

Partial Responses to June 7 City Council Questions on Covell Village - June 13, 2005

<b>AGRICULTURAL MITIGATION</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Souza 1	Which ordinance was used for evaluating the agricultural mitigation? Current code, or the draft revisions?	<p>The ag mitigation proposal was evaluated using the General Plan policies on agriculture and both the existing ag mitigation ordinance and the draft amendments.</p> <p>General Plan: Policy AG 1.1.j calls for 2:1 adjacent mitigation but does not define “adjacent”. Allows for alternate location for ag mit lands; provides one example for alternate location but does not provide standard for determining acceptance of alternate location.</p> <p>Existing Ordinance requires:</p> <ul style="list-style-type: none"> <li>• 2:1 mitigation in Planning Area on similar soils – CV proposal meets 2:1 acreage requirement if northern habitat area is not counted as part of the project’s ag conversion and it is counted as ag mitigation. If this area is counted as project foot print and not as ag mitigation, an additional 102 acres of ag mitigation would be required.</li> <li>• With approval of CDFG and/or Yolo County Habitat Management Program (Yolo NCCP JPA), allows up to 20% of easement area to be enhanced for wildlife habitat purposes. This would allow the habitat area (and the 90 acre storm water/habitat pond) to be counted as ag mitigation if they are approved by the CDFG and/or the Yolo NCCP JPA. No details provided on how developer will secure approvals for these areas or how they might fit into and benefit the as yet to be determined county wide NCCP habitat preserve design. No information provided on what happens if this is not approved.</li> </ul> <p><i>Staff suggests that the developer show how they propose to resolve these issues if CDFG and/or the Yolo NCCP JPA do not approve the proposal. Fallback language is needed in the Development Agreement.</i></p> <p>Draft Ordinance Amendments:</p> <ul style="list-style-type: none"> <li>• CV ag mitigation proposal meets (and possibly exceeds) the acreage calculation under the draft amendments. Calculation is based on location of the mitigation easements.</li> <li>• CV ag mit proposal is not consistent with several other provisions of the draft amendments: home sites, easement stacking, counting habitat areas (and possibly the drainage pond) as ag mitigation.</li> <li>• Amendments define “adjacent” making consistency with GP policy clear.</li> </ul> <p>Applicant comment: The land purchase options were gathered over many years in good faith effort to address the Ag Mitigation concerns of the City. The proposals conformed to our best understanding of the draft ordinance using</p>

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		existing ordinance terms for details unaddressed. It also attempted to respond to the previously stated desires of the OSC. We believe the negotiated DA terms fairly reflect the spirit of the yet-to-be-passed new ordinance with the following enhancements: 1) it foregoes the privilege of greater credit for adjacent lands for which CV would be eligible under the new ordinance, 2) it grants the Meyer property in fee title.
Souza 2	Would we be doing easement stacking? Is it allowed by the JPA?	<p>The mitigation proposal “stacks” the ag mitigation and the Swainson’s hawk mitigation. As noted above, under the existing ag mitigation ordinance, this requires approval by CDFG and/or the Yolo NCCP JPA.</p> <p>It is unclear if the JPA would approve the stacking proposal – during recent policy discussions on this issue the JPA Board has discouraged the stacking of ag and habitat easements, but has not adopted a formal policy.</p> <p><i>Staff has continuing concerns regarding easement stacking (and home sites) due to the potential of restriction of future ag practices, thereby lowering the ag conservation value of the mitigation lands.</i></p> <p>Applicant comment: Is it allowed by JPA? Yes, conditionally</p>
Souza 7	90-acre drainage pond: Under draft ordinance or existing ordinance, can that be counted as agricultural mitigation?	<p>Under both, staff would question whether the resulting ag land would be “similar” as that being converted on the CV site, and therefore if it would be acceptable ag mitigation land. Also see comments above (Souza 2) regarding ag mitigation and the requirements for creating habitat and approval by outside agencies.</p> <p>Applicant comment: House report notes soil quality of finished area can be improved by replacing with good soil. Study also notes drainage system will allow field to perform similarly to causeway or delta island parcels.</p>
Saylor 25	Do we have specific documentation to specify all acres identified as mitigation? When can we specify the remaining 54 acres?	<p>Applicant comments: Copies of the options for the agricultural mitigation land and the deed (Meyer) were submitted to Mitch Sears at the Open Space Committee meeting, including that for the 54 acres.</p> <p>The development agreement identifies 722 acres of agricultural lands provided as mitigation. These parcels are adjacent to the project site. The balance – 54 acres – has not been identified at this time. These acres must be in areas identified by the City Council as target preservation locations, must be provided with the recordation of the final subdivision map for Phase 4, and are subject to review and approval by the City.</p>
Saylor 26	Will the proposed 5 SF units be part of the mitigation land? Is this roughly 1 unit per 160 acres? Why the specific	The City is not obligated to grant home sites on mitigation lands. Staff refers to Springlake development from City of Woodland that permitted home sites on mitigation land and current effort by Davis, Woodland, and the Yolo Land Trust to transfer them to a site that creates less impact on adjacent ag practices.

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	<p>location? Is clustering the preferred option for residences? If these residences are not clustered, where would they be located?</p>	<p><i>Staff alternative suggestion to 5 market rate units: Allow up to 5 affordable units to be located on the Meyer property to serve small urban farmers who will work the surrounding land, allowing the area within the CV project site formally dedicated to that number of affordable units to be market rate units so that the Developer could continue to offset the total cost of providing mitigation. This addresses two issues with one action.</i></p> <p>If homes sites are permitted, land also becomes unaffordable to most farm interests, resulting in leased farmland and potentially lower incentive for reinvestment in land.</p> <p>The 5 units (5 one acre parcels), as proposed, will be included in the mitigation land with an average of 1 unit per 153ac. If allowed, clustering generally better than dispersed (except for the immediately adjacent ag lands). If not clustered, larger tracts of land become unaffordable to farming interests as main economic value switches from agriculture to home site.</p> <p>Applicant comments: None of the units are part of any land given credit for agricultural mitigation. Five units is roughly 1 unit per 160 per acre and is the number of sites the parcels would currently be permitted in the County (not including the 54 acre Tausler parcel, which already has a home). The clustered location adjacent the existing Meyer ranch home is the environmentally superior alternative to the sites being placed on the various legal parcels. If the County agrees to this approach, all other parcels in the agricultural mitigation group would permanently forgo any rights to home sites, thereby creating a large, uninterrupted area for farming. If the sites are not clustered, one would be located on each site in such manner as to have minimum effect on the farming operation.</p> <p>County zoning on agricultural parcels authorizes as a matter of right one SF unit per 160 acres. The 722 acres are authorized 5 SF units. The clustering concept is a proposal to transfer density among the parcels that make up the 722 acres, so that the 5 SF units are clustered in a single location. The thought is that clustering the units will be more protective of agriculture. The proposal is contingent on County approval. If the County does not approve the proposal, and the units are not clustered, then the 5 SF units will be located on separate parcels. Specific locations have not been identified. The locations would have to comply with County standards.</p>
<p>Agricultural Mitigation decision points:</p> <ul style="list-style-type: none"> <li>• Is the amount and location of mitigation land adequate? Should it be identified in Development Agreement and/or Measure J Baseline?</li> <li>• Will the Council allow “stacking” for habitat and Swainson’s Hawk easements? What is the fallback provision if it is not approved by JPA and CDFG?</li> <li>• Are provisions for homesites on mitigation lands acceptable?</li> </ul>		

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Souza 3	Could a LLAD be established for maintenance of parks, greenbelts, and open space?	<p>Yes – however, the City has not considered a project-specific LLAD for Covell Village for several reasons.</p> <p>First, the City has abandoned the historical model for funding park maintenance that resulted in different “districts” paying amounts in proportion to “benefits” received. Instead what evolved into a consistent citywide LLAD has now been partially replaced by the Parks Parcel Tax. The fiscal analysis shows that project revenues can be expected to cover anticipated costs of park maintenance within existing tax structures (Parks Tax and General Fund). The City has not considered a return to special assessment districts for provision of park maintenance activities. In addition to project revenues sufficient to cover maintenance costs, the developer is proposing a contribution of \$2.1 million toward maintenance activities. Finally, the project is not considered to have a level of parks maintenance services/assets that is materially different from the citywide standards to warrant a review of project-specific funding mechanisms.</p> <p>Staff encourages the establishment of a permanent funding source for O &amp; M of these areas as well as review and approval oversight for the design and implementation of the open space areas to ensure success and that the areas will meet acceptance standards when transferred to the City for maintenance.</p>
Souza 13	Can we include in the development agreement seed money for Downtown parking structure design? Walnut Pool design?	<p>These components are not included at this time. They could be added with the agreement of the City and the applicant. Development of the project would generate impact fees for park improvements, which could be directed to Walnut Pool design or improvement.</p> <p>Staff would add a caveat to the applicant rationally that not lowering impact fees creates added funds that might be applied to future needs. Our position continues to be that this is flawed logic in that it is based on capital improvements planned for the current General Plan period. This project will extend well into the next General Plan, and it can be expected that new capital improvement projects will emerge and will be added to the CIP list. Under this scenario, the logic of excess impact fees is more illusion than reality.</p> <p>Applicant comment: Fiscal Study report by Paul Navazio indicates the reinstatement of CV into the GP will allow the City to lower Dev Impact Fees by some 14%. In the alternative, there would, at current rates, be \$24 million generated for use anywhere in Davis. We support keeping the fees the same and adding projects such as the parking structure, Howitt Ranch and Walnut Pool to the Major Projects plan so these funds can be used to build them.</p>

