AGENDA SUMMARY
EUREKA CITY COUNCIL

TITLE: Appeal of North Coast Substance Abuse Council Non-Medical Care Housing Facility Conditional Use Permit (UP-24-1)

DEPARTMENT: Development Services - Planning

PREPARED BY: Alexandra Gonzalez, Assistant Planner

PRESENTED FOR: ☒Action ☐Information only ☐Discussion

RECOMMENDATION

1. Hold a public hearing; and
2. Adopt a resolution finding the project is exempt from CEQA, and sustaining the Planning Commission's conditional approval of the North Coast Substance Abuse Council Non-Medical Care Housing Facility Conditional Use Permit at 309 Harris Street with modification of Condition B to limit the level of service to a California Department of Health Care Services 3.1 Residential Level Recovery Home.

FISCAL IMPACT

☒No Fiscal Impact ☐Included in Budget ☐Additional Appropriation

COUNCIL GOALS/STRATEGIC VISION

General Plan Policy H-7.2 End Homelessness. Seek to end homelessness in Eureka through support for, and participation in, multiple strategies, including housing-first principles, Substance Use Disorder programs, counseling and support services, income assistance programs, job training/counseling services, and other proven methods of reducing the incidence and effects of homelessness. Support non-profit organizations and public agencies with a proven track record of accomplishing these sorts of strategies, principals, programs, and services**.**

DISCUSSION

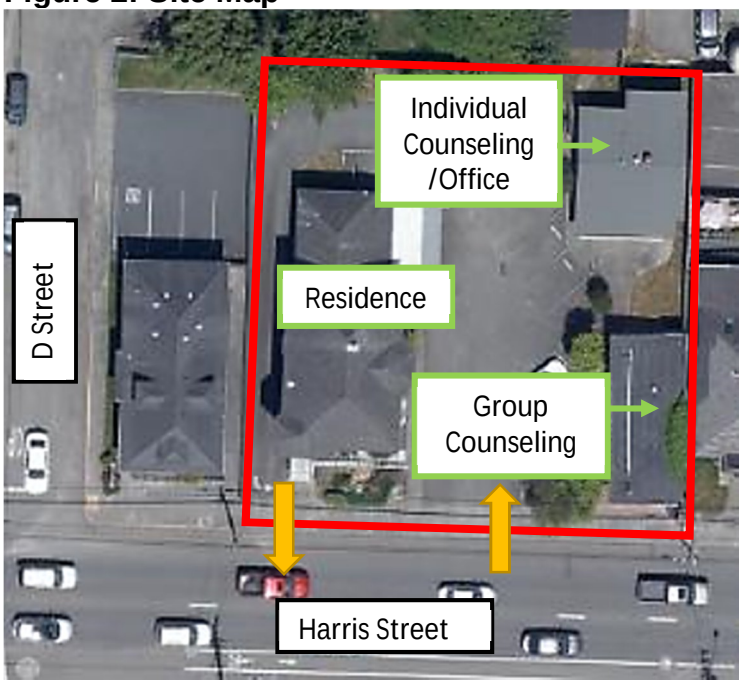
Project Summary

The Applicant, North Coast Substance Abuse Council, proposes to utilize a 0.30-acre site with three existing buildings for residential therapy services for up to 12 people (Figure 1). The Applicant intends to use the three existing buildings as follows: (1) 309 Harris Street, a two-story, 2,631-square-foot (sf) building fronting Harris Street, as a residence; (2) 319 Harris Street, a 588-sf cottage-like building located at the rear of the site, as an

office for staff and individual counseling sessions; and (3) 325 Harris Street, a 616-sf, modernist-style commercial building fronting Harris Street, as an office for group therapy services (Figures 1 and 2). According to the Applicant, the site will not provide detoxification services, as its focus will be on offering housing and behavioral health support. A more complete description of the operational characteristics, as well as the Applicant's written narrative, are in the Planning Commission staff report in Attachment 3 on Pages 5-8, and 22-34.

Figure 1: Street View of the Project Site Facing North (photo taken January 13, 2025)

Figure 2: Site Map



The proposed use falls under the land use classification: Non-Medical Care Housing, Large in the City's Zoning Code (Eureka Municipal Code [EMC] Chapter 155), which outlines specific categories for different types of land uses within the city. This classification applies because the facility will function as a state-licensed residential facility providing non-medical social and personal care for seven or more persons (EMC §155.504.030, #68). The site is located in the Henderson Center Zoning District (HC District) where the land use classification Non-Medical Care Facility, Large requires a Conditional Use Permit (CUP).

