

MINUTES

**CH-2 STUDY SESSION
SARATOGA CITY COUNCIL & SARATOGA PLANNING COMMISSION**

JANUARY 12, 2009

Mayor Page called the CH-2 Study Session to order at 6:30PM.

PRESENT: COUNCILMEMBERS:
Jill Hunter, Susie Nagpal, Vice Mayor Kathleen King, Mayor Chuck Page,

ABSENT: Howard Miller

PRESENT: PLANNING COMMISSION:
Rishi Kumar, Robert Kundtz, Linda Rodgers, Joyce Hlava, Vice Chair Yan Zhao

ABSENT: Chair Manny Cappello

ALSO PRESENT: Dave Anderson, City Manager
John Livingstone, Community Development Director
Ann Sullivan, City Clerk

Mayor Page began the meeting by noting that the Study Session was scheduled in order to review the CH-2 requirements and to discuss the results of the CH-2 District Review Committee (Committee) meeting held on September 8, 2008.

Mayor Page invited public comment on non-agendized items.

No one requested to speak at this time.

Community Development Director Livingstone presented the staff report.

Director Livingstone noted that the Committee, comprised of Vice Mayor Kathleen King and Planning Commissioner Joyce Hlava, held a public meeting on September 8, 2008 whereby property owners that attended the meeting expressed an interest in allowing residential and office development as a permitted use in the district and allowing owner occupied units. There was also interest in allowing more flexibility than the current code allows and the possibility of creating some type of zoning or overlay similar to a Planned Development zoning to provide flexibility. The Committee then asked staff to bring a report based on this meeting to both the Planning Commission and the City Council.

Mayor Page invited comments from the Committee members.

Commissioner Hlava noted that based on public input there are two issues; 1) overlay in commercial zone – means you can't develop owner-occupied housing; and 2) make the CH-2 District more residential or continue it as a commercial area. Ms. Hlava also noted the alternatives would be the CH-2 District as a straight residential zone or continue the concept of an extension of commercial and if the current regulations would foster this concept.

Commissioner Hlava raised a question regarding the accuracy of the Commercial-Historic Map that was attached to the staff report. She noted the attached map indicates a Neighborhood and Visitor Commercial zone and thought those two zones had been collapsed into one "Commercial Neighborhood Zone".

Vice Mayor King asked that staff research the issue regarding the accuracy of the map.

Vice Mayor King also commented that at the September 8, 2008 Committee meeting the CH-2 business owners conveyed their frustration in that it is difficult to get financial backing to make that area commercial on the lower level and residential upstairs. She also noted that there hasn't been much commercial development in the past 18 years in this area and suggested maybe keeping this area as a historic residential district.

City Manager Dave Anderson noted that over the years various Councils have tried to do two contradictory things in the same space – extend commercial district into the CH-2 area and simultaneously added approximately 37 housing units into the CH-2 Zone during the last Housing Plan. He noted that it isn't feasible to achieve both goals in that small area and continue to overlay two different uses on the same property; therefore Council is being asked to decide what they would like to see in the CH-2 Zone.

Mayor Page invited public comment and the following people requested to speak:

Gene Zambetti – stated he supports owner-occupied townhome/condominiums in the CH-2 Zone without the 1250 sq. ft. restriction; Permitted Uses – retail on ground floor beyond 5th street is not viable; supports professional administrative offices at street level without use permit requirement; feels personal services, restaurants and banks should require Use Permit due to parking concerns; supports Permitted Use over the counter for professional and administrative offices at ground level facing Big Basin.

Holly Davies – supports professional offices on Big Basin, feels low income housing should be on outskirts of town and feels Big Basin is too busy for residential; supports owner-occupied use – with professional use in front and residence in back.

Nahm Lee – spoke about his concerns regarding the overlay issue and whether or not he could rebuild his house to the same size if it was destroyed by fire or earthquake

John Kang - spoke in favor of the business/owner occupied dwelling with a studio/gallery in front and feels the 50% rule does not work.

David Rossi –feels the city should do all it can to develop business and feels housing above or behind commercial or professional will work. He feels the first 20 to 40 feet off the CH-2 Zone might be a better benchmark than a 50/50 benchmark.

Mark Hirth – stated that he senses a “residential” feel once you pass 5th Street on Big Basin and would like to see more office mixed use rather than more retail; supports office/business use in front and residential behind or upstairs.

Paul Hernandez- asked Council to explain the term “overlay” and also suggested combining CH-1 and CH-2 into business. He suggested moving City Hall to the downtown area and convert the current City Hall property into residential for school teachers, etc.

Kip Knight – addressed the Council regarding his property and the zoning concern that says he may not be able to rebuild his home if it was destroyed in an earthquake or fire. He stated this is a major concern for him and many other property owners and asked that a grandfather clause be built in.

Marilyn Marchetti – noted that once you pass 5th Street it looks and feels like a residential area and feels commercial use would not work in that area and would be problematic.

