

Staff Report

September 4, 2008

TO: Planning Commission

FROM: Katherine Hess, Community Development Director
Michael Webb, Principal Planner
Eric Lee, Assistant Planner

SUBJECT: New Harmony Affordable Apartment Community

FILE NO.: Planning Application #61-07 – General Plan Amendment #06-07, Specific Plan Amendment #01-08, Rezone #06-07, Final Planned Development #07-07, Design Review #27-07, Tentative Map #01-08, Minor Modification #02-08, Negative Declaration #07-07

RECOMMENDATION

Staff recommends that the Planning Commission:

1. Recommend the City Council adopt the Initial Study/Mitigated Negative Declaration (ND#07-07) prepared for the project which determines that potential impacts of the project, with mitigation, would be less than significant (Attachment 6); and
2. Recommend the City Council adopt a Resolution amending the General Plan to change the land use designation of the subject parcel from “Business Park” to “High Density Residential” (Attachment 3); and
3. Recommend the City Council adopt a Resolution amending the South Davis Specific Plan to change the land use designation of the subject parcel from “Industrial Research” to “Multi-Family” (Attachment 4); and
4. Recommend the City Council adopt an Ordinance amending Planned Development 12-87 of the Municipal Code to rezone the subject parcel from “Industrial Research” to “Multi-Family” (Attachment 5); and
5. Recommend the City Council approve Planning Application #61-07 for the new construction, site improvements, and tentative map based on the findings (Attachment 1) and subject to the conditions (Attachment 2) contained in this staff report.

EXECUTIVE SUMMARY

The applicant, Yolo County Mutual Housing Association (YMHA)/Sacramento Mutual Housing Association (SMHA), is proposing to develop the New Harmony affordable housing community, comprised of 69 apartment units, on a vacant parcel in South Davis. The project is targeted at meeting identified community housing needs for very-low income households. A minimum of 25 units will be for families earning 35% of the area median income (AMI). The remainder of the units will be affordable for families earning between 35% and 60% of AMI. All units will be fully visitable and a minimum of 20% will be accessible. The mutual housing model encourages participation in decision-making by its residents to create a greater sense of ownership. Residents may serve on the Association Board or participate on the local Resident Council which is involved in making on-site decisions. See Figure 1 for a conceptual aerial view.

The project site includes a land dedication site with a requirement for a minimum of 15 units and an adjacent parcel purchased by the applicant with City loan assistance. The applications would create a 3.38-acre residential parcel and allow development of a larger site that better meets the city's housing needs, enables a fiscally-feasible project for the applicant, provides a greater amount of open space and amenities, and incorporates green building measures and sustainability principles. The project would include a community building and on-site management that would provide a variety of services, training, and support programs for residents and their children.

The applicant has worked with the City to develop a project that meets local housing needs and implements City priorities and General Plan policies for affordable housing, accessibility, infill, land use, sustainability, and design. Staff believes the project is an attractive and innovative design that is appropriate for the site and compatible with the neighborhood. The site has good roadway access; it is adjacent to public transit and a proposed greenbelt/bicycle path; and it is convenient to shopping and services. Overall, the applicant has presented a strong and well-conceived project. Although the project has many attributes, the site is not ideal and there are site-related issues and neighborhood concerns that should be considered. The project also involves policy questions of land use and housing that get evaluated in a city-wide context.

Key Issues

Key project issues are:

1. Is housing appropriate on the site?
2. Are the potential noise and air quality impacts of I-80 adequately addressed?
3. Is affordable housing appropriate on the site?
4. Is there an over-concentration of affordable housing in the neighborhood?

The project requires a change in the General Plan land use designation for the site from Business Park to Residential High Density. While loss of commercial land in the city is a concern, the location and size of the site seriously constrains potential commercial development. On the other hand, the site offers an opportunity to provide needed housing consistent with City goals and priorities. The site is within 500 feet of Interstate 80 and potential housing would have to contend with highway noise and air quality impacts. However, staff believes that the project design and required conditions and mitigation measures can adequately address these impacts.

In addition, affordable housing often brings out neighborhood opposition and concerns about local impacts. The project has involved several neighborhood meetings, update letters, and

public noticing. Initial comment during preliminary stages raised concerns, but did not identify substantial opposition. However, more recently opposition to the project has been voiced by residents who have participated and commented on the project. A common thread expressed is a concern about an over-concentration of affordable housing sites in the neighborhood and problems created by the existing affordable apartments that would be exacerbated by this project.

Staff believes that specific neighborhood concerns and questions about traffic, parking, crime, and project design have been addressed by the project or as conditions of approval. It also requires an on-going commitment by apartment management. As part of their concerns, neighbors have cited problems with the adjacent Owendale Apartments. However, staff found that conditions have improved due to better management and communication and City and police involvement. Nevertheless, the perception of problems can persist. It should be noted that the project also provides neighborhood benefits through noise mitigation, completion of the greenbelt/bicycle trail, and development of the vacant parcel. In addition, potential future residents who lack a vocal advocate for their interests also deserve a safe and pleasant living environment that would be provided by the project.

Although the project will be reviewed based on its own merits, it is reasonable to consider what the feasible alternatives for the site may be. Commercial development is unlikely. To date, the site and the other nearby business park parcels have not proven attractive to any development currently permitted. The determination was reinforced in an economic feasibility study that included the project site and found commercial development on the site generally infeasible.

Other residential development on the site could be considered. However, it would still have to deal with the neighborhood issues and highway impacts. Development of single-family housing would probably require an undesirable sound wall and housing would be located even closer to the highway. Furthermore, other locations in the city already exist that are designated for and are more appropriate for single-family housing, while there are no vacant sites zoned for multi-family housing that could accommodate the proposed project. Other multi-family housing at this location would potentially face similar neighborhood, design, and policy issues.

Significant changes to the project itself could affect funding sources as well as City requirements in the loan agreement. Lowering the project density is not financially feasible without either increasing subsidies to maintain the rent structure or increasing the income levels of the targeted population. There has been no identified need for the site as a public facility or park. While the site could remain a vacant parcel, it would contribute little to the city or the neighborhood. It would represent a missed opportunity for a good infill project and much needed affordable housing. Previous review of the funding proposals and the project concept by the Social Services Commission garnered their unanimous support.

Overall, staff believes the project is compatible with the neighborhood. The project and site improvements represent a significant investment in the property that would provide benefits to the neighborhood and provide high-quality affordable housing. However, staff also recognizes that concerns have been raised about existing issues and potential additional impacts. After reviewing the merits of the project and considering applicant and public comments, the Planning Commission has the discretion to recommend to the City Council approval, denial, or modifications to the project that it deems necessary.



Figure 1. Conceptual Aerial View

PROJECT DESCRIPTION & SETTING

The applicant is requesting approvals to allow construction of a 69-unit, affordable rental apartment community, New Harmony Community. Development would consist of approximately 70,000 square feet made up of two three-story apartment buildings (41,256 sq. ft. and 23,175 sq. ft.) and a one-story community building (3,871 sq. ft.). The one, two, and three-bedroom apartment units would range in size from 667 square feet to 1,130 square feet. The project includes landscaping, parking, play areas, a community garden, bicycle path/greenbelt, site and frontage improvements (Figure 2 – Site Plan). Proposed density is approximately 20 units per acre on the residential parcel.

The project site consists of three parcels (1.09 acres, 2.56 acres, and 0.75 acres) and is split by Cowell Boulevard which cuts through the site. A tentative parcel map would merge and resubdivide the parcels into two parcels, a 3.38-acre residential parcel on the south side of Cowell Boulevard and a 1.16 business park/office remainder parcel on the north side of Cowell Boulevard. The apartment development would be constructed on the new parcel on the south side of Cowell Boulevard. No development or change is proposed on the triangular office parcel as part of this project, except to create a separate legal lot. However, it could be developed in the future with offices or other uses consistent with the zoning.

While the current zoning allows a multi-family use with a Conditional Use Permit, the project includes a General Plan Amendment to change the land use designation from “Business Park” to “Residential High Density,” a Rezone of the residential parcel from “Industrial Research” to “Multi-Family,” and a Specific Plan Amendment to reflect the changes. The office parcel would retain its Business Park designation and Industrial Research zoning. The applications include a Minor Modification to allow an increase in the height of the apartment buildings from 38 feet to 41 feet 9 inches.

The attached resolution to amend the General Plan is a batched amendment that includes amendments for projects for which the City Council previously adopted resolutions of intent to amend the General Plan and does not affect this project.

