

Joint Meeting Staff Report

April 20, 2005

TO: City Council
Planning Commission
Historic Resources Management Commission

FROM: Bill Emlen, Community Development Director
Ken Hiatt, Economic Development Manager/Principal Planner
Sarah Worley, Economic Development Specialist/Associate Planner

SUBJECT: B Street Visioning Process: Joint Study Session to define options and design standards for development of the west side of B Street between 2nd and 4th Streets, and development of 3rd Street between University Avenue and B Streets.

Recommendation

Staff makes the following recommendations:

1. Hold a Public Meeting to consider any written or verbal comments on the four policy options;
2. Evaluate the four visions for identified portions of B and 3rd Streets contained in the attached April 2005 B Street and 3rd Street Visioning Process Summary Report; (Attachment 2)
3. Direct Staff to proceed with draft amendments to Planned Development Zone 2-86A, the General Plan, Core Area Specific Plan (CASP), and the Davis Downtown and Traditional Residential Neighborhood Design Guidelines to implement staff recommended Vision Four; and
4. Direct Staff to prepare report detailing costs associated with implementing the proposed amendments and return to City Council for authorization, consultant contracts, and cost sharing agreements as needed.

The staff recommended Vision Four entails changes to the CASP, PD-286A and Downtown Guidelines to allow two and three story row housing or flats on B Street and two to four story mixed use on 3rd and the corners of B and 3rd, including the parcels adjoining the corner lots.

City Council Goals

The B Street visioning process transcends multiple goals established by the City Council last year. These include economic development, downtown and housing/growth. Staff believes the recommended option furthers these goals in numerous ways, including, but not limited to increased economic activity associated with the mixed use component of the vision, a new type of residential presence downtown that promotes additional activity, and the infusion of townhouse/condo units into the city's housing supply which increases diversity, ownership opportunities and a broader housing mix. The most relevant Council goals/objectives are cited below.

Economic Development

- 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.

Downtown

- Downtown should continue to blossom as a regional center and destination for arts/entertainment
- Downtown should continue to have residential uses
- Downtown is a vital commercial center. The actions of the city should continue to support this function and reduce potential for blight
- Downtown should serve as a vibrant social center

Housing and Growth

- Provide slow, steady additions to housing stock, consistent with Council set goals and General Plan.
- Ensure special needs housing – for seniors, for those who have accessibility issues, and for people who work but don't currently live in Davis
- 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.
- Ensure any new housing benefits community

Inter-jurisdictional Relationships

Establish and maintain strong positive relationships between the City of Davis and other jurisdictions (UC Davis) in order to pursue shared interests and assure that actions of one entity do not adversely impact the interests of others.

Executive Summary

The B Street visioning process evolved from city efforts over the past decade to create a long term planning strategy for the downtown and surrounding neighborhoods. Important planning policy and regulatory documents including the Core Area Specific Plan, the Downtown Strategies Report, the Downtown and Traditional Residential Neighborhoods Design Guidelines and PD 2-86-A were all developed during this period. Each reflects the breadth and depth of extensive public involvement and increasingly specific thinking of the role and future of downtown.

B and 3rd Streets are part of a larger planning area generally referred to as the University Avenue Neighborhood. Located between the downtown and the eastern boundary of UCD, this area features a mix of development intensities and uses. Several very viable and distinct neighborhood entities are embedded within this complex area. These neighborhoods greatly contribute to the unique characteristics that make downtown Davis and the surroundings a very special place. Needless to say, these characteristics also generate strong feelings among who live in or have interests in the area, and any planning efforts that have or are taking place must involve careful, systematic processes.

The current B/3rd Street visioning process is an offspring to the most recent planning update conducted for this area known as PD-2-86A. This PD was a long awaited update to PD-2-86 which was necessary to bring the PD into consistency with the policy and design guidelines contained in the Core Area Specific Plan. Input was received during the last phases of the PD -2-86A effort from property owners on B Street regarding potential for intensified land uses in this area. The City Council ultimately approved the PD update, but also directed that staff initiate a process to evaluate land use and zoning options for this area with property owners and the neighborhood.

In many ways, input received during the public process is reflective of the diversity of objectives and tensions in the General Plan that call for preservation of neighborhoods, promotion of infill in downtown development and reduction of sprawl. Basic philosophical differences have emerged from the various interests, ranging from those who feel the context and character of the neighborhood should be preserved in conjunction with of any effort for increased intensity to those who feel that infill intensification in the form of higher residential densities, taller buildings and greater building coverage should be given greater weight in this area due primarily to it's convenience to the downtown and potential synergistic relationship to Central Park.

