

CITY OF VALLEJO PLANNING COMMISSION

Charles Legalos, Chairperson
Kent Peterman, Vice Chair
Gary Salvadori
Linda Engelman
Robert McConnell
Norm Turley
Gail Manning

**WEDNESDAY
21 FEBRUARY 2007**

7:00 P.M.

City Hall
555 Santa Clara Street
Vallejo, California 94590

Those wishing to address the Commission on a scheduled agenda item should fill out a speaker card and give it to the Secretary. Speaker time limits for scheduled agenda items are five minutes for designated spokespersons for a group and three minutes for individuals.

Those wishing to address the Commission on any matter not listed on the agenda but within the jurisdiction of the Planning Commission may approach the podium during the "Community Forum" portion of the agenda. The total time allowed for Community Forum is fifteen minutes with each speaker limited to three minutes.

Government Code Section 84308 (d) sets forth disclosure requirements which apply to persons who actively support or oppose projects in which they have a "financial interest", as that term is defined by the Political Reform Act of 1974. If you fall within that category, and if you (or your agent) have made a contribution of \$250 or more to any commissioner within the last twelve months to be used in a federal, state or local election, you must disclose the fact of that contribution in a statement to the Commission.

The applicant or any party adversely affected by the decision of the Planning Commission may, within ten days after the rendition of the decision of the Planning Commission, appeal in writing to the City Council by filing a written appeal with the City Clerk. Such written appeal shall state the reason or reasons for the appeal and why the applicant believes he or she is adversely affected by the decision of the Planning Commission. Such appeal shall not be timely filed unless it is actually received by the City Clerk or designee no later than the close of business on the tenth calendar day after the rendition of the decision of the Planning Commission. If such date falls on a weekend or City holiday, then the deadline shall be extended until the next regular business day.

Notice of the appeal, including the date and time of the City Council's consideration of the appeal, shall be sent by the City Clerk to all property owners within two hundred or five hundred feet of the project boundary, whichever was the original notification boundary.

The Council may affirm, reverse or modify any decision of the Planning Commission which is appealed. The Council may summarily reject any appeal upon determination that the appellant is not adversely affected by a decision under appeal.

If any party challenges the Planning Commission's actions on any of the following items, they may be limited to raising only those issues they or someone else raised at the public hearing described in this agenda or in written correspondence delivered to the Secretary of the Planning Commission.

If you have any questions regarding any of the following agenda items, please call the assigned or project planner at (707) 648-4326.

- A. ORDER OF BUSINESS CALL TO ORDER
- B. PLEDGE OF ALLEGIANCE
- C. ROLL CALL
- D. APPROVAL OF THE MINUTES: November 20, 2006; December 4, 2006; December 18, 2006; January 17, 2007; and February 5, 2007.
- E. CONSENT CALENDAR AND APPROVAL OF THE AGENDA
- F. REPORT OF THE SECRETARY
 - 1. Upcoming Meeting of Monday, March 5, 2007
 - a. Use Permit 04-0022 for a self-service refueling center, fast food and sit-down restaurant on a vacant parcel fronting on Sonoma Blvd.
 - b. Use Permit 06-0018, is a request to modify the Planning Commission conditions placed on an Ice Cream Commissary located at 1853 Broadway Street. *Continued from the meeting of February 5, 2007.*
 - c. Planned Development 06-0018 for a new custom home in Hiddenbrooke located at 1757 Durrow Ct. *Continued from the meeting of February 5, 2007.*
 - d. Use Permit 06-0021 beer and wine service at existing Mexican restaurant located at 1598 Fairgrounds Drive.
- G. CITY ATTORNEY REPORT
- H. COMMUNITY FORUM
- I. REPORT OF THE PRESIDING OFFICER AND COMMISSIONERS
- J. LIAISON REPORTS
 - 1. Council Liaison to Planning Commission
 - 2. Planning Commission Liaison to City Council
- K. PUBLIC HEARINGS
 - 1. Use Permit #546A – Appeal of staff determination concerning Rose Imports located at 1605 Solano Ave. *Continued from the meeting of December 18, 2006.*

Staff recommends the Planning Commission **DENY** the appellants appeal and **AFFIRM** the Planning Division’s determination that the used auto sales occurring at 1605 Solano Avenue require use permit approval, as stated in Section 16.22.040(B)(3) of the Vallejo Municipal Code.
 - 2. Use Permit 06-0024 for a new auto dealership, Team GMC, Pontiac, Buick located at 301 Auto Mall Parkway. Proposed CEQA Action: Revised Initial Study and Mitigated Negative Declaration.

Staff recommends **approval** based on the findings and conditions.
 - 3. Inclusionary Housing Ordinance.

Staff recommends opening the public hearing for discussion and public input then continuing the item to the meeting of March 5, 2007.

L. OTHER ITEMS

None.

M. WRITTEN COMMUNICATIONS

None.

N. ADJOURNMENT

Vallejo Planning Commission Minutes
November 20, 2006

- A. The meeting was called to order at 7:01 p.m.
- B. The pledge of allegiance to the flag was recited.

C. ROLL CALL:

Present: Commissioners Peterman, Manning, Legalos, Turley, Engelman.

Absent: Salvadori, McConnell.

D. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 6, 2006 AND THE REGULAR MEETING OF NOVEMBER 6, 2006.

On a motion by Commissioner Peterman the minutes of September 6, 2006 were unanimously approved with Commissioner Manning abstaining.

With Commissioners Peterman and Manning abstaining from the vote and two Commissioners absent action could not be taken and the item was continued to the meeting of January 4, 2007.

E. CONSENT CALENDER AND APPROVAL OF THE AGENDA

On a motion by Commissioner Peterman the consent calendar and agenda were unanimously approved.

F. REPORT OF THE SECRETARY

1. Upcoming Meeting of Monday, November 20, 2006

- a. Use Permit 06-0014 and Planned Development 06-0020. Applications for Costco expansion and tire center relocation/enlargement. Continued from the meeting of November 6, 2006.
- b. Use Permit 546A appeal of staff determination concerning Rose Imports located at 3273 Sonoma Blvd.
- c. Use Permit 06-0018 is an application for an Ice Cream Commissary located at 1853 Broadway Street.
- d. Use Permit 06-0020 is an application for outdoor storage in the South Vallejo Industrial park located at 100 Corporate Place Suite A (PetroChem).

G. CITY ATTORNEY REPORT

Claudia Quintana: As I stated to you last time I attended the League of California Cities legislative briefings wherein they gave a whole lot of us attendees a list of the new laws for this year. What I am going to do, because there are laws that pertain to what you are doing here, in prepare a brief and hand it out in the next 2 to 4 weeks. On November 7, 2006 the City Council voted to go ahead with a resolution of intention to study whether or not the City of Vallejo needed an inclusionary housing ordinance. Staff is going to be working on that particular issue. The Housing Department is conducting some focus groups to get some information. It will probably be before you in either December or January to consider. I just wanted to alert you to that.

H. COMMUNITY FORUM

None.

I. REPORT OF THE PRESIDING OFFICER AND COMMISSIONERS

None.

J. LIAISON REPORTS

1. Council Liaison to Planning Commission

None.

2. Planning Commission Liaison to City Council

Gerald Davis: Good evening Mr. Chairperson and Commissioners. I would first of all like to congratulate Gail Manning on her appointment to the Planning Commission. We had several excellent candidates and I think we have made a great selection. I wish her well. This is also my first chance to see Mr. Hazen in action, I understand he is the new Planning Manager for the City of Vallejo and I would like to welcome him also. About the biggest thing, and your Chairperson was there last Monday night, was the property that Wal-Mart bought on Redwood and Sonoma Blvd. It was a 5 hour meeting with 58 speakers. The end result was that the Council did vote to proceed with studies such as EIR and Economic Development studies and so forth. We certainly received the letter from the Planning Commission and took that into account. The majority of the Council, which was 4 to 3 in this case, believed that we needed the information to make a rational decision. That was our belief in how we voted how we did. The City Attorney has already mentioned the Inclusionary Zoning, which I personally oppose. That was 6 to 1 and that is the way it goes but the reason I opposed it, just so you know, and I am not lobbying you now, we have many ways of taking care of affordable housing. This was demonstrated most recently by the Bordoni Ranch approval where it was worked out where there would be 20 units of granny houses built into that. We will see what staff comes up with and what your advice on it is. I appreciate all the hard work that you are doing. Any questions?

K. PUBLIC HEARINGS

1. Zoning Map Amendment 05-0002, Planned Development 05-0012, and Tentative Map 05-0004. Applications for six units located at Illinois and Fern Street. Proposed CEQA Action: Mitigated Negative Declaration.

Staff recommends that the Planning Commission recommend City Council **approval**.

Darren Goon: On your dais tonight there is a handout for the PowerPoint presentation. You will also notice there is a memo to modify Public Works condition of approval #7, located on page 22 of the Staff Report. *Darren read both the old language and the new language.*

The project is located on Illinois Street. There is a neighborhood of existing single family homes are located to the west and south of the subject property. To the north are two detached multi-family residential units. Located to the east of the subject property is a legal non-conforming truck storage and maintenance facility.

There are four components to this project. First it requires a Mitigated Negative Declaration. Staff feels that to rezone the subject property and construct six single

family dwellings could have a significant effect on the environment. However, the negative declaration and the initial study with the mitigation measures should make this project impacts less than significant. This initial study was made available for public review October 25, 2006. With the mitigated negative declaration staff concludes that potential adverse environmental effects of this problem would be less than significant.

The second component of this project is a Zoning Map Amendment. The property is currently zoned Intensive Use Limited (IU-L). The applicant is proposing to rezone this project to Planned Development Residential (PDR). That would yield a density of 12.76 units per gross acre. The General Plan for this property allows a density of 17.4 or more units per acre.

The third component of this project is the Planned Development Master Plan for the six residential units. These would be two-story detached manufactured dwelling units. The applicant will be making a presentation as well, which you have in front of you on the dais.

A couple things I want to point out: Staff is recommending staff is recommending Planning Condition of Approval #4 (Prior to Building Permit Submittal) that would require the applicant to work with staff to redesign and enhance the street-facing building elevations on the two units that are visible from Illinois Street. We felt it was necessary to enhance the most visible sides of the project. The Master Plan basically creates the Zoning for this project. PD allows for a varied amount of uses, setbacks and site development standards. Although the open space for these homes is minimal there is a building setback from property line to the house of about 20 feet.

To further enhance the streetscape and interior landscaping, staff has also recommended a condition that all five-gallon trees be upsized to 15 gallon trees per Planning Condition of Approval #8f (Prior to Building Permit Submittal).

In order to construct the proposed six homes, the two parcels, APN#'s 0056-024-080 and 090 (subject property), must be rezoned from Intensive Use Limited (IU-L) to Planned Development Residential (PDR) (Attachment C). The site development standards for each planned development are established on a case by case basis.

Darren gave a PowerPoint presentation on the project which included slides showing the parcels that would be rezoned and the zoning of the surrounding parcels, a brief overview of the site plan, landscaping including the fact that the tree size had been upsized to 15 gallon trees, floor plans, elevations, storm water prevention plan and erosion control, site utility plan, and their grading and drainage plan.

Staff feels that a planned development will create compact and well designed neighborhood that will create an individual open space with each home.

The last component of the project is a tentative map. The site is .47 acres. They want to divide that into six parcels. The proposed parcel sizes range from 1,936 square feet to 3,915 square feet. Lot dimensions would be approximately 54 feet x 72.5 feet. Two of the lots are proposed to be 40.5 feet by 72.5 feet. The remaining two lots would be 45.5 feet by 72.5 feet. Staff reviewed the map with the subdivision review guidelines, and the City's code on tentative maps and found that this project is consistent. Staff feels that this is a good project for this site. We feel that it is going to enhance the area. It will also serve as a transition between the low density uses and the adjacent legal non-conforming uses.

Vallejo Planning Commission Minutes
November 20, 2006

Staff recommends that the Planning Commission forward a recommendation to the City Council **ADOPT** a Mitigated Negative Declaration subject to the mitigation measures contained in this report.

Staff recommends that the Planning Commission forward a recommendation to the City Council to **APPROVE** Zoning Map Amendment #05-0002 subject to the findings and conditions provided in this report.

Staff recommends that the Planning Commission forward a recommendation to the City Council to **APPROVE** Planned Unit Development #05-0012 subject to the findings and conditions provided in this report.

Staff recommends that the Planning Commission forward a recommendation to the City Council to **APPROVE** Tentative Map #05-0004 subject to the findings and conditions provided in this report.

Any questions?

Commissioner Peterman: I remember a few months ago we had an issue with someone who lived near Couch Street with a facility that had a lot of noise nearby where they lived. I noticed that this has a truck maintenance and storage facility. Do you know the hours of that by any chance?

Darren Goon: It is pretty much just a daytime thing. It has been there for many, many years. During my site visits I never saw much activity going on. However, I do not know the exact operation hours or what they store in there.

Commissioner Peterman: There is no actual guest parking except in front of the garages.

Darren Goon: That is correct.

Commissioner Peterman: I love the fact that they are going to replace those chain link fences with wooden fences. I thank you also for increasing the sizes of the trees. I would hope that they would put landscaping along the fences between them and the truck maintenance and storage yards to further dampen that. I am glad that there are backyards so the families can enjoy being in the backyards. Good job with all of that thank you.

Commissioner Turley: The package shows one car garages. However, on the second page it seems that they are two car garages. Can you comment on that please?

Darren Goon: They would be two car garages. The applicant can better explain why the elevations show one car garages but the sit plan shows two car garages. In my conversations with the applicants they have expressed that they will all be two car garages.

Commissioner Turley: Page 2 shows the garages exactly opposite of each other. Is that correct?

Darren Goon: Yes.

Commissioner Turley: I am a little concerned about two people across the street from each other backing out at the same time and causing a problem in the

Vallejo Planning Commission Minutes
November 20, 2006

neighborhood. Is it at all feasible to stagger the garages so when they back out they would not have a chance to back into their neighbor?

Darren Goon: That is something that staff could work out with the applicant. The applicant is in the audience tonight and they have a representative from their manufacturer. They can give you their input on that also.

Commissioner Turley: I think you said there would be an association there, right?

Darren Goon: Condition number 7 that Public Works is modifying says that there would not be an HOA but they would have CC&Rs which are privately enforced.

Commissioner Turley: Would the cleaning and maintaining of the main driveway be included in that?

Darren Goon: There is something that could be added into their CC&Rs.

Commissioner Turley: Standing in the street looking at this project, on the right hand side is where they store these moving trucks, right?

Darren Goon: Correct.

Commissioner Turley: These trucks are roughly 15 feet high. If you put a six foot fence in there, there will be about 9 feet of ugly trucks showing above the fence. How would a 15 foot fence along that one line work so that the houses would be shaded from those ugly trucks parked there?

Darren Goon: Staff would have to research that and check if that could be made as part of the planned development.

Don Hazen: We have had some preliminary discussions with that adjacent property owner. I believe they may in the near future be submitting a residential housing project for that site. In addition to that staff would not recommend a 15 foot high fence. There is just not a lot of activity occurring on that site right now and I think the highest and best use of that underutilized parcel is eventually going to be more of a residential nature. Such a tall barrier would not be a good idea from the Police standpoint of stopping crime. They would not want to create such a blind spot back behind those units.

Commissioner Manning: Thank you for such a nice report. It made my job easy. When you say enhancements on the Illinois Street side, what do you mean by that?

Darren Goon: If you look at the site plan on page two of the attachments there would be a porch of some sort there. Staff would like the opportunity to work with the applicant to come up with an enhanced elevation, something that would give it some visual interest as viewed from Illinois Street so it look more like the front of a house. That could be achieved through several things: landscaping, trim, the addition of a porch.

Chairperson Legalos: On page 25 it refers to the map as a vesting tentative map. We have had some controversy over that language earlier this year. On page one it says it is a tentative map.

Darren Goon: To clarify that, it is a tentative map. The word vesting was a typo on staff's part. We apologize for that.

Vallejo Planning Commission Minutes
November 20, 2006

Chairperson Legalos: I also had a question on the fence and the truck storage. The tentative map shows a seven foot fence. I thought that the height limit in Vallejo was six feet.

Darren Goon: That is correct. Staff added a condition about the modification of the fence. If you give me just a minute I can find that condition for you. That is prior to building permits for Planning, on page 12, Condition number 6. So we have addressed that.

Commissioner Legalos: Thank you. I am sorry I missed that. The last question I have is on the Neg Dec. Some of the items listed in the Neg Dec at the bottom of the page I do not find listed in the check sheet such as aesthetics and there are others.

Don Hazen: I can address that. What is on the cover sheet are all of the categories. Only the ones that are checked off have the mitigation measures. What you are looking at is just the standard form and then the Xs are on the ones that are applicable.

Chairperson Legalos: On the standard form they have not indicated impacts for several areas.

Don Hazen: Only the ones with Xs have impacts.

Chairperson Legalos: Was there an error in the report?

Darren Goon: There was an error underneath the section that says Environmental Factors Potentially Effected. It is possible that we may have missed an X or inadvertently put an X somewhere.

Chairperson Legalos: Well the Xs are not there but the items are listed in the report as items where there is an impact. I am looking at the first page of the Neg Dec., the last paragraph where it lists initial study identified potential impacts and you have about eight areas listed there. The checklist does not identify impacts to four of those areas.

Don Hazen: We would want you to look at the actual checklist. The other references are in error. If the City Council ultimately adopts the Neg Dec that cover sheet would be corrected and what gets actually recorded at the Clerk's office will be the actual mitigations based on the checklist itself. I apologize for that confusion.

Chairperson Legalos opened the Public Hearing.

John Piccolo-Wignall: I am the Principal Partner in the CLW Partnership. Primarily I am here to address some of your questions. I would like to address the misspelling of the projects name. It is Paissano Villages, which means good friends in Italian. The reason I came up with that is two fold. My aunt and uncle, who I love very dearly own Paissano's restaurant here in Vallejo. The whole intent of this Paissano Villages Planned Development is to bring together close friends. The intent of marketing this project is for young couples to get a starter home and everyone conversing and watching together to facilitate a proper environment for the growing family. I want to address the access and egress for the project. I sat in detail with the City Engineer regarding the driveways. It satisfied his requirements for backing up. The radius was sufficient to make sure the cars were not going to be backing into each other. It is a relatively small project. I came before this Commission about 18 months ago with the intent of putting apartments on the project. There were some concerns from the neighbors that addressed the preference for having single family homes there. After

Vallejo Planning Commission Minutes
November 20, 2006

speaking with the Planning Division they basically convinced me to look at PUDs. After a lot of soul searching I was persuaded to look at single family residences in the form of a PUD. I have been working with the City for about a year and a half and I am satisfied with this project. I know there may be some people in the audience that may have some concerns about the water runoff and things of that nature but I have been working with the City for a long time to address all these problems. I have a couple representatives here to speak on my behalf regarding modular homes as well as my Civil Engineer to discuss some of the issues regarding site drainage and soil erosion and things of that nature. Feel free to ask them up whenever you would like. They will be happy to answer any questions you have. Do you have any questions for me?

Commissioner Manning: In your drawings you have pictures of front porches. Do you intend to put front porches on the front of the homes?

John Piccolo-Wignall: Staff has asked me to increase the visual impact of the homes on Illinois Street. Certainly I was planning on doing that as well as the front elevations on the remaining four homes. The plans that you see before you basically came from the factory. They are generic. My intent is to enhance all of the homes whether it be different variations in the pitch of the roof, porches with brick or stone or stucco, or a combination of things. I will do it to all of the houses. I do not want to give special treatment to the ones that face Illinois.

Commissioner Manning: I have a suggestion. I would encourage you to look at the neighborhood around you; particularly on Fern Street. There are great old homes there. There is also the Historic Museum. You could go and look at old homes there.

John Piccolo-Wignall: I welcome your input. You can put any conditions you wish with me having to adhere to the architectural concerns you might have. I am currently doing 8 homes in Fairfield and these questions are not new to me. I am prepared to address them with staff.

Commissioner Manning: I was happy to see that the trees were upgraded from 5 gallon to 15 gallon trees. Have you gotten the tree list from the City?

John Piccolo-Wignall: Yes. I do quality projects. I just want to express that to you tonight. I was born and raised here in Vallejo. This is pretty much my home. I went to school here. I have my name on this project as well as my other projects and I stand by my work.

Commissioner Manning: You will look to the neighborhood around you in picking the trees?

John Piccolo-Wignall: Staff is working with us on a list of trees that will fit the neighborhood.

Commissioner Manning: The Beautification Commission has put together a list of accepted trees for the City of Vallejo. The trees should not only fit the neighborhood but come off that list.

Commissioner Legalos: On the tentative map in between the garages that are built out to the road it shows some dots and dashes. Then Attachment A, which shows the drawing of the façades it shows what looks like a fence that is probably about 4 or 5 feet wide. What is the actual spacing between the garages?

Vallejo Planning Commission Minutes
November 20, 2006

John Piccolo-Wignall: Between the garages we cannot abut them together. There has to be a one hour separation between them based on staff's recommendation. We are actually separating them by one inch to adhere to the guidelines for an appraisal standpoint. They cannot be like condominiums. They have to be physically separated.

Commissioner Legalos: How does one maintain those walls with only one inch between them?

John Piccolo-Wignall: There will be a façade board covering that up. There is no reason for any maintenance in that one inch space between those walls.

Commissioner Legalos: The material does not need to be painted or cleaned?

John Piccolo-Wignall: No because if you look at the ridge line it is a dado it is not a valley going between the garages. There are going to be pretty much touching gables. There won't be anything coming down there. In actuality there will be a piece of sheet metal about 12 inches long that will actually connect the two. But from a structural standpoint for intensive purposes they will not be attached.

Commissioner Legalos: They will be independent?

John Piccolo-Wignall: Yes.

Commissioner Legalos: This is a small thing. It will just be an architectural enhancement.

John Piccolo-Wignall: Probably.

Otis Orsburn: I am with Silvercrest Western Homes. We are the manufacturers of factory built housing. Essentially what we find with the type of homes that we build is that there is a lot of misconceptions and fears that people have on the quality and durability and the compatibility of our homes with existing neighborhoods. *Mr. Orsburn did a PowerPoint that showed examples of homes his company provides. The quality, enhancements, floor plans, elevations, and manufacturing process were all discussed. All homes meet standard building code. They can have one, two or three garages and there are various types of architecture and models. Factory tours are given every Saturday in Woodland if anyone is interested in coming.*

Commissioner Turley: This type of home is new to me. I would like to ask you how many modules per house that you are going to be building here are there?

Otis Orsburn: With this particular product there are two home sections per home; a lower floor and a second floor.

Commissioner Turley: From the time you set the first module how long does it take to complete that home?

Otis Orsburn: It is really up to the general contractor. Typically a home from start to finish should be about 30 days.

Commissioner Turley: If you build the two or three modules in Woodland why are you then building the garages on site?

Vallejo Planning Commission Minutes
November 20, 2006

Otis Orsburn: It is the difference in elevation. There is a small crawl space in the California built homes and the garages are on grade. There is a crawl space that is transportable and you build the garage to meet the difference in elevation.

Commissioner Turley: So you are saying there is a crawl space under the houses?

Otis Orsburn: Yes there is of about 15 inches.

John Moore, 1132 Tennessee St, Vallejo: My purpose is to share some experiences that I have had with this particular neighborhood over time and also to tell you that I represented the applicant in the acquisition of the property and also the owners of the property to the west and east of the property. About 15 years ago one of my clients wanted to do something similar with this property and unfortunately his partner wanted to do a commercial project. At that time Mike Meiring indicated to us that the City was really looking to do a rezone of the entire area to bring it more in line with its intended use. As you know there is a significant amount of spot zoning in Vallejo. This property at that time was MDR. Seeing what this applicant is wanting to do is bringing to the forefront what the City of Vallejo Planning staff has been trying to do in this neighborhood for the past 15 years. I am certain that the quality of work that he is capable of doing will enhance and encourage other property owners in that neighborhood to bring the same quality projects into that neighborhood. I hope you will give this project your favorable consideration and approve it and recommend to the City Council their approval. Thank you.

Phil Eifstrom: I am here tonight to represent Mr. Buck Kamphausen. We own the property at 623 Broadway, which includes the trucking facility adjacent NE of the property. We have no problems with this project and are very impressed with what we have seen so far. We highly recommend that you approve this project. Thank you.

Chairperson Legalos: Would it be possible to park those trucks on the other side of the lot so that they would not be adjacent to the homes that are being built?

Phil Eifstrom: What I would do is let Mr. Sessler address that. I am just here representing the owner.

Fred Sessler, 617 Amador St, Vallejo: I am here to ask for approval of this particular development. I will address the trucks and boxes that are in the other lot at the other moment. This project is the perfect example of infill which the Council has been asking those of us in the industry to do for some time. I feel that the manufactured home is just as good as one that would be built by any other construction company. I have given the tenant of the property with the trucks and boxes notice to move. I hope to have that cleaned up within the next 30 to 60 days. We do plan a residential project on our property. We do plan to come in and ask you to rezone the other property. Right now these two properties are zoned industrial. That means we could put warehouses into that single-family neighborhood. With his development and our development we think we would be improving that neighborhood very much and cleaning it up. We hope to accomplish something for the City Of Vallejo. I hope you approve this project.

Mike Coakley, 1516 Vervais Ave, Vallejo: I am a property manager and I drive all over town every day trying to locate people and residents. In 1954 I had a girlfriend that lived on that street and I know the neighborhood well. That street is a very narrow street and I understand that. All I see is that looking at that area it has been kind of a blight. I think that what these two owners are trying to do is nothing but positive for Vallejo. It is a step forward. They are fixing the inside of the City first

Vallejo Planning Commission Minutes
November 20, 2006

which is what I think more cities should do. I hope you give a favorable opinion to this. Thank you.

