

Date: May 21, 2007

Item Number: 9

Staff Report

May 16, 2007

TO: Historical Resources Management Commission

FROM: Katherine Hess, Community Development Director
Sarah Worley, Economic Development Coordinator

SUBJECT: B and 3rd Streets Visioning Process Final Environmental Impact Report and Project Amendments, PA #36-06: General Plan Amendment #1-06, Specific Plan Amendment #2-06, Rezone #1-06, Final Planned Development #8-06, Environmental Assessment (EIR) #5-06.

Recommendation

Staff recommends that the Historical Resources Management Commission take the following actions:

- A. Hold a public meeting;
- B. Recommend that the City Council certify that the Final EIR (SCH #2006012026) adequately addresses the impacts of the proposed project; Environmental Assessment (EIR) #5-06 (Draft EIR and Response to Comments documents previously provided); and
- C. Provide advisory comments and recommendations for City Council action on the following amendments that constitute the project:
 1. General Plan Amendment #1-06 (Appendix C.1 of Response to Comments)
 2. Specific Plan Amendment #2-06 (Appendix C.2 of Response to Comments)
 3. Rezone #1-06; (Appendix C.3 of Response to Comments)
 4. Amendment to Davis Downtown and Traditional Residential Neighborhood Design Guidelines (Appendix C.4 of Response to Comments)

Executive Summary and Key Issues

Key questions for the Historic Resources Management Commission to address are:

1. *Is the Final EIR complete for the purposes of decision making?*
2. *Do you support a new development pattern for this area?*
3. *What changes to the project are recommended?*
4. *Should an eligible historic resource be allowed to be relocated or removed?*
5. *Should contributing structures be allowed to be removed?*
6. *Which contributing structures have the highest priority for relocation?*

7. *Should eligible historic resources be considered for designation?*

The project is known as the B and 3rd Streets Visioning Process, a multi-year process initiated by the City Council in July of 2004. This report summarizes the plan and zoning amendments considered necessary to implement the vision to create an “urban village” in the B and 3rd Streets project area; and the potential environmental effects of redevelopment that could occur as a result of the changes.

After an extensive public process (Phase I) the City Council conceptually approved (April 2005) a vision (Vision 4) for the project area to become a new special character area and higher density, mixed-use “urban village.” This vision represents a new development pattern for the area that includes:

- Higher density, taller two/three-story attached residential housing on B Street;
- Two to three story mixed-use projects on 3rd Street and the corners of 3rd and B Streets and 2nd and B Streets;
 - Allowing limited 4th story elements to be considered on selected sites for projects that incorporate other community objectives such as preservation of historic structures and mature trees, provision of underground parking or other public amenities;
- Retention or relocation of the four designated or eligible to be designated historic resources (relocation of one Merit Resource on site, removal or relocation of one eligible Merit Resource);
- Allowing removal of “contributing” older structures rather than requiring adaptive reuse;
- Allowing use of in-lieu parking fees for non-residential uses and a portion of residential parking in mixed use projects.

The B and 3rd Streets Visioning Project represents a substantial change for the project area, but is also considered to represent a balance of community goals. The proposed amendments increase the number of units that can be built by allowing increased residential density and building heights and allow for removal of existing non-historic single-family structures rather than requiring adaptive reuse. The development standards proposed are considered to be consistent with those of the adjoining mixed use zones in the Downtown and are intended to better accommodate the form of development desired bordering the community’s civic spine and two primary retail and pedestrian corridors. The existing Design Guidelines and Core Area Specific Plan policies to maintain the bungalow character of the area and single family residential development standards preclude achievement of an active higher density urban village; and do not support the existing goals of enhancing 3rd Street as a primary and secondary retail corridor.

The departure from the policies to maintain traditional scale and adaptive reuse of older structures in specific portions of the special character areas within the project area is based on the unique relationship the study area has to the downtown, Central Park and the University and the need to facilitate the vision for this area. This policy shift is not intended to create a precedent for change in policies or design guidelines for development in other areas of the Downtown. It is to refine and clarify the community intentions for the form of development considered necessary

to achieve community goals for enhancing the pedestrian and commercial connection between the Downtown and University, increasing ownership housing in the Downtown and helping to frame and activate the area bordering Central park. At present you can be on B Street, 3rd Street or at Central Park and not know that there is a major University located two blocks away. Actions taken on the proposed project must balance the community's goals.

