STAFF REPORT

DATE: July 25, 2018

TO: Planning Commission

FROM: Heidi Tschudin, Deputy City Manager/Director of Community Development and

Sustainability

Cindy Gnos, Contract Planner

SUBJECT: Davis Live Student Apartments Project (Planning Application #17-21) – CEQA

Exemptions (PRC 21155.1, Transit Priority Project) and 21094.5 (Infill Project); General Plan Amendment #01-18; Rezone #01-18; Final Planned Development #02-18; Development Agreement (#01-18); Site Plan and Architectural Review #02-18

I. Recommendation

Staff recommends that the Planning Commission hold a public hearing and take action as follows:

- A. Recommend that the City Council find that the project is statutorily exempt from CEQA pursuant to Sections 21094.5 and 21155.1 of the Public Resources Code (PRC) based upon findings of fact as set forth in the attached Resolution (Attachment #2).
- B. Recommend City Council approve Davis Live project planning applications, based upon the general findings for project approval and subject to the conditions of approval attached to this staff report (Attachment #1):
 - 1. General Plan Amendment (Resolution of Intent, Attachment #3);
 - 2. Rezone/Final Planned Development (Ordinance, Attachment #4);
 - 3. Development Agreement, including the Affordable Housing Plan for the Project (Ordinance, Attachment #5); and
 - 4. Site Plan and Architectural Review

II. Introduction

The proposed project is a 71-unit, 440 bed, housing project oriented toward UC Davis students. The proposal was presented to advisory commissions in May and heard by the Planning Commission on May 23, 2018.

The project was deliberated and acted upon by the Planning Commission at the May 23, 2018 meeting. The full staff report for the May 23, 2018 meeting can be found at: http://documents.cityofdavis.org/Media/Default/Documents/PDF/CityCouncil/Planning-Commission/Agendas/20180523/06D-525-Oxford-Circle-Davis-Live.pdf.

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The Commission heard public testimony on the proposed project. Commenters in support of the application cited need for student housing and affordable housing near the UC Davis campus. Other commenters raised concerns about density, adequacy of parking, levels of affordability, and accommodations for bicycling and other alternative transportation modes.

At that meeting individual Planning Commissioners expressed concern that while they generally supported the project, they did not have sufficient information to make an informed decision regarding the project. This was expressed particularly as related to the proposed California Environmental Quality Act (CEQA) environmental determination that the project is statutorily exempt from CEQA pursuant to Public Resources Code (PRC) Section 21155.1 (Transit Priority Project). The Planning Commission also received a comment letter from the law firm Soluri Meserve related to the project CEQA analysis.

At the May 23, 2018 meeting the Planning Commission took the following actions on the project:

- C. Essex moved, seconded by S. Mikesell, to continue the item to the June 13, 2018 Planning Commission meeting.
- D. Robertson moved, seconded by R. Hofmann, a substitute motion to concur that the project is not statutorily exempt from CEQA pursuant to Section 21155.1 of the Public Resources Code (PRC).

Motion passed by the following vote: AYES: H. Boschken, R. Hofmann, D. Roberston, D. Rutherford, S. Streeter NOES: C. Essex, S. Mikesell

D. Robertson moved, seconded by R. Hofmann, that the Planning Commission not recommend City Council approval of the Davis Live project planning applications, based upon determination that project is not statutorily exempt from CEQA.

Motion passed by the following vote: AYES: H. Boschken, C. Essex, R. Hofmann, D. Robertson, D. Rutherford, S. Streeter NOES: S. Mikesell

By consensus, the Planning Commission requested that staff forward the following comments and additional project information to the City Council:

- General support for project design and location.
- Commission unable to make CEQA determination based on findings.
- Project should comply with a minimum 15% housing affordability comprised of 5% extremely low income, 5% very low income, and 5% low income.
- Further review needed on Traffic Study.
- Request justification for parking How was proposed number of spaces determined and why is that number appropriate for site?

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Subsequently, at the June 13, 2018 Planning Commission hearing, staff sought the Commission's approval to bring the project back before them for reconsideration at the June 27, 2018 hearing (or first available), with additional information, as requested. The Planning Commission voted unanimously in favor of reconsideration.

Based upon Planning Commission feedback at the May 23 and June 13, 2018 hearing, this staff report includes further analysis of the following topics:

CEOA

The Planning Commission expressed concerns regarding the applicability of the Transit Priority Project statutory exemption allowed under Section 21155.1 of the Public Resources Code (PRC). CEQA compliance is further discussed in section V.A below and an updated PRC Section 21155.1 analysis is included as Attachment #7. Additional analysis is also provided demonstrating that the proposed project qualifies for the Infill Project statutory exemption allowed under PRC Section 21094.5. An Infill Environmental Checklist has been prepared and is provided as Attachment #6.

Affordability

The Planning Commission consensus was that the Davis Live project provide, at a minimum, an affordable housing plan consistent with the alternative affordable housing requirement of 15% overall affordability as set forth in Municipal Code Section 18.05.060(b), wherein the 15% is split evenly (5% each) between the Low Income, Very Low Income, and Extremely Low Income categories. Affordable housing is discussed further below in section V.B. and an updated Affordable Housing Plan is provided as Exhibit E to the Development Agreement (Attachment #5). The application now proposes to provide 15% affordable beds, split evenly among the three income levels.

Transportation

The Transportation Study (June 2018) was submitted to the Planning Commission on May 23, 2018 and summarized by staff. The Planning Commission expressed a desire for more time to review the analysis. The Transportation Study (June 2018) is summarized in section V.C below and included as Attachment #9.

Trees

The Arborist Report (July 2017) was submitted to the Planning Commission on May 23, 2018. The report was prepared prior to the approval of site demolition which was completed in January 2018. The applicant submitted a supplemental exhibit showing the trees remaining on site and identifying those proposed for removal and those to be protected. The Arborist Report and supplemental exhibit are summarized in section V.D below and included as Attachment #10.

City Growth Policy

The Planning Commission, on June 13, 2018, requested updated information regarding compliance with the City's 1% growth cap. Updated information is provided in section V.E below.

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Zoning Consistency

The proposed Planned Development Standards differ from the standards that would generally be applicable based on the Zoning Code (absent Planned Development zoning) in several areas. These include parking, floor area ratio/lot coverage, setbacks, and usable open space. These are discussed further in Section V.F below.