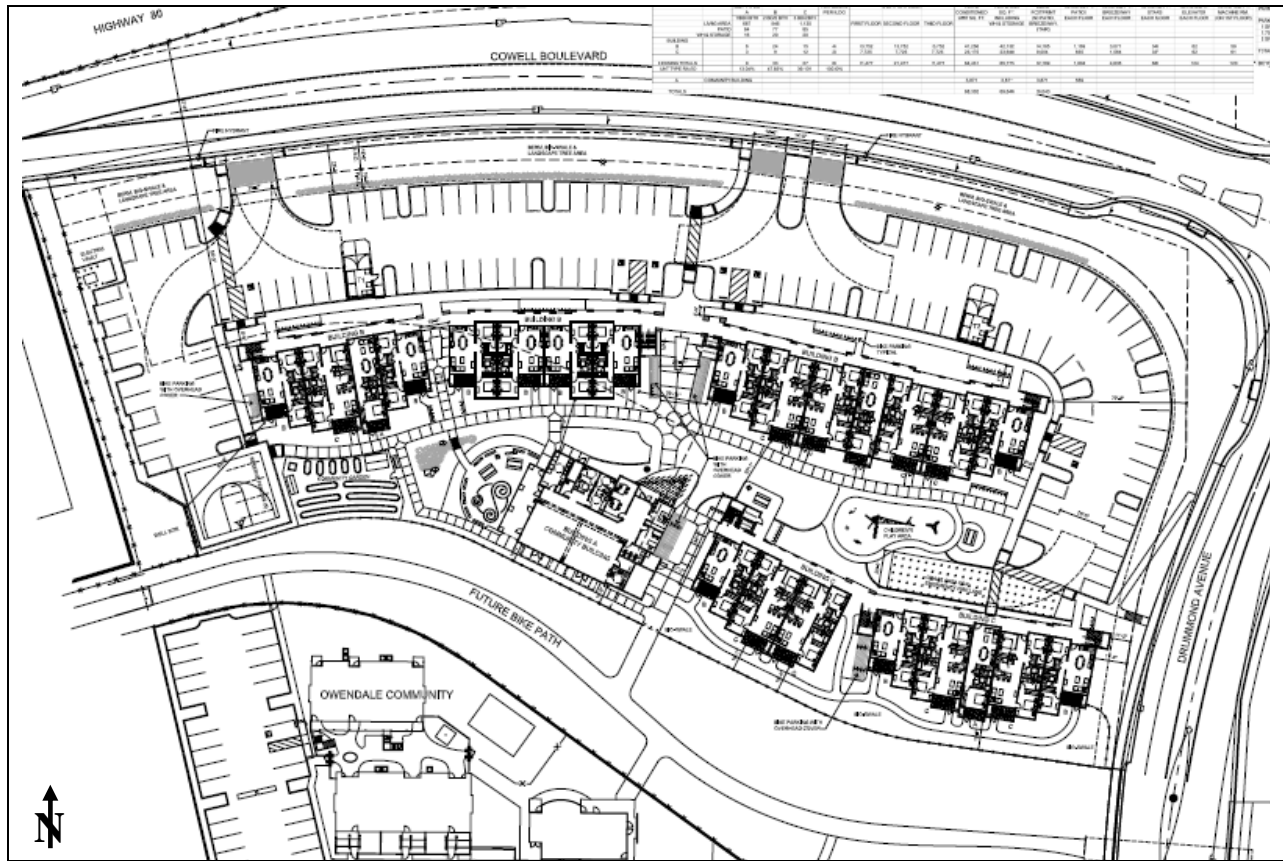


Figure 2. Site Plan

Project Setting

The project site is a vacant site located at the southwest corner of Cowell Boulevard and Drummond Avenue in south Davis (Figure 3 – Vicinity Map). It consists of two properties. One property is a 0.75-acre parcel owned by the City as a land dedication site. The other property is a 3.65-acre parcel previously owned by the Lillard family, referred to as the Lillard parcel. The property is split by Cowell Boulevard into a 2.56-acre parcel on the south side and a triangular-shaped 1.16-acre parcel on the north side. The combined land dedication site and southern portion of the Lillard parcel would compose the proposed residential site and would be 3.38 acres in size after adjustments. The project site is flat. Vegetation consists primarily of a mix of non-native grasses with several small trees scattered about. The triangular parcel is a disturbed site and contains blacktop remnants of Chiles Road and power lines.

The site is bounded by a mix of uses and facilities. To the immediate east of the site are several vacant parcels designated for business park, retail, and residential use. One of the sites is the approved Willowcreek Commons site, an attached single-family residential project. The Owendale Community apartments are located south of the site. A commercial/business park site to the west contains a UC Davis bookstore warehouse. A City well site with driveway access borders the site on its western boundary. A designated City bicycle pathway and greenbelt will run along the southern border between the site and the Owendale Community and would be improved as part of this project. North of the project site is Interstate 80. Single-family residences surround the general area. Surrounding land uses are summarized in Table 2 below.

Table 2. Adjacent Zoning and Land Uses:

	Existing Use	Zoning District	General Plan Designation
Project Site	Vacant	PD 12-87 (Industrial Research)	Business Park
North	Interstate 80	N/A	N/A
South	Owendale Apartments	PD 1-92 (Multi-Family)	Residential – Medium Density
East	Vacant;	PD 6-87 (Office Research); PD 2-02 (Willowcreek Commons)	Business Park; Neighborhood Retail; Residential - Low Density
West	UCD Warehouse; City Well Site	PD 10-72; PD 12-87	Business Park

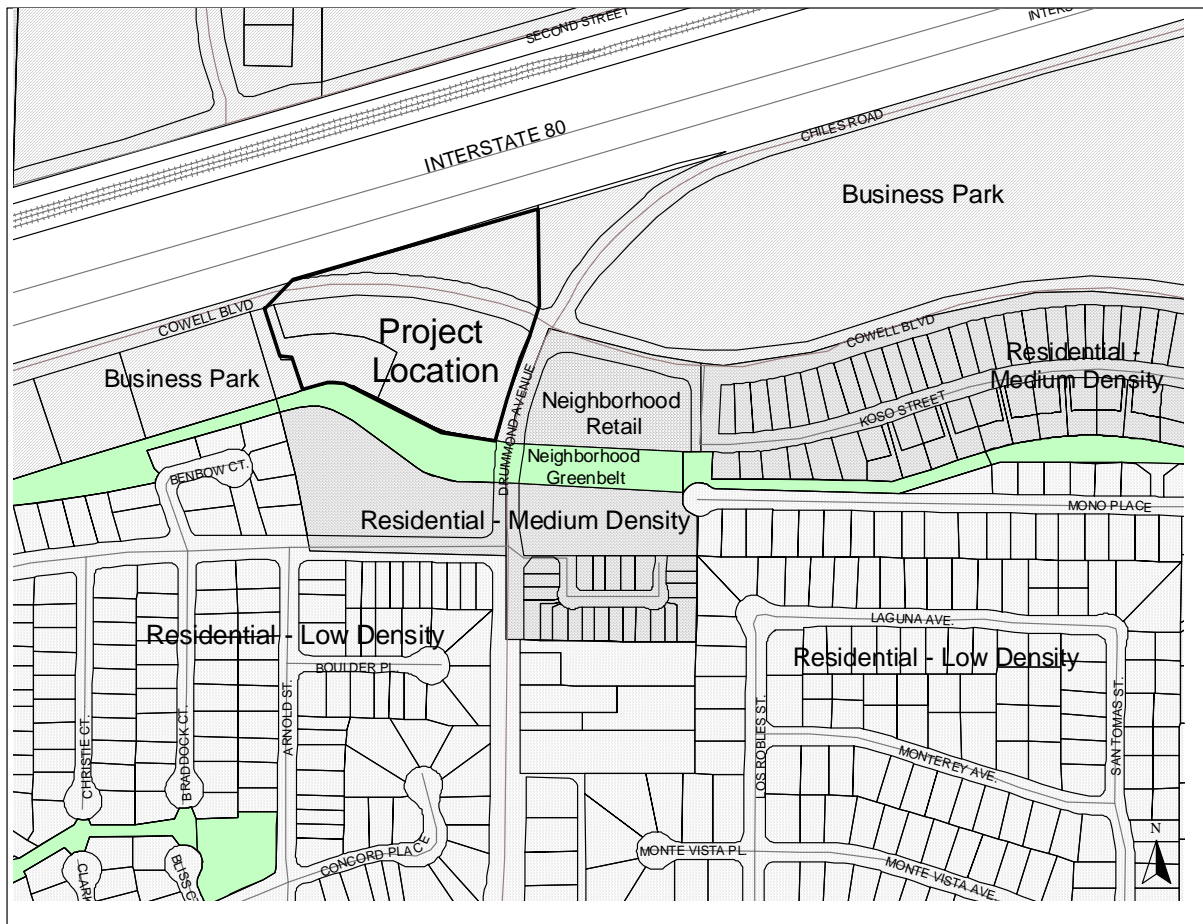


Figure 3. Vicinity Map and General Plan Designations

PROJECT BACKGROUND

Project Site Background

The 0.75-acre parcel off of Cowell Boulevard was given to the City as a land dedication site as part of the Oakshade Development. The dedication included the requirement to build a minimum of 15 units on it for affordable housing. At the same time an amendment to Planned Development #12-87, Ordinance 2024, was adopted by the City Council adding Multi-Family residential uses to the list of conditional uses for the parcel's zoning: Industrial Research District.

The land dedication site borders a vacant property (Lillard parcel) located at the north and southwest corners of Cowell Boulevard and Drummond Avenue. The Lillard parcel consists of two parcels split by Cowell Boulevard, the southern parcel being 2.56 acres and the northern parcel being 1.09 acres. The northern parcel, and surrounding parcels, were once considered for a possible highway interchange, but were not chosen. The Lillard parcel is part of a group of sites adjacent to the freeway that have been designated for Business Park uses, but have remained undeveloped. Although the properties have good highway visibility, the sites lacks good access to the highway for potential customers. In 2004, a Commercial Feasibility Study was prepared for the City by Economics Research Associates and included the subject property which was called the "Lillard Parcel" in the study. The study determined that commercial development of the site was "Highly Infeasible" for most uses. Three uses, automobile dealership, mixed use small office with residential and small office on small parcels, were considered "Somewhat Infeasible." Selected pages from the study are included as Attachment 7.

As a marginal commercial site, it was determined appropriate for the City to consider alternative development of the property. Proximity to the Oakshade land dedication site offered an opportunity for a larger site that would allow for more efficient and feasible affordable housing development, greater amenities, and more housing to address local needs. Potential development of the 0.75-acre Oakshade site by itself presents some difficulties. Its small size does not meet the City's current minimum size requirements for a land dedication site. Development to accommodate the 15-unit minimum would be difficult due to its size, the reduction in economies of scale related to construction costs, its less competitive status in State and Federal funding applications, and operational challenges of a small rental housing project. Other local affordable rental projects that are 15 units or fewer operate at a deficit or barely break even each year on their budgets. Development of this land dedication site on its own, as a 15 unit project, would likely require that the City be the majority or sole investor in completing in the project and it is unlikely that the City would get an equivalent return on its investment due to the small project size. The development proposal for the site is included as Attachment 8.

The project is being proposed as a joint effort between Yolo Mutual Housing Association (YMHA), a local housing non-profit, and Sacramento Mutual Housing Association (SMHA), a Sacramento-based housing non-profit), two organizations that have recently affiliated as partners. YMHA and SMHA have developed and operate a number of permanently affordable communities. YMHA owns affordable housing throughout the city, including Twin Pines, Moore Village, Tremont Green, and the adjacent 45-unit Owendale Apartment Community.

