

COMMUNITY DEVELOPMENT DEPARTMENT

23 Russell Boulevard – Davis, California 95616
530/757-5610 – FAX: 530/757-5660 – TDD: 530/757-5666



September 14, 2005

Terry Roberts, State Clearinghouse Director
Governor's Office of Planning and Research (OPR)
P.O. Box 3044
1400 Tenth Street
Sacramento, CA 95812-3044

RECEIVED
SEP 15 2005
DIV. OF HOUSING
POLICY DEVELOPMENT HCD

And

✓ Cathy E. Creswell, Deputy Director
State Of California Department Of Housing and Community Development (HCD)
Division of Housing Policy Development
1800 Third Street, Room 430
P. O. Box 952053
Sacramento, CA 94252-2053

**Subject: City of Davis General Plan Annual Report,
January 2004 Through July 2005**

Dear Ms. Roberts & Ms. Creswell:

The purpose of this letter is to submit the City of Davis General Plan Annual Report pursuant to Government Code Section 65400. This report covers the period from January 2004 through July 2005.

The City of Davis City Council approved the progress report on September 13, 2005.

Should you wish to discuss the progress report, please contact Robert Wolcott in my office or me at (530) 757-5610.

Sincerely,

Bill Emlen
Community Development Director

o/bwolcott/general plan annual report to OPR HCD LAFCO 2005.doc



COMMUNITY DEVELOPMENT DEPARTMENT

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Meeting Date:
September 13, 2005

Item # 8A

Staff Report

September 1, 2005

TO: City Council

FROM: Bill Emlen, Community Development Director
Katherine Hess, Community Development Administrator
Bob Wolcott, Principal Planner *BW*

SUBJECT: General Plan Annual Report Required by State of California, For January 2004
Through July 2005

Recommendation

1. Accept this annual progress report required by State of California.
2. Direct staff to forward the report to the Governor's Office of Planning and Research (OPR) and the State Department of Housing and Community Development (HCD).

Purpose and Contents of Annual Report

Section 65400 of the State of California Government Code requires the planning agency of cities to provide an annual report to their legislative body, OPR, and HCD on the status of the plan and progress in its implementation. The annual report is to be provided to the legislative body, OPR and HCD on or before October 1 of each year. The report may be based on a calendar year. The intent of the statute is to ensure that the General Plan remains an effective guide for the future development of the city.

This report is prepared for the period from January 2004 through July 2005, and contains the following sections:

1. Housing Element and Certification.
2. Directions Regarding Workforce Housing.
3. Amendments to the General Plan.
4. Construction Activity.
5. Financial Implementation of the General Plan.
6. Other Implementation Activities.

Housing Element and Certification

Legal framework. Article 10.6 of the Government Code (Sections 65580-65590) requires all California localities to adopt Housing Elements as part of their general plans. The Housing Element must include identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing. It is also required to identify

adequate sites for housing and provision of housing for the existing and projected needs of all economic segments of the community.

Government Code Section 65400 mandates that all cities and counties submit to their legislative bodies an annual report on the status of the general plan and progress in its implementation, including the progress in meeting its share of regional housing needs and local efforts to remove governmental constraints to the development of housing (as defined in Government Code Sections 65584 and 65583 (c)(3)).

State certification. On May 28, 2004, the State Department of Housing and Community Development (HCD) issued a letter to the City of Davis stating that the Davis Revised Draft Housing Element (with supplemental revisions) will be in full compliance with State housing element law (Article 10.6 of the Government Code) when adopted with all revisions and submitted to HCD for review pursuant to Government Code Section 65585 (g).

On July 20, 2004, the City Council of the City of Davis adopted the Draft Housing Element and staff subsequently submitted the adopted, revised plan to HCD.

Highlights of housing element. Some highlights of the certified housing element are: Housing needs. Section 6 of the draft housing element contains “Housing Needs Assessment”. This section evaluates the existing and projected housing needs of the city relative to the special need groups and all in-come segments. The section evaluated three factors commonly known as indicators of housing needs, which are low vacancy rate, overpaying and overcrowding.

Fair share allocation. The City of Davis will meet and exceed its fair share allocation during the current planning period.

New policies. New policies and actions address various housing needs of the community, such as consideration of accessibility and visitability standards beyond state and federal standards, and requiring affordable housing to be permanently affordable except in cases in which the city determines that permanent affordability is infeasible.

Governmental constraints to housing. Section 8 of the Housing Element addresses the governmental and non-governmental constraints to provision of housing. This section analyzes potential impacts of growth control measures of the City, such as Measure J (Citizens Right to Vote) and the Phased Allocation System.

