



**STAFF REPORT  
HOLLISTER PLANNING COMMISSION  
MEETING DATE: September 25, 2025  
REPORT # Community Development-2025-57**

**AGENDA ITEM: EVERGLEN 2 – TENTATIVE MAP 2025-3 AND DENSITY BONUS 2025-1 APPROVING A RESIDENTIAL SUBDIVISION AT 241 N. CHAPPELL ROAD**

**DEPARTMENT HEAD:** Rod Powell, Assistant City Manager  
**STAFF CONTACT:** Erica Fraser, AICP, Contract Senior Planner

**RECOMMENDED ACTION:** Adopt a Resolution approving Tentative Map 2025-3 and a resolution approving Density Bonus 2025-1 approving a residential subdivision at 241 N. Chappell Road.

**CEQA:** On May 18, 2019, the Hollister City Council certified an Environmental Impact Report (EIR) for the Chappell Road Project (SCH #2016101044) which analyzed the environmental impacts related to the development of all sites within the Master Plan area (or the Chappell Road Project). The proposed project was included within the area studied in the EIR.

**PROJECT DESCRIPTION:** The Project (Everglen Phase 2) is located at 251 N. Chappell Road, on a .89-acre parcel which is currently developed with one 1,783 square foot house and several accessory structures. The parcel is proposed to be subdivided into seven (7) lots to allow the construction of six (6) new residential dwellings on Lots 1-6, with the existing dwelling to remain on Lot 7, and the existing accessory structures to be demolished to accommodate the new dwellings. The Everglen development and Phase 2 are located within the Chappell Road Master Plan area.

The new development is proposed to be Phase 2 of the Everglen development which is currently under construction by KB Homes. Phase 1 of Everglen was approved by the Planning Commission on September 22, 2022, and included approval of a Vesting Tentative Map (TM 2021-4) and a Conditional Use Permit for a Planned Development (CUP 2022-1). The approvals allowed for the construction of 82 new single-family residences on a 13.79-acre parcel (Everglen Phase 1). Development of the parcel located at 241 N. Chappell Road was not anticipated at the time of application for Phase 1.

A project application for Everglen 2 was previously reviewed by the Planning Commission on April 25, 2025, and the Planning Commission adopted a Resolution recommending City Council approval of the Tentative Map and Planned Development. The City Council then reviewed the project on May 19, 2025, and did not approve the project.

The Applicant then reapplied for a new project. This project has been revised to include a request for a Density Bonus with one new unit restricted to a moderate-income household. The City Attorney has determined that because the project was revised to remove the Planned Development request and is proposing an income restricted dwelling, the new project is substantially different than what was previously reviewed. Additionally, as this new project no longer includes a request for a Planned Development, the Planning Commission is the final reviewing body for this project.

**ANALYSIS:** The project site is located off N. Chappell Road and is next to Everglen Phase 1 (which is currently under construction). The layout of the new streets within the development (Tall Grass Way and Walk About Way) can be seen on the map below. The parcel shown to the south is also part of the Chappell Road Master Plan area and will eventually be developed with single family residential homes.

**Figure 1 - Project Site and the Surrounding Area**



On-site circulation, access, and other requirements have been reviewed by the City's Development Review Committee (DRC) to ensure compliance with City, State, and Federal Regulations. Conditions of Approval related to compliance have also been included in the Project Conditions of Approval (Attachment 1).

### **Density Bonus**

The Applicant is proposing to restrict Lot 1 for an affordable unit dedicated to moderate income levels. For 2025, the State of California has determined that the income maximum for a family of four (4) for the moderate category is \$168,250. The sale of the house will be restricted to qualifying persons and a deed restriction will be required in order to ensure that the site is restricted to sales to moderate income households for a period of 55 years.

The affordable lot comprises 10 percent of the total new lots. By restricting Lot 1 to moderate income households, the Applicant is eligible for a Density Bonus (an increase in units) and one incentive or concession. The Applicant is requesting an incentive to waive the required development standards and reduce the required setbacks to the following.