Purchase of Lillard Parcel

At their January 9, 2007 meeting, the City Council approved a loan of \$900,000 for YMHA/SMHA's purchase of the property, based on conditions of affordability for housing developed at the site (Attachment 9). The approval included direction to the applicant, City staff, and Planning Commission to analyze and consider during the project review process neighborhood concerns that had been raised at a neighborhood meeting on November 15, 2006. Issues included:

- a. Project density appropriate for traffic and parking issues in the current neighborhood.
- b. Adequate parking for expected residents of the parcels.
- c. Appropriate models of permanently affordable housing for the site.
- d. The impact of the proposed housing development on local schools.
- e. Alternative sites for affordable housing development.
- f. Impacts of the project on the remaining light industrial/business park parcels along Interstate 80.
- g. Traffic impacts from the proposed project on the surrounding neighborhood.

Additionally, the Loan Agreement on the project specifies 60 to 70 units in the project. Units are to be affordable to households at 60% and 50% Area Median Income (AMI) and below, with a focus on 50% and below. Staff believes the issues listed above have been adequately considered and addressed. This model proposed by this project would provide permanent affordable housing at the required income levels. A for-sale housing model would not be feasible to serve the income groups identified for this project. The mutual housing model also provides a sense of ownership and accountability for residents who are encouraged to participate in general decision-making and governance of individual sites. For both YMHA and SMHA residents hold 40-50% of the board positions and Resident Councils at each community meet monthly to make important site-based decisions. Staff believes the issues have been adequately considered and addressed.

Land Dedication Site and Project Funding

At their July 24, 2007 meeting, the City Council awarded development of the land dedication site to YMHA and SMHA. The Social Services Commission had reviewed the proposal at their meeting on July 16, 2007 and recommended awarding the site to YMHA/SMHA. It allowed the applicant to combine the two sites to develop a larger 69-unit project that provides more open space and greater amenities. The majority of the project would be affordable housing for extremely low and very low income families. Target households served by the project would be 60%, 50%, and 35% of Area Median Income (AMI). The resolution awarding the land dedication included the following requirements (Attachment 10).

- a. Project consisting of 15 affordable units, as required by this site, and a minimum of 60 units for the total development of this parcel and the neighboring corner parcel.
- b. Development of this project with the neighboring parcel shall maximize distance from the freeway (to mitigate health and noise impacts), include but not be limited to health and noise mitigations measures such as construction materials, landscaping barriers and a berm, provide accessibility to the greatest extent possible - aiming for complete project accessibility, and maximize energy efficiency aspects throughout the project.
- c. YMHA and SMHA's development of this site and the corner parcel shall incorporate a process that will continue to include outreach to the neighborhood surrounding the land

dedication site and to allow for input during the design phases, in an effort to integrate the project into its respective neighborhood.

- d. Construction of this site shall commence no later than October 1, 2009.
- e. Construction of the project shall not commence until YMHA and SMHA can demonstrate that there is adequate financing available for the construction and permanent financing of the project.
- f. As proposed, in combination with the neighboring corner parcel, a minimum of 25 units shall be provide for households at or below 35% of Area Median Income, at least fifty percent of the units shall be provided for very-low income households at or below 50% of Area Median Income, and the remainder of the units shall be provided to households at or below 60% of Area Median Income.

Staff believes the applicant has complied with or is able to comply with the requirements. The \$250,000 loan from City HOME funds that was committed to the project in April 2007 has assisted YMHA and SMHA with the predevelopment costs of planning the project (planning application, environmental studies, architectural services, engineering, etc.). In addition to that loan, the City and Redevelopment Agency committed \$5,950,000 to these non-profits in April 2008 as assistance for the completion of the project, subject to the following conditions:

- a. The project must continue neighborhood outreach, obtain planning approvals, address potential impacts of this development on the remaining light industrial/business park parcels along I-80, and address concerns related to potential noise and air quality impacts due to the project's proximity to the freeway.
- b. At least 60 units shall be included in the New Harmony project, with a minimum of 25 extremely low income units (for households at 35% of AMI) and no less than half of total project units as low income units (for households at 50% of AMI). Remaining units shall be provided to households at or below 60% of AMI. All of the units shall remain affordable in perpetuity.
- c. Consistent with the Agency land loan to the project, construction of the project shall start prior to the July 1, 2009 deadline, or this funding commitment will expire and would require renewal by the Agency Board.
- d. YMHA and SMHA must actively pursue other financing options and cost savings opportunities that reduce their dependence on City and Agency assistance whenever possible, while not compromising the quality of the project, project reserves, or the project's energy efficiency.
- e. Construction of the project shall not commence until YMHA and SMHA can demonstrate that there is adequate funding committed for the project's construction and permanent financing.
- f. All City and Agency legal fees associated with their loans to the New Harmony project and other staff time associated with the project that is not paid for by project planning fees shall be paid for through loan proceeds in an amount not to exceed \$45,000. If portions of this allotment are unused, the City and Agency funding commitment will be reduced by the same amount of unused funds.
- g. Yolo Mutual Housing Association and Sacramento Mutual Housing Association shall take the necessary steps and shall provide adequate documentation during all project phases (planning, construction, and permanent financing) to ensure that one or both of the

organizations maintain status as a Community Housing Development Organization, or “CHDO” under the federal HOME program.

- h. The project pro forma shall generally be maintained in accordance with the version submitted with the HOME application, allowing for updates based on construction cost changes and the results of other funding applications. YMHA and SMHA shall maintain its commitment to contributing over a million dollars in equity to the project, deferring at least fifteen percent of the developer fee, and splitting cash developer fee from the project.
- i. The Agency expects that the project will take all necessary steps to avoid returning to the Agency Board for additional funds, including the reduction of project developer fees if project costs exceed budget.
- j. Agency assistance shall be based on City assistance to the project and the two shall not exceed \$5,950,000 in combined loans.

Staff believes the applicant has complied with or is able to comply with these requirements as well. During its review of the New Harmony project proposal in March 2008, as part of the CDBG/HOME funding allocation process, the Social Services Commission provided the following comments on the project:

- Support for a project that responds to a local need for family affordable housing, evidenced by local waiting lists, through the provision of two- and three-bedroom units.
- Excitement that the City will be able to provide extremely low income units to families.
- Recognition of the project, as the first to be developed as fully accessible (in accordance with City direction).

The Social Services Commission unanimously voted in favor of funding the New Harmony project and voiced support and approval for the levels of affordability and accomplishment of full accessibility in the project.

General Plan Housing Update and Local Need

During 2007-2008, the City engaged in a State-required update to the City’s Housing Element to cover the period between January 1, 2006 and June 30, 2013. The effort was spearheaded by the General Plan Update Steering Committee appointed by the City Council. The Steering Committee was charged with overseeing the process and making a recommendation to the Planning Commission and City Council. The Steering Committee’s recommendations were published in its “Study and Identification of Potential Housing Sites in Davis.” The subject site, called Oakshade Affordable Housing Site, was included in the study of potential housing sites.

The Steering Committee evaluated a total of 37 sites and ranked them in categories using principles based on General Plan policies, SACOG Smart Growth Principles, and community input. The Oakshade Affordable Housing Site was ranked 26 (Attachment 11). This ranking placed it in the “Yellow Light” category of sites, which is a secondary ranking. Factors favoring the site included proximity to greenbelts, schools, and shopping and the affordable housing funds and land dedication site that the developer had attained. The major concern about the site was its proximity to the freeway with related noise and air pollution. The study included the following recommendations when considering potential site development:

- Site design to mitigate I-80 noise.
- Maximize setback from freeway. Consider restricting housing units to southern half of site.
- Attempt to develop triangular parcel on north side of Cowell Boulevard with buildings to provide a barrier to I-80.
- The overall density of the site should be at the high end of the medium density range.

The “Yellow Light” sites were recommended for development if the higher ranking “Green Light” sites were not developed. The rankings and criteria used did not consider the feasibility or likelihood that the sites would be developed. On June 19, 2008, the Planning Commission reviewed the Steering Committee recommendations and generally supported them. However, the Planning Commission also supported staff’s recommendation to move the Oakshade Affordable Housing site into the “Green Light” category based on the following rationale:

City Council has provided assistance to a non-profit group for this affordable housing development. The affordable units to be provided in the project are part of the City’s site inventory to meet the Regional Housing Needs Allocation (RHNA) in the current Housing Element submitted to the California Department of Housing and Community Development (HCD).

Inclusion of this site in the site inventory to meet RHNA, or identification of another site to provide the required affordable units, is necessary for the City to meet State RHNA requirements and have a certified Housing Element. Having a certified Housing Element with the state makes the City and projects within the city eligible for state funding applications. On July 22, 2008, the City Council reviewed the recommendations and requested additional information on other areas of the report. The City Council is tentatively scheduled to discuss the City’s plan for future potential housing sites again in October 2008.

The City of Davis has not had affordable family rental housing made available since Moore Village opened in Summer 2005. If approved, New Harmony would likely open in Fall 2010. The City has never been able to provide affordable housing for families at extremely low income levels (30% of Area Median Income) such as what New Harmony would include; households in this income category tend to overpay for housing or use Section 8 rental assistance to pay higher rents. Based on the Housing Needs Analysis completed as part of the Housing Element Update, housing affordable to families at low and very low incomes is a critical need in the City of Davis. Approximately 1,200 Davis workers at these income levels commute into Davis for work rather than reside within the city, and sixty-six percent, or 4,436 very low income households renting in Davis are paying 50% or more of their income towards housing costs each month.

Planning Commission Review

The project requires Planning Commission review of the applications. However the City Council is the approval body for the General Plan and Specific Plan amendments and Rezone. Consequently, the entitlements for the entire project will be reviewed by the City Council for final action with consideration of the Planning Commission recommendation.

KEY PROJECT ISSUES

1. Is housing appropriate on the site?

The proposed project involves a change in the land use designation from Business Park to a Residential designation and requires amendments to the General Plan and Specific Plan and a Rezone. It raises the policy question of whether the site is appropriate for housing and requires consideration of General Plan policies, City goals, and land use compatibilities.

General Plan Amendment

The existing General Plan designation for the site is Business Park. Its purpose is to allow for a hybrid of industrial and office parks containing a various office uses, technology, light manufacturing, and warehousing facilities. The Business Park designation conditionally allows residential uses as a secondary use. However, the project proposes residential as the primary use. The amendment would change the designation on the 3.38 acres located on the south side of Cowell Boulevard to High Density Residential, which allows a density of 16.8 to 30.0 units per net acre. The New Harmony project would have a density of approximately 20 units per acre and the amendment would ensure consistency. The 1.16-acre parcel on the north side of Cowell Boulevard would keep the Business Park designation (Attachment 3).

