

STAFF REPORT

DATE: October 17, 2017

TO: City Council

FROM: Mike Webb, Assistant City Manager
Ashley Feeney, Assistant Director Community Development & Sustainability
Katherine Hess, Community Development Administrator

SUBJECT: Nishi Student Housing Application: Processing Directions

Staff Recommendation

Staff recommends the City Council take the following actions regarding the Nishi Student Housing application:

1. Direct staff to process the application through environmental and commission review with the goal of providing the City Council the opportunity to place the proposal on the June 2018 ballot, should the Council so choose;
2. Appoint two City Councilmembers as a subcommittee to provide guidance to staff in review of the Development Agreement and Baseline Project Features;
3. Direct staff to engage with UC Davis on seeking an agreement regarding vehicular access to the Nishi property, should the application be approved by the City Council and the voters; and
4. Authorize the City Manager to enter into a contract with Ascent Environmental to prepare an Addendum, if necessary, to the previously-certified Environmental Impact Report.

Background

Applications for a mixed-use development on the Nishi property were approved 5-0 by the City Council in January 2016, subject to voter ratification. Litigation was filed after City Council action, challenging the Environmental Impact Report (EIR) and affordable housing approach. The ballot measure in June 2016 was not approved, invalidating the General Plan Amendment for the project. Earlier this year, the litigation was resolved in the City's favor, and with the litigant ceding the affordable housing argument. An appeal was filed with Yolo County Superior Court on October 10th.

Current Proposal

On October 6, the property owners submitted a preliminary conceptual site plan for development on the Nishi property. The City has also received a revised application and project narrative (all attached). The proposal focuses on providing student housing, including an affordable component. The narrative notes that vehicle access would be through a crossing under the Union Pacific Railroad tracks to the UC Davis campus. The narrative also notes that vehicle trips would be reduced, and the elimination of private automobile access to west Olive Drive would need to

be explored. The project also includes open space, potentially a farm to provide produce for UC Davis students, and surface parking with opportunities for photovoltaics. The proposed concept would be generally consistent with the “Nishi Property – Option with Access Via UCD Only” site recommended for housing in the City Council’s 2008 resolution regarding Housing Element Steering Committee recommendation (Attachment 2).

The proposal is for development to occur with annexation to the City of Davis. Required entitlements would include General Plan Amendment (subject to voter approval), rezoning and preliminary planned development. A Development Agreement is anticipated. Implementing entitlements, such as subdivision maps if required, could be processed through Planning Commission at a later date, consistent with zoning and Baseline Project Features.

Council Goals

Consideration of this application is supportive of Goal 5 – Promote Community and Objective 1D to increase affordable housing options for students, including potential partnership with UC Davis in the development of affordable housing on campus.

Fiscal Impact

Costs of the Planning review process, including preparation of the Addendum to the Environmental Impact Report, will be borne by the project applicant. Analysis of fiscal impacts of the proposed project will be prepared and brought forward for Finance and Budget Commission and City Council consideration.

Proposed Timeline

The applicants have requested that the proposal be placed on the June 2018 ballot. The schedule would entail action by the current City Council, who are familiar with the site and its planning history. There are no other “Measure R” proposals anticipated at that election.

A June ballot would require City Council action in early February. Planning Commission hearing and recommendation, and City Council hearing and action, could be scheduled in early 2018.

Environmental Review

A June ballot might be possible only because environmental review for the previous application was completed and the Environmental Impact Report (EIR) certified by the City Council. That EIR analyzed development of the Nishi property with 650 residential dwelling units (210 condominiums plus up to 1,500 beds), 325,000 square feet of research and development use, and 20,000 square feet of accessory retail. The EIR evaluated two “equal-weight” access scenarios: one with vehicle connections to both Olive Drive and UC Davis; and the other with vehicular access only from West Olive Drive.

