



Staff Report

July 21, 2004

TO: City Council and Planning Commission

FROM: Bill Emlen, Community Development Director
Katherine Hess, Community Development Administrator ^{Ket}

SUBJECT: Covell Village Application

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.

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.

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- **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 area to accommodate the next phase of City growth when 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 area to accommodate the next phase of City growth when 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 care 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



Covell Village Project Summary

Open Space and Habitat Total 113 Acres (27% of Covell Village)

- 62.5 acres of new and restored wildlife habitats.
- 21 acres of new parks
- 23 acres of Greenways
- 6.5 acres of Greenstreets

Agriculture Preservation

- 766 contiguous acres preserved under Conservation Easement.

Alternative Transportation

- Bicycle Trails: 8 miles of new bike trails inside Covell Village.
- Bicycle Undercrossings: 9 bicycle undercrossings; Connections to Nugget Market, Nugget Soccer Fields and Northstar Ponds Habitat.
- Bus Routes: One new bus route and extension of an existing route.

New Homes

- Higher Density 352 Aggie Village Type Homes (32%)
- Medium Density ... 285 Old Davis Downtown size (26%)
- Lower Density 256 Aspen or Stonegate size (23%)
- Senior Housing 185 Senior Only Homes (17%)
- Total 1,078 (phased in over 7 years)

Other Residential Spaces

- 40 Lofts
- 24..... Condos
- 30..... Co-Housing
- 111..... Co-Op Housing
- 130..... beds at Senior Core Facility
- Apartments: 236,000 square feet (not over 450 bedrooms)

