



Agenda Report

MEETING DATE: Monday, January 11, 2021

TO: Planning Commission

FROM: Suzi Merriam, Community Development Director
Justin Meek, AICP, Principal Planner

Community Development

SUBJECT: Planning Commission recommendation to City Council for adoption of a Design Review Permit with Density Bonus and Environmental Review (PP2019-432/APP#18) to allow construction of 50 apartments on a .745 +/- acre parcel at 558 Main Street (APN: 018-241-20)

STATEMENT OF ISSUE:

The project involves the construction of 50 residential apartments within a 4-story building on a .745 +/- acre parcel. The first floor of the building will contain a retail space facing Main Street and covered parking to the rear. Overall development proposes 15 studio, 29 one-bedroom, and 6 two-bedroom apartments. The second floor proposes an outdoor open area, multi-purpose lounge room, fire pits and BBQs. Site improvements include a new trash enclosure, infrastructure, fencing, vehicle parking and circulation.

GENERAL PLAN: CC (Central Commercial)

ZONING: CCA (Central Commercial Core Area)

SURROUNDING GENERAL PLAN/ZONING: CC (Central Commercial)/CCA (Central Commercial Core Area)

EXISTING USE: The parcel was historically used for a bank building with a parking lot and alleyway to Brennan behind. The bank building was demolished in 2019. It is now vacant with temporary fencing.

PROPOSED USE: 4-story mixed-use residential/commercial building with 50 apartments above first floor and one commercial unit on Main.

SURROUNDING USES: Multi-family residential and commercial

FLOOD ZONE: NA

CEQA REVIEW: The project is eligible for a Class 32 in-fill exemption per CEQA as it is located on a parcel of less than 5 acres, meets all requirements of the General Plan and Zoning Code, can be serviced by existing utilities, has no value as habitat for threatened or endangered species, and will not result in significant effects relating to traffic, noise, air quality or water quality.

PROPERTY OWNER: William J. Hansen and Neva J. Hansen, co-trustees of The Hansen Family Trust dated March 27, 2001.

DEVELOPER: Pacific Coast Development, 800 East Lake Avenue, Watsonville, CA 95076.

RECOMMENDED ACTION:

Staff recommends that the Planning Commission (a) adopt a Resolution recommending that the City Council adopt a Resolution recommending that the City Council approve a Density Bonus, Design Review and Environmental Review (PP2019-432/APP# 18) to allow the construction of 50 apartments on a .745 ± acre parcel at 558 Main Street (APN: 018-241-20).

The recommendations are based on the Commission making the attached findings and subjecting the Project to the attached conditions of approval.

BACKGROUND

Density Bonus

State law allows a housing development with a certain percentage of affordable units to be eligible for a density bonus. Pursuant to California Government Code Section 65915, a city must adopt an ordinance that specifies how compliance with [GOV Section 65915](#) will be implemented. Failure to adopt an ordinance does not relieve a city from complying with this section.

The City adopted [WMC Chapter 14-47¹](#) in 2006 to implement [GOV Section 65915](#). Chapter 14-47 allows density bonuses or other incentives or concessions, if the applicant agrees to construct a residential development which contains certain housing for very low, lower, and moderate income households. The possible development incentives or concessions are set forth in Section 14-47.120.

The Applicant does not request a density bonus for additional units, but does request a concession to the commercial off-street parking requirement to make the project feasible.

Design Review

All new construction, exterior remodeling, additions, or changes in use requiring additional parking, which involve structures used for multi-family residential, commercial, industrial or public purpose are subject to Design Review. [WMC § 14-12.400](#). No building permit shall be issued for a development subject to Design Review until a Design Review Permit has been approved in accordance with WMC Chapter 14-12 and subjected to conditions of approval.

¹ The Density Bonus Ordinance of the City of Watsonville,

When considering applications for Design Review, the Planning Commission shall evaluate the impact of the Design Review on and its compatibility with surrounding properties and neighborhoods to ensure the appropriateness of the development and must make the findings set forth in [WMC Section 14-12.403](#) in order to approve the project. The findings for a Design Review Permit are substantially similar to those required for Special Use Permits, except for the five additional findings to minimize adverse effects including visual impacts of the proposed development on adjacent properties in subdivision (e) of Section 14-12.403.

Affordable Housing Ordinance (Chapter 14-46)

WMC Chapter 14-46 requires that at least 20% of the units in a residential rental housing project containing 50 or more units be dedicated as affordable housing units. For this project, that means 10 units.

The Ordinance requires that the units be set aside at the following income levels:

- 5% Median
- 5% Low
- 5% Very Low
- 5% for Section 8

STANDARD OF REVIEW & APPEAL PROCESS

The decision before the Commission tonight is an adjudicative decision. Whether a particular decision is adjudicative or legislative determines the requirements to support the decision. Legislative decisions involve the adoption of broad policies applicable to many situations (for example, general plan and zoning amendments). Legislative decisions generally require few, if any, findings.

Adjudicative (or “quasi-judicial”) decisions, on the other hand, are not policy decisions. Adjudicative/quasi-judicial decisions apply already adopted policies or standards to individual cases, such as a variance or conditional use permit application. Adjudicative/quasi-judicial decisions are based on evidence and must always be supported by findings.²

The decision before the Planning Commission consists of a recommendation to the City Council on a Density Bonus, and Design Review with Environmental Review, which are adjudicative/quasi-judicial decisions and require the Commission be able to make the required findings, either for denial, or as recommended, for approval and that the findings be supported by substantial evidence. *Toigo v Town of Ross* (1998) 70 Cal App 4th 309.

A lawsuit is required to challenge a Council’s decision. A reviewing court will consider whether an adjudicative/quasi-judicial decision by the Council was supported by adequate findings. Courts scrutinize adjudicative/quasi-judicial decisions closely. An action may be overturned if the City (1) exceeded its authority, (2) failed to provide a fair hearing, or (3) made a decision not supported by substantial evidence (also called “a prejudicial abuse of discretion”).

² Quasi-judicial decisions require the decision-making body to take evidence and use its judgment to make factual as well as legal determinations about whether a particular property or project meets the standards established by the land use ordinance.