Jack Ohringer: I am probably the closest person to this project. I live at 1727 Fern but my property does abut the project. I have properties on Illinois and Fern. I like the project. I am very happy that they are not putting apartments there. I would have been very unhappy with apartments. I read in the paper about affordable housing. While I agree with the idea I don't like the way it sounds. It has a temporary affect on the builder and a long term affect on the neighborhood. It is not very pleasant to have your property affected. Anyway I am for the project and as the closest person to it I thought I would express that.

Chairperson Legalos closed the Public Hearing.

Commissioner Engelman: If there are no further statements from the Commission I would like to offer approval of the project.

Two additional speakers came forward, Commissioner Engelman delayed her motion until after they spoke and Chairperson Legalos reopened the Public Hearing.

Cecil Pearson: I have observed this vacant lot for a long time. The housing that is being proposed on there is being rezoned to be a mobile home park. The rezoning is required because the lots are substandard in size. If they built some of the houses that they showed and had some character to them that would be good. There is room for three large homes on that lot, manufactured or not. When you put six on that lot, side by side, it allows for only two car spaces. There are four bedrooms and three bathrooms in each one of those units. That is a bigger potential for four cars to be parked next to that house which is going to overload that parking area since there is only two parking spaces per house. The houses are double stacked. They are only 15 feet wide. They are not 30 feet wide. They are 15 feet wide and 26 feet tall. That is like a big silo with a garage tacked on the side of it. The storage lot next to it would love to see this project go in there because then they would rezone their lot and do the same thing. What we would have is a high-density modular home park. It is not going to fit into the neighborhood because it is just stacked up houses. It is not what they built it is how many they built. The streets there are deteriorating. Our street is almost a gravel road now. Our street is a thoroughfare all the way from Broadway to Sonoma. There is no speed bumps and no stop signs. People travel that street at 40 or 50 miles per hour. If you put a whole bunch more house in there with 4 bedrooms in them it sounds like you would either end up with a whole lot of people in there or a whole lot of kids with traffic zooming down the street. There is poor lighting on the street. Napa Street is the same. All the neighborhood streets are deteriorated and narrow. This project would put a lot of traffic on them. This is a flood area. There is only four storm drains on that street, all the way from Broadway to Sutter. In the last flood that street flooded so much people were running a boat up and down that street. The sewers fill up and backed into the houses. The infrastructure is not ready to be increased with more houses of that density until it is fixed. I don't think they should build it. I need to add that I have a petition that is signed by 58 of the residents opposing this.

Jeri MacDonald: I have heard many people speak here this evening for this project. I actually I actually live in the neighborhood. The neighborhood in which these units are proposed is full of beautiful ornate stucco homes built in the 1930s. I ask that the City Council drive by if they are unfamiliar with the area. People have been restoring, fixing up, painting these homes. They have been putting a lot of money, work and effort into fixing their homes. I have spent \$40,000 on my home so far. I do not want a multi-unit, high-density, over-crowded, and over-stressed, six-unit complex at the

Vallejo Planning Commission Minutes
November 20, 2006

end of my street in a very little lot. If you have not seen the size of this lot please do so. If the developer wants to develop six units that is way too much. I think it would be much too much traffic. The architectural history of the neighborhood is not in mind in this development. Already the developer has cut down a huge palm tree that was on the property and put up a cyclone fence. Garbage continues to grow on this site. I think the neighbors have been very concerned. The developer said he was listening to the residents of the neighborhood. I find that hard to believe. This is the first time I have ever see him. I ask that four units, at most, be allowed on this lot and that they reflect the time period and style of the other homes in this area as you did for the Star Mansion area. The beauty of this neighborhood continues to improve and I would hope that it is not going to be undermined by manufactured housing. I do not think the drawings and material that has been given to the Commission reflects the true nature of this development. Please take this statement to hand. Reconsider what is being built. I do not want my property value to diminish. I want that area to continue to grow and become a beautiful section of Vallejo. Thank you.

Chairperson Legalos reclosed the Public Hearing.

Commissioner Turley: I thought this project was clear sailing until the last two speakers. This gentleman mentioned that he had a petition with 58 signatures against this project. I am just a little disappointed that a large part of these 58 people did not show up tonight to explain their comments in person. However, assuming that the petition is legitimate, I am concerned about these 58 signatures. He also mentioned the storm drains are overloaded. On this project there are a lot of surface areas and all that water is going to be dumped into the street. I am concerned about having to row a boat down the street. I would like to see a little more input from the Commissioners. Just to rubber stamp this project and find out it contributes unfavorably to a bad situation would not be acceptable. Those are my comments for now.

Chairperson Legalos: Because the applicant has asked for an opportunity to respond to some of the concerns that were raised and I am going to reopen the Public Hearing for the second time.

John Piccolo-Wignall: There has been a misinformation campaign that Cecil Pearson has been conducting for the last two weeks. I spoke with Darren Goon a couple weeks ago regarding public comments and there were very minimal public comments to this project. When it was brought to our attention that this individual was going around misinforming the general public about this project my partner and I, over the last three days, have contacted several members that reside in that area and for every single one, with the exception of one or two, we were able to persuade them that this was not a trailer park, these were not inferior homes, these are all built to UBC standards, and in fact our standards exceed the standards required by the Vallejo Building Division. Number two, addressing the issue of the water in the storm drains, the storm last year had an impact on all of the State of California. It was pretty much a 100 year flood. I have my Civil Engineer here tonight who has worked extensively with Mr. Sharife in Public Works to address any concerns about erosion and surface water, and things of that nature. I just wanted to address those two points and if there were any other questions feel free to ask.

Commissioner Manning: Can you tell us roughly how much you are going to ask for each of those homes?

John Piccolo-Wignall: My partner, Ray Jackson, he is an appraiser, and we have estimated for our market the going rate that a 3 bedroom 2 ½ bath home goes for

Vallejo Planning Commission Minutes
November 20, 2006

\$410,000 and the larger units would go for about \$435,000. It is approximately what the current market is for that area.

Commissioner Turley: Mr. Chairperson could you please ask Mr. Cecil Pearson to bring his petition up for us to examine.

Chairperson Legalos: Yes, thank you Commissioner Turley. I would request that Mr. Pearson bring the petition up and give it to Ms. Marshall please.

Commissioner Engelman made a motion that the Commission take a short break to examine the petition.

AYES: Engelman, Turley, Manning, Legalos, Peterman.

NOS: None.

ABSENT: McConnell, Salvadori.

Motion carries.

The Commission took a seven minute break and reconvened at 8:40 pm.

Commissioner Turley: Mr. Chairperson do you know of anyone here tonight that knows about the flooding condition on that street in the past. I mean an engineer. Perhaps if Brian Dolan were here tonight, because he has been here a long time, he might know. When this project was approved by Public Works did they take into consideration that these storm sewers were overloaded? Did they take into consideration of all the water that would be collecting on this project dumping into the street? Can you answer that please?

Chairperson Legalos: I think I will ask Mr. Hazen to respond to that.

Don Hazen: The Public Works Department has approved this application and what they submitted to you for your consideration are conditions of approval. In the conditions they do have things related to flooding and hydrology and those sort of infrastructure impacts. There is no Public Works representative here this evening but I think we have to assume that those conditions they recommended are conditions of approval. So these are simply engineering matters that they reviewed when these plans moved forward. We got no indications from Public Works that there are unavoidable impacts that this project did not address to their satisfaction.

Commissioner Turley: Do you happen to know if larger storm drains have been installed since the last flood?

Don Hazen: That I certainly could not tell you but they are not asking for oversized storm drains in this project's conditions of approval.

Commissioner Turley: Mr. Chairperson if this street was flooded out and they were rowing boats down there and you are adding to that situation small storm drains don't make sense.

Chairperson Legalos: I think we need to get some factual information about the flooding situation and potential on that street.

Commissioner Engelman: On page 11 on hydrology and watercology the applicant is required to make mitigations as stated in a letter 2/26/06 by the Waterfront Engineering. They also have conditions from VSFCD. On page 13 the Public Works Department has requires them to comply with the City of Vallejo flood protection.

Vallejo Planning Commission Minutes
November 20, 2006

Prior to building permit submittal a geotechnical report must be submitted for review which will give you your water and drainage and soil circulation. Drainage, irrigation, site grading, utility and landscape plans must be submitted for review and approval. If you start looking through the conditions of approval the staff has been pretty adequate. We have to remember here that we are only a recommending body we are not the final authority. This will be forwarded to the City Council for final approval. It is their jurisdiction for the streets and the conditions of the roads and the condition of landscaping. Our duty is to recommend approval or not. The applicants and the opponents have the right to state their case before the City Council. In the conditions of approval the staff has already made the necessary requirements to mitigate the problems that were brought up tonight. That is happening all over the City with the roads. That is one of the main complaints we hear.

The first tape stopped and the second one did not click on automatically as it should have. A comment by Chairperson Legalos and one by Commissioner Manning was missed.

Commissioner Peterman: One of the concerns of the neighbors seems to be the lighting issue.

John Piccolo-Wignall: We have a standard established by the Police Department that deals with the lighting. We will have the project lit per Police Department standards. We have used that on other projects here in Vallejo and it seems to work well. There are motion detectors and things of that nature. Going to the concerns about the price of the homes. I did a project on Monterey Street last year which sold for \$460,000. There were granite counter tops and Brazilian hardwood floors. It was very nice.

Commissioner Peterman: I also would like to say that I totally support infill because as I drive around Vallejo I see a lot of blighted areas and I think we really need to do something about those little pockets of blight. I totally support that kind of infill that will help to develop it and make it into a residential neighborhood.

Commissioner Turley: It seems like our responsibility is to ask all the questions and get all the answers. As far as I am concerned I do not have an answer right now as to whether this project will adversely affect the flooding conditions on that street. If we postponed this to the next meeting we would not have to re-discuss the entire project all we would have to do was determine the flooding situation. I would hate to have this go to City Council and then they had questions about the water and ask the Planning Commission what they were thinking. I will not be able to support this project.

Don Hazen: I think it is staff's responsibility to provide those answers for you. I would like to draw your attention to page 13 of the initial study checklist, subsection D. Staff was required to prepare the initial study and one of the things that we look at in the environmental review is if there will be any runoff or drainage issues. Section D, which the Public Works Department provided specifically says that this project is a small residential project that is less than one acre. All site drainage will be directed to the City storm drainage system. Conditions initiated by VSFCDC will prevent the project from having any significant drainage, flooding or water quality impact. I believe that addresses the issue. I just wanted to reiterate that for the record and hope that that would address that issue.

Commissioner Engelman: I have no problem with this project. Chairperson Legalos reminded me of a project we turned down and got soundly overturned at City Council. That is when our liaison came to us and said that he would appreciate it if we would

Vallejo Planning Commission Minutes
November 20, 2006

try to improve on what we feel about these infill projects. Anyway, I do feel this is a good project. The neighbors do have some concerns and I hope that between now and the time this goes to City Council you will take measures to alleviate some of these concerns. I will move that we recommend that the City Council adopt a mitigated negative declaration subject to the findings contained in this report and that we send recommendations to the City Council that they approve Zoning Map Amendment #05-0002, approve Planned Unit Development #05-0012, and approve Tentative Map #05-0004 with the findings and conditions in the staff report incorporating the change in Public Works Condition #5 on page 22 to read as noted in the memo provided to the Commission by staff.

Claudia Quintana: On a rezoning the Commission needs to find that it is consistent with the General Plan so I would ask that you include that finding in your motion and your reasons why it is or is not.

Commissioner Engelman: I will add that we find that it is consistent with the General Plan. Does that clear it up.

Claudia Quintana: Yes.

Don Hazen: I would just like to add one thing. If we could also add as part of that motion that staff clean up the document to eliminate any inconsistencies related to the environmental review so that what we forward to City Council would be a good clean, consistent document.

Commissioner Peterman: I would like to add a friendly amendment that the applicant take into account and consideration the nature and character of the neighborhood when working on the exteriors of the buildings.

Commissioner Engelman: I will add the cleaning up of the environmental review and accept Commissioner Peterman's friendly amendment.

Chairperson Legalos: Concerning the petition that we have received, we have discussed some of the issues with Mr. Hazen and Ms. Quintana. The statement that the six houses overcrowds the lot is true is it were zoned low density residential. However it is presently zoned Intensive Use Limited and will be rezoned to Planned Development and this does not apply. We, on this Commission, several months ago approved a project with higher density on Sonoma Blvd, and prior to that we approved phase two of Sycamore Place. This project is consistent with other projects that we have approved. The City Council has the auspice to look favorably with this kind of development. That said we have had a request to reopen the public hearing so the opponents could give us a re-rebuttal. I am not going to do that. That is not part of our process. However, the opponents of this proposal will have the opportunity to speak before the City Council if we do recommend a recommendation of approval.

AYES: Engelman, Turley, Manning, Legalos, Peterman.

NOS: None.

ABSENT: McConnell, Salvadori.

Motion carries.

These findings are made based upon all evidence in the record including the staff report, all of which are incorporated by reference.

Vallejo Planning Commission Minutes
November 20, 2006

- A. The proposed Zoning Map Amendment as conditioned is consistent with the General Plan.
- B. The proposed Zoning Map Amendment is necessary for the development of the six family homes.
- C. The proposed Zoning Map Amendment is necessary for the future orderly and consistent development of the subject area.

Planned Unit Development (Master Plan / Unit Plan)

Staff recommends that the Planning Commission forward a recommendation to the City Council to **APPROVE** Planned Unit Development (Master Plan / Unit Plan) #05-0012 subject to the findings and conditions provided in this report.

Findings:

These findings are made based upon all evidence in the record including the staff report, all of which are incorporated by reference.

- A. The proposed master plan is consistent with the goals and policies of the Vallejo General Plan per Section 3 of this report. The project is not located in a specific plan area.
- B. The master plan furthers the stated purpose of the planned development district per Section 9 of this report.
- C. The master plan is in conformity with public convenience, the general welfare and good land use practice.
- D. The master plan will not be detrimental to health, safety and general welfare per Section 9 and the proposed Mitigated Negative Declaration.
- E. The master plan will not adversely affect the orderly development or the preservation of property values.
- F. The unit plan is consistent with the intent, purpose and development standards of the master plan per Section 9 of this report.
- G. The unit plan serves to achieve groupings of structures which will be well related one to another and which, taken together, will result in a well-composed urban design, with consideration given to site, height, arrangement, texture, material, color and appurtenances, the relation of these factors to other structures in the immediate area, and the relation of the development to the total setting as seen from key points in the surrounding area per Section 9 of this report.
- H. The unit plan is of a quality and character which harmonizes with, and serves to protect the value of, private and public investments in the area.

Tentative Map

Staff recommends that the Planning Commission forward a recommendation to the City Council to **APPROVE** Tentative Map #05-0004 subject to the findings and conditions provided in this report.

Findings:

These findings are made based upon all evidence in the record including the staff report, all of which are incorporated by reference.

- A. The Tentative Map is consistent with the goals and policies of the Vallejo General Plan per Section 3 of this report.
- B. The Tentative Map will not result in any significant environmental impacts that cannot be mitigated per Section 2 of this report.
- C. As conditioned, the Tentative Map meets the specific standards prescribed in the Zoning Ordinance as discussed in Section 4 of this report.
- D. As conditioned, the Tentative Map is in conformance with the Subdivision Map Act and the Subdivision Ordinance as discussed in Section 5 of this report.

CONDITION COMPLIANCE REQUIRED PRIOR TO BUILDNG PERMIT SUBMITTAL:

Planning Division

1. Prior to submittal of final map, submit a numbered list to the Planning Division stating how each project requirement contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project.
2. Prior to building permit submittal, submit a complete set of construction plans to the project planner for review and approval.
3. The project shall comply with all measures included in the Mitigated Negative Declaration.

MITIGATION MEASURES

Air Quality

Construction Phase:

- 1) Water active sites at least twice daily.
- 2) Cover all trucks hauling dirt, sand, soil, or other loose materials. Maintain at least six inches of freeboard.
- 3) Pave, apply water three times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas, and staging areas at construction sites.
- 4) Sweep daily (with water sweepers) all paved access roads, parking areas, and staging areas at construction sites.
- 5) Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets.
- 6) Hydroseed or apply (nontoxic) soil stabilizers to inactive construction areas

Vallejo Planning Commission Minutes
November 20, 2006

(previously graded areas inactive for ten days or more).

- 7) Enclose, cover, water twice daily, or apply (nontoxic) soil binders to exposed stockpiles (dirt, sand, etc.).
- 8) Limit traffic speeds on unpaved roads to 15 mph.
- 9) Install sandbags or other erosion control measures to prevent silt runoff to public roadways.
- 10) Replant vegetation in disturbed areas as quickly as possible.

CULTURAL RESOURCES

- 1) In the event unsuspected historical, archaeological, or paleontological resources or human remains are discovered during any phase of the project, land alteration work within 50 feet of the find shall be halted, the Planning Division notified, and a qualified professional consulted to evaluate the resource and suggest an appropriate management plan as necessary. If human remains are discovered, the County Coroner shall also be notified.

HYDROLOGY AND WATER QUALITY

- 1) The project is located within a 100-year flood zone. The applicant shall mitigation measures as proposed in the letter dated February 16, 2006 by Waterfront Engineering.

NOISE

- 1) Equipment and trucks used for the project construction shall utilize the best available noise control techniques (e.g., improved mufflers, equipment redesign, and use of intake silencers, ducts, engine enclosures, and acoustically attenuating shields or shrouds, wherever feasible).
- 2) The project contractor shall place all stationary construction equipment so that emitted noise is directed away from sensitive receptors nearest the project site.
- 3) The construction contractor shall locate equipment staging in areas that will create the greatest distance between construction related noise sources and noise sensitive receptors nearest the project site during all project construction.
- 4) During all project site construction, the construction contractor shall limit all construction-related activities to the hours of 7:00 a.m. and 6:00 p.m. Monday through Saturday. No construction shall be allowed on Sundays and public holidays.
- 5) Mechanical ventilation such as air conditioning systems shall be required for all dwelling units on site to ensure that windows can remain closed for prolonged periods of time to meet interior noise standards.

Vallejo Planning Commission Minutes
November 20, 2006

4. Prior to building permit submittal, submit a colors and materials board, showing the exterior materials to be used. T-111 or Panel Siding shall not be used on this project.
5. Prior to the building permit submittal, submit details of the window, door and garage trim to the project planner for review and approval.
6. Prior to building permit submittal, submit details and location of any proposed fencing to the Project Planner for review and approval. Fencing shall comply with Section 16.70 of the Vallejo Municipal Code. The fencing shown on page C-1 of the submitted plans calls for seven (7) foot high wood fencing, the maximum height of fencing shall not exceed six (6) feet per Section 16.70. 060F of the Vallejo Municipal Code.
7. Prior to building permit submittal, work with staff to revise the two side elevations for the two units that front on Illinois Street. The revised elevations shall be enhanced architecturally to provide more visual interest as viewed from Illinois Street.
8. Prior to building permit submittal, the applicant shall work with staff to revise the landscape plans to meet City requirements. Submit 2 sets of revised landscaping plans prepared by a registered landscape architect to the Planning Division for review and approval. The requirement for a registered landscape architect may be waived at the discretion of the Planning Manager. Landscape plans shall comply with Chapter 16.70 (VMC), and are to include the following:
 - a. The use of a variety of plant materials including perennials and ornamental grasses.
 - b. A minimum of 1 City-approved street tree per unit to be planted at least 6 feet from any sewer line;
 - c. Specification of low growth type species adjacent to doors, windows and walkways;
 - d. Low-water using and drought-resistant plant materials;
 - e. Screening of required backflow preventer;
 - f. All trees to be minimum of 15 gallon, double staked; at least 50% of the proposed shrubs shall be a minimum of 5 gallon;
 - g. Irrigation plan indicating all components of the irrigation system including sprinklers and other outlets, valves, backflow prevention devices, controllers, piping and water usage.
9. Prior to building permit submittal, submit an official stamped certification by a licensed and registered engineer or architect that the proposed project and structure complies with Section 7.98 (Floodplain Management Regulations).

Building Division

Vallejo Planning Commission Minutes
November 20, 2006

1. Prior to building permit submittal, submit a revised roof plan. The roof valleys as presently illustrated show roof valleys dumping water over and at the property lines
2. Prior to building permit submittal, submit plans showing that the garage walls at the property line have a one-hour construction.

Public Works Department

1. Prior to building permit submittal, submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project. (PW1)
2. Prior to building permit submittal, apply to FEMA for a letter of Map Revision (LOMR) and secure their approval.
3. Comply with the City of Vallejo Flood Damage Protection Ordinance (Section 7.98 of the Vallejo Municipal Code).
4. Prior to building permit submittal, submit a geotechnical investigation report for this project for review.
5. Prior to building permit submittal, submit a site grading, drainage, improvement, utility and landscaping and irrigation plans for review and approval. Site plan shall show all proposed and existing improvements and utility services. Secure approval of the site plan prior to building permit submittal.
6. Prior to building permit submittal, establish a common access, drainage, parking and utility easements within the common area for the benefit of all six units.
7. Prior to building permit submittal, underground overhead utility wires fronting the property. All proposed utility wires serving the lots shall be under-grounded.
8. Prior to building permit submittal, dedicate a six foot Public Utility Easement fronting the property along Nigh & Mississippi Streets to the City of Vallejo.
9. Dedicate a six foot wide Public Utility Easement along Illinois Street fronting the property.
10. Prior to building permit submittal, submit an address map for review and approval.

11. Owner of the property shall request in writing from the Public Works Department to assign an address for each lot.
12. Prior to building permit submittal, submit three sets of plans to the Department of Public Works for plan check review and approval. (Improvement or civil plans are to be prepared by a licensed civil engineer.) Plans are to include, but may not be limited to, grading and erosion control plans, improvement plans, joint trench utility, street light plans, and landscaping, irrigation and fencing plans and all supporting documentation, calculations, and pertinent reports. (PW3)
13. Prior to building permit submittal, or acceptance of grading, compaction test results and certification letter from the project soils engineer and civil engineer confirming that the grading is in conformance with the approved plans must be submitted to Public Works for review and approval. Test values must meet minimum relative compaction recommended by the soils engineer (usually at least 90 percent). (PW8)
14. Obtain a street excavation permit from the Department of Public Works prior to performing any work within City streets or rights-of-way, or prior to any cutting and restoration work in existing public streets for utility trenches. All work shall conform to City standards (PW 10).
15. Prior to building permit issuance, obtain an encroachment permit from the Department of Public Works for all work proposed within the public right-of-way (PW 11).
16. Prior to building permit submittal, submit a traffic control plan to the Department of Public Works for review and approval (PW 12).
17. Prior to approval of construction plans, provide bonds and pay applicable fees. Bonding shall be provided to the City in the form of a "Performance Surety" and a separate "Labor and Materials Surety" in amounts stipulated by City ordinance (PW 15).
18. The project is located within the 100-year flood zone and shall therefore comply with Chapter 7.98 – Flood Damage Protection, VMC. Prior to obtaining a grading permit, apply to the Federal Emergency Management Administration (FEMA) for a Conditional Letter of Map Revision (CLOMR). Prior to building permit submittal, apply to FEMA for a letter of Map Revision (LOMR). Prior to obtaining a certificate of occupancy or acceptance by the City, whichever is applicable, obtain an approved Letter of Map Revision from FEMA. It will take FEMA at least 90 days to obtain CLOMR or LOMR. FEMA can be contacted by telephone at

9415)923-7177, or FEMA, Mitigation Division, Building 105, Presidio of San Francisco, San Francisco, CA 94129-1250. (PW18)

19. Prior to building permit submittal, submit a final a final map prepared by a qualified civil engineer or land surveyor for review and approval. (VMC 15.12.030)
20. Prior to recording the final or parcel map, the owner shall pay the City charges required by Solano County for providing copies of the recorded map to the City (\$15.00/Sheet).
21. Pay the map checking fee. (Resolution No. 02-55 N.C.)

Water Division

1. Submit a numbered list to the Water Division stating how each condition of project approval will be satisfied.
2. All water system improvements shall be consistent with the Vallejo Water System Master Plan, 1985, prepared by Kennedy/Jenks Engineers. Prior to building permit submittal, water system improvement plans shall be submitted to the Water Division for review and approval, and shall contain at least:
 - b. Location and size of domestic service connection(s).
 - c. Location and size of irrigation service connection(s).
 - d. Location of fire hydrants
 - e. Location of structures with respect to existing public water system improvements such as mains, meters, etc.
 - g. Location and size of backflow prevention devices (required on water service connections to irrigation systems, certain commercial water users, and to commercial fire sprinkler systems, per City Ordinance 922 N.C. (2d).
3. Fire flow and pressure requirements of the Fire Department shall be satisfied. Fire flow at no less than 25 psig residual pressure shall be available within 1000 feet of any structure. One half of the fire flow shall be available within 300 feet of any structure.
 1. For single family residential units, the fire flow is 1500 gpm.
 2. For other developments, see the Vallejo Water System Master Plan, 1985, prepared by Kennedy/Jenks Engineers and its latest update by Brown and Caldwell dated April 1996
4. Prior to building permit submittal, hydraulic calculations demonstrating that the fire flow required by the Fire Marshall is satisfied shall be submitted to the Water Superintendent.
5. Fire hydrant placement and fire sprinkler system installation, if any, shall meet the requirements of the Fire Department. For combined water and fire services, the requirements of both the Fire Department and the Vallejo Water System Master Plan, with latest revisions shall be satisfied.

Vallejo Planning Commission Minutes
November 20, 2006

6. Each lot or unit shall be metered separately.
7. Prior to building permit submittal, hydraulic calculations shall be submitted to the Water Division demonstrating that the fire flow requirements are complied with.
8. Water service shall be provided by the City of Vallejo following completion of the required water system improvements and payment of applicable fees. Performance and payment bonds shall be provided to the City of Vallejo prior to construction of water system improvements. Fees include those fees specified in the Vallejo Municipal Code including connection and elevated storage fees, etc. and fees for tapping, tie-ins, inspections, disinfection, construction water, and other services provided by the City with respect to the water system improvements. The Water Division may be contacted for a description of applicable fees.
9. The water service (if existing) on site may not meet Plumbing Code requirements for the number of fixture units in this development. Submit plumbing calculations that show the existing water service and/or meter size meets the current Plumbing Code requirements. If it does not, upsize the water service and meter size to recommended size. Application for water service changes should be directed to Water Engineering at 202 Flemming Hill Road, Vallejo, CA 94589.

