

MINUTES OF THE MEETING OF THE DAVIS CITY COUNCIL
JANUARY 25, 2005

The City Council of the City of Davis met in regular and closed session at 6:30 p.m. in the Community Chambers, 23 Russell Blvd., Davis, California. The meeting was called to order by Mayor Asmundson.

Roll Call: Councilmembers Present: Sue Greenwald, Ted Puntillo, Don Saylor, Stephen Souza, Ruth Asmundson.

Councilmembers Absent: None.

Other Officers Present: City Manager James Antonen, City Attorney Harriet Steiner, City Clerk Bette E. Racki.

Approval of Agenda T. Puntillo moved, seconded by S. Souza, approval of the agenda as submitted. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Souza, Asmundson.
NOES: None.

Closed Session The City Council ordered a closed session of the City Council be held for the purpose of discussing and, if necessary, taking action on the following issues:

A. Conference with Legal Counsel – Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) §54956.9 (1 case)

Council moved into closed session and upon returning to open session, City Attorney Steiner announced that Council met on Notice of Intent to File a California Environmental Quality Act (CEQA) Petition from the Elmwood Neighborhood Association which relates to the California Aggie Christian Association project that was approved by the Council in December. Council took no action on this matter.

City Council, City
Manager, City Attor-
ney Communications

Natural Resources Commission Meeting. Councilmember Souza stated the Natural Resources Commission met and discussed the Sacramento Municipal Utility District (SMUD) annexation, utility rates, waste water treatment and reviewed some of the hazardous waste sites in Davis. Staff will provide a report to Council on the sites. The commission set up a subcommittee for selection of the Environmental Recognition Awards.

Human Relations Commission Meeting. Human Relations Commission is in the process of completing their long range calendar.

Business Economic Development Commission Meeting. Councilmember Puntillo stated the Business Economic Development Commission received a presentation from Renewable Energy Institute on suggested uses for the Hunts Cannery site to create technology for energy. The Commission also received an update on Davis Manor project and a report from the State that they may be closing down the forestry site soon so that portion of land may be on the market soon.

SMUD Board Meeting. Mayor Pro Tem Greenwald stated she and the Mayor attended the SMUD board meeting wherein the Board received the Fiscal Annexation Study for proposal to an-

nex Davis, West Sacramento, Woodland and Yolo County unincorporated areas into SMUD area.

Meeting of School Board, Davis Community Television and City Council 2X2X2.

She also attended the School Board, Davis Community Television and Council Telecommunication 2X2X2 meeting wherein they discussed how to coordinate and cooperate between the jurisdictions regarding the franchise and operating of Cable telecommunications.

Budget and Finance Commission and Open Space Commission.

Mayor Pro Tem Greenwald attended the Budget and Finance Commission and Open Space Commission meetings on Covell Village stating the Finance and Budget Commission discussed the fiscal impacts and Open Space Commission recommended on a split vote for a reduced footprint.

League of California Cities Committee Meetings.

Greenwald attended the Environmental Quality Committee of the League of California Cities wherein they discussed issues such as whether the League should amend its policy of opposing mandatory additional elements to General Plans.

Councilmember Saylor, member of the League of California Cities Public Safety Committee, will be serving on the subcommittee addressing the implementation of Proposition 215, medical marijuana.

Mayor Asmundson stated that during this public comment period, the public may also wish to comment on the Covell Village project.

Public Comment.

Bobby Weist stated the Firefighters Association donated \$2,000 to the tsunami relief fund.

Joe Sherman spoke about the complaints he has filed against the Police Department.

Gerald Adler spoke about a proposed Senior project at Covell Village project. His concern is that one of the draft environmental impact report (DEIR) alternatives threatens that part of the proposal. This proposal is unique at that location and there is nothing like it in Davis or anywhere in the county that provides a mixed of ownership housing and assistant living. He urged the Council to give greater attention to that portion of the project.