Another important difference between legislative and adjudicative/quasi-judicial decisions on appeal is the substantial evidence standard: in weighing evidence of what happened at the Council meeting, courts go beyond whether a decision was “reasonable” (the legislative standard). Courts reviewing adjudicative/quasi-judicial decisions look to make sure the decision is supported by substantial evidence. Denied applicants argue that there is no substantial evidence to support the decision. Cities usually assert there is substantial evidence to support the decision and rely on (1) the written words in the staff findings, (2) the statements and letters presented at the hearing, and (3) the words of the Planning Commission or Council

DISCUSSION

Existing Site

The .745± acre vacant site is located at 558 Main Street, as shown in Figure 1 below:

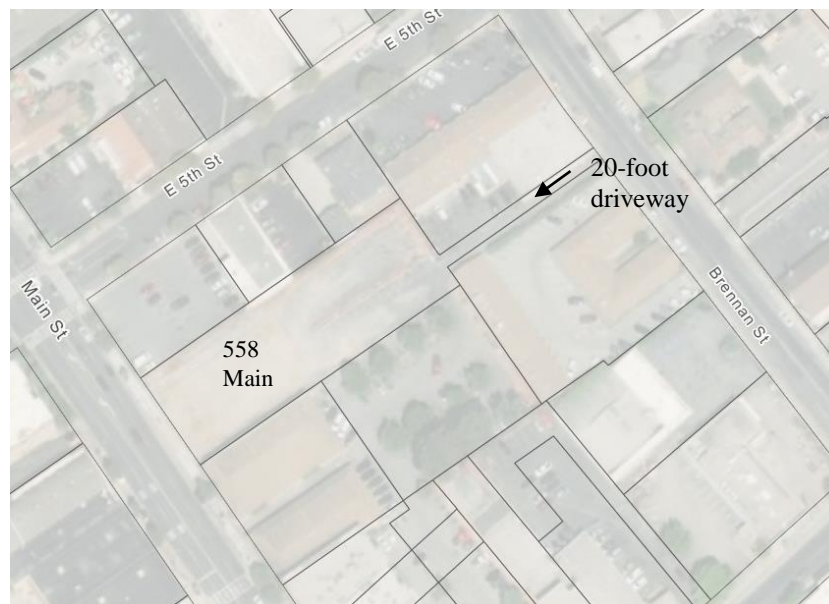


FIGURE 1 Aerial view of the project site and surrounding area

Source: COW ArcGIS 2020

The parcel has 98-feet of in fee frontage on Main Street, and 12.5 feet of in fee frontage on Brennan Street. There is also a 6.5 foot -wide vehicle and pedestrian ingress and egress easement parallel to the 12.5 wide portion of the parcel accessing Brennan. The relatively flat parcel also maintains an easement across parcels 018-241-39, -34,-35, and -45 that provides access to East Lake Avenue. The existing easement is shown in Figure 2 below.

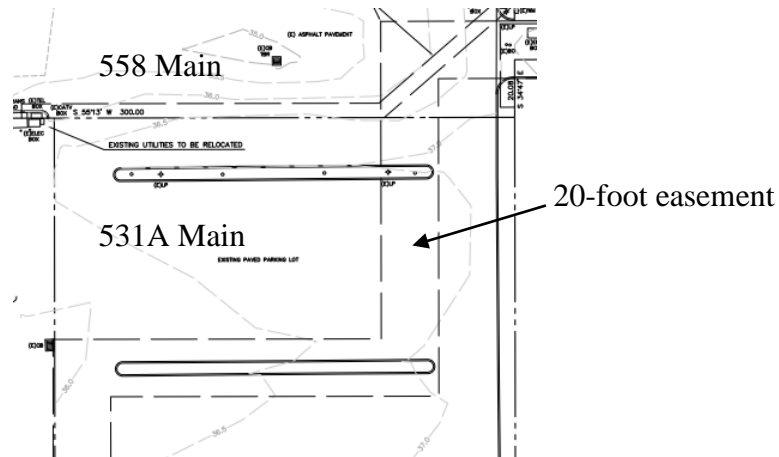


FIGURE 2 Existing 20-foot easement

Source: Portion of Project Plans Sheet C1

The parcel was developed with a 5,000 square foot bank with drive-through, however over the last several years, the building has been used as a photography studio with storage, and most recently as a pharmacy. The building was demolished in 2019. There is an existing pole sign at the driveway entrance on Brennan Street that will be renovated and reused as part of the project.

Proposed Project

The proposed project would consist of the construction of a 4-story podium building of 65,677 gross square feet. The building would extend from property line to property line (98-feet) on Main Street, and extend back towards Brennan Street approximately 204 feet. Additional gated parking would be behind the building, with a trash enclosure and dog park. The main vehicular access to the building would be through the 20-foot driveway on Brennan Street, with alternative access through an easement across adjacent parcels giving access to East Lake Avenue. There would be no vehicle access from Main Street. The project proposes to provide a pedestrian entry for residential tenants on the north side of the building on Main Street.

The first floor restaurant space would be 1,950 square feet with the remainder of the first floor reserved for residential vehicle and bike parking as well as building infrastructure.

The second floor would include 16 units, a courtyard, and a lounge area. The courtyard would contain several large seating areas, with fire pits, BBQs, and a water feature. The lounge area proposes a flexible space that could accommodate parties, movie nights, and other group gatherings. Of the 16 units on the second floor, 5 would be studios, 9 would be 1-bedroom, and 2 would be 2 bedrooms.

The third and fourth floors would have 5 studios, 10 1-bedroom units, and two 2-bedroom units on each floor.

CONSISTENCY WITH ADOPTED GENERAL PLAN AND REGULATIONS

General Plan

The parcel is designated Central Commercial on the 2005 General Plan (General Plan) Land Use Diagram. The purpose of the Central Commercial designation is to allow retail sales; personal, professional, financial and medical services; lodging; entertainment; and restaurants serving the needs of the community. Intensities in this area may not exceed a Floor Area Ratio of 2.75 inside the Central Downtown Parking District and a FAR of 0.45 outside of the Parking District. This project is located outside of the Parking District. The project would not result in a residential density that exceeds a Floor Area Ratio of 2.75. The General Plan also envisions the construction of multi-family residential units above first floor retail uses in the Downtown.

Consistency with General Plan

The proposed project is consistent with the following General Plan goals, policies and implementation measures concerning housing, land use compatibility, design, site improvement, and wildlife habitat protection.

GENERAL PLAN ELEMENT 6. HOUSING

- **Housing Element Goal 3.0: Housing Production** – Provide housing opportunity for Watsonville’s share of the regional housing need for all income groups.
- **Housing Element Policy 3.1** – Encourage the production of housing that meets the needs of all economic segments, including lower, moderate, and above moderate-income households, to achieve a balanced community.
- **Housing Element Policy 3.2** – Provide high quality rental and ownership housing opportunities for current and future residents that are affordable to a diverse range of income levels.
- **Housing Element Policy 3.4** – Continue to implement the Affordable Housing Ordinance, Density Bonus Ordinance, and other programs as a means of integrating affordable units within new residential development.
- **Housing Element Policy 4.2** – Implement and enforce residential design guidelines to ensure that the community’s expectations are met with respect to the quality and style of housing projects.
- **Housing Element Program 18: Design Review Process** – The City will continue to use the Livable Community Residential Design Guidelines³ (Livable Community Guidelines) in concert with the City’s General Plan, Zoning and Subdivision Ordinance and other area plans. The City will continue to ensure that projects comply with the City’s design review process and the Livable Community Guidelines.