The environmental analysis prepared for the project (Draft EIR and Response to Comments on Draft EIR) conclude that the project will result in significant unavoidable impacts on historic resources. This is due to allowing removal/relocation of a potential Merit Resource considered to have a high integrity in both its structure and location (311 B Street); and a cumulative impact on the physical characteristics of the area due to potential removal, overtime, of a group of pre-1945 structures considered to contribute to the Conservation District and a potential historic district. The project will also have significant unavoidable cumulative impacts on the aesthetics and visual character of the project area by allowing a larger scale of development with greater building heights and smaller setbacks. Widening of the right-of-way and maintaining an adequate width to allow two-way travel is recommended as a mitigation measure for the alley located west of B Street to accommodate potential increases in traffic along the alley due to eventual redevelopment of the area.

Should the EIR be certified and the project approved, Certificates of Appropriateness and Design Review applications would need to be filed and processed for modifications to any designated historic resources. Design Review applications with public hearings before the Planning Commission would be required for any substantial redevelopment projects. Projects within 300 feet of designated historic resources would also be reviewed by the Historic Resources Management Commission under existing city development regulations.

City Council Goals

The following excerpts of the City Council Two Year Strategic goals are related to the project:

Enhance the vitality of downtown

Further enhance the downtown to allow for more arts and entertainment, adequate parking, housing and commercial activity, recognizing that our downtown is the heart and soul of the community and one of our greatest potential net revenue generators.

- Allow downtown to continue to blossom as a regional center and destination for arts/entertainment
- Provide residential uses in the downtown, with emphasis on owner-occupied condominiums.
- Support the downtown as a vital commercial center and reduce potential for blight in the downtown.
- Allow the downtown to serve as a vibrant social center for the community.
- Advance the redevelopment of the downtown to provide mixed use residential, retail and service. along with significant addition to parking.
- Protect and expand the downtown retail base.

Completing the B and 3rd Streets Visioning Process is a near term Council Objective under this goal.

Provide a mix of high quality housing to meet community needs

Advance an array of housing options targeting affordability, internal growth, University-related needs and housing needs of special populations.

- Provide slow, steady additions to housing stock, consistent with Council set goals and General Plan and ensure that any new housing benefits community.
- Address SACOG fair share growth, natural growth and growth to provide internal support for the University.
- Ensure special needs housing – for seniors, for those who have accessibility issues, and for people who work but don't currently live in Davis.
- Work to establish permanent affordability of housing provided through city program and requirements for inclusion.
- Provide an array of housing to meet needs of citizens.
- Provide housing for people who live/work in Davis.
- Develop multi-family housing near downtown.
- Continuously update and assess opportunities for infill and mixed-use projects within city limits.
- Ensure that any new and existing homes and neighborhoods are attractive and well-maintained.

Conserve natural resources and protect the environment

Enact policies that work to conserve natural resources and that are environmentally friendly.

- Develop policies that promote and support agriculture as an important industry and resource.
- Develop policies and programs that promote reduction of resource consumption and waste generation, improvement of air and water quality, preservation of natural resources, and creation of a sustainable community.
- Encourage and support alternative forms of transportation.
- Ensure that any new development reflects environmental sensitivities.

Promote Economic Development

Provide economic development to satisfy the needs of the community, including retail development and diverse job opportunities, and to assist in the fiscal stability of the city.

- Increase retail shopping consistent with BEDC survey to meet community demand.
- Pursue economic development that balances the pursuit of new net revenue with maintaining and enhancing the community's unique character.
- Reduce need for new taxes through increased economic activity.
- Pursue opportunities to promote Davis as a destination for visitors.

Project Description

The project area has three distinct parts: B Street (west side) between 2nd and 3rd Streets (including 239 2nd Street); B Street (west side) between 3rd and 4th Streets (including 246 4th Street); and 3rd Street between University Avenue and B Street (including 232 University Avenue).