The subsequent visioning process has attempted to frame land use opportunities in the context of an option A (modest intensification) and an option B (more aggressive intensification). Those were chosen to facilitate discussion and evaluate physical feasibility. They were never intended to limit the breadth of other options that might evolve. The base case (existing conditions) with some modest adaptive reuse continues to be an option (and is consistent with the existing regulatory framework depending on how general plan infill policies are weighted) as are more intense options that might include taller buildings and increased retail opportunities on B Street.

The fundamental policy choices revolve around what constitutes downtown viability and the appropriate strategies to promote increased vitality and livability over time. Any effort towards change must be fully cognizant of the factors that make the downtown unique. This includes the traditional neighborhoods that are immediately proximate. At the same time, an overly rigid adherence to preservationist principles that constrain positive change can in fact result in de-evolution of the downtown over time. In this area, a key question is whether or not the current policies that apply to B Street and the 3rd Street corridor are so constraining that they discourage reinvestment. One of the frequent comments we have heard from the spectrum of interests in the area is the need to promote ownership housing opportunities. Many of the existing homes on B Street have become rentals and owners have been hesitant to make major investments to upgrade the properties. Many of the existing owners have expressed an interest in replacing the existing homes with townhouses and condos designed for individual ownership. To accomplish this, some changes in development standards and policies would be necessary to accommodate this form of housing.

The pivotal question to be answered is whether a new vision for B and 3rd Street can evolve in a manner that is valued added to the downtown and can coexist peacefully with other downtown neighborhoods that greatly contribute to the overall character of this area. Is a more densely populated, urbane environment appropriate in this area? Can it be designed well to create a compatible transition to other neighborhoods? Is the relatively limited geographical area targeted by the study the most appropriate setting to attempt implement general plan policies that call for inward growth and intensification? Would this effort ultimately lead to similar efforts in other neighborhoods (i.e. the domino effect)?

Staff believes the targeted sections of B and 3rd Streets are an appropriate setting to consider more intense forms of development. The location across the Central Park and one of the major corridors between campus and the downtown is ideal for this type of development. Increased residential densities in suitable locations clearly benefit the downtown. Reinvestment with new residential structures would clearly reverse the declining conditions of several properties in this area. With proper design parameters, an interesting and vibrant urban environment could evolve that compliments what already has been developing around downtown in terms of interesting in human scale mixed use and residential developments. Such a re-invigorated environment can also become an asset to adjoining neighborhoods that currently experience negative impacts from reduced owner occupied housing in the area.

Targeted densification in this area does not have to topple the dominoes in a manner that would ultimately lead to the character changing intensification of other neighborhoods. The locational characteristics of this area are truly unique and suitable to intensification options. Other neighborhoods around the downtown are less suitable, and staff strongly believes that lower density neighborhoods are still vital in the overall downtown mix. We do not share views expressed by some that promote radical densification strategies

for the downtown. We believe that such an approach fails to factor in the neighborhood characteristics that contribute to the unique atmosphere that exists downtown.

Staff's recommendation involves the following basic concepts:

- A mixed use corridor on 3rd Street between A and B Streets with maximum building height of three stories but possible incentives for limited four story elements.
- Higher density housing (preferably condos) and/or office uses on B Street south of 3rd. Building heights up to three stories.
- Medium density townhouses on B Street between 3rd and 4th. Building heights up to three stories.
- In a departure from context related policies in the Downtown Design Guidelines, staff believes that if more intense forms of development are considered, it may actually be beneficial to depart from the strict lotting pattern that exist in the area. Combining of lots may in fact induce higher quality project design. In essence, even if context does change, it can be acceptable if a high quality urban neighborhood emerges. The key will be adherence to the highest quality design standards.

Joint Study Session - Meeting Objectives

The decision to hold a joint meeting was made by staff in consultation with the City Manager and the City Council Subcommittee (Councilmembers Saylor and Souza) assigned to the B Street issue. There are two primary objectives for the meeting. One is to update the key stakeholder decision making bodies on the process that has been conducted to date and the nature of input that has been obtained. Second is to allow each decision body to provide comments and make recommendations on possible changes to the current policy and regularity framework currently applicable to the study area. The meeting sequence will be structured to allow the City Council to have the benefit of hearing the discussions and recommendations of the two Commissions to formulating the final set of recommendations that staff will follow during the next steps in the process. In that context, it is hoped the decision makers will:

- Better understand why this area has been identified for further evaluation of infill opportunities.
- Have a better understanding of the historical context and process that has been followed to date.
- Gain a better understanding of the existing physical and policy context within which infill development is to occur within the study area.
- Gain a better understanding of issues or constraints that affect reinvestment incentives.
- Understand the different viewpoints of community and neighborhood stakeholders.