Report Organization

This report is organized into the following sections:

- I. Recommendation (page 1)
- II. Introduction (page 1)
- III. Project Description (page 4)
- IV. Brief Background (page 9)
- V. Analysis (page 9)
 - A. CEQA (page 9)
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 - F. Zoning Consistency (page 19)
- VI. Development Agreement (page 22)
- VII. Commission Recommendations (page 23)
- VIII. Comment Letters (page 25)
- IX. Conclusion (page 26)

III. Project Description

The applicant is proposing to construct a 71-unit student-oriented housing project with 440 beds, a leasing and management office, a secure indoor bike parking room with a maintenance and repair shop, an "amenity plaza" for group gathering, outdoor projection wall, fitness center and yoga facility, club room, study lounge, and a top-floor interior resident lounge. The necessary land use entitlements include:

- General Plan Amendment;
- Rezone;
- Final Planned Development;
- Development Agreement; and
- Site Plan and Architectural Review.

The project site is 1.045 acres in size and is located at 525 Oxford Circle. The site fronts Russell Boulevard, across from the Orchard Park Apartments site, in the vicinity of the UC Davis campus. The site was previously developed with a two-story building, parking lot, and landscaping that was occupied by the Sigma Nu Fraternity. The building was approved for demolition by the City in October 2017 and was removed from the site January 2018.

Surrounding uses consist of student-oriented apartments to the west, east, and northeast, and Oxford Circle Park to the north and northwest of the project site. Russell Boulevard is due south of the project site and forms the city limits at this location. The site of the former Orchard Park Apartments, south of Russell Boulevard, is on the UC Davis campus which is

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located outside of the city limits, within the unincorporated area of Yolo County. UC Davis is undertaking a planning process to redevelop this site as student housing.



Project Site Location

The proposed residential structure would consist of seven stories totaling 85 feet in height (excepting the parapets, elevator and stair penthouses, and mechanical equipment). Each unit contains three to five bedrooms, ranging in size from 1,222 to 2,052 square feet (sf). Of the 283 total bedrooms included in the proposed project, 126 bedrooms would be single occupancy and 157 bedrooms would be double-occupancy; thus, the total beds for the proposed project would be 440. See Attachment #11 for Project Plans.

The first level of the proposed structure would include vehicle parking areas, bike storage, the leasing office, and various accessory uses such as a trash enclosure, and utility rooms. Parking would be provided for 71 vehicles on-site which would be accessed from a single driveway on Oxford Circle. Bicycle parking would include space for 441 bicycles in the secured first floor area. In addition, 92 short-term visitor bicycle parking spaces would be located along Oxford Circle and Russell Boulevard.

Ground level includes:

- 71-space naturally ventilated parking garage with electric vehicle charging stations.
 Access is direct from Oxford Circle and vehicles are fully concealed from Russell Boulevard.
- 3,500 sf secure indoor bike parking room for 441 bikes with 92 bike spaces for guests accessible at grade level from both Russell Boulevard and Oxford Circle. Also included in the bike room is a bike maintenance and repair shop available for use by any of the residents.

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- 1,900 sf leasing and management office with employee collaboration space, student
 orientation center and mail room. This space is located to provide an open and central
 nexus for public access from the Russell Boulevard bike path, the bike and vehicle
 parking areas and the central elevator core to the common use and residential floors
 above.
- Stepped planter and informal meeting and gathering spaces at the building edge fronting Russell Boulevard and the main City east-west bike path. This feature serves as a symbolic as well as functional "front porch" to the project.
- Trash and recycling room, building mechanical rooms.

Second level includes:

- 7 residential apartments.
- Outdoor "Amenity Plaza" for group gatherings, outdoor fitness, study and socializing. The space includes some completely open areas and some areas under roof, for use in all weather.
- Outdoor projection wall for movies and sporting events.
- 1,800 sf "Fitness Center" and yoga facility.
- 3,100 sf "Club Room" with game and lounge spaces and media facilities.
- 1,500 sf "Study Lounge" with micro conference rooms and diversity of study environments.
- Stair and elevator access to both north and south entries.
- Trash chute to garage level trash and recycling.

Residential Floors 3-7 include:

- 13 residential apartments per floor, (12 units on Floor 7).
- Informal exterior decks at "bridge" connections for study and lounging.
- Top-floor interior resident lounge with flexible programming (Floor 7).
- Trash chute to garage level trash and recycling room.

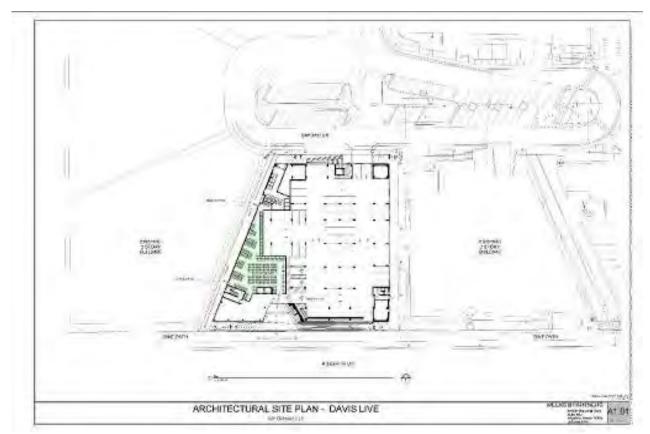
Residential units include:

- Full furnishing of all apartments.
- Washer/dryer in each unit.
- Dedicated study spaces in larger units.
- Options to have private or shared room.
- Larger kitchens to accommodate up to 8 residents.
- Additional privacy and security features for residents.

As addressed in Exhibit G of the Development Agreement, the City and the Developer have agreed that environmental concerns and energy efficiency are an important concern. The sustainability and primary energy efficiency standards of the State of California, through CALGreen (California Green Building Standards Code Part 11 of Title 24, California Code of Regulations) will be the basis for determining project compliance. The base CALGreen requirements meet all of the LEED prerequisites and also earn points towards certification, if desired. The City is currently requiring CALGreen Tier 1 compliance. Staff is studying LEED and CALGreen voluntary measures (Tiers) in order to determine LEED Gold equivalency using CALGreen as the metric for compliance. The project will be required to meet CALGreen and Energy Code compliance that will be essentially equivalent to

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LEEDv4 Gold. In addition, the project will meet a minimum of 15% above the 2016 California Building Energy Efficiency Standards (Title 24, Part 6 of the California Code of Regulations.