Odene Mitchell stated there seems to be an impression that if the DEIR says there is significant impacts, there is a tendency to ignore mitigating where possible. She encouraged giving adequate weight to mitigation.

Stephen Lorenzato stated he read the DEIR and will provide written comments. He said he is impressed by the complexity and scope of a project like this and is impressed with the developers' responsiveness to community needs. Annexation into the city requires thinking carefully about the future and not the past.

Bill Engelman spoke about surface water and flood issues pointing out that the analysis given in the DEIR on flooding. The DEIR is using surface modeling techniques to report peak flows but is not talking about the input side, about perimeters to the model, and the assumptions that are being made. It does not discuss conducting a sensitivity analysis of the model including no model testing. Peak floods are only small part of the analysis as there is need to know timing of the flood flows.

Ruben Arevalo commented on the DEIR technical documents stating the technical appendix calculations are difficult to read. He asked for extension of the DEIR comment time.

Jeff Adamski said he reviewed the DEIR and there are some points that need to be reviewed such as personnel expense seem to be high at 6.6% rate of inflation but the industry is targeting 2 to 3%. Housing inflation is low at 5% as it is averaging closer to 7 or 8% over the last fifteen years. Those are huge factors in this DEIR from a revenue standpoint which appears to be most of the focus. Tree maintenance requires less maintenance early on then later. Fire station is a major impact and it is critical how that is handled. The station is a city-wide burden because it services the population wherever they are. Some of the assumptions are high on the expense side and low on the revenue side. Workforce housing program needs to make sure people have incentive to move out of public subsidy and also allow them to share in equity so there are sufficient funds to buy a home.

Community Development Director Emlen stated that Mr. Adamski's comments are from the fiscal analysis and not the DEIR.

Leslie Scope expressed concerns about several items that are not included in the DEIR. The first is the lack of specific information being considered on the traffic impacts of Springlake on Pole Line Road, one of the roads that will be significantly impacted by this development. Council would be negligent morally if not legally to put this project forward to the community without consideration of reality. Second is the lack of information on the possible residential development of the ConAgra property. If developed all the traffic would funnel onto the same connector street which would dump onto L Street. Third is the toxic issue and hope the city takes the time to consider it carefully.

Bruce Kemp, Natural Resources Commission Chair, stated the commission meeting focused on the DEIR for Covell Village. The Commission can not make recommendation as they did not form a consensus as a group. Other Commissions have worked hard to meet the deadline and the Natural Resources Commission voted to ask that Council extend the review for 30 days which would allow Commissions and the public time to focus on the document.

Tim Hoban stated his comments are based on an overview of the impacts of this project rather than specific comments on the DEIR. He will present those in written form. The greatest concerns are the scale of the project and 1900 units plus will have significant environmental impacts on citizens particularly those who live in surrounding areas as the traffic will need to funnel traffic to various areas. He urged the Council to take time on this project.

Suzanne Duffy-Tajeldin stated this process is going too fast and the overload of cars can change Davis significantly. There is need to have a complete study of bike paths and traffic to resolve the problems such as 8th Street, Richards Boulevard and 5th Street. There is also need to research why citizens leave Davis to shop. She said Davis needs to function on its own.

Eileen Samitz member of the Citizens for Responsible Planning, supports the General Plan and opposes Covell Village. The project is not in the city limits and will pave over 422 acres of agricultural farm land. Davis has a decade of accelerated growth which created numerous problems including overwhelming the infrastructure. She presented a map showing that over 30% of the city was built out in 12 years rather than the 23 years it was suppose to take. She encouraged the public to contact her organization if they are concerned about this project.

Steve Kahn spoke about the senior project as part of Covell Village. Eskaton units are priced high and people who have lived and studied in Davis cannot afford to live

there. Council needs to service the concerns of the citizens of Davis.