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Greenwald 4	Would this project create demand for downtown parking? Is there any money for downtown parking structure?	<p>The downtown is the city’s social and commercial center and it can be assumed that the residents of the project will go downtown to satisfy many of their social, cultural and commercial needs. Cars will likely remain the primary mode of transportation and therefore an increase in parking demand can be expected if the project is built. The Redevelopment Agency has earmarked approximately \$10 million dollars for the construction of a new parking structure. Additional funds may be needed, depending on the size, type of construction, and cost of construction at the time the structure is built.</p> <p>To acknowledge their contribution to downtown parking needs, staff would recommend that the developer contribute to assist in initial engineering and planning costs for the structure.</p> <p>Applicant comment: Fiscal Study report by Paul Navazio indicates the reinstatement of CV into the GP will allow the City to lower Dev Impact Fees by some 14%. In the alternative, there would, at current rates, be \$24 million generated for use anywhere in Davis. We support keeping the fees the same and adding projects such as the parking structure, Howitt Ranch and Walnut Pool to the Major Projects plan so these funds can be used to build them.</p>
Greenwald 5	Will peripheral retail with free parking drain money from downtown?	<p>Parking is currently free downtown for retail customers and will therefore not be cause alone for retail dollars to be spent outside of the downtown. Retail development built on the periphery will create additional shopping and dining opportunities that will offer more convenient parking and access. However, zoning can and should be used to limit the type and quantity of retail uses to ensure that this retail does not “compete” with downtown as the city’s primary shopping and dining destination.</p>
Greenwald 7	Any money given to Howatt Ranch Sports Park?	<p>The proposed Howatt Ranch Recreation Complex is located at the northeast corner of Road 105 and 32A. A contribution is not currently addressed in the draft DA. They could be added with the agreement of the City and the applicant. Development of the project would generate impact fees for park improvements, which could be directed to a future sports park.</p> <p>Applicant comment: Fiscal Study report by Paul Navazio indicates the reinstatement of CV into the GP will allow the City to lower Dev Impact Fees by some 14%. In the alternative, there would, at current rates, be \$24 million generated for use anywhere in Davis. We support keeping the fees the same and adding projects such as the parking structure, Howitt Ranch and Walnut Pool to the Major Projects plan so these funds can be used to build them.</p>

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Greenwald 8	Will the community recreation building really be an increase in gym space, or will it just replace existing space, which would then be converted to offices?	At 10,000 square feet, the facility would be sufficient to replace the existing space in the gymnasium. A larger building would provide additional space beyond the current capacity.
Greenwald 9	Fiscal analysis assumes 5% appreciation. What if there's a housing correction?	<p>It depends on the magnitude and duration of any housing "correction."</p> <p>The fiscal analysis includes a "base case" assumption that property values will increase at an average annual rate of 5% per year. This assumption drives the increase in assessed value triggered at time of resale. In the absence of a resale "transaction" growth in assessed valuation is capped at 2% per year pursuant to proposition 13.</p> <p>The 5% annual appreciation assumption was initially proposed by Bay Area Economics based on a belief that property values will – in general – increase faster than general inflation (3%/yr in the analysis). This appreciation rate is further supported by empirical data for appreciation rates in Davis over the past 18+ years.</p> <p>In addition, sensitivity analysis was performed on this assumption (see table 19 of fiscal model). The model is extremely sensitive to this assumption, to the point where each 1% change in the assumed rate of appreciation results in an average annual change of \$80,000 in net fiscal impact.</p> <p>In response to concerns over the impact of possible "corrections" in the housing market, it is important to distinguish between the impact of "year-to-year" appreciation and "average annual" appreciation over the long-term. Clearly, any period where property appreciation is "flat" or "negative" would have a significant impact on property tax revenues. However, the fiscal model does not attempt to predict short-term housing trends, but rather estimate long-term, sustainable rates of appreciation. As such, the 5% annual appreciation rate assumption does not preclude short-term "adjustments", nor does it preclude possible periods of rapid appreciation.</p> <p>In fact, over the past 18+ years of property appreciation data, there are periods of flat-to-negative appreciation (1992-1994). When these periods are, however, viewed in the context of a longer time horizon, average annual appreciation rates over all 10 and 15 year periods which include 1992-1994 yield growth rates over 5% per year.</p>

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Greenwald 10	Would it be possible to set up a system where, if appreciation is less than the 5% expected per year, the housing allocation is also reduced by 20%?	<p>The Development Agreement could legally include such a provision if it were accepted by both the City and the applicant.</p> <p>Applicant comment: This would render the project unfinanceable since lenders could not be satisfactorily secured.</p>
Greenwald 14	Has fiscal analysis taken into account the cost of maintaining the habitat? What will the maintenance costs be, and who will pick up that cost?	<p>Yes. The fiscal model (Table 14) includes maintenance cost estimates for various types of “green” space, including parks, greenbelts, open space and “habitat.”</p> <p>The fiscal model assumes maintenance costs for 61.24 acres of “habitat” consistent with the latest development proposal. Staff has estimated the cost of habitat maintenance at \$2,500 per acre. Actual costs will depend on the specific type and characteristics of the habitat. Costs are also likely to be somewhat “above average” in the first several years, until such time as the habitat matures and eventually requires “below average” maintenance costs.</p> <p>Applicant comment: Yes, to the first question. It appears on Table 14 at a rate of expense that we believe is much higher than actual historical costs. However, our requests for records of actual costs at Northstar and West Davis ponds have not yet been addressed.</p>
Greenwald 15	Do we have an in-depth fiscal analysis of the impact of this project on major capital expenditures? E.g. existing pools, City Hall, City offices – City wide infrastructure.	<p>The impact of the Covell Project on City capital infrastructure needs have been assessed consistent with the city’s current Major Projects Financing Plan (MPFP) and Development Impact Fee Model. The model provides for specific mitigation projects in the areas of roadways, bike paths and water delivery systems. The model utilizes a “current service standard” approach for parks, open space, government and public safety facilities.</p> <p>Several projects have been proposed for addition to the Major Projects Financing Plan, including roadway, bike path and water system improvements. Park, governmental and public safety facility impacts have been addressed indirectly, by assuming that the Covell Village project will pay fees targeted for these purposes, consistent with current fee/unit charges.</p> <p>The following table summarizes how development impact fees charged to Covell Village address “needs” in each category:</p>

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Greenwald 19	<p>How is assessed value established for owner-builders? If this is different from assessed values for sold after construction, has this been taken into account in the fiscal analysis?</p> <p>Same questions for apartments and commercial buildings – has this been taken into account in the fiscal analysis?</p>	<i>To come</i>																				
Saylor 30	What is estimated value of development impact fee contribution to non-project	The total value of development impact fees estimated to be charged to developers of the Covell Village Project is \$27 million (see above chart).																				

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	specific and project specific expenditures?	<p>Pursuant to the draft development agreement, the developers are proposing to construct, as part of the project, infrastructure assets which would result in reimbursement of roughly \$9 million in impact fee revenues to the developer. Consistent with the city's past practice in this area, if a developer provides infrastructure that the City would otherwise be providing through impact fee revenues, then reimbursements to the developer are appropriate. The following table summarizes project areas where reimbursements are identified in the development agreement:</p> <p style="text-align: center;">(\$ Million)</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">Est. Fee</th> <th style="text-align: center;">Reimb.</th> <th style="text-align: center;">Net Fee</th> </tr> </thead> <tbody> <tr> <td>Roadways</td> <td style="text-align: center;">\$ 9.23</td> <td style="text-align: center;">\$ 5.08</td> <td style="text-align: center;">\$ 4.15</td> </tr> <tr> <td>Water</td> <td style="text-align: center;">3.03</td> <td style="text-align: center;">1.75</td> <td style="text-align: center;">1.28</td> </tr> <tr> <td>Storm Water</td> <td style="text-align: center;">0.27</td> <td></td> <td style="text-align: center;">0.27</td> </tr> <tr> <td>Sewer</td> <td style="text-align: center;">2.66</td> <td></td> <td style="text-align: center;">2.66</td> </tr> <tr> <td>Parks</td> <td style="text-align: center;">5.85</td> <td style="text-align: center;">2.50</td> <td style="text-align: center;">3.35</td> </tr> <tr> <td>Open Space</td> <td style="text-align: center;">1.00</td> <td></td> <td style="text-align: center;">1.00</td> </tr> <tr> <td>Public Safety</td> <td style="text-align: center;">1.49</td> <td></td> <td style="text-align: center;">1.49</td> </tr> <tr> <td>General Facilities</td> <td style="text-align: center;">3.48</td> <td></td> <td style="text-align: center;">3.48</td> </tr> <tr> <td><b>Totals</b></td> <td style="text-align: center;"><b>\$ 27.02</b></td> <td style="text-align: center;"><b>\$ 9.33</b></td> <td style="text-align: center;"><b>\$ 17.70</b></td> </tr> </tbody> </table> <p>Net of proposed reimbursements, the development impact fees collected from Covell Village would yield a total of \$16 million for project improvements outside of the Covell Village development. Fees charged for roadways, water, sewer and storm sewer would be collected for specific projects while fees charged for parks, open space, public safety and general facilities would be available to address needs, as determined by the City Council.</p>		Est. Fee	Reimb.	Net Fee	Roadways	\$ 9.23	\$ 5.08	\$ 4.15	Water	3.03	1.75	1.28	Storm Water	0.27		0.27	Sewer	2.66		2.66	Parks	5.85	2.50	3.35	Open Space	1.00		1.00	Public Safety	1.49		1.49	General Facilities	3.48		3.48	<b>Totals</b>	<b>\$ 27.02</b>	<b>\$ 9.33</b>	<b>\$ 17.70</b>
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Saylor 31	When must agreements on tax sharing be reached with Yolo County? Are there any steps underway to address that matter? What is the range of possible outcomes (no change from assumptions, developer pays more, etc.)? What recourse does the City have if no suitable tax sharing agreement can be reached?	<p>Under the provisions of state law, property tax negotiations are triggered by the application to LAFCO for annexation. The City and County are now working on a joint fiscal analysis to assess County costs and benefits from the Covell Village proposal.</p> <p>While mediation and arbitration between the city and county may be required, ultimately, if the parties are unable to reach a resolution on the distribution of property tax revenue, the annexation cannot move forward under Revenue and Taxation Code section 99. The City would likely initiate the process to reverse the General Plan Amendment and rezoning approvals.</p>
Saylor 32	How would operation of fire station and other city operating costs be addressed in the years subsequent to the 9-year subsidy period?	<p>The estimated cost of operating a fourth fire station – based on current staffing levels – is \$1.77 million per year. The Covell Village project, as proposed, would contribute significantly towards both construction and operating costs of a fourth fire station. Operating costs contributions from Covell Village include operating subsidies over a 9-year period (starting with 100% subsidy in year 1 and diminishing to 36% in year 9. In addition, the fiscal analysis assumes that the Covell village project – at build-out – provides funds consistent with its “fair share” of fire services costs, or roughly 27% proportionate share towards the cost of operating a fourth fire station.</p> <p>As the proposed operating subsidy from the Covell Village development is reduced, the City would need to identify funding to fully cover operating costs, beginning with \$147,000 in year 2 and growing to \$2 million by year 10.</p> <p>There are several approaches to address this funding need. The first includes an expectation that other planned developments also contribute proportionate shares of funding to the operations of the station. Such projects include the UCD West Village Project (under an annexation scenario), residential development within the City such as the Hunt/Wesson site, and any growth in commercial/retail development.</p> <p>A second component of potential funding includes consideration of a new Public Safety parcel tax specific to fire (and police) staffing. This option would likely be the primary funding mechanism in order to fund the fourth fire station in the absence of new revenues from planned development activity. In 2005 dollars, a parcel tax of roughly \$67/year would be required to fully fund operations of a fourth fire station. Assuming approval of the Covell Village project,</p>

