

**CITY OF SONOMA
PLANNING COMMISSION
REGULAR MEETING
August 14, 2014**

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

MINUTES

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

Roll Call:

Present: Chair Tippell, Comms. Felder, Howarth, Edwards, Heneveld, Willers, Roberson, Cribb (Alternate)

Absent:

Others

Present: Planning Director Goodison, Administrative Assistant Morris

Chair Tippell 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. Roberson led the Pledge of Allegiance.

COMMENTS FROM THE PUBLIC: No public comments.

APPROVAL OF MINUTES: Comm. Edwards made a motion to approve the minutes of, July 10, 2014. Comm. Howarth seconded. The motion was unanimously approved 7-1 (Comm. Roberson abstained).

CHANGES TO AGENDA ORDER: Planning Director Goodison noted that Item #4 had been continued to the Regular Planning Commission meeting of September 11, 2014 and Item #5 was withdrawn by the applicant.

CORRESPONDENCE: None

Item #1 – Public Hearing – Continued review of a Use Permit allowing for the conversion of a mixed-use building into two vacation rentals as an adaptive reuse of an historic structure at 162-166 West Spain Street.

Applicant/Property Owner: Leonard Tillem & Laura Olsen

Planning Director Goodison presented staff's report.

Chair Tippell said although he did not attend the June 12, 2014 meeting when the item was previously heard, he is familiar with the building and has read all the reports.

Chair Tippell opened the item to public comment.

Leonard Tillem and Laura Olsen, the property owners, stated that, as requested by the Planning Commission, they have prepared additional information in support of the proposal. Mr. Tillem noted it has been confirmed that the building is historically significant and is therefore eligible for consideration for adaptive reuse as a vacation rental. He indicated that keeping the current uses would make it infeasible to appropriately renovate the building, given its many needs, as documented in the updated submittal. He introduced his team of professionals to support his thesis: Historian George McKale (McKale Consulting), Stan Warner, contractor, and Ryan Snow and Sylvia Bernard, real estate agents.

Stan Warner, contractor, reviewed the upgrade needs of the building. While it may appear on the surface to be in good shape, the guts of the building are greatly in need of renovation and the back deck is in danger of failing. The plumbing and electrical systems are deteriorating and need to be replaced. As previously mentioned, the deck needs to be replaced, as does the roof.

Comm. Howarth asked about the state of the foundation and the siding. Mr. Warner stated that they appeared to be fine.

Comm. Edwards asked how long the applicants have owned the building. Laura Olsen stated that she and her mother owned it since the year 2000. Comm. Edwards asked if any substantial work on the building had been done during that time. Laura Olsen stated that only routine maintenance had occurred.

Comm. Edwards asked whether any of the former tenants had been evicted. Laura Olsen stated that none of them had been evicted.

Mr. Tillem reviewed slides showing deterioration within the building. Laura Olsen noted that due to their size, the apartment units were only suitable for single tenants.

Comm. Howarth asked whether any exterior improvements or restoration activities were contemplated, apart from the replacement of the deck, given that it is a historical building.

Mr. Tillem stated that the building was constructed as a simple building. He noted that in the staff report it is noted that there used to be a decorative feature above the door, which he would be happy to replace. With regard to the windows, although they are vinyl-clad, it is his understanding that they are consistent with the historic standards in terms of their design and therefore do not need to be replaced.

Ryan Snow, local commercial real estate broker, was asked by the applicant to give his opinion of the marketability of the upstairs office spaces. In his view, given the disrepair of the spaces and their second-floor location, they are not conducive for professional office use and difficult to rent. Along with the overall lack of demand for office space, it would be difficult to lease upstairs tenant spaces for office use.

Sylvia Bernard, local realtor/property manager, was asked by the applicant to give her views on the residential rental units. She is familiar with these particular units and based on their size and condition, they would likely rent at between \$900 to \$1,000/month. She noted that while the overall residential market is strong, smaller one-bedroom units such as these tend to turn over frequently. She stated that she supported the application.

Karla Noyes, local realtor, does not support the change to a vacation rental use because she is concerned that the applicants would be deriving a benefit from deferred maintenance.

David Eichar, 1110 Loma Court, noted that he owns a vacation rental in Boyes Hot Springs. He knows that the Commission looks at proposals such as these in the overall context of housing availability, which is good. He made the point that the financial scenarios presented by the applicant did not include the option of renovating the units as proposed in the vacation rental alternative, but then renting them out as long-term rentals. Renovated units could generate a higher return as long-term rentals. He inquired if staff had received any complaints about the property owner's other vacation rental, located on Broadway.

Comm. Felder noted that because the property is historically significant and its renovation must be held to a higher standard when considering an application for adaptive reuse, he would like clarification on some issues, including the windows and the feature above the door. He finds it difficult to support a proposal for adaptive reuse unless things are done to restore the exterior of the structure.