Staff’s preliminary analysis shows that the revised proposal could be evaluated through an Addendum to the previous EIR. Recirculation would not be necessary pursuant to Section 15164 of the state guidelines for the California Environmental Quality Act. While recirculation under CEQA is not required, the analysis prepared for an EIR Addendum would be crucial to community, commissions, Council, and ultimately voter consideration of the updated proposal.

In order to make a determination that an Addendum is the appropriate level of environmental review, the City would need to make the following determinations:

- The changes in the project would not result in new significant environmental effects or a substantial increase in the severity of previously-identified significant affects;
- There are no significant changes in circumstances that would result in new significant environmental effects or a substantial increase in the severity of previously-identified significant affects; and
- There is no substantial new information that shows new significant environmental effects or a substantial increase in the severity of previously-identified significant affects.

The City is proposing to contract with Ascent Environmental, the consultant who prepared the original EIR, to conduct an analysis of the anticipated Addendum approach. Additional traffic analysis will be a key component of the Addendum. At this time, staff is requesting the City Council authorize execution of a contract with Ascent, with costs to be borne by the applicant.

Commission Review

Staff is proposing to take the revised proposal to advisory commissions in November and December. These meetings would allow commissioners to make comments to be forwarded to the Planning Commission and City Council as they hold public hearings.

| Commission | Date | Discussion Topics |
|---|-------------|---|
| Open Space and Habitat | November 2 | Farm/open space component of proposal. |
| Bicycle, Transportation , and Street Safety | November 9 | Street layout and connectivity, roadway and path widths |
| Recreation and Park | November 16 | Greenbelt location and amenities |
| Social Services | November 20 | Affordable housing proposal |
| Natural Resources | November 27 | Sustainability components |
| Finance and Budget | December 11 | Fiscal impacts on City |

The schedule would also accommodate a Planning Commission workshop on the application in December of this year. If available, the EIR Addendum could be presented at the Planning Commission workshop for early public review prior to formal consideration in January.

Attachments:

1. Project description and narrative, including preliminary conceptual site plan
2. Housing Element Steering Committee recommendations for Nishi site

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Project Goals

The guiding concept of the Nishi proposal is to retain elements of the plan already approved by The City Council, while simplifying that plan to lessen impacts questioned by the voters of Davis.

Among the priorities, consistent with already approved land uses, is the creation of a new student housing neighborhood that takes advantage of the sites unique proximity to both Downtown Davis and UC Davis. The site also offers direct bicycle and pedestrian access along the extensive Arboretum corridor strongly connecting the site to the balance of our community both North and South.

Accordingly, the project continues to meet, as before, the critical need for rental housing at this uniquely convenient location. This convenience, particularly for UCD students, provides economies in both travel time and automobile use to students during their normal 2-5 year tenure at UCD.

Land Use Profile

Land uses will be consistent with the currently approved Nishi Plan and, by reference, the certified EIR. However, because of voter traffic concerns, there could be the reduction or elimination of non-University commercial buildings which create the bulk of peak hour traffic.

Student Housing

Per the existing plan, the residential area will provide 650 housing units which could accommodate up to 2600 occupants. The residential area remains located on the Northerly side of the property maintaining a substantial buffer from I-80. Even though the prior project was exempt from affordable housing requirements, the new plan could include housing available to underserved students. Most students do not qualify for the necessary conventional Federal and State subsidy benefits. Nonetheless, if some path to feasibility can be found, such housing will be a benefit to students who need assistance.

Accessory structures and amenities normal for such housing projects will be built and maintained for residential use.

Roadways and Circulation Strategy

A vehicular and bicycle/ pedestrian undercrossing connecting Nishi and UCD is planned in generally the same location first identified in the approved plan. This new connection will augment already existing bicycle/pedestrian access both North and South, and provide alternative emergency access in addition to the emergency access at Olive Drive and the existing I-80 bike path/emergency vehicle undercrossing. On site bicycle paths will complete the circulation offering convenience by connecting between existing routes and new routes offering more options for bicyclists.