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		<p>with its increase in citywide housing units and increased tax revenues, a parcel tax would only be required to fund 82% of operating costs, resulting in an estimated parcel tax rate of \$52/year. Additional development projects would also be required to fund their fair share of fire service costs, further reducing any funding gap needing to be addressed via a new parcel tax.</p> <p>Finally, the City could consider to re-allocate funding within the existing City budget in support of increased fire protection services, resulting in a reduction in service levels in other city programs.</p> <p>Applicant comment: All current Davis residents assume their taxes provide adequate fire protection today. For the many who are outside the 5-minute response time, this is not true. Therefore, most the need for the station exists today and should be part of future budgets. At 260 units per year there will be approximately 12% more homes in 12 years from now, the earliest CV could conceivably be complete. There will also likely be more commercial development such as Target and ConAgra. Since these homes will be assessed at market value whereas existing city property is, on average assessed at about half of market value, the increase in taxes should pay to operate the station</p>
Saylor 33	<p>How much of a risk is there that assessed valuation will actually drop to the point of affecting property tax collections? What is likely impact of addition of phased number of units on property tax collections from existing parcels? What role would the 2% annual assessment increase limit play in this? What role would “turnover” of properties play in this analysis? What has historical assessed valuation been – hasn’t it continually</p>	<p>This is a complicated question. The following response seeks to address the multitude of issues raised in this area.</p> <ul style="list-style-type: none"> <li>▪ <i>Impact of new housing units on property tax collections from existing parcels.</i></li> </ul> <p>Staff and the fiscal consultant believe that the impact of adding 156 units per year is likely to have a negligible impact on the valuation of existing homes. This position is founded in the belief that the housing demand in this market so far outstrips the available supply of housing – a condition that is likely to continue even with the construction of housing units within Covell village. In addition, historical data over the past 18+ years suggests that there is little, if any, correlation between the number of new housing units built in Davis and the annual appreciation rates of for-sale housing. In fact, housing appreciation rates are likely to be much more sensitive to a variety of economic factors outside the City’s control than they are to new housing construction. By way of example, over the past several years, new housing permits have averaged over 250 per year, while appreciation rates have averaged 9%+ per year.</p> <ul style="list-style-type: none"> <li>▪ <i>Is this a useful analysis?</i></li> </ul>

<b>FISCAL</b>		
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	<p>increased but at somewhat varying rates? Will property values continue to increase in Davis to a degree and that the addition of an annual average of 156 units will have little effect on the valuations of existing homes?</p>	<p>Staff does not believe that consideration of appreciation rates for existing properties in Davis is a useful analysis in the context of assessing the impact of Covell Village on the City budget. The fiscal analysis is primarily focused on whether the tax-base that is expected to be established by the project is sufficient to support the costs associated with providing services to the project. This project-specific focus of the present analysis assumes that growth will take place in and around Davis as communities strive to meet the growing demand for housing.</p> <p>While it may be useful to perform an analysis of the Davis housing market to ascertain price elasticity of demand, it is staff's firm belief that housing prices are largely driven by factors outside the City's control, and would be only slightly impacted, if at all, from the construction of a modest (1% per year growth) of new housing.</p> <ul style="list-style-type: none"> <li>▪ <i>Historical appreciation rates.</i></li> </ul> <p>The following summarizes the historical data for housing appreciation rates in Davis from 1987 through 2004:</p> <ul style="list-style-type: none"> <li>▪ <i>Likelihood of continuing increases in housing prices.</i></li> </ul> <p>While some economists predict a short-term correction in the housing market, over the long-term, housing prices are expected to continue to grow at a healthy rate (exceeding the rate of inflation). Economic factors such as interest rates, earnings/debt ratios and income growth aside, housing supply – particularly in this region – is expected to fall far short of supply.</p> <p>Even those that suggest would suggest that a housing correction is imminent, and that construction of homes in the Covell Village may impact appreciation rates in the existing community, there is little doubt that housing prices, over the long term, will continue to increase. What is being questioned in this analysis is whether the <i>rate</i> of growth would be impacted by the Covell Village project.</p>

Responses to June 7 City Council questions on Covell Village

<b>FISCAL</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Saylor 34	How much variability does the VLF fee swap create? What other assumption would be reasonable?	<i>To come</i>
Asmundson 7	What are our plans regarding parks and fire station operations and maintenance after subsidy ends?	<i>To come</i>
Fiscal / Development Agreement Decision Points <ul style="list-style-type: none"> <li>• Is the Council comfortable with the adequacy of the fiscal analysis?</li> <li>• Is there adequate total capital and operating contributions under the Development Agreement?</li> <li>• Are there satisfactory mechanisms for resolving County issues?</li> <li>• Should LLAD or other subdivision-specific financing mechanisms be established?</li> </ul>		

<b>ZONING AND MEASURE J BASELINE</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Souza 4	Can we set parameters for CUP restrictions on extended stay hotel, with the ability to convert to condominiums if the hotel is not successful?	<p>We should note that an “extended stay” hotel is not precluded from renting rooms for short-term stays. Classification of an “extended stay” hotel is based upon the rooms and amenities that are provided.</p> <p>CUP restrictions could be included in the PD zoning for the extended stay hotel, such as requirements for suite-style rooms with kitchenettes, access to laundry facilities, voicemail and computer/Fax data port or wireless computer connections in each room, a business/conference center, access to food and exercise facilities, and possibly a 24-hour per day on-site supervisor. Staff also recommends the use be subject to a market study to determine that there is a need for the hotel and that it will not jeopardize downtown hotels.</p> <p>The PD zoning could be structured to allow conversion to condominiums. This would most likely be appropriate with a Conditional Use Permit so that environmental impacts and consistency with Measure J could be evaluated.</p>

<b>ZONING AND MEASURE J BASELINE</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Souza 8	Where do we apply retail prohibitions on project?	Regulations such as restrictions on neighborhood- or community-serving retail and CUP requirements for offices or hotel would ordinarily be included in the PD zoning for the property. Staff's hope is that the PD document will be ready for Council consideration early this fall. Should the Council or community desire greater certainty at this time, the provisions could also be included in the Development Agreement or the Measure J baseline features.
Souza 9	Baseline project features: Can we attach maps to those features? As many as we like? E.g. agricultural mitigation, actual site plan, etc.	The Baseline features description is expected to include the General Plan land use map. The ordinance refers to "exhibits and plans approved by the voters." Staff is recommending that the project Master Plan be included. Exhibits such as agricultural mitigation and site plan are certainly permissible under Measure J – the Council may wish to consider whether minor adjustments would be permitted, under what process, and what constitutes "minor." Staff is preparing suggested language on this topic for insertion into the Measure J baseline.
Souza 14	If 10-acre school site is proposed for another use, would a Measure J vote be required?	Conversion to use such as DJUSD offices or another civic/semipublic use would not likely require a Measure J vote. The current draft baseline features do not explicitly identify the use of the DJUSD site, but do not include any potential housing on the site within the allowed total of 1,864 units. The City Council could choose to provide the potential for conversion to another use within the Measure J baseline.
Souza 16	Conversion of northern apartment building to condos – what would trigger that?	Staff anticipates that the PD zoning for the site would allow either apartment or condominium development. If the complex is not built as a condominium project, it would be subject to the City's condominium conversion ordinance at the time of conversion. Applicant comment: The availability of reasonably priced product liability insurance for condominiums.
Souza 19	How many homes are on the market right now? What is the median price? How many of those homes that are for sale are listed at over \$1 million?	The MLS active listings showed 111 single-family attached units on the Davis market as of June 6, 2005. Of these, 24 (21.6 percent) have asking prices of \$1 million or higher. Median asking price is in the \$600,000 to \$799,999 range. Applicant comment: As of June 10, 2005 there are 114 listings in the Davis area. The average home price is \$807,000, the mean is \$724,500. As of June 10, 2005 there are 26 homes for sale over 1 million dollars in the Davis area.
Greenwald 3	Is there any land set aside for group homes for mentally ill?	The site plan does not specifically identify any group homes for mentally ill residents. Under the provisions of state law, group living facilities with six or fewer clients are allowed in any residential zoning district. The City's zoning ordinance allows larger group care homes with a Conditional Use Permit. Applicant comment: YCCC provides housing to the mentally ill. These units will be clustered together similarly to their new facility on Kentucky Avenue in Woodland.

