern, suggesting that if the Use Permit is approved, occupancy should be limited to two persons.

Chair Cribb opened the item for public comment.

Terrance Redmond, representing Sonoma Court Shops, noted that the reference to four persons was an error and that occupancy should be limited to two. He stated that he was available to answer questions and in his view that the proposal complies with the requirements

of the Development Code. He envisions a greater amount of revenue generated for the City by the proposed vacation rental use than other available options. The demand for office use within the complex has slowed over the years, but there is increased demand for short-term rentals.

Comm. Wellander asked about the number of long-term residential apartment spaces within the Sonoma Court Shops complex. Mr. Redmond stated there were approximately 6-8 residential apartments within Sonoma Court Shops.

Chair Cribb noted that changing economics can guide a property owner's business decisions and asked the applicant if he could provide specific metrics as to the difference between the financial performance of the space as an office versus that of a vacation rental. Mr. Redmond stated that he could not provide those specifics, but noted that as he mentioned before, there is simply much less demand for office space. In the future that might change, in which case other uses might come into the forefront.

Jim Bohar, resident in the Historic district, asked whether the provisions of the Historic Overlay Zone had any implications with regard to this proposed change in use.

Planning Director Goodison noted that while the site is located within the Historic Overlay Zone, its provisions are not relevant to this application.

Chair Cribb closed the item for public comment.

Comm. Sek is satisfied that the application complies with the Development Code. While she recognizes that the proposed use would limit its potential to be used as an apartment, she noted that this particular space has long been used as an office. Based on these factors, she does not object to the use permit.

Comm. Coleman agreed with Comm. Sek and preferred this downtown location for a vacation rental over taking housing opportunities away from other areas. He would not support removing an apartment from the housing stock, but in this case the tenant space has been used as an office.

Comm. Willers disagreed with approving this vacation rental application, because he feels that it conflicts with the City's housing policies by removing a potential apartment unit from the mix. In his view, the City's vacation rental regulations have been evolving based on an increasing interest in protecting housing and opportunities for housing. If the market for office space is weak, it is his impression that demand for long-term residential apartments is strong and that is an already-approved option for this tenant space. He is of the view that if a vacation rental were approved it is unlikely that it would ever revert back to a long-term rental since rents collected would be higher with short-term occupants.

Comm. Wellander noted that Sonoma Court Shops includes a number of apartment units and the Development Code would limit the number of vacation rental units within it to two. He is therefore comfortable with the proposed change in use since it involves a tenant space that has long been used as an office, rather than as an apartment.

Chair Cribb stated that he was conflicted. He recognizes that while this tenant space may be used as an apartment, it has historically been used for commercial purposes. While it is not a direct take-away from the housing stock, he is certainly aware of the demand and need for long-term rental housing. On the other hand, he tries to respect property owner needs and this site is zoned Commercial. However, the apartment use is an option for this space and the proposed

change removes an opportunity for a long-term rental at this ideal location. At this time, he would like to hear from other Commissioners, but at this moment he leans toward approving the application. He noted that the item which follows may raise somewhat different issues. He suggested that if the direction is to approve the application, the condition related to night-time activities should be clarified.

Comm. Willers talked about the introduction of the Mixed Use zone and the allowance for multi-family development in the Commercial zone. In his view, these changes were made to bring vitality to the downtown and to encourage the development of less expensive housing types that are not seen often in Sonoma. The tenant space in question would make a desirable apartment in the core of the town. This use is already allowed in that tenant space. If it is converted to a vacation rental use, then it is highly unlikely that it will ever be used as a long-term rental.

Comm. Wellander stated that the fact that there are already apartments in Sonoma Court Shops, that are not affected by this proposal, addresses the desire for a residential component in that project. He asked staff to verify the limit on vacation rentals that could be allowed within Sonoma Court Shops.

Planning Director Goodison said that no more than two vacation rentals are allowed on a parcel either through conversion or new development.

Comm. Willers agreed, but noted that an allowance for two vacation rentals was not a mandate to approve them. In his view, the tenant space is perfectly suitable for apartment use, a use which is currently supported by strong demand. If the demand shifts in future years, an office use also remains an approved option.

Comm. Wellander stated that he did not view it as a mandate. He is simply pointing out there is a built-in limit on what can happen in Sonoma Court Shops with respect to vacation rentals and that Sonoma Court Shops has a residential component that will not be reduced as a result of this application.

Comm. Coleman noted that market demand for various uses change over time. In his view, the commercial zoning and the location of the site on the Plaza are appropriate for a vacation rental use. He would prefer to see a vacation rental in this setting, rather than in a residential area. He stated that economic conditions could change again in the future, in which case it might be used as apartment or office. He noted that this application would not remove any existing apartment from Sonoma Court Shops.

Comm. Willers noted that the City's vacation rental regulations generally preclude the conversion of a residence to a vacation rental in residential zoning districts. Therefore, such units are not at risk.

Comm. Sek confirmed that the existing commercial tenant is vacating the unit.