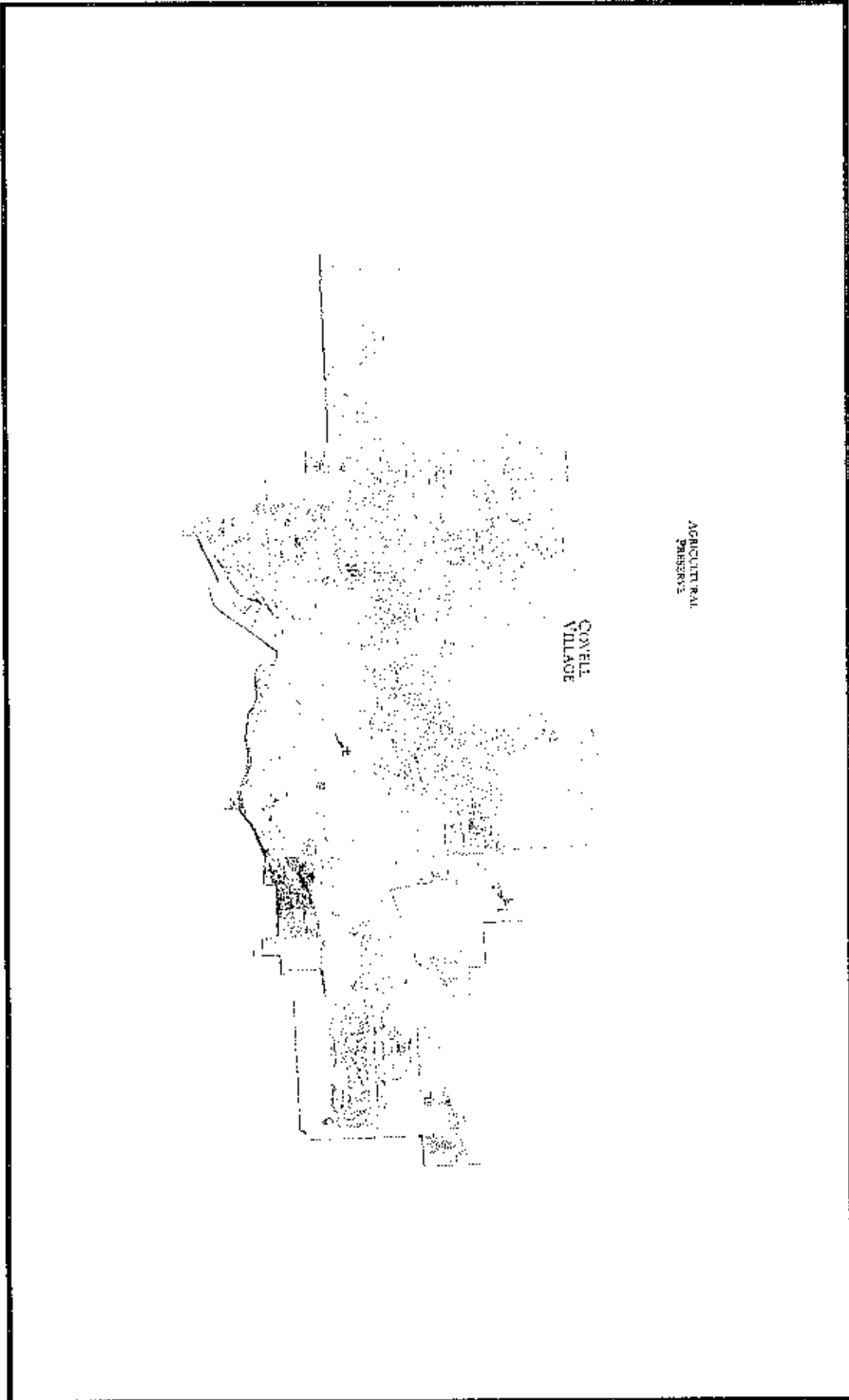
The Covell Village

Mixed Use Commercial

- Live/Work 26,400 sf Live; 29,000 sf Work
- Offices 43,000 square feet
- Inn 38,600 square feet
- Restaurant 6,000 square feet
- Gas Station 3,600 square feet
- Other Retail 58,000 square feet
- Day Care..... 2800 square feet

Community Planning

- Donated 10 Acre School Site
- Donated 1.7 Acre Fire Station Site
- Community Hall Site
- Religious or Other Community Building
- Athletic Club (30,000 square feet)

