



**City of Davis**  
**Planning Commission Meeting Minutes**  
**Community Chambers, 23 Russell Boulevard, Davis, CA 95616**  
**Wednesday, November 14, 2018**  
**7:00 P.M.**

Commission Members: Herman Boschken, Cheryl Essex, Rob Hofmann (Chair), Stephen Mikesell, David Robertson, Darryl Rutherford, Stephen Streeter (Vice Chair), Greg Rowe (Alternate)

Staff: Community Development & Sustainability Director Heidi Tschudin/  
Community Development Administrator Katherine Hess/Property Management Coordinator Tracie Reynolds/Building & Planning Technician Tom Callinan

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1. **Call to Order.** Chair Hofmann called the meeting to order at 7:00 p.m.
  2. **Approval of Agenda.** D. Robertson moved, seconded by S. Mikesell, to approve the agenda. Motion passed unanimously.
  3. **Brief Announcements from Staff, Commissioners, and Liaisons.** None.
  4. **Public Comment.** None.
  5. **Consent Calendar**  
**Planning Consistency and Environmental Review Determination Related to the Disposition of Surplus Property (APN 069-050-083)**
    1. Find that the disposition of surplus property adjacent to and along Barthel Lane is consistent with the adopted General Plan for location, purpose and extent as required by Government Code Section 65402
    2. Find that the disposition of surplus property adjacent to and along Barthel Lane is exempt from environmental review pursuant to the California Environmental Quality Act, pursuant to Guidelines Section 15132

**Minutes from the Planning Commission Meetings of July 25 and August 29, 2018**

Approved

By consensus, Planning Commission approved the consent calendar.

6. **Regular Items**
  - A. **Public Hearing: 1260 Lake Boulevard, Suite 116 – Running Rivers Wine Cellars; Public Convenience or Necessity (PCN) Determination, Planning Application #18-58, PCN #1-18**

Building & Planning Technician Tom Callinan: Proposal to establish a new retail wine shop with wine tasting, bottled beer and deli foods at the Westlake Plaza shopping center, a commercial-neighborhood district which allows “neighborhood retail services” as a

principally permitted use.

Chair Hofmann opened the public hearing.

Eric Rios, Applicant: Chef and wine specialist. Shop services will include sharing local wines, pairing wine with foods and potentially hosting wine seminars.

Chair Hofmann closed the public hearing.

D. Robertson moved, seconded by S. Mikesell, as follows:

1. Determine that proposed sale of on or off premises beer and wine deli use that involves determination of PCN is exempt from further environmental review pursuant to CEQA Guidelines section 15301 as a Class 1 exemption, which includes the licensing of an existing structure or facility involving no or negligible expansion of use
2. Determine that the PCN will be served by authorizing the issuance of an alcohol license to Running Rivers Wine Cellars proposed wine and beer deli shop at 1260 Lake Boulevard, Suite 116, based on the Findings and Conditions of Approval

Motion passed unanimously.

#### **B. Public Hearing: First Amendment to Lincoln40 Development Agreement**

Property Management Coordinator Tracie Reynolds: Proposed amendment to Development Agreement includes: (1) exchange of land between the City and developer—Hickory Lane (including the sale of the City's fee title interest and the City's purchase of the land necessary for the future overcrossing, path, and utility easement), and (2) developer to pay required contribution to the future bicycle/pedestrian overcrossing to the City sooner than originally specified and allow the City approximately 10 years to fully fund the overcrossing and commit to a construction schedule.

Chair Hofmann opened the public hearing.

Larry Guenther: Agreement related to funding is better for city. Support.

Paul Gradeff, Applicant/Developer: Clarifies Development Agreement; sincerely wish the city will be able to build overcrossing sooner rather than later.

Chair Hofmann closed the public hearing.

S. Mikesell moved, seconded by D. Robertson, to recommend City Council adopt Ordinance Approving a First Amendment to the Development Agreement with Olive Drive East LLC Relating to the Development of the Property Commonly Known as Lincoln 40. Motion passed unanimously.

#### **C. Affordable Housing Ordinance – Inclusionary Requirements for Rental Development Projects**

Community Development Administrator Katherine Hess: Summarized city's affordability requirements from 1987-2018. Currently, interim ordinance in effect that requires 15% affordability at City Council discretion. Gruen Gruen Associates and Andy Plescia, conducted economic research and peer review.

Aaron Gruen: Overview of impact of Affordable Housing Ordinance on multi-family rental housing development feasibility.

Staff requests Planning Commission recommendations to City Council on key issues related to affordable housing requirements for rental development projects:

1. What is an appropriate expectation for percentage of affordable units (or ranges of percentages) within a non-mixed use multi-family rental development? Should the percentage vary based on prototype and/or location?
2. Should the City allow by-the-bed or by-the-bedroom leases, or only by-the-unit leases?
3. Is there a preferred income target for affordable rental housing? Extremely low income, very low income, or low income?
4. When, if ever, should the City accept land dedication or fees in lieu of on-site affordable apartments?