Areas of focus in implementation. HCD stated that in the annual report on the status of the general plan and progress in its implementation, particular focus should be placed on those actions that will assist the City in accommodating its regional share need, including but not limited to:

- Amending the zoning ordinance and phased allocation ordinance to increase affordable housing opportunities (Housing policy 1.1, Actions c and d);
- Playing a proactive role to more effectively accommodate the housing need of farmworkers (Housing Policy 1.9, Actions a through d); and
- Mitigating potential Measure J impacts (Housing Policy 4.4).”

During this progress report period, the City of Davis has taken the following actions in the aforementioned action areas:

- Increasing affordable housing opportunities. On February 15, 2005, the City Council adopted ordinance 2199, amending the city's existing affordable housing ordinance to update and modify the requirements. These updates included but were not limited to: resale restrictions and a city right of first refusal on affordable ownership units; consideration of assets in the qualification of buyers and tenants for affordable housing; marketing and selection guidelines for buyers and tenants of affordable housing that includes a lottery requirement; and a detailed section on projects exempt by the city's affordability requirements.

The City Council continues to evaluate housing to provide opportunities for the full spectrum of needs and housing types in Davis. The City Council is interested in basing future City residential growth primarily on internal housing needs and in providing diverse housing opportunities, including affordable housing.

Since 2003, the City Council has been reviewing analyses of housing needs. The Council reviewed an "Internal Housing Needs Analysis" report in March 2003, a "Middle Income Housing Analysis - Needs and Impacts" report in August 2004, and an "Implementation Program Options" addendum in February 2005.

In October 2004, the City Council adopted a resolution which provided staff with direction on several key issues pertaining to a middle income inclusionary housing requirement and preferences in new ownership inclusionary housing including a percentage requirement for middle income housing, which units should be subject to a preference system, and which groups should be considered in a preference system. In February 2005 and March 2005, the Council addressed key remaining issues and directed staff to return with the subject amendments to the general plan and municipal code. The City Council may consider these plan and ordinance amendments in the fall of 2005.

- Voter approval of public funds for affordable housing. On November 2, 2004, the citizens of Davis passed Measure S in order to comply with Article 34 of the California State Constitution that requires voter approval whenever public funds are used to build, construct, or acquire affordable rental housing units. The measure allots 50 affordable rental units each year to be built, constructed, or acquired with public funds and allows any unused units to be carried over to the next year's allotment. The allotment was approved with a cap of 150 units at any given time and with a sunset in 2025.
- Mitigating potential Measure "J" impacts. On July 12, 2005, as part of the Covell Village development agreement, the City Council adopted procedures and criteria to clarify the types of modifications or changes that are subject to, and not subject to, additional voter approval pursuant to Measure "J". Measure "J" requires a citizen vote to approve a development project which would change the general plan land use from agriculture use to urban use.

Amendments to the General Plan

From January 2004 through July 2005, the City Council adopted the following amendments to the General Plan text and map:

1. 1666 Da Vinci Court, amending the map from “Business Park” to “Residential High Density”. The project related to this amendment is for 51 apartments which is currently under construction.
2. Housing Element update.
3. 305 Ensenada Drive, amending the map from “General Commercial” to “Residential High Density”. The project related to this amendment is for 25 dwelling units including 15 mixed use units.
4. Harper Junior High School site at 43555 E. Cowell Boulevard, amending map from “Agriculture” to “Public / Semi-public” on 45 acres. The new junior high school opened in September, 2004.
5. 433 Russell Boulevard, amending the map from “Residential Low Density” to “Residential Medium Density”. The project related to this amendment is for 13 dwelling unit equivalents in a living group facility.
6. “Cassel Property” project, amending the map from “Public / Semi Public” to “Residential Low Density”. The project related to this amendment is for 23 residential units. (A resolution of intent was adopted for this amendment and is pending final adoption as part of a “batch” of other pending amendments in 2005.)
7. “Covell Village” project of 422 acres, amending the map from “Agriculture” to several urban land uses including residential. The related to this amendment is for 1,864 residential units. This general plan amendment will be considered by Davis voters on November 8, 2005.

A table of all amendments since the adoption of the General Plan update in May, 2001 is provided in Attachment 1.

Construction Activity in 2004

In calendar year 2004, building permits were issued for 72 single family / duplex units and 63 multi-family units for a total of 135 residential units. Building permits were issued for new commercial and industrial construction with a valuation of \$13,660,274.

From January 2005 through July 2005, building permits were issued for 43 single family / duplex units and 129 multi-family units for a total of 172 residential units. Building permits were issued for commercial and industrial construction with a valuation of \$7,413,160.

