

PLANNING COMMISSION
STAFF REPORT

May 14, 2025

Title:	McKenny Residential Unit Use Permit
Project:	Conditional Use Permit UP-25-3
Location:	2328 23 rd Street
APN:	013-113-034
Applicant:	KH McKenny Inc.
Property Owners:	Kevin McKenny
Purpose/Use:	Allow a 458-square-foot residential unit within a medical office building currently under construction.
Complete Application:	March 10, 2025
Deadline for Action:	June 8, 2025 (90 days after complete application)
General Plan:	PO – Professional Office
Zoning:	HM – Hospital Medical
California Environmental Quality Act (CEQA):	Exempt under CEQA Guidelines §15332, Class 32 In-Fill Development Projects
Staff Contact:	Henry Baker, Assistant Planner
Recommendation:	Hold a public hearing, and; Adopt a resolution finding the project is exempt from CEQA conditionally approving the application.
Action:	<i>“I move the Planning Commission adopt a resolution finding the Project is exempt from CEQA and conditionally approving the McKenny Residential Unit Use Permit at 2328 23rd Street.”</i>

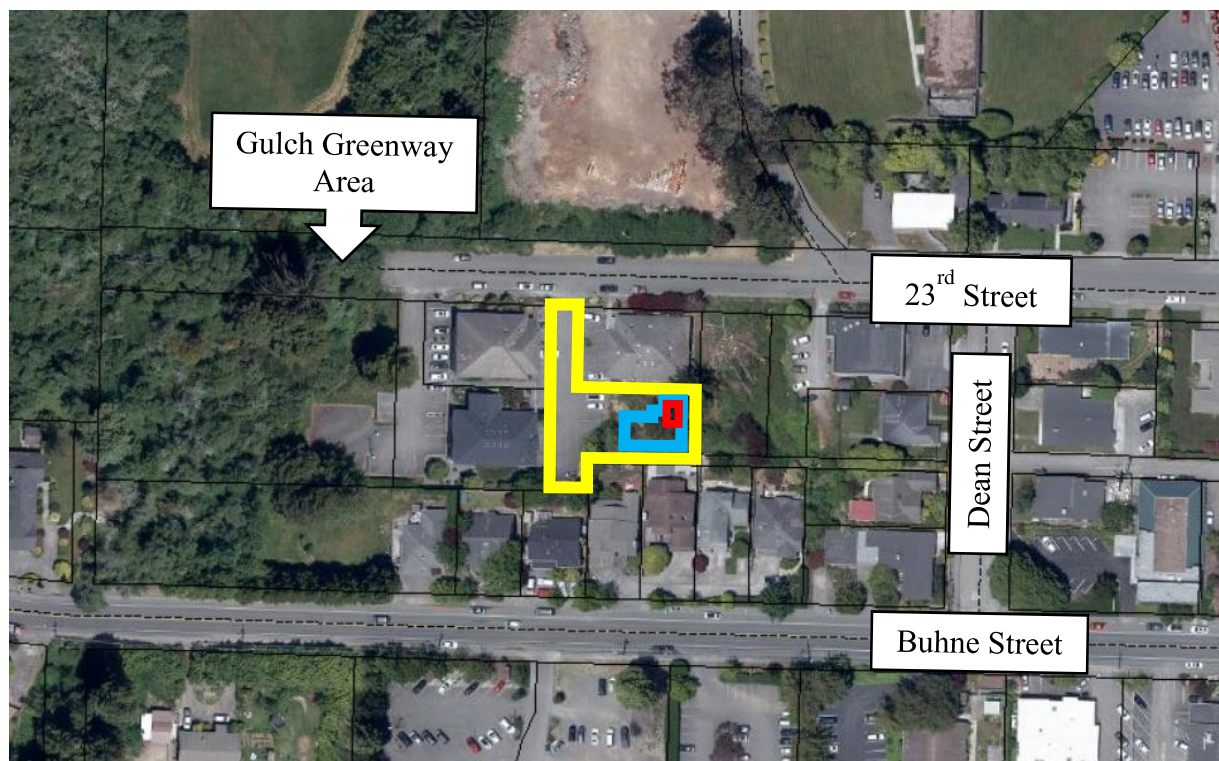
Figure 1: Location Map



PROJECT DESCRIPTION

The Applicant, KH McKenny Inc., is proposing a 458-square-foot (sf) one-bedroom, one-bathroom residential unit within a recently permitted 1,975-sf medical office building (the Project). The subject property is a 0.27-acre flag lot, abutting residences to the south and medical offices on the other three sides. The Applicant intends to provide living space within the rear of the medical office building for medical professionals working within the area. Construction of the building is underway. The site is located in the Hospital Medical Zoning District (HM District), and new residential units in the HM District, require a Conditional Use Permit (CUP).