Vallejo Sanitation and Flood Control District

1. Prior to building permit submittal, a VSFCD Connection Permit is required. Pay all applicable review and connection fees.
2. Prior to building permit submittal, submit a revised site utility plan showing the storm drain and sanitary sewer system within the lots private. The District's responsibility shall be from the ROW to the District's facility.
3. The existing sanitary sewer on the easterly side of your subdivision shall be protected and not encroached upon.
4. All individual parcels shall drain and sewer directly to the public system. Prior to building permit submittal, submit complete improvement plans and supporting documentation illustrating that the individual parcels drain and sewer directly to the public system. Please show the location of the sanitary sewer and cleanout on the site utility plan.
5. Prior to building permit submittal, the property owner shall submit a proposed easement description for approval by the District. Vallejo Sanitation and Flood Control District pipeline facilities shall be located in a 15 foot wide easements or street right-of-way.
6. Prior to building permit submittal, please show a manhole over the 12-inch SD pipe at the property line. Please show a Vallejo Sanitation and Flood Control District cleanout over the 6-inch SS pipe at the property line. The intention of this is to make the systems discernible between what is public and what is private. Please show the location on the drawings.
7. The sanitary sewer pipe size in Illinois Street is 15 inches not 18 inches.
8. Prior to building permit submittal, resubmit the design drawings showing the corrections above.

Fire Prevention

1. Prior to building permit submittal, resubmit plans showing an adequate roadway width. Access roads shall have an unobstructed width of not less than 20 feet. (2001 California Fire Code 902.2.2.1)
2. In Residential (Group R) Occupancies, single station smoke detectors shall be installed prior to occupancy/final building inspection in each sleeping area and at a point centrally located in the corridor or area giving access to each separate sleeping area. When the dwelling unit is of more than one story (including basement) there shall be a smoke detector on each story. When a story is split into more than one level, the smoke detector shall be installed on the upper level. (2001 CBC Section 310.9.1.1).
2. Prior to building permit submittal, submit a numbered list to the Fire Prevention Division stating how each condition of project approval will be satisfied.
3. Prior to building permit submittal, the applicant shall install an approved and tested water supply system capable of supplying the required fire flow as determined by the Fire Chief. Water supply systems for staged construction shall provide required fire flows at all stages. (2001 CFC Section 901.4)
4. Additional fire hydrants may be needed, prior to building permit submittal, submit a complete set of plans for review and approval. Prior to building permit submittal, submit a complete set of plans for review and approval. All fire hydrants are to have a "blue dot" high way reflector installed on the adjacent street of the driveway to clearly identify the fire hydrant locations (2001 CFC Section 903, Appendix III-B)

CONDITION COMPLIANCE REQUIRED PRIOR TO OCCUPANCY/FINAL INSPECTION:

Planning Division

1. Prior to final occupancy install required landscaping as illustrated on the approved landscape plan.
2. Prior to occupancy/final building inspection, install landscaping and irrigation per approved plans. The landscape architect shall verify in writing that the landscaping and irrigation have been installed in accordance with the approved landscaped plans with respect to size, health, number and species of plants and the overall design concept.
3. Obtain an inspection from the Planning Division prior to occupancy/final building inspection. All inspections require a minimum 24-hour notice. Occupancy permits shall not be granted until all construction and landscaping is complete and final in accordance with the approved plans and required conditions of approval or a bond has been posted to cover all costs of the unfinished work as agreed to by the Planning Manager.

Public Works

1. Prior to occupancy, remove and replace broken curb, gutter and sidewalk fronting the property as determined in the field by the City Engineer. (VMC, 10.04). Obtain a sidewalk permit from the Public Works Department prior to any work.
2. Prior to final occupancy, install frontage improvements as determined in the field by the City Engineer.

Vallejo Planning Commission Minutes
November 20, 2006

3. Prior to occupancy/final building inspection, install the improvements required by Public Works including but not limited to streets and utilities. (PW16)
4. Prior to occupancy/final building inspection, remove and replace any broken curb, gutter, sidewalk or driveway approach as directed in the field by the City Engineer. (PW17)
5. Prior to release for occupancy, plant street trees in accordance with Vallejo Municipal Code, Section 15.06.190 and Regulations and Specifications for Public Improvements, Section 3.3.48. The list of approved trees is available in the office of the Public Works Director. The minimum standard shall be at least one tree for each 50 feet of street frontage or fraction thereof, including secondary or side streets. Street tree(s) shall be inspected by Public Works Landscape Inspector prior to release for occupancy. (PW19)
6. Prior to occupancy, install required street tree fronting the property along Illinois Street. Street tree shall be selected from the City's approved street tree list. (VMC, Section 15.06.190 and Regulations and Standard Specifications Section 3.3.48)

Fire Prevention

1. Prior to occupancy/final building inspection, install approved numbers or addresses on all buildings in such a position as to be clearly visible and legible from the street. Residential buildings shall have numerals or letters not less than 3 inches in height, and approved color that contrasts the background. Commercial occupancies shall have numerals or letters not less than 6 inches in height of contrasting background, and illuminated at night (2001 CFRC Section 901.4.4; added VMC Section 12.28.170)
2. Prior to final occupancy/final building inspection, all applicable fees shall be paid and a final Fire Prevention inspection shall be conducted. All meetings and inspections require a minimum 24-hour advance request.
3. Prior to occupancy/final building inspection, install "No Parking/Fire Lane" signs along interior access roadways, in locations where vehicle parking would encroach on a 20-foot clear width of roadway (CVC Section 22500.1; CalTrans Traffic Manual sign #R26F).
4. In Residential (Group R) Occupancies, single station smoke detectors shall be installed prior to occupancy/final building inspection in each sleeping area and at a point centrally located in the corridor or area giving access to each separate sleeping area. When the dwelling unit is of more than one story, (including basement) there shall be a smoke detector on each story. When a story is split into more than one level, the smoke detector shall be installed on the upper level.

Water Department

1. Prior to occupancy or final building inspection, install water appropriately sized water system improvements as required. Backflow device shall be installed in compliance with the Vallejo Municipal Code and in areas hidden from public view and/or shall be mitigated by landscaping.
2. Individual water services/meters for these units shall be situated only along the frontage at Illinois Street.

Vallejo Sanitation and Flood Control District

Vallejo Planning Commission Minutes
November 20, 2006

1. If comments from VSFCDD and the City of Vallejo call for differing standards of development, the higher standard shall apply.
2. If any of the VSFCDD comments are in conflict with comments from the City of Vallejo request clarification.
3. Applicant shall pay all fees (plan review fees, connection fees, etc.) required by VSFCDD for the subject project.
4. Prior to occupancy/final building inspection, provide a standard VSFCDD cleanout at the right-of-way/easement line per District standards and a two-way cleanout at the building per U.P.C.
5. Direct roof drainage across non-paved areas prior to entering storm drain inlets and gutter, when feasible.
6. VSFCDD comments shall be understood to require modification of the project to any extent necessary to meet VSFCDD requirements, unless specifically stated.
7. Prior to occupancy, install VSFCDD cleanout per standard drawing number seventeen.
8. Prior to occupancy, install VSFCDD manhole (Sanitary and Storm Drain) per standard drawing number seven and eleven.
9. The VSFCDD would prefer the public portion of the sanitary sewer pipe material to be PVC SDR 26.
10. VSFCDD personnel shall inspect all work on the District's system.

Crime Prevention

1. Street number shall be displayed in a prominent location and be easily visible to oncoming emergency vehicles. The numbers shall be illuminated during darkness.
2. Post signs and paint curbs red which have emergency vehicle access lanes.
3. There shall be an illuminated map of the complex affixed at the entrance to the property that allows the viewer to see his/her location and the location of the units on the property.
4. All exterior lighting shall be sufficient to establish a sense of well-being to pedestrians and to facilitate the recognition of persons at a reasonable distance.
5. Metal halide bulbs are recommended.
6. All exterior lighting shall not trespass onto other adjoining properties.
7. Landscaping shall not block or obstruct the view of any door, window, or lighting fixture.

STANDARD REQUIREMENTS

Planning Division

Vallejo Planning Commission Minutes
November 20, 2006

1. Construction-related activities shall be limited to between the hours of 7 a.m. and 6 p.m., Monday through Saturday. No construction is to occur on Sunday or federal holidays. Construction equipment noise levels shall not exceed the City's maximum allowable noise levels.
2. T-111 or panel siding shall not be used on this project.
3. All landscaping and fencing surrounding the proposed use shall be maintained in a clean, attractive, and well kept condition and any dead or dying material shall be replaced promptly. There shall be no barbwire or razor fencing allowed.

Public Works

1. All public improvements shall be designed to City of Vallejo standards and to accepted engineering design standards. The City Engineer has all such standards on file and the Engineer's decision shall be final regarding the specific standards that shall apply.
2. Surface runoff from the site shall be intercepted on site and piped into the public storm drain system (No sidewalk cross drains allowed). Show the point connection of drainage pipe to public storm drain system. Surface drainage of each lot shall be directed to the court and shall not cross neighboring lots, unless a Homeowner Association established to maintain the private storm drain system.
3. The driveway approach and the common driveway inside the project shall not be less than 25 feet in width.
4. Multiple trenches require grinding and overlay along Illinois Street. Limit of work shall be determined by the City Engineer.
5. Water meters shall not be located with the driveway approach.
6. Identify public and private sanitary sewer and storm drain lines in the common court.
7. Establish a Home Owners Association for this project. All private improvements shall be owned and maintained by the homeowners association.
8. Remove and replace broken curb and gutter fronting the property as determined I in the field by the City Engineer. (VMC, Section 10.04)
9. Entrances to any private project must be standard driveway approaches unless deviation is permitted by the City Engineer. (PW9)
10. Construction inspection shall be coordinated with Public Works and no construction shall deviate from the approved plans. (PW13)
11. The project design engineer shall be responsible for the project plans. If plan deviations are necessary, the project engineer must first prepare a revised plan or details of the proposed change for review by Public Works and, when applicable, by Vallejo Sanitation and Flood Control District. Changes shall be made in the field only after approval by the City. At the completion of the project, the design engineer must prepare and sign the "as built" plans. (PW14)
12. Standard driveway and approach shall be per City standard. (VMC Section 16.62.150)

Vallejo Planning Commission Minutes
November 20, 2006

13. All public improvements shall be designed to City of Vallejo standards and to accepted engineering design standards. The City Engineer has all such standards on file and the Engineer's decision shall be final regarding the specific standards that shall apply (PW 2).
14. Site grading shall comply with Chapter 12.40 - Excavations, Grading and Filling, (VMC). Prior to issuance of grading permit, submit a soils report for review. An independent soils and geological review of the project may be required. The City shall select the soils engineer with the cost of the study to be borne by the developer/project sponsor (PW 4).
15. In design of grading and landscaping, line of sight distance shall be provided based on Caltrans standards. Installation of fencing, signage, above ground utility boxes, etc. shall not block the line of sight of traffic and must be set back as necessary (PW 5).
16. During grading operations, the project geologist or soils engineer and necessary soils testing equipment must be present on site. In the absence of the soils engineer or his representative on site, the to the Department of Public Works shall shut down the grading operation (PW 6).
17. All dust and erosion control shall be in conformance with City standards and ordinances (PW 7).

Fire Prevention

1. The project shall conform to all applicable requirements of Title 19 (2001 CFC and all VMC Amendments)
2. Should security gates be desired at any entrances to the project, they shall be provided with a Fire Department approved entry system.
3. Development sites shall be maintained weed free during construction. (2001 CFC Section 1103.2.4)
3. Every sleeping room below the fourth story shall have at least one exterior opening for rescue purposes. The opening shall be a minimum of 5.7 square feet, and 20 inches wide by 24 inches high. The finished sill height shall be no higher than 44 inches from the floor. Ladder access shall be provided for buildings over the first floor.

Water Division

1. Easements shall be provided for all water system improvements installed outside the public right-of-way:
 - a. Fifteen feet wide (minimum) for water mains.
 - b. Ten feet wide (minimum) for fire hydrants, water meters, backflow preventers, double detector check valves, etc.
2. Each unit or building structure shall be metered separately.
3. Water service shall be provided by the City of Vallejo following completion of the required water system improvements and payment of applicable fees. Performance and payment bonds shall be provided to the City of Vallejo prior to construction of water system improvements. Fees include those fees specified in the Vallejo Municipal Code, including connection and elevated storage fees, etc., and fees for tapping, tie-ins, inspections, disinfection, construction water, and other services provided by the City with

Vallejo Planning Commission Minutes
November 20, 2006

respect to the water system improvements. The Water Division may be contacted for a description of applicable fees.

Vallejo Sanitation and Flood Control District

1. Direct roof drainage across non-paved areas prior to entering storm drain inlets and gutter, when feasible.
2. The following permits are identified as being required from other agencies prior to construction: Building Permit from the City of Vallejo. Additional permits may be required. It is the responsibility of the applicant to determine any and all permits that are required.
3. After the plans are approved, submit a Construction Permit Application (SSI) Form for connection fee calculation (\$20 Submittal Fee). Non-residential developments shall also submit a Pre-treatment Questionnaire for review by VSFCD Pollution Control Department.
4. Direct roof drainage across non-paved areas prior to entering storm drain inlets and gutter, when feasible.
5. All individual parcels shall drain and sewer directly to the public system.
6. Non-VSFCD facilities serving more than one lot will not be allowed.
7. VSFCD's sanitary sewer or storm drains shall not be installed in the rear of any of the lots.
8. All storm drainage shall be collected onsite and conveyed underground to the public storm drain system.

GENERAL REQUIREMENTS

1. All contractors and subcontractors working on the project shall have City of Vallejo business licenses.
2. Construction-related activities shall be limited to between the hours of 7 a.m. and 6 p.m., Monday through Saturday. No construction is to occur on Sunday or federal holidays. Construction equipment noise levels shall not exceed the City's maximum allowable noise levels.
3. Required landscaping shall be maintained in a neat, clean, and healthy condition. This shall include pruning, mowing of lawns, weeding, removal of litter, fertilizing, replacement of plants when necessary, and the regular watering of all plantings.
4. The conditions herein contained shall run with the property and shall be binding on the applicant, and all heirs, executors, administrators, and successors in interest to the real property that is the subject of this approval.
5. All applicable requirements of any law or agency of the State, City of Vallejo and any other governmental entity at the time of the recording of the Final Map shall be met. The duty of inquiry as to such requirements shall be upon the applicant.
6. The subdivider shall defend, indemnify, and hold harmless the City of Vallejo or its agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void, or annul, the approval of this subdivision by

Vallejo Planning Commission Minutes
November 20, 2006

the City. The City shall promptly notify the subdivider of any action. The City may elect, in its discretion, to participate in the defense of any action.

L. OTHER ITEMS

None.

Chairperson Legalos asked that the elections to Chair and Vice-Chair be put on the next Planning Commission agenda as an action item.

M. WRITTEN COMMUNICATIONS

None.

N. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 9:00 P.M.

Respectfully submitted,



(for) BRIAN DOLAN, Secretary

Vallejo Planning Commission Minutes
December 4, 2006

- A. The meeting was called to order at 7:00 p.m.
- B. The pledge of allegiance to the flag was recited.

C. ROLL CALL:

Present: Commissioners McConnell, Morris, Legalos, Salvadori, Turley, Peterman.

Absent: Engelman.

D. APPROVAL OF THE MINUTES.

None.

E. CONSENT CALENDER AND APPROVAL OF THE AGENDA

On a motion by Commissioner Legalos, Item L, by unanimous vote, was moved ahead of the Report of the Secretary so officers might be elected and the meeting run with a proper Chairperson and Vice-Chairperson.

On a motion by Commissioner Peterman the agenda was unanimously approved as changed after the following discussion:

Commissioner Salvadori: I do not have a problem with your request to do that but I see two lengthy addendums to Items K2 and K3. Before we approve the agenda I would like to hear whether or not there is substantial information in here that the Commission has not had a chance to look at.

Don Hazen: I believe the only information we gave you was clean-up on the environmental language. If there is more than that then I will have to defer to Mr. Adams.

Marcus Adams: I have not handed out any additional information on K2 and K3. There is the clean up language on K1 but nothing else.

Claudia Quintana: I believe those are my papers. I spilled over into your area.

Commissioner Salvadori: It was just a lot of information and I did not want to go into it blind. Thanks you.

L. OTHER ITEMS

Election of Chairperson and Vice-Chairperson.

On a motion by Commissioner McConnell, Commissioner Legalos was unanimously elected Chairperson and Commissioner Peterman was unanimously elected Vice-Chairperson.

F. REPORT OF THE SECRETARY

1. Upcoming Meeting of Monday, December 18, 2006
 - a. Code Text Amendment 06-0004 is a revision of Chapter 16.70 of the VMC – Screening and Landscaping Regulations.
 - b. Use Permit 05-0026 is an application to substitute one non-conforming use for another abandoned non-conforming use located at Alameda and Maine.

Vallejo Planning Commission Minutes
December 4, 2006

- c. Use Permit #546A – Appeal of staff determination concerning Rose Imports located at 1605 Solano Avenue.
- d. Use Permit 06-0039 is an application for additions to the chapel and administrative areas of Skyview Memorial Cemetery located at 200 Rollingwood.
- e. Amendment to the Waterfront PDMP and Design Guidelines as required by the settlement with the Waterfront Coalition. The settlement was approved by the City Council at their last meeting.

G. CITY ATTORNEY REPORT

Claudia Quintana: As I promised you, at a previous meeting, I have handed out a synopsis of the legislation that effects Planning and Land Use. You may peruse it at your leisure and if you have any questions please contact me.

H. COMMUNITY FORUM

None.

I. REPORT OF THE PRESIDING OFFICER AND COMMISSIONERS

None.

J. LIAISON REPORTS

- 1. Council Liaison to Planning Commission

None.

- 2. Planning Commission Liaison to City Council

Chairperson Legalos: Commissioner Peterman has taken over as Liaison to the City Council. Mr. Peterman do you have a report?

None.

K. PUBLIC HEARINGS

- 1. **Use Permit 06-0014, Planned Development 06-0020 and Minor Exception 06-0024** are applications for Costco expansion and tire center relocation/enlargement. Proposed CEQA Action: Negative Declaration. Continued from the meeting of November 6, 2006.

Staff recommends **approval** based on the findings and conditions in the staff report.

Marcus Adams: This involves the Costco expansion to their existing warehouse in the Gateway Plaza Shopping Center. The proposed expansion would be 14,721 square feet. The major part of the change would be in the fresh fruit and grocery sections of the store with some limited square footage additions to the other sections of the store. Also proposed with the expansion would be a relocation or realignment of the tire center. *Marcus pointed out the illustration boards set up behind Deborah Marshall.* The exterior architecture is not proposed to change much from the existing

Vallejo Planning Commission Minutes
December 4, 2006

façade. The present tire center will be eliminated and you will have that on the north side of the building. There are three applications involved with this Costco change: the Use Permit, a Planned Development Unit Plan, and a Minor Exception. Because of the Super Store Ordinance that we passed last year the Use Permit is before you tonight with the Costco Expansion. The environmental consultant is here tonight to answer any questions you might have concerning the EIA. Representatives from Costco are also here to give a short presentation and answer any questions not answered in the staff report. I will go over the Minor Exception and conformance with the Northgate Specific Plan. The project is in compliance with the Specific Plan except for the floor area ratio. The maximum allowed is 25% and they actually have 27%. We have a minor exception process here in the City that allows you to exceed a measurable standard by 25% and this two percent increase over the allowable 25% is well under that 25%. We did not feel that recommending approval of that minor exception would be a negative impact on the site or the surrounding community.

As you will note on the cover page CEQA should read "based upon substantial evidence in light of the whole record, the project will not have a significant effect on the environment. When you make a motion tonight we ask that you recommend that change. I think I have explained well enough finding number 5 about the 27% and the minor exception, just incase anyone had any confusion about what that means.

The last change concerns Section 16.70.040. We need to add the finding that the positive economic impacts created by the proposed superstore would outweigh the negative economic impacts or, that despite any negative impacts, other considerations warrant the granting of a major conditional use permit for the superstore. We ask that that be included in the record tonight. I will be happy to answer any questions about the staff report.

Commissioner Turley: There are three addendums to what we see here? Have you passed out these addendums to the Commission?

Marcus Adams: There will be two, actually and they were in a memo that was passed out to the Commission.

Commissioner Turley: OK.

Commissioner McConnell: You are representing that the increase in this project is 14,721 square feet. It is my understanding that they are going to be demolishing the current tire center. The net gain is 14,700, right?

Marcus Adams: Yes.

Commissioner McConnell: In the project description, where the square footages are broken down, the first four items total 15,734.

Marcus Adams: If you note in the footnote I did not include the decrease in some of the areas.

Commissioner McConnell: You indicate that this is a minor exception based upon the square footage.

Marcus Adams: The minor exception is related to the floor area ration compared to the lot.

Commissioner McConnell: In this staff report you make a recommendation that they add a few trees and the landscape ordinance we have does not apply to this project

Vallejo Planning Commission Minutes
December 4, 2006

because it is a fairly minor expansion. I wonder if you can explain why you reached that conclusion. What is the justification for that position.

Marcus Adams: The justification for that is that what we look at is the intensity of the overall development and compare it to the overall requirements, whether it is bringing it up to code, in this case the landscaping code, and the relationship of what we would request in relationship to what they are developing. To add improvements in landscape some type of nexus needs to be established. We did not think this would be appropriate. The way the site is was developed to code at the time or if it was something that was missed at that point it is existing and so instead of having them dig up the entire parking lot it would be a situation where they would just fill in some areas and enhance the landscaping that way.

Commissioner McConnell: What is the total cost for this project?

Marcus Adams: I am not sure.

Commissioner McConnell: When staff considered the recommendation that the parking and landscaping requirement not be brought up to code did staff give any consideration to the cost to do that?

Marcus Adams: Not in hard numbers. We did kind of have an idea of the cost and we considered the time frame. We also considered, once again, the nexus of what they are doing in relationship to having to redo the entire parking lot and landscaping.

Commissioner McConnell: Costco owns this property. They are a fairly large retail operation; probably one of the most significant one in the entire City. A lot of people pay good money to walk through those doors. I am having some difficulty justifying not asking such a corporate client to come up to standards. It concerns me that we might excuse a company that we might like while we have a company that, maybe we don't like as much, but we do impose such a requirement on them. About a year ago we required Marine World to redo their parking lot. We gave them some latitude in how they would meet those standards but we still made that request of them and justly so, I think. That is probably applicable in these circumstances as well. I would like to hear the applicant's position on that. If we don't do it on this application, when?

Don Hazen: What we looked at is, is the recommendation to retrofit that parking lot practical, reasonable and proportional to the project that is before us today. We struggled with the fact that we have a parking lot out there now that probably should not have been approved in that configuration. We recognize that it does not meet the Northgate Specific Plan standards. We looked at roughly less than 10% of an add on for an existing facility and we looked at what it would entail to go ahead and retrofit in landscape plantings. We looked at saw cuttings and trenching in the asphalt to bring an irrigation system to those planters. We weighed all those. This is certainly something that the Commission should discuss to help elaborate how we arrived at that conclusion. We felt that to do a full retrofit based on this scope of a project did not meet those tests for reasonableness, proportionality, and whether it was practical or not.

Commissioner McConnell: That is why I wanted to inquire into that at this stage of the hearing. When we bring it back into the hands of the Commission we can discuss the policies and considerations at that time. I would like to get as much information about that as we could. I appreciate the comments very much. On the EIA there is a conclusion in there that this will not effect surrounding stores. It is probably true but it bothers me that it is a conclusionary comment and not a factually

Vallejo Planning Commission Minutes
December 4, 2006

supported statement. Will the consultant be addressing the facts upon which that conclusion was reached?

Marcus Adams: Yes.

Commissioner McConnell: I would appreciate it if it was put into written materials in the future. I think it would assist all people who review these informational packets. I think it is a desirable way of proceeding.

Deborah Marshall had Chairperson Legalos stop the meeting for a two minute break to deal with technical problems with the recording and broadcasting equipment.

Chairperson Legalos reconvened the meeting.

Chairperson Legalos: The ordinance on the landscaping states that the trees shall provide shade. I do not see that any of the trees over there provide shade. They are not appropriate plantings for shade. For most of the areas there are 19 stalls in between plantings. That far exceeds the six that are required. There is mention made of requiring plantings only in the planters that are empty. I counted only one that was empty.

Marcus Adams: Yes, I went over there today and I too only counted one. I saw some planters that had distressed plants but there was only one that was empty. As Commissioner McConnell said we did do that for Marine World but on the other hand Best Buy comes to mind where there was a condition to do some landscaping improvements and the Commission downscaled the enhancements. I think we should be consistent with Best Buy and Kohls and they do compare with Costco.

Chairperson Legalos: It seems to me that the Commission has been very consistent on asking for landscaping upgrades. It was earlier this year that we required a small restaurant on Broadway to make major changes in their parking lot and their fencing which proportionately was more significant in terms of cost and economic impact for them than this would be for Costco to bring their parking lot into compliance.

Marcus Adams: We discussed both side of the story and we realized this would be an issue tonight. It is in your jurisdiction.

Chairperson Legalos: On page 10 of the staff report says, City of Vallejo residents can expect little net savings from the expansion. The expansion will most likely not draw additional shoppers from City of Vallejo residents, nor increase the amount of purchases from present Costco members. Why would they do this?

Marcus Adams: I will let them answer that.