Financial Implementation of the General Plan

The public projects in the General Plan are financed through the City’s annual budget and multi-year capital financing plan.

Budget. The budget serves as the city’s primary financial document to guide the City Council and staff through the coming fiscal year. It outlines the major priorities and projects that the city will undertake. It reflects staff time for city programs and services, contracts for maintenance and major construction projects, as well as needed materials and supplies. The budget for the 2005-2006 fiscal year is \$112.9 million including all expenditures planned by the City, including those of the Redevelopment Agency and all internal service charges.

The capital financing plan encompasses two major parts: the Development Impact Fees Study; and the Capital Improvement Projects Master Plan. Together, these documents are the vehicle by which the City implements the vision, programs and projects in the General Plan.

Development Impact Fees Study. This study is the financial analysis of the cost of infrastructure requirements of new development envisioned by the City's General Plan. The study translates the costs allocable to new development into a series of fees that each unit must pay as its contribution toward meeting the additional infrastructure requirements. The study is updated annually to reflect changes in actual and projected development and infrastructure costs.

Capital Improvement Projects Master Plan. This plan shows a five year cash flow derived from the financial analysis and establishes construction priorities based on the timing of available funds. Funding for the capital financing plan derives from a number of sources including: development impact fees; Mello Roos special tax assessments; redevelopment; construction tax revenues; state and UC Davis contributions; enterprise funds; and other. Infrastructure projects include street and other transportation facilities, core area, park and recreation, public safety and open space.

The City attempts to update the five year plan annually to reflect changes in cash flow, project costs and timing. The plan was last adopted in November, 2002.

Other Implementation Activities

Section VIII in the General Plan includes the goals, policies and actions that the City will follow in implementing the General Plan. A summary of the City's current efforts toward the goals is provided below.

Goal 1: Maintain the General Plan and the City's overall planning process as a dynamic, responsive document.

- The City Council approved amendments to the General Plan from January 2004 through July 2005 to respond to changing conditions in the city (see list in the "Amendments to the General Plan" section above).
- In June, 2005, the City Council approved the "Covell Village" project of 422 acres, the largest of the general plan amendments during this report period. The project consists of 1,864 residential units to provide long term housing opportunities for the city, as well as commercial land uses. The general plan amendment for this project will be considered by Davis voters on November 8, 2005.
- In February, 2005 the City Council approved an update to the city's Affordable Housing Ordinance.
- The City is studying its critical housing needs and how to provide housing for local employees.
- The City continues to implement an ordinance regarding the ministerial review of secondary dwelling units and guest houses adopted in May, 2003 pursuant to State legislation. The ordinance encourages the creation of small, second units by streamlining the approval process. Since the adoption of the ordinance, ten secondary dwelling units and guest houses

have been approved without a conditional use permit. In August, 2005 the Planning Commission will be reviewing how the ordinance has worked since its adoption.

- The Council adopted amendments to the City's zoning ordinances for clarification and improvement.
- The City continued to offer a Community Mediation Service.

Goal 2: Promote progressive, innovative and effective citizen-based planning and participation.

- City staff assisted the Sacramento Area Council of Governments (SACOG) in holding public workshops for the "Blueprint" regional transportation and land use study.

Goal 3: Ensure Davis' financial solvency while also setting fees and taxes that are competitive with (those of) surrounding communities.

- The City annually updates its capital financing plan.

Goal 4: Continue to develop a more economical and service-oriented approach for all City departments. AND

Goal 5: Increase coordination of existing services to ensure broader access for all Davis residents.

- The Community Development Department continues to utilize third-party project reviewers and plan checkers to reduce permit processing time.
- The City continues to expand the information provided on the City's web site and local cable television channel.

Goal 6: Form strong cooperative partnerships with surrounding cities, the school district, UC Davis, local community colleges and Yolo and Solano Counties regarding community planning.

- The City continues to work with UC Davis on the development of the proposed "West Village" neighborhood to provide new housing opportunities for university students, faculty and staff. The study of the feasibility of annexation to the city is underway.
- The City worked with the Davis Joint Unified School District and the Yolo County Local Agency Formation Commission (LAFCO) to annex the new Harper Junior High School site. The annexation was completed in January, 2005.
- City staff continues to conduct neighborhood meetings for development projects prior to public hearings.
- The City's Community Partnership Coordinator continues to provide assistance to neighborhood associations in solving neighborhood problems.

Goal 7: Strive for accuracy and completeness in city studies.