The project includes the following discretionary actions: 1) General Plan map amendment; 2) text and map amendment of the Core Area Specific Plan; 3) text amendment of Planned Development (PD) 2-86A; 5) and rezoning of parcels within PD 2-86A; and 4) amendment of the Davis Downtown and Traditional Residential Neighborhood Guidelines.

The project involves modification of permitted uses and site development parameters within the project area to allow a larger scale of development encompassing increased densities, increased

or decreased floor area ratio, reduced building setbacks, increased building heights (two-, three-, and possibly limited four-story), higher density residential, and mixed-use development.

The proposed amendments will allow an increase in development potential. Redevelopment projected to occur under the proposed amendments could result in approximately 79 net additional dwelling units (attached units) with 150 net new bedrooms (assuming two bedrooms per unit on average) and 25,770 square feet of new non-residential development (17,800 square feet of office space and 7,970 net new square feet of commercial development). New residential townhouse and condominium projects are assumed along B Street. New mixed use projects are assumed along 3rd Street, at the corners of B Street and 3rd Street, and at the corners of B and 2nd Streets.

Up to 31 existing structures (including 17 principal and 14 accessory buildings) may be demolished including one structure that may be eligible for historic listing (311 B Street) and one listed historic resource assumed to be relocated (232 3rd Street) as a part of the project. Potential demolition of one other eligible structure (301 B Street) and one other listed historic resource (337 B Street) is also evaluated. An in-lieu parking fee program is proposed that could result in the payment of in-lieu fees for up to 76 spaces that would otherwise be triggered under the City's parking requirements, based on the assumed development. A district approach for provision of parking and public right-of-way improvements will also be necessary.

Environmental Review

The City has prepared a "Responses to Comments" document that addresses comments received on the Draft Focused EIR during the formal comment period, pursuant to the California Environmental Quality Act (CEQA). The Responses to Comments document and the Draft EIR together comprise the **Final Environmental Impact Report (FEIR)** for the project (**SCH #2006012026**). The City must consider the information contained in the FEIR when deliberating the project. Following certification of the FEIR, the City may take final action on the project.

As a reminder, CEQA does not prohibit an agency from taking an action that will have a negative impact on the environment. Before taking such an action, the City must determine that all feasible mitigation measures have been incorporated, and that there are specific economic, legal, social, technological, or other benefits of the project that override the significant and unavoidable environmental effects. The City of Davis has previously used overrides for General Plan Updates or adoption of the Core Area Specific Plan, including impacts on agriculture, air quality, noise, traffic and parking. Based on project assumptions and DEIR findings, action to approve the project would require adoption of Findings of Overriding Considerations for historic and other significant project impacts.

The comments on the Draft EIR, pertaining to impacts on Historic Resources primarily had to do with: 1) clarification as to which structures were to be removed or relocated; 2) questions about the extent of changes in Core Area Specific Plan Land Use policies and Design Guidelines provisions as they relate to encouraging adaptive reuse of existing structures and intensity of use, 3) impact on neighborhood character due to increased size, scale and height of development, loss

of trees and open space, and magnitude of impact on the character of the area; and 4) the change in historic “setting” and loss of contributing structures.

An Index to Responses (Section 5) provided in the back of the Response to Comments document indicates the responses related to historic issues. A revised Summary Table of Impacts and Mitigation Measures is also provided as Appendix A of the document.

Draft Environmental Impact Report Conclusions

The Draft EIR for the project identified the potential for significant effects as a result of the project in the following impact areas: aesthetics, land use, cultural resources, circulation and parking, and noise. The Draft EIR concluded that, despite application of mitigation measures, the project will result in unavoidable significant cumulative impacts on air quality, parking, historic resources, intensity of area land use, visual character and noise exposure. Potential significant impacts on air quality due to construction activities, archaeological resources from site excavation, removal of area trees, increased traffic volumes on the alley, interior noise levels and construction noise, and seismic risk will be mitigated to a less than a significant level through the application of mitigation measures, including many that have been incorporated into the City’s standard conditions for development approvals.