- Consider alternate policy options that could facilitate achievement of community goals.
- Give staff direction on specific refinements to be made to the policy framework through regulatory amendments.

Next Steps

It is important to note that any action taken by Council at this stage does not represent the end of the process. If specific direction is given, it does initiate a more formal process. If the staff recommended option is chosen, detailed formal amendments to the CASP, PD2-86A and the Downtown Guidelines will have to be drafted. Formal public hearings would be required before any final actions are taken. Staff is just beginning to evaluate the level of environmental review that will be necessary. If an EIR is ultimately deemed necessary, (Most likely), the process could take an additional 9 to 12 months. If a lesser level of environmental review is deemed adequate, process times would be more likely in the 5 to 8 months timeframe. We are aware there are several individuals interested in immediately initiating applications. We are exploring concurrent processing of these application with the policy and guidelines amendments.

Organization of Report

This staff report is accompanied by a B Street and 3rd Street - Visions Summary Report and Technical Supplement. The Visions Summary describes and compares the four Visions currently under consideration. The Technical Supplement contains information on existing Policy, Zoning and Guidelines for the area, summaries from the workshops, the March Planning Options Summary Report. Also attached are written comments received to date as well as minutes from the HRMC's Meeting on the Planning Options Summary.

Results of Public Outreach to Date

During the past 7 months, an extensive public outreach process has been conducted. This includes two large scale, highly attended visioning sessions, two neighborhood meetings, over 20 formal interviews and meetings with stakeholders, and countless informal contacts with a variety of interests. As is typical with complex land use issues, and despite the extensive outreach and numerous options considered, no single community consensus has been reached on a vision for this area. There are however several areas of consensus that were identified at the two workshops. These areas fall into the policy areas identified above. The two strongest areas of consensus were:

- A desire for more ownership housing,
- New development be of such quality and size to encourage owner occupied housing.

Other areas of consensus included:

- Recognition of the importance of the civic location across from the park and along the City's entry street,
- Reinvestment on B Street properties is needed and some additional development should be encouraged.
- The benefits of improving 3rd Street as a pedestrian corridor.

- The context of 3rd Street was different from B and that the two sections of B Street also differed.
- No significant new ground floor commercial or retail on B between 3rd and 4th, but limited live work, offices, or cafés would be appropriate.

Topics where consensus was not evident included:

- The scale and density of development on B and 3rd
- The type of land use appropriate on 3rd Street, and
- The amount of parking to be provided and how parking should be accommodated.

Policy Options/Visions Considered

A total of 9 different policy options/visions have been considered during the B and 3rd Visioning process thus far. The four visions currently presented have been chosen because they are considered to represent a realistic range of options that reflect differing property owner, neighborhood and community views. Clearly these are not the only options possible. The Commissions may recommend and the Council may decide upon additional options that are a hybrid of the current visions or are completely new. Table 1 on page 9 shows a brief description and comparison the four visions being presented for consideration during the Joint Study Session.

Visions Two and Three were released for public review in March as part of a Planning Options Summary document to receive public comments on refined options based on the previous public workshop input. Staff then took the input on these two visions and developed two additional Visions (One and Four). Vision One was added in response to requests from residents of the traditional residential neighborhoods and the Historic Resources Management Commission and Historic Society to consider development under existing regulations. Vision Four was developed to address comments received from property owners in the study area as well as residents within the neighborhood regarding the lack of flexibility and distinctiveness communicated in Vision Three.

Staff Recommendation - Vision Four

When looking at the options for the future of B and 3rd Streets, balancing the broader community goals and evaluating areas suitable for higher density infill development in the Downtown area, Staff believes that 3rd and B Streets are an appropriate location. Though containing only a relatively small number of parcels, the parcels in the study area can play a critical role in helping the community to achieve its goals to enhance the areas near Central Park and along 3rd Street through a greater mix and intensity of uses. This determination is based on the following:

- **Physical and Policy Context** – The properties in the study area are unique in that they are located at a crucial hub in the community. They border the intersection of two main pedestrian corridors in the Downtown. They face Central Park a highly valued civic space. They border the main entrance and arterial into the community and provide the main link between the University and the Downtown. The area is walking distance to the University and the Downtown. They are also

bordered by alleys which offer both a buffer and access opportunities. Each of the street segments are identified as special character areas which through their juxtaposition and intersection can be strengthened.