Public comments:

- Larry Guenther: Oppose vertical mixed-use exemption for affordable housing. Support retaining interim ordinance requirements. In lieu fees should be increased. Land dedication and on-site affordable within project serve different needs, support both.
- Connor Gorman: Support lease by bed or unit depending upon context; increased density and in lieu fees, and lower parking requirements.
- Chuck Cunningham: Davis doesn't provide incentives. Economics are a challenge to developers and policy makers, especially for provision of affordable workforce housing. Need to be able to finance project. Need flexibility. Consider moderate and medium income levels.
- Mary Jo Bryan: Should look at different ways of providing affordable housing—use in lieu fees to retrofit older homes and develop a city section 8 program. After General Plan update, should put forward parcel tax related to affordable housing.
- Georgina Valencia: Turner Center for Housing developed dashboard to help determine cost of building multi-family projects. Critical for project feasibility are construction costs and market rents.
- Chris Granger: Downtown Planning Advisory Committee working on using form based codes. How does affordable framework get applied in form? Downtown—should we have special requirements for framework related to affordable? Uncouple parking for entire downtown in plan? In lieu fees or additional impact fees—able to be applied to affordability downtown?

Commissioner comments included:

- Is affordability a societal obligation or legal obligation? Should define baseline = percentage of affordable required and at what level, then proceed with societal obligation discussion.

- To be economically feasible, may need to consider 5-10% at low income (not provide very low or extremely low)
- Report indicates residential development cannot support affordable housing. Vacancy rate is less than 1%, should not create additional disincentives to building.
- City has competing goals, need to decide priority. Provide affordable housing vs build housing that advances environmental sustainability goals.
- Projects with more density can provide more affordable units.
- Need to pay more attention to housing needs of families.
- Increase in lieu fees – commensurate with development costs.
- Considering relaxing parking requirements.
- Consider where we want to see affordable housing developed. Different requirements in downtown than in west Davis.
- Missing assessment of constituency preferences and setting—how many are unsatisfied with housing circumstances due to finances.
- Support in lieu for very low and extremely low.

S. Mikesell moved, seconded by S. Streeter, to recommend that the city accept land dedication or fees in lieu of on-site affordable units. Motion passed by the following vote:

AYES: Essex, Mikesell, Streeter, Hofmann

NOES: None

ABSTAIN: Boschken, Rutherford, Robertson

D. Robertson moved, seconded by H. Boschken, to recommend the City Council extend the existing interim ordinance until a date to be determined by Council—either in conjunction with the Downtown Specific Plan update, the Housing Element update, or another effort as appropriate with the following caveats:

- Carve out an exception for the downtown core.
- Continue to allow by-the-bed and by-the-bedroom leases.
- Allow hybrid approach: by-the-unit basis for portions, by-the-bed or bedroom for other portions
- Preferred income targets to remain at 5% extremely low, 5% very low, 5% low

D. Rutherford proposed a friendly amendment to set a stringent timeline, consider 6-month increments. Not accepted by mover.

C. Essex proposed a friendly amendment to remove the vertical mixed-use exemption. Accepted by mover and second.

D. Rutherford proposed a friendly amendment to change the language in the ordinance to reflect the 15% affordability as a minimum rather than a target. Accepted by mover and second.

C. Essex proposed a friendly amendment to remove the stacked flat condominium exemption. Withdrawn.

H. Tschudin clarification: Ordinance allows for alternatives. Is intent to remove opportu-

nities? By consensus, allow for alternatives.

K. Hess clarification: 5% extremely low, 5% very low, 5% low target income mix to be adjusted up or down based on factors listed in the existing ordinance

Motion passed by the following vote:

AYES: Essex, Mikesell, Boschken, Streeter, Robertson, Hofmann

NOES: None

ABSTAIN: Rutherford

**D. Public Hearing: 132 E Street, Suite 140 (Mansion Square); Ho Ho Market – Public Convenience or Necessity Determination, Planning Application #18-61, PCN #2-18**  
Chair Hofmann opened the public hearing and continued it to December 12, 2018.

**7. Commission and Staff Communications**

**A. Davis Downtown Liaison Update.** None.

**B. Upcoming Meeting Dates**

H. Tschudin: Public review of draft Downtown Plan in February. Four workshops to be held: February 23 public workshop, February 26, 27 & 28 commission oriented workshops. February 27 Planning Commission meeting will be held at alternate site in conjunction with Downtown Plan workshop.

General Plan Amendment Batching scheduled to go to City Council on December 4.

New Principal Planner Sherry Metzker hired; will oversee current planning activities. Still in process of replacing Community Development & Sustainability Director.

Previous meeting included commissioner comment/question related to delivery trucks downtown. Received response from Police Chief—existing regulations and signage are sufficient, but challenge to enforce due to insufficient staffing resources.

City Clerk Z. Mirabile: City Council will make appointments related to commission vacancies/term endings on December 4.

**8. Adjournment.** Meeting was adjourned at 10:16 p.m.