<b>ZONING AND MEASURE J BASELINE</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Greenwald 6	Has there been a study of whether 58 new hotel rooms will harm downtown? Would it be wise to consider focusing hotels on downtown?	<p>There has not been a study to determine the effects on downtown of constructing 58 hotel rooms in the Covell Village project. If the hotel is included within the master plan it would be appropriate to require an economic feasibility and impact study as part of a conditional use permit for the hotel. Concentrating hotels within the downtown is logical due to proximity to the University and the city’s cultural/entertainment destinations. While not all hotel stays require proximity to these destinations, being in downtown will increase the viability of the hotel and its positive indirect economic impacts.</p> <p style="padding-left: 40px;">Applicant comment: Hotels are a stock feature of most well designed New Urban Village cores, i.e. “Seven of the ten case studies featured in this book include a hotel, and two others have plans for one.” Mixed-Use Development Handbook, 2<sup>nd</sup> ed, ULI, page 55. They are included because they take advantage of the synergies with other uses within the project, not because they draw market share from existing hotels. In CV, the hospice, senior core, senior housing, small homes and nearby offices internally generate a customer base larger than needed to fill this small inn (Hallmark is 135, vs. 58 rooms here). This would result in a net gain in transient occupancy tax; \$55,394 per year using BAE numbers [Table 11 of fiscal study].</p>
Greenwald 11	How many homes on the medium size lots will sell for over \$1 million within the project?	<p>The applicant anticipates that 471 lots would exceed 5,000 square feet. With the proposed development standards and a value of \$325 per square foot, each of these lots has the potential to accommodate a \$1 million home. We cannot know at this time whether any or all of the lots will be built to the maximum allowed.</p> <p style="padding-left: 40px;">Applicant comment: We will be building the affordable homes. The remaining lots are to be sold to local individuals and small builders. Individuals will design and build the home that suits their financial and personal needs. The lack of production homes adds quality and character to CV. But it also makes it difficult to predict what <u>values</u> will be. Home <u>prices</u> aren’t predictable as to the 600 lots since most people will not buy a home, but a lot. For the fiscal study, conservative estimated values were used. Staff can provide information on the average size of homes built in recent years.</p>
Greenwald 16	How many more units could the ten-acre school site accommodate if it’s converted?	<p>The number of residential units would depend on the residential land use designation applied. A low-density designation would yield about 49 units. A medium-density designation yields about 79 units. Total yield would be affected by greenbelt, parkland, and Naylor Act applicability.</p>

<b>ZONING AND MEASURE J BASELINE</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Greenwald 17	If we count all the beds, aren't we over 2,000 units?	<p>The unit-equivalents for the senior care facility and the hospice would total approximately 50 (see Souza 5). 1864 plus 50 remains below 2,000.</p> <p>Applicant comment: The senior care is a congregate care facility that has been analyzed in the EIR as such, not separately as dwelling units. The hospice is a small, in-patient medical care facility and office and was likewise analyzed as such in the EIR.</p>
Saylor 10	When will phasing plan begin? How will phasing be regulated to avoid "front loading" and carryovers of large numbers of units?	Under the draft Development Agreement, phasing would begin at the time of issuance of the first single-family building permit. No more than 175 allocated units per year would be permitted. Unbuilt units could be carried over into future years only if the 175-unit cap were not exceeded. Specified units would be exempt from phasing requirements, such as the Village Center units and the low/mod affordable housing.
Saylor 11	How will parks and open space be phased?	The draft Development Agreement calls for improvement of the parks and greenbelts no later than two years from the final map creating the adjoining residential parcels. Identification of which units trigger which improvements is included in Exhibit J of the draft DA.
Saylor 13	When will PPD be brought to Council? Does not having that before us present any difficulties with approving the staff recommendations?	<p>Staff had hoped that the Preliminary Planned Development would be presented to the Planning Commission and City Council along with the General Plan Amendment and Development Agreement. Although it is not required, it would help flesh out the applications and provide the decisionmakers and the community with better information on project goals and specifics. Our goal is to have the PPD zoning to the Planning Commission and City Council this summer and fall, well before the Measure J vote.</p> <p>A number of details need to be resolved with the PPD zoning, such as identification of conditional vs. permitted uses in the Village Center, and performance standards for various uses. Because the PPD is not available at this time, staff is recommending greater detail in the Measure J baseline features than may otherwise be necessary.</p> <p>Applicant note: Exhibit B-2 as in staff report adequately addresses the key building parameters for our affordable and market rate lots. The Village uses, reviewed and approved by BEDC and analyzed in the EIR, should be included. In addition, due to the importance of basic street configurations the cross sections negotiated and agreed upon by PW staff and CV should be included. Otherwise, the full text of a zoning code is not necessary at this time. A Preliminary Planned Development has been drafted by Paul Crawford to City Staff criteria and could be included when it incorporates the zoning parameters attached to the staff report. Nonetheless, the basics for agreement are currently in hand.</p>

<b>ZONING AND MEASURE J BASELINE</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Saylor 14	When will village center uses be resolved?	<p>Regulations such as restrictions on neighborhood- or community-serving retail and CUP requirements for offices or hotel would ordinarily be included in the PD zoning for the property. Staff’s hope is that the PD document will be ready for Council consideration early this fall. Should the Council or community desire greater certainty at this time, the provisions could also be included in the Development Agreement or the Measure J baseline features.</p> <p>The applicant has requested to set certain development standards in the Development Agreement. Staff is recommending that the DA also include provisions providing certainty for smaller apartment unit sizes and prohibition of the gas station use.</p> <p>Applicant comment: These have been resolved. BEDC reviewed and endorsed the uses as studied by the DEIR. The FEIR made minor changes improving traffic or responding to DA requests by the City. The fiscal study assumed those uses. Major use changes may necessitate further environmental and fiscal analysis.</p>
Saylor 15	How will the Base Project Description language differences be resolved? What is the guiding language for mandatory inclusion in the base project features description?	<p>Measure J requires identification of project baseline features and requirements, such as recreation facilities, public facilities, significant project design features, sequencing or phasing, or similar features. Measure J also includes a reference to “project exhibits and plans” submitted to the voters.</p> <p>Staff has prepared a draft of the baseline document for Covell Village, as has the applicant. The Planning Commission did not take action on the applications, but the two Commissioners who did comment on the baseline features preferred the staff alternative.</p> <p>Applicant comments: Measure J states an application for a development proposal must include “baseline project features” that, if approved by the voters, cannot be changed without a further vote. CV has submitted its proposed “baseline project features” document. City staff has prepared its own version of this document. The two versions are consistent with one another (indeed, in many respects they are identical), and the differences are largely stylistic.</p> <p>Because the City Council must approve the project before it is placed on the ballot, in CV’s view the Council will determine what the “baseline project features” should be. Examples include “recreation facilities, public facilities, significant project design features, sequencing or phasing, or similar feature and requirements as shown on project exhibits and plans submitted for voter approval. . . .” CV believes these features should be set forth in concrete, specific language, so that the voters are provided with a clear understanding of what the project entails. At the same time, the features should not be so detailed that virtually any change in design as the project builds out will trigger the need for a new vote. CV believes its version of the baseline project features strikes an appropriate balance between providing flexibility, while guaranteeing the voters the project will include specific features.</p>

<b>ZONING AND MEASURE J BASELINE</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Saylor 21	How would off street protected bike paths compromise New Urbanist principles? How can we be sure that this issue is addressed so that there are safe connected bike paths and crossings?	<p>The staff report comment refers to the way the proposed off street bike path does not continue southerly and “under” Covell at L Street vicinity. Except for this issue, the bike path system as proposed throughout the project is excellent.</p> <p style="padding-left: 40px;">Applicant comments: As the greenbelt bikepaths converge on the pedestrian oriented Village Center, one goal is to bring all users together into a human-scale streetscape. The current design achieves this and third party reviewers (Dover and Duany) have supported this format. If the question addresses an additional bike undercrossing at Main and L Streets, there are underground utilities that make this impractical. In addition, the resulting up/down ramps would prevent buildings along parts of Main Street from fronting the street, a core New Urbanist pattern. (see attachment #2 for primary bike circulation).</p> <p style="padding-left: 40px;">The Covell Boulevard pedestrian bike undercrossing has been located to maximize connective benefits between the North Davis off-street pedestrian bike path system and the south side of Covell Boulevard. Coming south on the route it connects to Covell Village center than under Covell Boulevard where it can directly access Oak Tree Plaza or head east or west on the Pedestrian bike path on the south side of Covell Boulevard.</p> <p style="padding-left: 40px;">For people living south of Covell Boulevard and heading north they can come from Pole Line road, L street or streets in between and access the undercrossing to get to the bike paths to the north. The mix of off street paths with the New Urbanist Village Center requires several at grade crossings at intersections in the Village Center but off street paths are provide on each street in the Village Center for bicyclist. This provides a human-scale streetscape. Third party reviewers (Dover and Duany) have supported this format. In fact they were impressed with the way we accomplished this transition. (see attachment #2 for primary bike circulation).</p> <p style="padding-left: 40px;">Providing a grade separated bike crossing at or near L Street and Covell Boulevard is infeasible, given the existence of both high pressure gas lines and hi-voltage power lines, as well as limited opportunities for ramping on the south side of Covell.</p>
Saylor 23	What is staff recommendation on the recommendations from the Civic Arts Commission?	<p>Staff recommends that the Council adopt the Civic Arts Commission's proposed modifications to the Development Agreement, Exhibit E-9, Public Art. The Commission has provided well reasoned parameters that will help ensure 1) that the amphitheatre is a viable functioning performance venue, and 2) that a portion of the visual art selection is completed through a public process as is used in the rest of the community.</p> <p>Applicant comment: We agree with their suggestions.</p>