- **Issues/Constraints That Affect Reinvestment Incentives:** Existing City goals recognize the special characteristics of the study area but existing zoning precludes much change and needs modifications under all of the options. Existing zoning limitations function as a disincentive for any substantial reinvestment.

Townhouses and row houses are mentioned in the visions in one sense as a place holder, and as a descriptive term to describe attached, higher density housing in a variety of forms. As land becomes more scarce and the cost of housing and transportation escalates the City needs to become more creative in how it provides home ownership opportunities, and more compact, attractive living environments. Additional condominium units in the downtown could be attractive to a number of community residents and are not intended to be precluded; however until construction liability issues the City may not be able to achieve much of this type of housing. The City continues to seek provision of a variety of housing types to meet a broad spectrum of housing needs.

- **Different Community Viewpoints** - The issue of historic preservation in the evolution of Davis's development is a critical one. The neighborhoods and community have exerted a substantial effort to preserve its traditional residential character. This somewhat quaint Downtown and small town feel is an integral part of what makes Davis so special and so attractive. The challenge is in how to respect this and yet go beyond. Many in the community have a fondness for the B Street properties, but they also represent a substantial missed opportunity if left in their existing condition. Staff's position is not driven by individual property owner interests but by community interests as a whole. Allowing higher density does not mandate that character contributing structures be removed. Substantial efforts will still need to be made to minimize impacts on historic resources and look for opportunities to relocate them or incorporate them into new projects.
- **Options That Could Facilitate Achievement Of Community Goals** - Community goals are really a vision of the future. Community policies and regulations are a way to get there. Staff envisions a future for B and 3rd Streets that functions as more urban higher density spines that create special district identities and are dynamic community spaces that are also reflective, respectful and protective of their adjoining Traditional Residential Neighborhood and historic heritage. A Fundamental issue related to infill development is the quality of development and sensitive design. Higher density more urban development can exist in close proximity to highly desirable residential neighborhoods depending on how well it is done. In making a decision to allow a higher density of development the community should require the highest standard and quality of development. The preminent location of these properties demands the highest scrutiny.

**Table 1
Visions Under Consideration**

Visions	Planning Options Summary Report	Joint Study Session
Vision One: Retain Traditional Pattern – Preservation Model		Retain existing structures allow development under existing zoning and guidelines. Three story mixed use on 3rd
Vision Two: Modify Traditional Neighborhood Pattern	Option A - Redevelop with three story town homes and small lot single family and two story alley units. Three story mixed use on 3rd and corners of B & 3rd Retain historic structures in place	Allow three story town houses and two story alley units Three story mixed use on 3rd Retain historic structures in place
Vision Three: New Development Pattern	Option B -Two and three story row houses on B and alley, new alley addresses Three story mixed use on 3rd, and corners of B & 3rd Retain/relocate historic structures	Allow two and three story row housing on B and alley, new alley addresses Three story mixed use on 3rd, and corners of B & 3rd Retain/relocate historic structures
Vision Four: Special Character District		Allow two and three story row housing or flats on B, Allow two to four story mixed use on 3rd and corners of B and 3rd, including parcels adjoining corner lots

Summary of Issues/Input

Examination of the planning policies and zoning requirements of parcels within the Study Area shows that there are areas of disconnect between what the planning policies intend and what the zoning would allow. The visioning process is intended to address these discrepancies.

The current zoning provisions on B Street allow only single family uses or offices that don't add square footage or live/work where the residential portion is more than 50 %. These do not support the goal of making the area bordering Central park activate and frame the park, and nor do they effectively provide for new residential development necessary to enhance the area around the park. Modifications to the density allowed, setback requirements and possible relocation of the existing structures would be necessary to allow appropriate and efficient infill development.

Five parcels in the study area on 3rd Street are zoned Low Density Residential where commercial, retail and office uses are not permitted. This zoning does not allow development that is consistent with the policies and objectives of the CASP or the Design Guidelines to enhance this Special Character Area as a primary and secondary retail street. At the time that PD2-86A was adopted the City Council acknowledged that this inconsistency existed and directed staff to return at a later time to resolve it.

Property owners of eleven of the 22 properties in the study area have or are in the process of developing plans for redevelopment of their properties. Four property owners of 7 other parcels are interested in redeveloping their properties in the future. Previously two property owners submitted applications for infill projects that were denied by the Council because of inconsistency with zoning and the Design Guidelines. In taking action on the second application the Council directed staff to conduct a public process to look at development considerations of the area as a whole rather than try to determine appropriate development parameters for these properties on a case by case basis.