Site Plan



Building Elevations

Property Information

Project Location: 525 Oxford Circle (APN: 034-252-12)

Existing General Plan: Residential – Medium High Density

Proposed General Plan: Residential – Very High Density

Existing Zoning: Residential High Density (R-H-D)

Proposed Zoning: Planned Development

Proposed Density: 68 units per acre (71 units/1.045 acres)

Adjacent Land Uses and Zoning

Direction	Existing Uses	Zoning
North:	Oxford Circle Park and Emerson Hall	R-H-D
South:	Vacant UC Davis housing redevelopment	UCD/County
	parcel (former Orchard Park Apartments)	
East/West:	Apartments	R-H-D

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IV. Brief Background

The project site was previously developed with a two-story building occupied by the Sigma Nu Fraternity. It was purchased by the applicant in March 2017. The building was in poor condition and had been vacant. The proposed demolition was reviewed by the Historical Resources Management Commission (HRMC) on October 16, 2017 (Minutes included as Attachment #15). The HRMC concluded that neither the building nor the site had historic or cultural significance. The demolition work was completed in January 2018.

V. Analysis

The analysis in this section of the staff report is intended to address the concerns of the Planning Commission at its May 23, 2018 hearing.

A. CEQA

The project qualifies for two statutory exemptions from the California Environmental Quality Act (CEQA): Public Resources Code (PRC) Section 21094.5 (Infill Project) and PRC Section 21155.1 (Transit Priority Project). The requested General Plan Amendment to create the Very High Density and Rezone to Planned Development facilitate the project's ability to implement the Transit Priority Project.

The proposed project is located on an infill site within an Established Community growth type category as designated in the Sacramento Area Council of Governments (SACOG) Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS). On March 2, 2018, SACOG determined that the proposed land use, density, and building intensity are consistent with the assumptions of the MTP/SCS for such communities. A second letter was received from SACOG on June 21, 2018, which confirmed the consistency and shows that the site is within ½ mile of a transit corridor. The SACOG letters are included as Attachment #8. The project's consistency with the MTP/SCS, location in an Established Community, and compliance with the land use, density, and transit requirements of the MTP/SCS qualify it as a Transit Priority Project under the MTP/SCS.

The Planning Commission, at the May 23, 2018 meeting, expressed that they did not have sufficient information to determine whether the proposed project would satisfy the criteria set forth in PRC Section 21155.1 for exemption from CEQA as a Transit Priority Project. Staff has considered feedback from the Planning Commission and updated the Transit Priority Project analysis, providing additional discussion and justification for consideration by the Commission. The updated analysis, included as Attachment #7, demonstrates that the proposed project meets the relevant criteria and is statutorily exempt from further CEQA review.

One of the issues raised by the Planning Commission was that despite the fact that the project was 71 units, it contained 440 beds and did not meet the restriction in PRC Section 21155.1(b)(2) (Transit Priority Project) providing that Transit Priority Projects may not exceed 200 units. The City's Municipal Code defines a dwelling unit as "one room, or a suite of two or more rooms, designed for or used by one family for living and sleeping purposes and having only one kitchen or kitchenette." By this definition, the

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project has 71 units. However, Planning Commissioners expressed concern that the Project would include more residents than would live in 200 "typical" units in the City of Davis. The City's Housing Element provides that the average household size in the City is approximately 2.5 residents per unit, while demographic information provided by the California Department of Finance currently estimates the household size in the City of Davis at 2.63 residents per unit. (See California Department of Finance E-5 Population and Housing Estimates for Cities, Counties and the State, 2011-2018, www.dof.ca.gov/Forecasting/Demographics/Estimates/E-5.) Assuming the size of a "typical" unit is equal to the average in the Housing Element, the 440 beds at 2.5 residents per unit would be equivalent to 176 units, then 2.63 residents per unit would be equivalent to 167 units; both of which are lower than the 200 units maximum that is established for Transit Priority Projects.

Since the May 23rd Planning Commission hearing, in addition to the PRC Section 21155.1 exemption originally identified, staff has determined that the project qualifies for a second statutory exemption under PRC Section 21094.5 and CEQA Guidelines Section 15183.3 for infill projects. Attachment #6 contains the Infill Environmental Checklist demonstrating that the project would not result in significant effects on the environment that have not already been analyzed in a prior EIR, that are more significant than previously analyzed, or that uniformly applicable development policies would not mitigate to acceptable levels, and thus qualifies for the Infill Project exemption.

B. Affordable Housing

The applicant's original affordable housing program titled "Davis Live Dream" or DLD, presented to the Planning Commission at its May 23, 2018 hearing, proposed that 12% of the Davis Live Project or 53 beds be designated as affordable, with the beds integrated throughout the project among market-rate beds in double occupancy rooms.

Consistent with feedback from the Planning Commission and the Social Services Commission (see Section VII below for further discussion), the applicant has since revised the DLD to provide 15% of the project, or 66 beds designated as affordable. The DLD Program proposes that 5% of all beds would now be affordable in each of the three targeted affordability categories: Extremely Low (22 beds), Very-Low (22 beds), and Low (22 beds). The DLD Program proposes to provide affordable housing on a bed basis rather than unit basis, and the affordable beds would be integrated throughout the project among market-rate beds in double occupancy rooms so there would be little difference in the accommodations offered to residents under the DLD Program other than the rental value. Access to project amenities and living experience would be the same for all residents. The program is not exclusive to students and will be offered to all potential financially dependent and financially independent residents. The DLD Program will run in perpetuity with the property.

The DLD Program is intended to comply with the alternative rental housing requirements set forth in Section 18.05.060(b) of the Municipal Code. That code section provides that the City Council will consider certain factors in determining whether to approve an affordable housing plan pursuant to the alternative compliance. Among

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those factors are the following:

- Whether the market rate component and/or the affordable component of the proposed development is anticipated to meet a specific housing need as identified in the city's housing element or general plan policies. This project will provide both affordable and market rate housing to students. Student housing is specifically called out in the City's General Plan and Housing Element as a need in the City.
- Whether the market rate units are anticipated to provide housing to low or moderate income households through the incorporation of design components that will encourage greater affordability including reduced unit sizes and reduced utility costs. The rental by the bed offers an opportunity for individuals to rent living accommodations for less than would be possible if they were seeking to rent a small apartment on their own. This rental structure provides a certain level of "affordability by design", even for the market rate units.
- The extent to which the proposed development furthers other land use goals of the city, including, but not limited to, reductions in the need for private vehicles and the encouragement of development consistent with the Metropolitan Transportation Plan/Sustainable Communities Strategy adopted for the Sacramento region by the Sacramento Area Council of Governments. This project is a Transit Priority Project that is consistent with the MTP/SCS.
- Whether the affordable component is provided on a bed or bedroom basis, that encourages greater integration of the affordable and market rate components of the project. This project provides the affordable housing on a bed basis, with the eligible residents fully integrated into the units with access to the same amenities that are available to the market rate residents.
- The affordability mix shall have a target of five percent low, five percent very low and five percent extremely low recognizing that the number of units, bedrooms or beds may be adjusted up or down based on the income and rent levels proposed. The project is consistent with this affordability target.