<b>ZONING AND MEASURE J BASELINE</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Saylor 24	<p>When will specific uses for Village Center retail/office etc. be determined? What is the nature of economic development staff that concern about extended-stay hotel? If the hotel was deleted from the project, what would be appropriate replacement? How many MF or condo units would be appropriate? Would that be appropriate within EIR “bookends”? How would a change to a B&amp;B or some other condo type use affect the fiscal analyses?</p>	<p>Regulations such as restrictions on neighborhood- or community-serving retail and CUP requirements for offices or hotel would ordinarily be included in the PD zoning for the property. Staff’s hope is that the PD document will be ready for Council consideration early this fall. Should the Council or community desire greater certainty at this time, the provisions could also be included in the Development Agreement or the Measure J baseline features.</p> <p>Should the hotel be deleted from the current proposal, the corresponding use should be a use that is considered less intense than the hotel primarily in regards to trip generation, in order for the level of analysis in the EIR to remain adequate. These “less intense” uses can be determined from an analysis of standard trip generation rates.</p> <p>See Greenwald 6 for specific comments on the hotel concept. See Souza 4 for recommended performance standards if the hotel is permitted. If the hotel were not approved, staff believes that apartment or residential development would provide similar benefits to the Village Center (vibrancy and customers) as the hotel rooms.</p> <p style="padding-left: 40px;">Applicant comment: Please see Greenwald 6. If the hotel were removed, it could be converted to studio apartments or condominiums, although this is not in the most appealing location for permanent residents. Another option would be to blend apartments with a smaller bed and breakfast inn, although 58 units is already the very smallest economical size for a hotel, so further economic feasibility study would need to be performed for a smaller unit. There is already a local businessman interested in the inn as shown in the plan. His letter of interest is attached.</p>

<b>ZONING AND MEASURE J BASELINE</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Asmundson 2	How do we guarantee that developer adheres to commitments?	<p>The City may refuse to approve tentative subdivision maps, final maps, or building permits for applications that are inconsistent with the Development Agreement. The City may also seek judicial remedies if the agreement is violated. Similarly, subsequent discretionary acts (tentative maps, conditional use permits) must be consistent with the Measure J baseline project features.</p> <p>There is no provision in law that prohibits a property owner from submitting an application to change zoning or the provisions of a Development Agreement. Changes that are inconsistent with the Measure J baseline project features would be subject to voter approval, even if they were supported by the City Council.</p> <p>Applicant comment: If the City Council approves the project, then the Council will also approve a mitigation monitoring and reporting plan. The plan will spell out how the City will ensure that the mitigation measures incorporated into the project will be carried out. In addition, the development agreement imposes on the developer numerous requirements for public benefits and infrastructure, and establishes deadlines for when the benefits and infrastructure must be provided; if the developer does not comply with this schedule, then the City has the right to terminate the agreement. Finally, under Measure J, the developer cannot change the baseline project features without presenting those changes to the voters.</p>
Asmundson 3	Extended stay hotel: what happens if there is insufficient demand for that sort of facility? What other plans would developer have for that structure?	<p>Staff would be comfortable with zoning provisions that leave open the door to conversion to apartment or condominium use, either before or after construction. We would need a mechanism for evaluating consistency with the EIR and the Measure J baseline, such as a conditional use permit requirement. Process and performance standards could be resolved with the PD zoning.</p> <p>Applicant comment: If the demand were insufficient, an hotelier would not be able to obtain financing. Attachment #3 is a letter of interest from a local hotelier. If the hotel were not built, other options for the site are discussed in Saylor 24 and Greenwald 6.</p>
Asmundson 6	Is it possible for us to limit residents to one car per unit?	<p>Staff does not believe it would be possible to establish zoning that limits the number of automobiles that may be owned by a resident household. It would be possible to discourage vehicle ownership and use through mechanisms such as limiting the number of parking spaces on single-family parcels, requiring provisions for electric vehicles, and ensuring that daily needs are accommodated within walking or bicycling distances.</p> <p>Applicant comment: If this were legal or enforceable, it would certainly make financing and marketing the homes dramatically more difficult and make the project financially infeasible. See Saylor 32.</p>

<b>ZONING AND MEASURE J BASELINE</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
<p>Zoning and Measure J Baseline Decision Points</p> <ul style="list-style-type: none"> <li>• What should be the Zoning, General Plan, and Measure J accommodations for DJUSD site?</li> <li>• How much detail and descriptive language should be in the Measure J Baseline features?</li> <li>• Should street widths or Village Center square footages be included in the Development Agreement</li> <li>• Is the Council comfortable with the appropriateness of proposed zoning standards for single-family residential uses?</li> <li>• Is there a satisfactory mechanism for ensuring appropriate review of Village Center retail and office uses?</li> <li>• Should the project include the hotel, and under what regulations?</li> <li>• Should the DA or Measure J baseline require smaller apartments units or prohibit the gas station?</li> </ul>		

<b>EIR AND TRAFFIC</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Souza 5	How many beds are in the senior care facility and hospice? What would they be equal to in dwelling units?	<p>The Senior Core Facility would have a projected 130 beds. The hospice would have 16 beds. Previous General Plan calculations have used an equivalency of three beds per unit for group living arrangements, so the 146 beds would be approximately equivalent to 49 dwelling units.</p> <p>Applicant comment: In considering the senior care and hospice facilities, it is important to note that the DEIR and FEIR have addressed the impacts of these facilities, <b>in addition</b> to the stated number of housing units, e.g. “1864.”. For example, traffic impacts are specifically identified in Table 4.4-10 of the DEIR and in the Supplemental Transportation Analysis (Table 9 of Appendix A of the FEIR). The impacts on wastewater generation Likewise, wastewater and water supply for these uses have been accounted for, as referenced in Section 4.12-4 and Appendix I of the DEIR.</p>
Greenwald 13	What will cumulative traffic look like at Fifth and F Streets?	<p>A study of the Fifth Street corridor is currently being conducted by the Public Works Department. That analysis shows that the Fifth Street/F Street intersection will operate at a mid-LOS D in 2015 during the PM peak hour without Covell Village. This assumes the current configuration with two lanes in each direction and the recently implemented signal split phasing (i.e., eastbound and westbound approaches are given separate signal green time). A supplemental analysis was conducted to determine the LOS at Fifth Street/F Street with the addition of Covell Village traffic. The intersection delay would increase by an average of two seconds per vehicle during the PM peak hour and the intersection would operate at LOS D.</p>

<b>EIR AND TRAFFIC</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Saylor 4	There are a number of “uncounted” and “unspecified” units for senior core (130), hospice (16), granny flats and potential increases in MF units. How are these unspecified/uncounted unit counts reflected in the EIR?	<p>Table 3-2 of the Draft EIR notes that the total unit number of 1,515 does not include the Senior Core Care Facility (Estimated 130 beds), which would be distributed between independent living, assisted living, and memory care owned and operated by Eskaton. In addition, the unit number does not reflect the 16 beds for the proposed hospice facility. However, the analyses in the Draft EIR, including traffic, air, and noise, accounted for these uses (i.e., see page 4.4-22 of the DEIR).</p> <p>In regards to the construction of second dwelling units, second dwelling units would conform to policies and ordinances as established by the PD zoning, including parking and setbacks. Accessory second units are not considered in density calculations under the City’s General Plan or under state law.</p>
Saylor 17	Where in the EIR are the plant survey issues raised by Mr. Holstein addressed? Were surveys and timing of surveys adequate to identify presence of sensitive species?	<p>See Response to Comment 5-1 in the Final EIR. As stated in the DEIR Biological Resources Section, information regarding potential occurrence of special-status species was gathered from a number of authoritative sources, including other general and focused surveys and studies associated with previous development applications for the property, local planning documents. The October reconnaissance was undertaken at the time when a contract had been issued to perform surveys, and were to field verify some of the sensitive habitats and species still present during that period, as part of an effort to identify areas likely to be potentially most adversely impacted in regards to special-status species.</p> <p>The DEIR proposes specific detailed mitigation measures that clearly reduce potentially significant impacts to a less-than-significant level before the issuance of any grading permits. These measures are specific to:</p> <ul style="list-style-type: none"> <li>• Properly assessing the size and location of plant populations;</li> <li>• Seasonal wetlands and areas of known occurrences remaining undisturbed for at least one growing season; and</li> <li>• Conducting surveys at the appropriate times of year for each targeted species.</li> </ul> <p>Applicant comments: The City revised the EIR to reflect Mr. Holstein’s statement of the correct identification period for Alkali milk-vetch. (FEIR, pp. 2-96, 4-141.) Additional specific responses to Mr. Holstein’s survey timing questions are found on pages 4-12 to 4-13, 4-62 to 4-63, and 4-142 of the Final EIR.</p> <p>The EIR’s discussion of biological resources was based in part on field surveys conducted by Foothill Associates’ biologists in October, 2003. Mr. Holstein is correct that the Fall is not an optimal time to survey for plants in this area. The EIR was not based exclusively on these surveys, however. Numerous biological studies have been performed on this site. Surveys have been performed in March, April, May, July, August and September. (See EIR, pp. 4.8-48 to 4.8-</p>