The visioning process has been done to evaluate different options for accommodating reinvestment on these properties in a manner that is consistent with community goals. The Council's desire was for the process to identify community consensus in response to the principle questions underlying the B Street and 3rd Street Visioning process - how do we want growth to occur? What are the different options that should be considered? What form should that growth take? How much is too much? How much is too little? What are the opportunity costs associated with each approach?

The following issues or evaluation criteria were identified during the B Street Visioning Process as important to consider.

- Regional Leadership in Sustainable Design: There has been a considerable amount of interest in the study area from owners of property on B and 3rd Streets, to redevelop their parcels with higher density attached housing or mixed-use projects. The City and property owners have a tremendous opportunity to guide

redevelopment in a manner that enhances Central Park, the Downtown and the adjacent neighborhood.

- Community/Civic Context: Any new development must reflect and enhance 1) the importance of Central park as a valuable central civic space and 2) the role B Street and 3rd Street play within the community and neighborhood as a major entrance to the City, and transition area and pedestrian corridor between the downtown, the residential neighborhood and the University.
- Preservation: Existing planning policies call for the preservation of historic resources, adaptive reuse of existing structures and for new development to reflect and be sensitive to neighborhood context. How the alternatives preserve and reflect the area's historical resources and neighborhood character (architecture, trees, streetscape, landscaping, open space) and the physical relationship between proposed and existing development must be carefully considered.
- Ownership Housing: Provision of increased opportunities for ownership housing is a high priority for this area. This area can provide a housing opportunity for members of the community such as seniors, and empty-nesters, faculty or those seeking a more urban, pedestrian oriented, downtown location. To support this goal the new housing must also be affordable.
- Quality of Design: For units to be attractive as ownership housing they need to justify a long-term investment as reflected in the quality of site and building design and building materials. Livability of the new units and resolution of construction liability issues are relevant to achieving this goal. Constraints presented by having higher density infill development adhere to existing property boundaries can also affect the quality of design by reducing the efficiency of land use and ability to consolidate driveway/parking areas, open space and pedestrian access points into more efficient, functional and aesthetic layouts.
- Density/Intensity: This issue relates to the number and type of new dwelling units that can be accommodated on each parcel and the desire to encourage new developments to incorporate some flexible live/work and mixed-use options. The alternatives range from townhouses and alley units to row houses or multi-level flats and lofts arranged around parking courts with possibly some semi-depressed parking. Allowing some live/work on the ground floor of parcels along B Street and mixed-use (retail/commercial ground floor, with office or residential above) for the opportunity sites on 3rd Street and the corners of 3rd and B Streets can increase the amount and variety of housing in the area which can help to support area businesses and frame the park. Density and intensity of use also relate to project site and building designs and how much development is appropriate for each parcel and what minimum building setbacks and maximum site coverage is considered acceptable to achieve a high quality, sensitive project that is economically feasible.

- Evolution Towards New Denser Housing Models: New standards and prototypes for higher density attached housing such as those considered in this process for the B and 3rd Streets and other local development sites are being considered by other communities as well (Portland, Oregon and Mountain View, Hercules, Sacramento, Palo Alto, CA). Part of responding to this issue is the need to determine where such increase densities and housing types can be accommodated. In making such determinations it is necessary to balance neighborhood and Community goals/needs. With sensitivity to adjoining single family uses the project sites are considered appropriate for some increase in the density of development.
- Housing Supply: The community goals to manage growth, to increase the local housing supply (market rate and affordable units) and to provide its mandated fair share of the regions' housing supply are underlying pressures which must be considered in determining infill goals. Local policy makers have considered a number of policy modifications in response to these issues including limiting the number of dwelling units constructed each year, and amending the Housing ordinance to increase the supply of affordable housing, including housing for middle income households.
- Mixed Use, Live/Work: Existing planning documents designate 3rd Street as a shopping and mixed -use area encouraging ground floor retail and commercial uses with offices and residential above. Workshop discussions of appropriate uses for these areas confirmed the desire or appropriateness of mixed-use along 3rd Street. There was also recognition that redevelopment with greater density and allowing three story developments on 3rd between University Ave. and 3rd Street should be considered to provide an incentive for mixed use. The need to allow and provide opportunities for live/work and additional “flex” spaces was also raised as something that would be appropriate for this transition area.
- Implementation/Feasibility: Important questions to consider are “do the project alternatives and densities proposed provide enough incentive for reinvestment?” and “do the housing product types present constraints in relation to construction liability and financing issues? And if so how can these be resolved?” As highlighted by property owners and local architects, the City is aware of the difficulties developing condominium style housing projects, yet does not believe that such constraints should drive decision making. There is a new State Assembly Bill (AB 800) drafted to address some of the condominium development constraints presented by contractor liability.