George McKale, McKale Consulting Historian/Archaeologist, stated that in his view, the finial above the door was related to the relevant period of the building's history and therefore should be restored. With regard to the windows, he stated that while they were replaced in 1996, they meet the Secretary of the Interior's Standards regarding window replacement and therefore do not adversely affect the historic resource. For that reason, it is his view that replacing them with wood windows would not accomplish anything with respect to enhancing the historic significance of the building.

Chair Tippell closed the item to public comment.

Comm. Edwards is concerned that the starting point for the application, in his view, is that the owners have not made any improvements to the building in many years. He is opposed to taking away any rental housing opportunities in the City as the market is extremely tight. He therefore does not accept the argument that maintaining the current uses does not pencil out and he does not feel that it is the City's responsibility to help the applicants make their mortgage. Deferred maintenance is not a good reason to support this application and he will be opposing the application.

Chair Tippell noted that he is familiar with the building and is familiar with the issues of residential development. He concurs with Comm. Edwards on the issue of the implications of making an investment and making it work. That said, he appreciates the views of Mr. McKale and those of the contractors who have provided information on the condition of the property. In his view, the building is better suited to use as either apartments or vacation rental units as it is no longer suitable for office use, given the changed conditions of the market. He could not support the application as submitted. In his view, the exterior improvement of the building needs to be better addressed since this is an adaptive reuse proposal. He could potentially be swayed to support it, if enhancements were made to the exterior in keeping with its historic significance.

Comm. Felder stated that he has an overall concern with losing long-term rental units and he has not seen evidence that proper diligence was done in taking care of the property. He remains opposed to the application.

Comm. Howarth stated that maybe something is wrong with the adaptive reuse concept, if the objection is that the City should not be providing an incentive for the upgrading of historic buildings. He and Commissioner Willers reviewed the example of a triplex on East Napa Street that had been renovated as part of its conversion to a vacation rental. According to Commissioner Willers, that building was in such poor condition that it was close to requiring that it be demolished.

Comm. Howarth stated that he is not opposed to the application, subject to a condition that additional exterior upgrades be implemented to enhance the historic value of the building. He did not

believe that there was any intention on the part of applicants to game the system by deferring maintenance.

Comm. Willers noted that the original vacation rental ordinance was adopted due to the concern about losing long-term residential units in neighborhood areas. In response, the City adopted rules that only allowed them as an adaptive reuse of a historic structure. While this is an old building, in his view it is not in a state of disrepair. It simply has the needs typically associated with an older building. Because he does not believe that an adaptive reuse is needed to secure the preservation and adequate maintenance of the building, he cannot support the application. In his view, implementing the vacation rental floor plan with a two-bedroom apartment upstairs and a two-bedroom apartment downstairs, but keeping them as long-term rentals, would be the best course of action.

Comm. Heneveld stated that he would be more inclined to support the proposal if exterior upgrades were required, including the replacement of the windows. He felt that more rental housing is needed before allowances are made to convert residential housing into vacation rentals.

Comm. Roberson has visited the site over the years. The offices are not desirable and the property is in need of renovation. The proximity of the site to the square and the proposed ADA access, in his view, weigh in support of the vacation rental use, just as the loss of two apartment units weigh against the idea. He agreed with Comm. Willers that renovating the building as two two-bedroom apartments could command a higher rent. He has mixed feelings about the application in that he understands the desire to retain rental units, in that he recognizes that this historic building has renovation needs that might be difficult to address without the additional income from a vacation rental use, but is concerned about losing housing stock.

Comm. Edwards made a motion to deny the request for the conversion of a mixed-use building into two vacation rentals. Comm. Willers seconded. The motion was approved 6-1, Comm. Howarth dissenting.

Item #2 – Public Hearing – Consideration of an Exception from the side yard setback requirements to allow additions to the residence at 753 Third Street East.

Applicant/Property Owner: Richard Konecky

Comm. Edwards and Comm. Howarth recused and left the room. Comm. Cribb came to the dais.

Planning Director Goodison presented staff's report.

Chair Tippell opened the item to public comment.

George Bevan, Architect (Bevan Associates), reviewed the proposed changes to the residence.

Chair Tippell confirmed with staff that although there is no additional setback requirement for a carport, a garage must be at least 20 feet back from the face of the residence.

Madeline Agramonti, resident, asked whether there are any safety issues associated with the option of a metal roof.

Planning Director Goodison responded that the remodel, including the design of the roof, must meet all Building and Fire code requirements. Metal roofs are allowed under the Building Code and there are examples of them in the vicinity of the site.

Chair Tippell closed the item to public comment.

Comms. Willers and Roberson supported the Exception to extend the home and agreed that the roof, including the option for the use of metal, contributed to the aesthetic improvements of the overall design.