Bob Shepherd – commended Councilmember Jill Hunter for her outstanding efforts in the Village. Mr. Shepherd stated that he feels the downtown is lacking energy and that one way to bring that back is to create new housing and new business like Gene Zambetti’s project.

Mayor Page closed the public comment and asked for comments from Council and Planning Commissioners.

Vice Mayor King – Stated most businesses aren’t interested in coming to Saratoga because we don’t have a big enough customer base to rely on and that is why we lose that “energy” feeling. She stated she does support mixed use with housing on the upper level and business on the lower level. She noted the CH-2 District will not become retail, supports housing in that area and is all for what neighbors want in that area.

Robert Kundtz – Stated he is conflicted because he feels a sense of withdrawal from the Village to areas like Quito Center. He feels the opportunities that exist at the Quito Center will dilute the opportunities for growth and vibrancy on Big Basin. He noted that even though there are differences of opinions regarding CH-1 and CH-2 it would be interesting to see a study run on Quito Center in parallel with the challenges that we face in the Village so that we can make a decision that will not negatively impact one or the other. In terms of CH-2 District he prefers that to be more residential.

Rishi Kumar– Would like to develop a Master Plan for the Village – long term plan for the Village. He would recommend an intensification of CH-2 and merge CH-1; feels that turning the CH-2 District into residential would constrict the Village and create repercussions later on.

Linda Rodgers – Stated she agrees with Vice Mayor King and doesn’t feel they can do an overall blueprint for the Village right now and would like to keep the CH-2 District more flexible for now so that if opportunities arose later on to have more retail in that area – they could be allowed to grow on its

own. She stated she would like to see the current trend in that area – owner-occupied housing and some professional administrative uses; before visitors get to the business area of the downtown. She noted that most people do not park and walk a great distance in the Village to go from one business to another like they do at Santana Row or in Los Gatos; therefore, would not recommend putting that type of use in the CH-2 area that would require that type of parking. She supports having a professional/administrative use on Big Basin Way and allowing owner-occupied buildings down the hill facing the creek. She also supports not allowing retail, personal services, banks, etc. in that area due to the parking issue in a residential area. She does support looking at the ordinances with regard to specific issues such as height and set-backs. She also supports allowing any current owner-occupied dwelling to rebuild.

Councilmember Nagpal – With regard to the owner-occupied issue – supports consideration to remove the housing overlay in the CH-2 District and to do this through the Housing Element Plan. With regard to the CH-2 District and if it's commercially viable – would advocate an interim position before going to residential; such as looking at ways to equate CH-1 and CH-2. She supports professional administrative uses under the permitted uses and would support this for a limited time to see if this works.

Councilmember Hunter – Stated she has a concern regarding water shortage and that there is a high demand for housing – with water supplies diminishing. She feels retail will not be successful past 5th street; supports professional uses in that area; feels some changes need to be done but does not support changing set-backs or height; would like to see the overlay in a different area, and feels there is a way to develop the Village without competing with Quito Center.

Planning Commission Hlava – Feels that basically there are three options:

1) Do away with the CH-2 Zone and go back to what it used to be – residential/multi-family RN-Zone. It would address the owner-occupied issue because the overlay is only on commercial districts and this would now make it a non-commercial district. On the negative side of this option it would not allow for professional/administrative uses and it would create some non-conforming uses; not ready to give up on the possibility of wanting commercial in that area at some time.

2) Keep CH-2 Zone, would have to deal with the owner-occupied issue in the housing element. Ms. Hlava stated she is willing to look at making some changes in the CH-2 Zone in order to address the limited commercial and professional administrative uses.

3) Re-Zone the entire area as Planned Development or re-write the CH-2 Zone in order to tailor the development to the types of uses that there currently is a market for. Should probably keep the 15 ft. setback, but should look at the height; allow three stories in back. Concluded by saying she is leaning towards Option 3 - Planned Development.

Yan Zhao – Feels we need to be more flexible in CH-1 and CH-2 Zone; should allow owner-occupied; should look at height limit and setback in CH-2 Zone; need to make some changes up to 6th Street – including part of CH-2; and should allow professional/administrative uses.

Mayor Page – Noted that he agrees that some changes need to be made; would love to see a zone that was residential/professional. He noted the main problem is the fact that the CH-2 is zoned commercial and that if there was a way to change the zoning so the overlay didn't apply, that would be the right thing to do. In addition, he noted that it would be ideal if they could develop and design the CH-2 area in a way so that it would become the entrance to the beautiful hills.

CONSENSUS:

City Manager Dave Anderson – Noted that the consensus from the Council and Planning Commissioners was to allow more flexibility and bring the CH-2 area back to more of a residential character than to force a commercial character.

Community Development Director John Livingstone – Noted the consensus also supported the owner/occupied use in the CH-2 District and to preserve some commercial use with offices.

Vice Mayor King requested staff provide some information on the Planned Development suggestion and asked for the City Attorney's opinion on the Planned Development option.

Mayor Page adjourned the Study Session at 8:40PM.

Respectfully submitted,

Ann Sullivan, CMC
City Clerk