GENERAL PLAN ELEMENT 4. LAND USE

- **Goal 4.7 Land Use Suitability** – Ensure that the orderly development of land for the needs of the existing and projected population within in the City limit and Sphere of Influence is based on the land’s overall suitability, including: the accessibility of existing

³ Adopted by Resolution 134- 01 in 2001. See <https://www.cityofwatsonville.org/DocumentCenter/View/2549/Livable-Communities-Residential-Design-Guidelines>. Accessed 12/20/2020

and proposed public facilities, services, and utilities, physical and financial constraints; and/or growth inducing impacts.

- **Policy 4.G Land Use Suitability** – The City shall encourage the development of urban uses on those lands best suited for urban uses and discourage it on lands unsuited for urban uses.
- **Implementation Measure 4.C.8: Housing Support-** A variety of moderate- and high-density housing shall be developed to support the downtown commercial area and provide housing for the employment base of the Westside Industrial Area.
- **Implementation Measure 4.A.2: Land Use Compatibility** – The City shall monitor housing production to ensure compatibility with surrounding land uses.
- **Goal 5.1 Visual Resources** – Preserve and enhance the built and natural visual resources within Watsonville.
- **Goal 5.2 Community Appearance** – Blend new development and recognized values of community appearance and scenic qualities, and ensure that new development enhances, rather than detracts from its surroundings.
- **Goal 5.6 Urban Design** – Achieve high standards of street, site and building design that are both efficient, and aesthetically pleasing.
- **Policy 5.A Project Design Review** – The preservation of visual resources shall be accomplished through the design review process.
- **Policy 5.B Design Consistency** – The City shall review new development proposals to encourage high standards of urban design and to ensure that elements of architectural design and site orientation do not degrade or conflict with the appearance of existing structures.
- **Implementation Measure 5.A.4: Development Standards** – In addition to the Livable Community Guidelines, the City shall use the adopted standards for multiple family residential developments to ensure that medium- and high-density development is designed so as to enhance rather than detract from the urban environment.
- **Implementation Measure 5.B.3: Enhancement** – The City shall utilize the development standards, zoning ordinance regulations for each district, and the Livable Community Guidelines to ensure that new development is an asset to the existing neighborhood and community with regard to parking, landscaping, open space, and project design.
- **Goal 9.5 Water Quality** – Ensure that surface and groundwater resources are protected.
- **Policy 9.D Water Quality** – The City shall provide for the protection of water quality to meet all beneficial uses, including domestic, agricultural, industrial, recreational, and ecological uses.

The project would provide high-density housing above a modern restaurant space within the historic Downtown core. The development of 50 apartments, 10 of which would be affordable to a variety of income levels, will both provide much needed housing for residents while also

contributing to achieving the RHNA⁴ figures in the City's 2015-2023 Housing Element for these income categories for the 10 affordable units.

The parcel abuts existing utilities that can be extended to serve the project. The project is not anticipated to induce population growth other than the residents who would inhabit the apartments.

ZONING

The Zoning Ordinance implements the General Plan, regulates the future growth of the City, and promotes orderly community development.⁵ It includes text descriptions for and conditions for the zoning districts and the Zoning Map, which sets forth the designations, locations and boundaries of zoning districts.

The parcel is within the Central Commercial Core Area (CCA) Zoning District. The purpose of the CCA Zoning District is to establish an area for the development of a concentrated, pedestrian-oriented downtown center with intensive commercial, financial, administrative, professional, entertainment, cultural, and residential uses within the heart of the City⁶.

The project is consistent with the allowable uses for and general purpose of the CCA Zoning District, in that restaurants are a principally permitted use on the first floor, and condominiums and apartments are a principally permitted use on upper floors in the Downtown⁷. If the restaurant proposes the sale of alcohol, a separate Alcohol Conditional Use Permit is required.

PARKING ORDINANCE

Subdivision (i) of WMC Chapter 14-17.801(i) (The City's Parking Ordinance) requires 1 parking space for every 100 square feet of floor area for eating and drinking places. WMC Chapter 14-17.108(b) allows required parking to be calculated at 85% of the gross floor space of the commercial area, which would reduce the parking requirement to 16 spaces ($20 \times .15 = 3.6$, $20 - 3.6 = 16.4$).

⁴ The Regional Housing Needs Allocation (or "RHNA") is based on State of California projections of population growth and housing unit demand and assigns a share of the region's future housing need to each jurisdiction within the Association of Monterey Bay Area Governments (AMBAG). These housing need numbers serve as the basis for the update of the Housing Element in each California city and county.

⁵ The General Plan and Zoning are not the same. A general plan is a set of long-term goals and policies that a community uses to guide development decisions. Although the plan establishes standards for the location and density of land uses, it does not directly regulate land use. Zoning, on the other hand, is regulatory. Under the zoning ordinance, development must comply with specific, enforceable standards such as minimum lot size, maximum building height, minimum building setback, and a list of allowable uses.

⁶ WMC 14-16.1000 Purpose.

<https://www.codepublishing.com/CA/Watsonville/#!/Watsonville14/Watsonville1416.html#14-16.1000>

⁷ 14-16.1001 Principal permitted uses.

<https://www.codepublishing.com/CA/Watsonville/#!/Watsonville14/Watsonville1416.html#14-16.1001>

DENSITY BONUS ORDINANCE

WMC Municipal Code Section 14-47 (Density Bonus) allows for increased density and specified concessions from adopted regulations for those projects that provide affordable units. Because this project is required to provide at least 20% of the units for affordable housing, the project is eligible for a Density Bonus and up to 2 concessions. However, the applicant is not requesting an increase in density for the project above the density allowed in the CCA Zoning district. The applicant is requesting to eliminate the off-street parking requirement for the commercial portion of the project.

WMC Chapter 14-47.130 requires Density Bonus applications to include a Density Bonus Housing Plan, which describes any Density Bonus, incentive, concession, waiver, modification, or revised parking standard requested. For mixed-use developments, the application must also include evidence that the required Density Bonus Findings can be made.