The intent of the Residential category, as stated in the General Plan, is to allow for:

Residential development emphasizing compact clustered development in new areas and infill in existing neighborhoods, together with a mixture of local-serving retail and institutional uses, to meet housing demands, reduce pressure for peripheral growth and facilitate transit and bicycle/pedestrian travel.

The proposed project meets the intent of the Residential designation. It is an infill development project that fills an identified housing need and is conveniently located near transit and bicycle/pedestrian paths. It would implement various General Plan goals and policies for Land Use, Urban Design, and Housing. Analysis of applicable policies demonstrating project compliance with General Plan policies is included as Attachment 16. The most relevant policies are summarized below.

- Provide a mix of housing types and densities (LU A.3; Housing 1.1);
- Revise the land use map to ensure the supply of land for residential development for all income levels can be accommodated. It could include redesignating land from non-residential to residential use or selective infill and provision of sites with zoning to accommodate density and development standards for low income housing (LU 1.11).
- Create affordable multi-family areas with innovative designs, open space amenities, and links to bicycle/pedestrian ways (UD 2.4).
- Provide an adequate supply of rental housing, a range and variety of housing for low income families and disabled persons (Housing 1.1; 1.1a; 1.2; 1.3; 1.4).
- Strive to meet the identified five-year need for housing affordable to extremely low, very low, low, and moderate income households (Housing 2).

One of the key General Plan land use principles is to focus growth within the city's boundaries and to encourage infill development. Project compliance with the Interim Infill Guidelines is included at Attachment 17. Key guidelines include complete and integrated neighborhoods with

housing near shopping, transit, greenbelts; a mix of housing types, densities, rents; efficient use of infrastructure and services; compatible design and uses; and green building measures. Staff believes the project is consistent with the Infill Guidelines and reduces the pressure for peripheral development to provide the needed housing.

Specific Plan Amendment

The project includes an amendment to the South Davis Specific Plan (SDSP) to reflect the proposed changes (Attachment 4). The SDSP was adopted by the City Council on July 15, 1987 with several revisions approved afterwards. The Specific Plan covered approximately 826 acres with 507 acres to be developed according to the plan. The Environmental Impact Report adopted for the SDSP included mitigation measures to address potential impacts. It also included a statement of overriding considerations for impacts related to loss of agricultural land, loss of natural resources, and traffic congestion. The SDSP designates the subject site as Industrial Research. Applicable policies, measures, and land use designations from the SDSP have been incorporated into the 2001 General Plan. The Specific Plan Amendment incorporates the changes by reference and would change land use designation for the site in the SDSP from Industrial Research to Multi-Family to ensure consistency.

Rezoning

The project proposes to rezone the site from Industrial Research to a Multi-Family district under the existing PD 12-87 zoning (Attachment 5). The purpose of the Industrial Research district is to provide locations for large-scale administrative facilities, research institutions and specialized manufacturing. Zoning for PD 12-87 Industrial Research and Multi-Family districts is included as Attachment 12.

The project includes the Oakshade land dedication site which requires development of a minimum of 15 units. When the land was dedicated it included an amendment to PD 12-87 Industrial Research district adding multi-family residential uses as a conditional use (Attachment 13). The change already addressed the basic question of whether multi-family housing is appropriate at this location determining that it is generally compatible. The rezone of the site to Multi-Family improves consistency. The project meets applicable development standards of the district. Project specific standards are established in the Final Planned Development.

Loss of Commercial Land

Although the project would result in the loss of a Business Park site, staff believes the community benefits outweigh the loss. Staff recognizes that the loss of commercial sites in the city is hard to replace. However, feasibility of developing the site for commercial uses is very low. Review of the project by Economic Development staff did not raise any significant concerns and the conversion would not conflict with any Economic Development policies. There are possible economic development benefits from housing local employees. As residents they would conduct more local shopping and there would be environmental benefits from less commuting.

Other development alternatives for the site such as a park or public facility are not needed. Site specific issues related to the highway can be addressed. Conversion of the site to residential would not negatively impact the neighborhood or viability of nearby businesses and the proposed

project would be consistent with General Plan policies. Therefore, staff supports the proposed amendments and rezone and believes that the site is appropriate for housing.

2. Are the potential noise and air quality impacts of I-80 adequately addressed?

Noise and air quality impacts are summarized in the Environmental Review section below and are analyzed in detail in the Initial Study prepared for the project. Based on the analysis, staff believes that potential noise and air quality impacts have been adequately addressed and impacts have been reduced to a less than significant level for the proposed project. The project with mitigation is able to meet noise standards and comply with General Plan Noise policies.

3. Is multi-family affordable housing appropriate on the site?

Assuming that housing is appropriate at this location, is multi-family housing or affordable housing appropriate? If consideration is given to development of traditional low-density single-family housing or some type of attached medium density housing, the site makes less sense. While not incompatible with adjacent or zoned uses, a lower density housing development would appear isolated and cut off. It would not be as well connected to the existing neighborhood and would not be able to incorporate the greenbelt or provide as much access to it as well as a single larger development. Site development could be problematic and residences would probably be located closer to the highway than the proposed project and could also result in an undesirable sound wall. In addition, the higher density housing would be more consistent with the General Plan policy (UD 2.3a) for scaling the transition from higher intensity land uses to lower intensity land uses. Lower density housing would make less efficient use of the site and would be less consistent with the Infill Guidelines. Finally, there are already numerous locations in the city where existing single-family developments are being built out or alternative locations where additional single-family development is proposed or could be considered.

There are few if any potential sites that could accommodate a high density multi-family development. There are no existing sites already zoned and designated where this project could be located. No other appropriate sites or feasible opportunities have been identified or found. The City has demonstrated a strong commitment to providing affordable housing that is reinforced in the General Plan policies. The city has an identified need for low and very low income housing and an obligation to meet its regional housing needs.

Proposals for affordable housing typically generate a high level of concern. Two common worries about higher density and affordable housing are that they increase crime and decrease property values. However, information from the California Department of Housing and Community Development (HCD) indicates otherwise. An HCD report summarizing a May 2002 roundtable on affordable housing and high density housing addressed these common concerns. It noted that *“no study in California has ever shown that affordable housing developments reduce property values.”* Pre-existing property values is a more important factor. Quality design and a well-maintained site can add neighborhood interest. The report also revealed that *“the design and use of public spaces has a far more significant affect on crime than density or income levels.”* Crime rates at higher density developments are not significantly higher than at lower density developments. Good on-site management and cooperation with neighbors and law enforcement goes a long way to preventing problems.

The project also raises issues of environmental justice. The proposal would build low income housing on a site close to a highway where residents would be exposed to higher noise levels and an elevated health risk from vehicle emissions than a typical housing development. Although the site has many attributes in its favor, staff recognizes that the site is not an ideal location. However, these concerns have been analyzed in detail. They played a large role in the project design and the features that have been incorporated in order to develop a safe and healthy community. Additional mitigation measures were identified in the Initial Study and have been included as conditions. Staff believes that the noise and air quality issues have been adequately addressed. On balance staff believes that the site is appropriate for affordable housing and presents an opportunity to develop much-needed rental housing.

4. Is there an over-concentration of affordable housing in the neighborhood?

The final key issue is whether an over-concentration of affordable housing exists in the neighborhood or would be worsened by development of the project. The proposed New Harmony project would be located adjacent to the 45-unit Owendale Community and would be approximately one-third of a mile away from the 24-unit Rosewood Park Apartments, 12-unit Willow Glen Duplexes, and 21-unit Becerra Plaza (Figure 4). Neighbors have cited problems related to residents at Owendale and Rosewood Apartments. Willow Glen is senior affordable housing and Becerra Plaza serves disabled residents.