Chairperson Legalos opened the Public Hearing.

David Babcock: Also tonight Kim Sanford is here with Costco. I will give a brief explanation of the project. I think it is pretty simplistic. Costco proposes to add about 15,000 square feet on the south side of the building and reconfigure the inside of the store to provide more of the modern amenities that new facilities are currently enjoying. It is an attempt to bring this up closer to the typical Costco prototype. As far as the outside of the building, the concept was pretty much to match what was there to blend in with the existing structure. We looked at different approaches to this project and felt like, let's upgrade the canopy, that was one of the concepts that staff had originally presented. We have embellished that a little bit with some articulation of some of the details and curves of the front entrance. We are reworking the front

Vallejo Planning Commission Minutes
December 4, 2006

canopy and also moving the existing tire center, on the south side, tearing that off, building a new tire center on the north side of the building and expanding about 40 feet to the south. That in a nutshell is what the project is about. It is a pretty simple project. I was listening to some of the comments about the landscaping. I knew the landscaping requirement was part of the guidelines but it never really has come up until tonight. Costco is always in favor of landscaping projects, however, with this one we really were not doing anything to the parking lot. There was no plan to go in and completely tear up the parking lot. Therefore, it was not addressed as part of our proposal. As far as the economic questions we will defer to the consultants answers. Other than that I am available to answer questions.

Commissioner McConnell: I appreciate your comments. I do not think any of us are upset about the architecture here. What I have is a comment, not only for you, concerning large retail stores of this nature, but maybe also for Costco management. Over the weekend I was engaged in a conversation by a member of the general public who basically said that shopping at Costco and big box stores was not an enjoyable experience because of the cement flooring that is uncomfortable for walking long distances. This person actually preferred to shop at stores that had carpet on the floor. It raises a question in my mind about what we are doing to address people who have some mobility issues, if not an actual disability, and how that might be resolved through architectural standards. I know that when I am at Costco I do not see any of those electric carts that you see at other places. Perhaps that is something you can factor into your future designs.

Commissioner Peterman: Where the new tire center is going is handicapped parking. Is the handicapped parking going to be moved or is it going to be reduced?

David Babcock: Right now the proposed handicapped parking is across..*David Babcock pointed to a spot on one of the illustration boards that showed the exact location of the handicapped parking.* It is pretty much direct access coming to the tire center or to the front door. The handicapped parking area is in a good spot.

Chairperson Legalos: Will there be the same number of handicapped parks?

David Babcock: It is a function of the total number of cars. We meet the code. Yes there will be the number required by code.

Chairperson Legalos closed the Public Hearing.

Chairperson Legalos reopened the Public Hearing for the purposes of hearing from James Edison the environmental consultant.

James Edison: We were hired to do the economic impact study. Our task was to put together a study in conformance with the City's ordinance regarding big box and food stores. I have heard two questions so far. The first had to do with affecting the surrounding area. What we did was the affected area which is Vallejo, Benicia, and American Canyon. Our findings in that regard are based on our projections of increases in real income in the households in the affected area as well as increase in population. Both of those draw additional retail demand. Based on the numbers we have the addition at Costco is well under the projected increase in the near future and therefore it will not have any affect on existing stores. In the sense that the ordinance is concerned with, which is drawing customers away from other stores, the idea is that there is room for additional customers because there will be additional customers coming to the community and also the customers who are there are projected to be a little more wealthy in the future than they are now given the trend in Vallejo and the affected area in the last decade or so. The second question had to

Vallejo Planning Commission Minutes
December 4, 2006

do with not drawing additional shoppers or their spending more. The report actually says it is not significantly more. That is in response to the ordinance which requires us to examine that question. I would say that what is not significant from the perspective of the City and the economy of the region may be very significant for Costco. In this case we are projecting that Costco will see around \$15,000,000 a year in additional revenue based on this new square footage. For an individual store that is quite a bit of money but for the regional economy it is not a big number. In our opinion it is not a number that is going to make a big difference to the fabric of the retail stores in the area and change how things are going to evolve over the next 10 to 20 years.

Commissioner McConnell: I am happy to hear that you have extended your study to American Canyon and Benicia as well. If my understanding of the District Court of Opinion on the Wal-Mart decision, out of American Canyon, was correct, economic impact studies must address the surrounding communities and not just the geographical area of the city in which the project is proposed to be located. Do you address concerns as to whether we will be bringing or impacting any business out of Suisun City or Fairfield?

James Edison: No we did not address that far.

Commissioner McConnell: What kind of a geographic radius, in terms of miles, did you actually consider?

James Edison: The area we considered was American Canyon, Benicia and the City of Vallejo. We are limited to some extent by data. Available population data we cannot collect by radius. Usually it is by community. That is how the census does it. We pick our areas. That was in consultation with staff. If there is something you think you want us to consider in particular, an area you want us to examine, that is something we can follow up on. For now that was the judgment we made, those communities.

Commissioner McConnell: This is a new analysis for us as well. This is the first time we have had a big box before us. I believe I have been informed that when a super center opens a large box store that it draws from approximately a 20 mile radius. My concern is that if we don't ask our economic advisors to address that 20 mile radius perhaps we are under requiring what is necessary and leaving ourselves open to challenges at a later time. It does concern me that we did not address the impact it might have on a surrounding Costco. You are telling me you do not think there will be a significant impact based upon your economic data.

James Edison: That is based upon an analysis of projected additional demand based on income and population. In answer to your question about a 20 mile radius, this is a little different circumstance from when you are opening a new super center. Costco is already there. It is already supplying customers. This is just making it bigger. There will be some additional impact from the expansion. Someone said that if there was not additional impact why would Costco do it. There are actually a number of reasons. There are operational reasons, they want a different mix of products, or they are trying to prevent losing customers as opposed to gaining customers. For example Safeway is opening all sorts of new bakery facilities and changing their product mix so Costco may need to change their store just to counter that as opposed to getting new customers. We do studies for new Wal-Marts, for example. We then need to look at a wider radius but that tempered by the existence of other Wal-Marts. You have a Wal-Mart that is coming in, in American Canyon. You would not necessarily look past that Wal-Mart to see what affect it has on customers because no one past that Wal-Mart is going to come driving by it to get to

Vallejo Planning Commission Minutes
December 4, 2006

this one. If we were to do a Wal-Mart study it is a more extensive study. You look at a wider radius. It is more analysis. It also costs more money. It requires more work.

Commissioner McConnell: We are expanding the tire shop and the grocery area out there. We are expanding the liquor sales area and the food service court. Did your economic report, that we do not have factually in-depth before us, address whether there would be any impact on like natured businesses within the radius of your study area?

James Edison: We examined the issue of the tire center. It is only expanding by 200 square feet and in addition to the fact that the Board of Equalization does not actually break down Costco sales by tires. Because Costco is a general merchandise retail store if you go to the Board of Equalization and ask what the sales are it is all tracked as general merchandise. That is an issue we run into with other studies because sometimes to show evidence of an impact you need to show data about general merchandise sales and tire sales and other things but just because they sold tires does not mean that is the basket it ended up in, in terms of tracking the data. We ended up using just general merchandise. We assumed that any additional sales would be in that same category and we compared it to projections for general merchandise for the surrounding area.

Commissioner McConnell: So you would conclude that based upon your study that there will be no adverse economic impact on any of the businesses presently within the City of Vallejo or the studied area due to the expansion of this store.

James Edison: That is our finding.

Chairperson Legalos: Two weeks ago the First District Court of Appeal ruled that American Canyon had violated CEQA because it did not extend the economic impact analysis to adjacent communities even though there is a Wal-Mart within four miles of the propose American Canyon Wal-Mart. It seems to me that the scope does have to be increased.

James Edison: I am not directly familiar with that. I have heard about it. What I would say is that when looking at American Canyon it was a matter do we look past American Canyon. There is a Wal-Mart that is four miles away. Therefore we are not going to look any further than four miles in any direction. Is that what they did or is it a matter of saying there is a Wal-Mart four miles away. We are not going to look at communities that are past that Wal-Mart because anything that is going to affect the project will not be past that.

Chairperson Legalos: They said they had to look at the impact in adjacent communities. They were not limiting it to the existing Wal-Mart that is about three miles away and the proposed one that would be about four miles away. That decision has stopped construction except for soil stabilization activity.

James Edison: I think that is worth considering. But I think we are dealing with a different situation here because it is an expansion not a new store. A 15,000 square foot addition, I do not believe, deserves the scrutiny of a new Wal-Mart. I do not recall off the top of my head how many square feet of sales that is but it is 120,000 or 130,000 square feet, I believe. It draws a great deal more attention and scrutiny, not only form the community but also from courts.

Chairperson Legalos: If you just look at the question of square footage I would have to agree with you. If you look at the question of profit margins for a grocery store a fairly small change in square footage could result in a significant impact in terms of

Vallejo Planning Commission Minutes
December 4, 2006

net sales and profit. The dollar value might not look high but given the narrow margins that might still be very significant.

James Edison: Costco also has narrow margins.

Chairperson Legalos: Yes, I am sure they do.

James Edison: They are all in a narrow margin business.

Chairperson Legalos: I have a question on Section 3, page 5, the first full paragraph in your report referring to the increase from 43% to 48% in the food service total salable area. What hypothesis is behind that conclusion that you can make a projection from square footage?

James Edison: In the absence of any basis for sales we assume that the sales are equal per square foot. It is a fair point to say you could analyze it more closely to understand but here, because we are trying to understand the difference in sales from one to another and the impact of a change in their footprint we just made the best estimate we could and that seemed the most reasonable.

Chairperson Legalos: It would seem to me that the greater impact, or the variables that would actually account for the impact would be the product mix and the price. If you assume a combination of products and prices even one square foot would result in a different amount of sales than a different mix of products and prices in a square foot. I am not sure I can accept that kind of an inference unless you have some other facts to base this on or you have made other observations in other retail situations that would support this general statement.

James Edison: I think that is based on a lack of information. That is to say we just made an average assumption, as you correctly observed. I would say that the kind of detailed study you are talking about was not within the scope of either the budget or the period of time we had to do the study. We do not have all that data available.

Chairperson Legalos: Let me give you a hypothetical example on something I am certain that Costco is not planning to do. Suppose that additional 5% of square footage was Pilipino products. What would the impact be on Seafood City? It would be far different than if that 5% increase in square footage was product more typically sold in the region.

James Edison: The presumes that the people shopping at Seafood City would go to the Pilipino section at Costco. If there were not a large enough selection for them they would not necessarily go at all.

Chairperson Legalos: I only used that as an example because I think it is a good illustration of the impact of product mix and pricing. I find it difficult to accept this assumption that square footage is a good measure of the impact on existing stores. I would like to see some data that suggests that and supports that. The other question I have, and this is a product mix question, there are a very small number of items sold at Costco right now that are not sold in bulk. If this 5% increase were to be non-bulk sales, again that would have a much more significant impact on existing stores than if it was all bulk sales. Do you know if they are planning to do more of the non-bulk sales?

James Edison: The only information we had was the general characterizations of the floor area and the types of sales and not individual items. You could ask the proponent about that but I do not have that information.

Vallejo Planning Commission Minutes
December 4, 2006

Chairperson Legalos: I think that information is very important to have because I think it could significantly affect the impact.

Commissioner Salvadori: I have a couple comments regarding micro-management and assumptions on how you would value probability and sales volume based on square footage. I agree with the consultant. You have to find something that is reasonable common denominator. Costco has an optical department. There are a lot fewer people who walk through there than walk through the area with seafood sales. The other important thing is that in any grocery environment what is being sold there is going to change on a consistent basis based on what the shoppers want when they attend that particular retailer. I think if you take an area and define that a certain number of square feet will be for grocery sales, that is fine. What that looks like six months from now could be very different from what it looks like today in any retailer. I don't believe there is an economical way, a reasonable way to take each one of these categories and establish a probability or retail volume per square foot. It is like having 20 different stores in one location. It is like the rest of Northgate mall with all the differences located under one roof and operated by one proprietor. I think the approach that the consultant took on how you evaluate the overall effect using a square footage ratio is probably pretty reasonable and an industry standard for a business this size.

Chairperson Legalos: I agree that it is logical but I am still skeptical about the assumptions underlying projections from square footage. Also the product mix issue, especially if there were a plan to do less bulk sales would have a greater effect on the other stores in the area. I would like some more information on that.

Don Hazen: This is kind of a milestone we are getting our first environmental impact study related to a big box. I would not want to have you leave the subject with the impression that, first of all from a legal standpoint that this study is inadequate in any way. The threshold for American Canyon was so much higher because they were dealing with a new facility and they flat out said that it would not have a significant impact. The threshold before you this evening is the word significant. Will this have a significant adverse impact? Because references were made to American Canyon, and Claudia would concur, we meet the legal tests as far as the detail that this study has included. I think from staff's prospective the study follows normal, accepted, standard practice for fiscal impact studies. Taking this roughly speaking 14,000 square foot addition, the study basically concludes that it will have a very minor impact on the surrounding market and so it did not feel the need to keep on expanding the range of analysis once the initial conclusions were made. Any square foot addition is going to affect the market but the key word is significant. We can ask for a lot of detail but I think at some point that numbers can be just a damaging as they can be helpful. I don't know if we are leaving the consultant with enough detail of what we are looking for. It won't be disruptive of the local market. Sure it will have some impact but will it be significant. I think that is really your test before you this evening. Is there going to be an adverse, substantial impact to the surrounding market? We believe that the study follows the standard practice for that business.

Chairperson Legalos: As Commissioner McConnell pointed out this is the first time we have had to apply this ordinance and I think we have to be very careful and thoughtful on how we do it.

Chairperson Legalos closed the Public Hearing.

Commissioner McConnell: I want to thank the applicant and the economic advisors for their assistance. I found the economic discussion very helpful. I think it caused us all to realize that there is a lot more to this economic impact study that needs to be

Vallejo Planning Commission Minutes
December 4, 2006

addressed than perhaps we first realized when we drafted it. I found the discussion very illuminating tonight. It makes me realize that we are going to have to go back to the drawing board with defining what it is we really want in a report of this nature if it comes before us again.

There are three different motions that need to be approved tonight. It would be my intent upon proceeding to that portion to address them in reverse order. That is take the Minor Exception, then the Planned Development and lastly the Use Permit. It is the use permit that I have the most concern with. I want to comment generally about this particular application and big box ordinances in general. One of the things that has always concerned me is when we have a large store and a parking lot and there is a space between the parking lot and the store. There is potential for congestion and accidents that occur between impacting vehicles and also pedestrians. From an architectural standpoint I would urge design so that we could separate them better. I know that when I am in a parking lot of that nature I always feel like I am a site in somebody's shooting gallery. I would urge architect's in the future to start addressing concerns for pedestrian safety in pedestrian walkways. The other thing that concerns me about the operation of Costco is the run amuck carts. You have parking cart facilities at the front and in the middle but nothing at the end. I would urge you to add them at the end even though it is not going to be before us tonight nor would I make it a condition under any circumstances. On the whole I think the operation there is reasonably well conducted. I have to bear in mind that this is still approximately 15,000 square feet alteration.

My first motion would be to approve Minor Exception 06-0024 with the findings and conditions in the staff report.

AYES: McConnell, Manning, Legalos, Peterman, Turley, Salvadori.
NOS: None.
ABSENT: Engelman.

Motion carries.

My second motion will be to approve the Use Permit 06-0014 with the findings and conditions in the staff report.

AYES: McConnell, Manning, Legalos, Peterman, Turley, Salvadori.
NOS: None.
ABSENT: Engelman.

Motion carries.

I now move the approval of Planned Development Unit Plan with the findings and conditions in the staff report and with some additional conditions. There are even more things required to bring things up to code than what we will be requiring this evening. We do have City standards and I have seen no evidence tonight to make me change my mind that we need to bring projects up to code. As I said before, if not now, when. Several people have commented to me that they actually enjoy shopping at the Vacaville store because it is much more lushly landscaped and is a more enjoyable environment and why don't you guys in Vallejo have something like that. Now is an opportunity to have something of that nature. I realize we are talking about only a 15,000 square foot addition but we are also talking about a very responsible corporate citizen. To whom much is given much is expected. I expect that they can and should come up to standards. I do not believe that the development on the building should be withheld until the parking lot is actually completed. I believe coordination timing could be left to staff. But my motion would

Vallejo Planning Commission Minutes
December 4, 2006

be to approve Planned Development Unit Plan 06-0020 with the findings and conditions in the staff report with the additional conditions that the parking lot be brought to standards and including the modified wording as previously requested by staff.

AYES: Manning, McConnell, Legalos, Turley, Peterman.

NOS: Salvadori.

ABSENT: Engelman.

Motion carries.

Findings:

These findings are based upon all evidence in the record including the staff report, testimony, and written correspondence, all of which is incorporated by reference:

1. As describe in Section 5 of this report, the proposed use is consistent with the intent, purpose, and development standards of the Northgate Specific Plan, which in accordance with Section 16.116.020(B)(2) V.M.C., shall act as the master plan;
2. As described in Sections 2 and 5 of this report, the unit plan is consistent with the goals and policies of the Vallejo General Plan and any applicable specific plan;
3. As describe in Sections 4, 5 and 9 of this report, the unit plan serves to achieve groupings of structures which will be well related one to another and which, taken together, will result in a well-composed urban design, with consideration given to site, height, arrangement, texture, material, color and appurtenances, the relation of these factors to other structures in the immediate area, and the relation of the development to the total setting as seen from key points in the surrounding area;
4. The unit plan is of a quality and character which harmonizes with, and serves to protect the value of private and public investments in the area.

Staff recommends that the Planning Commission **APPROVE** Use Permit #06-0020 subject to the following findings and conditions:

Findings:

These findings are based upon all evidence in the record including the staff report, testimony, and written correspondence, all of which is incorporated by reference:

1. The proposed location, size, design and operating characteristics of the proposed conditional use will be compatible with adjacent uses, building or structures, with consideration given to harmony in scale, bulk, coverage, and density; to the availability of civic facilities and utilities, to the harmful effect, if any, upon desirable neighborhood character; to the generation of traffic and the capacity and physical character of surrounding streets; and to any other relevant impact of the proposed use;
2. The impacts described above and the proposed location of the building expansion is consistent with the city general plan;
3. Based upon consideration of the findings of the economic impact analysis performed by Economics Research Associates, and reviewed by the City of Vallejo, the positive impacts from the proposed Costco expansion would outweigh the negative economic impacts of the project.

Staff recommends that the Planning Commission **APPROVE** Minor Exception Permit #06-0024 subject to the following findings:

Vallejo Planning Commission Minutes
December 4, 2006

Findings:

These findings are based upon all evidence in the record including the staff report, testimony, and written correspondence, all of which is incorporated by reference:

5. As per Section 16.80.090(A) VMC, the proposed additional two percent of floor area coverage would not exceed 25% of the prescribed measurable standards;
6. As per Section 16.80.090(B) VMC, granting of the exception permit would not adversely affect development and/or persons upon abutting property, with adversely affect to mean to impact in a substantial, negative manner the economic value, habitability, or enjoyability of properties;
7. As per Section 16.80.090(C) VMC, granting of the minor exception would not result in a hazard to pedestrian and/or vehicular traffic and
8. The minor exception would result in better environmental quality of development of such property than without such exception.

Staff recommends that the Planning Commission **ADOPT** the Negative Declaration, based on the findings of the Initial Study conducted by Planning Division Staff attached in this report

CONDITIONS OF APPROVAL:

Planning Division

1. Prior to building permit issuance, submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project.
2. Prior to building permit submittal, provide revised plans illustrating a minimum of one 15-gallon tree to be installed in all parking lot landscape planters which are missing trees unless determined infeasible by the Planning Division or a traffic hazard by the Traffic Engineer. The proposed trees shall be of the same variety of the existing trees in the parking lot or shall be chosen from the City of Vallejo's Recommended Street Tree List, which is available at the Planning Division.
3. Prior to building permit submittal, the applicant shall submit revised illustrating an accessible parking lot pedestrian pathway (acceptable to the Chief Building Official) that is landscaped with trees, includes special paving, and is illuminated to a maximum of 1 foot candle.
4. Prior to building permits submittal, provide revised plans illustrating a minimum of two bicycle racks to be installed near the building entrance.
5. Prior to building permit issuance, submit a sign application for all proposed signs on the building.
6. Prior to building permit issuance, obtain an administrative permit from the Planning Division for any temporary office or construction trailer.
7. Prior to building permit issuance, the Planning Division shall confirm that the building permit drawings and subsequent construction substantially conform with the approved Planning application drawings.
8. Prior to final building inspection, all proposed landscaping and bicycle racks shall be installed.

Vallejo Planning Commission Minutes
December 4, 2006

9. Prior to occupancy/final building inspection, an inventory of all landscaping on the site shall be conducted. All damaged or dead plants, including ground covers, shall be replaced with the same planting or a planting to be approved by the Planning Division.
10. **Prior to occupancy/final building inspection, obtain a sign permit from the Planning Division prior to the erection of any Grand Re-Opening or similar advertisement signs, including flags, banners, etc. All signs shall comply with Chapter 16.64 (VMC).**

Building Division

1. Prior to building permit submittal, provide revised plans indicating ADA path of travel from the ground floor building exits to the public way.
2. Prior to building permit submittal, provide revised plans indicating ADA path of travel between different buildings in the shopping plaza.
3. Prior to building permit submittal, provide revised plans indicating an exit analysis of building with exiting load per door including the width of exiting path to public way for exit discharge.

City and Traffic Engineer

1. Submit geotechnical investigation report that includes recommendation on proposed retaining wall installation and parking lot grading. A third party review of soils report may be required at the project owner's expense.
2. Submit site grading, drainage, improvement, utility and landscaping and irrigation plans for review and approval. Site plan shall show all proposed, existing improvements and utility services. Secure approval of site plans prior to building permit.
3. Prior to approval of construction plans pay \$119,725.00 toward Northgate Fee District 94-1 for the new additional square footage (19,921 square feet).
4. Due to line of sight conflict, remove three parking stalls from west side and four from east side of new Tire Center building.
5. Proposed 24 feet width for parking driveway in front of new Tire Center is not acceptable. Minimum width shall be 25 feet.

Economic Development

1. Parking will replace landscaping. Repair/enhance existing landscaping.

Fire Prevention

1. Submit a numbered list to the Fire Prevention Division stating how each condition of project approval will be satisfied.
2. Prior to building permit issuance, building/construction plans and plans for required fire protection systems (automatic sprinklers, smoke alarms, etc.) shall be submitted to the Fire Prevention Division for review and approval. All applicable plan review and inspection fees shall be paid.
3. Prior to occupancy/final inspection, install a key box as approved by the Fire Prevention Division. Information and applications concerning the purchase of allowed lock boxes can be obtained through the Fire Prevention Office.

Vallejo Planning Commission Minutes
December 4, 2006

4. Prior to occupancy/final building inspection, install 3A-40BC portable fire extinguishers as required by the Fire Prevention Division. (1998 CVC Standard 10-1; NFPA 10)
5. Prior to occupancy/final building inspection, install approved numbers or addresses on all buildings in such a position as to be clearly visible and legible from the street. Residential buildings shall have numerals or letters not less than 3 inches in height, and approved color that contrasts the background. Commercial occupancies shall have numerals or letters not less than 6 inches in height of contrasting background, and illuminated at night. (1998 CVC Section 901.4.4; added VMC Section 12.28.170)
6. Prior to occupancy/final building inspection, install "No Parking/Fire Lane" signs along interior access roadways, in locations where vehicle parking would encroach on a 20-foot clear width of roadway. (CVC Section 22500.1; CalTrans Traffic Manual, sign#R26F).
7. Prior to occupancy/final building inspection, all applicable fees shall be paid and a final Fire Prevention inspection shall be conducted. All meetings and inspections require a minimum 24-hour advance request.

Vallejo Sanitation and Flood Control District (VSFCD)

1. Prior to building permit issuance, a VSFCD Connection Permit is required. Pay all applicable review and connection fees.

STANDARD REQUIREMENTS

Planning Division

1. All parking spaces shall be demarcated, per City of Vallejo standards.
2. Construction-related activities shall be limited to between the hours of 7 a.m. and 6 p.m., Monday through Saturday. No construction is to occur on Sunday or federal holidays. Construction equipment noise levels shall not exceed the City's maximum allowable noise levels.
3. Replant vegetation in disturbed areas as quickly as possible.
4. Hydroseed or apply soil stabilizers to inactive construction areas (previously graded areas inactive for ten days or more).
5. Enclose, cover, water twice daily, or apply soil binders to exposed stock piles (e.g., sand, gravel, or dirt) and all unpaved parking and staging areas.
6. Cover all trucks hauling dirt, sand, soil, or other loose materials. Maintain at least six inches of freeboard.
7. Install wheel washers for all exiting trucks, or wash off the tires or tracks of all trucks and equipment leaving the site.
8. Sweep daily (with water sweepers) all paved parking and staging areas.
9. Provide daily clean-up of mud and dirt carried onto paved streets from the site.
10. Install sandbags or other erosion control measures to prevent silt runoff to public roadways.