Impacts on Historic Resources

The project is considered to have a significant cumulative impact on historic resources. The DEIR discusses the potential impact of the project on historic resources on pages 4.3-18 to 4.3-28. The impacts and proposed mitigation measures are summarized on pages 2-13 to 2-15. DEIR pages 4.3-17 and 4.3-18 define the standards of significance against which the project impacts are evaluated. As this EIR will be used for a full range of future development applications seven possible impact areas are identified. These include impacts due to removal or alteration of an individual Landmark, Merit Resource or contributor. They also include cumulative impacts on the Conservation District or potential for creation of a historic district due to removal of groups of resources. The core determination of significance underlying each of these impact areas is whether the project would result in a lowering of the historic status of a particular historic resource, or area as a whole. Removal or alteration of a Landmark, or a Merit Resource (considered to have high integrity in both structure and location); such that would lower or eliminate its historic status would be significant. Retaining the structures on site and requiring alterations to comply with the Secretary of Interior’s Standards for Rehabilitation would mitigate these impacts to a less than significant level. Relocation of a Merit Resource could provide sufficient mitigation if the relocation site allows the resource to retain its character defining features, setting and environment. Removal or alteration of an individual contributing structure or alteration of a group of contributing structures would not be considered significant as it would not affect the historic status of designated resources.

Removal of a group of contributing structures on a block, combined with removal of additional groups of contributing structures on other blocks, would be considered to have significant cumulative impacts. Though there is no specific numerical tipping point, the loss of a group of contributors in a multi-block area would be considered to have cumulative significant unavoidable impacts on: 1) the historic setting of a designated Merit Resource, or Landmark; 2)

the affected portion of the Davis Downtown and Traditional Residential Neighborhood Conservation District; and 3) the potential for the affected area or portion of the area to be designated as a historic district.

The assumptions constituting the proposed project would retain the eligible Landmark structure (301 B Street) and two of the designated Merit Resources (337 B Street, 232 University Ave.), with one (232 University) relocated on site. One eligible Merit Resource (311 B Street) would be relocated if possible, but removal without relocation could be possible and would be considered a significant impact. The project assumes the removal of the remaining contributing structures in the project area with the exception of 246 4th Street. When combined, the removal of these structures would have significant unavoidable cumulative impacts on area historic resources that could not be fully mitigated by relocation of some of the structures, through design review of alterations or new development, or by creation of a historic mitigation impact fee.

Changes made to Project as a Result of Comments on DEIR and August Implementation Summary Report

The changes to development policies, standards and guidelines proposed as part of the project are intended to be limited to the project area. The amendment documents provided as Appendices C.1 to C.4 in the Responses on Comments document reflect this intent. As a result of the comments on the DEIR, modifications have been made to the proposed Design Guideline amendments to further clarify this.

“The B and 3rd Streets Visioning Process Implementation Summary Report” for the project issued in August 2006, and now provided as Appendix E of the Responses to Comments document remain accurate with the exception of the proposed amendments to the Design Guidelines that have been revised based on comments received during public review of the project Draft Environmental Impact Report. Copies of the revised text amendments and alternate photographs for the Design Guidelines are provided in the Response to Comments document as Appendix C.4, but have not been reformatted as sample pages.

Background - Balance of Community Policies:

The project was undertaken to provide community input and guide redevelopment within the project area and implement community goals. In July 2004, the City Council initiated the “B and 3rd Street Visioning Process” to consider new development criteria for the project area that balances community goals and provides opportunities for attractive infill development with an emphasis on potential ownership housing.

The City Council directed staff to prepare the project amendments in April of 2005, at the culmination of Phase I on the Policy Development phase of the Visioning process. The meeting before the Historic Resources Management Commission and later Planning Commission and City Council Public Hearings mark the end of the Policy Implementation phase of the process. These two phases have included substantial public outreach in workshops, meetings with property owners and neighbors and public meetings and public hearings on the selection of a vision and Draft EIR. Documents and information about the project have been available at the City’s Community Development Department, public libraries, local copy shops and on the City’s

website. Mailed and email notices about the project have been sent. Design Review and construction of any redevelopment projects and improvements to 3rd Street and alley right-of-way will represent Phase III of the project.