The DLD Program would be run by the management team for Davis Live and Greystar Student Living, Davis Live's property manager, with the intention to fully integrate prequalified residents of the program into the entire community at Davis Live. Presently, Greystar manages two housing properties in Davis and is experienced with affordable housing management locally.

Applications for existing residents in the subsequent year will be due by March 1st. Applications for new residents in the subsequent year will be due by March 31st. Should qualifying tenant applicants outnumber available beds, a waitlist will be established that will rank the priority of placement based upon a combination of need and timeliness of the application. If fewer applications than beds in the DLD Program are received by May 31st of the year for the program, the unplaced DLD-allocated beds may be filled by applicants for Davis Live at market rates. For 90 days prior to assigning the DLD-allocated beds to non-DLD residents, the Davis Live management will make a good faith effort to outreach to potentially eligible DLD Program Participants using the

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marketing efforts identified in Exhibit E to the Development Agreement. However, for any undersubscribed year, Davis Live agrees to pay the City of Davis' Housing Fund an amount equivalent to the sum of the annual discount for each bed that is not occupied by a qualified resident. If Davis Live is unable to fully rent the DLD Program beds to qualified residents for three (3) consecutive years, the Davis Live ownership will modify the DLD Program to more effectively address the affordable housing needs and community purpose. At the start of each new lease year, Davis Live will again start to actively seek eligible applicants for the DLD Program with the goal of filling all beds in the program each year.

C. Transportation

Transportation Study. Although the project is exempt from CEQA, staff engaged Fehr & Peers to do a traffic operations analysis for the purpose of identifying conditions of approval and determining consistency with City infrastructure assumptions. The study as provided to the Planning Commission May 23rd, was revised and resubmitted on June 2018. The modifications included a corrected on-site parking number to reflect the current proposal of 71 parking spaces and site plan. In addition, text was added to pages 17 and 18 to further explain the consideration of on- and off-site parking in the project trip generation estimation process. This change was not substantive, did not alter the subsequent analysis, and merely served to provide additional background information for the reader. The revisions also added City parking permit maps to the Appendix.

The study included the following six intersections in the vicinity of the project:

- 1. Sycamore Lane / Wake Forest Drive
- 2. Sycamore Lane / University Mall North Driveway
- 3. Sycamore Lane / University Mall South Driveway
- 4. Russell Boulevard / Orchard Park Drive
- 5. Russell Boulevard / Sycamore Lane
- 6. Russell Boulevard / Anderson Road

Trip generation for the proposed project was based on counts at other apartments in Davis and was based on a per bed rate, taking into account the reduced number of parking spaces. The vehicle trip generation rate used is approximately 1.44 vehicle trips per bed on a daily basis, 0.05 vehicle trips in the AM peak hour, and 0.10 vehicle trips in the PM peak hour. Overall trips are shown in the table below.

Apartment	Pode	Daily	AM Peak Hour			PM Peak Hour		
	Beds	Trips	Trips	In	Out	Trips	ln	Out
Davis Live	440	636	23	11	12	46	22	24

Source: Fehr & Peers, 2018.

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Chart 1
AM and PM Peak Hour Travel Mode Split

Transit 8%
Walk 17%

Bike 58%

Fehr and Peers also analyzed modal split as shown below.

Based on the travel mode split, the calculated number of peak hour bicycle, walk and transit trips are shown in the following table.

Travel Mode	AM Peak Hour Trips	PM Peak Hour Trips
Bicycle	78	156
Walk	23	46
Transit	11	22

Based on the trip generation and travel mode split, the traffic analysis determined that the proposed project would not result in significant impacts to the study intersections under Existing Plus Project and Cumulative Plus Project conditions.

The traffic study identified recommended controls for construction traffic and therefore, a standard project condition of approval related to construction traffic management has been included for the proposed project (Condition #32).

D. Trees

Landscaping of the site would include three 15-gallon Crepe Myrtle trees along the Oxford Circle frontage with shrubs and grasses along the Russell Boulevard frontage. The conceptual landscape plan is included below. The applicant proposes to remove existing on-site trees along the east and west boundaries of the site to accommodate site drainage; however, the four mature cork oaks and two Chinese hackberry trees along

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the Russell Boulevard frontage would remain and be protected (Condition #77). The 10-foot side yards would include bioretention planters which serve the purpose of water quality as well as infiltration.

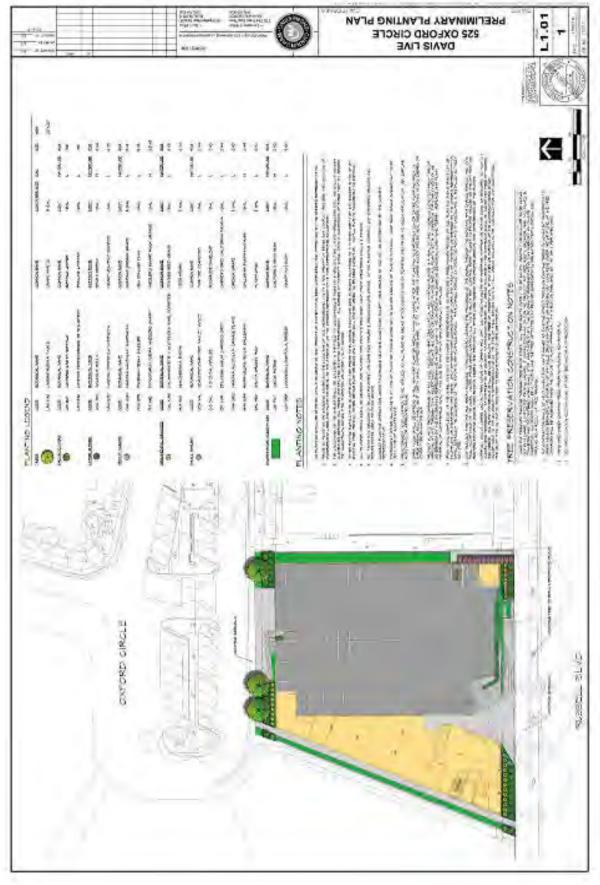
As part of the demolition plan for the Sigma Nu Fraternity, an Arborist Report (Attachment #10) was prepared. The Arborist Report described all trees that existed on the project site prior to demolition, including the street trees in the planting strip along Russell Boulevard. The street trees consist of four cork oaks and two Chinese hackberry. These street trees would be preserved as part of the project and would continue to provide a substantial screen of the project site when viewed from Russell Boulevard.