Comm. Cribb applauded the design as it improves the appearance of the residence, while keeping it a low-profile structure despite the increase in building area.

Comm. Heneveld made a motion to approve as submitted. Comm. Roberson seconded. The motion passed unanimously.

Comms. Edwards and Howarth returned to the dais.

Item #3 – Study Session – Study session on an application to redevelop a group of parcels with a 59-unit hotel/spa and a restaurant at 117, 123, 135 and 153 West Napa Street and 541 First Street West.

Applicant/Property Owner: Kenwood Investors.

Chair Tippell emphasized that the forum was an informal discussion to solicit public comments and feedback from the Commission.

Planning Director Goodison presented staff's report.

Comm. Edwards confirmed with staff that the revised project will soon be evaluated by the Project Advisory Committee and a cultural resources evaluation will be conducted along with an evaluation of the City's parking standards.

Chair Tippell opened the item to public comment.

Bill Hooper, project manager, explained that a positive collaboration over the past two years resulted in a major redesign of the hotel project that greatly reduces its intensity in several key areas and improves compatibility with its surroundings. He described the anticipated financial benefits for the community; TID and TOT taxes generated for the City and more jobs generated in the tourist industry.

Michael Ross, the project architect, presented an overview of the project and the changes that have been made since the previous study session.

Comm. Howarth confirmed with Mr. Ross that the Index-Tribune building is being retained.

Steve Page, resident/business owner, stated that while he had reservations about the scale of the previous proposal, he supports the new project design.

Karla Noyes, resident, is of the opinion that the scale of the project is still excessive. In her view, the results of the Measure B election show that many in the community do not support large-scale hotel development.

Vicki Zancanella, neighbor, is concerned with ingress and egress for pedestrians and cars, especially with regard to potential traffic impacts on First Street West.

Roger Zancanella, neighbor, requested more consideration for anticipated truck deliveries on First Street West.

Jeanne Allen, resident, had ADA concerns and suggested that an accessible hotel room be provided on the first floor.

Matt Matthews, building owner, believed the project will bring an added element of vitality to the Downtown District.

Marilyn Goode, resident, expressed her dissatisfaction with the dormer windows but appreciated the removal of a restaurant, the retention of the Index-Tribune building, and the changes to the project architecture.

Carol Campbell, resident, appreciated the meetings and outreach conducted by the applicants.

Darius Anderson, property owner, stated that he and the project team had learned a lot from public comments, resulting in a substantially improved project design. It is his goal to establish a positive and lasting contribution to downtown Sonoma.

Chair Tippell closed the item to public comment.

Comm. Roberson is impressed with the changes to the project and the community response. At this stage, he is primarily concerned with traffic and water issues.

Comm. Felder recognized a dramatic improvement with the plan. He remains concerned about potential impacts related to water use and this issue will need to be looked at closely as part of the review process.

Comm. Willers stated that, in his view, the scale of the original proposal was such that it amounted to a redevelopment project that was potentially disruptive to its surroundings. In contrast, the revised proposal has the scale of an infill project, with building sizes and placement that are in keeping with its setting.

Comm. Edwards appreciated the changes to the project made in response to community feedback as they have resulted in a greatly improved proposal. He noted that the issues related to truck deliveries on First Street West will need to be addressed, but felt that the delivery needs of the project could be coordinated with those of the adjoining Red Grape restaurant.

Comm. Howarth supported the changes made to the project, including the preservation of the Index-Tribune building. Placing the parking underground and reducing the intensity of the project are also positive changes.

Comm. Heneveld noted that the City's finite allocation of water from the Sonoma County Water Agency relative to this project will need to be addressed.

Chair Tippell noted the concern about the traffic level of service at the intersection of Broadway/West Napa Street and suggested that a roundabout be considered as a potential solution.

Issues Update: Planning Director Goodison reported the following:

1. Joint meeting with the City Council has been scheduled on September 3rd to discuss the Housing Element update.
2. The renovation of the Castenada Adobe by Three Sticks Winery has been completed. Chair Tippell and Comm. Roberson are impressed with the Three Sticks Winery and preservation of the building's character.

Comments from the Audience: Patricia Cullinan, resident, felt that any approval of an adaptive reuse should include a requirement for ongoing maintenance. Planning Director Goodison noted that such a requirement had been included in the draft conditions of approval for the adaptive reuse item.

Comm. Edwards made a motion to adjourn. Comm. Roberson seconded. The motion was unanimously adopted.

Adjournment: The meeting adjourned at 9:20 p.m. to the next regular meeting scheduled for 6:30 p.m. on Thursday, September 11, 2014.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Sonoma Planning Commission on the 9th day of October, 2014.

Approved:

Cristina Morris, Administrative Assistant