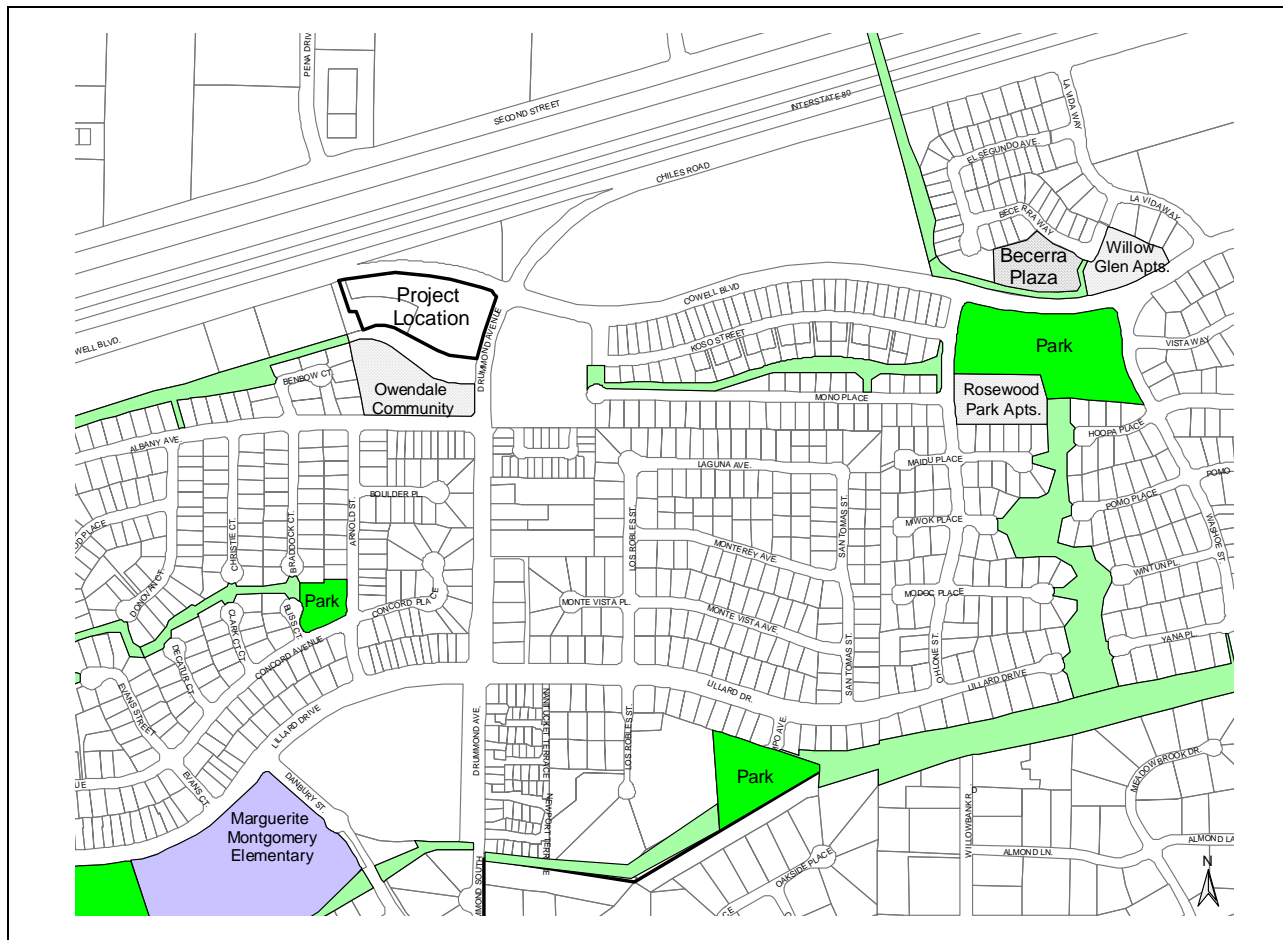


Figure 4. Affordable Apartment Sites in Project Vicinity

When taken together, they do create a cluster of affordable housing, particularly for the houses located between them on Koso Way and Mono Place. However, there are 28 affordable apartment projects located throughout the City of Davis and are fairly well-dispersed (Figure 5). This does not include a number of apartment complexes in the city with a mix of affordable units and market-rate units. The clustering of these south Davis sites is partly due to similar locational factors such as proximity to shopping and services, access to parks and greenbelt, and arterial/collector road locations. The proposed project does not increase the dispersion of affordable housing because it is adjacent to an existing affordable site. Yet this pairing of sites is not an unusual situation and occurs elsewhere in the city. In this case, it allows the two sites to share facilities and resources.

The size of these apartment projects, based on the number of units, is also not an unusual amount. The middle-range size for an affordable apartment project is somewhere between 40 to 70 units. The size of the existing sites in the neighborhood falls within the low to low-middle range. The proposed 69-unit New Harmony project would fall in the high-middle range. There are a number of affordable apartments with up to 100 or more units.

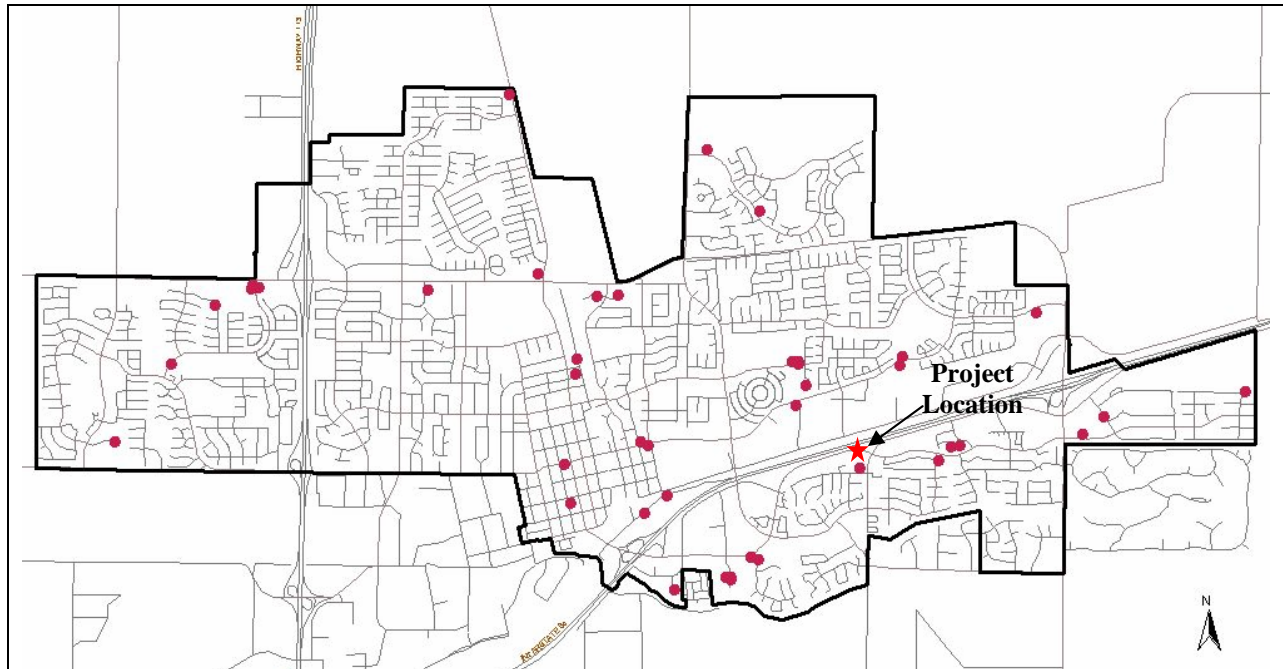


Figure 5. Affordable Housing Site Locations in City

All apartment projects have the potential to create issues for the surrounding neighborhood. The concerns are not limited to affordable apartments. Each type of apartment complex and each location is unique. Apartments dominated by students can lead to noise and parking problems. These issues are shared all over the city. Figure 6 shows the location of all apartment project city-wide. It shows areas of the city with a higher concentration of apartments than within the subject neighborhood. Figures 4, 5, and 6 are also included as Attachments 28, 29 and 30. Overall, staff does not believe there is an unusual concentration of affordable apartments or of apartments in general in the neighborhood of the project.

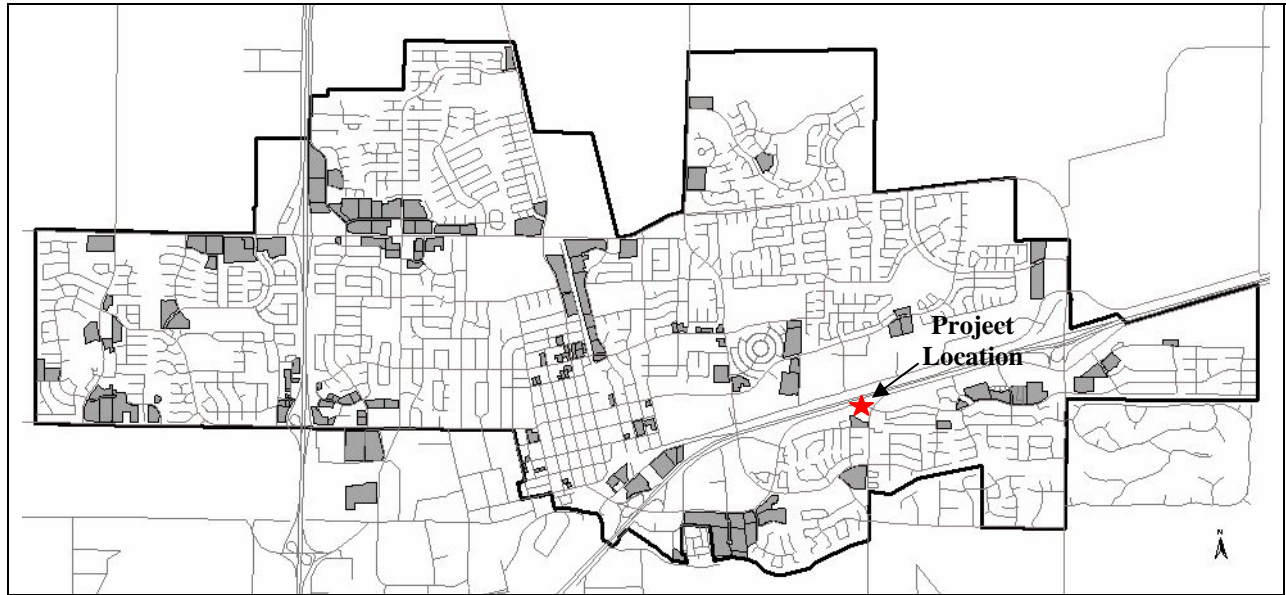


Figure 6. Apartment Locations City-Wide

ENVIRONMENTAL REVIEW

An Initial Study (Mitigated Negative Declaration) was prepared and has been circulated for public review from August 29, 2008 to September 17, 2008. The Initial Study analyzed the project and identified potential impacts relative to Air Quality, Biological Resources, Noise, and Transportation. The Initial Study determined that potential project impacts with mitigation would be less than significant (Attachment 18).

The project design already incorporates measures that reduce potential impacts, particularly noise and air quality. They include maximizing the setback from the highway, site layout and building design to buffer active outdoor areas, and use of a vegetative buffer with redwood trees to reduce noise and filter pollutants. Mitigation measures were incorporated to reduce impacts to a less than significant level and have been included as conditions of approval. They include measures to mitigate:

- Air quality impacts and improve indoor air quality with indoor filters and low VOC materials.
- Burrowing owl impacts with preconstruction surveys.
- Construction noise by controlling the equipment, times, and location of earthwork.
- Highway noise on the proposed residential project and potential office development with setbacks, alternate ventilation, and enhanced windows for sound attenuation.
- Traffic and circulation impacts by addressing frontage improvements and sight distances.

The potential air quality and noise impacts because of the project's proximity to Interstate Highway 80 entailed the most discussion and analysis in the Initial Study. The site is located within 500 feet of the highway. It has been determined that people living within 500 feet of highways and other high traffic roadways have an elevated risk of exposure to cancer-causing pollutants and other general respiratory problems. Highway traffic noise can also be substantial and exceed normally acceptable thresholds. Measures to minimize and mitigate the highway impacts are applicable to both noise and air quality and have been incorporated.

Air Quality Impact

An Air Quality Analysis was prepared for the project and analyzed potential air quality impacts (Attachment 19). It determined that potential project-related emissions from operations and construction would be less than significant based on thresholds adopted by Yolo Solano Air Quality Management District (YSAQMD). However, exposure of residents to pollutants was a concern because of the highway proximity. The analysis included a Health Risk Assessment (HRA) to evaluate the potential cancer risk from toxic air contaminants (TACs) from mobile sources on residents. The Air Quality Analysis was reviewed by YSAQMD which determined that the analysis and methodology were adequate.