<b>EIR AND TRAFFIC</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
		49; FEIR, pp. 4-12 to 4-13; Jones & Stokes, Covell Center Draft EIR (1997), p. 12-1; EDAW, Covell Village Biological Resources (2003), p. 1; DEIR, p. 4.8-49.) These surveys confirm the EIR’s conclusions that, although only two special-status plant species were observed during the October, 2003, survey (Brittlescale and San Joaquin saltbush), three additional species had a high probability of occurrence on the site (Alkali milk-vetch, Heartscale, and Palmate-bracted bird’s beak). (DEIR, pp. 4.8-13 to 4.8-14, 4.8-48 to 4.8-49.) One additional species was determined to have a low probability of occurrence (Heckard’s pepper grass). Mitigation is provided for all six species. (DEIR, pp. 4.8-50 to 4.8-51; FEIR, pp. 2-99 to 2-100, 4-14 to 4-15 (Mitigation Measure 4.8-1, revised to include Alkali milk-vetch).)
Saylor 18	Should we consider widening of portion of Covell Blvd.?	<p>A portion of Covell between F and Pole Line has room to widen to 6 lanes if the widening occurred adjacent to ConAgra and CV. However, we don’t think it is necessary based upon the critical LOS parameter of how the intersections operate, as opposed to how the roadway segments operate. Since the L Street and the Pole Line intersections can be improved to operate at LOS E or better, then the “real” LOS between F and PL is the intersection LOS.</p> <p>Applicant comment: The DEIR notes (page 4.4-7): “In general, the operational characteristics of a roadway are defined by the operations of key intersections within the network. Intersections are typically considered to be the critical analysis locations, because conflicting traffic movements at intersections impose capacity constraints on the overall roadway network.” [emphasis added].</p>
Saylor 19	What are the anticipated impacts and mitigations planned for smaller nearby streets?	<p>Environmentally significant impacts are not anticipated for the smaller nearby streets. See FEIR responses to comments 1-3 and 108-10.</p> <p>The draft Development Agreement includes a developer contribution of \$500,000 for traffic calming on streets such as for J and L Streets, Claremont Drive and other streets.</p> <p>The Public Works Department estimates that traffic calming improvements range from \$6,000 to \$20,000 per location. This includes public involvement, design, and construction.</p>
Saylor 20	Have the La Buena Vida neighborhood suggested mitigations been addressed? How?	<p>The following responses are provided to address the issues raised in the June 7, 2005 letter submitted by La Buena Vida Homeowners Association:</p> <p><u>Noise</u></p> <p>For cumulative traffic noise impacts, the Noise Chapter of the Draft EIR determined that a noise impact to existing surrounding uses would be considered significant if the project would: “expose existing noise-sensitive land uses to a</p>

<b>EIR AND TRAFFIC</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
		<p>traffic noise level increase of 3 dB or more.” The Noise Chapter determined that as a result of the project, increases in noise along Pole Line Road would not exceed 3 dB (under all scenarios) and would therefore not be considered significant.</p> <p>The Draft EIR did identify that a significant noise impact would occur to future residences on the Covell site. As a result, Mitigation Measure 4.6-1 was included in the DEIR in order to ensure that noise levels would be reduced to a less-than-significant level. Mitigation Measure 4.6-1 requires the applicant to submit an acoustical analysis identifying appropriate mitigation measures, including but not limited to the use of barriers, setbacks, and site design guidelines. Bollard &amp; Brennan, the noise consultant for the project, indicated that property-line noise barriers in the range of 6-9 feet high are typical for modern residential developments adjacent to relatively busy roadway, railroads, etc. Noise barriers of this type can effectively mitigate exterior noise levels, which would be experienced in the outdoor activity areas of future residences adjacent to Pole Line Road, to 60 dB L<sub>dn</sub> or less.</p> <p>In a comment letter on the Draft EIR, an author commented regarding traffic noise increases within La Buena Vida due to reflections from a property-line noise barrier on Pole Line Road (Please see Response 91-8 of the Final EIR). Should a property-line noise barrier be chosen to mitigate traffic noise exposure on the project site, this barrier should be constructed of sound absorbing materials so that reflected sound energy is negligible. Mitigation Measure 4.6-1 has been modified to reflect the said clarification, but does not change the adequacy of the analysis in the EIR.</p> <ul style="list-style-type: none"> <li><i>In conjunction with the submittal of any tentative map application, the project applicant shall provide a detailed acoustical analysis identifying appropriate mitigation measures, including those identified in the October 2004 Environmental Noise Assessment to reduce the exterior noise levels, consistent with City of Davis standards. The analysis shall identify specific, appropriate mitigation measures to reduce the exterior noise levels at property lines, consistent with City of Davis Noise standards. These mitigation measures may include, but are not limited to: use of setbacks; use of barriers; site design guidelines; and building location and orientation guidelines. The mitigation measures shall be incorporated into the site design for the review and approval of the Community Development Director prior to the approval of tentative maps. <u>It should be noted that if barriers are used, the barrier shall be constructed of sound absorbing materials so that reflected sound energy is negligible.</u></i></li> </ul> <p><i>Traffic response to come.</i></p> <p><u>Comments related to water conservation</u></p>

<b>EIR AND TRAFFIC</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
		<p>Evaluation of the age or adequacy of the City of Davis Landscape Water Conservation standards was not part of the analysis in the Covell Village EIR.</p> <p>In regards to adequate future potable water supply, the following response is provided. City water supply is discussed in detail in both the DEIR and the FEIR for the Covell Village Project. While the City is continuing to evaluate future water supply issues for Davis as a whole, the City has made a determination that adequate groundwater supply exists to serve the project (See Appendix J to the Draft EIR for a copy of the Water Supply Assessment prepared for the project by the City of Davis). Use of a surface water source is not under consideration for the project. Please see FEIR Response to Comment 2-5 for a detailed discussion of groundwater.</p>
Saylor 22	<p>Is there a reduction in trips and air quality degradation due to the reduction in long distance commutes that would result from the project's increased close housing supply versus the no-project alternative (Alternative 7 EIR certification page 26) where commuters would drive to Davis to work? Was this factor taken into account in the EIR studies?</p>	<p>The traffic analysis is conducted by adding project-generated traffic to no-project volumes on specific study intersections and roadway segments and calculating vehicle delay and volume-to-capacity ratios. Because a regional measure, such as Vehicle Miles Traveled (VMT), is not examined, the potential benefit created by the project of reduced trip lengths is not reflected through the traffic analysis.</p>
<p>EIR and Traffic Decision Points</p> <ul style="list-style-type: none"> <li>• Is the EIR adequate?</li> <li>• What improvements should be required for Pole Line Road and Covell Boulevard?</li> <li>• Are neighborhood traffic protections adequate?</li> </ul>		

Responses to June 7 City Council questions on Covell Village

<b>WATER AND WASTEWATER</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Souza 6	Can we require installation of low flow fixtures to reduce flows to WWTP?	Public Works staff notes that we don't need to implement this for capacity reasons, since plant has sufficient capacity for city + build out + CV. But, it obviously could be done. It was done 5 years ago. Toilets cost \$400, so to do a thousand plus the administration cost-maybe \$425,000, you'd avoid 6,000 gpd waste or 0.006 mgd. Plant has at least 60,000 gpd capacity if everything got built and using huge conservative estimates for buildout. Actually, the remaining capacity is probably closer. Applicant comment: The remaining capacity is probably much greater. [See first paragraph, second page of Weir memo to City Manager]. We have offered to track flows from the project and implement a retrofit program to reduce high existing home flow rates with a retrofit incentive program.
Souza 17	What is capacity of Wastewater Treatment Plant? When will we have report for bringing POTW up to standard for discharge?	See 6/8/05 Memo from Public Works regarding capacity of plant. The Council will receive an update on the Wastewater Master Plan effort at the 6/14/05 meeting. The completed Masterplan is scheduled to be in front of Council 9/13/05. Applicant comment: See attachment #1.
Souza 18	What are water needs of project? What will be the means for supplying the water?	When CV is built out, the total CV water needs will be equivalent to one 1500 gpm well. However, the city is requiring CV to provide the new well prior to the completion of Phase 1 and the 150th unit. At this time the CV water demand will be extremely low but CV will have provided at new well which will benefit the existing city water system immensely.
Saylor 35	What is capacity of wwt plant? What is existing demand and what is the estimated demand for Covell? What are other potential or likely future demands? If some future need for wwt or water exists, how would the existence of this project affect the financing? Would the larger base of assessed valuation result in lower contributions from all property owners?	See 6/8/05 memo from PW regarding capacity of the treatment plant. Regarding the contribution of a larger base ...of rate payers...not assessed valuation.....there would be benefit related to spreading fixed costs in both the water and wastewater utilities. At present that is more the case with wastewater given the current flat rate for all residential customers (versus the more consumption based water rates).

<b>WATER AND WASTEWATER</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Asmundson 1	Have DPW provide report on both water quality issues, and capacity issues, surrounding WWTP.	See 6/8/05 memo from PW regarding capacity of the treatment plant.
Asmundson 4	Clarify status of SB 221 and SB 610. Need answers to water supply issues.	<p>The Covell Village project required a SB 610, Water Supply Assessment. The Water Supply Assessment was completed by the city and is included in Appendix J of the DEIR. SB 221 would be applicable at the subdivision map stage. While not identical, the requirements of the assessments are largely the same.</p> <p>Applicant comment: SB 610 requires the City to perform a water supply assessment. The City has already performed such an assessment. The assessment concludes the project has sufficient supplies to serve the project. The developer has committed to installing a deep-aquifer well to augment the City's water supply. SB 221 requires a water supply certification. The certification must be made at the time the City approves final subdivision maps for the project. No final subdivision maps are before the City at this time. The development agreement requires a water supply certification at the time of final map approval. The water supply assessment indicates that, at the appropriate time, the City will be able to make the water supply certification required by SB 221.</p>
<p>Water and Wastewater Decision Points</p> <ul style="list-style-type: none"> <li>• Is there sufficient water and sewer capacity?</li> <li>• Are alternative water sources and sewer programs sufficient?</li> <li>• Are there additional environmental requirements that should be placed on the subdivision?</li> </ul>		

