



CITY OF CARMEL-BY-THE-SEA

Planning Commission Report

January 10, 2018

To: Chair Goodhue and Planning Commissioners

From: Marc Wiener, AICP, Community Planning and Building Director

Subject: Preliminary concept review of a proposal (DR 17-482) to demolish an existing commercial building in order to construct a new two-story mixed-use building with an underground garage. The project site is located in the Service Commercial (SC) Zoning District.

RECOMMENDATION:

Review the preliminary concept and provide direction to the applicant

Application: DR 17-482 **APN:** 010-138-003
Location: Dolores Street 2 SW of 5th Avenue
Block: 55 **Lots:** 5 and 7
Applicant: Erik Dyar **Property Owner:** Leidig/Draper

EXECUTIVE SUMMARY:

In July 2016, the Planning Commission approved the construction of a new 12,000-square foot mixed-use building at the southwest corner of Dolores and 5th. The property owners, Leidig-Draper, have since purchased the adjacent lot to the south and are proposing a similar development. With regard to commercial development, CMC 17.14.110 encourages applicants to present preliminary concept plans to the Commission for feedback and direction prior to formally submitting an application for design review.

BACKGROUND AND PROJECT DESCRIPTION:

The project site is 8,000 square feet in size and located on Dolores Street, two parcels southwest of 5th Avenue in the Service Commercial (SC) Zoning District. The lot is currently developed with a one-story commercial building that is approximately 3,650 square feet in size

and includes a surface parking lot at the rear of the property. A Historic Determination of Ineligibility was issued by the Historic Resources Board on December 11, 2017.

The applicant is proposing to demolish the existing building in order to construct a new 11,697-square foot two-story mixed-use building. The proposed building would be Contemporary style and clad with stone and stucco. The building would include 1,697 square feet of commercial space on the ground level, 4 condominium units, and 4 apartments. The project also includes an underground garage with capacity for 15 parking spaces, which would be connected to the new adjacent underground garage to the north and would be accessed off of 5th Avenue. The applicant is also proposing a courtyard with intra-block walkways, allowing circulation from Dolores Street to the two adjacent properties to the north and south, as well as to the courtyard behind the project site on Lincoln Street.

Staff has provided a cursory review of the project in order to provide a general analysis and address potential issues. Two of the main discussion topics are whether the proposed design of this building is adequately differentiated from the new corner building, and whether the scale of this building, in combination with the corner building, is compatible with the neighborhood. Staff notes that this conceptual review by the Planning Commission is intended to provide feedback to the applicant on the proposal and does not constitute a guarantee of future approval.

PROJECT DATA FOR A 8,000-SQUARE FOOT SITE (Service Commercial District):			
Site Considerations	Allowed	Existing	Proposed
Floor Area	12,000 sf (150%)*	3,650 sf (45%)	11,679 sf (97%)
Building Coverage	7,600 sf (95%)	3,650 sf (45%)	sf (%)
Building Height	30'		32'-9"
Parking Requirement	13 spaces (minimum)		15 spaces
Proposed Floor Area – Street Level			
Retail Space 1	-	-	785 sf
Retail Space 2	-	-	912 sf
Trash	-	-	20 sf
Elevator/Stair	-	-	68 sf

Residential Unit 1 (Apt)	-	-	804 sf
Residential Unit 2 (Apt)	-	-	923 sf
Residential Unit 3 (Apt)	-	-	772 sf
		Total:	4,284 sf
Proposed Floor Area – Second Level			
Residential Unit 1 (Condo)	-	-	1,536 sf**
Residential Unit 2 (Condo)	-	-	1,542 sf**
Residential Unit 3 (Condo)	-	-	1,548 sf**
Residential Unit 4 (Condo)	-	-	1,689 sf**
Residential Unit 5 (Apt)	-	-	1,079 sf
		Total:	7,394 sf**
Setbacks	Minimum Required	Existing	Proposed
Front	0		0'
Rear	0		5'
Side Yard	0		0'
*Include 10% courtyard bonus and 5% Affordable House bonus			
**CMC 17.14.140 defines mezzanines are floor area			