The HRA calculated an additional cancer risk of 16 in one million for the project. The HRA is considered an informational document that is necessary to calculate and disclose the potential risk. YSAQMD has established a threshold of 10 in one million for exposure to TACs from stationary sources. However, the Air Quality District has no regulatory authority over mobile source emissions and there is no established threshold for impact significance. The City of Davis is considered the Lead Agency for this project and has the discretion to determine the impact significance.

The California Air Resources Board (ARB) recommends avoiding the siting of sensitive land uses within 500 feet of freeways and high traffic roadways because of air quality concerns. However, the ARB specifically states that the recommendations are advisory and acknowledges that local agencies must balance other consideration, such as housing and transportation needs, economic development, and other quality of life issues. The City solicited additional independent analysis from Dr. Thomas Cahill, a local air quality expert. His analysis and understanding of local conditions indicated that the air quality at the project site would not be expected to be substantially worse than other locations in the city (Attachment 20).

The analysis in the Initial Study discussed a number of assumptions and the local and regional air quality environment to provide a context for the HRA results. Considerations include:

- Project location on the upwind (south) side of highway;
- Conservative model assumptions based on a 70-year, 24-hour-a-day exposure period;
- Improving air quality from technological improvements and stricter emission standards;
- Regional air quality influences; and
- Relatively good local air quality.

Based on these considerations, staff believes that exposure risks for the proposed project are less than significant with mitigation. Project design and mitigation measures for air quality also help to reduce highway noise impacts. The highway setback, berms, vegetative buffers, and shielding of outdoor areas with structures reduce exterior noise levels to acceptable levels. Incorporation alternative ventilation and higher quality windows addresses indoor noise levels. The Acoustical Analysis is included as Attachment 21. The project also incorporates by reference applicable measures of the South Davis Specific Plan EIR and General Plan EIR which evaluated overall buildout of the city and the plan area.

Final EIR for the South Davis Specific Plan

On July 15, 1987 the City Council adopted the South Davis Specific Plan (SDSP) and subsequent revisions. The SDSP established land uses for approximately 826 acres in South Davis area south of Interstate 80. At that time the City Council certified an Environmental Impact Reports for the plan. The EIR included mitigation measures to reduce potential impacts and a statement of overriding considerations for significant unavoidable impacts relative to the loss of agricultural lands, loss of natural resources, and traffic congestion (Resolution No. 5796 July 15, 1987 certifying the Final EIR for the South Davis General Plan Amendments and Specific Plan).

Program EIR prepared for General Plan Update

The potential environmental impacts of development of the subject property were analyzed as part of the Environmental Impact Report (EIR) prepared for the City's 2001 General Plan Update and are incorporated here by reference. The EIR evaluated the overall buildout of the City under the General Plan to the year 2010. The policies, measures, and land uses from the South Davis Specific Plan were incorporated as part of the General Plan. The action to approve the General Plan adopted a statement of overriding considerations for significant unavoidable impacts in the areas of traffic and impacts on roadway systems, air quality, and noise among others (Resolution No. 01-72 May 23, 2001 certifying the General Plan Update Final EIR and approving the General Plan, Exhibit B – Statement of Overriding Considerations).

PUBLIC OUTREACH & COMMENTS

On-going public outreach and noticing of the project has occurred prior to and during City review of the project. It included several informational notices mailed out to the neighborhood and three neighborhood meetings. Notice of the public hearings and the comment period for the Initial Study exceeded City requirements. In an enhanced mailout, notices were sent to properties within 1,000 feet of the project site and beyond and were published in the Davis Enterprise. Outreach in the neighborhood has included the following:

11/15/06 Neighborhood Meeting about the potential project
07/09/07 Update Letter to Neighborhood
05/12/08 Neighborhood Notice of Project Application
06/18/08 Neighborhood Open House and Notice
08/26/08 Neighborhood Meeting and Notice
08/26/08 Initial Study Comment Period Notice
09/10/08 Planning Commission Hearing and Notice

Neighborhood Meetings

A neighborhood meeting was first held in November 15, 2006 to identify potential concerns about use of the site for affordable housing. Approximately 14 people attended (Attachment 22). Neighbors raised general concerns related to the housing density, issues with affordable housing and the change in use, impacts to traffic, parking, and schools, and potential economic impacts. The City's loan agreement for the project included requirements to consider and analyze these issues. Measures have been incorporated in the project or as conditions of approval addressing these issues or are discussed in this staff report.

The City held an open house on June 18, 2008 after the project had been submitted to inform the neighborhood and to identify concerns and questions again. City Planning, Housing, and Police staff were available along with project representatives. Approximately 20 people participated (Attachment 23). Similar concerns were raised about neighborhood impacts, the number of affordable housing sites, and highway impacts. There were also comments about criminal activity in the neighborhood and questions about Owendale management policies.

A follow-up meeting was held on August 26, 2008 to update the neighborhood on the project and respond to questions raised. Approximately 14 people attended (Attachment 24). A handout was provided summarizing information responding to the questions (Attachment 25). On-site and City contact information was provided. Although there was some acknowledgment from the residents about the need for affordable housing, the overwhelming sentiment expressed was opposition to the project, largely due to a perceived over-concentration of affordable housing sites in the neighborhood and related negative impacts. Mixed in to it was also some opposition to an apartment project, to the proposed density, and to residential in general.

Public Comments

Comments received during the project review process and at neighborhood meetings are summarized and briefly discussed below. Comments are included as Attachment 26.

- School Impacts. Concerns were expressed that the additional housing would impact the

local schools. The school district has reviewed the project and no significant issues were identified. Because of limited capacity at nearby schools, students may be served by other schools. The project is subject to required developer fees.

- Traffic Impacts. Concerns were expressed about increased congestion and traffic in the neighborhood. The project will generate additional traffic on local roads. However, the traffic study prepared for the project determined that traffic impacts from the project would be less than significant. Local intersections and roadways would continue to operate at acceptable levels based on City standards. The Public Works Department which has reviewed the project concurs with the conclusions of the traffic study and has not identified any substantial traffic concerns. The project is subject to required traffic impact fees. In addition, the City is currently preparing plans to construct a roundabout adjacent to the project site at the intersection of Cowell Boulevard and Drummond Avenue/Chiles Road. The improvement has been planned for some time and is not directly related to the project, but is expected to improve improve circulation at the intersection by replacing the four-way stop. The South Davis Specific Plan facilities plan envisioned a traffic signal control at buildout. Subsequent analysis showed that a roundabout would be a superior alternative to a traffic signal or a four-way stop controlled intersection.
- Parking Impacts. Concerns were expressed about insufficient parking on-site and potential spill-over effects. City parking standards require 121 parking spaces for the 69 apartment units. The project proposes 122 parking spaces and meets parking standards. Five of these spaces will be held in reserve with the area and used for the basketball half-court. Affordable housing sites typically have lower than average vehicle ownership rates. The adjacent Owendale site currently has excess parking. In addition, the site which is located adjacent to proposed the bicycle path and along bus routes providing alternatives to motor vehicle usage. Staff has recommended a condition of approval for a parking plan in order to ensure reasonably convenient parking for each unit and to help monitor parking.
- Over-Concentration of Affordable Sites. Concerns were expressed that there was an over-concentration of affordable housing sites in the neighborhood. There were concerns that more apartments would have a negative impact on the neighborhood character and on property values. There were also questions about the actual need and who the residents would be. The 69-unit New Harmony project would be adjacent to the 45-unit Owendale Community. Other affordable apartments in the area include Rosewood Apartments (24 units), Willow Glen (12 units), and Becerra Plaza (21 units). Putting all of these together does create cluster of housing. However, there are 28 affordable housing communities dispersed throughout the city plus additional apartment complexes that have affordable units within their mix.
- Neighborhood Crime. Concerns were expressed about existing crime in the neighborhood and increased criminal activity because of the project. Several neighbors have cited general disturbances and specific criminal incidents that have occurred in the neighborhood and attributed them to residents at the Owendale Apartments. According to the Davis Police Department, there have been past problems in the neighborhood

associated with the Owendale Apartments. The situation has improved as a result of increased attention by the Police Department and new apartment management. In addition, residents who violate apartment policies can be and have been evicted. According to the Police Department, there have been no problems and no police calls on record since the management switch. Unfortunately, the perception of a problem can linger and it will take time for changes to be felt in the area even though improvements have been made. Concerns that the New Harmony project will add to the problem are speculative. SMHA has an obligation and strong interest in protecting the welfare and safety of its residents and the neighborhood. Specific measures that have been or could be taken include:

- Owendale is part of the Crime Free Program run by the Police Department. It includes training opportunities for the on-site management and an inspection of the site to identify problem areas. Davis Police will also sponsor a resident social where a police officer will inform residents about crime prevention.
 - SMHA has helped to organize Neighborhood Watch programs at other sites and can help organize one with Owendale and New Harmony if neighbors are interested.
 - SMHA has also asked the management company of Owendale to implement a comprehensive policy to address domestic violence and reduce potential problems. As part of the policy, incidents would be reported to appropriate authorities and recurring incidents could result in eviction.
-
- Impact on City Services. There was a concern that the project would result in the need for additional City Services, particularly police protection. The Police Department reviewed the project and did not identify any particular concerns. They did confirm past problems with the adjacent Owendale Apartments which received additional attention and resources. As a result there has been a marked improvement in the past year. Some of the improvement is attributed to new management of the site and improved communication. The applicant has committed to continuing these efforts and has provided contact information to neighbors in order to address problems early on. The project is also conditioned to participate in the Crime Free Program and to host neighborhood watch meetings.
 - Property Values and Land Use Expectations. There were comments that the project would have a negative effect on property values and that there were expectations that the site would be developed for commercial uses.
 - Economic Impacts. There were comments that the project would have a negative economic impact on the City because of the need for increased services and subsidies and the loss of commercial land for housing. Because the project proposes to develop a vacant site, there would be an incremental increase in the need for city services, but development of the site with a different project would also increase the need for services. Many services can be provided more efficiently to this type of project with its compact design and higher density. While the loss of commercial land in the city is a concern, the subject site is considered marginal for commercial use and the provision of affordable housing is also an important City goal.