- The City has initiated an update and simplification of the City's Environmental Regulations.
- A commercial feasibility study was completed to assist in the review of proposed amendments from commercial / office / industrial to residential land use.

Other Implementation of Policies and Actions in the General Plan

Other projects during this report period have implemented policies and actions in the General Plan. Many of these projects have focused on economic development and downtown development, including but not limited to the following:

- Auto center: Two new auto dealers have been established. Three other auto dealers have recently or are preparing to remodel their facilities.
- Retail: Approved a 60,000 square foot retail center on the Interland property in South Davis. A 165,000 square foot retail center, anchored by a Target store, is being reviewed in Mace Ranch.
- Downtown mixed use development including housing: Three mixed use buildings with housing were approved and built. A fourth has been approved and construction will begin soon. A visioning process is being used to study the possible intensification of the B Street and Third Street corridors for housing, as well as office and retail uses.
- Downtown retail and cultural uses: The historic city hall has been remodeled and reused as a high quality restaurant with space for events and conferences through a public / private partnership. A lease is being negotiated with a private operator for independent films in the Varsity Theater.
- Downtown pedestrian and other transportation improvements: Bulbouts are being installed at four additional intersections for pedestrian convenience and safety. H Street was realigned and multi-modal center improvements were made at the train depot.
- Connections between UC Davis and downtown: Concepts are being developed for improving circulation connections, including shuttle options.

Attachments

1. List of General Plan Amendments Since Adoption of the General Plan Update in May, 2001.

CC: Planning Commission

Attachment 1.
**List of General Plan Amendments Since Adoption of the
General Plan Update in May, 2001.**

The following table is a list of Amendments to the General Plan since its adoption in May 2001. The list includes all amendments to the General Plan whether they are text or land use amendments. The items are listed sequentially by date of approval and the page numbers in the plan where the text amendments have occurred from the originally adopted document.

| AMENDMENTS | | | | | |
|-------------------|-------------------------------------|--|------------------------------------|---|--|
| Item # | Date CC Approved Amend/Reso | Name / Description of Map or Text Amendment | GPA #/Page # | Project Data | Net Changes to Table 5, "2010 Buildout of GP" |
| 1 | September 19, 2001/ Reso. 01-133 | Covell Catalina – Amended the Land use Map from Residential High Density to Residential Medium Density | 1-01/ Pg. 66-70 | 8 res. Medium density units | Central Davis sub area: <ul style="list-style-type: none"> • Subtract 8 from high density • Add 8 to med. density |
| 2 | March 13, 2002/ Reso. 02-41 | Nishi Property – Re-designate the property from Urban Reserve to Agriculture. Text amendments to add Policy LU 0.1 in Section O. Agriculture and delete text to Section P. Urban Reserve. | 5-01/ Pg. 66-70, & 84-85. | N/A | Land Use Map and Text Amendment (no change to Table 5, 2010 Buildout) |
| 3 | May 1, 2002 /Reso 02-57 | Lexington Apartments and Land Donation Site, Olive Drive. Amended Olive Dr Specific Plan map boundary (retaining mixed use category) and text in terms of permitted uses. | 1-00/ Pg. 66-70 | 166 res high density units (123 + 43 in land donation site) | Gateway / Olive Dr. sub-area: <ul style="list-style-type: none"> ▪ Add 106 res high density units ▪ Add 3,500 sq ft neigh retail ▪ Subtract 26,000 sq ft gen com |
| 4 | September 18, 2002 / Reso 02-148 | Sterling University Vista Apartments and Land Donation Site, Cantrill Drive. Amended map from "Office" and "Gen Com" to "Res High Density" and added text to Item I of the Land Use Section. | 4-01/ Pg. 66-70 & 81 | 192 res high density units (132 + 60 in land donation site) | East Davis sub-area: <ul style="list-style-type: none"> ▪ Add 192 res high density units ▪ Subtract 79,192 sq ft gen com and 41,818 sq ft off/bus park |
| 5 | April 2, 2003 / Reso 03-52 | Oasis / Willowcreek South, east side of Drummond Avenue. Amended map from "Neigh Retail" and NG to "Res Med Density" and NG. | 1-02 /6-02/ Pg. 66-70 | 44 res medium density units (23 Oasis + 21 Willowcreek So) | South Davis sub-area: <ul style="list-style-type: none"> ▪ Add 44 res medium density units ▪ Subtract 19,000 sq ft bus park (not neigh retail in data assumptions) |