<b>AFFORDABLE HOUSING</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Souza 15	What would be mechanism for determining whether developer will build on land dedication sites? When would an agreement be considered?	<p>The draft DA provides that the City and Covell Village may enter into an agreement for developer construction on the land dedication sites. Affordable units would be phased in so that the project(s) would be 100% affordable upon completion. Decision on whether this would occur for one or both sites would be made at the time of Final Planned Development. Staff anticipates that factors influencing the City’s decision would be whether the project would be non-profit owned upon completion, the type of unit proposed, any resident targeting, and necessity for City subsidy for construction or operations.</p> <p>Applicant comment: We strongly support local non-profit groups working on these sites so they can promptly deliver high-quality housing. The City should consider the phased apartments as a back up alternative. Unlike any other project, these land dedication sites are placed in prime, central locations; perfect for low-income residents to access public transit and services without a vehicle. But this choice hurts the project if large parcels are left open long into the phasing process. Our goal is to see the Affordable Housing on these sites designed well and built as soon as possible. The phased proposal could achieve this goal without taxpayer funding. However, it is a marginal investment.</p>
Greenwald 12	Middle-income housing program has four tiers. Ranges from \$330K up to 600K. Includes condominiums and townhouses. Aren’t those tiers really just market rates? Is this really a middle-income program if the same product is available on the open market?	<p>By increasing the percentages of income used towards middle income housing up to 40 and 42.5%, these units are being sold at prices close to or even with market rates and are losing affordability. There are other benefits, however. The middle income program ensures that these types of units are built, and also requires that households be income-qualified to occupy the unit (ongoing for units sold to the 120-160% AMI households), assists in connecting jobs with housing through the city’s local workforce preference system, ensures owner-occupancy of these units, and restricts units to a 5% annual appreciation (expires after 5 years on the 160-180% AMI units). By increasing the percentages of income used towards middle income housing up to 40 and 42.5%, these units are being sold at prices close to or even with market rates and are losing affordability.</p> <p>Applicant comment: In answer to the last question: The “same product” is not available on the open market. The program is intended to fill this gap. The average price of homes listed in Davis on the MLS as of June 10, 2005 is \$807,000. The mean is \$724,500.</p> <p>Since the price at which the buyers can sell these homes is restricted and since there are owner occupancy requirements and because most improvements made to the house wont affect the permitted resale price we will need to price them significantly below the price of unrestricted homes.</p>

<b>AFFORDABLE HOUSING</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Saylor 27	Does the project comply with the City’s draft affordable housing ordinance for very low, low and moderate income households? How many units will be provided in these categories? What % of the total?	<p>The 1,864-unit project includes:</p> <ul style="list-style-type: none"> <li>• 144 Low/Moderate for-sale units</li> <li>• 170 unit capacity in land dedication sites</li> <li>• 74 unit-equivalent low-income apartments (53 low and 21 very low)</li> </ul> <p>Low/mod housing is 388 units, 20.8 percent of the total</p> <p>On the whole, the proposed low/moderate affordable housing plan complies with city requirements. Ways in which the project does not comply with the City’s adopted affordable housing ordinance, are as follows:</p> <ul style="list-style-type: none"> <li>• Land dedication sites that result from ownership units are required to be calculated based on a standard of 15 units/acre per the ordinance, not the density of 20 units/acre that is being proposed.</li> <li>• Prices and price assumptions for affordable units are typically set by the city in the same year of sale and not prior to construction.</li> <li>• The applicants are requesting adjustments in affordable ownership housing prices based on potential energy savings for each ownership unit. The affordable housing ordinance does not account for utilities in the pricing of affordable ownership units.</li> </ul>
Saylor 28	Does the project comply with the City’s draft middle income housing ordinance? How many units are required and how many are provided? What is the impact of allowing an added fourth tier for middle income units?	<p>400 middle-income units (300 primarily in City-approved income tiers) are proposed. 100 middle income units would be sold in a fourth tier to households with incomes ranging from 176%-198% of Area Median Income, above the city’s target group. These 100 units are proposed to be priced based on a 10% increase in each target income and are proposed to be sold with resale restrictions that expire after 5 years. Please note that this is slightly different from staff’s earlier presentation on the 10% increase, which was that the increase applied to purchase prices but not income limits.</p> <p>Middle income units (including all 400) are 21.4 percent of the total. The 300 middle income units in city-approved tiers are 16.1 percent of the total project. The required amount of middle income units is 272 units, which is fulfilled by the 300 provided. These 300 units will serve households with incomes from 120% to 176% of Area Median Income (City standard is 120% to 160% of median).</p> <p>The project deviates from the city’s middle income standards set by the City Council in the following ways:</p> <ul style="list-style-type: none"> <li>• The topmost tier of required middle income units would have income limits and prices based on incomes that are 10% higher than the approved 146-160% AMI incomes (up to 176% of AMI). Increasing the household income</li> </ul>

<b>AFFORDABLE HOUSING</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
		<p>allows the developer to sell the home at a higher price, with a larger pool of eligible buyers.</p> <ul style="list-style-type: none"> <li>It is proposed that the purchase prices and resale requirements could be adjusted for households that opt to add second dwelling units or supplemental photovoltaic systems.</li> </ul> <p>Increasing the amount of household incomes dedicated towards the housing costs of middle income units and increasing the household income used to set the unit's price, raises the price of the middle income unit while decreasing its affordability to households in the original targeted range.</p> <p>Having a fourth tier of middle income units that dedicates over 50% of a household's income towards housing costs and targets households from \$106,000 to \$119,600 provides additional housing opportunities within the project, but it is questionable whether these units should be defined as affordable.</p> <p>Applicant comment: The agreed middle-income program exceeds the draft ordinance by over 100 homes. The fourth tier helps broaden the range of households incomes accommodated. The salary list (see attachment #3) indicates that households with two incomes would fall into the fourth tier. Also, since the pricing assumptions under the DA are much more conservative than the current marketplace, many people with lower tier incomes can purchase homes in the upper tiers. This program then greatly expands both the number of units and the range of eligible households.</p>
Saylor 29	<p>What is the impact of allowing the third and fourth tiers to be based on an adjusted median income level? Could this be tied to fourth tier only and third tier be consistent with City's draft ordinance? Does this need clarification?</p>	<p>Please note that the proposal is slightly different from staff's earlier presentation on the 10% increase, which was that the increase applied to purchase prices but not income limits.</p> <p>Adjusting the third and fourth tiers of pricing upwards allows these units to be sold closer to market prices. If the units are to be sold at market value, which is the expectation of the applicant, a higher purchase price will allow construction of a larger unit that may be more desirable to the buyers.</p> <p>Doing so would force households within the city's adopted income categories of the third tier to pay larger percentages of their income towards housing costs. Having an adjusted income level allows more households to qualify, households above the city's adopted income range in the required third tier. Staff would recommend that if the adjusted median income level is used, that it only be tied to the fourth tier of middle income units, the units not required by the city. This would allow for consistency with the city's middle income policies.</p> <p>Applicant comment: Yolo median income is \$60,400. Sacramento County is \$64,000. Median income in the City of Davis per the 2000 census was over \$74,000. To serve Davis residents and employees, the program should acknowledge these facts. The slight adjustment of the Yolo median by 10% on the top two tiers is a step towards</p>

<b>AFFORDABLE HOUSING</b>		
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		helping the program address real world circumstances of Davis employees, Davis children and others. Adjusting both the third and fourth tiers provides a smoother distribution of the units across the income scale than clustering at one end. Yolo median income is \$60,400. Sacramento County is \$64,000. Median income in the City of Davis per the 2000 census was over \$74,000. To serve Davis residents and employees, the program should acknowledge these facts. The slight adjustment of the Yolo median by 10% on the top two tiers is a step towards helping the program address real world circumstances of Davis employees, Davis children and others. Adjusting both the third and fourth tiers provides a smoother distribution of the units across the income scale than clustering at one end.
<p>Affordable and Middle-income Housing Decision Points</p> <ul style="list-style-type: none"> <li>• Is the overall plan consistent with City policies?</li> <li>• Are location and types of affordable units appropriate?</li> <li>• Should the Tier III middle-income units have prices and incomes adjusted by 10 percent?</li> <li>• <i>Council has previously made preliminary determination that reservation of units for CHOC/YCCC is acceptable</i></li> </ul>		

<b>PROCESS</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Souza 10	How many public meetings have been held on the project?	<p>The City Council has reviewed the Covell Village applications at the following meetings:</p> <ul style="list-style-type: none"> <li>• July 28, 2004 – Workshop with Planning Commission</li> <li>• January 8 and 22, 2005 – Workshop</li> <li>• January 25, 2005 - City Council preliminary directions</li> <li>• May 17, 2005 – Meeting with Planning Commission</li> <li>• June 7, 2005 – Public Hearing</li> <li>• June 14, 2005 – Continued deliberation</li> </ul> <p>This list does not include several other Council meetings that have centered on processing schedule, consultant contracts, or other similar issues.</p> <p>Advisory commissions have reviewed various aspects of the project applications at 27 meetings between summer 2004 and the present.</p> <p>City staff and the environmental consultant held a scoping meeting for the EIR in June 2004.</p>

Responses to June 7 City Council questions on Covell Village

<b>PROCESS</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Souza 11	Is this the third incarnation of a project on this land?	The 1987 General Plan identified the southern portion of the site for urban development. The <i>Crossroads</i> application proposed a revised site plan with 1,466 units north and south of Channel A. The <i>Covell Center</i> applications proposed 688 units on the entire site.
Souza 12	How many total EIRs have been done studying development on this land, including General Plan EIRs?	<ul style="list-style-type: none"> <li>• General Plan EIR, certified 1987</li> <li>• Crossroads EIR (not certified)</li> <li>• Covell Center EIR (not certified)</li> <li>• General Plan Update EIR, certified 2001</li> <li>• Covell Village EIR</li> </ul>
Greenwald 1	If the City had approved either of the earlier two plans on this site, would we be moving on to subdivisions elsewhere?	The 1987 General Plan anticipated development of the southern portion of this site before 2010. We cannot determine whether we would be moving on to other projects without knowing, among other things, whether approval of an earlier plan would have changed decisions to proceed with Wildhorse, Aspen, or Evergreen.
Greenwald 2	Have almost all of the Commission and Council meetings been on a hypothetical project? Is this the first set of meetings on the real project?	The number of units has increased from the 1,515-unit proposal presented to the Commissions in fall 2004. Other basic parameters, such as the location, the overall layout of residential and nonresidential uses, circulation patterns, and school/park components, have not significantly changed since the earlier Commission reviews.
Greenwald 18	The rotary club issue: what's the value of the donation, and is there a conflict of interest?	<p>Response from City Attorney attached.</p> <p style="padding-left: 40px;">Applicant comment: We will donate a site to Rotary, and then provide matching funds to a set limit for construction. Rotary members will need to personally obligate on the long-term loan for the building. Rotary will own and manage the facility with volunteer or paid labor. The building will be available for public use. It is doubtful that the possibility of being asked of to donate greater amounts to a charity than before, donate more hours work and personally obligate on a loan for a non-profit is a financial "benefit" contemplated by conflict of interest rules.</p>