Tamara Costa, Alliance of Family Farmers, stated with the proposed acre of farm land to be developed there are concerns expressed by the agricultural commissioners regarding the interface between their urban and rural counterparts. She suggested that if the proposal is accepted to create a buffer zone between residential and the rural land by forming an organic or sustainable designed farm system will create a interface between these two populations. She stated there is need to educate the community about our agricultural history and farm roots.

JoAnn Swartz expressed concerns about density, housing and impact on the public library system as it is already overly used. More people coming in would have a huge impact on the library.

Recused from Participation in the Discussions Regarding Covell Village

Councilmember Souza stated due to a former business relationship with Tanden Properties he must recuse himself from participating in discussion on the Covell Village project. He explained that he is currently waiting for a legal opinion from the Fair Political Practice Commission on his conflict.

Workshop on Retail Component on Covell Village.

Community Development Director Bill Emlen stated as this project moves forward, staff is trying to balance a large residential community with some diversity in terms of other land uses. The current version of the plan has evolved into an interesting mixed use community. Staff does raise a couple of issues about what is the proper context. Staff reviewed the project from a broader prospective in how this neighborhood community would fit in with the overall city scheme. In the analysis staff has come forward with recommendations for changes over what is currently being proposed in the developer's application. Retail should not be competing with the downtown nor should it be detrimental to the neighborhood center across the street. Staff recommends adjustment to the proposal that basically would take the 57,000 sq. ft. of retail as currently propose and 6,000 sq. ft. of restaurant and reducing it to 45,000 sq. ft. maximum retail with 20,000 sq. ft. maximum neighborhood serving and one full service restaurant not to exceed 6,000 sq. ft.

He spoke about the uncertainty of the adjacent Lewis property indicating they know there are proposals on the table or concepts that have been considered involving additional community serving retail. The property is currently zoned light industrial; however, if that should change it would not be beneficial for heavy concentration of retail in this part of the city when combined with Oak Tree Plaza. This would become a significant factor in terms of a generator for commercial active that might have impacts on the downtown.

In terms of office uses the Economic Development staff reviewed the proposal and believe that 43,000 sq. ft. is in excess of what is currently needed. Staff has recommended reduction in total office space to 10,000 sq. ft. and to replace that space with apartment type units above the retail. In terms of the gas station staff does not recommend against the gas station, but in terms of creating a high quality neighborhood, staff recommends if a gas station is provided that it be done consistent with newer design principles with building screening the pumps. For the extended stay hotel, staff recommending that it be eliminated in the context that those types of uses should be focused in the downtown area and there is not a compelling reason to have this type of use in this area. Also staff recommending that this is a good site for a small multi-residential project.

City Manager Jim Antonen stated during this portion of the meeting the Council will be giving preliminary direction to staff as result of the two previous workshops. There will be a joint meeting with the Planning Commission on the environmental documents

and another public hearing by the City Council for the final decision as to whether the Council will approve the project and move it towards a Measure J vote in June.

Staff responded to questions from the City Council.

Density, housing mix, and phasing

Following discussion, S. Greenwald moved to consider a project which has fewer units, more density and significant smaller footprint than any other recommended options. No second.

T. Puntillo moved the current proposal with a notification to set a target of 1,650 units. No second.

R. Asmundson moved, seconded by T. Puntillo, to consider the following changes to the current 1,515-unit project proposal:

- Consider target range of 1,756 – 1,900 units.
- Increase densities in the multifamily and land dedication sites (currently 15-18 units/acre).
- Add one or more multifamily sites (condominiums or apartments) in the northern portion of the project site.
- Sprinkle additional smaller lots suitable for single-family attached or detached units in a logical pattern, preferably in locations that take advantage of open space amenities.

S. Greenwald moved substitute motion to consider a range of 660 to 1,000 units. No second.

The motion passed by the following vote:

AYES: Puntillo, Saylor, Asmundson.

NOES: Greenwald.