The remaining on-site trees consist of 28 Italian cypress, one Grecian laurel, and one fig along the western property line, and eight Chinese hackberry along the eastern property line. The supplemental tree exhibit, provided by the applicant, shows the 38 trees that remain on-site, which would be removed as part of the project (see below).

The Planning Commission expressed concern that removing the trees would not be in character with the surrounding area because neighboring parcels are delineated by trees along the property lines. The applicant has indicated that the additional on-site trees cannot be avoided for the following reasons:

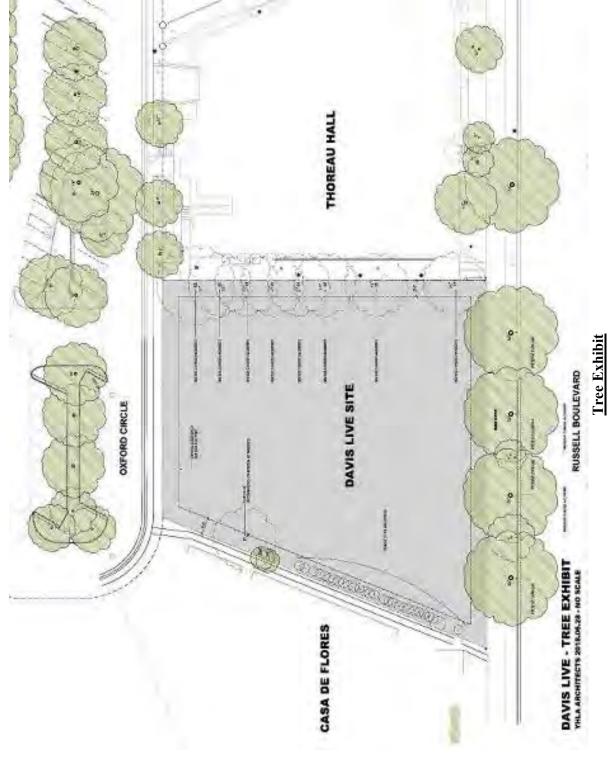
- 1. The perimeter locations where the trees are located need to be used for bioretention planters and bioretention planters are not compatible with tree planting for two reasons: a) The trees are not able to withstand total water immersion during rainy months; b) The tree root systems would interfere with the proper functioning of the filtration media in the bio-swale itself.
- 2. The trees will likely be damaged during building construction and will also not fit with the code-compliant north-south walkway on the western property line.
- 3. If the applicant moved the north-south bike path to an alternative location to preserve the trees, the path would no longer connect to the bike path a requested by the Bicycling, Transportation, and Street Safety Commission (BTSSC).

Staff has explored other stormwater options with the applicant's engineer and staff has determined that the removal of the trees is necessary to satisfy stormwater requirements. An alternative mechanism for treatment and volume could include underground vaults, but the vaults do not accommodate infiltration and may result in increased runoff from the site. Therefore, staff is recommending the proposed bioswales. Most established buildings and sites in the neighborhood were constructed without the storm water quality features that are now mandated by the State and hence were able to install trees in confined spaces. There are environmental/clean water and groundwater replenishment benefits to storm water treatment, so those benefits help balance the urban forest considerations. Staff considers the Cork Oaks along Russell Boulevard to be the dominant trees in establishing community character. The trees on the internal property lines are of lesser importance.



Conceptual Landscape Plan





E. City Growth Policy

Resolution #08-019 of 2008 updated the 1% growth cap guideline established by City Council, which was amended in Resolution #11-077 of 2011. The Resolution establishes a residential growth cap of 1% per year, or approximately 260 "base" units. Affordable housing, units in vertical mixed-use buildings, and accessory dwelling units are exempt from the cap. Additionally, the City Council may approve an infill project that provides for a particular community needs with extraordinary community benefits, even if it would cause an exceedance of the annual growth guideline of 1%.

On April 3, 2018, a Residential Development Status Report staff report was given to City Council. The report forecasted potential residential development to ensure that the 1% growth cap is not exceeded and to determine if different directions should be taken in terms of amount and types of housing. The report estimated that building permits might be issued for approximately 984 total potential residential units in the next five calendar years between 2018 and 2022. Planning Commission, on June 13, 2018, requested updated information, including projects that have been placed into consideration since April. The following table provides updated information.

Based on the information in the table, if all proposed projects were approved and built within five years, the total could be 269 to 281 units per year. This is modestly above the 260-unit 1% base rate. Council, however, has the option of determining whether any of the infill projects provide extraordinary community benefit which would exempt those projects from the 1% growth cap. Similar to Nishi, staff finds that this high-density student-oriented project, across the street from UC Davis and in close proximity to other services, provides an extraordinary community benefit, and is recommending that the City Council make such finding as part of the findings for this project. Davis Live would not, by itself, cause the 1% growth cap to be exceeded. In addition, there has been less than 1% growth in prior years. Therefore, Council has the ability to roll over multifamily rental units and accumulate over several years. This provision, for example, could allow the 160 Sterling multi-family units to use allocations from prior years, which would result in well below the 1% growth cap for all other pending/approved projects over the next 5 years. An update of this analysis of the growth cap will be included in subsequent project staff reports as the pending individual projects are brought forward for consideration.