Summary of CUP Approval

The Planning Commission conditionally approved a CUP for the proposed use on February 12, 2025 and adopted Resolution No. 2025-3 (Attachment 3, Pages 18-21). 18 individuals spoke at the public hearing, including community members, Henderson Center business owners, public health workers, and the Applicant. Of these commenters, six supported the use, while 12 opposed it. Before the hearing, 19 comment letters were submitted for consideration (Attachment 3, Pages 35-130). The approval was based on the required findings for Use Permits under EMC §155.412.130(F), which include:

1. The proposed use is consistent with the General Plan, Zoning Code, and any applicable specific plan or area plan adopted by the City Council.
2. The site is suitable for the size, design, and operating characteristics of the proposed use.
3. The proposed use will be compatible with existing and planned land uses in the vicinity of the property.
4. The proposed use will not be detrimental to the public health, safety, and welfare.
5. The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure.

The CUP approval was subject to seven conditions (A to G) to ensure compliance with zoning regulations, historic preservation standards, and public safety requirements. Of these seven conditions, three were added (A, B and C) by the Planning Commission at the public hearing to address concerns expressed at the meeting, requiring: (A) submission of a one-year progress report for review at a public hearing to assess compliance and address community concerns; (B) operation strictly as a Level 4 treatment facility (despite intending to limit it to the least intensive option, Level 3.1, which is discussed below under the Analysis of Appellants Contentions, and Staff recommends a modification to this condition); and (C) Alterations to the fenestration of historic buildings are permitted only when necessary to comply with building code requirements and do not result in a substantial adverse change to a historic resource.

The other four conditions (D to G) were recommended by Staff prior to the public meeting, requiring: (D) completion of all Building and Fire Department requirements, permit approvals, and Certificates of Occupancy before operations begin; (E) compliance with City standards for non-conforming site features, including landscaping, parking lot striping, bicycle parking, signage, and outdoor lighting; (F) prohibition of window frosting on transom (upper) windows to maintain the commercial aesthetic of 325 Harris Street

and pedestrian-friendly environment along Harris Street; and (G) adherence to City protocols for inadvertent discovery during ground-disturbing activities, as requested by the Bear River Band during the projects' referral period.

The Planning Commission's approval received one appeal from five constituents, four of whom have standing to appeal. The Appellants' filed appeal also included a petition with 75 signatures and two letters: one from the Principal of St. Bernard's Academy, and one from the owner of Shafer's Ace Hardware. Only individuals who spoke at, or submitted a comment at or before, the Planning Commission hearing have standing to appeal; this does not include those who submitted letters after the hearing, nor the majority of petition signers. The full text of the appeal is included in Attachment 2. In summary, the Appellants concerns include:

1. The City's use of the California Environmental Quality Act (CEQA) Class 1, Existing Facilities categorical exemption;
2. The project's inconsistency with the Neighborhood Commercial (NC) Land Use Designation;
3. The facility's compatibility with nearby businesses, including a jewelry store and a vacation rental adjoining the project site;
4. The allowance of unsupervised outings of residents at the facility and their impact on the surrounding area; and
5. The efficacy of the treatment services provided at the site.

City Council Review of CUP

The City Council is charged with reviewing the action taken by the Planning Commission, which, in this case, is the conditional approval to allow a Large Non-Medical Care Housing facility to occupy the site. Upon conclusion of a public hearing on the CUP appeal, the City Council may sustain, modify, or overrule the Planning Commission's decision. As described above, the standard of review for the proposed CUP is consistency with the required findings for Use Permits under EMC §155.412.130(F). The analysis to make the required findings and conditionally approve the project is included in the Planning Commission staff report found in Attachment 3, Pages 8-17, and the three new conditions added by the Planning Commission addressing concerns heard during the public hearing are included in Resolution No. 2025-3 found in Attachment 3, Pages 18-21. If the City Council sustains the Planning Commission's decision with the modification of condition (B) and approves the project, the Councils decision is final.

Analysis of Appellants Contentions

<u>Concern 1</u>

The Appellants contend that the project requires additional review under CEQA Guidelines §15300.2(f) which states, "A categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource." Although 309 Harris Street is not listed on the Local Register of Historic Places, the Planning Commission acknowledged that the property is likely eligible for local or state

listing. As a result, the Planning Commission added a condition of approval limiting alterations to the buildings' fenestration to only what is necessary to comply with building code requirements. The condition clarifies the intent is not to hinder repair, maintenance, and adaptive reuse of the property, but to retain and preserve, where feasible, historic building materials and features that are important to the property's historical character and integrity in order to avoid a substantial adverse change in the significance of a historical resource.

The *Secretary of the Interior's Standards for the Treatment of Historic Properties* includes Rehabilitation as a treatment standard for historic property modifications. Rehabilitation is defined as:

> "the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values. The Rehabilitation Standards acknowledge the need to alter or add to a historic building to meet continuing or new uses while retaining the building's historic character."