Location and configuration

Community Development Director Bill Emlen stated that staff is not prepared at this time to recommend that the south-of-channel option be identified as the preferred alternative but recommends that it remain as a serious alternative in the event that desired project changes are not forthcoming. He noted that south of the channel alternative, if overall unit counts are retained, would facilitate both a higher density and more compact project.

S. Greenwald moved to consider development south of the channel option as designated in the 1987 General Plan. No second

T. Puntillo moved, seconded by D. Saylor, to develop north and south of the channel – 422 acres. The motion passed by the following vote:

AYES: Puntillo, Saylor, Asmundson.

NOES: Greenwald.

Schools

Following discussion, T. Puntillo moved, seconded by R. Asmundson, approve staff recommendation that all regulatory documents clearly state that the site may become a school but other improvements may be approved. The terms of the agreement be-

tween the City and the school district and applicant, which is tentative until a project is approved, should be revisited if a school is not determined to be necessary at this site. The site should be subject to all normal city approved processes and decisions for any alternative use.

The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Asmundson.
NOES: None.

Fire Station

D. Saylor moved, seconded by T. Puntillo, pending further review by affected Departments and the City Manager's Office:

- The City should strongly pursue a Development Agreement with provisions requiring the applicant to construct and equip the fourth fire station.
- Negotiate an up-front contribution for initial staffing of the fourth fire station. The amount and term would be stipulated in the Development Agreement.

The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Asmundson.
NOES: None.

Parks and Open Space

D. Saylor moved, seconded by T. Puntillo, approval of staff recommendation as follows:

1. That the Development Agreement require developer construction and maintenance of parks and greenbelts concurrently with residential development.
2. That the central north-south greenbelt be widened to a minimum of 100 feet, with a greater width adjacent to the multifamily and high-density areas.
3. That the project contribute to community-wide recreational amenities.
4. That the greenbelt credit be granted only for areas that are part of a connected greenway system. This may include portions of the wildlife/habitat area in the center or north of the project. Other green spaces, including the "linear green" will be allowed only if the developer provides an endowment or similar mechanism for long-term maintenance.

The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Asmundson.
NOES: None.

Fiscal/Development Agreement

The Council has appointed a subcommittee (Asmundson and Saylor) to participate in the Development Agreement process. They have held preliminary meetings with staff to discuss objectives. The subcommittee and staff will be updating the Council as discussions proceed and do not expect Council to take action at this time.

City Manager James Antonen stated that Finance Director Paul Navazio is present

and can provide an update on the fiscal analysis.

Finance Director Navazio stated Council referred the subject of fiscal analysis and fiscal model to the Finance and Budget Commission. The commission held two meetings to review the fiscal analysis as well as other fiscal impacts.

The Commission identified key issues that the Commission is still reviewing with the consultant to essentially reach a degree of confidence with the model and its methodology. Some of the issues were appreciation rate assumptions and turnover assumptions. Issues focused primarily on many of the assumptions that were used in the model. Important was the residential property appreciation rate assumption, how sales tax was or was not applied in the model to the retail component of the project.

There was interest by the Commission regarding affordable components of the project particularly with regard to the long-term affordability and what happens to the affordability issues following resale of the initial purchase of the affordable units.

Navazio responded to questions from the City Council regarding the various tax measures and how the City would be affected if the tax measures were not renewed and if there were a decrease in property values. Staff and Commission will continue to review the fiscal impact assumptions and provide whatever additional information is needed to Council.