Pursuant to subdivision (b) of § 14-47.140, before approving an application for a Density Bonus, the Planning Commission and Council shall make the following findings:

- (1) *The application is eligible for a Density Bonus and any concessions, or incentives requested if conforms to all standards included in this Chapter and includes a financing mechanism for all implementation and monitoring costs.*

This project will provide 20% of the 50 units for affordable housing for a minimum 55-year period. The project will be monitored annually by the Community Development Department's Housing Division for compliance with a Density Bonus Affordable Housing Agreement. Based on the applicant's proposal, the project is eligible for up to 2 concessions per state Density Bonus law. GOV § 65915.

The applicant has provided a letter describing the need for a concession eliminating the commercial off-street parking requirement, as the project cannot accommodate additional parking. The applicant has indicated that off-street commercial parking would require the development of a subterranean parking garage, with costs ranging between \$65,000-90,000 per parking space. The project is located within the historic Downtown Core, where both publicly-owned parking lots and on-street parking are available.

Subdivision (a)(3) of § 14-47.130 excepts mixed-use developments and buildings from the requirement to provide financial analysis to determine financial feasibility of the requested concession(s).

- (2) *Any requested incentive or concession will result in identifiable, financially sufficient, and actual cost reductions based upon appropriate financial analysis and documentation as described in Section 14-47.130 of this Chapter.*

As described above, mixed-use developments are excepted from providing financial analysis of requested concessions.

- (3) *If the Density Bonus is based all or in part on donation of land, the approval body has made the seven findings in subdivision (c) of § 14-47.070.*

The Density Bonus and concession do not include the donation of land.

- (4) *If the Density Bonus, incentive, or concession is based all or in part on the inclusion of a Day Care Center, the approval body has made the findings required by subdivision (b) of § 14-47.080.*

This project does not include a daycare center.

- (5) *A Density Bonus Housing Agreement in recordable form has been signed by the owner of the Residential Development with terms and conditions reasonably to satisfy the requirements of this Chapter and the Density Bonus Program Guidelines.*

As one of the Conditions of Approval for the project, a Density Bonus Affordable Housing Agreement will be required to be signed and approved by City Council before a building permit may be issued.

Conformity with District Regulations and Development Standards

This project is consistent with all development regulations for the CCA Zoning District, Livable Community Guidelines, and the Downtown Land Use and Architectural Guidelines⁸ (Downtown Architectural Guidelines), with the requested concession to eliminate the provision of off-street parking for the restaurant as requested through the Density Bonus Ordinance.

CCA Zoning District

Maximum Building Height. The maximum height limit in the CCA district is 75 feet. The proposed 4-story building would be 58'-8". The proposed project meets the height limit of the CCA District.

Floor Area Ratio. Development in the CCA District allows a maximum FAR of 2.75. This means that the total building area cannot exceed 2.75 times the area of the parcel. The total project area is 32,248 square feet. Therefore, the total building square footage cannot exceed 88,682 square feet. The proposed building would be approximately 65,677 square feet, or a total FAR of 2.04. The project meets the maximum FAR for the CCA District.

Parking. The minimum parking requirement for residential projects with apartments is one carport and one open parking space per dwelling unit, pursuant to Section II.A.2 of the Residential Development Standards and [WMC Section 14-17.201\(a\)\(3\)](#). In addition, the minimum guest parking requirement for apartments with 50 units is one space per four bedrooms. The proposed project is not required to be consistent with these parking requirements, because state Density Bonus law has established lower standards for affordable housing projects eligible for a density bonus. Subdivision (f) of [WMC Section 14-47.110](#) sets forth these lower parking requirements consistent with State law, as follows:

- Zero to one bedroom: one on-site parking space;
- Two to three bedrooms: two on-site parking spaces; and

⁸ See resolution 243-98 adopted September 8, 1998 accessed at <https://www.cityofwatsonville.org/DocumentCenter/View/2552/Downtown-Land-Use-and-Architectural-Guidelines>, on December 20, 2020

- Four and more bedrooms: two and one-half parking spaces.

Table 1 breaks down the minimum parking requirement for the residential portion of the project. As shown in Table 1, a minimum of 56 parking spaces would be required.

Table 1 Breakdown of Proposed Units

Unit Type	#	Spaces per Unit	Total Spaces
Studio	15	1	15
1-bedroom	29	1	29
2-bedroom	6	2	12
Total			56

The project would provide a total of 56 parking spaces on site, which includes 3 van accessible handicap parking spaces, and therefore meets the minimum parking requirement.

The applicant is requesting a concession through the Density Bonus Ordinance to eliminate the requirement for off-street parking for the proposed restaurant, as discussed in the Density Bonus section of this report.

Bicycle Parking. WMC Chapter 14-17.113 requires bicycle parking be provided in residential and commercial projects at 5% of the total vehicle parking spaces required. The project requires 56 parking spaces, and therefore 3 bicycle parking spaces are required. The applicant proposes to provide 5 bicycle parking spaces within the parking garage, and an additional 5 spaces for guests, as shown in Figure 3 below.