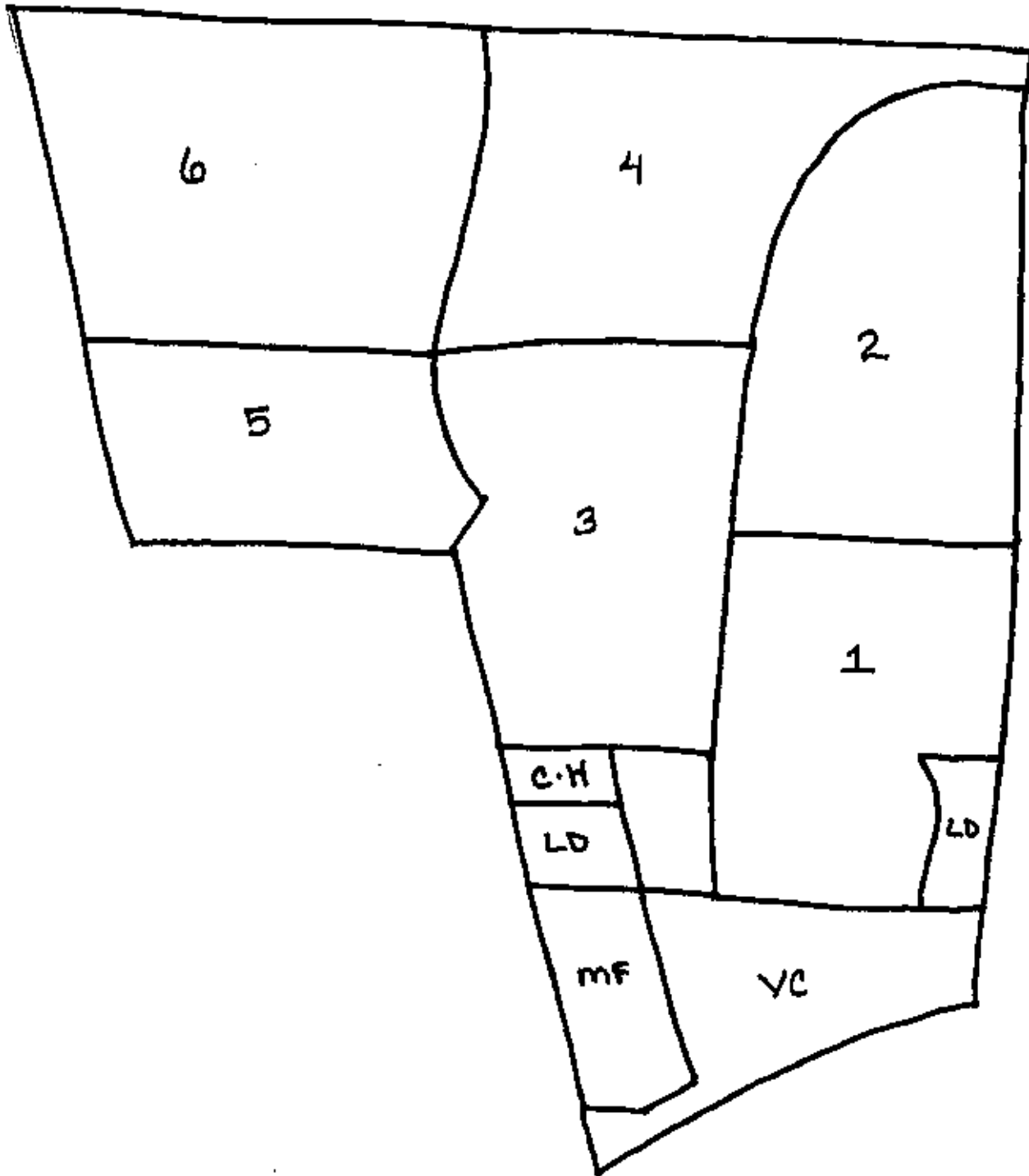


CV June 2004

Covell Village Application Public Meeting Schedule
 Fall 2004
DRAFT July 23, 2004

| Week of | Meeting | Topic |
|--------------|---|---|
| July 26 | BEDC July 26 PC/CC July 28 | Village Center, employment and retail Introduction to issues |
| August 9 | Staff TBD | Alleys and road widths |
| August 30 | Staff/CV TBD | Alleys and road widths |
| September 13 | Finance and Budget 9/13 | Fiscal analysis (<i>requires BAE study by 8/27</i>) |
| September 27 | PC September 29 | "Open-mike" to identify issues |
| October 4 | Open Space October 4 Safety Advisory October 7 | Ag mitigation and habitat (<i>requires narrative request by 9/17</i>) Alleys, road widths, NEVs, Pole Line and Covell improvements (<i>possible date; may want to wait for EIR or schedule two meetings</i>) |
| October 11 | Social Services TBD | Affordable housing (<i>requires BAE analysis by September 24</i>) |
| October 18 | Recreation and Parks 10/21 Tree October 21 | Parks and open space distribution and expenses, bicycle connection (<i>requires BAE study and parks/gb proposal by 10/7</i>) Street tree scheme, alley trees? (<i>requires proposal by October 7</i>) |
| October 25 | BEDC | |
| November 1 | | |
| November 8 | | |
| November 15 | | |
| November 22 | | |

Coyell Village
Lot breakdown



C-H cohousing
LD Land dedication
MF multifamily
VC Village Center

5-27-2004

COVELL VILLAGE LOT BREAKDOWN

| <u>Lot Widths</u> | <u>Section 1</u> | <u>Section 2</u> | <u>Section 3</u> | <u>Section 4</u> | <u>Section 5</u> | <u>Section 6</u> | <u>Total Lots</u> |
|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| 32' | 0 | 4 | 0 | 16 | 30 | 0 | 50 |
| 40'-45' | 0 | 84 | 55 | 25 | 40 | 15 | 220 |
| 45'-55' | 0 | 0 | 28 | 20 | 0 | 34 | 82 |
| 60'-65' | 0 | 56 | 18 | 32 | 37 | 142 | 285 |
| 65'-75' | 12 | 2 | 0 | 39 | 23 | 18 | 94 |
| 70'-80' | 0 | 26 | 0 | 24 | 11 | 34 | 95 |
| 80'-90' | 0 | 15 | 17 | 18 | 6 | 11 | 67 |
| Senior Housing | 185 | 0 | 0 | 0 | 0 | 0 | 185 |
| <u>Total Lots:</u> | <u>197</u> | <u>187</u> | <u>118</u> | <u>174</u> | <u>147</u> | <u>255</u> | <u>1078</u> |

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City of Davis
Planning & Building

**Covell Village Application Review
Frequently Asked Questions
July 2004**

Why are you processing the EIR so quickly? Doesn't the project require voter approval to go forward?

The purpose of the Environmental Impact Report is to provide information to the decisionmakers for a project. The California Environmental Quality Act (CEQA) doesn't prohibit approval of a project that may harm the environment - but it does require that a public entity identify potential impacts and disclose them. We believe that it would not be fair to the voters to ask them to make a decision on a project without have the data on the environmental impacts.

Measure J requires that the environmental review be completed before a project is submitted for a vote. The City Council must also approve a project for it to go forward for Measure J vote, and California law requires the environmental review be completed before the City Council can take action on a project.

How big is the project? How does that compare to other recent developments?

The proposal includes approximately 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.