Lot Configuration - The relatively narrow lot configurations (50' x 150') in the area also present constraints in developing projects that could incorporate attached housing and shared parking. Approaches requiring lot mergers allow for more efficient use of lot area and consolidation of parking areas, access, open space and would allow for greater opportunity for new structures to step back from adjoining single family uses.

Lot Consolidation - Due to greater efficiencies in land use, lot consolidation would allow for more units to be built and provide an incentive for this approach. Implementation of lower density solutions on single parcels could be implemented through amendments to the existing zoning and development guidelines.

- Parking/Traffic: The concept of using a new minimum-parking standard of one space per dwelling unit or some other reduction for residential projects has been raised as a possibility for this area. Such standard currently exists within all of the zones in the study area for 1-2 bedroom units in mixed-use projects as well as the Mixed Use zone across B Street and in the Core Commercial in the Downtown. This could be supplemented by the ability to purchase area parking permits, participating in the Downtown parking district, or creation of a new district. Though not discussed in great detail at the workshops other communication received has made it clear that parking issues are an important concern for many area residents and prospective developers. One view is that the City should not let parking “drive” the design and this area is appropriate for the lower parking requirements now being associated with and considered an integral part of higher density, pedestrian and transit oriented “urban villages.” Others believe that in order for new units to be attractive to long term home ownership they need to provide a high level of site and unit amenities including direct unit access to adequate covered parking.

Though not a major focus of discussion at the workshops, concern about increased traffic impacts was expressed in later meetings, and was implied in concerns about the higher density options considered. Allowing new development of parcels along B and 3rd Streets will increase traffic in the vicinity and necessitate alley improvements. The amount of traffic will depend on the type and number of new dwelling units and new businesses that are constructed and their relative success. The broader goal of increasing density in proximity to the Downtown and University is to reduce the need for reliance on car travel (and need for parking) in conducting daily activities. Allowing mixed-use development on 3rd Street is identified in existing plans. Parking and traffic impacts of any selected policy option will need to be addressed prior to adoption of any plan, guideline or zoning ordinance amendments.

Process Summary

The following summarizes the elements in the community input process:

1. Public Noticing/Outreach - The B Street and 3rd Street Visioning process has involved extensive outreach and public notice:
 - Mailed and published notice was provided before all community meetings.

- Email notices were sent to community business groups, neighborhood associations and community workshop attendants and other interested people asking for notice.
 - Notice of meetings or report availability, meeting materials and summary information has been provided on the City's website.
 - City staff conducted numerous meetings and phone conversations with various interest groups with the purpose of obtaining community and neighborhood and individual property owners input on a range of development options.
2. Community Workshops - The process has included two workshops, the first in October 2004 that had over 50 people attend and a second in December 6, 2004 that had over 35 people attend. The purpose of the Workshops was to obtain community and neighborhood input on a range of development options. A majority of the property owners in the study area, and representatives from the neighborhood associations and DDBA and Davis Historic Society attended the workshops. (See Attachment 3 for copies of Workshop Summaries.)
 3. Council Subcommittee - Two members of the City Council attended the workshops and met periodically with staff to provide input to the process.
 4. Public Review of Planning Options Summary document – A planning options summary containing two alternatives constituting hybrids of alternatives evaluated at the two workshops was made available for public review for over 30 days. This document presented a traditional development pattern and a new development pattern. See the Visions section below for a greater description of the options. (See also Attachment 2).
 5. Property Owner Meetings - Staff had individual meetings or personal phone conversations with all of the property owners within the study area, and met with a group of neighborhood resident property owners twice.
 6. Business Groups and UC Davis - staff met with the Downtown Davis Business Association (DDBA) and UC Davis staff.
 7. The Davis Historic Society - had feature articles on the B Street Process in their December and March Newsletters (see Attachment 4). Two letters from the Society have been received opposed to modification of the Design Guidelines, and the loss of the historic character of the area due to the removal of the “contributing” single family homes on B and 3rd Streets. The Historical Society favored Option A over B, but believed that Option A still required further changes to assure compatibility with the traditional neighborhood (see Attachment 4).
 8. Public Correspondence – several property owners and others in the community have sent email letters or made calls to better understand the Planning Options and to make their views known. Copies of the written correspondence are provided as Attachment

9. Historic Resources Management Commission (HMRC) - The HMRC reviewed and commented on two of the policy options presented at their March 21, 2005 meeting (see Attachment 5 for meeting minutes and Attachment 6 for the March 17, 2005 HMRC Memorandum).

