

## Staff Report

July 21, 2004

**TO:** City Council and Planning Commission

**FROM:** Bill Emlen, Community Development Director  
Katherine Hess, Community Development Administrator

**SUBJECT:** Covell Village Application

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### **Recommendation**

Staff recommends the Planning Commission and City Council listen to an applicant presentation, take any public comment, ask questions of staff or the applicant, and if time allows, provide comments on the project or add to the list of issues.

*No action is proposed for this workshop meeting. The project applications will return to the Commission and Council for public hearing and formal recommendations in the spring.*

### **Background**

The city is processing applications for the “Covell Village” development proposal, at the northwest corner of Covell Boulevard and Pole Line Road. The project includes 1,475 residential units and 210,000 square feet of non-residential uses, plus parks and open space, a school site, and a fire station site. The total developed land would be 383 acres. Planning Commissioners and City Councilmembers have previously received copies of the Project Description incorporated into the EIR Notice of Preparation. More detailed information on all components of the project is at [www.cityofdavis.org/covell](http://www.cityofdavis.org/covell).

As a reminder, the project site is currently outside the City limits and designated for “Agriculture” on the City of Davis General Plan map. The property owner has submitted application for General Plan Amendment, Rezoning, Development Agreement, Annexation, and Affordable Housing Plan. The project would require support of both the City Council and the voters to be approved.

The applications are being considered through three processing tracks:

- **CEQA** – An Environmental Impact Report is underway, as required by the California Environmental Quality Act. The environmental consultant should have the Draft EIR available for public review in fall 2004.

- **Policy** – Extensive public outreach is proposed for the policy review. The project applications will be scheduled for review by several city commissions, including the BEDC.
- **Technical** – City staff are evaluating issues such as street width, accommodations for waste removal, street lighting, and zoning standards. This track also includes an analysis of the likely impacts the project would have on the City of Davis capital and operating budgets.

The environmental review is proceeding ahead of the policy review so that the information from the EIR will be available during commission and public discussions.

### **Public Review**

The June 30 Public Meeting for the Environmental Impact Report scoping was the initial step in the formal public review of the project proposal. Since that time, the City has:

- Continued to provide project information on the City's website as it is developed
- Received approximately 50 written and electronic comments on the scope of the EIR
- Developed a schedule of nine public meetings to be held in September and October on various aspects of the project proposal (Attachment 2)
- Solicited public comments in mail and electronic format (A binder of comments will be distributed at the meeting)
- Continued to pursue the environmental, financial, and technical studies required to bring the project to public hearing.

### **Project Issues**

Staff has identified the following issues as substantive enough to be identified at this phase of the project review

1. Is the geographic area (location and size) of the project appropriate? The City Council has previously determined that this is the most logical to accommodate the next phase of City growth when that is deemed necessary.
2. Is there adequate consideration of the potential redevelopment of the Con-Agra site? What are appropriate links to Oak Tree Plaza and the neighborhoods to the east and west of the project site?
3. Is the mix and distribution of housing types, coupled with the affordable housing proposal, consistent with community goals?
4. How should the project be phased?
5. Is the type and amount of non-residential use appropriate?
6. Will the project provide sufficient fiscal protections for the City and the school system?
7. How do we ensure quality in design and construction of the residential and non-residential areas? How much flexibility is desired in zoning for the project?
8. Is the agricultural mitigation proposal adequate?

Specific questions asked of the Commission and Council for this meeting are:

1. Should we add to or refine the list of issues?
2. What additional information will be required as the project goes through community review?
3. Do Commissioners or Councilmembers have any preliminary comments on potential issues that would be useful to staff or the applicant?

The remainder of the staff report provides background information on each of the eight issues.

**1. Is the geographic area (location and size) of the project appropriate? The City Council has previously determined that this is the most logical to accommodate the next phase of City growth when that is deemed necessary.**

Policy Background

- Maintain Davis as a cohesive, compact, university-oriented city surrounded by and containing farmland, greenbelts, natural habitats and natural resources. (General Plan Vision 2)
- Create and maintain housing patterns that promote energy conserving transportation methods. (General Plan Principles Used in Creating Land Use Map 3)

Staff notes

- The total developed land under the current application would be 383 acres.
- Even if the site were fully developed with urban uses, it would not cause a protrusion of urban use beyond the outward boundary of the City's existing urbanized area.
- The merits of a larger footprint as proposed include more potential amenities, earlier completion of the bikeway system connections, and greater range of housing types.
- Some other developments in Davis include **Aspen**: 321 single-family and 347 multifamily units, plus park, school, office, and pond sites, on 111 acres for all land uses; **Wildhorse**: 642 single-family and 209 multifamily units, plus golf course, neighborhood parks, and school site/Nugget Fields on 424 acres, including the golf course and horse ranch; **Mace Ranch**: 1,256 single-family and 389 multifamily units, plus park, school, and extensive commercial uses on 547 acres, not including the Frontier Fertilizer and Signature areas.
- One alternative to be analyzed under the EIR is a more compact development with 1,475 units on the area south of Channel A (approximately 147 acres).
- The 1987 General Plan included the southern portion of the site for urban development. The land was re-designated to agriculture with the 2001 General Plan Update.