Figure 2: Site Map (yellow = project site, blue = medical office building, and red = location of proposed residential unit)



Background

In November 2024, a building permit (BP-24-1089) was submitted to construct a new medical office and residence. However, the residential unit could not be permitted until a CUP was obtained. Subsequently, the residential unit was removed from the plans and the building permit was issued in January 2025 and then the Applicant applied for the CUP.

Incorporating a residential unit within an office building constitutes a mixed-use development. As defined in Eureka Municipal Code (EMC) §155.504.040(A)(9), such a configuration falls under the “multi-family dwellings” land use classification, which includes “one or more units occupying the same site as a non-residential use (mixed-use development).” Under EMC §155.208.020(A), Multi-Family Dwellings require a CUP.

The new building was exempt from Design Standards under EMC §155.312.020 (B)(2) because medical offices (and a single residential unit) are excluded; and, it was also exempt from Design Review under EMC §155.412.040(A) because the building did not have a street-facing façade. The subject property is one of five resultant lots from a major subdivision, on the south side of 23rd Street. The other lots in the subdivision have been developed as medical offices. The site is accessed from 23rd Street via a shared driveway located on the subject property, and an access easement through the property serves the adjoining lots (APNs 013-113-033, -035, and -036; see Attachment 3: Legacy Subdivision Map). The eastern and southern sides of the property are marked by cut-banks from the steep slope above, and is located near the bottom of the hill where 23rd Street terminates at a gulch greenway area, approximately 150 feet to the west. However, the developed lots to the west separate the subject property from the gulch greenway (see Figure 2).

Current uses near the site include medical offices to the north, east, and west; a residential area to the south; and, across 23rd Street to the north, publicly owned properties, such as St. Joseph General Hospital Campus, Catherine L. Zane Middle School, Sherriff’s wood lot, and the Eureka Dog Park.

USE PERMIT ANALYSIS

To approve a Conditional Use Permit, the Planning Commission must make all of the following findings:

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.

1. Plan and Code Consistency

General Plan Consistency

The 2040 General Plan includes Community Place descriptions for distinct areas of the City that are recognized by their geography and general function. The Community Place descriptions significantly influenced the development and mapping of the Land Use Designations. The HM District Community Place is seen as a major employment area, and is described in the following way:

“Centered around St. Joseph Hospital on Harrison Avenue (the largest private employer in the County), the Hospital Medical District is home to the majority of Eureka’s medical service businesses. This area is envisioned to densify and expand as the regional hub for medical services and to provide space for the continued need for additional medical services in the future.”

The corresponding land use designation for the subject property is Professional Office (PO), which the 2040 General Plan describes as:

“Customer-serving and non-customer-serving professional offices, clinics, hospitals, and related retail and services, as well as residential uses. Also applied to areas with a mix of single-family and multi-family housing, small scale offices, some converted residential buildings, and lodging where the intent is to generally retain the character, scale and form of the residential neighborhood. Intended to provide a mix of office and residential uses in an environment with a different character and lower intensity than the mixed-use commercial districts of the City. Limited commercial uses may be allowed as provided for by the applied zoning district.”

The proposed residential unit within a medical office building is consistent with the PO Land Use Designation, as it supports a mix of office and residential uses by co-locating complementary uses (working and living). The residential unit within the office building maintains the character, scale, and form of the adjacent residential neighborhood by including all the amenities of a studio apartment in a manner that compliments the medical office.

Goals and Policies

Staff reviewed the 2040 General Plan, including the 2019-2027 Housing Element, and found the following relevant policies:

Policy LU-1.1 Diverse Uses. Maintain a diverse range of compatible land uses that offer adequate flexibility to quickly respond to evolving market opportunities over time.

The Project is a mixed-use development that combines compatible land uses – office and residential – to support a more flexible and diverse land use pattern. The addition of a residential unit responds to an evolving market opportunity by providing a new housing option for medical professionals, consistent with this policy.

Policy LU-1.3 Beneficial Development. Support development that affords benefits to all segments of the community that:

The Project supports development that affords benefits to all segments of the community that support four of the identified elements:

- a. Offers varied housing choices;**
- b. Provides for mixed use development;**
- e. Furthers the attraction and/or retention of businesses targeted in the Eureka Economic Development Strategic Plan, and;**
- g. Encourages people to walk, bike or use transit.**

The Project provides a unique housing option, contributing to greater housing diversity within the area which currently consists of lower-density single-family residential neighborhoods with few housing options within the nearby medical and commercial area. The Project addresses that gap by adding a compact residential unit well-suited to medical professionals.