STAFF ANALYSIS:

Zoning District: This site is zoned Service Commercial (SC). City Municipal Code Section 17.14.010.B states that the following purpose of the SC Zoning District: *“To provide an appropriate location for services, offices, residential and limited retail activities that primarily serve local needs. This district is intended to provide a distinct transition between the more intense activities in the CC district and the less intense activities in the districts on its periphery. Mixed uses of commercial and residential activities are appropriate throughout this district.”*

General Plan – Housing Element Policy P3-2.1 states to: *“Continue to encourage mixed-use developments (second-floor housing over first-floor commercial uses) as a preferred development form contributing to the village character in all Commercial Districts.”*

General Plan – Land Use Element Policy P1-8 states to: *“Continue to encourage mixed land uses that create new second floor apartments located over ground floor retail and service uses in the commercial district on streets where a pattern of second story buildings already exists.”*

The proposed building would be mixed use and primarily occupied by residential dwelling units. In staff’s opinion, the use of the building complies with the intent of the SC Zoning District and policies of the General Plan.

Housing Density: CMC Section 17.14 establishes the range of permitted and conditional uses that are allowed in the SC Zoning District. Multi-family projects between 0 and 22 dwelling units per acre (du/acre) are a permitted use. Projects between 22-33 du/acre require a conditional use permit and projects with densities between 34-44 du/acre require a conditional use permit with a finding that the project complies with State Density Bonus Law (Gov. Code Section 65915). The applicant is proposing 8 units on an 8,000 square foot site, which is a density of 43.7 du/acre and requires a density bonus from the City.

State Density Bonus Law requires that at least one of the rental units be offered at a “low income” rate for a minimum term of 55 years. The applicant is proposing one “low income” apartment unit in order to comply with this requirement. Staff notes that “low income” is defined by the Association of Monterey Bay Area Governments (AMBAG) as being available for an individual that makes 51-80% of the Monterey County Median income. Currently the maximum allowable monthly rent would be \$1,450 for a low income unit. The rental rate is subject to change over time, however, the property owner is required to comply with AMBAG standards for a period of 55 years.

Zoning Compliance: The proposed project complies with the floor area, building coverage, height, setback, and parking standards. With regard to floor area, the proposed building would be 11,679 square feet (146% of lot area) in size. The floor area ratio for a two-story building in the SC Zoning District is 135% of the site area; however, the applicant is entitled to a 10% bonus for the intra-block walkway/courtyard, and a 5% bonus for the moderate income housing (note: separate from density bonus regulations), bringing the total allowed floor area ratio to 150%. Staff notes that CMC 17.14.140 specifically excludes underground parking and storage from the floor area calculations.

The proposed building would have a height of approximately 30 feet, as measured from the top of the clearstory. With regard to setbacks, the building would have a zero setback from all property lines. CMC 17.14.130 requires a zero lot-line setback for at least 70% of the street frontage. A zero lot-line setback is also permitted for the side and rear-yard property lines.

With regard to parking, the underground garage would include 15 spaces, which exceeds the minimum required for this building by 4 spaces. Pursuant to CMC 17.38.020 (Table A), 3 parking spaces are required for the 1,697 square feet of commercial floor area, and 8 spaces are required for the 8 residential units. The dimensions of the parking spaces meet the requirements of CMC 17.38.020.E.

Zoning Code Design Standards: The following is a list of pertinent excerpts of the City's Zoning Code addressing development in the Commercial District, with a response from staff. Staff has provided pertinent Commercial Design Guideline standards as Attachment A.

The basic standard of review in the commercial district is whether the project constitutes an improvement over existing conditions – not whether the project just meets minimum standards. (CMC 17.14.100)

Staff Response: In staff's opinion, the project would be a significant improvement over existing conditions. Of important note is that the adjacent project at the southwest corner of Dolores and 5th Avenue is similar in design to the proposed new building and was well supported by the Planning Commission and community.