**2. Is there adequate consideration of the potential redevelopment of the Con-Agra site? What are appropriate links to Oak Tree Plaza and the neighborhoods to the east and west of the project site?**

Policy Background

- Make decisions on City policy with an understanding of regional impacts. (General Plan Vision 12)
- Integrate land use, economic development, environmental, and transportation planning. (General Plan Goal LU 3)
- Address transportation policy-making in a balanced, objective way. (General Plan Goal MOB 7)
- Identify and develop linkages, corridors and other connectors to provide an aesthetically pleasing and functional network of parks, open space areas, greenbelts and bike paths throughout the City. (General Plan Goal POS 3)
- The project contributes to the development of complete and integrated neighborhoods. Examples include but are not limited to the location of housing in proximity to neighborhood shopping, employment, transit, parks, schools, greenbelts, bikeways, and other public facilities and services. (Interim Infill Guidelines 1)

Staff notes

- Oak Tree Plaza includes the 40,000 square foot Nugget Market, Long's Drugs, and approximately 50,000 square feet of other retail and office uses.
- The Covell Village proposal includes pedestrian/bicycle tunnels under Covell Boulevard to Oak Tree Plaza, and significant improvements to Covell Boulevard itself. The proposal would allow vehicle connections to the Con Agra site at the Picasso, Donner, and Moore extensions.
- The Con Agra site includes 50 developed and 50 undeveloped acres. Currently, sole vehicle access to the site is from the Covell Boulevard entrance opposite J Street.
- Lewis Planned Communities has submitted a pre-application for a development with 25 acres of community serving retail, 15 acres of office/business park, 15 acres of parks and open space, and 45 acres of higher-density residential. Lewis Operating Corp. has stated a desire to cooperatively plan for open space, and internal circulation, and other elements for the two future neighborhoods. Because it is already within the city limits, future development on the Con-Agra site is not subject to Measure J voter approval.
- The General Plan "Primary Bicycle Network" exhibit shows grade-separated bicycle crossings of F Street/RR at Anderson Road and of Pole Line Road at the north edge of the city limits.

**3. Is the mix and distribution of housing types, coupled with the affordable housing proposal, consistent with community goals?**

Policy Background

- Promote in each neighborhood a diversity of housing options that will enable people with wide range of needs, economic levels, cultural identities and ages to live in Davis. (General Plan Vision 6)
- Promote adequate housing opportunities for people of all ages, incomes, lifestyles and types of households. (General Plan Goal HOUSING 1)
- Council resolution 03-174 directing staff to prepare the necessary ordinances and amendments to establish a growth parameter of 250 units per year, including addition of a middle-income category to inclusionary requirements, a preference for local employees, and a reasonable link between new housing production and the internal housing needs of local employees.

Staff notes

- The project includes 893 single-family detached houses; approximately 200 apartments; 185 senior-Only homes (likely single-family attached and detached units); 7 acres to be dedicated for affordable housing; 130 beds at the senior core facility; and 94 other units, including those in mixed-use and co-housing developments.
- Median single-family lot size for the non-senior portions of the proposal is approximately 5,900 square feet. For the fiscal analysis, we are assuming that the single-family units will have a median value of \$600,000. This includes the 175 senior units with a projected median value of \$400,000. Actual sales prices of the units will depend on market conditions at the time of sale.
- The affordable housing proposal includes two parcels to be dedicated to the city (one designated as a limited-equity cooperative), the equivalent to 35% of the market units in the apartment complex; and assistance to moderate-income homebuyers with loans up to \$50,000, repayable to a Housing Trust or Foundation.
- In addition to the statutory affordable housing contribution, the applicant is proposing 15 percent of the homes as “middle-income” housing with financing available to serve households up to 180 percent of area median income. Assistance would be provided in the form of a loan of up to \$40,000.
- The applicant has provided a possible parcel size distribution (Attachment 3). Smaller lots are primarily – but not wholly - in the southern portion of the project. Mechanisms for evaluating lot sizes during the time of subdivision map approval are not yet established.
- A feasibility analysis of the affordable housing proposal is underway and will be completed later this summer.

#### **4. How should the project be phased?**

##### Policy Background

- Maintain Davis as a small, University-oriented city surrounded by and containing farmland, greenbelt, and natural habitats and reserves (General Plan Goal LU 1)
- Promote adequate housing opportunities for people of all ages, incomes, lifestyles and types of households. (General Plan Goal HOUSING 1)
- *(See also Policy Background for housing types, previous page)*

##### Staff notes

- The applicant's proposal calls for a 5-7 year buildout for most of the development. There would be no phasing requirements for the "Village Center" or affordable housing land dedication sites.
- Assuming the Council gives final approval to a City-wide allocation of 250 units per year, the proposed 5-7 year phasing schedule would capture about 84-100% of the annual allocation.
- The Housing Element shows the City has demonstrated adequate sites to meet its fair-share obligations through June 2008. Under current law, the next Housing Element term would be July 2008 through June 2013. We expect to receive fair-share projections in 2007 to cover this period.
- Phasing of infrastructure improvements would be determined based upon mitigation requirements identified in the EIR and the results of the Development Agreement negotiations.