**Table 1 – Zoning Ordinance and Density Bonus Development Standards**

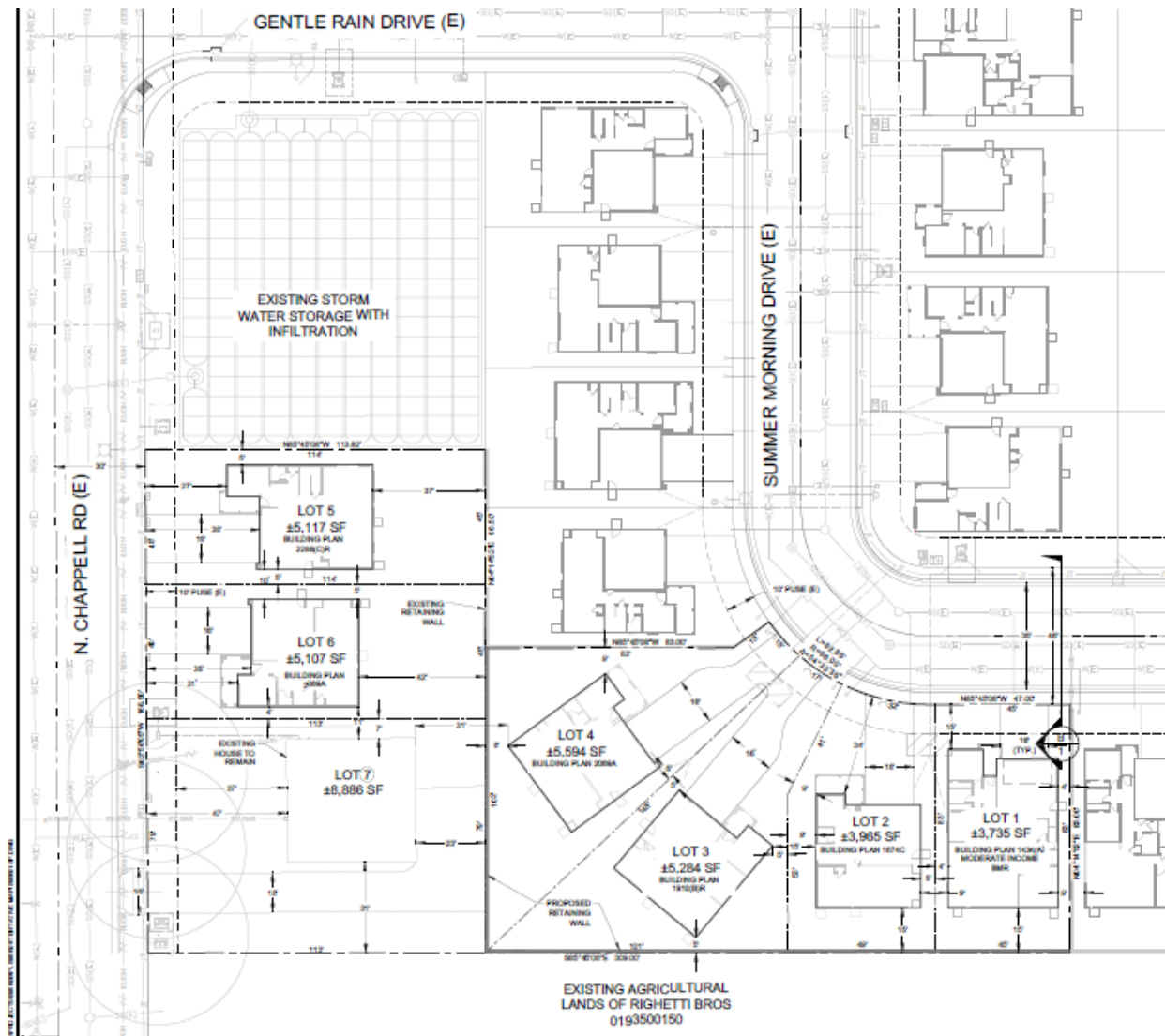
	R1 (Low Density) Standards	Proposed Standards
Lot Size (minimum)	5,500 square feet	3,735 square feet
Lot Coverage	50%	50%
Setbacks – Side	6 feet	5 feet
Setbacks – Front	18 feet to house 20 feet to garage	15 feet to house 20 feet to garage
Setbacks - Rear	15 foot minimum, maximum 20 feet	Lots 1, 2,5 and 6: 15', Lot 3: 5 ' at corner, then 15', Lot 4: 8' at corner, then 15'
Parking	2 spaces	2 spaces
Air Conditioners	6 feet	5 feet
Density	1-8 Dwelling Units/Acre	8 Dwelling Units/Acre

The project meets the requirements of State Density Bonus Law and the provisions of Chapter 17.34, Density Bonus, of the City’s Zoning Ordinance. Staff recommend approval as proposed, subject to the conditions included in Attachment 2.

**Tentative Map**

The Tentative Map for Phase 2 is included as Exhibit A to Attachment 2. The location of the new subdivision is shown on the map below. The new lots are delineated with a thicker line type and the location of the approved circulation network as well as location of the homes within Phase 1 can be seen in a lighter line.