Some other developments in Davis include

Aspen: 321 single-family and 347 multifamily units, plus park, school, office, and pond sites. The project is 111 acres for all land uses.

Wildhorse: 642 single-family and 209 multifamily units, plus golf course, neighborhood parks, and school site/Nugget Fields. The project is 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. Land for development totals 547 acres, not including the Frontier Fertilizer and Signature areas.

Who would be living in the housing that's proposed?

The proposal includes approximately 1,475 residential units. The breakdown includes

- 893 single-family detached houses
- Approximately 200 apartments, including 35% affordable units
- 185 Senior-only homes (likely single-family attached and detached)
- 7 acres to be dedicated for affordable housing
- 130 beds at the Senior Core Facility
- 94 other units, including those in mixed-use and co-housing buildings

For the fiscal analysis, we are assuming that the single-family home prices will range from \$250,000 to \$960,000 per unit. The average estimated home price would be in the range of \$600,000 per unit, based on comparable home and lot sales in the current real estate market. The senior and co-housing units are anticipated to be approximately \$400,000 per unit. Actual sales prices would depend upon market conditions at the time of development.

The applicant is proposing a Housing Trust to provide loans up to \$50,000 to buyers of up to 134 of the single-family units, with the goal of making them affordable to people who work in Davis. The City has contracted with a consultant to evaluate the proposed Housing Trust to determine whether it will provide sufficient benefit to reach the target households and whether it will be sustainable over the long term.

What's the city's position on whether the project should go forward?

The City does not have a formal position on the project. Planning staff have concluded that this location is a logical place for new development, if it is to occur. Outstanding questions are whether this is the appropriate time for that development, and whether the proposed project provides the type of development that would be desired by the City.

The City Council cannot take a position on the project until the environmental review and public hearings are completed. The Council did identify this location as a possible development site, and directed that the applications be processed through to hearing.

Traffic is already bad. Won't this project make it worse? How can the city consider that?

The project's potential impacts on traffic will be a significant component of the Environmental Impact Report for Covell Village. The EIR will include a traffic study that will describe existing traffic conditions, including a summary of the existing and planned regional and local transportation network. The traffic study will also conduct an analysis of the existing plus project scenario and cumulative traffic scenario, based on other foreseeable changes (such as Spring Lake, in Woodland and opening of the new Harper Junior High School). Should any significant traffic impacts be identified, the traffic study will propose mitigation measures to reduce impacts to a less-than-significant level. Other issues that will be addressed in the traffic study include traffic hazards due to design features, emergency access, and transit and bicycle facilities.

The City Council (and the voters, in this instance) would have the ability to approve a project, even if it makes traffic worse. The Council and community would need to determine that the benefits of the project outweigh the environmental disadvantages.

Are you doing the traffic analysis in the summer? Everybody is gone then.

The calculations for the traffic analysis are being done this summer. The analysis will use surveys and counts of existing traffic that were completed in early 2003.

How does the agriculture mitigation work?

The applicant would purchase conservation easements on the land for the agricultural mitigation parcels. If the applicant were to purchase the land outright, it could be subsequently sold subject to a conservation easement. The applicant states that the parcels to the north of the Covell Village site are under option for purchase by the applicant; whether the options are exercised would be determined through the development review process.

What determines whether a school is built on the proposed school site?

The applicant proposes that the Davis Joint Unified School District acquire ten acres within the development. The EIR envisions some type of school facility on the site. The applicant has suggested a satellite high school, similar to that envisioned for the UC Davis new neighborhood, be located on that acreage.

The Davis Joint Unified School District anticipates that if the district acquires this land, the district would incorporate it into its facilities planning and use. The timing and use would depend on what the students of the district need relative to school facilities. It is premature for the district to comment further until the discussions with Covell Village Partners have concluded.

How quickly would the project be built? What is the current city growth policy? How much development has occurred in recent years?

The applicant is proposing a 5-7 year phasing plan for the single-family residential units. The multifamily and nonresidential areas would not be subject to phasing limitations.

The City Council is considering a goal of 250 residential units per year. The documents to establish this goal are expected return to the Council this fall for formal review and adoption.

Recent development activity includes

| Fiscal Year | Single-family permits | Multifamily permits |
|-------------|-----------------------|---------------------|
| 1998/99 | 489 | 505 |
| 1999/2000 | 414 | 238 |
| 2000/01 | 264 | 125 |
| 2001/02 | 119 | 55 |
| 2002/03 | 66 | 310 |
| 2003/04 | 77 | 98 |