Comm. Sek made a motion to approve the application, with the conditions of approval modified to reflect an occupancy limit of two persons and a quiet time of 10 p.m. - 7 a.m. Comm. Wellander seconded. The motion was approved 3-2 (Comms. Willers and Cribb opposed).

Item 3 – Public Hearing – Consideration of a Use Permit to convert a second-floor space into a vacation rental unit within the Sonoma Court Shops complex at 11 East Napa, Unit #1.

Applicant/Property Owner: STRATAap Architecture/Sonoma Court Shops, Inc.

Planning Director Goodison presented staff's report.

Chair Cribb opened the item for public comment.

Terrance Redmond, applicant, stated that he wished to address the seemingly absolute position expressed by some Commissioners with respect to housing. In his view, the market represented by Sonoma Court Shops cannot be divided between residential and commercial. It contains 42 tenant spaces which are used for a variety of purposes, including residential apartments. Based on the staff report on the project, there are not, in fact very many vacation rental units in Sonoma. Although from the City's perspective Sonoma Court Shops represents one parcel, which means that it is limited to two vacation rental units and he accepts that. In practice this means that only a small fraction of the 42 units—less than 5%—could be used in that manner. He explained a strong demand for vacation rentals in conjunction with weak demand for office space drove the business decision to apply to convert the space to a vacation rental. Spending on a vacation rental represents discretionary income. In his view the fact that this demand is occurring is a sign of a healthy economy. He noted that vacation rentals help downtown retailers. In 2008, during the recession, there was no such demand. He urged the commissioners to not take an absolutist position on vacation rentals, but rather to allow them where they are appropriate.

Comm. Wellander asked about the number of parking spaces allocated to the previous tenant. The applicant stated that one space had been allocated to that tenant.

Planning Director Goodison clarified with the applicant that the limit of four occupants would apply to the two bedroom unit.

Comm. Coleman asked about the scenario in which two couples arrive in separate vehicles. The applicant stated that in his view, the parking lot is large enough to accommodate that occurrence.

The applicant, in reference to late mail from a prospective apartment tenant, stated that a mistake was made with respect to a flyer that had gone out which was intended to advertise a long-term apartment space within the complex that will be available in two months.

Chair Cribb closed the item for public comment.

Comm. Willers stated that he does not support the application as he believes it is contrary to the City Council's intent to preserve and increase long-term housing opportunities in Sonoma. He emphasized that the existing vacation rental regulations protect most residential neighborhoods, because the only allowance for conversion is through the adaptive re-use of a historic structure, and even then the circumstances are defined very narrowly. Therefore, the hypothetical presented by the applicant of a five-unit apartment building having two units converted to a vacation rental use is unlikely to occur. The City Council has, over the years, made it increasingly difficult to convert residences to vacation rentals. The only allowances are for a use permit in the Mixed Use and Commercial zones and for the adaptive re-use of a historic structure in residential zones. Since this application goes against the direction of protecting housing opportunities, he does not support it.

Comm. Coleman requested that Planning Director Goodison respond to Comm. Willer's comments, and it seemed that Comm. Willers was suggesting that this application could not even be considered.

Planning Director Goodison responded by giving a brief history of vacation rental regulations in Sonoma. The vacation rental ordinance currently allows consideration of vacation rentals in the commercial and mixed use zones as a conditionally allowed use.

Comm. Willers clarified that he was not suggesting that the application could not be considered. However, in considering this use permit application, he places greater value on preserving the potential of the tenant space to be used for housing, as opposed to allowing it to be converted to a vacation rental.

Comm. Wellander is satisfied that the proposal would not harm housing opportunities since the tenant space has been used for commercial purposes since its inception.

Chair Cribb opposed the conversion of the space to a vacation rental since it would preclude its potential future use as a residence. He is also not satisfied that adequate parking has been allocated for the unit. In his view this unit is somewhat more appropriate for use as a vacation rental, given its two-bedroom configuration.

Comm. Coleman made a motion to approve the Use Permit as requested with a requirement for quiet time from 10 p.m. to 7 a.m. and an occupancy limit of four. Comm. Sek seconded. The motion was approved 3-2 (Comms Cribb and Willers opposed).

Item 4 – Public Hearing – Receipt of draft Circulation Element update.

Planning Director Goodison presented staff's report.

Comm. Coleman discussed the prospect of rerouting Highway 12 to alleviate traffic congestion. He felt if Caltrans had less control the City could be more creative with respect to the design of Broadway, West Napa Street, and Sonoma Highway.

Planning Director Goodison agreed with Comm. Coleman, but noted that if Caltrans relinquished the right of way to the City, which is highly uncertain, the process would take many years. The City would gain more control while incurring increased maintenance costs.

Issues Update:

Planning Director Goodison reviewed the issues update as distributed to the Planning Commission.

Comments from Commissioners: None

Comments from the Audience: None

Adjournment: Chair Cribb adjourned the meeting at 7:51 p.m. to the next regular meeting scheduled for 6:30 p.m. on Thursday, July 14, 2016.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Sonoma Planning Commission on the 14th day of July, 2016.

Approved:

Cristina Morris, Administrative Assistant