Largely because of feedback from the community, a reduction below certified EIR benchmarks, or even the elimination of private automobile access from Richards Blvd to the Nishi site needs to be explored. Input from appropriate City commissions will be relevant in determining a path forward.

Open Space

Should commercial footprints be reduced, much of the space they now occupy could be retained in open space uses. Preliminary analysis indicates 3 to 6 acres could be available for options such as playfields, urban forests, or even an urban farm as an amenity to adjacent residents.

The applicants are currently growing, organically certified, crops of nutritional vegetables on another Davis urban farm. Some of vegetables grown are provided as donations to students on campus.

Open space also includes the existing Arboretum bicycle/pedestrian trail which might further be enhanced with an open space amenity connecting this corridor with one of the open space alterations just discussed. Open space to the West includes, as it does now, a combination of natural drainage ponds with a dense urban forest providing sound attenuation and air filtration elements to the project.

Another interesting feature will include strategically placed groves of evergreen trees, shrubs, and hedgerows for visual appeal and air filtration as noted in the approved EIR.

Parking

Because of its unique location, Nishi student residents may not need daily access to their cars. Accordingly, apartment on-site parking might be feasibly limited, in the aggregate, at lower ratios normally found at apartment projects in more remote parts of the community. Further, a survey has shown that a satellite car storage area is acceptable to student residents. Accordingly, a satellite car storage facility, generally located where commercial buildings and parking lots were first envisioned, might be a feature offered to all students, including campus residents. This in turn may permit greater density and more efficient uses for core University lands adjacent to the Nishi property.

Sustainability

The Nishi property was selected by the California Strategic Growth Council, as the #1 site for sustainable development in the State of California. As a result of that process funds were provided to prepare a comprehensive sustainability implementation plan which is incorporated into the approved EIR. Additional opportunities may be available to enhance the sustainability plans by adding PV panels in the satellite car storage areas.



Nishi Property (Option With Access Via UCD Only)



SECONDARY SITES are sites recommended for housing; they are considered "Green Light" sites



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|---|--|
| Location | Southwest of Richards / I-80 interchange |
| Site Size (Gross / Net Assumption) | 44.0 ac / 15.4 ac (residential) |
| Recommended General Plan Overall Residential Density Category (net density range including density bonus) | New Residential Higher (50 + du/ac) |
| Estimated Potential Number of Housing Units Range Per General Plan Category | 462 - 1,000 du (new) |
| Steering Committee Recommendation | 460 - 1,000 du |

Recommended Actions and Responsibilities

- Action 18.1** Develop a cooperative plan with UC Davis for land use and circulation.
- Action 18.2** Discuss the development with the railroad company and mitigate safety concerns.
- Action 18.3** General Plan amendment (to a new higher density category), rezoning, and Measure J vote.

Rationale for Recommended Site Ranking Category and Number (including Key Principles)

- 18.1 Adjacent to UC Davis and downtown and would bolster downtown economy.
- 18.2 Near arboretum, freeway, and transit.
- 18.3 Bike connection to downtown and South Davis.
- 18.4 Promotes pedestrian, bicycle and transit mobility.
- 18.5 Potential to provide special higher density housing types without impacting existing neighborhood.

Countering Views to Recommended Site Ranking Category and Number

- 18.6 Poor vehicular access to Core Area.
- 18.7 Noise from I-80 and railroad.
- 18.8 Safety concerns with the railroad.
- 18.9 Prime ag land.

Recommended Land Use and Design Considerations, Requirements or Conditions, and Any Additional Information that May be Needed for Site Development

- 18.A Needs UC Davis involvement, including access.
- 18.B Traffic analysis, mitigation, and car management strategies for traffic toward campus.
- 18.C Noise analysis and mitigation.
- 18.D Mitigate safety concerns with the adjacent railroad.
- 18.E Relinquish the existing access easement to Olive Drive.
- 18.F Access via UC Davis must be explored fully before any consideration of the site #25 option.