By combining compatible uses—residential and medical office—within the same development, the Project promotes beneficial interaction between residential and commercial uses, enhancing the sense of community within the district and supporting the recruitment of businesses and the establishment and growth of health care businesses, consistent with the goals of the Eureka Economic Development Plan. Lastly, by co-locating housing and medical offices within walking distance of the stores and nearby transit stop on Harrison Avenue, the Project reduces reliance on vehicle travel and encourages walking, biking, and transit use.

Policy LU-6.2 Infill First. Promote development of vacant infill properties and redevelopment/reuse of economically underutilized sites and buildings to accommodate new growth and internal densification prior to considering potential annexation.

The Project promotes the development of a vacant infill property to accommodate new growth and internal densification, reducing the need for annexation and greenfield development. It also supports the efficient use of existing infrastructure and services.

Based on the discussion above, the finding can be made the Project is consistent with the General Plan.

Zoning Code (EMC Chapter 155) Consistency

The specific purpose of the HM District is to provide a “centralized and consolidated regional hub for hospitals, medical offices and clinics, other health care-related uses, and restricted commercial development that supports these uses.” Residential uses are conditionally permitted within the HM District to prevent residential development from displacing medical uses, as it’s a relatively small zoning district. The Project does not conflict with the specific purpose of the HM District because it incorporates a single residential unit in a manner that complements, rather than displaces, the primary medical use of the site. The residential unit is intended to support the healthcare sector by providing on-site housing for a medical professional, thereby enhancing the functionality and efficiency of the medical office use.

The Project, and recently permitted building, also conform to development standards for the HM District (i.e. maximum density, floor area ratio, site coverage, and height, etc.) under EMC 155.208.030(A). However, it is unclear if future outdoor lighting complies with the standards in EMC §155.308.050 (Outdoor Lighting). Therefore, a condition has been added requiring conformance with this standard, which will also ensure there are no impacts on the nearby wildlife habitat from light pollution. Therefore, the finding can be made the proposed project is consistent with the Zoning Code.

2. Site Suitability

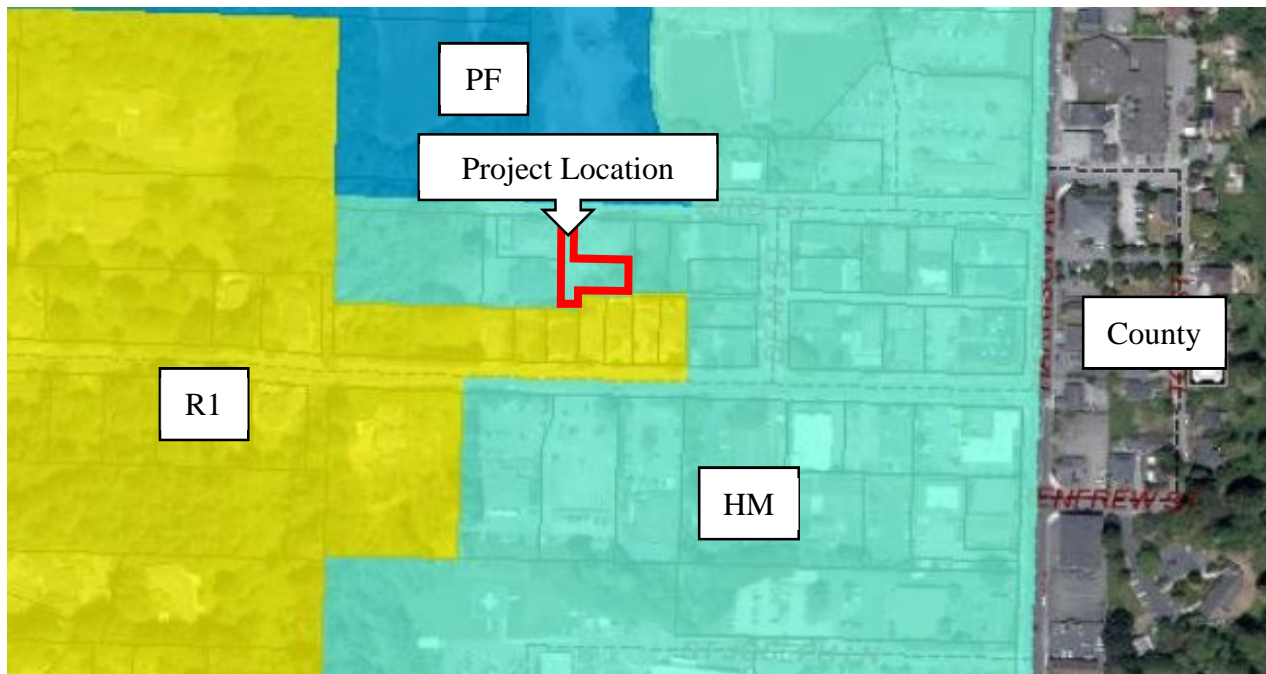
The Applicant’s intention is to provide residential space in the rear of the site, and the building is being constructed with this purpose in mind. The residential unit will include all the amenities of a one-bedroom, one-bathroom studio apartment, including living space, a kitchen, and a stacking washer/dryer. The unit will also have its own separate access, parking space, and metered utilities. Therefore, the site is suitable for the size, design, and operating characteristics of the proposed use.