- Inappropriate Site. There were comments that felt the site was inappropriate for the project based on density, highway impacts, and the character of the area. The increased density is necessary to accommodate a feasible project. The site is adjacent to a greenbelt and convenient to shopping and services. It is not adjacent to any single-family residential sites. It is situated on arterial and collector roadways. Noise and air quality health impacts related to the highway are addressed in the Initial Study and have been mitigated through project design and recommended mitigation measures. There was a comment that the proposed three-story buildings are too tall and inappropriate for a “rural” area of Davis. The buildings would be consistent with the standards of the Multi-Family District with the minor modification for the height. The site is within the urbanized area and three-story apartment buildings are not uncommon in other parts of the city or in other residential areas. The adjacent Owendale site contains buildings that are three stories in height and 32 feet tall. They are about 10 feet lower than highest portions of the New Harmony buildings which vary in height from about 34 feet to 41 feet 6 inches to break up the rooflines and allow for sloped roofs, accommodate generous ceiling heights, and provide visual interest. The specific standards are reviewed as part of the Final Planned Development and Design Review.
- Management Policies. There were questions related to general management policies. Policies include background checks on residents of all SMHA properties and would include the New Harmony project, participation in efforts to improve resident and neighborhood safety, eviction for non-payment, drug-use, serious breaches of rules, or continued disruptive behavior, and a policy addressing domestic violence. A response to questions with more detailed information was provided to neighbors and is included as Attachment 25.
- Resident Selection. There were questions about the need for low-income housing and concern about residents from outside the community. The city has an identified need for this type of low-income rental housing based on existing waiting lists. While prospective residents cannot be discriminated against based on where they may live or work, the intent of the project is to provide for local needs and for those already affiliated with the community. Advertising of the site focuses on UCD, local employers, and local sources of information. To use the Owendale Apartments as an example, 58% of the residents were originally from Davis and most common places of employment are Davis, Sacramento, Woodland, or Dixon.
- Owendale. There were comments and questions about the Owendale Apartments. There was a general impression that the youth at Owendale don’t have things to do and end up “hanging out” in the neighborhood and causing problems. The neighbors had concerns about clutter on the Owendale patios and maintenance of landscaping. The Owendale management has been taking steps to address these issues. It highlights the importance of communication with the neighborhood in order to identify these types of issues. The concerns are not directly related to the project, but they indicate the level of concern. SMHA/YMHA operate programs to support and educate their residents. The New Harmony project also incorporates a substantial amount of useable open space for its residents as play areas, gardens, and for recreation.

PROJECT DETAILS & ANALYSIS

Tentative Map

The project includes a tentative map to create a 3.38-acre residential parcel on the south side of Cowell Boulevard that would be designated and zoned for multi-family uses consistent with the project. The designated remainder parcel on the north side of Cowell would be a 1.16-acre site that would keep its current business park/industrial research designation and zoning that would allow office-type uses among other things. See Tentative Map Exhibit in Project Plans included as Attachment 31. No development is currently proposed on it and there are a number of existing challenges for potential office development on the site. They include the small size and triangular shape of the lot, its close proximity to the freeway, and existing easements and utility poles. However, these are existing conditions and the proposed project would not impact potential development of the site. The tentative map has been reviewed by applicable agencies and no significant issues have been identified. Additional maps and/or an improvement agreement for public improvements may be required prior to development of the remainder parcel.

Final Planned Development

A Final Planned Development is required for the project and addresses basic site planning and design, the relationship of the buildings, landscaping, parking, and other site improvements. It includes Final Planned Development standards specific to the proposal summarized in Table 4 below. The project complies with the PD 12-87 development standards for the proposed Multi-Family District zoning, which are provided for reference. Applicable standards not specified in PD 12-87 are taken from the Zoning Ordinance (Municipal Code Chapter 40).

**Table 4.
 Final Planned Development Standards**

	PD 12-87 Multi-Family/ Zoning Standards	Proposed Final PD Standards
Setbacks (Entire Site)	Per Final Planned Development	<u>Front</u> (Cowell Blvd.): 99 feet <u>Rear</u> (South) Building C: 15 feet Community Bldg: 10 feet* <u>Street Side</u> (Drummond Ave.): 16 feet <u>Side</u> (West): 62 feet
Maximum Building Height	3 stories/38 feet	3 stories/41'-9" feet (with minor modification)

Accessory Building Height	2 stories/25 feet	1 story/22 feet
Off-Street Parking Spaces	121 spaces	122 spaces (includes 5 reserve spaces)
Parking Lot Shading	50% minimum	56% (22,526 sq. ft.)
Bicycle Parking	As Determined by CDD Director	140 spaces (55 covered, 85 uncovered)
Lot Coverage	N/A	23% (33,962 sq. ft.)
Open Space/ Landscaping**	N/A	48% (70,709 sq. ft.**)
Landscape Area	N/A	30% (44,950 sq. ft.)

*An open trellis attached to the community building may encroach within 5 feet of the rear property line.

**Open Space/Landscaping includes all concrete flatwork, paths, planters, play areas which are all areas not included in building and asphalt/parking calculations.

Staff believes the Final Planned Development standards are appropriate for the project and site. It maximizes the north setback to mitigate highway impacts. As a result, the south setback is reduced, but the project will be buffered by the adjacent greenbelt and will incorporate open steel fencing to maintain a sense of openness. The Drummond Avenue setback from Building “C” is consistent with the Owendale Apartments. It presents a very narrow elevation to the street and adds some street presence. The project provides adequate vehicle parking, a generous amount of useable area as open space/play areas, and incorporates substantial landscaping within the project site and on the periphery. There will be two bicycle parking spaces per unit as recommended in the City Bike Plan. Spaces are dispersed throughout the site and covered spaces have been incorporated.

Minor Modification

The project includes a Minor Modification to allow a minor increase in the height of the project 41 feet 9 inches. Consistent with the Zoning Ordinance, the increase would be no more than ten percent. The additional height would be for several tower elements incorporated in the building design to break up the building and roofline and allow for sloped roofs, accommodate generous ceiling heights, and to provide visual relief. Staff believes additional height is non-substantive and appropriate for the project and that the findings can be made to support the Minor Modification.

Design Review

Staff believes the site layout and building design are appropriate for the site and well-thought out, innovative and attractive in design, and compatible with the neighborhood.

Site Layout

The site design was driven by three main goals, which were: to address noise and air quality impacts from the highway; maximize open space; and incorporate sustainability measures. Consequently, the buildings are pushed back from the highway as much as possible. Building “B” forms a gentle crescent across the length of the site. Although the building is broken up into different sections, it is connected with breezeways to create a single structure and to act as a noise barrier to the open space areas behind it. The highway setback and building barrier were recommended in the Acoustical Analysis prepared for the project and in general HUD recommendations for building orientations.

The shared open space nestled between the buildings is the heart of the site and encourages interaction. It will contain various outdoor uses including a formal children’s play area with equipment, open grassy areas, and informal play areas, a community garden, paths, picnic tables, benches, and the community building. The community building would be centrally located so that it would be convenient to the residents, but also allow management to monitor activity. A half-court basketball play area would be located in a parking reserve area on the west side and at a respectful distance from any residences. Open steel fencing along the greenbelt provides security, but maintains a sense of openness. The project site will have direct access to the greenbelt. Project plans are included as Attachment 31.

Project Sustainability

The project is conditioned to comply with the City’s recently adopted Green Building Ordinance which establishes point thresholds based on green building measures that are incorporated into a project. The threshold for new multi-family residential development is 70 points under the Build It Green Multi-Family Guidelines and Checklist. The applicant expects to exceed the threshold by a substantial amount and achieve approximately 102 points. The original project concept included a desire to achieve a high level of sustainability for the project. The project has incorporated site selection considerations and committed to building design features that include, among other measures:

- Access to bicycle paths, transit, and nearby shopping;
- Orientation of the buildings and units to maximize daylight and for passive solar design;
- Minimizing parking and pavement;
- Maximizing landscaping, open space;
- Community garden and fruit trees;
- Project stormwater BMP’s including bioswales and raingardens;
- Shading for windows, parking areas, and outdoor spaces, and covered bicycle parking;
- Use of low VOC materials to improve air quality and ceiling fans;
- Exceed Title 24 by a minimum of 15% for enhanced energy efficiencies; and
- Installation of a photovoltaic system to power communal areas.

Parking

The project site would have access from two driveways on Cowell Boulevard. While driveway access to Drummond Avenue would have provided for better circulation, obstructions from a median and utility poles and proximity to the intersection prevented the driveway. Additionally, an early neighborhood comment had requested no access to Drummond Avenue.

The site design places parking along the front and sides of the project. It provides the buffer area from the highway and puts it on the edge of the site so it does not intrude on the living and outdoor areas. The parking area is softened with trees and landscaping that provides 56% shading and meet the City's parking lot shading standard of 50%. A generous 25-foot landscape strip containing landscaping, berms, and bioswales along the street frontages will help to screen the parking area. Because residents of Building "C" would be farthest from the parking area, a condition of approval has been incorporated for the applicant to develop a parking plan with assigned spaces convenient to the units.

122 parking spaces including 5 reserve spaces will be provided for the 69 units and meets City parking standards. Although parking is not available adjacent to the site on Cowell Boulevard or Drummond Avenue, staff believes the proposed parking is adequate. Vehicle ownership for residents of affordable apartments tends to be lower than average. For example, residents of the adjacent Owendale Apartments do not fully utilize all of their available on-site parking. In addition, residents of the New Harmony project would have convenient access to public transit and bicycle paths.

Landscaping

The project proposes generous amount of area for landscaping and open space, approximately 48% of the site. The diverse mix of landscaping material is appropriate for the site and purpose. It includes shrubs and dense evergreen trees for screening and buffering along Cowell Boulevard, grasses and shrubs in bioswales, large shade trees in the parking lot and active outdoor areas, smaller decorative trees for accent, and fruit trees in the community area (Figure 7). At the corner of the property adjacent to the new traffic circle, the landscape area is about 60 feet wide and will include a separated sidewalk at the corner.

The proposed landscaping and shading plan have been reviewed by the City Arborist. The project complies with all applicable requirements. All proposed landscaping shall be in compliance with the City's Water Conservation standards for new construction and is subject to review of a final landscape plan. The applicant is responsible for installation and maintenance of frontage landscaping from the back of the curb to the property line. Staff believes the proposed landscaping is attractive and appropriate.