## **5. Is the type and amount of non-residential use appropriate?**

### Policy Background

- Promote economic vitality by developing a diversity of business enterprises. (General Plan Vision 7)
- Provide economic development to satisfy the needs of the community, including retail development and diverse job opportunities, and to assist in the fiscal stability of the city. (City Council draft goals 2004-06)
- Focus community-serving retail uses in the Core Area and to a limited extent in areas designated Neighborhood Retail and General Commercial. General Commercial areas are intended to provide for primarily commercial service uses and may allow moderate size community retail stores subject to discretionary review. (General Plan Principles Used in Creating Land Use Map 18)

### Staff notes

- The "Village Center" component of the applicant's proposal includes 64,000 square feet of retail and restaurant; and 43,000 square feet of office, plus a health club, hotel, gas station, and work/live space. Total non-residential square footage is approximately 230,000 square feet.
- The Village Center could accommodate two stores of 12-15,000 square feet but they are not shown on the conceptual site plan. Exact size and configuration of the proposed retail/restaurant space may help determine whether it will serve the neighborhood, or whether it would compete with the downtown.
- The school and senior care facility would also provide employment opportunities.
- (*See also "staff notes" under neighborhood integration issues, question #2*)

## **6. Will the project provide sufficient fiscal protections for the City and the school system?**

### Policy Background

- Ensure Davis' financial solvency while also setting fees and taxes that are competitive with surrounding communities'. (General Plan Goal IMP 3)
- Ensure fiscal stability to meet the short- and long-term needs of the community, without reliance on housing growth. (City Council draft goals 2004-06)
- Plan for the costs of new school facilities when planning for specific new residential development. (General Plan Goal Y&E 8)
- Construct new public schools to meet the needs of residential growth. (General Plan Goal Y&E 9)

### Staff notes

- The Covell Village site is outside the five-minute Fire Department response time identified as a City goal, along with most of North Davis.
- The proposal includes a 1.5-1.7 acre site to be donated to the City of Davis for a fire station. The Fire Department reports that 3 acres is the minimum size for a fire station and training facility. The City has approximately \$1 million set aside for construction of a fourth fire station. Operating funds would have to be identified before the station is constructed.
- The proposal includes a 10-acre site to be given to the Davis Joint Unified School District. Possible development on the site could include an elementary school or a satellite high school, but final determination would be up to the District. The District has not made a formal comment on the proposal.
- Preliminary fiscal analysis shows a mild positive fiscal benefit from the project. More detailed analysis is underway.

**7. How do we ensure quality in design and construction of the residential and non-residential areas? How much flexibility is desired in zoning for the project?**

Policy Background

- Maintain the General Plan and the City's overall planning process as a dynamic, responsive document. (General Plan Goal IMP 1)
- Encourage innovative and high-quality building and landscaping design throughout the city. (City Council draft goals 2004-06)
- ...baseline project features and requirements such as recreation facilities, public facilities, significant project design features, sequencing or phasing, or similar features...cannot be eliminated, reduced or significantly modified without subsequent voter approval. (Measure J)

Staff notes

- The applicant's proposal provides extensive detail on street and building design, and square footage of various uses in the Village Center. The extent to which the identified uses are "frozen" in land use entitlements depends on the amount of flexibility provided in the Measure J description and zoning for a project.
- The applicant is proposing narrow streets and an extensive network of alleys in the residential portion of the project. These can allow vertical curb on streets, improving streetscape appearance and pedestrian use of sidewalks, but may raise safety issues.
- The applicant is preparing draft zoning and design guidelines to be incorporated into the application package. Processes for review of individual buildings and uses have not been established.

## **8. Is the agricultural mitigation proposal adequate?**

### Policy Background

- Implement an open space program that creates, preserves and enhances open space and wildlife habitat. (General Plan Vision 9)
- Protect the viability of agriculture and prime agricultural land in and around Davis. (General Plan Vision 10)
- Maintain lands for open space land uses including outdoor recreation, natural habitat preserves and agriculture within and beyond the proposed urban-development boundaries. (General Plan Principles Used in Creating Land Use Map 13)

### Staff notes

- The proposal includes 766 acres of farmland deed restriction immediately north of the project. The Ag Preserve site includes the 30.8-acre drainage/habitat area adjacent to the Covell Village parcel and west of the former landfill.
- The application package states that the applicants may provide easements in alternative locations if final project approvals are not received by April 2005.
- The City's Farmland Preservation Ordinance requires a deed restriction or covenant to ensure that the land will permanently remain agricultural land. The application package raises the possibility of allowing for homesites on the agricultural preservation land but does not provide specifics of any proposal. Staff has concerns with this approach to agricultural mitigation.

### Attachments

1. Applicant information on Covell Village and Village Center
2. Preliminary public meeting schedule fall 2004
3. Covell Village lot pattern exhibit