Vallejo Planning Commission Minutes
December 4, 2006

11. Designate a person or persons to oversee the implementation of a comprehensive dust control program and to increase watering, as necessary.
12. Maintain and operate construction equipment so as to minimize particulates from exhaust emissions. During construction, trucks and equipment should be running only when necessary. Equipment should be kept in good condition and well-tuned, to minimize exhaust emissions.
13. In the event unsuspected historical, archaeological, or paleontological resources are discovered during any phase of the projects, land alteration work within 50 feet of the find shall be halted, the Planning Division notified, and a qualified professional consulted to evaluate the resource and suggest an appropriate management plan as necessary.
14. In the event that human remains should be discovered, land alteration work within 50 feet of the find shall be halted, the Planning Division and the County Coroner notified and a qualified professional consulted to evaluate the resource and suggest an appropriate management plan as necessary.
15. Required landscaping shall be maintained in a neat, clean, and healthy condition. This shall include pruning, mowing of lawns, weeding, removal of litter, fertilizing, replacement of plants when necessary, and the regular watering of all plantings.
16. There shall be no outdoor storage or display of any kind except as allowed per Chapter 16.70 and 16.77 (VMC).
17. All mechanical equipment and utility meters shall be screened in a manner approved by the Planning Division. Electrical transformers shall be screened or placed underground.
18. All vents, gutters, downspouts, flashings, electrical conduits, etc., shall be painted to match the color of the adjacent surface.
19. All roof-mounted mechanical devices and their components such as air conditioners, heating equipment, exhaust fans, vents or ducts, or similar equipment shall be screened from view in a manner approved by the Planning Division. All wall-mounted air conditioners shall be flush mounted.
20. Obtain an inspection from the Planning Division prior to occupancy/final building inspection. All inspections require a minimum 24-hour notice. Occupancy permits shall not be granted until all construction and landscaping is completed and finalized in accordance with the approved plans and required conditions of approval or a bond has been posted to cover all costs of the unfinished work as agreed to by the Planning Manager.
21. The conditions herein contained shall run with the property and shall be binding on the applicant and all heirs, executors, administrators, and successors in interest to the real property that is the subject of this approval.
22. If the Planning Division, either independently or as a result of complaints from the public, becomes aware that the use is being conducted in a manner which violates the conditions of this use permit or other applicable City regulations, and Planning staff is unable to obtain compliance or abatement, staff will refer the use permit to the Planning Commission for possible suspension or revocation per Section 16.82.110, Vallejo Municipal Code.
23. The applicant shall establish a recycling program for the building in coordination with the Planning Division and when established, either participate in the Citywide commercial recycling program or demonstrate to the satisfaction of the Planning Division that the established recycling program is sufficient.

Vallejo Planning Commission Minutes
December 4, 2006

City and Traffic Engineer

1. Parking lot spaces shall not be more than 5% in any direction (VMC, Section 16.62.150(C)(1).
2. Signage and striping shall be per City of Vallejo standard. (VMC, Section 16.62.140)

(The following conditions may apply)

3. Prior to building permit issuance, submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project. (PW1)
4. All public improvements shall be designed to City of Vallejo standards and to accepted engineering design standards. The City Engineer has all such standards on file and the Engineer's decision shall be final regarding the specific standards that shall apply. (PW2)
5. Prior to building permit issuance, submit three sets of plans to the Department of Public Works for plan check review and approval. (Improvement or civil plans are to be prepared by a licensed civil engineer.) Plans are to include, but may not be limited to, grading and erosion control plans, improvement plans, joint trench utility, street light plans, and landscaping, irrigation and fencing plans and all supporting documentation, calculations, and pertinent reports. (PW3)
6. Site grading shall comply with Chapter 12.40 – Excavations, Grading, and Filling (VMC). Prior to issuance of grading permit, submit a soils report for review. An independent soils and geological review of the project may be required. The City shall select the soils engineer, with the cost of the study to be borne by the developer/project sponsor. (PW4)
7. In design of grading and landscaping, line-of-sight distance shall be provided based on Caltrans standards. Installation of fencing, signage, above ground utility boxes, etc. shall not block the line-of-sight of traffic and must be set back as necessary. (PW5)
8. During grading operations, the project geologist or soils engineer and necessary soils testing equipment must be present on site. In the absence of the soils engineer or his representative on site, the Department of Public Works shall shut down the grading operation. (PW6)
9. All dust and erosion control shall be in conformance with City standards, ordinance, and NPDES requirements. (PW7)
10. Prior to building permit issuance or acceptance of grading, compaction test results and certification letter from the project soils engineer and civil engineer confirming that the grading is in conformance with the approved plans must be submitted to the Department of Public Works for review and approval. Test values must meet minimum relative compaction recommended by the soils engineer (usually at least 90 percent). (PW8)
11. Entrances to any private project must be standard driveway approaches unless deviation is permitted by the City Engineer. (PW9)
12. Obtain a street excavation permit from the Department of Public Works prior to performing any work within City streets or rights-of-way, or prior to any cutting and restoration work for utility trenches in existing public streets. All work shall conform to City standards. (PW10)
13. Prior to building permit issuance, obtain an encroachment permit from the Department of Public Works for all work proposed within the public right-of-way. (PW11)

Vallejo Planning Commission Minutes
December 4, 2006

14. Prior to start of construction submit a traffic control plan to the Department of Public Works for review and approval. (PW12)
15. Construction inspection shall be coordinated with the Department of Public Works and no construction shall deviate from the approved plans. (PW13)
16. The project design engineer shall be responsible for the project plans. If plan deviations are necessary, the project engineer must first prepare a revised plan or details of the proposed change for review by the Department of Public Works and, when applicable, by Vallejo Sanitation and Flood Control District. Changes shall be made in the field only after approval by the City. At the completion of the project, the design engineer must prepare and sign the "as built" plans. (PW14)
17. Prior to approval of construction plans, provide bonds and pay applicable fees. Bonding shall be provided to the City in the form of a "Performance Surety" and a separate "Labor and Materials Surety" in amounts stipulated by City ordinances. (PW15)
18. Prior to occupancy/final building inspection, install the improvements required by the Department of Public Works including but not limited to streets and utilities. (PW16)
19. Prior to occupancy/final building inspection, remove and replace any broken curb, gutter, sidewalk, or driveway approach as directed in the field by the City Engineer. (PW17)

Fire Prevention

1. Automatic fire sprinkler extinguishing systems are required for all residential, commercial, and industrial occupancies. (1998 CFC Section 1003.1.2. added VMC Section 12.28.190)
2. Development sites shall be maintained weed free during construction. (1998 CFC Section 1103.2.4)

Vallejo Sanitation and Flood Control District

1. Direct roof drainage across non-paved areas prior to entering storm drain inlets and gutter, when feasible.

GENERAL CONDITIONS

1. The applicant shall defend, indemnify, and hold harmless the City of Vallejo and its agents, officers, and employees from any claim, action, or proceeding against the City and its agents, officers, and employees to attack, set aside, void, or annul this approval by the City. The City may elect, at its discretion, to participate in the defense of any action.

2. **Use Permit 06-0018** is an application for an Ice Cream Commissary located at 1853 Broadway Street. Proposed CEQA Action: Exempt.

Staff recommends **approval** based on the findings and conditions in the staff report.

Marcus Adams: The present application that we are about to discuss tonight for the ice cream commissary came to staff by means of a business license renewal that was brought to our Planning Division counter. Upon researching the use permit at the former location, 444 Arkansas, it was discovered that that use permit did not actually allow for the type of business that was going on there with the parking of the ice cream trucks and the commissary so the applicants were forced to find a new

Vallejo Planning Commission Minutes
December 4, 2006

location. Staff was pleased to be able to work with the applicant and to find a location within the City because of course we do not want to lose the business and considering how important our intensive use zoning districts can be. Sometimes we get plenty of requests to rezone those districts. This is a case where we had one and the applicant was able to utilize that space. Upon site visits to the location staff did see some room for improvement at this site. If you happened to go out there no doubt you saw the existing structure, the lack of landscaping, the old and deteriorating fencing. The old timers tell me that O'Connell Lumber use to be at that location. Before that it is questionable as to what was there. I am addressing the building because I feel that may come up and the uses that go on there. The building is not really being utilized right now. There is a small section where cars are being stored. There was a use permit that was approved for that site back in 1984 for auto towing and storage, auto mechanical and body repair, auto sales and auto part sales. I did try to research that further to find out if there were any specifications on that use permit as far as any detailed uses or landscaping plan. Unfortunately when we had to make way for our records storage that use permit is up in microfilm. I will have to research that further. For this current proposed use, the ice cream commissary, the improvement we would like to see is the replacement of the interior fence. There are some shipping storage units visible. In Intensive Use those type of units are allowed outside the building if they are screened sufficiently. We would like the fence to be 8' which is the maximum height allowed without having to go through the variance procedure. They about the Tall Trees Mobile Home Park. We are asking them to put some landscaping to screen the ice cream trucks and the goings and comings there from the mobile homes. We did ask too that they put some street trees in because there are none out there which will help improve the aesthetic view of the site. Any questions?

Commissioner Peterman: I feel very sorry that the applicants have had to go through all of this. I hope this does not happen again. In the staff report you talked about chain link fence with slats in it. I think those are just as ugly as chain link fence without slats. I would encourage you to have them build a fence that is wooden or something that is not quite so unpleasing to the eye.

Commissioner Turley: I went out there the other day and I could not get in on the property because it was all locked up. Will that front chain link fence be removed?

Marcus Adams: There are no plans to remove that fence. I did ask them to have that fence open so you all could get in and out. Possibly you went out before I requested that. They plan on keeping the fence there. They say they have a lot of problem with transients walking by and people going in there and abandoning vehicles. I have actually noticed abandoned cars in that area. Having the fence has kept the abandoned cars from being parked in that front. No they will not be replacing the front fence.

Commissioner Turley: What do they do, open a gate?

Marcus Adams: The gate is wide enough that you can get a commercial vehicle in there. Most of the time they just have it open to where you can get a regular car in there or a pedestrian.

Commissioner Turley: I sure do think that front fence is ugly. I really do. That existing building on the left in the rear, is that going to be removed?

Marcus Adams: Not as part of this application. I spoke with the property owner, who just purchased the property last year, and he would eventually like to demolish the building and put a new building up or, if the framing is viable, use the framing and put

Vallejo Planning Commission Minutes
December 4, 2006

a new building up. As far as this project he is not planning on doing any alterations or improvements to the building. The Chief Building Official did get these plans routed to him and he had no comment regarding the structural stuff. Apparently he did not feel the integrity of the building was a public safety issue. That building is not being used for any activity besides storage.

Commissioner McConnell: I also had trouble seeing the property because it was locked. I did the best I could from across the street. It concerns me also that we are not going to be removing what is a very ugly exterior exposure. This is on a major artery in from Napa County. That entire area from Raileys to Broadway is in dire need of help. If we don't begin to make some changes I can see why cars will be dumped there. You start to change a neighborhood one place at a time. I think this is a opportunity to start that change. I agree with Commissioner Turley about removing that fence. I also have some concerns about what is going to happen to these buildings. You are asking us to approve a use permit which once in place will stay on the property forever. I do see that it is supposed to be for five vehicles and certainly I am going to condition that use permit for a maximum of five vehicles. Otherwise if we approve a use permit for storage as stated in here we would wind up having a large, large storage facility out there. It would never be changed. It would remain the same. I hope the applicant does not intend to leave it that way and I would like to have confidence in him accomplishing that but there is nothing before us to that effect at this time. With respect to these other buildings just what are they going to be doing with these?

Marcus Adams: Nothing. There is really only one other building on this site and when he gets funds to do something with this building he will maintain the use as is with a new building. I would like to comment on your comment about the landscaping. This site has been a problem to the City concerning abandoned vehicles. It has been a Code Enforcement issue. When I was analyzing how far we should go as far as improving the site we weighed incremental steps vs. no steps. I just think this is a case where if the conditions were too onerous more than likely the property owner would say to the prospective tenant that it would be way too much and he was not going to do anything and we would get no improvement on this site and it would become more of a Code Enforcement issue. We have a new property owner who is willing to work with us on making some improvements. They would cost him something but he is willing to do that because he does want to see improvement in that area.

Commissioner McConnell: I agree it is just a question of how far do we go and what do we ask for at this point in time. But the use permit stays there forever. Yet we are being offered a representation that I will do something with the property at some time in the future and am not saying what I will do. Seems like we are being ask to approve a pig in a poke here. I am prepared to proceed and probably grant this with the five trees that you are asking for but I would like to improve the appearance of this area to the extent that we possibly can. One of the things that concerns me, as with Commissioner Peterman, is the chain link fence and the slats. I think we have to do better all around the City, even in an industrial area. Especially when that industrial area is such a highly visible area as this one is. That is an area of town that is ripe for redevelopment and change. You indicate in your staff report that the applicant is willing to do something that is reasonable. Just what seems reasonable in the applicant's eyes other than 5 street trees? Anything?

Marcus Adams: There is landscaping that is going to go along the border adjacent to the mobile home park. They have been asked to no longer have storage of cars in front. I think he thought the conditions that I put in the staff report were reasonable

Vallejo Planning Commission Minutes
December 4, 2006

and was willing to do those. I realize that we do not have a commitment on this but doing something to that building, even painting it, is in his plans.

Commissioner McConnell: Painting it would help. We are talking about an area that is next to a residential center really, the mobile home park. There are numerous people in that mobile home park that have to get up very, very early. Yet you are asking that the applicant have hours of operation up to one hour after sunset. During the summer that could be as late at 10:15 or 10:20. That might cause a noise problem for some people who have to get up at 4:00 and 5:00 in the morning. I think we need to think about how we are going to control light and sound out there. We are talking about 5 ice cream trucks. We need to give some consideration to the residents in the mobile home park.

Marcus Adams: I need to clarify that it is actually one hour after sunset and no leaving until after 9:00 am. The Commission could certainly put a different time on that. There are five stalls with tandem trucks so there would be a maximum of ten trucks.

Commissioner Turley: I do not think that tandem parking is going to work out very long. I think they will tire of having to move one vehicle to get another one out. Is there room there to have side by side parking somewhere?

Marcus Adams: It is a huge lot and I am sure you could get in side by side but that would increase his leasing area and cost. It would be hard to enforce that because staff could not see in to see if it was tandem or not.

Don Hazen: If this were regular customer parking we would be a little more suspicious of the tandem parking but this is basically just an industrial use and this is an operation that the applicant obviously consents to and the trucks would be leaving all at the same time so I think staff is comfortable that the tandem will work for this type of a use.

Commissioner Turley: On the landscaping could curbs and sprinklers be included?

Marcus Adams: The landscaping would have to be irrigated and that would be handled when we reviewed the landscape plans. Our code only requires that curbs are required only in certain conditions: if you abut a curb or a pedestrian path. That is not the case here. We could definitely put that in as a condition but as far as the code they do not have to meet that standard.

Commissioner Manning: Can you clarify what an ice cream truck is. Are these the trucks that drive around town?

Marcus Adams: The trucks that I have seen this operator use are the traditional ice cream trucks. They are not vans or pick ups.

Commissioner Salvadori: What percentage of this parcel is actually leasable space for this use?

Marcus Adams: I do not know for sure. I would guess it is along the lines of 15%. It is just a small area. It seems to me that having the trucks parked in a row would increase the impact to the neighbors.

Commissioner Salvadori: As other uses proposed for the remaining space in this parcel do you see additional use permits coming before the Commission?

Vallejo Planning Commission Minutes
December 4, 2006

Marcus Adams: It is a very large site and I could see that possibly happening. You may see some amendment to the current use permit. There is always the issue of landscaping and parking. I think the amount of parking required when you start adding new uses would really limit how you can develop that property.

Chairperson Legalos: I was there this afternoon and saw the bus. Are they planning on moving that bus out of there?

Marcus Adams: I asked them to start the bus so I could make sure it was not a non op. It started. He said the operators of that bus do not plan on keeping it there for long. There is nothing that I found that would not allow that bus to be there.

Chairperson Legalos: I concur with concerns expressed by other Commissioners about the fence. I think it should be replaced. The fencing between the trailer park and the front parking lot is a dilapidated wooden fence that has been repaired with sheets of plywood. I think that definitely needs to be replaced. That is incredibly ugly. This area is becoming attractive. The left you have the shopping center where Raileys is and it is nicely landscaped. The trailer park could look a little better but is certainly better than this parking lot. I have questions about the travel trailer that is parked just inside the second fence. What is that being used for?

Marcus Adams: That is being used as a residence for the on-site guard. I went to look at the use permit. Back in the 70s and 80s it was not uncommon for on site guards to be part of the plan. That permit is in storage and I will have to retrieve it and look at that. If it is not part of the permit the options we would have we could qualify it with live work or just eliminate it totally. Environmental health and restroom facilities would have to be considered along with proper electrical connections.

Chairperson Legalos: I had the impression that there may be more than a guard thing there. There are three children's bicycles parked near the trailer as well as a number of fishing poles. They do not look like things that a guard would use.

Marcus Adams: I think he likes to fish from my discussions with him. I have been there three times and never saw anyone but him. He, I don't want to say eccentric, but he collects a little bit of everything. They may be for grandkids but I don't believe kids are living there.

Chairperson Legalos: The last time I was there, there was some sort of blasting that was going on that was creating a cloud of white powdery dust and a great deal of noise from a large compressor mounted on a pick-up truck. The dust was so thick that I could not see the operator. It was blowing over the trailer park. Is that an approved use? What was happening there?

Marcus Adams: It would be an approved use under the old use permit in 1984. I will have to get the old report and see if there is anything about the uses having to be enclosed.

Chairperson Legalos: It was being done indoors. It was a tent like structure that was parked along the storage area. The front flap was open and the stuff was pouring out.

Don Hazen: Maybe I could suggest that the owner, if he is here tonight, might be able to answer all those questions.

Marcus Adams: He is not.

Vallejo Planning Commission Minutes
December 4, 2006

Chairperson Legalos opened the Public Hearing.

Applicant: We have a very small ice cream business. We have only 10 trucks. The trucks do not make noise. When we come back to the shop there is no music, no nothing. They do not turn on the music until they go far away. We do not disturb anyone. Fifteen years we were across the street and we never had a complaint. We do not cause anyone any problems. We want to be good neighbors. Our business is the children. We do not turn on music in the yard. We do not have to turn it on. We do not allow anyone to even test their music in the yard. If they want to test it they test outside that. These are small ice cream trucks. Our trucks are all professional ice cream trucks.

Chairperson Legalos closed the Public Hearing.

Commissioner McConnell: I move that we approve use permit 06-0018 with the findings and conditions in the staff report as well as 1) that the front fence be replaced without chain link; 2) that the planting strip along the north boundary next to the mobile home park be planted in an area of not less than a 3' planting strip; 3) the storage for vehicles will be limited to not more than 10 ice cream trucks; 4) there will be no testing of sound equipment or amplified speaker systems at the yard location.

The meeting was turned over to Commissioner Peterman so Chairperson Legalos could make a friendly amendment.

Chairperson Legalos: I would like to add a friendly amendment that the wooden fencing between the auto parking lot and the trailer park be replaced with new wooden fencing and that the chain link fencing on the front and the side of the parking lot that is adjacent to the mall be replaced with iron fence.

Commissioner McConnell: That is fine but I am not sure if we want to restrict the back fence to wood only. I agree the rear fence should be replaced as well.

Chairperson Legalos: I was not actually referring to the rear fence I was referring to the fence to the right that is now a wooden fence between the trailer park and the site. But now that you mention it the rear of the front parking lot should also be replaced with more attractive fencing. I would not restrict that to wood.

Commissioner Salvadori: I am kind of concerned about the requirement for the wood fence. Do we know that the wood fencing is on this parcel and not something that was constructed by the trailer park to protect their homeowners? If we don't know that I do not know that we can issue this requirement.

Don Hazen: Typically in a case like this it behooves the owner to hire a surveyor if they have to because the condition is to put it on their side. Then if they find out it is someone else's parallel fence they will typically go to the mobile home park owner and tell them they are going to replace the fence and find out if they mind if they tear the existing fence down. Once you impose that condition they are required to find out where their property line is.

Chairperson Legalos: I am assuming that since the repairs were made from the parking lot side that it may be the parking lot owner's but that may be an incorrect assumption.

Commissioner Manning: I want a clarification on the restriction of 10 trucks. They are a small business and had to relocate already. If they want to grow their business one more truck we are saying they can't.

Vallejo Planning Commission Minutes
December 4, 2006

Commissioner McConnell: That is correct. My concern here is that the use permit stays with the property forever. I share your concern about the need for increase but that would probably be a minor application that could be handled by staff. I do not want to have an open-ended use permit where all of a sudden we are looking at as many cars as can be placed on that lot as possible. I am happy to accommodate some number larger than but keep in mind that we do not want to open the door to everything out there either.

Commissioner Salvadori: If the business owner decided to change the configuration of his business and they were smaller trucks and put 20 there what is the negative impact on the surrounding area or on his property? It is a fleet storage area. The trucks are gone during the day during the peak buying hours and are back before there is really any inconvenience for anyone around. I just think this requirement is not protecting the land use but trying to run the business. He could decide to have more trucks of a smaller size better meets the customer requirements. I would find it hard to support a motion that restricted him to 10 vehicles.

Commissioner McConnell: We also have a responsibility to the citizens who live in this area. Added trucks obviously bring more pollution and noise and potential for accidents. If we can find a common ground between 10 and some other reasonable number or there is a staff procedure by which that number can be based upon I think we should entertain that as well.

Commissioner Turley: On the other hand suppose he decided to have some larger trucks.

Commissioner Manning: I think it is great that we are discussing and trying to improve the look of that neighborhood. It is turning around so the suggestions with the fencing and landscaping are really helpful. The other point for the small business here is staff has gone out of their way to try and keep them in the community and work with them to find another location. Part of what we want to do as a community is continue to encourage small businesses like this as a part of the diversity of our community. We had an applicant before this for a big box now here is a small box. We want to encourage those types of businesses to stay here. New, I do not know what the right proposal here is but I would like to hear another suggestion that would not just lock them into 10 trucks.

Don Hazen: If you do limit the number of trucks it would have to come back before you again to increase the number of trucks. It is being approved as a use permit through the public hearing process. If you are comfortable with the hours of operation and are comfortable with the applicant's testimony that they just virtually get in the trucks and drive them off the site, is it possible that these trucks are no different than someone pulling into a shopping center? Maybe you condition the use that it can only be used for startup and shutdown. Maybe there is not a need to limit the amount of trucks if they comply with all the other conditions.

Commissioner Salvadori: I would like to submit a substitute motion, that we approve use permit 06-0018 with the findings and conditions in the staff report and with the additional conditions that the front fence be improved and the landscaping on the front be improved and the landscaping on the side be increased to a three foot planting area. Those would be my only other conditions.

Commissioner McConnell: I am not locked into the idea of 10 vehicles. We should have some way in our procedures by which we could accommodate a reasonable expansion of a business without having to go all the way back to a use permit procedure. It seems like overkill. That may be an example of how our permitting

Vallejo Planning Commission Minutes
December 4, 2006

process needs to be studied and altered. I am uncomfortable, at the same time, with just having an open end permit out there. There has to be some sort of reasonable accommodation, whether we increase it to 15 or 20, it needs to be put in place so we don't have a run amuck situation.

Don Hazen: In the exhibit that shows the site plan layout the leased area is shaded out. By approving the use permit tonight you are approving that layout of the site. If they were to add additional parking spaces you can see by the layout that they would only be able to add them on the interior of the site. If neighborhood compatibility is your concern you can see that they cannot physically add any more parking spaces along that common property line by virtue of that layout.

Commissioner McConnell: If they wanted to expand they would have to come back to us right?

Don Hazen: It looks like they could put 4 or 5 more spaces on the interior but beyond that they would have to come back.

Commissioner McConnell: Then I will modify my motion to include your suggestion as to limiting the number of vehicles.

Commissioner Salvadori: Could we vote on my substitute motion?

Commissioner Peterman: Could you please restate your motion.

Commissioner Salvadori: It is that we approve use permit 06-0018 with the findings and conditions in the staff report and with the additional conditions that the front fence be improved and the landscaping on the front be improved and the landscaping on the side be increased to a three foot planting area. Those would be my only other conditions.

Chairperson Legalos: When you say the front fence are you including the fence around the perimeter of that lot or just the fence parallel to Broadway?

Commissioner Salvadori: The fence along Broadway.

Chairperson Legalos: My suggestion was the fence along Broadway as well as the fencing on the two sides. I believe there is already a condition about improving the fencing in the back of the front section.

Commissioner Salvadori: Yes. The additional condition is to not have a chain link fence along Broadway.

Chairperson Legalos: That is correct and also to replace the wooden fencing.

Commissioner Salvadori: I did not put that in as part of my motion.

Chairperson Legalos: I would then like to offer a friendly amendment.

Commissioner Salvadori: I do not want that particular friendly amendment. The leased area is about 15% of the area and we are trying to make the new fence contingent on this application. I think that is overkill. But I do think they need to make the driveway side improved and more consistent with what we would like to see in that area.

Vallejo Planning Commission Minutes
December 4, 2006

Commissioner Legalos: To require that I think would be consistent with decisions this Commission has made in the past where we have take the opportunity to make requirements that exceeded what some people might consider reasonable in terms of the scope of the application.

Commissioner McConnell: What we are attempting to do is reach middle ground here. *Commissioner McConnell read the Code concerning Intensive Use.* The street trees and the additional strip landscaping is the only requirement we are asking for. We are attempting to accommodate the applicant but I don't think we want to give away the store. The proposed amendment from Commissioner McConnell basically is a laissez faire position with no improvement at all. We do have to start taking a stand if we want to improve it recognizing the need to balance the needs of small businesses. But what we are talking about here is the property owner. That is not necessarily a small business man here. We are talking about improving the general appearance of this area which over time will impact the entire area. I think it is a reasonable accommodation to restrict this to getting increased fencing but not insist upon the full landscape requirement as mandated by the intensive use district. I will be voting in opposition to Commissioner Salvadori's motion but would encourage adoption of my motion as modified by Commissioner Legalos and presented as the main motion.

Commissioner Turley: The way to improve a neighborhood is one parcel at a time and I think that is a good point.

Vice-Chair Peterman: Can we call for the vote on the substitute motion now, please Ms. Marshall.

AYES: Manning, Salvadori.

NOS: McConnell, Legalos, Peterman, Turley.

ABSENT: Engelman.

Motion fails.

Vice-Chair Peterman: Now we move to Commissioner McConnell's motion. Perhaps you could restate that.