The selected project vision (Vision 4) adheres to the underlying principles in the Core Area Specific Plan and Design Guidelines in many respects. Vision 4 retains or relocates the structures with existing or possible historic designations. It includes development standards and design guidelines that require architectural elements to step down to any adjoining single-family uses or along the alleys. It also maintains a streetscape front yard pattern with some reductions in setbacks and calls for new development to incorporate elements that reflect the existing architectural and residential character of the neighborhood.

Historic Resources Management Commission Review

The environmental impact areas of particular focus for the Commission include:

- **Impacts on Historic Resources** – due to allowing removal/relocation of a potential Merit Resource considered to have a high integrity in both its structure and location (311 B Street); and a cumulative impact due to potential removal overtime of a group of pre-1945 structures considered to contribute to the Conservation District and a potential historic district; and
- **Impacts on Aesthetics/Visual Character** – a cumulative impact on the project area by allowing a larger scale of development with greater building heights and smaller setbacks that will affect the setting of eligible or designated historic resources.

As an advisory body to the City Council staff encourages the Commission to focus their discussion and comments primarily on two areas: 1) the completeness of the Final EIR, and 2) proposed amendments to the Core Area Specific Plan and Design Guidelines as they pertain to potential impacts on the community's historic resources. In review of the Final EIR the Commission should determine the completeness of the documents in identifying and analyzing the projects possible impacts on Historic and Cultural Resources and feasible ways in which the significant effects of the project might be avoided or mitigated, i.e. reduced to an acceptable level. Staff would like to stress that certification of an EIR does not imply endorsement of a project or proposal. The question is whether the document provides the facts and the analysis necessary for an informed decision, not whether the project should be approved. In review of the proposed amendments the Commission should focus its discussion on the key questions identified in the executive summary of this report.

Commission Review Steps:

1. Final EIR

- a) Make an advisory determination as to the completeness of the B and 3rd Streets Visioning Process Final EIR (DEIR and Response to Comments document).

2. Advisory Comments and Recommendations on the Project

- a) Comment on the new development pattern proposed for the project area:

- Higher density, taller two/three-story attached residential housing on B Street;
- Two to three story mixed-use projects on 3rd Street and the corners of 3rd and B Streets and 2nd and B Streets;
 - Allowing limited 4th story elements to be considered on selected sites for projects that incorporate other community objectives such as preservation of historic structures and mature trees, provision of underground parking or other public amenities;
- Retention or relocation of the four designated or eligible to be designated historic resources (relocation of one Merit Resource on site, removal or relocation of one eligible Merit Resource);
- Allowing removal of “contributing” older structures rather than requiring adaptive reuse;
- Confirming or amending the priority relocation list (Attachment II);
- Consideration of a Historic Mitigation Impact Fee;
- Allowing use of in-lieu parking fees for non-residential uses and a portion of residential parking in mixed use projects;
 - Requiring modification of the alley as to mitigate potential increases in traffic on the alley, including expansion of right-of-way in order to maintain areas of two-way travel;

3. Consideration of initiating of historic designation proceedings for 311 B Street as a Merit Resource and 301 B Street as a Landmark.

Attachments

- I. Revised Location Map Appendix D.4 Response to Comments
- II. Revised Historic Summary Table Appendix D.7 Response to Comments

References

- Draft EIR issued August 28, 2006
- Response to Comments on Draft EIR issued May 11, 2007 including
 - Appendix C.1 General Plan Map Amendment
 - Appendix C.2 Core Area Specific Plan Text and Map Amendments
 - Appendix C.3 Planned Development PD2-86A Amendments
 - Appendix C.4 Amendments to Downtown Davis and Traditional Residential Neighborhoods Design Guidelines
 - Appendix E. B and 3rd Streets Visioning Implementation Summary Report, August 2006

Background Documents available on the City website or Community Development Department:

- Davis B Street and 3rd Street Visions Summary Report, April 2005
- Davis B Street and 3rd Street Planning Options Report, March 2005
- Workshop # 2 Summary
- Workshop # 2 Materials
- Workshop # 1 Summary
- Workshop # 1 Materials