Historic Resources Management Commission Comments

Visions Two and Three (previous Options A and B) were reviewed by the Historic Resources Management Commission on March 21, 2005. The Commission did not favor either option and asked for clarification of why there were no options developed consistent with the Guidelines. Many commission members stated that they were concerned about the proposal to change the Design Guidelines as they were an important tool the commission used when evaluating new development. They believed that it was precisely for proposals such as these that the guidelines were created and were concerned about setting a precedent for amending the Guidelines. They were concerned that the proposals to increase building heights and remove existing contributing structures would result in an important loss of historic character and constitute a substantial departure from existing policy. Several members acknowledged that B Street could be improved. One member stated that three stories on B Street was too high, two stories should be the maximum. Another member was concerned that population density calculations had not been made. There was concern about the parking and loss of open space and trees.

Members of the public who spoke expressed strong concern that there was even consideration of changing the guidelines to accommodate a larger scale and greater intensity of development. They felt that both options resulted in the loss of the area's historic character along a historic highway. One house, Judge Scott's house at 301 B was considered important enough to warrant historic designation. One person who spoke stated that the conservation district was created to protect the historic resources and that the proposal called for removal of 11 structures identified on the City's historic inventory. Though not yet designated as historic, they were eligible for consideration for designation and a study of the structures to be removed should be done.

Fiscal Impact

As of the date of the Joint Meeting staff has spent approximately 300 hours on this project and \$23,000 in consultant costs. Completion of Phase II of the Visioning Process will require expenditure of funds to cover staff time, additional consultant contracts, and design/construction of public improvements. A preliminary description of these cost items includes:

- An amendment to the contract with consultant Bruce Race will be needed to complete graphics and design guideline amendments to implement the Council's Policy choices.
- Environmental Analysis of the proposed Specific Plan and zoning amendments will require consultant assistance for analysis of impacts on cultural resources and traffic, etc. Depending on the vision selected it may be necessary to prepare an Environmental Impact Report (EIR). Consideration should be given to allocating

the costs to prepare the environmental analysis amongst private projects in the study area. Costs of preparing an EIR can range from \$40,000 to \$200,000.

- Approximately 200 hours of city staff time to prepare amendments and manage the implementation process.
- Creation of new assessment districts or other approaches for allocating costs
Assessment, design, and construction of any utility or street improvements will require expenditure of administrative costs from the general fund or Redevelopment Agency. Construction of any improvements will require the development of cost sharing arrangements/establishment of assessment district(s). Construction Tax and Redevelopment Agency capital funds may also be required to facilitate implementation of certain improvements. More information about such costs will be provided when staff returns with the proposed plan and zoning amendments.

From a revenue perspective, new development stimulated by this effort would generate direct and indirect fiscal benefits to the City including sales tax, business license taxes, and substantial new property taxes. As the area is within the Redevelopment Project Area, all new tax increment will go to the Agency with 20% of annual tax increment to be set-aside for affordable housing.

Implementation

How the determined vision and policy is implemented is as important, if not more, to the ultimate success of this project. Implementation of any of the options will necessitate varying degrees of amendments to the Core Area Specific Plan, Zoning and Design Guidelines. Careful analysis of the impacts of these land use changes will also need to be considered including; traffic/circulation, cultural resources, infrastructure capacities, etc. Additionally, the streetscape enhancements for B and 3rd Street will also need to be designed and coordinated in some fashion with the construction of new developments. Finally, an equitable cost sharing of each of these implementation items between the City/Agency and the property owners in the study area will need to be determined.

The following is summary description of the anticipated implementation elements.

Policy and Regulatory Amendments

Specific Plan Amendments

Any change from existing development policies to allow a larger scale and greater height of development on B and 3rd streets, and modify setbacks will require some language modification within the following sections of the Core Area Specific Plan:

- Land Use map designation changes for parcels on 3rd Street (235-239, 232-240 3rd) and possibly two parcels on B Street (233, and 305 B Street) from Low Density Residential to Retail with Offices
- The Core Area Specific Plan land use classifications land use description for the University Avenue Transitional District (pg. 26.),
- Rate of land use intensification (Land Use Policy 6. pg. 31.)

- On site parking (LU policy 7 pg. 33)
- Additional graphics to reflect the revised scale transitions between study area parcels and adjoining single family residential properties within or near the 3rd Street corridor and B Street transitional area, in the section describing new or rehabilitated buildings (pgs. 79- 84).

Zoning Amendments

Any change from existing development policies to allow a larger scale and greater height of development on B and 3rd streets, and modify setbacks will require some language modification within the following sections of the PD2-86A zoning.