Responses to June 7 City Council questions on Covell Village

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Saylor 7	How does the pass through agreement with Yolo County operate?	<p>The Pass-through Agreement provides that if Yolo County approves urban development within the City’s Planning Area, the City’s Redevelopment Agency may stop passing through property tax payments to the County. These payments currently exceed \$1 million per year.</p> <p>Applicant note: CV offers the following description of the pass-through agreement: In 1987, the County, the City and the City’s Redevelopment Agency entered into an agreement to resolve disputes involving the Agency’s impending adoption of a redevelopment plan and the County’s impending approval of Mace Ranch. Essentially, the Agency agreed to share a portion of its tax increment revenue with the County, and the County agreed to allow the City to take the lead regarding Mace Ranch provided the City allowed Mace Ranch to urbanize. Since that time, the agreement has remained in place, and the Agency has been sharing its tax increment revenue with the County according to the formula established by the agreement. If the County approves urban development within the City’s Planning Area (including the Covell Village site), then the agreement terminates. The County can approve development in the City’s Planning Area without terminating the agreement, however, if the City does not approve sufficient development to result in a sufficiently robust average annual growth rate.</p>												
Saylor 8	How many council and commission meetings to discuss this project have been posted and conducted since the July 2004 when the EIR scoping meeting took place?	See Souza 10. All these meetings occurred after the July 2004 scoping meeting.												
Saylor 9	Has the project changed as a result of the Council and Commission input process? What changes have been made?	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><b>Reviewing body</b></th> <th style="text-align: left;"><b>Changes</b></th> </tr> </thead> <tbody> <tr> <td>City Council</td> <td>Increased density and smaller lot sizes Affordable and middle-income housing to comply with City standard</td> </tr> <tr> <td>Business and Economic Development Commission</td> <td><i>None; the BEDC was generally comfortable with the proposed mix of nonresidential uses</i></td> </tr> <tr> <td>Civic Arts Commission</td> <td>Recommended revisions to DA language on Arts</td> </tr> <tr> <td>Finance and Budget Commission</td> <td>Revisions to fiscal analysis; no specific revisions to site plan</td> </tr> <tr> <td>Natural Resources Commission</td> <td>Increased commitment to photovoltaics Provision for alternative water system for park and greenbelt irrigation</td> </tr> </tbody> </table>	<b>Reviewing body</b>	<b>Changes</b>	City Council	Increased density and smaller lot sizes Affordable and middle-income housing to comply with City standard	Business and Economic Development Commission	<i>None; the BEDC was generally comfortable with the proposed mix of nonresidential uses</i>	Civic Arts Commission	Recommended revisions to DA language on Arts	Finance and Budget Commission	Revisions to fiscal analysis; no specific revisions to site plan	Natural Resources Commission	Increased commitment to photovoltaics Provision for alternative water system for park and greenbelt irrigation
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Responses to June 7 City Council questions on Covell Village

<b>PROCESS</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
		Open Space Commission Specific identification of agricultural mitigation lands Clarification of easement stacking, homesite, drainage pond 76-acre organic farm Savannah corridor at north edge of site
		Planning Commission Increased density and smaller lot sizes Refinement of affordable and middle-income proposals
		Recreation and Parks Commission Increase in park space in southwest portion of site Contribution to community-wide needs (recreation building)
		Safety Advisory Commission <i>None; the SAC was generally comfortable with the circulation plan</i>
		Senior Citizens Commission No specific changes. Some Commissioners did express concern over cost of Eskaton services. Eskaton is no longer part of the proposal for the senior core facility
		Social Services Commission Refinement of affordable and middle-income proposals
		Tree Commission <i>None; a street tree plan will be prepared at a future date</i>
Process Decision Points <ul style="list-style-type: none"> <li>• Has the proposal received sufficient community and Commission review?</li> <li>• Are the applications ready to be presented to the voters?</li> </ul>		

<b>LOCAL AND REGIONAL GROWTH</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Saylor 1	Why this project and why now? (Planning Commission page 25)	<p>Staff used a three-step analysis to reach its recommendation for approval:</p> <p><b>Is Davis going to grow?</b> The Council has approved the growth parameter of 1 percent, with 60% on greenfields sites. Housing and Growth is one of the Council’s key goals for 2004-06. The answer to this question has been determined to be “yes,” based upon the limited potential for greenfield development that currently exists.</p> <p><b>Is this the location?</b> This location is served by existing roads and neighborhood shopping. It is closer to the downtown and the university than other peripheral sites. The agricultural value of the site is compromised by the proximity to existing urban development. Staff continues to believe that this is the appropriate location for greenfields development.</p> <p><b>Is this the right project?</b> As the project has evolved through the planning review process, it has improved. Staff has concluded that, if built as proposed, it would be well-planned subdivision with a mix of uses benefiting the residents and the broader community.</p>
Saylor 2	Page 5 of staff report states that “Staff’s response, derived from our internal housing needs study, the SACOG process, and a general consideration of home price trends, is that housing demand in the community is at a critical level.” What does “at a critical level” mean? How many housing units are “on line” to be built?	<p>A careful review of housing production over the past few years shows a decided tilt toward multifamily rentals. For example, in 2003 building permits were issued for 197 multifamily and 60 single-family units. Overall single-family and for-sale unit production has dropped from 200+ in the late 90s and early 2000 to 60 and 69 per year in the past two years.</p> <p style="padding-left: 40px;">In terms of for-sale units in the pipeline, there are approximately 213 units of available supply. It should be noted that this includes the 78-unit Wildhorse condominium project, which is likely to be a rental project for several years. It also includes 33 lots in various older subdivisions. Many of these lots are not actively being pursued for development. Overall, given that the number of potential will not be all built next year, the current supply of single-family and for-sale units will likely continue below historical levels.</p> <p style="padding-left: 40px;">In terms of prices, local supply and demand is only one of many factors influencing prices. Historically low interest rates are a big factor. Regional demand is very high, as is regional price appreciation. Nonetheless, it is notable that the per-square-foot price of resale housing in Davis has increased from \$258 in early 2003 to \$379 in the current quarter. While staff in no way would attribute this only to local supply constraints, it would be hard to ignore supply constraints as a contributing factor.</p>
Saylor 3	What goals and benefits would this project provide?	<p>Approval of the project applications would further the City Council’s 2004-06 goals of Economic Development (increased retail shopping), Public safety (five-minute response time), and Housing and Growth (slow, steady additions to housing stock, special needs housing, and permanently affordable housing). There would also be fiscal benefits from the Development Agreement.</p>

<b>LOCAL AND REGIONAL GROWTH</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
Saylor 5	What other potential peripheral project proponents are considering applications? How do those other sites compare to this one?	<p>The City has received a pre-application for development east of Mace Boulevard and north of Covell Boulevard, wrapping around the Mace Curve. The City Council has previously determined that it is not interested in pursuing that development at this time.</p> <p>Yolo County has received several conceptual proposals for developments adjoining the City of Davis (Oeste Ranch, Mace-Covell Gateway, Parlin Development, Pomeroy Subdivision). No formal applications have been made. The Board has determined that these and other projects would be placed on hold until such time as the comprehensive General Plan update has been completed.</p> <p>These other sites would result in an expansion of the City's urbanized area footprint to a greater extent than would the Covell Village proposal.</p>
Saylor 6	What is likely growth scenario for the Sacramento region? How does Davis fit within that scenario?	SACOG estimates that the City of Davis will increase by 11,000 units between 2000 and 2050. During that same time period, the population in the region is projected to approximately double to 3.8 million people.
Saylor 12	Would the housing provided by this project be considered by SACOG in the future as applying to the 2007-2013 anticipated fair share guidelines?	Under current provisions of state law, the City would receive fair-share credit during the next cycle for units with Certificate of Occupancy issued after June 2007. Staff anticipates that if Covell Village is approved as proposed, and construction begins in 2007, the project would provide approximately 1,500 allocated and unallocated units toward meeting a 2007-2013 fair-share obligation. For comparison purposes only, the City's fair-share allocation for the 2002-2007 period was 1,962 units.
Saylor 16	Would smaller and scattered projects provide the range of community benefits this project provides?	In staff's experience, larger projects are more likely to provide amenities and community benefits exceeding those of smaller developments. There are two reasons: economies of scale may mean that larger developments have increased capacity to absorb the financial burdens of development concessions; and larger sites have greater flexibility in planning to accommodate community needs.
Asmundson 5	SACOG fair share allocation scheduled to occur in 2007. Could this project affect that allocation?	The 2000 Regional Housing Needs allocation numbers were consistent with SACOG projections, consistent with the General Plan assumptions of the member jurisdictions. Currently, there is a significant disagreement between the SACOG estimates for 2030 regional growth and those of the state Department of Finance. This could result in higher fair-share allocations than current General Plans throughout the region. The exact methodology for the allocations has not been established, and the legislature has been considering substantive revisions to the fair-share process and requirements.

Responses to June 7 City Council questions on Covell Village

<b>LOCAL AND REGIONAL GROWTH</b>		
<b>Key</b>	<b>Covell Village Questions June 7, 2005</b>	<b>Staff Response</b>
	Local and Regional Growth Decision Points <ul style="list-style-type: none"> <li>• Is this the right time to approve greenfields development?</li> <li>• Is this the right location?</li> <li>• Is Covell Village the right project?</li> </ul>	