Potential Units 2018 through 2022 (5 Calendar Years)				
Site	Total potential units	Units subject to 1% cap ¹	Types of units	
The CannerySingle family,condominiums, mixed use	300	288	Single family, ADUs, condominiums, mixed use	
• ADUs	18	0		
Chiles Ranch	106	84	Single family (market and affordable), ADU's	
Grande	19	19	Single family	
Villages at Willow Creek	15	15	Single family	
Creekside, 2990 Fifth St.	90	0	Affordable apartments	
Sterling Fifth St. Apts. Student-oriented Mutual housing (affordable)	160 38	160 0	Apartments (student-oriented and affordable)	
Lincoln 40, Olive Dr.	130	117	Apartments (student oriented)	
717 D St.	8	8	Single family attached	
Trackside	26	0	Vertical Mixed-Use	
Nishi	700	0	Infill, extraordinary community benefit (Measure R approval)	
West Davis Active Adult Community	560/2	215	430 non-exempt units, assumed buildout over five years 2020-2025	
Davis Live (Oxford Circle)	71	0-60²	This project has the potential to be determined by Council as meeting the threshold of providing extraordinary community benefit	
Plaza 2555 (Research Park Drive)	200	170²		
University Research Park	144	0	Vertical mixed use	
3820 Chiles Road	222	189²		
University Mall redevelopment	174	0	Vertical mixed use	
Other zoned sites: Scattered single family; ADUs; underutilized R-2 and R-3 zones; and downtown infill	100	80	Single family, apartments, condominiums (projected)	
Total units	2,800 (=560 av/yr)	1,345-1,405 (=269-281 av/yr)	1% growth estimated at 260 "base" units in 2008	

¹Explanation of "Units subject to 1% cap" column above. These units are subject to the 1% growth cap resolution #08-019. Exempt are: (1) permanently affordable units; (2) units in vertical mixed use buildings; and (3) accessory dwelling units. Council has the flexibility to designate a portion of the yearly amount to multi-family rental units that can be rolled over and accumulated over several years as needed. In addition, Council may allow an infill project which provides for particular community needs with extraordinary community benefits, even if it would cause an exceedance of the annual growth guideline of 1%. Staff assumes that the Nishi project falls within this category.

² 15% affordable housing assumed

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F. Zoning Consistency

The proposed Planned Development standards differ from the Municipal Code in several areas. These include parking, floor area ratio/lot coverage, setbacks, and usable open space. Planned Development zoning allows for deviations from the standards normally required for specific uses, if the total development will be improved by deviation from those standards. (Davis Municipal Code §40.22.160.)

<u>Parking</u>. The City of Davis Municipal Code requires two vehicle parking spaces for each apartment with three or more bedrooms. (Davis Municipal Code, § 40.25.090.) With two exceptions discussed below, these standards apply citywide to residential use, regardless of the density of development or the development's proximity to transit, commercial uses, and other uses. The City also requires the equivalent of one bicycle parking space (0.75 long-term and 0.25 short-term) per bedroom.

The project proposes one vehicle parking space for each unit, one long term bicycle parking space per bed, and 0.2 short term bicycle parking spaces per bed. Thus, the proposed project provides 50 percent fewer vehicle parking spaces and nearly twice as many bicycle parking spaces than required by the Davis Municipal Code.

The applicant designed the project with these features based on the project's proximity to UC Davis, the Davis Downtown Core, grocery and other shopping, Amtrak, and bus lines; the robust bike culture in the City of Davis; the availability of two electric carshares dedicated to the proposed project; the City's goals of reducing greenhouse gas emissions and car dependence; the project orientation to students; and the statewide focus on reduced car reliance. The project is constructed within an MTP/SCS transit priority area, within walking distance to the UC Davis campus and the Downtown Core. The project is served by Unitrans and is within one-quarter mile of transit line B, and one third mile of transit lines J and G providing easy access to UC Davis campus. It is also adjacent to the high-quality transit corridor on Russell Boulevard. (See SACOG letter, Attachment #8.)

The proposed project is an infill project consistent with the City's goal of promoting infill development. The General Plan recognizes that one of the challenges for infill development is accommodating the City's parking requirements in the limited-space infill sites. (General Plan, p. 53.) The City's Interim Infill Guidelines as well as the proposed Draft Guidelines emphasize the importance of providing a balance between the need to provide adequate parking and the benefits of reducing automobile travel. (Interim Guidelines, #23; Draft Guidelines, Principle # 7.)

The project as proposed balances the need to provide adequate parking and the benefits of reducing automobile travel, considering the following factors: 1) other portions of the Davis Municipal Code where parking requirements are reduced for residential uses in close proximity to transit and other uses; 2) data from the UC Davis Campus Travel Survey; 3) data on car ownership trends when car share options are available; 4) requests from the BTSSC; and 5) project design.

Davis Municipal Code

The City of Davis' Municipal Code demonstrates that the City has allowed reduced parking requirements in areas of the City where development is dense and in close proximity to other uses. For example, the Mixed Use District permits one and one half parking places per three bedroom unit (Davis Municipal Code, § 40.15.090(d)) and the Central Commercial District permits one parking space per bedroom for three or more bedrooms (§ 40.14.090(d).) These provisions of the City's Code demonstrate there are scenarios in the City where the City is willing to find that reductions in parking are appropriate.

UC Davis Campus Travel Survey

The UC Davis Travel Survey further supports the conclusion that fewer than 142 parking spaces is appropriate for this project. The UC Davis Campus Travel Survey is the best indicator of UC Davis student's travel habits. Although not exclusively available to students, the proposed project is designed to meet the need for student housing in Davis, and given the proximity to campus, the design and the rental structure, all of which are geared toward student residents, the proposed project will likely be predominantly occupied by students. It is therefore appropriate to take their travel and transportation patterns into account in the design of the project.

The most recent Campus Travel Survey was conducted in 2016-2017. The Survey takes into account Davis students and employees. It concludes that *overall*, approximately 37 percent of students and employees bike to campus, 8 percent walk or skate, 30 percent drive alone, 5 percent carpool or get a ride, 19 percent ride the bus, and one percent ride the train. However, for students and employees *who live within one mile of campus*, approximately 73 percent walk, 17 percent bike, 3 percent drive alone, 2 percent carpool and 6 percent ride the bus. Based on this data, at worst, 5 percent or 22 residents would use their cars to travel to school.

The Survey demonstrates that a reduction in the required number of spaces is appropriate for this project.

Individual Car Ownership Data

The project will include at least two dedicated electric cars from Envoy, a car share program. If sufficient demand exists, four vehicles can be made available. Data demonstrates that the availability of carshares reduces reliance on individually owned cars, especially in the university context:

- University of California, Berkeley research found that the availability of car sharing in their campus allowed 30 percent of students who lived on campus to leave their personal cars at home.
- Recent research shows vehicle ownership is significantly lower in buildings with both carsharing nearby and unbundled parking.
- A North American carsharing member survey demonstrates that carsharing facilitates a substantial reduction in household vehicle holdings.