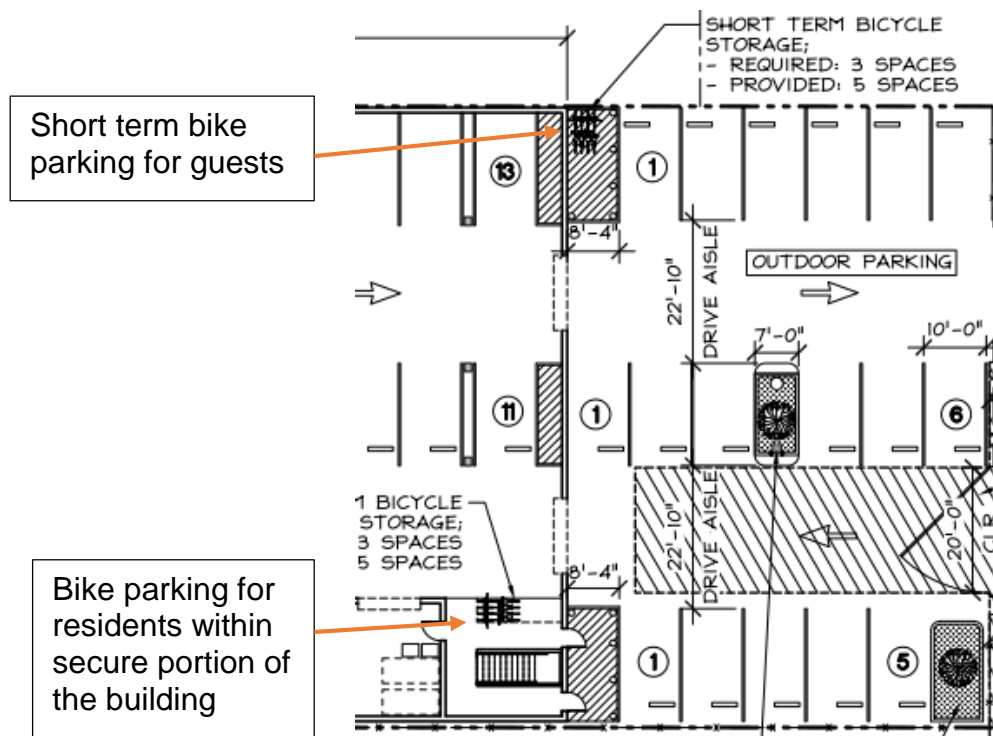


FIGURE 3 Bike Parking Location

Source: Portion of Project Plans Sheet A 0.1

Conformity with Livable Community Residential Design Guidelines

The City of Watsonville's Livable Community Residential Design Guidelines (2001) is intended to communicate the community's expectation for quality neighborhoods and housing. The Guidelines are used in concert with the City's General Plan, Zoning and Subdivision Ordinance and provides direction for shaping new residential development and infill housing in existing neighborhoods and in the downtown. The Design Guidelines add a qualitative direction for new projects in support of General Plan policies, and provide guidance for increasing density with greater attention paid to amenities and creating interconnected and livable neighborhoods. The Design Guidelines also supplement the Zoning Ordinance, which establishes basic quantitative direction for residential development standards (e.g., setbacks, lot coverage, parking), by providing neighborhood and architectural design principles and objectives. For instance, the Design Guidelines provide ways to reduce the visual impact of parking. In addition, the Design Guidelines augment City engineering design standards with additional criteria for streetscapes and a greater variety of street sizes, including narrow alley streets.



FIGURE 4a Proposed Main Street facade

Source: Belli Architects, Exterior Elevations, sheet A4.1 (11.12.2020)



FIGURE 4b Proposed Rear Elevation

Source: Belli Architects, Exterior Elevations, sheet A4.2 (11.12.2020)

The 4-story building proposes to have a grey-brick veneer on the first floor, with stucco on upper floors with interest provided through the use of three neutral colors Grays Harbor on the body, Dhurrie Beige as an accent color, and Tiki Hut for trim details, regularly spaces windows, roof parapets and portions of the façade protruding out from the main wall plane. On the first floor facing Main Street, there would be four large window bays, with decorative parapet above in a contrasting Grays Harbor blue color.

The side elevations would be a light beige stucco known as Dhurrie Beige with a 5' wide contrasting Grays Harbor blue painted band along the top of the building. Because the building is proposed to be on both the northern and southern property lines, no additional fenestration or windows can be installed, as future development may abut these walls.

The project is designed in accordance with the Livable Community Design Guidelines. The project provides buildings that are well-composed, balanced, and appropriately articulated on all sides and have facades with materials and architectural details that are aesthetically pleasing and harmonious. The massing of wall and roof planes are broken up by the use of trim, offsets in surfaces, and varying roof heights. Parking is unobtrusively placed in the rear of the building. The project includes a +/- 4,000 sf communal courtyard on the second floor as well as a 560 +/- sf multi-use lounge room. As such, the project design adheres to many of the principles and objectives in the Livable Community Design Guidelines, including the following provisions:

- Section 2.51 Orientation
 - Mixed-use residential projects should align along the sidewalk edge.
 - Mixed-use residential projects should be oriented to take advantage of foot traffic and visibility from the street.
 - Entry drives to multifamily housing should be designed to create a positive identity for the project. Landscape and site design should frame and distinguish entry drives.
- Section 2.53 Massing
 - A mixed-use building's form and design should have a deliberate street/street corner orientation.
 - Upper levels should have expressing design features that give the building a rhythm and residential scale.
- Section 2.54 Parking
 - Place parking to the side, rear or within a mixed-use project as to not interrupt the pedestrian orientation.
 - Surface parking areas should be visually screened from the sidewalk with landscaping.
- Section 2.55 Streetscape
 - Street trees are required for sidewalk areas. Trees should be spaces 25'-30' on center and be coordinated with the bay spacing and storefront design of the project.
 - Access drives to parking should be located to minimize their impact on pedestrians.
- Section 3.22 Common Areas
 - Common spaces and amenities should enhance the sense of community in multifamily projects.
- Section 3.23 Architectural Design
 - Multi-family projects should utilize a unifying theme and possess a common vocabulary of forms and architectural elements.
 - Visual interest should be created by articulation of facades, forms and use of color.
- Section 3.24 Materials and Colors

- Architecture should use a palette of materials which convey an image of quality and durability.
- All facades should employ the same vocabulary of materials.
- Painted surfaces should use colors that reinforce architectural concepts and are compatible with natural materials, such as brick or stone.
- Section 3.25 Lighting
 - Lighting in projects should be designed for specific tasks (i.e., illuminating common areas, parking, paths, entryways, etc.).
 - Fixtures should incorporate cutoffs to screen the view of light sources from residents.
 - Lighting along public streets and spaces should reflect district or neighborhood standards.
- Section 3.26 Landscape
 - All site areas not covered by structures, walkways, driveways or parking spaces should be landscaped.
 - Landscape materials should be live plants; gravel, rock, bark and other materials are not a substitute for plant cover.
 - Landscape shall be permanent with automated irrigation; water-intensive plants, such as lawns and flowering exotics, should be used sparingly as accents.

Conformity with the Downtown Land Use and Architectural Guidelines

The parcel is in the historic downtown core, and is subject to the Downtown Land Use and Architectural Design Guidelines (Guidelines). The Guidelines were adopted by Resolution #243-98 (CM) on September 8, 1998. The project is located in the “Main Street Marketplace,” which is the center of the downtown, where most of the historic and larger buildings are located. Ground floors are primarily retail with upper floors dedicated to office and residential use. Significant buildings of the Main Street Marketplace radiate from the Plaza. Front and side yard setbacks are rare, providing the most urban setting in the downtown. The project meets the following guidelines for the Main Street Marketplace:

Building Siting. the building will create a continuous façade as it will be constructed with no front and side yard setbacks, as directed in the Downtown Architectural Guidelines.

Building Massing. The building has differentiated horizontal massing on the front and rear facades, with clearly expressed building entries and regularly spaced structural bays on the upper floors.

Building Height. The roofline will be 49- feet in height, while the parapets along the front and rear of the building will vary between 56- and 58-feet in height. The maximum principally permitted height in the CCA District is 75 feet.