- Zoning map designation changes for parcels on 3rd Street (235-239, 232-240 3rd) from Sub Area A - Low Density Residential to Sub Area D - Retail with Offices.
- Zoning map designation changes for possibly two parcels on B Street (233 and 305 B Street) from Sub Area C - University Ave. Transitional District to Sub Area D - Retail with Offices, (Vision Four).
- Modify height, setback and parking standards in Sub Area C – University Avenue Transitional District
- Modify height, setback and parking standards in Sub Area D – Retail with Offices

Design Guideline Amendments

Any change from existing development policies to allow a larger scale and greater height of development on B and 3rd Streets, and modify setbacks may require some language modification within the following sections of the Design Guidelines:

- Special Character Areas: 3rd Street
- Special Character Areas: Central Park
- Mixed Use Character Area: Core Transition West
- Mixed Use Character Area: Case Study
- Site Design: Alleys and Service Areas
- University Avenue/Rice Lane Neighborhood
- Alleys and Service Areas

Environmental Analysis

The level of environmental analysis depends largely on the option selected. The potential impacts most likely needing focused analysis will be:

Traffic/parking/circulation – to assess potential impacts of additional cars on the roadway system, adequacy of on and off-site parking in the area and identify necessary improvements to address any impacts.

Cultural resources – to assess potential impacts on existing or potentially eligible cultural/historic resources in and adjacent to the study area and identify appropriate measures to address any impacts.

Utilities – to assess capacity and potential impacts on utility infrastructure including gas, electrical, sewer, water, storm drain and identify necessary improvements to such facilities.

Consideration of impacts being more detailed as the amount of potential additional development increases. Any impacts determined to be significant and unavoidable will necessitate the development of an environmental impact report.

Infrastructure Improvements

Improvements within the city right-of-way will be necessary to accommodate the physical needs resulting from additional population in the area as well as enhance the visual aesthetics to complement the new development. Improvements likely needing to be coordinated with private development include:

Streets and Sidewalks – 3rd Street has long been planned as an enhanced pedestrian and bike corridor connecting campus to downtown. Improvements for this street including, new curb, gutters, sidewalks, street trees, and lighting should be designed and constructed in a coordinated fashion with new mixed use development in the study area. Additionally, functional and visual enhancements to B Street should also be considered.

Alley – Existing alley widths are 13 feet and will need to be expanded to 16 feet minimum to accommodate safe resident and fire vehicle access. Design and construction of alley improvements will necessitate input and coordination with affected property owners on the blocks.

Utilities – Improvements/upgrades to utilities may be needed depending on the intensity of development/uses envisioned and condition of existing facilities. Adjustments to existing utility infrastructure may also be needed to accommodate new development such as the undergrounding of utility poles along 3rd Street and the alleys and possible modifications to the water or waste water lines.

Coordination of Improvements - Coordination of the design and construction of these improvements is paramount. It is most appropriate that the City/Redevelopment Agency be the lead entity for facilitating this work due to the extent of the work, multiple property owners involved, and the fact that the improvements are within the city's right of way. Significant issues needing to be addressed include:

- assessing the extent of improvements
- developing design/construction documents to implement the improvements
- constructing the improvements manner that minimizes impacts on existing businesses and residents,
- determining an equitable funding approach and establishing cost sharing agreements
- performing this work in a timely fashion that coincides with new development

Parking Management Strategies

A district approach to parking is required for any option due to the size of the parcels under consideration, the desire to enhance the pedestrian/bike experience of the area, and the limited ability to expand on-street parking. A district approach has several dimensions. Below is a list of approaches for how parking could be provided and

managed - under the unique context of this area - to support the needs generated from additional commercial and residential development:

- Expand existing X permit parking district to include 3rd Street and potential B Street properties.
- Pursue agreements/policies with UC Davis to accommodate parking on campus for existing and future UC Davis related tenants in the neighborhood.
- Consider amendments to the parking time limits and/or installation of parking meters on 3rd Street to better serve commercial uses.
- Pursue a joint car share program with other agencies such as Yolo TMA and UC Davis.
- Consider Redevelopment Agency participation in combination with in-lieu fees to develop consolidated parking facilities.
- Create a new Central Park parking district. This could be implemented with a series of lots or a centralized facility integrated into a larger project such as the school district site at the north end of the Park.

Attachments

1. Study Area Location Map
2. Visions Summary Report
3. Technical Supplement
4. Written Comments
5. Minutes of HRMC Meeting of March 21, 2005
6. March 17, 2005 HRMC Memorandum
7. Excerpt graphics from B Street and 3rd Street Visioning Process “Planning Options Summary” March 2005