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¹ Heckathorn, Drew & Dr. Susan Handy (July 2017) <u>Results of the 2016-2017 Campus Travel Survey</u>, Institute of Transportation Studies at ES-1 through ES-2.

² Id at 35.

A survey of car sharing programs suggests that adding another vehicle to the fleet
of shared cars would replace nine to thirteen privately-owned vehicles among
members of carsharing services, and would contribute to a 27-43 percent reduction
in VMT.

(See Attachment #12, Bibliography of Carshare data.)

Therefore, the availability of carsharing onsite reduces the number of parking spaces necessary for the project.

Bicycling, Transportation, and Street Safety Commission

The BTSSC suggested the project should further reduce the parking available, below the 71 spaces proposed, in order to encourage alternative uses of transportation. In fact, in some cities such as Sacramento and Oakland, projects near transit service are approved without any parking requirements. Although the need for parking at the project is less than it is in other places in the City, the applicant is desirous of providing some onsite parking.

Building Design

The project total "buildable area" is 38,525 sf, of which the building footprint will occupy 30,439 sf. Adjacent front and side yards allow space for stepped planters, informal meeting space, bioretention planters, landscaping and necessary paved walkways for building access and egress. To maximize bike and vehicle circulation, parking must be located on the ground level. An increase in the number of vehicle parking spaces would lead to a decrease in the number of bicycle parking spaces. Based on the location of the project, and the likely demographic of its residents, one bicycle parking space per resident is a key component of the project.

Further, the project is a Transit Priority Project, which is intended to reduce vehicle miles traveled by reducing reliance on travel by motor vehicles. This project not only has the benefit of its proximity to transit and services, but also proximity to the UC Davis campus, which many of the project residents are likely to attend. These facts make a car less necessary, and the lack of available parking in the project will likely create a disincentive for residents to own cars, or to bring their cars from home. The number of parking spaces allowed in the Planned Development district established for this project takes these factors into consideration, along with the fact that the City has allowed for reduced parking in other similar zoning district, that the UC Davis campus Travel Survey suggests that at most 22 of the residents are likely to use a vehicle on a regular basis, and that the BTSSC advocated for less than 71 spaces in the project.

Additionally, as part of the Development Agreement, discussed further below, the applicant has agreed to fund a Community Enhancement financial contribution of \$1,556,544. Of this total, \$500,000 is targeted towards roadway/pedestrian/bicycle improvements that facilitate movement of residents across to campus in the vicinity of the project site.

While the evidence all strongly supports lower parking, and lower parking is consistent with City goals and regional and local trends, as a business practice the developer does not want to underestimate need or the ability to control demand, therefore the proposal

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is for 71 spaces, which equates to an average of one space per unit. Overall, the reduction in parking is consistent with the City's goals to increase sustainability and reduce the reliance on automobiles.

Based on this evaluation, City staff has determined that the 71 spaces is an appropriate amount of parking for the project.

Floor Area/Lot Coverage. The City Code generally provides for a maximum floor area ratio of 2.0 and lot coverage of 50%. (Davis Municipal Code §40.09.060(d).) The applicant is proposing a floor area ratio of 3.34 and a lot coverage of 67%. Staff supports the proposed density, increased floor area ratio, and lot coverage at this location, particularly given the proximity of services and amenities. The development is consistent with smart growth principles and consistent with regional and City goals for increased density on infill properties.

Setbacks. The City Code requires a base setback of 10 feet for the front and rear and 5 feet for each side. (Davis Municipal Code §40.09.060(f).) Additional setbacks of 1 foot for each 3 feet of building height is required. This would result in a front and rear setback of 35 feet and a side setback of 30 feet for the proposed seven-story building. The applicant is proposing 10-foot setbacks for all sides of the building. Staff finds that in order to accommodate the proposed density which is desired for the subject infill lot in close proximity to services and amenities, the reduced setbacks are justified.

Usable Open Space.

The City Code requires 25% usable open space for a multi-family development. The applicant is proposing 20%. (Davis Municipal Code §40.09.060(c).) The proposed project includes a combination of indoor and outdoor amenities such as the outdoor "Amenity Plaza" for group gatherings, as well as a fitness center and yoga facility, club room, and study lounge. In addition, a top floor lounge is provided with flexible programming. The project site is located near a park and across from the UC Davis campus containing usable open space. Therefore, staff believes the reduction in on-site usable open space is appropriate.

VI. <u>Development Agreement</u>

An updated Development Agreement is included in Attachment #5. The Development Agreement is substantially the same as that provided to the Planning Commission on May 23, 2018. The Development Agreement incorporates the applicant's updated Affordable Housing Plan, as well as an updated Sustainability Implementation Plan.

VII. Commission Recommendations

Bicycling, Transportation, and Street Safety Commission (BTSSC)

The proposed project was heard by the BTSSC on May 10, 2018. Draft minutes from the BTSSC meeting are included as Attachment #13. The BTSSC supported the request for reduced parking and increased bicycle parking on-site. The BTSSC also supported the applicant's proposal for the car and bike share components of the project. The following is a bulleted summary and response to the recommendations provided by the BTSSC:

- Consider additional secured bike parking
 - The project exceeds City requirements in order to make this a bike-friendly project and enable the applicant to reduce vehicle dependency and parking. The project is providing a total of 533 spaces for bicycle parking. This is 228 more long term spaces than indicated by the Municipal Code and 21 more short term spaces than indicated by the Municipal Code. Based on the architect's analysis of the project and similar other projects, the ratio of short- term bike parking, long-term bike parking, and vehicle parking for the project is appropriate. The applicant believes it is important for every resident (thus 440 minimum) to have a bike storage space in an indoor, well-lighted and secure bike room as is proposed. Therefore, additional secured bike parking is not merited.
- Ensuring easy access to and internal circulation within the secured bike parking facility.
 - Staff has added a condition of approval requiring the design to ensure ease of access and internal circulation within the secured bike facility to the satisfaction of the City's bike/pedestrian coordinator (Condition #53).
- Ensuring non-traditional sized bikes can be accommodated in the secured bike parking facility.
 - Staff has added a condition of approval that 8-10 spaces for larger bikes be included in the secured bike parking area. This number is based upon approximately 1.5 to 2% of the bike parking spaces (Condition #53).
- Provide access to the secured bike parking facility from the north side of the project.
 - O The applicant has indicated that access can be provided via a lighted, paved path that extends north-south along the west property line and connects Russell to Oxford. Two bike room entry doors would be located on this path one on the north near Oxford and one on the south near Russell. A condition of approval has been added to ensure the access is provided (Condition #53).
- Concern about security of short-term bike parking on Russell Boulevard.
 - The short-term parking is proposed to be located along Oxford Circle and Russell Boulevard. The location is typical of short-term parking and is in a visible location.
 - O Security for the short- term parking is consistent with that in Downtown Davis and on campus. The project proposes durable outdoor bike racks with two points of contact that accommodate U-locks. They will be well lit at night and directly adjacent to the building. Staff believes the current proposal is adequate.