Building Façade. The ground floor façade has a pedestrian scale that will be friendly to foot traffic.

Fenestration. The building utilizes large bays of windows on the first floor to provide visibility into and out of the restaurant space, while the upper floors have rows of 8 regularly spaced windows at each floor that provide a pleasing pattern. The two storefront entrances are inset a few feet behind the display windows to provide façade articulation at the pedestrian scale.

Storefront. The windows and doors on the first floor comprise approximately 65% of the width of the building. The door providing access to the upper floor apartments is differentiated from the restaurant entry doors as it is a smaller scale and located under a sign indicating that it leads to the Residence apartments. The restaurant doors have 4-foot windows on each side providing clear visibility into the space.

Upper Stories. The upper stories should be differentiated from the ground floor in design and articulation. The project proposes a 3 ½ foot wide horizontal stucco band to delineate the ground floor and the upper residential floors. While the ground floor has a brick veneer, upper floors will be finished in three separate stucco colors to provide clear delineation.

Cornice and Roof. The Main Street façade proposes a varied roofline that extends approximately 9-feet above the roof. The Main Street façade includes two parapet elements extending to 58'-8" with two shorter parapets at 56'-3". A similar treatment is applied to the rear of the building. The lower parapets are inset from the façade to provide interest. The extended parapets will shield any equipment and/or services (including solar panels) that may be placed on the roof.

Materials. The project proposes the use of a muted brown brick veneer on the first floor, with a tri-color palette on the upper floors to include grey blue, beige, and light brown. Windows and doors would have black metal frames. The Downtown Architectural Guidelines call for the use of brick masonry as an acceptable first floor façade material.

Details and Ornament. The Downtown Architectural Guidelines require the use of sufficient detailing to create an interplay of light and shadows and provide visual interest to the Main Street façade. The Main Street and rear façades of the building are fairly similar, with juxtaposing insets further articulated by contrasting paint colors on the upper floors. The first-floor storefront contains contrasting cornices above the storefront entrances and windows to provide additional detailing.

Canopies. Canopies are encouraged above the storefront and below transom windows on the Main Street façade. In order to identify the entrance to the apartment building on the Main Street façade, a horizontal canopy is proposed with signage on the front that will identify "The Residence." The entrance to the apartments below the canopy will be inset from the main wall to provide shelter from the elements.

Lighting. The Downtown Architectural Guidelines call for sufficient lighting on the ground floor to promote the perception of public safety. The Downtown Architectural Guidelines further call

for the use of a variety of lighting levels, with increased lighting levels at entries and courtyards, to highlight signs, and to bring out the architectural details of buildings.

Nighttime illumination has the potential to change ambient lighting conditions and create a visual nuisance or hazard. The impact of nighttime lighting depends upon the type of use affected, the proximity to the affected use, the intensity of specific lighting, and the background or ambient level of the combined nighttime lighting. Nighttime ambient light levels may vary considerably depending upon the age, condition, and abundance of point-of-light sources present in a particular view. The use of exterior lighting for security and aesthetic illumination of architectural features may contribute substantially to ambient nighttime lighting conditions.

Spillover of light onto adjacent properties ("light trespass") has the potential to interfere with certain activities including vision, sleep, privacy and general enjoyment of the natural nighttime condition. Light sensitive uses include residential, some commercial and institutional uses and natural areas. Changes in nighttime lighting may significantly impact sensitive land uses if a proposed project increases ambient lighting conditions beyond its property line and project lighting routinely spills over into adjacent light-sensitive land use areas.

The project is being conditioned to provide a comprehensive lighting plan with photometric analysis with a Building Permit application to be reviewed by Planning staff to determine compliance with the Downtown Architectural Guidelines and the General Plan.

Equipment and Services. The Downtown Architectural Guidelines require that all mechanical equipment be screened from public view, including views from nearby buildings. Mechanical equipment located on the roof of the building would be screened by the parapet that extends approximately 6-8 feet above the roofline. The trash enclosure would be located within the first floor of the building and refuse brought out to containers at the rear of the property, next to the dog park, the night before trash pickup.

Parking is provided to the rear of the property, and access to parking is from Brennan Street, not Main Street. The Downtown Architectural Guidelines require that remote access to the rear parking lot be made from side streets rather than Main Street. The project proposes to use a 20-foot driveway from Brennan Street for primary access, with secondary access through a 20-foot vehicle and pedestrian easement that extends from this parcel across accessor's parcels 018-241-39, -34, -35, and -45 to East Lake Avenue. The entire proposed circulation plan is shown in Figure 5 below.



The driveway on Brennan Street is comprised a 13'-5" wide strip of land owned in fee and a parallel 6'-5" wide vehicle and pedestrian easement over parcel 018-241-23. Together they provide access to Brennan Street. In order to provide an unobstructed 20' clear physical access for emergency vehicles, modifications to the existing curb and landscaping along the driveway may be necessary. The project will be conditioned to require that the driveway be modified to provide a minimum of 20' of physical ground width and extending 13'-6" in height.

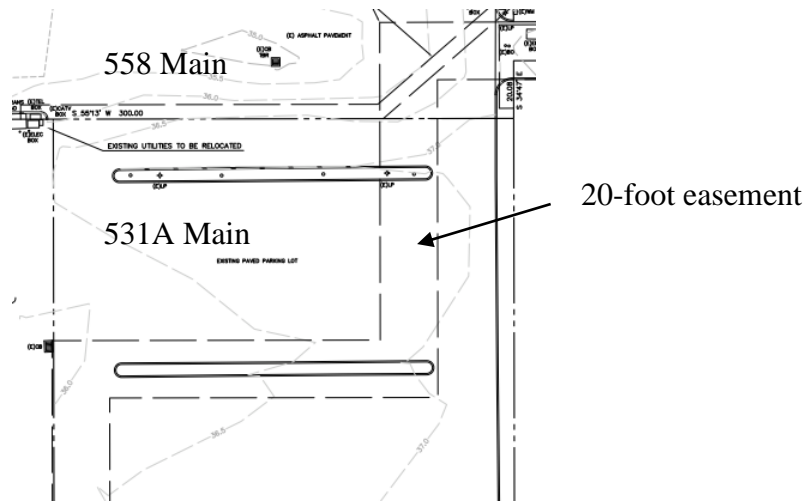


Figure 6 Existing 20-foot easement

Source: Portion of Project Plans Sheet C1

The project also proposes to relocate a portion of the existing easement to East Lake Avenue so that it does not cross over parking lot improvements, which are shown on the above Figure. The proposed relocation is shown in the Figure below.