CEQA Guidelines §15300.2(f) does not disqualify any project that involves a historical resource from a CEQA categorical exemption; rather, it disqualifies projects that will have a substantial adverse impact on a historic resource. The occupation of a historic building by a new use is not, in itself, considered an adverse impact. Instead, adaptive reuse is encouraged as a means of ensuring continued occupancy and maintenance, consistent with the Secretary of the Interior's Rehabilitation standards. Future physical alterations to the buildings on site to accommodate the new use could have an impact, either positive or negative, on historical value. However, any future building permit applications will be referred to Development Services – Planning for zoning clearance. If the Applicant proposes any alteration, repair, addition, or demolition that could rise to the level of causing a substantial adverse change to the significance of a historic resource, the CEQA exemption will not cover that work, and Development Services – Planning will require the Applicant to return to City Council for further CEQA environmental review.

Therefore, the condition added by the Planning Commission aligns with the Secretary of the Interior's Rehabilitation standards because it allows 309 Harris Street to be reused as a residence, a use that preserves the building's historical function, without significantly impacting its historical features.

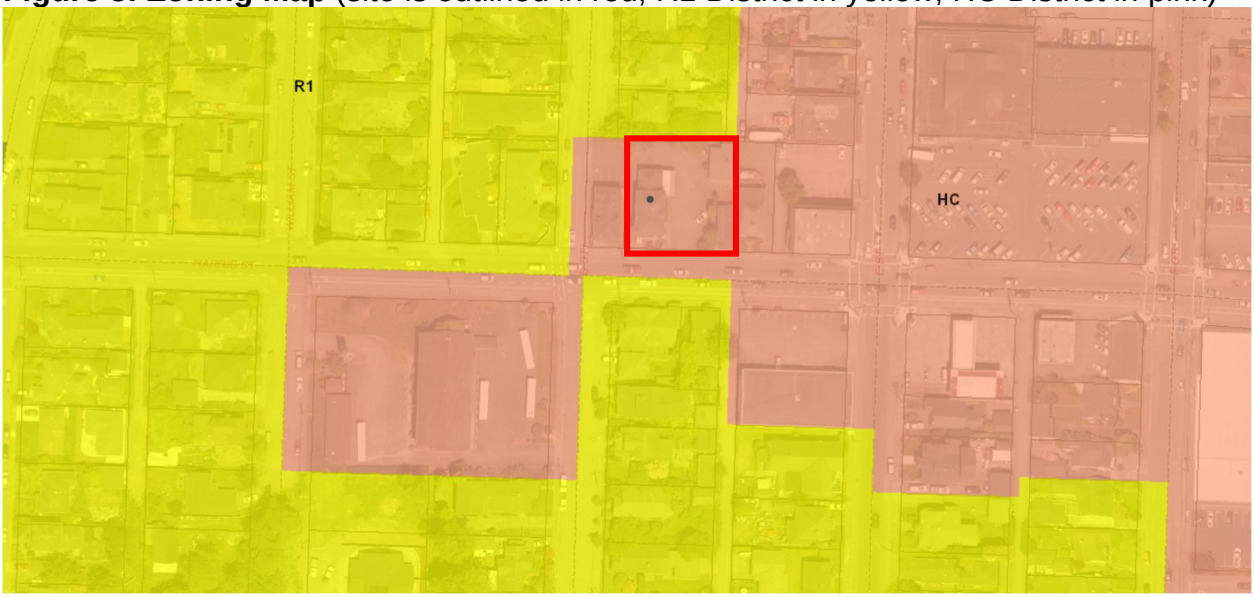
Concern 2

The appellants content the use is inconsistent with the NC Land Use Designation. According to the 2040 General Plan, the NC Land Use Designation supports "limited-scale convenience retail, restaurants, offices, residential, and personal services, including pedestrian-oriented neighborhood retail." NC-designated land is "intended to primarily serve nearby neighborhoods, be compatible with the character and form of adjacent residential uses, support a vibrant pedestrian environment, and promote short neighborhood-based trips." Analysis on the project's consistency with the NC land use designation is included in the Planning Commission staff report on Pages 8-9.

Concern 3

The appellants contend the use is not compatible with nearby businesses. While a non-medical care housing facility may not traditionally align with commercial uses like a jewelry store or vacation rental, the site's existing building configuration, proposed functions, and proximity to neighborhood-serving amenities create a suitable transition between the Residential Low Zoning District (R1 District) to the west and the more intense, yet neighborhood-oriented, Henderson Center Zoning District (HC District) to the east (Figures 2 and 3). Additionally, residential treatment facilities provide essential community services and can be compatible with commercial and residential areas when designed and managed to minimize impacts.

