



## MEMORANDUM

**To:** City Council  
**From:** Joseph Melder, City Manager  
**Date:** January 19, 2026  
**Subject:** Agenda Item #15 - Clarification of Permitting Process for 2512 Habersham Street

At the January 22 meeting, City Council will consider a special use permit to allow a hotel at 2512 Habersham Street. Although the property was added to the Hotel Development Overlay District (HDO) in December 2025, the application was submitted prior to the expansion and is not subject to the overlay. If approved, the hotel would be a legal nonconforming use.



### History of Permitting Activity

When the Planning Commission considered the special use permit, the history of the property's building permit was discussed. A permit was submitted in July 2022, and the initial review created confusion about the requested hotel use. The timeline below outlines this history leading to the 2025 special use permit application.

- In September 2021, the applicant submitted a zoning information request asking if the existing building could be permitted as an inn. On September 22, 2021, staff confirmed that an inn was permitted use and included the ordinance definition which limits inns to six to 15 guest rooms.
- In March 2022, the applicant requested a zoning confirmation letter and submitted a letter stating, "We would like to install 22 studio apartment units." Staff completed letter in March 2022 and included information about development standards for apartments.
- In July 2022, a building permit (22-06664-BC) was submitted to renovate the existing building. The application described the work as "buildout of apartments as per plans

submitted” and listed the proposed use as “Multi-family (3+ units).” The architectural drawings were titled “Habersham Apartments 2512” on the cover and each page of the plan sheets.

- The building permit was reviewed by both Building and Zoning and approved in September 2022.
  - The Building reviewer corresponded with the applicant’s architect to clarify what building code occupancy was appropriate for the proposed units since no cooking appliances or kitchen sinks were shown in the units. Each unit was shown with a combined living and sleeping area that included a counter with a mini fridge underneath. The Building reviewer suggested to the architect that this configuration was aligned with the R-1 occupancy class which typically applies to hotels and other lodging uses. The architect suggested that R-2 was the appropriate occupancy. The R-2 occupancy is generally used for apartments. The approved version of the architectural drawings used the R-1 occupancy. The Building reviewer updated the proposed occupancy use in the General information section of the permitting system as “HOTEL/MOTEL” when first contacting the architect about this question on August 5, 2022. The Building review was approved on September 9, 2022 under the “hotel/motel” occupancy use.
  - On September 20, 2022, the Zoning reviewer completed the plan review and updated the use in the zoning information section of the permitting system to “MULTI FAMILY”. At that time, the description of work shown in the permitting system stated, “build out apartments as per plans”. The Zoning reviewer did not note the lack of kitchens in the units when the zoning ordinance required a dwelling unit to have a kitchen. In addition, the units did not meet the minimum floor area requirement for apartments in the TC-1 zoning district for this property.
- The Building and Zoning reviewers both stamped the architectural drawings to indicate that they were approved. The Building reviewer struck through the word “Apartments” on every page of the plans. The Building reviewer uploaded copies of their correspondence with the architect to the permitting system. The Building reviewer’s strikethroughs on the plans would have been visible, and the emails uploaded in the permitting system would have been accessible to the Zoning reviewer. In most cases, building code issues do not impact zoning use determinations. Staff could not locate any correspondence that included the Zoning reviewer in discussions of the proposed use or occupancy change from apartments to hotel/motel.
- The plan review for the building permit was approved on September 23, 2022. The building permit was not issued until March 13, 2025, because there was an associated site permit that was not approved until March 2025. The site permit was for upgrades to the water service for the building. The building permit issued in March 2025 lists the proposed use as

“HOTEL/MOTEL”. The building permit automatically inserts the use category from the General information section, not the Zoning information section in the permitting system. On the same day that the building permit was issued, the Permit Supervisor removed the phrase “buildout of apartments as per plans submitted” from the description of work. For that reason, this sentence does not appear on the automatically generated building permit.

- Revised plans were submitted in October 2025. The proposed revisions were to remove an elevator that had been shown in the original plans. The original Zoning reviewer was no longer working for the City at that time. The new Zoning reviewer emailed the applicant to explain that the units did not meet the minimum floor area requirement and to request a drawing showing the layout of the parking area to ensure that parking requirements were met.
- The architect submitted revised plans in November 2025 and stated via email that the proposed use was an inn. The Zoning reviewer approved the permit and included a note in the architectural drawings stating that the approved use was an inn which is limited to 15 guest rooms and requires 24-hour per day staffing. The revised architectural drawings were re-issued to the applicant with the appropriate approval stamps. The building permit document was not re-issued. The currently active building permit document for the permit is the original document issued in March 2025 which says “HOTEL/MOTEL” in the proposed use section.

### **Clarifying Building Code and Zoning Uses**

---

A discrepancy between building code use and zoning use on a building permit is unusual. To prevent similar issues, staff are updating the permitting system to clearly reflect reviewer comments. The permit system will be revised to display both “Building Code Use” and “Zoning Use,” each populated by the appropriate reviewer, clarifying the distinction between each review, and reducing future discrepancies. Implementation is expected by Q2 2026.

### **Recommendation**

---

My recommendation is to deny the request for the special use permit for a hotel because it conflicts with the intent of the hotel development overlay district approved by City Council in December 2025. In addition, the project was originally submitted as apartments, then reclassified during review, and ultimately approved as an inn in 2025. The developer should not receive beneficial treatment compared to owners of similar properties that have also been added to the HDO based on inconsistencies in the permitting process.

If you have any questions, please let me know.