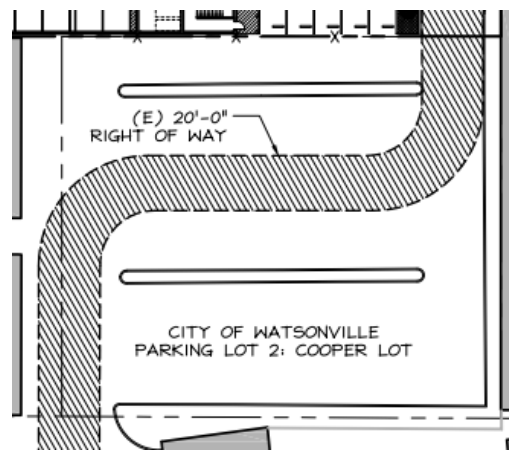


Figure 7 Proposed 20-foot easement, relocated

Source: Project Plans Page A0.0

Relocation of the easement will rectify the inconsistency in that parking lot improvements have been constructed over the easement and will also allow for the creation of an improved parking configuration on the subject property. The project is being conditioned to require submittal of a

recorded easement showing the revised right-of-way location across the adjacent parcel in order to accommodate the current parking plan.

Landscaping/Buffer Areas. The conceptual Landscape Plan (Attachment 2, sheets L-1 and L-2) depicts landscaping in the rear parking area on the subject parcel and in the second story courtyard to comprise approximately 500 square feet, or 1.6% of the parcel. Parking lot landscaping will include three planter areas to accommodate Fortnight Lily, Heavenly Bamboo and 4 Crepe Myrtle trees.

In the second story courtyard, approximately 20 planters are proposed to be installed, in which succulents, and small streets will be planted, to include Japanese Maple, Fruitless Olive, Lantana, and Heavenly Bamboo.

Per the Livable Community Residential Design Guidelines, infill projects downtown shall install street trees spaced 25-30' along the street frontage. The project is being conditioned to require the installation of 3 24" box (minimum) specimen trees. Recommended varieties for the downtown include

A condition of approval requires the landscaping and irrigation design comply with the California Model Water Efficient Landscape Ordinance, in accordance with WMC Section 6-3.801.

Fencing. Sheet A7.1 of the Architectural Plans (Attachment 2) shows the location, height, materials and design for proposed fencing. An 8-foot high wrought-iron fence would secure and separate the parking area at the rear from other parcels. The fencing plan and improvement plans indicate that the Residence parking area would be secured with electric security gates for vehicular ingress and egress as shown in Figure 8 below.

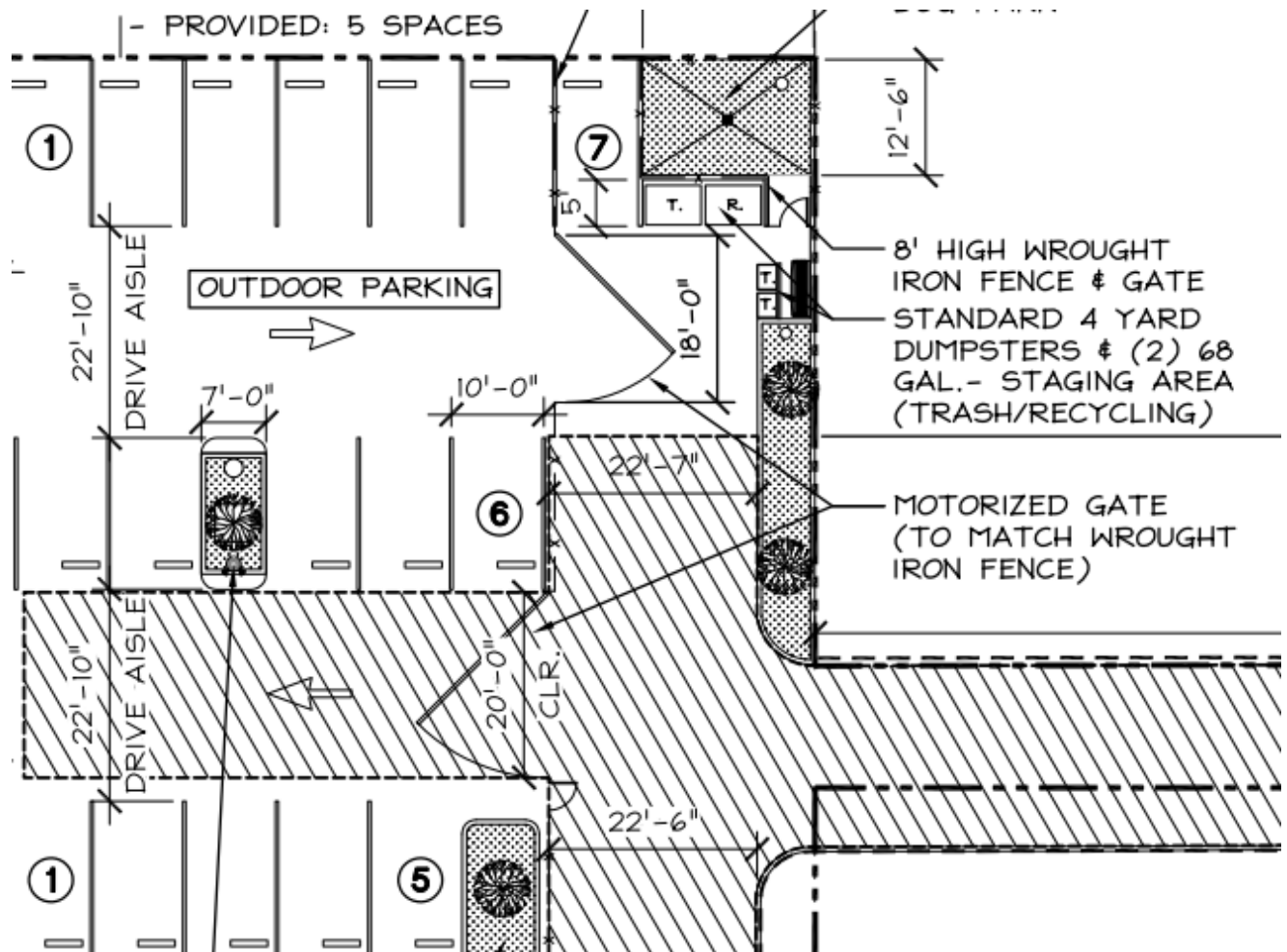


Figure 8 Location of controlled access gates to the Residence
Source: Project Plans page A0.1

Trash Enclosure. A trash enclosure is required for projects with five or more dwelling units. The project proposes an interior trash collection room within the covered ground floor parking area which would collect refuse dropped down from trash rooms in the residential floors above. The room proposes 3 trash chutes, to separate trash, recycling, and food waste. The chutes would then empty into separate containers. Building maintenance would then move the containers from the interior room to an exterior location next to the dog park for pick-up the night before service. The enclosure is proposed to be located next to a dog park, at the northeastern corner of the property. Access to the enclosure has been reviewed by the Public Works Department.