Greenbelt Improvements

The project will complete improvements on the adjacent greenbelt area. The greenbelt property was offered for dedication as part of the Rosecreek 8 project. The Oakshade Development Agreement provided that the greenbelt design and improvement be phased for improvement at the same time as the adjoining subdivision improvements. However, the greenbelt improvements were deferred because of uncertainty over when the bicycle/pedestrian undercrossing improvements could be done. A Letter of Credit covered improvements but expired. Oakshade Development still owns the property and details of the property transfer are being worked out.

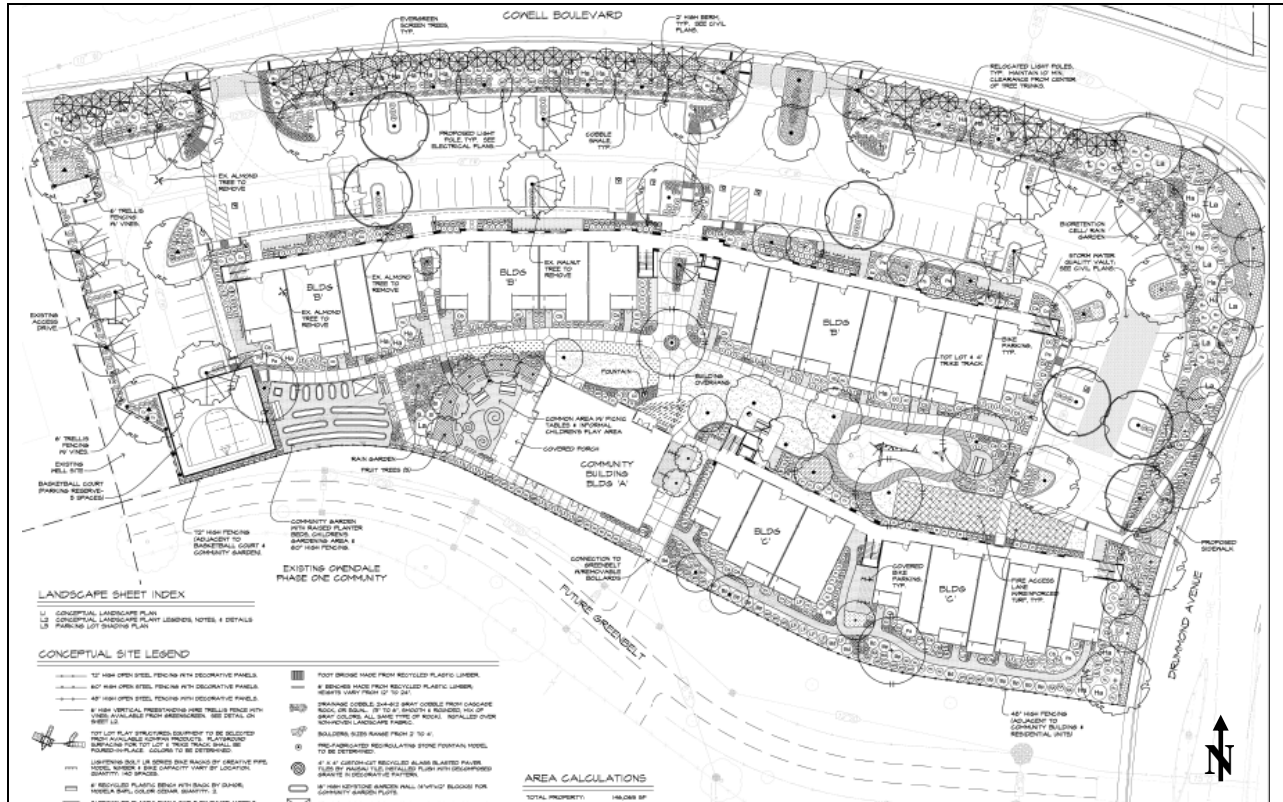


Figure 7. Preliminary Landscape Plan

Building Design

The proposed three-story apartment buildings make efficient use of the site and accomplish City and developer goals to create attractive, affordable housing, provide a sufficient number of units, accommodate for accessibility, and address site issues. The contemporary design includes a mix of forms, shapes, materials, and colors to create visual interest. Because Building “B” functions partly as a noise barrier, it creates a long elevation that faces Cowell Boulevard. The length of the building does not necessarily detract from the area as it lends more street presence. The setback from the street, the landscaping along the frontage, and the gentle curve of the building will soften the effect. Additionally, the design of the building breaks up the massing into smaller pieces and adds variety that includes (Figure 8):

- A mix of roof forms and angles with flat and shallow-pitched roofs;
- Different exterior materials and textures, stucco and hardiplank siding;
- Recesses and pop-outs in the building for added depth;
- Different vertical and horizontal elements to break up the lines;
- Awings and overhangs for shadowing;
- A varied color palette composed of subdued tans, browns, greys with hints of yellow and red;

The apartment buildings both have elevator access and stairs. A covered breezeway along all three floors provides access to the units. The units run across the width of the building. The units

have their common living areas and a private patio/balcony on the south-facing sides towards the open space and greenbelt.

The community building serves as a communal gathering area and meeting space and provides offices, training space, and storage space. Each unit will have laundry hook-ups, but communal laundry facilities will be available in the community building. It will also have a kitchen and computer room. Staff believes the design of the apartment and community buildings are attractive and appropriate. Color elevations and conceptual views are included as Attachments 32 and 33.



Figure 8. North Elevation View of Building “B” from Cowell Blvd.

Visitability/Accessibility

Provision of visitable and accessible features in new residential developments is a City objective. For affordable housing projects that are developed using city-awarded affordable housing funds and/or land, the City has typically required increased accessibility. While the City has focused on the provision of accessible and visitable units in single-family (ownership housing) due to the lack of building code requirements for that housing type, this applicant has worked with the City to make every unit in the proposed project visitable with the ability to adapt all units to be fully accessible. At the City’s direction, the project was designed as stacked-flat apartments in part to provide full project accessibility. Other possible designs that might have included two-story townhome-style apartments similar to Owendale, the existing affordable housing project to the south, would not have allowed for this level of accessibility. The applicant has committed to providing full visitability for all of the units and to build in features for complete accessibility for a minimum of 20% of units. This has been included as a condition of approval. Additional units could be built out as accessible units based on resident needs, once tenants have moved in and/or as the need arises during their tenancy at the project. This project would be the first non-senior fully accessible affordable rental housing in Davis.

Batched General Plan Amendments

Specific policy issues related to the proposed General Plan Amendment for this project are discussed above. However, if approved the resolution amending the general plan includes changes to the Land Use Map from previously approved projects. State Planning and Zoning Laws state that no mandatory element of the general plan shall be amended more frequently than four times per any calendar year, but that each amendment may include more than one change (Government Code Section 65358(b)). For this calendar year to date, one amendment to the

general plan has occurred. The proposed resolution to amend the General Plan attached to this staff report includes changes from other approved projects that are necessary to ensure consistency.

Resolutions of intent to amend the General Plan for the Sweetbriar Block and the Korean Church project were adopted by the City Council on January 9, 2007 and March 18, 2008, respectively (Attachments 14 and 15). The Sweetbriar amendment made corrections to the Core Area Specific Plan Land Use Map which was incorporated in the General Plan by reference for the block bounded by Sweetbriar Drive, 8th Street, G Street, and H Street. The Korean Church project amended changed the land use designation for the property at 555 and 603 L Street from “General Commercial” and “Residential Low-Density” to “Public/Semi-Public.” The reference to these two projects in the resolution is a procedural matter and does not affect the proposed New Harmony project.

CONCLUSION

Staff believes that the proposed amendments and rezone would be consistent with the General Plan policies and implement City priorities. The design of the project is suitable for the site and compatible with the neighborhood. Staff believes that the proposed project, with the recommended conditions and mitigation, adequately address concerns. The Planning Commission may decide that certain issues require additional consideration. The City has the discretion to deny or require modifications to the project. Should they determine it necessary, the Planning Commission may choose to recommend that additional conditions or changes be required. Staff recommends approval based on the findings (Attachment 1) and subject to the conditions of approval (Attachment 2).

ATTACHMENTS

Findings & Conditions

1. Findings
2. Conditions of Approval
3. Resolution Amending the General Plan Land Use Designation
4. Resolution Amending the South Davis Specific Plan
5. Ordinance Amending PD 12-87 of the Chapter 40 of the Municipal Code

Project Background & Information

6. Applicant Project Description
7. Commercial Feasibility Study pages for the Lillard Parcel
8. Oakshade Dedication Site Proposal
9. Resolution Authorizing a Loan Agreement to Purchase the Lillard Parcel
10. Resolution Awarding the Oakshade Land Dedication Site
11. Housing Steering Committee Ranking for the Site
12. PD 12-87 Zoning – Multi-Family and Industrial Research Districts
13. Ordinance 2024 Amending PD 12-87 to Add Multi-Family as a Conditional Use
14. Resolution (07-003) of Intent to Amend the General Plan for the Sweetbriar Amendment
15. Resolution (08-038) of Intent to Amend the General Plan for the Korean Church Project

Policy Analysis, CEQA & Technical Reports

16. General Plan Goals and Policies Compliance Table
17. Infill Guidelines Compliance Table
18. Initial Study/Mitigated Negative Declaration
19. Air Quality Analysis by LSA Associates dated June 2008
20. Air Quality Analysis by T. Cahill dated August 6 & 24, 2008
21. Acoustical Analysis & Memo by LSA Associates dated December 2007

Neighborhood Meeting & Public Comments

22. November 15, 2006 Neighborhood Meeting Attendance Sheet,
23. June 18, 2008 Neighborhood Open House Attendance Sheet and Comments
24. August 26, 2008 Neighborhood Meeting Attendance Sheet and Comments
25. Information Handout in Response to Questions and Concerns
26. Public Comments & Correspondence

Maps

27. Vicinity Map
28. Apartment Sites City-Wide Map
29. Affordable Apartment Sites City-Wide Map
30. Affordable Housing Sites in Neighborhood Vicinity

Project Plans & Maps

31. Project Plans
32. Color Elevations
33. Conceptual Views
34. Aerial Views