Commissioner McConnell: I move that we approve use permit 06-0018 with the findings and conditions in the staff report as well as 1) that the front fence be replaced without chain link; 2) that the planting strip along the north boundary next to the mobile home park be planted in an area of not less than a 3' planting strip 3) there will be no testing of sound equipment or amplified speaker systems at the yard location; 4) the approval as to the shaded area on Attachment A for parking purposes 5) and the back fence as suggested by Commissioner Legalos will also be required.

Chairperson Legalos: Just to clarify the fencing that I would like to see replaced is all of the fencing around the front section. I believe the back fence is already a condition of approval. It is the front fence parallel to Broadway and the fence between the trailer park and this parking area in question. The fence on the left side of the parking area and adjacent to the shopping mall.

Commissioner Salvadori: You are talking about basically all the fencing that is the perimeter of the lot that would be replace with non-chain link fence.

Chairperson Legalos: All of the fencing that is the perimeter of the front lot.

Vallejo Planning Commission Minutes
December 4, 2006

Commissioner Salvadori: Now I am confused. The area that is under consideration for the ice cream area is in the back.

Chairperson Legalos: That is correct.

Commissioner Salvadori: So would you please describe to me, again the perimeter of the fencing you are talking about.

Chairperson Legalos: The fencing that is parallel to Broadway. The fencing that is on the left towards the shopping center as you face the property, back to Broadway.

Commissioner Salvadori: That is from Broadway to the end of the property line.

Chairperson Legalos: No, Broadway to the structure, to the end of the building.

AYES: Manning, McConnell, Legalos, Peterman, Turley.

NOS: Salvadori.

ABSENT: Engelman.

Motion carries.

Vice-Chair Peterman turned the meeting back over to Chairperson Legalos.

Findings:

These findings are based upon all evidence in the record including the staff report, testimony, and written correspondence, all of which is incorporated by reference:

9. As describe in Sections 5 and 9 of this report, the location, size, design and operating characteristics of the proposed conditional use will be compatible with adjacent uses, building or structures, with consideration given to harmony in scale, bulk, coverage, and density; to the availability of civic facilities and utilities, to the harmful effect, if any, upon desirable neighborhood character; to the generation of traffic and the capacity and physical character of surrounding streets; and to any other relevant impact of the proposed use;
10. As described in Sections 3 and 4 this report, the impacts, as described above, and t he location of the proposed conditional use are consistent with the city general plan.

CONDITIONS OF APPROVAL (Revised conditions from Planning Commission are identified in *italics*):

Planning Division

11. Submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project.
12. Prior to building permit submittal, provide a revised plan illustrating the following:
 - a) boundary landscaping at a minimum depth of *three* feet along the north property line for a linear distance of 95' (the proposed leasing area). The plant variety proposed for the required landscaping shall reach a mature minimum height of eight feet and shall function as screening for the proposed use. The selected plant variety shall also consist of a compact evergreen type and shall reach a minimum height of two feet within twelve months of planting.
 - b) a new eight foot *decorative wood fence* from the front north end warehouse

Vallejo Planning Commission Minutes
December 4, 2006

building wall to the north property line.

c) four street trees for the street frontage on Broadway Street. Staff recommends that the applicant select a variety consistent with other street trees at adjacent properties or at Vallejo Transit or a variety from the City of Vallejo street tree list. Mature height of the variety chosen shall take into account the power lines on Broadway Street.

d) *replacement (or elimination) of the front property line chain link fence with a wrought iron fence and gate*

e) *new wrought iron fence at the south property line from Broadway Street westerly terminating at the existing building*

f) *a new wood fence at the north property line (abutting the mobile home park)*

The proposed landscaping shall meet the following standards: three sets of landscaping plans prepared by a registered landscape architect to the Planning Division for review and approval. The requirement for a registered landscape architect may be waived at the discretion of the Planning Manager. Landscape plans shall comply with Chapter 16.70 (VMC), and are to include the following:

- a. Four City-approved street trees to be planted at least 6 feet from any sewer line;
 - b. Low-water-using and drought-resistant plant materials;
 - c. Screening of the required backflow preventers;
 - d. All trees to be a minimum of 15-gallon, double staked; at least 50 percent of the proposed shrubs shall be a minimum of 5-gallon;
 - e. Irrigation plan indicating all components of the irrigation system including sprinklers and other outlets, valves, backflow prevention devices, controllers, piping and water usage; and
 - f. Six inch high curbing around planters.
13. Prior to final inspection/occupancy, all required landscaping and screening material shall be installed to the satisfaction of the Planning Division.
 14. Prior to final inspection/occupancy, provide written confirmation from Solano County Resource Management that all requirements have been satisfied.
 15. No mechanical repair, maintenance, or cleaning of the trucks shall occur at the property.
 16. Hours of operation (leaving and arriving) for the ice cream trucks shall be restricted from 9:00 a.m. to one hour after sunset.
 17. *Emissions, dust, and all other airborne particles and fumes from outdoor uses shall be contained with an enclosed temporary structure and shall not violate Bay Area Air Quality Management standards.*
 18. *There shall be no testing of amplified sound systems of the ice cream vehicles at the project site.*

Fire Prevention

1. Submit a numbered list to the Fire Prevention Division stating how each condition of project approval will be satisfied.
2. Prior to building permit submittal, building construction plans and plans for required fire protection systems (automatic sprinklers, smoke alarms, etc.) shall be submitted to the Fire Prevention

Vallejo Planning Commission Minutes
December 4, 2006

Division for review and approval. All applicable plan review and inspection fees shall be paid.

11. A fire alarm system will be required for this project.
12. If security gates are desired at any entrances to the project, they shall be provided with a Fire Department approved entry system.
13. Additional fire hydrant(s) may be required. Submit a complete set of plans for review and approval. All fire hydrants are to have "blue dot" highway reflectors installed on the adjacent street of the driveway to clearly identify the fire hydrant locations. (1998 CFC Section 903, Appendix III-B) Hydrant map is needed.
14. Automatic fire sprinkler extinguishing systems are required for all residential, commercial, and industrial occupancies. (1998 CFC Section 1003.1.2 added VMC Section 12.28.190)
15. Prior to occupancy/final building inspection, install 3A-40BC portable fire extinguishers as required by the Fire Prevention Division. (1998 CFC Standard 10-1; NFPA 10)
16. Prior to occupancy/final building inspection, install approved numbers or addresses on all buildings in such a position as to be clearly visible and legible from the street. Commercial occupancies shall have numerals or letters not less than 6 inches in height of contrasting background, and illuminated at night. (1998 CFC Section 901.4.4; added VMC Section 12.28.170) Minimum 6" addresses.
17. Prior to occupancy/final building inspection, install "No Parking Fire Lane" signs along interior access roadways, in locations where vehicle parking would encroach on a 20-foot clear width of roadway. (CVC Section 22500.1; CalTrans Traffic Manual, sign #R26F)
18. Prior to occupancy/final building inspection, all applicable fees shall be paid and a Fire Prevention inspection shall be conducted. All meetings and inspections require a minimum 24-hour advance request.

STANDARD REQUIREMENTS

Planning Division

24. All parking spaces shall be demarcated, per City of Vallejo standards.
25. Construction-related activities shall be limited to between the hours of 7 a.m. and 6 p.m., Monday through Saturday. No construction is to occur on Sunday or federal holidays. Construction equipment noise levels shall not exceed the City's maximum allowable noise levels.
26. Required landscaping shall be maintained in a neat, clean, and healthy condition. This shall include pruning, mowing of lawns, weeding, removal of litter, fertilizing, replacement of plants when necessary, and the regular watering of all plantings.
27. All mechanical equipment and utility meters shall be screened in a manner approved by the Planning Division. Electrical transformers shall be screened or placed underground.
28. All vents, gutters, downspouts, flashings, electrical conduits, etc., shall be painted to match the color of the adjacent surface.

Vallejo Planning Commission Minutes
December 4, 2006

29. All roof-mounted mechanical devices and their components such as air conditioners, heating equipment, exhaust fans, vents or ducts, or similar equipment shall be screened from view in a manner approved by the Planning Division. All wall-mounted air conditioners shall be flush mounted.
30. Obtain an inspection from the Planning Division prior to final inspection/occupancy. All inspections require a minimum 24-hour notice.
31. The conditions herein contained shall run with the property and shall be binding on the applicant and all heirs, executors, administrators, and successors in interest to the real property that is the subject of this approval.
32. If the Planning Division, either independently or as a result of complaints from the public, becomes aware that the use is being conducted in a manner which violates the conditions of this use permit or other applicable City regulations, and Planning staff is unable to obtain compliance or abatement, staff will refer the use permit to the Planning Commission for possible suspension or revocation per Section 16.82.110, Vallejo Municipal Code.
33. The applicant shall establish a recycling program for the building in coordination with the Planning Division and when established, either participate in the Citywide commercial recycling program or demonstrate to the satisfaction of the Planning Division that the established recycling program is sufficient.

City and Traffic Engineer

20. Submit site grading, drainage improvement and utility plans for review and approval. Site plan shall show all existing and proposed improvements. Prior to building permit secure approval of site plan.
21. The proposed building is at the border of 100 year flood zone. Therefore, prior to building permit, provide evidence that the building pad is not in the flood zone.

(The following conditions may apply)

22. Prior to building permit issuance, submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project. (PW1)
23. All public improvements shall be designed to City of Vallejo standards and to accepted engineering design standards. The City Engineer has all such standards on file and the Engineer's decision shall be final regarding the specific standards that shall apply. (PW2)
24. Prior to building permit issuance, submit three sets of plans to the Department of Public Works for plan check review and approval. (Improvement or civil plans are to be prepared by a licensed civil engineer.) Plans are to include, but may not be limited to, grading and erosion control plans, improvement plans, joint trench utility, street light plans, and landscaping, irrigation and fencing plans and all supporting documentation, calculations, and pertinent reports. (PW3)
25. Site grading shall comply with Chapter 12.40 – Excavations, Grading, and Filling (VMC). Prior to issuance of grading permit, submit a soils report for review. An independent soils and geological review of the project may be required. The City shall select the soils engineer, with the cost of the study to be borne by the developer/project sponsor. (PW4)

Vallejo Planning Commission Minutes
December 4, 2006

26. In design of grading and landscaping, line-of-sight distance shall be provided based on Caltrans standards. Installation of fencing, signage, above ground utility boxes, etc. shall not block the line-of-sight of traffic and must be set back as necessary. (PW5)
27. During grading operations, the project geologist or soils engineer and necessary soils testing equipment must be present on site. In the absence of the soils engineer or his representative on site, the Department of Public Works shall shut down the grading operation. (PW6)
28. All dust and erosion control shall be in conformance with City standards, ordinance, and NPDES requirements. (PW7)
29. Prior to building permit issuance or acceptance of grading, compaction test results and certification letter from the project soils engineer and civil engineer confirming that the grading is in conformance with the approved plans must be submitted to the Department of Public Works for review and approval. Test values must meet minimum relative compaction recommended by the soils engineer (usually at least 90 percent). (PW8)
30. Entrances to any private project must be standard driveway approaches unless deviation is permitted by the City Engineer. (PW9)
31. Obtain a street excavation permit from the Department of Public Works prior to performing any work within City streets or rights-of-way, or prior to any cutting and restoration work for utility trenches in existing public streets. All work shall conform to City standards. (PW10)
32. Prior to building permit issuance, obtain an encroachment permit from the Department of Public Works for all work proposed within the public right-of-way. (PW11)
33. Prior to start of construction submit a traffic control plan to the Department of Public Works for review and approval. (PW12)
34. Construction inspection shall be coordinated with the Department of Public Works and no construction shall deviate from the approved plans. (PW13)
35. The project design engineer shall be responsible for the project plans. If plan deviations are necessary, the project engineer must first prepare a revised plan or details of the proposed change for review by the Department of Public Works and, when applicable, by Vallejo Sanitation and Flood Control District. Changes shall be made in the field only after approval by the City. At the completion of the project, the design engineer must prepare and sign the "as built" plans. (PW14)
36. Prior to approval of construction plans, provide bonds and pay applicable fees. Bonding shall be provided to the City in the form of a "Performance Surety" and a separate "Labor and Materials Surety" in amounts stipulated by City ordinances. (PW15)
37. Prior to occupancy/final building inspection, install the improvements required by the Department of Public Works including but not limited to streets and utilities. (PW16)
38. Prior to occupancy/final building inspection, remove and replace any broken curb, gutter, sidewalk, or driveway approach as directed in the field by the City Engineer. (PW17)
39. The project is within the 100-year flood zone and shall therefore comply with Chapter 7.98 – Flood Damage Protection, VMC. Prior to obtaining grading permit, apply to Federal Emergency Management Administration (FEMA) for a Conditional Letter of Map Revision (CLOMR). Prior to obtaining building permit, apply to FEMA for a Letter of Map Revision (LOMR). Prior to obtaining certificate of occupancy or acceptance by the City, whichever is applicable, obtain an approved Letter of Map Revision from FEMA. It will take FEMA at least 90 days to obtain

Vallejo Planning Commission Minutes
December 4, 2006

CLOMR or LOMR. FEMA can be contacted at telephone (415) 923-7177, or FEMA, Mitigation Division, Building 105, Presidio of San Francisco, CA 94129-1250. (PW18)

Vallejo Sanitation and Flood Control District

2. Prior to building permit submittal, a VSFCD Connection Permit is required. Pay all applicable review and connection fees.
3. The project as submitted was incomplete. The following information is needed:
 - c. All proposed and existing District facilities to serve the project. Provide site utility plan showing existing and proposed sanitary sewer and storm drain facilities, mains, laterals, connections, etc.
 - e. Please show location of sanitary sewer and cleanout on site utility plan.
4. Prior to occupancy/final building inspection, provide standard VSFCD cleanout at the right of way/easement line per District standards and a two-way cleanout at the building per the U.P.C.
5. Direct roof drainage across non-paved areas prior to entering storm drain inlets and gutter, when feasible.
6. Pave and stripe area for proposed stock room and parking lot area if applicable.

Fire Prevention

1. Development sites shall be maintained weed free during construction. (1998 CFC Section 1103.2.4)

Solano County Resource Management (Environmental Health)

1. Plans have not been received regarding this project. Please contact Pam Jones @ 707 784-3321 for submittal requirements.

GENERAL CONDITIONS

2. The applicant shall defend, indemnify, and hold harmless the City of Vallejo and its agents, officers, and employees from any claim, action, or proceeding against the City and its agents, officers, and employees to attack, set aside, void, or annul this approval by the City. The City may elect, at its discretion, to participate in the defense of any action.
3. **Use Permit 06-0020** is an application for outdoor storage at the South Vallejo Industrial Park located at 100 Corporate Place Suite A (PetroChem). Proposed CEQA Action: Exempt.

Staff recommends **approval** based on the findings and conditions in the staff report.

Marcus Adams: The applicant, PetroChem, has an existing outdoor storage use that is occurring within the South Vallejo Industrial Park area. This came to our knowledge through a complaint from an anonymous person. Upon inspection we did find out that the use was occurring without the proper permits. You do need a use permit to have outdoor storage if it is not one of the original outdoor storage areas that were allowed when the South Vallejo Industrial Park was first created. Upon

Vallejo Planning Commission Minutes
December 4, 2006

finding out that information the applicant got an application to us with plans illustrating the fenced off area and what would be occurring in the fenced off area, the amount of parking spaces for the total center, the relocation of the trash enclosure. We had observed that some landscaping had been removed from the back planter portion of the outdoor storage area. We have asked that that landscaping be replaced. There are also some trees that have been removed, not by PetroChem. I have been told by the owner today and it is his belief that it is not his property that it is the next door property owner. We will look into that and determine which property owner it is and ask that those trees be replaced by the responsible party. We do ask that the landscaping screens in the outdoor storage area, and in the pockets on 5th street, be enhanced. Whether it is the property owner or the City of Vallejo's land, either way we will ask the applicant to do what needs to be done so that it is screened from public view and stay consistent with the current landscaping variety. Any questions?

Commissioner McConnell: Tell me about the three citations this applicant has received.

Marcus Adams: The citations were for the outdoor storage. We gave PetroChem some time to get the plans in to us and there was a delay in them doing that. We had to then cite them to speed along the process. The initial citation was due to the complaint and the others were due to the time lag for getting the plans in.

Commissioner McConnell: So, someone complained and they drug their feet.

Marcus Adams: Pretty much.

Commissioner McConnell: Three citations?

Marcus Adams: Yes.

Commissioner McConnell: When I inspected the site there is a landscaped barrier from the street north of Sodi down to the chain link fence with the razor wire on top. Whose property is that?

Marcus Adams: That is the are there is a discrepancy with. It is my view that it belongs to the property owner but he feels that it, at least, could belong to the City Of Vallejo as one of our Landscape Maintenance District areas. I will speak to Sam Gonzales and clarify whose land that is. We are going to add a condition tonight that the barbed wire that is visible from the street be removed.

Commissioner McConnell: Why is an outdoor storage facility required to have a Major Use Permit?

Marcus Adams: Some of our most persistent problems as far a code enforcement is with outdoor storage. If you have no controls on it then what is stored and how much is stored is hard to control. You use the use permit as a tool to restrict what and how much go in there. In the industrial park normally the outdoor storage area is put in an area that was designated as parking so you will loose those parking spots. That is another reason for the use permit process.

Commissioner McConnell: There are three residential structures above this facility. Are they consistent with the zoning in that area or are they out of place? Their view is of the parking lot.

Marcus Adams: You are talking about across the street on 5th Street?

Vallejo Planning Commission Minutes
December 4, 2006

Commissioner McConnell: Yes.

Marcus Adams: I have seen the residences and they came and looked at the plans. I did not check for their conformance because it is not part of this application.

Commissioner McConnell: Are they going to plant trees that grow high enough to block the view of the storage area?

Marcus Adams: Not necessarily trees. They may plant vegetation like the kind that is there and already being used to screen. You have to be practical as far as how much screening. Not so much that the homes can't see it but if you are walking down the street you can't see down in there. 75% of the landscaping does do that. There are just a few pockets that don't.

Commissioner McConnell: By in large this park is well landscaped and maintained.

Marcus Adams: I agree.

Commissioner McConnell: There is a concern expressed by a neighbor as to chemical odors and spills. What is going to be stored in this outside facility by PetroChem?

Marcus Adams: According to PetroChem, and what I have seen, there are not going to be any hazardous materials stored out there. There is a condition that they cannot store those types of things out there. The applicant may be better able to explain what exactly will be out there.

Commissioner McConnell: In your report it states that the property operator put up a chain link fence that prevented access to parking and waste facilities. Was there no communication between the property owner and the renter out there about what they could and could not do? Did you have any follow up with this individual that is going to have the day care out there?

Marcus Adams: Yes. I went and let her know about tonight's hearing and ask her how things were going. She said that she did get the approval from the State. They came and inspected her and did not have a problem. She is pretty content with what is going on. She asked that staff make sure that they comply with the conditions that are in the staff report.

Commissioner McConnell: Attachment B to the report has policy plans of the South Vallejo Industrial park on it. Is day care next to a chemical usage consistent with what is approved in an industrial park?

Marcus Adams: It is actually elderly day care that she is doing there. I guess it could be questioned. That is why when you have this situation where you have a major use permit for an outdoor storage. You as Commissioners can determine if uses are possibly incompatible or you can place restrictions there so that you don't have a situation.

Commissioner McConnell: It concerns me that we are potentially opening the door for a chemical storage facility to be adjacent to a day care facility in an industrial park. That does not sound consistent with good planning.

Marcus Adams: I just think that with good conditions and limiting the types of things that can be stored outdoors seems to me to be the way you address those types of situations.

Vallejo Planning Commission Minutes
December 4, 2006

Commissioner McConnell: It sounds potentially dangerous to me but I would like to hear more about it.

Commissioner Salvadori: The actual geography that this outdoor storage is taking is supposed to be parking, is that right?

Marcus Adams: Along the far south side was parking and still is parking and will not be affected by this application. Now other tenants will not have access to them. PetroChem will be the only ones to have access to those spaces. Only one space was eliminated with this reconfiguration. That had more to do with the garbage enclosure.

Commissioner Salvadori: Will they be used as parking spaces or as storage spaces?

Marcus Adams: They have stated that they will still be used as parking spaces for PetroChem employees. Today when I was out there one of their trucks was parked there utilizing three of the four spaces with the way it was parked.

Commissioner Salvadori: How many square feet of laydown area for storage are we talking about? We are here to approve outdoor storage but you are saying it is parking.

Marcus Adams: No, what I stated was that there were four parking spaces within the outdoor storage area. Those four parking spaces are going to remain it is just that they will not be accessible to other park tenants.

Commissioner Salvadori: So what was in the area that is now going to be called outdoor storage?

Marcus Adams: We had the four parking spaces and then on the building there was some loading doors and the area in between that was an open asphalt area. Trucks would come in there to pull in and pull out.

Don Hazen: I think Commissioner McConnell raised the question about the day care. You know we are dealing with adults and not children. I think that does deserve further research on staff's part to see in that is a permitted use in the South Vallejo Industrial Park. Just as we had found that the ice cream gentleman had unlawful occupancy and applied for a permit tonight. I would hate for something to happen out there and we did not do our due diligence. We will follow up to make sure that that tenant is legally there. I think it would be a good idea tonight to question the owner as far as the material being stored there. It is our understanding that there is not a dangerous situation out there. Our recommendation for approval and CEQA assessment is all predicated on the fact we do not believe there is any danger from chemicals stored there.

Commissioner Turley: Will the finished landscaping include curbing and sprinklers?

Marcus Adams: There is already an irrigation system on the site. I believe it is a drip system because of the type of plants that are out there. We will verify that there is an irrigation system there, if not they will have to show us how they are going to irrigate the site. As far as the curb, I am not sure what are you are asking that they put curbs in.

Commissioner Turley: Any area where there would be plants or trees.

Vallejo Planning Commission Minutes
December 4, 2006

Marcus Adams: There is already existing curbs on the interior. As far as on the landscaped berm you have a sidewalk and the down slope and then I do not think there is a curb along the fence it would not be necessary for any reason that I could think of. Referring to the parking area, I do not see any need for curbs in that area where they are doing outdoor storage. Where the trees are going to be replaced there is a curb there. Between the parking and the landscaped area and the building there is a curb there.

Commissioner Turley: Page 3, end of the second paragraph, the person registering the complaint said that landscaping had been removed and the waste facilities blocked. That landscaping will be replaced?

Marcus Adams: Right, that is the landscaping that I said would be replaced.

Commissioner Turley: The second half of the second paragraph, you stated that you told him that removing screening landscaping was a violation. Will that landscaping be replaced also?

Marcus Adams: Correct.

Commissioner Turley: Now, on page 6, number 7, second paragraph, you state that she said the storage area is visible from 5th Street and very unattractive and that three trees had been removed. She was also concerned that this unsightliness might continue at the new location. Do we plan on replacing the threes also?

Marcus Adams: Yes. That could not be a condition of this permit because it is a different parcel. We did, on that same day, turn that over to Code Enforcement. It is a different parcel and different property owner.

Commissioner Salvadori: We would like better photographs in the packets. We appreciate the attempts but these are unusable. Enough said.

Chairperson Legalos: When I was at the property I was told that the only landscaping that was removed was from the area inside the parking lot. There is a series of bays for storage that parallel 5th Street. As far as I could see all those bays have concrete paving except the one on the far right which has dirt. Are we asking that that be replaced?

Marcus Adams: We are asking that that be replaced as well as some trees on the southern boundary and the landscaping on the landscape berm that seems to not be filled in.

Chairperson Legalos: It does not seem necessary to have them replace the small space by the bays if the berm landscaping is going to be replaced because that will screen the same area.

Marcus Adams: That is your call. It is just dirt now and is supposed to be a landscaped area. That would be consistent with the Industrial Plan. One of the reasons that that park looks so nice is because of the amount of landscaping both within the parking areas and outside the boundary.

Chairperson Legalos: When I went out there today the PetroChem employee that I toured the lot with pointed out a fenced in area within the storage area and from where I was looking it looked almost like a cage, and I was told that the individuals in day care used that as an exercise area or recreation area. It really looked like a

Vallejo Planning Commission Minutes
December 4, 2006

cage. I think we need to look into the day care. It did not seem like a very pleasant setting.

Marcus Adams: Before the applicant even came to myself and Brian Dolan, that is why this plan was amended, if you will recall, and we limited some of the uses that were allowed or prohibited. Overall the thought was that it was too restrictive and some new uses were allowed. They checked with staff to make certain that that was an allowed use in there. They did not mention this outdoor recreation area but we did know that they were going to have an elderly day care center. Also at that time PetroChem had not moved in from the next door building. These plans were routed to Solano County Environmental Health, Fire Prevention and no problems were sited. We can revisit the compatibility but they are both allowed uses. County Health did come out and approved the project.

Commissioner Legalos: Is there some way of maybe helping them find a more appropriate location for that?

Marcus Adams: She has spoken to me about relocating the recreation area to the other side or doing something on the grass area in the front or maybe trying to work something out within the building itself. To my knowledge they are not using the outdoor area for much.

Don Hazen: I thank Marcus for letting me know that that is a permitted use but I think what we will still do is ask our Fire Department to take a look at that. I am noticing the same thing that that rear fence is an area that I am questioning if it has suitable emergency egress out through that back. I think we should be prudent on that. They are licensed by the State at that facility but again I think that when we are looking at other uses it is important to disclose what hazardous materials are being stored on site. Beyond this particular application I think we are going to examine what we ask for when application are first filed and we are dealing with industrial places just so we have a good handle on that.

Commissioner Turley: I was not paying too much attention to the day care facility. Is the outside area where they go outside fenced in.

Marcus Adams: It is fenced in.

Chairperson Legalos opened the Public Hearing.