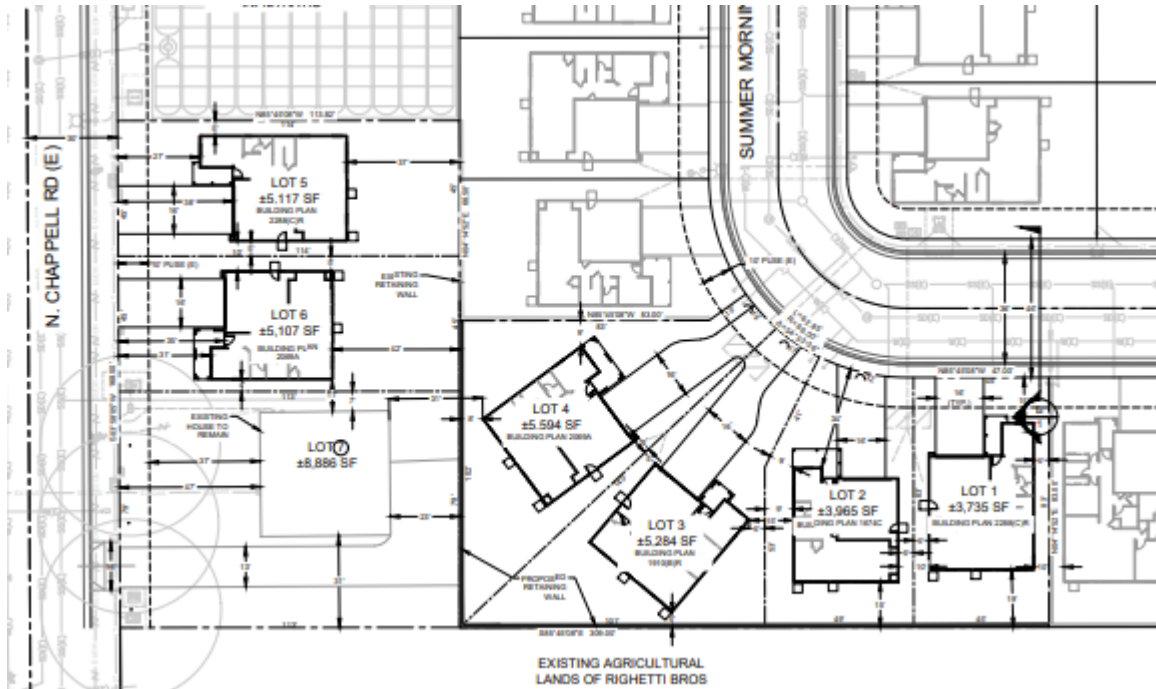
**Figure 2 – Proposed Subdivision with a Portion of Phase 1 Shown**



The Applicant is proposing to subdivide the existing .89-acre parcel into seven (7) new lots. The exiting residential dwelling will remain and will be located on Lot 7. The remaining six (6) lots will be developed with six (6) new residential dwelling units (to be constructed by KB Homes as part of the Everglen development). Lots 5, 6 and 7 will have direct access off of N. Chappell Road and Lots 1, 2, 3 and 4 will be accessible via an internal road (Summer Morning Drive).

Layout and access have been reviewed by the City's DRC and were approved as proposed.

**Figure 3: Phase 2 Layout**



**CEQA:** On May 18, 2019, the Hollister City Council certified an Environmental Impact Report (EIR) for the Chappell Road Project (SCH #2016101044) which analyzed the environmental impacts related to the development of all sites within the Master Plan area (or the Chappell Road Project). The proposed project was included within the area studied in the EIR.

The certified EIR consisted of a Draft EIR and Responses to Comments. For identified impacts that could not be mitigated to a less than significant level, the City Council adopted a Statement of Overriding Considerations. The proposed project is consistent with the project identified in the certified EIR. All mitigation measures included within the EIR will apply to this project.

**CONCLUSION:** The proposed project will provide additional dwelling units in the City. The project is located on a small, infill site, and will be oriented so that it is a part of the overall Everglen development. The proposed project includes an income restricted unit which will provide an affordable, for-sale unit for the City. Staff recommend approval as proposed.

**PREVIOUS COUNCIL OR COMMISSION ACTION:** None for the current project.

**PLANNING COMMISSION OPTIONS:** The Planning Commission may choose one of the following options:

1. Adopt the following Resolutions:
  - a. Resolution approving a Tentative Map (TM 2025-3), subject to the

- Conditions of Approval; and
  - b. Resolution approving a Density Bonus (DB 2025-1), subject to the Conditions of Approval.
2. Approve the following Resolutions with conditions modified by the Planning Commission;
- a. Resolution approving a Tentative Map (TM 2025-3), subject to the modified Conditions of Approval; and
  - b. Resolution approving a Density Bonus (DB 2025-1), subject to the modified Conditions of Approval.
3. Deny the Proposed Project; or
4. Continue the public hearing and direct staff to provide additional information or clarification.

Staff recommend the Planning Commission select Option 1 for this Item.

**ATTACHMENTS:**

1. Resolution approving Tentative Map 2025-3 with the Tentative Map included as Exhibit A.
2. Resolution approving Density Bonus 2025-1.
3. Draft Housing Agreement

**GENERAL INFORMATION:**

<b>Applicant</b>	Augie Dent
<b>Property Owner</b>	Pad Investment Trust
<b>Location/Address</b>	241 N. Chappell Road
<b>Assessor Parcel Number(s)</b>	051-230-005
<b>General Plan Designation</b>	Low Density Residential
<b>Zoning District</b>	Low Density Residential/Performance Overlay

**SURROUNDING USES:**

<b>Location</b>	<b>Zoning Designation</b>	<b>General Plan Land Use</b>	<b>Current Use of Property</b>
Project Site	R1/PZ	Low Density Residential	Single Family Residence
North	R1/PZ	Low Density Residential	Everglen Phase 1 (under construction)
South	R1/PZ	Low Density Residential	Future single family residential development (Chappell Road Master Plan)
East	R1/PZ	Low Density Residential	Everglen Phase 1 (under construction)
West	R1	Low Density Residential	Single Family Residences