3. Existing and Planned Land Uses in Vicinity

The Project preserves and maintains the existing land-use mix of medical offices and residences and supports a compact development pattern consistent with the purpose of mixed-use zoning districts. The site includes six on-site parking spaces, and access to seven additional shared spaces provided through a recorded easement with the adjoining lot to the north. According to EMC §155.324.030, Table 324-1, the proposed residential and commercial uses require a total of four parking spaces. Combined, the on-site and shared spaces provide more than sufficient parking for all uses.

Both of the planned land uses for on the site –residential and medical offices– already surround the subject property on three sides (Figure 3). The Project builds upon the preexisting pattern of office and residential development within the neighborhood, consistent with the City’s “infill first” objective. The residential and commercial uses on-site are expected to operate with minimal overlap. The resident will likely be away during business hours, while the medical offices will not operate outside of those hours. Therefore, the proposed use will be compatible with existing and planned land uses in the vicinity of the property.

Figure 3: Zoning Map (PF = Public Facilities, and R1 = Residential Low)



4. Public Health, Safety, and Welfare

Currently, 23rd Street is occupied solely by offices and experiences no through traffic due to the dead-end street configuration, resulting in a lack of nighttime presence. Introducing a residential use on 23rd Street will establish an after-hours presence, which may help deter criminal activity and enhance neighborhood safety.

Referrals were sent to agencies and City departments with interest or jurisdiction over the property or the intended use of the property. No comments were received indicating the proposed residential unit would be detrimental to the public health, safety, or welfare; and, the City Building Official confirmed the existing building plans included two-hour fire walls for fire protection. Additionally, based on the responses received from tribes, a condition has been included requiring the City's standard Inadvertent Archeological Discovery Protocol be followed during ground disturbing activities associated with the new residential unit, to ensure that any cultural resources that are inadvertently discovered are properly addressed in consultation with the tribes.

Lastly, allowing a medical professional to live near their place of employment improves emergency response time and on-call availability, while also reducing commute times. This, in turn, helps reduce traffic congestion and support overall work-life balance. Therefore, the Project supports public health, safety, and welfare.

5. Properly Located and Adequately Served

The site is served by all standard utilities, including water, electricity, gas, wastewater, telephone, parking, and trash collection.

A single land use is not always the best approach to meet evolving community needs. To allow flexibility and adapt to changing housing and employment trends, mixed-use land use designations, such as the PO Land Use Designation, encourage the co-location of complementary uses and unique development types. In this context, allowing both medical offices and housing on the same lot is appropriate. The subject property is particularly suitable for this purpose, given its

location and relationship to surrounding medical office and residential land uses. For these reasons, the proposed use is appropriately located within the City and adequately served by existing services and infrastructure.

Conclusion

Based on the analysis above, the proposed use is consistent with the General Plan and Zoning Code, and is suitable for the site. The proposed use is compatible with existing and planned land uses in the vicinity, and it will not be detrimental to public health, safety, and welfare; and, it is properly located within the City and adequately served by existing utilities and infrastructure.

Environmental Assessment

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 §15332, In-Fill Development Projects, Class 32 of the CEQA Guidelines, which consists of projects characterized as in-fill development meeting the following conditions:

- (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.

As described in the section above, the Project is consistent with the General Plan designation and relevant policies, as well as the zoning designation and regulations. The Project is within city limits on a 0.27-acre lot surrounded by urban uses. The site has no habitat value as habitat and nearest habitat of value is a gulch greenway located approximately 150 feet west of the site, which is separated from the project site by other developed lots. The size of the residential unit would generally accommodate one to two people, and it is located in close proximity to goods and services and transit on Harrison Avenue; therefore, the project not result in any significant effects relating to traffic, noise, air quality, or water quality. Lastly, the site is served by all required utilities and public services. For all these reasons, the proposed use is exempt from the provisions of CEQA under §15332.

Public Hearing Notice

Public notification consisted of notification by mail of property owners within a 300-foot radius of the site on or before May 2, 2025. In addition, the notice was posted on the City's website and bulletin boards. A public hearing notice sign was posted on the site on or before May 2, 2025.

Documents Attached

Attachment 1: Resolution 2025-____
Attachment 2: Applicant Submitted Material
Attachment 3: Legacy Subdivision Parcel Map