Pat Leaser: I am the Senior Vice-President of PetroChem Insulation and one of the owners of 110 Corporate Place. That is right next door to 100 Corporate Place. PetroChem Insulation is an industrial insulation operation. We do not store any hazardous chemicals. Our name is PetroChem because we do work at the petroleum and chemical facilities. The only materials that we do have on storage are a small amount of products that are kept in locked units and they are notified through the Fire Department as required by law. The owner of 100 Corporate Place asked us if we could rent some space from him and some of that extra parking lot because we needed parking for some additional cement mixers which we use for mixing up fireproofing to take materials out on the job sites. There is some shelving where we can store some palatable materials that aren't damaged by the weather and that type of stuff. The owner did not have a problem with us fencing it in. We were the second builder in the South Vallejo Industrial Park. When we built the warehouse that we have we did have that fenced in area originally. When this came about we had no idea we had to get a permit to fence in this other section when we got permission from the owner of the facility when we rented it. We told him what our intent was and he said no problem. Now that we received the citation and the complaint that we

were out of compliance we are here. I did not know that we had to comply within a certain amount of time. Once we did know that we applied for the permit to get things rectified. We have been a member of the community for almost twenty years. There has been a lot of questions regarding the trees between the two lots. Those were trees that were planted originally and the landscaping has been done by the City. They contracted out. They were pine trees that were installed there and grew up. Approximately three years ago we had to get permits to get those pine trees removed because they were leaning on the building and we were having transients living underneath those pine trees and the parking lot that we are now trying to get at 100 Corporate Place we were having nothing but abandoned cars and all kinds of trash because the trees were so big that people were going in there at night and doing things. There was a tree on the corner that was actually blocking the view for the police to look in. We had to get two different permits to have trees removed. Once we had the permits we had the trees professionally removed we have had none of those problems. The City has pulled out all the original trees planted in this area and replaced them because they were falling over or diseased. We have not removed any trees other than the ones the City was removing. The question regarding the landscaping we removed when we put the fence in; all we did was trim back so the fencing company could put the posts in. The areas where there were no landscaping was caused by transients or people walking from one point to another before we blocked it off. We do not store any hazardous materials. We have refractory brick. We have cement mixers and trucks we store over there. I am in the process of putting in a security system. It is a monitoring system. The new fence we put up at 100 Corporate Place someone came in the middle of the night hooked up a truck and pulled it off. We filed a police report. Fortunately they did not do anything but they tried to steal a couple pieces of our equipment. We had them chained down and they were not able to remove them. Since we have been there we have lost six vehicles. I hope I have explained who we are and what we do and why some of those trees are missing.

Commissioner Turley: How long have you been doing business at that particular address?

Pat Leaser: Since the early 1980s. Right when it first opened. We were the second business to go in there.

David Caldwell, 4158 Summer Gate Ave, Vallejo: I own 100 Corporate Place. I think most of the questions were adequately answered. I would just like to state too that the trees that he is discussing which is in a strip between my parking lot and their building was a total hazard for both pieces of property. The pine trees were out of hand. There were transients living in there. There were an exceptionally large amount of cars left there as well as trash. It was usage for everybody in the area. The only landscaping removed on the north side, by 5th Street, was down below that you cannot see from 5th Street. It was removed to install the fence. That landscaping is in a maintenance district. I am paying \$7500 a year to the City of Vallejo to keep it maintained. If it is not we need to go back and do some accounting here. On top of that both PetroChem and myself have to pay an outside landscaping contractor to maintain the landscape, and it is good. I think the whole corporate area is a very clean looking area. The permitted use as far as the adult day care is only a day care. No one will stay overnight. It was approved by the City, County, and State. The Fire Department approved it also. I have no problems with you looking into the fenced off area for the elderly people. I would like to see it improved but that is neither here or there but it was approved by the City already. The person who complained, my tenant, the whole reason she complained had to do with being approved by the State. We pretty much knew that the planned approval would go through. Now that the approvals have gone through with the State she is happy with it. To address the

Vallejo Planning Commission Minutes
December 4, 2006

question about communications. I communicate with all my tenants. I even communicated with that tenant to see if PetroChem could hook onto a corner of her fence and take off from there prior to any fences being put up. All of my tenants approved it before I told PetroChem it was OK to put the fence up. Any questions?

Commissioner Manning: I wanted to ask about the dumpster. The complainant said the other tenants could not get to the dumpster.

Pat Leaser: That is a good question. That was one of the issues that I did have with PetroChem because I did have an enclosure for the dumpster for all my tenants in the building. One of the conditions was that they would relocate the dumpster. Instead of locating it outside of the fenced in area, which would have take one more parking space. The City and the applicant and myself all agreed that what we would do was take part of the inside area that they are paying rent for and put the enclosure in there. It is a small area that will be gated so that all tenants would have access to. The other one was gated anyway. This just moved it from the north side of my parking to where the fence actually stops. The garbage situation has been taken care of.

Chairperson Legalos closed the Public Hearing.

Commissioner Salvadori: I move that we approve use permit 06-0020 subject to the findings and conditions in the staff report and with the condition that the razor wire be removed.

AYES: Salvadori, Turley, Peterman, Legalos, McConnell, Manning.

NOS: None.

ABSENT: Engelman.

Motion carries.

Findings:

These findings are based upon all evidence in the record including the staff report, testimony, and written correspondence, all of which is incorporated by reference:

4. As described in Sections 5 and 9 of this report, the location, size, design and operating characteristics of the proposed conditional use will be compatible with adjacent uses, building or structures, with consideration given to harmony in scale, bulk, coverage, and density; to the availability of civic facilities and utilities, to the harmful effect, if any, upon desirable neighborhood character; to the generation of traffic and the capacity and physical character of surrounding streets; and to any other relevant impact of the proposed use;
5. As described in Section 2 of this report, the impacts described above and the proposed location of the building expansion is consistent with the city general plan.

CONDITIONS OF APPROVAL:

Planning Division

19. Prior to building permit issuance, submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project.

Vallejo Planning Commission Minutes
December 4, 2006

20. Prior to closure of Code Enforcement Case and within thirty days of Planning Commission approval, the property owner shall replace the landscaping removed at the rear of Suite A and the parking lot trees removed at the landscaping strip between the rear parking lot and 110 Corporate Place building wall. The proposed landscaping shall include plant selections that at mature height will sufficiently screen from 5th Street, Petro-Chem materials to be stored outdoors.

Plant materials which are to be used as a screen shall consist of compact evergreen plants, planted in a minimum three foot wide planting strip (*if possible*-italics added). The plants should form an opaque screen within twelve months of installation. If the applicant and/or property owner establishes with staff that he is unable to meet this screening requirement within the existing planting strip, the landscaping berm between the back of 5th Street sidewalk and the property line fence shall be enhanced so as to sufficiently screen the outdoor storage use, as described above.

21. The applicant shall provide the Planning Division with a signed statement by the property owner acknowledging that they have received a copy of this staff report and Planning Commission minutes, with notation that they assume responsibility for tenant compliance with the conditions of approval and continued compliance of the South Vallejo Industrial Park Policy Plan.

STANDARD REQUIREMENTS

Planning Division

34. The tenant at Suite A shall comply with all standards and requirements of the South Vallejo Industrial Park Policy Plan including outdoor storage screening and landscaping requirements. Failure to comply will result in administrative citation proceedings to the property owner by the City.
35. All parking spaces shall be demarcated, per City of Vallejo standards.
36. Construction-related activities shall be limited to between the hours of 7 a.m. and 6 p.m., Monday through Saturday. No construction is to occur on Sunday or federal holidays. Construction equipment noise levels shall not exceed the City's maximum allowable noise levels.
37. Required landscaping shall be maintained in a neat, clean, and healthy condition. This shall include pruning, mowing of lawns, weeding, removal of litter, fertilizing, replacement of plants when necessary, and the regular watering of all plantings.
38. All mechanical equipment and utility meters shall be screened in a manner approved by the Planning Division. Electrical transformers shall be screened or placed underground.
39. All vents, gutters, downspouts, flashings, electrical conduits, etc., shall be painted to match the color of the adjacent surface.
40. All roof-mounted mechanical devices and their components such as air conditioners, heating equipment, exhaust fans, vents or ducts, or similar equipment shall be screened from view in a manner approved by the Planning Division. All wall-mounted air conditioners shall be flush mounted.
41. Obtain an inspection from the Planning Division prior to closure of Code Enforcement case. All inspections require a minimum 24-hour notice.
42. The conditions herein contained shall run with the property and shall be binding on the applicant and all heirs, executors, administrators, and successors in interest to the real property that is the

Vallejo Planning Commission Minutes
December 4, 2006

subject of this approval.

43. If the Planning Division, either independently or as a result of complaints from the public, becomes aware that the use is being conducted in a manner which violates the conditions of this use permit or other applicable City regulations, and Planning staff is unable to obtain compliance or abatement, staff will refer the use permit to the Planning Commission for possible suspension or revocation per Section 16.82.110, Vallejo Municipal Code.
44. The applicant shall establish a recycling program for the building in coordination with the Planning Division and when established, either participate in the Citywide commercial recycling program or demonstrate to the satisfaction of the Planning Division that the established recycling program is sufficient.

Fire Prevention

1. Prior to building permit submittal, the applicant shall submit plans for review and approval.

GENERAL CONDITIONS

3. The applicant shall defend, indemnify, and hold harmless the City of Vallejo and its agents, officers, and employees from any claim, action, or proceeding against the City and its agents, officers, and employees to attack, set aside, void, or annul this approval by the City. The City may elect, at its discretion, to participate in the defense of any action.

Chairperson Legalos reopened the public hearing on item L-1 for further discussion as requested by Commissioner Turley.

Commissioner Turley: Just for the record because the election of Chairperson and Vice-Chairperson were elected in the middle of the year were they elected for six months or a year?

Claudia Quintana: The new Chairperson takes over for the unfinished term of the former Chairperson. The term would expire at the end of June of 2007.

Commissioner Turley: Do we, as a Commission select the liaison to the City Council or is that person appointed by the Chairperson?

Commissioner Salvadori: It is the Chairperson's responsibility to ask for a volunteer. Typically someone feels strongly that they must volunteer and they are accepted.

Commissioner Turley: Then my question is should we give the City Attorney time to provide us with a good answer or should we accept Commissioner Salvadori's statement? What should we do?

Claudia Quintana: I think we should wait to the next meeting because it is not on the agenda and we need to give proper Brown Act notice.

Commissioner Salvadori: I would like it put on the next agenda as a discuss and take action item.

Commissioner Peterman: I am not withdrawing but my concern is that there is an item that needs the liaison to go to the City Council meeting before our next meeting.

Commissioner Salvadori: Since we cannot take any action tonight I would assume that we need to maintain our current liaison. If we are done with that subject I have a couple

Vallejo Planning Commission Minutes
December 4, 2006

of issues. One actually relates to the Council as the liaison. I could not be here at the last Planning Meeting. I did get an opportunity to congratulate Commissioner Manning. I do however, believe that the City Council did not treat Commissioner Morris properly in the way that they replaced a Commissioner and not only a Commissioner but a sitting Chair. Typically the Chair and Commissioner are reappointed but that is not the issue. The issue is more that someone who has volunteered that length of time to provide service to the City should have been recognized other than just dismissed and banished. I do not think that was the proper way to send off a Chair of a Commission. I don't think the Council liaison is doing their job because they are seldom here. I know Councilmember Davis was here at the last Planning Commission meeting. I have to say that in my nearly eight years here the number of times you see a Councilperson liaison is distressingly seldom. I think if they were here more often, in a listening and questioning capacity, with an opportunity to give the Commissioners time and opportunity to ask questions and give input there might be a better understanding at the Council level of what we do here. Not too long ago this Commission sent a resolution to the City Council about an oversight committee for the single largest economic development opportunity this City has. To my knowledge we have heard nothing. We have not heard that it has been agendaized, voted up or voted down. It has just kind of gone into limbo. I think that is a very sad state. I would ask that the Planning Commission Liaison at the next Council meeting raise that issue. I would ask staff to raise that issue also and if possible get it agendaized on the City Council agenda.

Chairperson Legalos: I agree with you 100% on that and on the absence of the liaison of the City Council to the Commission. I do not know what Mr. Davis's plans were for attending the last meeting but I did send him an e-mail and ask him to attend because of the issue that was decided at the City Council at their prior meeting. The presence of the liaison would certainly be valuable to the Commission.

Deborah Marshall: Commissioner Salvadori I know, that not on a Council level or anything, Commissioner Morris was recognized. I did order him a plaque and commended him for his years of work as well as being the Commission's latest Chair. I should be ready to pick up Wednesday. I will be getting that to him. He specifically asked that it not be presented at a meeting and that I just give it to him but he is getting some recognition.

Commissioner McConnell: I want to clarify the record. I have been here for 6 ½ years, almost as long as Commissioner Salvadori and I do have a distinct recollection that during that time Council Member Schively attended our meeting almost religiously. Councilmember Cloutier attended to a lesser degree but was here frequently as well.

Don Hazen: For clarification on the oversight committee, for when I put in the inquiry, what was the purpose of the committee?

Commissioner Salvadori: It was precipitated by the annual review of Lennar Development Agreement and staff's position that they were meeting all of the requirements of that agreement. Some of us felt that that was a very loose interpretation of the spirit redevelopment of Mare Island. Commissioner McConnell, Commissioner Engelman and I were members of an ad hoc committee and we were putting together what we thought would be a good composition for a committee of citizens and appointed or elected City officials to overlook and not oversee but look over what was actually happening out there in the best interests of the City and what was expected as part of the reuse plan and the regional development plan. What we came up with as a Commission and proposed was something that was agreeable to Lennar and what we felt would be a composition in the best interests of the City. A resolution was passed by the Planning Commission that the City Council take action to create such a committee.

Vallejo Planning Commission Minutes
December 4, 2006

Don Hazen: And you are saying that never went to Council?

Commissioner Salvadori: Correct.

M. WRITTEN COMMUNICATIONS

None.

N. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 9:45 P.M.

Respectfully submitted,



(for) DON HAZEN, Secretary

Vallejo Planning Commission Minutes
December 18, 2006

A. The meeting was called to order at 7:00 p.m.

B. The pledge of allegiance to the flag was recited.

C. ROLL CALL:

Present: Commissioners McConnell, Morris, Legalos, Turley, Peterman.

Absent: Engelman, Salvadori.

D. APPROVAL OF THE MINUTES.

None.

E. CONSENT CALENDAR AND APPROVAL OF THE AGENDA

On a motion by Commissioner Peterman the Consent Calendar and Agenda were unanimously approved.

F. REPORT OF THE SECRETARY

1. Upcoming Meeting of Monday, January 3, 2007

a. No items for this meeting. Per the Commissions wishes this meeting has been canceled.

b. Costco filed an appeal on the parking lot and construction hours.

c. E-mail from Clare Roberts from Vallejo Community Access TV. If any of the Commissioners wish to tape a public holiday greeting they will be doing this. Don will provide contact information to each Commissioner.

G. CITY ATTORNEY REPORT

None.

H. COMMUNITY FORUM

None.

I. REPORT OF THE PRESIDING OFFICER AND COMMISSIONERS

None.

J. LIAISON REPORTS

1. Council Liaison to Planning Commission

None.

2. Planning Commission Liaison to City Council (Select New Liaison)

None.

On a motion by Commissioner Turley Commissioner Peterman was unanimously elected as Liaison to the City Council.

K. PUBLIC HEARINGS

1. USE PERMIT 546A – Appeal of staff determination concerning Rose Imports located at 1605 Solano Avenue.

Staff recommends the Planning Commission DENY the appellants appeal and AFFIRM the Planning Division's determination that the used auto sales occurring at 1605 Solano Avenue require use permit approval, as stated in Section 16.22.040(B)(3) of the Vallejo Municipal Code.

Marcus Adams: This first item deals with an appeal dealing with Rose Imports on Solano Avenue bordered by Solano, Tuolumne, and Perkins. *Marcus did a PowerPoint presentation which included the fact that there are three parcels on this site. Two of the three are addressed in this appeal. Issue number one is located at 1605 Solano Avenue. There was a picture of this parcel on the screen. There were three issues that we dealt with on this property: 1) the vehicle parking there; 2) the establishment of the land use at the location; 3) the use permit process. The question of whether a used car dealership had ever been established through the use permit process which has been required since 1920 was not established by us. According to our research there were two tire companies there previously. I would like to refer you to Attachment A (lots 22 – 26) so we can clarify which lots these are. They are in Linier Commercial. For a used car dealership in this zoning a use permit is required. The second parcel is located on Perkins and raps around to Solano Avenue. There are two lots on this Perkins parcel; lots 18 and 19. The issue again is whether a use car lot had ever been established. The original use permit for 1959 is attachment H. The use was for a service station and the conditions, especially, for lot 18 which was to be used as a commercial driveway not allowing parking of commercial vehicles or trucks. There is also language in there about avoiding any type of incompatible hazards or uses such as noise, light, smell, etc. *Marcus showed a picture of lot 18 and its location next to a residential property. Where the red arrow is shows the driveway and the curb cut. Next to the car parked on the street is lot 19. The use back in 1959 was for a service station with lot 18 being the commercial driveway and lot 19 was to have the service station on there. The reason lot 19 was to be used as a commercial driveway was to act as a buffer between that residential use and the commercial use. At the time of the original use permit lot 19 was zoned residential. There may be some question as to why the Planning Commission would put a commercial project on a residential lot however, be that as it may, the lot 18 definitely served as a buffer. There is no evidence of a new use permit or a use permit amendment which would allow for used car sales to go on. That is the steps that would need to be taken if you wanted to have used car sales on a site with a use permit for some other purpose. Use permits run with the property.**

Our recommendations tonight are as follows, there are two options:

1. That the property owners apply for a conditional use permit to operate the use car lot at both 1605 Sonoma and 0050-182-150 and we would recommend a rezoning. It is zoned residential so you would want to rezone that to commercial use.

2. Apply for the conditional use permit just for 1605 Solano and abate the use car sales on lot 18. Also you may have seen reference to a fence. The plans that were approved back in 1959 had a fence to separate lots 18 & 19. This further served as a buffer. Lot 18 was the commercial driveway and lot 19 was going to be the service station. There is some discrepancy as to whether that fence was ever erected or not. Whether there was on was not it is in the original approval and the purpose was to separate those uses.

Vallejo Planning Commission Minutes
December 18, 2006

Marcus Adams: Some other issues I wanted to clarify were that I put use permit 545. It should have been use permit 546 and attachment I is the zoning ordinance from 1958 to 1969. There are no used car lots permitted outright. They required a use permit. Under CC zoning in 1970 – 1980, page 30, you will see sales of autos and parts requires a use permit. Any questions?

Don Hazen: Just to follow up on Marcus's great presentation I want to reiterate that really all you are dealing with tonight is do you support staff's determination on what process they need to follow if they wish to pursue the use. We would not want to get into the merits of a use permit or the merits of the rezone. This is strictly just whether you concur with the process or not. If they decide to follow through with this there would be another application and you would have a change to have another hearing on those uses.

Commissioner Turley: On page two, number 9, first paragraph, last sentence, you say the parking of cars on City streets eventually stopped. The day I was there I counted seven cars with Rose Import on the license plate. How many more belonged to them I do not know. I wanted you to be aware of that.

Marcus Adams: I did not delve too much into that because it is not part of the issue at hand. I just included it as history in the staff report. I have noticed on my visit today and other days that there were some used cars on the street. At the time we received the complaint, in 2001, the planner who had the case at that time determined that it did stop for at least awhile. It does appear that that is occurring again but, once again, it is not part of this issue.

Commissioner Turley: On page five, last paragraph, last sentence, it seems to be incomplete. Never mind, I did not see the last part of that sentence. That is the end of my questions.

Chairperson Legalos: On Attachment K, the project location indicated here, the parcels that border Perkins Street, is that 18 & 19 that are hatched?

Marcus Adams: On Attachment K it is hard to see but it is 18 and 19.

Chairperson Legalos: Then I am assuming that the area above that that borders on Solano is 20?

Marcus Adams: Yes.

Chairperson Legalos: What is the status of 20? The cars are parked all the way out to the sidewalk on Solano.

Marcus Adams: 20, we were able to establish that was a used car establishment that was put there previous to 1970. We had to grandfather it in because it had been established. The complaint was for 18 & 19.

Chairperson Legalos: So it is simply not part of the issue at this point.

Marcus Adams: Yes.

Chairperson Legalos: The fence that is there now is between 17 & 18.

Marcus Adams: Correct.

Chairperson Adams: 17 is the parcel that has the house on it?

Vallejo Planning Commission Minutes
December 18, 2006

Marcus Admas: Yes.

Chairperson Legalos: The fence that is referred to here is in the middle of the hatched area?

Marcus Adams: Yes. There is a dashed line between 18 & 19. You can see it better on the site plan. One more thing to clear up is that the cement slab on Tuolumne is where an illegal modular home was placed. We ask that they take it down. That is why you see the slab. Rose is not expanding onto Tuolumne. The owners of that lot have applied for permits.

Commissioner Manning: I have to say, I drove around there a long time to try to locate exactly what the uses were. Now that you explain it I understand. Thank you.

Chairperson Legalos opened the Public Hearing.

Kathryn Glauimi, 1605 Solano Ave, Vallejo: I am the other owner on the property. I will be as brief as possible. In September of this year Marcus came down to our lot and took some pictures. Walked up in the middle of a work day and said, "I am sorry but you do not have a license to do business here." 22 years I have been at this location. That was like a slap in the face, first of all. Our business generates 1.2 million dollars of sales tax to the City of Vallejo. We have been paying City business license for 22 years. In other business in this town we have been paying for over 30 years. We own several pieces of property in this town. We have brought a lot of business into this town along with other dealerships. I do not feel that we should be penalized for something that the City Planning checked off on my business license 22 years ago. I walked in and said I wanted to get a business license. Business License sent me up to Planning to get it checked off. Someone in Planning signed off my permit to do this. This was in 1984. Before that the location was Vallejo Chrysler. Before that, in 1968, it was Carden Motors. The only thing any of us can fall back on at this point is the Polk Directories, and there were two locations. In 1968 there was Carden Motors at 1615 Solano, which is the corner he is actually talking about. Further over there was 1515. This is where it gets confusing. According to the County records 1515 should be 1615. It is hard to prove with the Polk Directories which piece of property was actually licensed. 1515 is a block over and has nothing to do with our property. We have now dropped the address and gone with the parcel number. Nobody knows in 1968 where this dealership was at. We just know that there was one on 1605. In 1968 to 1971 there was Golden State Tire Company. That was 1605 which is the corner next to the cabinet shop. In 1972 to approximately 1984 Vallejo Chrysler was there at 1605. 1615 was Carden Motors a used car lot; 1605 was Carden Motors a used car lot between 1968 and 1971. Then in 1974 Chrysler Plymouth was at 1515 across the street. At the same time they had their staging lot at 1615 which is the one that is in question at this point. It is not 1615 parcel 18, 19, and 20. It is all of 1615. He was issued a permit at that time to do business at that location. That was in 1970. In 1970 someone said you need a use permit for used cars. One year later someone says duh you forgot to mark it off and 22 years later we have to take care of that mistake. That should have been something that was caught forever ago. I am required to keep track of the laws and rules and regulations. When a new one comes in you are very well aware of it. In 1970 use permits were required. One year later Chrysler went in and why didn't someone say they needed a use permit. I went in 10 years later they said it was a car dealership before and therefore it must be proper. Now I am supposed to pay for this; the City wants us to get use permits for something. They want a driveway put in, a driveway to where? There is no need for a driveway there. Our neighbors are concerned. We have been neighbors for 22 years. Granted, yes we do park our cars off the lot. You have to do that because there is no place else to move them to get

Vallejo Planning Commission Minutes
December 18, 2006

them in and out. We understand that and we have worked back and forth with this a lot. Molly will come us and ask us to move a car and we will do that. We work very closely with them and we do not have major conflicts with them. It could be whole lot worse if we end up selling it and something else goes in there. I don't blame Molly for being worried about that. She is the lady that is right on the other side of our fence. I do disagree with the fact that there was a fence there. There was never, ever a fence between 19 and 19 or 20. I know Molly says she remembers it. People who live in the area for over 50 years remember it. There were a lot of other items in here that were remembered that really are not true. There is no indication on our property whatsoever that there was ever a hole put in that property where there was a fence. The fence between Molly's property and our property is there and is probably the same fence. It has never been changed in the 22 years we have been there. I do not think there was another fence located on there. The City was at fault for there not being a use permit for this auto sales use not us. We are not the ones that did not issue the permit. We were issued a license to do business at that property. I went through the proper steps. The City is the one that did not go through the proper steps. If we had done it back then it would have cost, what \$200 or \$300. Now at this point it will cost us \$3000 or \$4000. We should not have to do that. I do not think it is fair for us as business people in this town. I can show you pictures of what they are talking about. They have it totally confused. *She showed a picture of the lot in 1986 where they had been in business for one year.* There is no fence or any indication that a fence had been there. Business licenses were issued for the entire 1615 not A, B and C. It was a whole parcel, not the back part, the front part. I do not think it is fair to break it up into particles. There was never a fence and hopefully there won't need to be a fence. There is no reason for it. What brought the whole thing up is that we put a shed up. Molly, our neighbor, was probably not happy with that. We thought we could do that. We were unaware that we could not. As soon as we were contacted by the City we took that shed down. We are not in any other violations. We are trying to run a business here and I think that is all we are asking is that someone work with us and tell us what we need to do but it is not our expense or responsibility. The City was the one that dropped the ball on us. Thank you.