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Social Services Commission (SSC)

The proposed project was heard by the SSC on May 21, 2018. Minutes from the SCC meeting are included as Attachment #14. Social Services Commission (SSC) held a public hearing on the project's affordable housing plan (known as "Davis Live Dream" or DLD). By a vote of 5-1, the Commission provided the following feedback on the DLD program for consideration by the City Council:

- Consider increasing affordability percentage from 12% to 15%.
 - The DLD program has been amended to propose 15% affordable beds. In addition, the applicant has committed to an affordability mix of 5% low, 5% very low and 5% extremely low, consistent with City targets.
- Explain why the program is offered by the bed rather than by the unit.
 - Consistent with section 18.05.060(b), the DLD program offers affordable housing by the bed. Because the DLD Program provides affordable housing on a bed basis rather than unit basis, the affordable beds will be integrated throughout the project among market-rate beds. The dual occupancy units available to participants in the DLD program will be no different from those available to non-participants and all residents will have equal access to the Davis Live amenities.
- Consider constructing fewer bathrooms to make room for additional beds to help achieve an affordability percentage of 15%.
 - O The project is providing 15% affordable beds (5-5-5). Modifications to increase the number of beds and/or remove bathrooms are not proposed.
- Market the beds available as part of the DLD program for at least 60 days.
 - The DLD program will be marketed for 90 days every year as reflected in Exhibit E of the Development Agreement.
- Provide the formula for how the applicant will calculate the amount of money to be contributed to the City's Housing Trust Fund should the applicant not find eligible residents for the affordable beds.
 - o Given that, for example, during the 2015-16 school year, over forty percent (40%) of full-time UC Davis undergraduate students were designated low income by the federal government, the applicant does not anticipate any difficulty fully subscribing the program annually. However, for any undersubscribed year, Davis Live agrees to pay the City of Davis' Housing Fund an amount as defined below:
 - ➤ Extremely Low Income: Contribution = [market rate rent] 30% of 30% of Yolo AMI
 - \triangleright Very Low Income = [market rate rent] 30% of 50% of Yolo AMI
 - \triangleright Low Income = [market rate rent] 30% of 80% of Yolo AMI
- Consider greater integration of affordable beds by having some of the affordable beds in single-occupancy rooms.
 - The applicant considered modifying the affordable beds to accommodate singleoccupancy rooms, but determined it was not feasible. The applicant is proposing that

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more than half of the units at Davis Live will have double occupancy. Providing the affordable beds in double-occupancy rooms enables an increase the number of affordable beds. All residents, whether in a single-occupancy or double-occupancy room have access to all amenities throughout the entire Davis Live property, including fitness room, study areas, top floor lounge, as well as any retail establishment on the premises. Staff concurs that the provision of affordable beds in double-occupancy rooms is acceptable.

- Explain the qualifications required for non-students to participate in the program.
 - O The DLD program has been revised to make it clear that both students and non-students may apply for and participate in the program. While sources of income may differ between students and non-students, the program proposes no distinction between the criteria required for students or non-students to participate in the program. Specifically, for all participants in the program, the annual income limits for the DLD Program's operation will equal: thirty percent (30%) of Yolo County AMI for a single person household (Extremely Very Low Income), fifty percent (50%) of Yolo County AMI for a single person household (Very Low Income), and eighty percent (80%) of Yolo County AMI for a single person household (Low Income).

Given that, for example, during the 2015-16 school year, over forty percent (40%) of full-time UC Davis undergraduate students were designated low income by the federal government, the applicant does not anticipate any difficulty fully subscribing the program annually. However, for any undersubscribed year, Davis Live agrees to pay the City of Davis' Housing Fund an amount equivalent to the sum of the annual discount for each bed that is not occupied by a qualified resident.

Planning Commission

As noted above, Planning Commission (PC) heard the project on May 23, 2018. Adopted minutes from the PC meeting are not available; however, the video archives of the meetings can be reviewed on the City's webpage and detail regarding the Commission's final actions are provided on page 2 of this report. Based on a determination that they did not have sufficient information to reach a different conclusion, the Planning Commission voted 5-2 that the project was not statutorily exempt under Public Resources Code 21155.1 and for that reason, the Commission voted 6-1 to not recommend approval of the project entitlements.

On June 13, 2018, staff returned to PC and requested reconsideration of the project in order to allow staff to provide additional information addressing the PC's concerns. The Planning Commission voted unanimously in favor of reconsideration.

VIII. Comment Letters

Comment letters were received from Soluri Meserve, Mark Grote, Roy Benson, Randy Dodd, Linda Chang, and Todd Edelman. In addition, a letter of support has been received from the Chamber of Commerce. All comment letters are provided in Attachment #16. Attachment #17 provides responses to the letters.

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IX. Conclusion

As identified in more detail on page one of this report, staff recommends that the Planning Commission recommend to the City Council that the project is statutorily exempt from CEQA pursuant to Sections 21094.5 and 21155.1 of the Public Resources Code (PRC) and that the project should be approved based upon the findings of fact and subject to the conditions of approval attached to this staff report (Attachments #1 - 5).

Attachments

- 1. General Findings for Project Approval and Conditions of Approval
- 2. Resolution adopting the CEQA exemptions
- 3. Resolution of Intent to Adopt General Plan Amendment
- 4. Ordinance approving the Rezone/Final Planned Development
- 5. Ordinance approving the Development Agreement
- 6. CEQA 21094.5 Infill Project Exemption Materials
- 7. CEQA 21155.1 Transit Priority Project Exemption Materials
- 8. SACOG MTP/SCS Consistency Letters
- 9. Transportation Study
- 10. Arborist Report and Supplemental Exhibit
- 11. Project Plans
- 12. Bibliography of Car Share Data
- 13. BTSSC Minutes
- 14. SSC Minutes
- 15. HRMC Minutes
- 16. Comment Letters
- 17. Responses to Soluri Meserve and Mark Grote Letters