Figure 3: Zoning Map (site is outlined in red; R1 District in yellow, HC District in pink)



Concern 4 and 5

Lastly, constituents had concerns about unsupervised outings and the efficacy of the treatment provided on-site, similar to the concerns raised at the public hearing. To address these concerns, the Planning Commission added two new conditions at the public hearing: Condition A requiring the Applicant to submit a performance report one year after operations begin, and Condition B restricting the facility's level of service to a Level 4 treatment facility.

Under Condition A, the performance report will be presented to the Planning Commission at a noticed public hearing, where the Commission can evaluate compliance with conditions of approval, operational commitments, and any emerging issues, including neighborhood safety and treatment efficacy. Under Condition B, the Planning Commission intended to limit the proposed use to the lowest-intensity residential treatment facility to address community concerns about its compatibility with the surrounding neighborhood. However, during the public hearing, the Commission mistakenly conditioned the project to operate as a Level 4 treatment facility, which is significantly more intensive than the California Department of Health Care Services (DHCS) 3.1 Residential Level Recovery Home originally proposed. A DHCS Level 3.1

program provides low-intensity residential services, such as individual and group therapy, case management, and life-skills training. In contrast, a Level 4 facility falls under "Inpatient Treatment," allowing for medical detoxification and other intervention treatments in a hospital-like setting focused on stabilization. The Commission's error resulted in a condition that directly contradicts its intent to limit the facility to the least intensive treatment level.

To correct this inconsistency, Staff recommends that the City Council modify Condition B in Planning Commission Resolution 2025-3 (Attachment 3, Page 19) to explicitly limit the facility to a DHCS 3.1 Residential Level Recovery Home rather than a Level 4 treatment facility. This modification will ensure that the project operates as originally proposed, maintaining low-intensity residential services while addressing community concerns about its compatibility with the surrounding neighborhood. For more information on DHCS levels of care designations, see the footnote on page 6 of Attachment 3.

The Use Permit may also be revoked at any time under EMC §155.428.080 (Permit Revocation) by the review authority that approved the permit at a notice public hearing, if significant concerns persist, and one or more of the following findings apply:

1. The applicant or property owner has altered the circumstances under which the permit was granted to a degree that one or more of the findings required to grant the original permit can no longer be made;
2. Permit issuance was based on misrepresentation by the applicant, either through the omission or embellishment of a material statement in the application, or in public hearing testimony;
3. One or more conditions of approval or mitigation measures have been violated, or have not been complied with or fulfilled;
4. The applicant or property owner has failed or refused to allow inspections for Compliance;
5. Improvements authorized by the permit are in violation of the Zoning Code or any law, ordinance, regulation, or statute; or
6. The use or structure is being operated or maintained in a manner which constitutes a nuisance.

The permit revocation process may be initiated by anyone, provided that one or more of the findings described above apply. Before initiating revocation proceedings, the City must notify the permittee of the violations, identify necessary corrections, and establish a reasonable period for compliance. If violations are not corrected within the specified time frame, the City may proceed with the revocation process.

Environmental Review

The City of Eureka, as Lead Agency, has determined the proposed project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to §15301, Existing Facilities, Class 1 of the CEQA Guidelines. Class 1 includes the

operation of private structures involving negligible or no expansion of use. As the project does not expand the existing buildings, and the buildings will be used for housing and personal services (individual and group therapy/counseling), which are similar to the previous residential and commercial uses on the parcel, the project constitutes a negligible expansion of use. Additionally, as conditioned to ensure that alternations to the buildings' fenestration meet residential building code requirements while avoiding a substantial adverse change in the significance of a historical resource, no exception to the exemption apply. Therefore, the proposed use meets the criteria for the Class 1 exemption under CEQA Guidelines §15301.

Staff Recommendation on Appeal

City staff believes that the proposed project, as conditioned by the Planning Commission and with a modification to Condition B to limit the level of service to a DHCS 3.1 Residential Level Recovery Home instead of a Level 4 treatment facility, is consistent with the required findings for Use Permits under EMC §155.412.130(F) and will not result in a substantial adverse change in the significance of a potential historical resource. Therefore, the North Coast Substance Abuse Council Non-Medical Care Housing Facility Conditional Use Permit (UP-24-1) can be approved.

Suggested Motion

"I move the City Council of the City of Eureka adopt a resolution finding the project is exempt from CEQA, and sustaining the Planning Commission's conditional approval of the North Coast Substance Abuse Council Non-Medical Care Housing Facility Conditional Use Permit at 309 Harris Street with modification of Condition B to limit the level of service to a California Department of Health Care Services 3.1 Residential Level Recovery Home."

ATTACHMENTS

Attachment 1: City Council Resolution
Attachment 2: Appeals of Planning Commission Decision Filed by Appellants
Attachment 3: Planning Commission Staff Report and Resolution 2025-3, and Comment Letters