Following discussion, T. Puntillo moved, seconded by D. Saylor, that the development agreement subcommittee and staff explore topics that include:

1. Construction and equipment for the fire station
2. An up-front subsidy for initial staffing the fire station
3. Significant financial commitment toward the construction of a downtown parking structure
4. Developer construction of parks and greenbelts concurrently with residential development
5. Contribution to community-serving recreation uses
6. Developer to cover maintenance costs of all new parks, greenbelts, street trees, and greenstreets for two years.
7. An endowment for the maintenance of the habitat areas.
8. Establish a reasonable limit on the number of units eligible for permit per year so to not over monopolize city-wide allocations under the City's future Growth Management Ordinance
9. Agreement to fully comply with whatever middle income inclusionary housing standards emerge as a result of the process that is currently ongoing

S. Greenwald requested amendment to include in the list a request that developers donate land to build a community center that is deeded to the City. Mover of motion did not accept the amendment.

The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Asmundson.
NOES: None.

Agriculture Mitigation

Following discussion, T. Puntillo moved, seconded by R. Asmundson, approval of staff recommendation and addition to agricultural mitigation as follows:

1. That the application explicitly identifies the sites for agricultural mitigation. If the locations are not in the proposed location, at the northern edge of the project, the locations shall be reviewed by the Open Space Commission at a public hearing before a determination is made on whether the mitigation sites are acceptable to the City.
2. That no provision for homesites on the mitigation lands be approved without a determination by the City that the homesites do not reduce the likelihood that agricultural mitigation implements organic farms along F Street.

The motion passed by the following vote:

AYES: Greenwald, Puntillo, Souza, Asmundson.
 NOES: None.

Affordable housing and middle-income component

Staff's preliminary recommendation is that Covell Village provide at least the same number of affordable units with at least as much affordability as the standard requirements. Based upon the new information, staff is more comfortable about the Community Housing Opportunity Corporation (CHOC) and Yolo Community Care Continuum (YCCC) proposal on the co-housing affordability requirements and the possibility of developer construction on the land dedication site. Specific continuing concerns on the part of staff includes the need for permanent affordability for all affordable units including middle income, low- and moderate-income ownership be permanently affordable with no more than 3% appreciation with further discussion on middle-income. Silent second loans are allowed only if the structure can insure sustained affordability for the same number of units at the same income levels and uses of the Yolo County Medium Household Income for workforce housing.

Staff responded to City Council questions regarding middle-income, affordable housing, using Yolo County medium income versus Davis income, and silent seconds.

S. Greenwald moved that the City ask that acreage be deeded for group homes for the mentally ill and land for the CHOC proposal. No second.

D. Saylor moved, seconded by T. Puntillo, that the project provide at least the same number of affordable units with at least as much affordability as the standard requirements for each of the income categories and ownership types, including the inclusionary requirement for middle-income. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Asmundson.
 NOES: None.

T. Puntillo moved, seconded by R. Asmundson, to extend the meeting to 11:30 p.m. The motion passed by the following vote:

AYES: Puntillo, Saylor, Asmundson.
 NOES: Greenwald.

D. Saylor moved, seconded by T. Puntillo, to include the proposed CHOC and YCCC project within the final requirements.

S. Greenwald requested an amendment to the motion to add three-acres of land dedicated for group homes for mentally ill. Not accepted by the mover.

The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Asmundson.
NOES: None.

D. Saylor moved, seconded by R. Asmundson, to move forward with up to 50 units project dedicated to the very-low income and mentally ill working with Yolo County Community Care. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Asmundson.
NOES: None.

D. Saylor moved, seconded by R. Asmundson, to use Yolo County Household Medium Income for workforce housing. The motion passed by the following vote:

AYES: Greenwald, Saylor, Asmundson.
NOES: Puntillo.

S. Greenwald proposed to agendaize a meeting and staff report to review various options for the middle-income affordable housing and whether permanently affordable middle-income is possible. Council directed the Mayor, City Manager and City Clerk to find available meeting dates.

Traffic, Air Quality and Noise

Staff recommends that this item be deferred until the environmental impact report is completed.