AMENDMENTS

| Item # | Date CC Approved Amend/Reso | Name / Description of Map or Text Amendment | GPA #/Page # | Project Data | Net Changes to Table 5, "2010 Buildout of GP" |
|--------|---|--|-----------------------------|--|--|
| 6 | April 23, 2003 / Reso 03-55 | University Mall, Russell Boulevard. Amended map from "Neigh Retail" to "Com Commercial" and added "Com Commercial" text in GP. | 7-02/ Pg. 66-70. | NA | Land Use Map Amendment Only |
| 7 | April 23, 2003/ Reso.03-57 | Historic City Hall Site, 226 F Street. Amended the Core Area SP map from "Public and Semi-Public" to "Retail Stores" | 8-02/ Pg. 66-70 | N/A | Land Use Map Amendment Only |
| 8 | November 4, 2003 / Reso 03-197 | 319 Russell Boulevard. Amended map from "Res Low Density" to "Res Med Density". | 1-03/ Pg. 66-70 | 5 res medium density units | Central Davis subarea: <ul style="list-style-type: none"> ▪ Add 5 res med density units ▪ Subtract 1 res low density unit |
| 9 | November 4, 2003 / Reso 03-210 and 03-211 | Fifth Street Commerce Center, southeast corner of Fifth Street and Pena Drive. Amended land use policy C.2 to exempt this center from the grocery store / supermarket requirement. | 4-03/ Pg. 76 | NA | NA – Text Amendment Only |
| 10 | December 16, 2003 / Reso 03-230 | Glacier Place project in Aspen. Amended map from "Office" to "Res Med Density" and NG. | 9-02/ Pg. 66-70 | 35 res med density units (28 market and 7 affordable) plus 4 second units. | West Davis subarea: <ul style="list-style-type: none"> ▪ Subtract 69,805 sq ft of office ▪ Add 35 res med density units |
| 11 | July 20, 2004 / Reso 04-173 | City Wide, Adoption of the updated Housing Element and adds note of the amended element to the beginning of Chapter 4. | 3-01/ Pg. 165, & 175-184 | N/A | N/A – Text Amendment Only |
| 12 | February 17, 2004 / Reso 04-52 | 1666 Da Vinci Ct Amended map from "Business Park" to "Res. High Density". | 05-03/ Pg. 66-70 | 51 res. High density units. | South Davis subarea: <ul style="list-style-type: none"> • Subtract 27,127 sq. ft. of office / business park • Add 51 res. high density units |

AMENDMENTS

| Item # | Date CC Approved Amend/Reso | Name / Description of Map or Text Amendment | GPA #/Page # | Project Data | Net Changes to Table 5, "2010 Buildout of GP" |
|--------|--|---|----------------------------------|---|--|
| 13 | September 14, 2004 / Reso of Intent 04-212 | 303 Ensenada Drive 3820 Chiles was changed from "Office" to "Gen. Comm." The 1.8 acre Tennis Court parcel at 305 Ensenada Drive was changed from "Gen. Comm." to "Res. High Dens." designation. | 03-03 & 08-03/ Pg. 66-70 & 98-99 | | Land Use Map Amendment and South Davis subarea: <ul style="list-style-type: none"> • Add 25 dwelling units to residential high density • Add 15,000 sq. ft. of office |
| 14 | April 20, 2004 Reso 04-104 | DJUSD – 43555 E Covell Blvd Amended map from "Ag" to "Public/Semi-Public" | 07-03 Pg. 66-70 | N/A | Land Use Map Amendment Only |
| 15 | December 7, 2004 Reso 04- | CA House – 433 Russell Blvd Amended map from "Residential Low Density" to "Residential Medium Density" | 07-03 Pg. 66-70 & 98-99 | N/A | Land Use Map Amendment and Central Davis subarea: <ul style="list-style-type: none"> • Add 13 dwelling units to residential high density • Subtract 2 dwelling units from residential low density |
| 16 | May 3, 2005 | Cassel Property – 3058-3060 Sycamore Lane Reso of intent to amend map from "Public Semi Public" to "Residential Low Density" | 11-03 | Final resolution pending | Land Use Map Amendment and North Central subarea: <ul style="list-style-type: none"> • Add 23 dwelling units to residential low density |
| 17 | June 21, 2005 Reso 05-96 | Covell Village – Amended map from "Agriculture" to several urban land uses | 04-02 | 1,864 residential units and other urban land uses | Land Use Map Amendment and North Central subarea: <ul style="list-style-type: none"> • Add 424 dwelling units to residential medium density to year 2010 (1,273 total) • Add 197 dwelling units to residential high density to year 2010 (591 total) • Add 66,670 sq. ft. of Neighborhood Retail to year 2010 (200,000 total) |