Drainage

New development and redevelopment construction projects are subject to the City's post-construction stormwater management requirements (PCRs).⁹ [WMC § 6-3.535](#). The proposed

⁹ The primary objective of the City's PCRs is to ensure the reduction of pollutant discharges to the maximum extent possible and prevent stormwater runoff from causing or contributing to a violation of water quality standards. The PCRs categorize projects into four primary tiers based mainly on the net increase in impervious surfaces that would

project is subject to performance requirements 1, 2 and 3 based on the amount of impervious surface created. Attachment 5 provides a summary of PCR tiers 1 through 4 and their associated performance requirements for stormwater management and treatment.

The project plans include a preliminary Grading and Drainage Plan (Attachment 2, sheets C2 and C3) and Stormwater Control Plan (Attachment 5). As shown on the plans, proposed drainage facilities and post-construction features include the installation of approximately 2,421 square feet of pervious pavers in a portion of the rear parking lot area and the installation of a tree grate that would collect and treat any runoff before returning it to the storm drain system. The project, as conditioned will meet the Tier 2 performance requirement, and the design claims technical infeasibility in meeting the Tier 3 requirement as an in-fill project. The Post-Construction Stormwater Ordinance allows for such projects to satisfy stormwater requirements with a 10% adjustment, as described in Performance Requirement 3 of the Stormwater Post-Construction Requirements.

Engineering staff has reviewed the project's proposed drainage plans. A condition of approval requires the applicant to revise and resubmit the Stormwater Control Plan in accordance with detailed comments prior to issuance of a Building Permit.

Environmental Review

The project has been determined to be eligible for a Class 32 Categorical Exemption per CEQA. A traffic study was prepared by Kittelson & Associates in April, 2020 for the project, which found that the project would not cause a significant increase in traffic to the parcel, nor would it have significant impacts on nearby intersections. The study did include recommended conditions to improve visibility at the driveway entrance at Brennan Street. The traffic study is included as Attachment 6.

The 558 Main Street project traffic study included intersection level of service (LOS) analysis for four intersections: 3 signalized intersections (West Lake and Brennan/ Union; W 5th and Main St, Freedom Blvd and Brennan St) and 1 stop controlled "T" intersection (E 5th and Brennan St). The City standard for acceptable level of service at a signalized intersection is LOS D. The stop-controlled intersection at East 5th St and Brennan St identifies the 5th St approach to increase in delay by about 5 seconds, and increase the queue length by one vehicle, as compared to existing traffic conditions. While mathematically this does worsen the LOS of this one approach to F, this increase is considered negligible as a typical daily fluctuation of traffic volumes could produce this same difference of one extra vehicle and an additional 5 seconds. (See Traffic Impact Analysis, page 33).

The traffic study recommended the following improvements, which will be included as project Conditions of Approval:

result from a project (i.e., the amount of new and replaced impervious surfaces). Each PCR tier is linked to increasingly stringent performance requirements for stormwater management and treatment. Each PCR tier is subject to the performance requirements of that tier, plus the performance requirements of the lower tiers, as applicable.

1. Install lane striping within the alley off of Brennan Street and signs at the driveway to increase drivers' awareness of appropriate vehicle position within the cross-section of the driveway and alley.
2. Install a convex mirror on the south side of the driveway off of Brennan Street providing visibility around the corner of the existing building for drivers exiting the parcel and drivers entering from southbound Brennan Street.

In addition to the above conditions, staff added a Condition of Approval to require the installation of a sound and light alert system for pedestrians on Brennan Street to alert pedestrians of cars approaching the intersection from the driveway. This will give additional warning and protection to pedestrians on the sidewalk when vehicles are exiting.

No additional potential significant impacts were identified for the project, and therefore staff has found that the project can be determined to be Categorically Exempt per Section 15332 of the CEQA Guidelines for In-Fill Development Projects¹⁰. This exemption applies to in-fill projects when the following conditions exist:

- a. The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- b. The proposed development occurs within City limits on a project site of no more than 5 acres substantially surrounded by urban uses.
- c. The project site has no value as habitat for endangered, rare, or threatened species.
- d. Approval of the project would not result in any significant effects relating to traffic, noise air quality, or water quality.
- e. The site can be adequately served by all required utilities and public services.

STRATEGIC PLAN:

The project follows both Goals 01 (Housing) and 04 (Economic Development) of the City's Strategic Plan. The project will create 50 new rental housing units, with 10 of the units available at affordable levels per the City's Affordable Housing Ordinance. The project would also include a restaurant space on the first floor facing Main Street, which will provide a modern space for a new restaurant opportunity in the downtown.

FINANCIAL IMPACT:

The approval of the proposed project will result in an increase in the property value, thus increasing property tax revenue to the City. Additionally, the project will provide a new restaurant space which will provide sales tax revenue. There will be one-time revenue generated by permit and impact fees for the construction of the project. There will be no adverse financial impacts to the City with approval of the project.

ALTERNATIVE ACTION:

The Planning Commission may recommend modifications to the project as long as all proposals comply with applicable law, or the Planning Commission may recommend denial of the project. The project would be scheduled for a future City Council hearing and will include both the Planning Commission recommendation and any recommended staff modifications.

¹⁰ [14 CCR § 15332](#)

ATTACHMENTS:

1. Site and Vicinity Map
2. Plan Set (November 19, 2020)
3. Density Bonus Housing Plan (November 19, 2020)
4. Post-construction Stormwater Requirements Summary
5. Preliminary Stormwater Control Plan (May 15, 2020)
6. Traffic Study by Kittelson & Associates (prepared April 2020)

PLANNING COMMISSION ACTION RECOMMENDED:

Staff recommends that the Planning Commission (a) adopt a Resolution recommending that the City Council adopt a Resolution recommending that the City Council approve a Density Bonus, Design Review and Environmental Review (PP2019-432/APP# 18) to allow the construction of 50 apartments on a .745 ± acre site located at 558 Main Street (APN: 018-241-20).

Note:

An Electronic Copy of Attachment 6 is available on the City's website:

<https://cityofwatsonville.org/DocumentCenter/Index/816>