Retail component

Staff recommendation is that retail be reduced by 12,000 sq. ft. with a greater emphasis on community serving retail and a prohibition on entertainment, specialty/boutique retail. Office be significantly reduced and replaced with additional multi-family housing or commercial recreational uses. The gas station is limited to 8-pumps and either integrated into the retail site or built in accordance to new urbanist design. The hotel be removed and replaced with additional multi-family housing, and the live-work units be on individual parcels for purchase by small business owners.

Following discussion, T. Puntillo moved, seconded by D. Saylor, staff recommendation with the following changes:

- Retail is retained at 57,000 sq. ft. maximum retail.
- Regulation on specialty/boutique retail, apparel is removed.

D. Saylor request amendment to exclude from the motion the zoning prohibitions which means 57,000 sq. ft. but leave in the restrictions on specialty/boutique retail maximum of 20,000 sq. ft. limitation on neighborhood retail. Accepted by the mover.

By consensus the Council agreed to include wording in the motion that says "...the remainder being community serving retail resulting in flexibility for bigger users".

The motion as amended passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Asmundson.
NOES: None.

Office

T. Puntillo moved, seconded by D. Saylor, approval of staff recommendation on office uses but increase the allowable square footage to 30,000 sq. ft. The motion failed by the following vote:

AYES: Puntillo, Saylor.
NOES: Greenwald, Asmundson.

Gas Station

T. Puntillo moved, seconded by D. Saylor, approval of staff recommendation as to gas station utilizing new urbanist design principles while expression some reservations regarding hiding the pump islands and removing the reservation about the screening of the pumps. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Asmundson.
NOES: None.

Hotel

T. Puntillo moved, seconded D. Saylor, approve developer’s proposed project and include language to assure that it is for extended stay such as resident suite type. The motion failed by the following vote:

AYES: Puntillo, Saylor.
NOES: Greenwald, Asmundson

S. Greenwald moved, seconded by R. Asmundson, approval of staff recommendation to eliminate and replace the proposed extended stay hotel with additional multi-family housing and live-work units on individual parcels for purchase by small business owners. The motion failed by the following vote:

AYES: Greenwald, Asmundson.
NOES: Puntillo, Saylor.

Live Work & Health Club

T. Puntillo moved, seconded by R. Asmundson, approval of staff recommendation for 34 live-work units - must be constructed as individual for-sale units (on individual lots; additional rental units above units encouraged). The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Asmundson.
NOES: None.

T. Puntillo moved, seconded by R. Asmundson, staff recommendation for Health Club at 30,000 sq. ft. The motion passed by the following vote:

AYES: Greenwald, Puntillo, Saylor, Asmundson.
NOES: None.

By consensus Council extended the meeting by thirty minutes.

Public Comment.

Joe Sherman stated the project should include large homes but not large lots, single family and free style homes.

Odene Mitchell said 20,000 sq. ft. retail is important for that site and recommend that the City look into the possibility of a Stein Mart which is a nice mixed retail discount store.

James Fowler said that CEQA requires that the DEIR analyze the impact of growth on housing prices in Davis. He spoke about the need for various studies related to pollutants, traffic deaths and injuries, and possible increase in crime. The DEIR is silent on these issues. He stated the process is immoral and illegal.

Rita Niron urged Council to extend the deadline for public comment on the EIR. The DEIR gives very little discussion to the more desirable environmental alternatives which is a very short section in the draft. More discussion is needed on the alternatives that protect far more agricultural land including the trees. Need to consider building up while protecting existing neighborhoods as an alternative to this project.

Leonard Aldon said this process is a sham. He expressed frustration with the DEIR and lack of public comments.

Eileen Samitz says the Community Chambers were built to hear public comments. She spoke about new information and the impacts that are unknown. She said most of the homes are in the 100-year flood zone and that impact must be discussed. She stated the DEIR is inadequate.

Following discussion, S. Greenwald moved to extend the DEIR deadline by two weeks. No second.

The meeting adjourned at 11:45 p.m. to the next regularly scheduled meeting.

Respectfully submitted,

BETTE E. RACKI
City Clerk