The maximum land area used as a single building site in the CC district is 8,000 square feet, in the SC district is 12,000 square feet and in the RC district is 32,000 square feet. Development of a parcel larger than these limits requires that the land area be broken up into two or more distinctly different developments to avoid the appearance of a single large project and to maintain the small scale and village character of the City. (CMC 17.14.120)

Staff Response: The subject project site is 8,000 square feet and the adjacent corner project site is also 8,000 square feet. The two combined projects represent one 16,000-square foot project site and the above referenced code section applies such that the two buildings should appear distinctly different. Furthermore, the applicant is proposing to connect the underground garage on this project site with the underground garage on the north project site.

A lot merger will likely be required in order to connect the two garages and for other reasons related to the fire code separation standards.

The proposed new building would have a similar looking contemporary-style to one at the corner. Both buildings are similar in form, materials and second-story setback. The proposed new building would include a more extensive use of stone, and would use a different type of stone (i.e. color, texture, and pattern) than that used on the corner building. The proposed new building would also have a second-story loggia on the front elevation, which is essentially a free standing open stone wall. The plans also depict that the front elevation windows would have different patterns and details than the corner building, and the front planters would be made of wood as opposed stone.

The Planning Commission should consider whether the proposed new building is adequately differentiated from the corner building, as recommended by the Zoning Code. As an alternative, the applicant could revise the proposal so that siding consists entirely of stone or incorporate more wood into the design. Another option is for the applicant to vary the setback of the second story from the corner building. Finally, the Planning Commission could require that the building be an entirely different style than the corner building.

The allowable maximum building height shall be determined primarily by the design context established by the prevailing heights of nearby structures facing the same street or intersection and within the same pedestrian field of view (i.e., generally, within 100 feet to either side of, or across the street from the proposed structure). (CMC 17.14.150)

Staff Response: The proposed new building would be two stories and 30 feet high. The proposed building is consistent with the height of the corner building and other buildings in this neighborhood along 5th Avenue. However, the buildings along Dolores Street between 5th and 6th Avenues are all single story. The Planning Commission previously accepted the height and scale of the corner building, but the two neighboring projects combined create a larger project. The Planning Commission should consider whether the total project is consistent with the scale of the neighborhood and provide preliminary input. Staff intends to work with the applicant on providing a study of neighboring building heights and 3D street elevation rendering prior to the next meeting in order to assist the Planning Commission with its evaluation.

Demolition Permit: City Municipal Code Section 17.30.010 states that *“no permit authorizing the demolition of any building within any district shall be issued until reviewed by the Planning*

Commission” and “no permit for demolition shall be approved without the concurrent review and approval of replacement construction for the site.” The purpose of this code for this requirement is to ensure that project sites in which the existing building has been demolished do not remain vacant and undeveloped.

The applicant is requesting to demolish the existing one-story building at the subject property in order to accelerate the completion of the total project (by an estimated 6 months) and to reduce the disruption of Dolores Street. Staff supports this request and intends to issue the demolition permit following this Planning Commission review. The standard for Planning Commission review of a replacement design will have been met. The applicant is in the process of constructing the new corner building and has demonstrated a commitment to redeveloping the total project site.

Environmental Review: The proposed project is categorically exempt from CEQA requirements, pursuant to Section 15332 (Class 32) – In-Fill Developments. The project proposed to replace a 3,650-square foot building with a new 11,679-square foot mixed-use building. The proposed changes do not present any unusual circumstances that would result in a potentially significant environmental impact. Furthermore, the project meets the following criteria for exemption pursuant to Section 15332 of the CEQA Guidelines.

- (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 five 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.

Findings will be prepared to support these CEQA exemption standards at the time of Final Approval.

ATTACHMENTS:

- Attachment A – Commercial Design Guidelines
- Attachment B – Applicant Cover Letter
- Attachment C – Project Plans