Molly Leavitt, 235 Perkins Ave, Vallejo: I have lived at this address since November 1946. I remember one morning equipment moving the house next door away and a sign going up saying Shell Oil Coming. I went to City Hall the records showed the lot next to my parcel as residential. A Planning Commission meeting was held and permission was given for Shell to go ahead with their plans. I stood up at that meeting and called Mr. Nelson's attention to the fact that permission had been given on a residential lot. They looked at the plot drawings and agreed with me. They said it would be taken care of. The decision was made that the residential part could only be used as a driveway. A record was made of that decision. Now many years later other problems have followed. They started moving cars off the lot. What followed over the years were many practices that broke more laws. Cars are still being parked on all the streets around Solano, Perkins and Tuolumne. The streets and the residential lot is used to dig out a *word I could not understand*, grind away and worst of all paint the cars. The pollution is very noticeable. All of this is against the law. During the summer they moved a 16 x 20 shed onto the residential lot right on the property line. I did not figure it was to keep the salesmen out of the sun while they smoked their cigarettes. That is when I went to City Hall to complain. He has been allowed to put cars on that residential lot but I ask that no activity that would change the appearance of the cars allowed. No painting, grinding, or dent repair allowed. He has a building on the property and it should be used for these types of activities. I am complaining because of illegal activities in the use of this property not because it is being used as commercial property. I do not want to see any other buildings put on the property. People my age come to visit me and when cars are parked all over

Vallejo Planning Commission Minutes
December 18, 2006

Perkins, they usually have canes and walkers. I have asked them to move cars and they have done that but I do not feel like going around the corner and doing that very often. Thank you.

Ralph Isaacs, 227 Perkins Ave, Vallejo: I live on the right hand side of Molly. Molly is the closest to Rose Imports and I am right next to her. I find myself at a little bit of a disadvantage in that my wife does not always show me the mail when I come home from work. When Molly came over and ask if I was coming to the hearing tonight I said what hearing. Like a good husband I was wondering and she explained what was going on. I find that I agree with the owners of the property. Someone in Planning made a very large error. It is going to cost someone something. It is either going to cost the residents who live on Perkins, possibly, more discomfort or these people that are trying to make a living or possibly eliminating part of their dealership for the so called driveway. I have to agree with them. I don't see what purpose this driveway would serve on this lot. There is quite a bit of congestion. The owners are always, let me repeat, always willing to come and correct whatever we have. But there is heavy congestion, there is a lot of traffic. I am concerned about the safety coming off of Solano onto Perkins since there is work at times being performed on Perkins that I think should be performed on the car lot itself. As a resident I do not see any reason why they could not continue to operate the way they were doing. If the use permit is to be issued I would like to see itemized things that they are allowed to do on the property. I agree with Molly maybe they are doing some things that should not be done. Good neighbors. Always willing to cooperate. I hope that this can be resolved because I think there are two parties. On the side of the owners I would be livid if 22 years later people that you never met made a drastic error and then there is of course the residents and their rights.

Rev F Douglas Northrip, 242 Perkins Ave, Vallejo: I live directly across the street from Rose Imports. My family has lived there since 1951. I remember the fence very clearly. It was between 18 & 19 as long as there was a gas station there. When the gas station was removed the lot was vacant for a year or so. Whoever put the first car lot there removed the fence with no notification and repaved lot 18. As long as the fence was between the two there had never been any paving done to use that as a driveway. The gas station did not use it as a driveway behind the station. My encounters over the last four or five years with Rose's staff, I have never met the owners, but I have had a number of occasions to go over and complain at the office about workmen painting. One day last summer they filled my house with fumes of spray paint. When the shed went up they were spray painting in the shed without proper ventilation or masks or whatnot. As recently as yesterday they had cars parked in front of my residence. When I came out at 2:30 in the afternoon they apologized for having them there and moved them quickly. Some of the staff is very pleasant to me. Some of the staff is very rude to me. In general I view them as being hostile to all of the neighbors. I do not have good relationships with Rose Import staff. They tolerate me and try and keep me pacified but I could not ever say they were friendly towards me. I would like the lot turned back into a driveway and not used to park cars on. The cars that are parked back there are there for a long, long period of time. They are not quick sales. They are cars that are not well attended to. There are weeds growing up among them. The building that was put on the lot is still on the lot. It has been dismantled and is up next to the fence on Perkins. I am afraid that it is going to be put back up again. Thank you.

Ojan Ghauimi, 1605 Solano Ave, Vallejo: The problem that we were having is that we put the shed up because the people were not happy if we wanted to take a dent out or something. Every lot in this town has these sheds. Everyone of them is without permits. If I did it wrong everyone else did wrong too. We removed the shed. This gentleman here, *points at Rev. Northrip*, came in one day in street clothes and

Vallejo Planning Commission Minutes
December 18, 2006

told us we should not be in the business and should get out of here that we had no license. 21 years ago we got a license properly. Someone checked it out and said we have the license. We pay \$2000+ for our license fee each year. Every quarter we pay \$300,000 sales tax. We have 22 employees. Some of the cars they see parked belong to the employees. The employees have to park. They don't commute together or take the bus. They have to park somewhere. We cannot park in the courthouse because that is 1 hour parking. The only thing we can do is park in the street. If people have a problem we gladly move the cars. Do we have cars in the street, sure. It is a business there. We have to move the cars around. We cannot just tell the customers to go home. The majority of the parking problems are the employee's cars. If there is a solution for that I would be glad to do it for you. *Mr. Ghauimi referred to a display that showed the area that referred to the driveway and the area where they fence was originally supposed to go. I do not know where the driveway goes. Maybe it goes to Heaven but it does not go through. He also referred to the display to show where 1615 and 1515 were located. When we purchased the property I did not even know there were three parcels. We never saw the fence. When I came to Vallejo there was nothing there but Chrysler. The dealership is not the issue. The issue is the driveway. The cars are sitting there. They do not bother anyone. There is a lot. If you want me to build a building give me permission. I will build a house on it. I have no problem I have the money to back it up. If parking the cars there is illegal then what is the property good for? If someone tells me I would be glad to do it. Thank you.*

Chairperson Legalos: One of the remarkable things is that in the photo you showed us you have very orderly rows of vehicles. You can see that any of those vehicles could be accessed easily. The current status of the lot is that the entire lot is jammed with vehicles. It is hard to imagine taking less than ½ hour to get at some of them. Have you considered looking for a larger area? Perhaps your business has been so successful and grown so much that you have actually outgrown the facility.

Ojan Ghauimi: I do not know where the location of a facility that is available is. I can't afford it. The amount of money at a new facility would be much more.

Chairperson Legalos: There is a lot of commercially zoned land available in the City.

Ojan Ghauimi: Do I have to look at that possibility?

Chairperson Legalos: No.

Ojan Ghauimi: If the City was willing to give me 3 or 4 million dollars I would gladly borrow the money and go and build it. I have no problem with that. To answer your question I cannot afford it.

Buck Kamphausen, 200 Rollingwood Dr, Vallejo: I have been involved in commercial property in Vallejo and I am also in the automobile business along with the funeral and cemetery business. I would be quite surprised if the same thing happened to me that happened to this gentleman. When you are trying to produce income in a City that does not have too much income. When a gentleman such as you tells someone to go get a bigger lot, with the prices of real estate in this town, I don't believe any small business could exist in this town. It seems shameful to me to have a Commission telling an individual like this that is producing. He has too lots in this town and I like to see businesses come into this town. I want to see this town change and be much better than what it is with vocational training and everything else. To see this kind of thing happen. I would just forget it and grandfather him in. He has a right to do business in this town. Thank you.

Vallejo Planning Commission Minutes
December 18, 2006

Chairperson Legalos closed the Public Hearing.

Commissioner McConnell: What would the purpose of the fence fulfill?

Marcus Adams: I think it establishes a buffer between a commercial use, the intensity of the commercial use, and the residential use. When you read through the minutes which I have attached and you look at the site plan and you see that for them to even allow a commercial use on a residentially zoned property the fence was supposed to be there to separate those uses so you would not have these incompatible uses. There are not only the cars but there are lights that glow into the windows at night. It just serves as a divider.

Commissioner McConnell: And is it staff's position that the only way that some of the problems that staff sees and the public has addressed is to make this business subject to the obtaining of a use permit where conditions can be placed on it.

Marcus Adams: That is correct. That is exactly right. That is the purpose of a use permit so that some of the issues we have heard tonight can be addressed. It is hard for staff to apply those until a complaint comes in. Without the use permit and those conditions staff's hands are pretty much tied unless there is a public health situation or a gross violation of some kind.

Commissioner McConnell: What kind of records did you find when you searched the City records back to 1950 and 1970 in the Planning Division?

Marcus Adams: Within the Planning Division itself we have our card file. Also in our parcel books there is information about what types of businesses are there. Then there is the Polk Directory. That is where we were able to establish that there had or had not been a used car dealership there and when it was established on the three parcels. We also have unit investigations that we can look into sometimes. Lastly we have the business license records. Those do not go as far back as the 1950s and 1960s.

Commissioner McConnell: I understand that a business license, which is nothing more than a revenue earning measure for the City. Did staff attempt to research any records of the previously operating businesses at this location? Did you go back and see what you could find in a file or anything?

Marcus Adams: The Polk Directory told us what businesses were there for that time period. We searched for those businesses and those business names. That is about all we did.

Commissioner McConnell: Are there any files in the City that you can look into?

Marcus Adams: The only files related to the property that we could look into was the use permit that was issued in 1959, #546. If the proper permits were never obtained we would not have a file or record of them.

Commissioner McConnell: Were you able to contact any people involved in those businesses at the time to speak to?

Marcus Adams: No. I did not search for people that used to work at those companies.

Commissioner McConnell: Is it within the power of the Planning Division to waive or reduce use permit application fees?

Vallejo Planning Commission Minutes
December 18, 2006

Don Hazen: Staff does not really have that type of discretion. The City Code is adopted by City Council and they mandate that we follow those letters of the law. I think our feeling is that it is never too late to enforce an Ordinance particularly when we are dealing with neighborhood compatibility issues and most especially when there have been complaints by neighbors. If we discover we have a code violation we are really compelled to act on that. It never entered our thought whatsoever to waive that because it was brought to our attention, we have a, in our opinion, use that is not in compliance with the codes. To us it was a straight forward matter.

Commissioner McConnell: I understand staff's thinking on that. In your view the only way to reduce an applicant's application fee is by specific act of City Council?

Don Hazen: Well we really never got down to the discussion of the fee. Yes the fee schedule is set by Council. I presume the Council could waive that if someone wanted to petition the Council and say they had been here for 20 years and I think I am entitled to a waiver on the fee. We did not get down to that level of analysis to be honest with you.

Commissioner McConnell: I will ask the City Attorney if "Grandfathering" is an actual recognized legal principle that is enforceable. Now, Mr. Adams, there is a residential lot here. If this was a use permit, and I understand that it is not, but if it was, what would staff's position be on what could be placed into that residential lot?

Marcus Adams: My recommendation would be to rezone that and not have residential. Then you could have a commercial use on it. There is question as to whether residential is compatible with the General Plan. Then you could have the commercial use on lot 19. Lot 18 would need to have some type of a buffer. Maybe not all of lot 18 would need to be buffer. We recognize that the driveway is not needed now but there should be up to 20 feet between the residential use and the commercial application. That way we avoid the situation like we have now. If they want to leave it residential, the owner spoke of putting a house there. Staff would love it if they put a house there. That is what it is zoned for. That would be great.

Commissioner McConnell: If we were to approve a rezoning we would want to have the commercially owned property merged into one lot?

Marcus Adams: We would want to have lot 19 merged into lot 20.

Commissioner McConnell: I am assuming that we could provide for some screening through trees and things like that.

Marcus Adams: You would want to have screening and landscaping on lot 18.

Commissioner McConnell: And that would address the problems with light intrusion.

Marcus Adams: Light, yes.

Commissioner McConnell: For sound microphones could be programmed so as to go into the lots only.

Marcus Adams: Correct.

Commissioner McConnell: What about the number of employees that have to park in this area?

Vallejo Planning Commission Minutes
December 18, 2006

Marcus Adams: This is a case where I think the success has been too good. Normally with use permits we look into such things as employee parking. We ask that the parking does not affect the neighborhood. Somehow, somehow, Rose Imports would have to find a way to have the employee's park within the property there. People can park on City streets but part of the use permit is to lessen the impacts of that use on the neighborhood. That is something that would have to be looked into.

Commissioner McConnell: My office is not far from that neighborhood and there is a 2 hour restriction on parking in front of my office but I have never seen an officer attempt to enforce that in the years that I have been there. We can put conditions there but what good does it do us if we really do not have the ability to enforce them?

Marcus Adams: That is correct. The Traffic Engineer prefers that we handle these things on the front end rather than wait for a problem to come up and then you have limited parking. That is why you see so much limited parking areas in Vallejo.

Commissioner McConnell: In your knowledge of use car dealerships in the City of Vallejo has there ever been a restriction placed on the number of vehicles that could be placed on that lot?

Marcus Adams: Not the total number. Normally what we would do is have them demarcate the parking lots and that way we can keep a hold on the number of cars that would be there. To my knowledge we have never said you can only 70 cars there for sale but we have them demarcate the lot and then the Commission says that there can be no cars for sale within the identified stalls. That usually handles that situation and potential problem.

John Nagel: The first issue has to do with lot 18 and the fact that it is zoned residential. There is no way that you can grandfather in a use that is against the law. Zoning is an ordinance adopted by the City Council and Planning Commission setting all the different laws. There is no way that that lot could be grandfathered in or used for a commercial activity without a rezoning as the Commission has been told. As to the other lot in order for something to be grandfathered in what essentially has to happen is that the use has to be a legal use at the time and then the use has changed afterwards, therefore what it becomes is a legal non-conforming use. You have to look at what the situation was in 1970 because that is when the Ordinance changed. The allegation is that in 1968 it was a used car lot. What the records show is that there was no proof that in 1968 there was a used car lot there nor was there a use permit that would permit a use car lot to be there so therefore I cannot see how you can construct an argument that somehow now the lots 22 through 26 are somehow a legal non-conforming use because there was a legal use there prior to the requirement of a use permit for a car lot. People sometimes get confused about what the intent of a business license is. It is unfortunate that historically it has been referred to in terms of a license. In people's minds when they hear that they believe that it gives some measure of permission, permitting, or approval for the activity which the person is paying tax for. In reality it is simply a taxing mechanism in which the City receives a report from the owner when income is generated there and they pay a tax on that and therefore the Planning Commission missing that the underlying use was there would not grandfather them in because taxes were paid. Trying to look at the business license, the approvable uses that are there, and the zoning I just simply don't see how the use on lot 18 by itself or lots 22 through 26, that you could permit them to have a used car lot without a use permit for 22 through 26 and without a rezoning of lot 18 to CL and a use permit along with that rezoning. I can see where the Commission has no ability to construct an argument that would permit them to continue their use.

Vallejo Planning Commission Minutes
December 18, 2006

Commissioner McConnell: What about the potential estoppel argument where the applicant came to the Planning Division and the Planning Division signed off on this. Doesn't that raise potential estoppel?

John Nagel: No because the purpose of a business license is simply to collect the tax. I do not know of any cases where that alone would allow this to rise to the level of estoppel. You have to remember, the principle of equitable estoppel is such that the fairness, not the law, but the fairness of the facts would require that something happen other than what the law requires. An equitable estoppel against a government entity, the government has a little bit more advantage than a private individual. That is because the purpose of government is to protect the greater public and that is by having zoning laws. I think it would be very unlikely that a court would ever say that equitable estoppel would require the City to change its zoning of that lot. As to the use permit for lots 22 through 26 I think there would be a little more likelihood that a court might consider that. I think it would be improbable that a court would consider that because the purpose of a use permit is to address the issues that Marcus raised in terms of how one mitigates a use that is going to have a larger impact than is normally in the zoning. I don't see an equitable estoppel argument on any of the lots prevailing.

There was a lady in the audience that stood and started loudly stating information. Chairperson Legalos called out of order because the public hearing was closed and asked her to be seated which she did.

Commissioner McConnell: I think this is a situation that requires some negotiation between staff, the applicants, and the neighborhoods. Maybe more in the form of a mediation session rather than simply voting this up or down tonight. I would like to send it back for further discussion to see if some middle ground can be accomplished. Middle ground means that both sides need to give up more than they are willing to give up and get less than what they hoped for. That is the answer to resolve this neighborhood dispute here. Perhaps the lot is oversaturated with vehicles and that is causing some parking problems. Perhaps some of the noise and lighting problems can be addressed through screening. Perhaps we could have a neighborhood hot line where they could contact the office rather than having to come over physically. I think there are a lot of accommodations that can be considered. Until that attempt is made I think it is premature to go ahead and vote this up or down this evening. I would also like to suggest to staff that they explore the potentiality for finding a way, if not to waive, then to at least reduce the use permit application fee back to what it would have been at the time it should have been obtained. That only seems fair and equitable and just as well. Those are my thoughts on the process. I am looking forward to hearing others at this time.

Commissioner Manning: I think this whole thing is very unfortunate for both the owners and the neighbors. You did not go out there because of the use permit you went out there because there was a complaint from the neighbors. If they had a use permit what would you have done?

Marcus Adams: We would have addressed the complaint issues. In this case the major ones were using the building for something other than approved for; the parking; and lighting and noise. We would just have handled the complaint issues.

Commissioner Manning: How would you have addressed the building? Would you have cited them?

Marcus Adams: I am not going to respond to some of the characterizations that were made but normally what I would do is visit the site, see if the complaints were valid,

Vallejo Planning Commission Minutes
December 18, 2006

talk to a manager or property owner and let them know what the problem was. Staff really tries to avoid getting to the point where it has to come to the Planning Commission. If we can't work something out verbally when we are there we send a letter making a record of that. We call it a courtesy letter officially informing them of the complaint. We give them a certain amount of time to correct that. If that does not happen then we would send one more notice and possibly make some phone calls, then a citation happens. After a citation happens they can address the citation or appeal the citation. That is how I would have handled it and actually that is how this process worked. Staff definitely did try to work this out. They may disagree on how but there were phone calls and stuff. It is a confusing situation with the addresses. We wrote letters to explain that and we did try to come to a compromise on the situation.

Commissioner Manning: My impression is that the fence is actually perpendicular to Perkins. It was between the two lots on Solano. It was splitting them down the middle. When you look at it, it looks like on big lot when you go there now.

Marcus Adams: Right.

Commissioner Manning: The fence we were talking about was pretty much going down the middle of that lot where the gas station was towards the Perkins side. I don't understand how putting a fence there now would buffer the neighbors. I understood what you were saying about lot 18. Why would splitting the area they have for selling their cars help?

Marcus Adams: That would not be our first recommendation as far as putting the fence up. Our first preference would be to rezone it and to do some other things such as shrubbery. At a minimum the fence would then eliminate any possibility that the commercial use would start to drift on over to lot 18 from lot 19 and then next to that property. There needs to be some type of barrier to prevent us having to be back here in a few months or years down the road.

Commissioner Manning: Just going out there today, any indication that lot 18 was ever a residential zoning, it is hard to discern that, it is just like part of that big lot where the cars are there. The great irony to me is that if there had not been a complaint by the neighbors because of the spraying and paint and because of the building of the construction there we would not even know about this. It could have continued on for another 40 years without anyone knowing the right permits were not there and that it was not zoned properly.

Marcus Adams: I am not going to comment on that. I will comment on one thing to make clear that the business license, when it is just a renewal, does not come to the Planning Division to check the legality of the use. It usually goes through the mail. When a new business comes or it is a reestablishment or they are changing the use staff gets a chance to check that. Renewals are done through the mail.

Commissioner Manning: You are saying that because Rose Imports came in it was just a renewal. It was a new license they were applying for.

Marcus Adams: No, what I am saying is that the impression that maybe year after year the Planning Division got a chance to look at this and make determinations is not accurate because renewals are done through the mail.

Commissioner Manning: I do not know if it is appropriate but I just want to comment on having been a small business owner in this community and going down to get a business license I had to go to the Planning Division to get it OK'd. My assumption

Vallejo Planning Commission Minutes
December 18, 2006

would have been the same at these owners here; that they had done the right thing. The whole thing is unfortunate. I do not see what other recourse we have because it is not zoned appropriately for what they are using it for.

Don Hazen: I want to offer a couple of things in that regard as well. You might recall at your last meeting you dealt with an ice cream businessman that had a series of business license renewals for the last 20 years or so too. Because of complaints it was discovered that he did not have the necessary permits. Luckily for him he found another site. We also had the issue of the outdoor storage that was brought to our attention from the adjacent use who was an adult day care type use. This seems to be a consistent pattern that maybe we need to look at how we renew business licenses but we are in the position, and I know you are not suggesting it to be selective, but it seem ironic that we are dealing with that tonight and you have had two such projects at your previous meetings as well. I think at those two meetings you address this by going in and applying the regulations that we have to enforce. It is painful. I recognize that.

Commissioner Peterman: At one point the appellant said that the same address applies to all three parcels. Is that true?

Marcus Adams: Not according to our records. The County records show lots 22 – 26 being 1605 Solano and then the rest of that being along Tuolumne there. 1615 is lots 19 & 20 front Solano and Perkins and the parcel with the parcel number fronts Perkins. At no time has it been one parcel or one address.

Commissioner Peterman: So is the residential parcel has the 1515 Solano address.

Marcus Adams: That is the one that Katherine pointed out is the address of the cabinet shop down the street. That is why we voided that citation and is why we refer to that as the parcel number instead of that site address. That site address does not even face Perkins. The County handles the addresses through a third party, MetroScan. The parcel number has been consistent as far as that parcel on Perkins since we have been keeping records of parcel numbers.

Commissioner Peterman: I still do not understand if it faces Perkins why it does not have a Perkins address. I certainly agree that if I had started a business 30 some years ago and went through all the hoops that I thought I had to and someone told me sorry Charlie you are out of luck I would be quite annoyed too. You are saying that the fence should be between 18 & 19 correct?

Marcus Adams: Correct.

Commissioner Peterman: That would be a small parcel then that would really be of little use to them. Would there be some way to make the fence closer to the existing fence? Or could they plant some vegetation closer to the existing fence so they would have use of that property?

Marcus Adams: I think that is something we would entertain with a new use permit application. We would have to use the appropriate buffer between the residential and commercial uses. Do we need a 30 foot buffer, probably not but do we need more than 2 feet, I would think so. That would have to be negotiated.

Commissioner Peterman: I just wanted to say the I think having 15 feet would be more than is actually necessary for that kind of buffer between the residential and the commercial. When they talk about how much revenue they bring into the City, Heaven knows we need that. I would hate for that to discontinue. Thank you.

Vallejo Planning Commission Minutes
December 18, 2006

Commissioner Turley: I am a little bit disappointed that this project is even being brought before us. Here is a business that has been in business for more than 30 years and all of a sudden a bunch of new people come along and say there is a problem there. Well, maybe there is a little problem there. I even mentioned the Rose Import cars in the street. But really that is no big deal. I am concerned about the maintenance building meeting code compliance especially in the painting area. I would hope that that is Fire Department approved and also has adequate ventilation so the fumes do not bother the neighbors. I really believe that this project should be grandfathered in with no additional fees. I think \$4000 had been mentioned. For some of the small businesses it is a big deal. There is a saying that might fit here very nicely, "If it ain't broke, don't fix it." It might be bent a little bit but I do not believe it is really broke. I would also favor postponing this project for further discussion and consideration. Perhaps mediation would be appropriate. No way do I want to go on record of trying to drive a small business out of town that produces more than a million dollars to the City tax coffers. Thank you.

Commissioner McConnell: We have a situation here that has to be resolved. The applicant has a problem in that if they ever want to sell this property they now have a cloud on their title. That could cause substantial delay in the ability pass clear title. This matter has to be resolved. I am going to offer a motion to continue this so that the matter can be studied further by staff and the applicant because this has to get finished. Waiving the fee, fencing, combining the lots, screening; these things are not going to resolve the problem that this application presents this evening. With that thought in mind I am going to move that this matter be continued to the January 15, 2007 meeting. Before that time I would hope that the applicant, the owners and staff would meet and make some adjustments so that this can be worked out.

Commissioner Peterman: I would wonder if that would give them enough time to sit down and negotiate. I think we should put it a little further out.

Commissioner McConnell: That is fine. I am open to any dates that everyone is agreeable with.

Commissioner Peterman: I would like to amend it to the first meeting in February, which would be the 5th.

Commissioner McConnell: I accept that.

Commissioner Manning: If we send this back to the Planning Division what would they come back to us with? The owners still have to rectify this.

Don Hazen: I guess I understand what the Commission would like to see happen. I am sure we can work those things out but I would have to defer to our City Attorney as far as the legal avenue we would have to take to get to this mutually acceptable solution.

John Nagel: Essentially what staff would have to do is to reevaluate their initial analysis and determine that they were inaccurate or wrong as to lots 22 – 26 to see whether or not a use permit is needed or not. As to lot 18 it is zoned residential and it has a use permit on it that is not to sell cars it was to be a driveway for another business. I do not know how staff could get around that issue to say OK we are going to give a use permit for something on residential property that is not allowed. It is very awkward. If the issue were simply a use permit needed to be obtained and the property-owner did not want to pay the fees they could petition City Council and possibly the fees could be waived because of the historical presence of the property owners on the site. In the best of all worlds that may indeed be the best way of

Vallejo Planning Commission Minutes
December 18, 2006

finding middle ground as to lot 22 – 26. Lot 18 is much more difficult because it is zoned residential. At this point staff is not even certain that they could make the finding to change it from residential to commercial because of the General Plan. If that finding cannot be made there is no legal basis for even changing the zoning. Too assume the worst and that analysis is correct then I am not sure anything could be done for lot 18. The other lots could obtain a use permit and petition the City Council to waive the fees. There is also no certainty that the City Council would be willing to do that.

Don Hazen: From a policy standpoint I look at the number of applications we talked about at the last meeting and another one tonight and from a policy standpoint I do not like the idea of retroactively going after people and saying you did not apply for a use permit 20 years ago. I am very troubled by that and I think in the end what we are looking for is getting to whatever those issues were that prompted people to wait many years to bring it to the City's attention which usually means it is at a breaking point where patience have run out. I would like for staff to really emphasize on working out solutions. If there is a complete failure on negotiations between the two parties we would come to you as a last resort. From a policy standpoint I do not believe we need to be so quick to delve into our file cabinet and look at what paperwork we have on file. I would like to see us spend more time putting the parties together and working out the issues. I do not mean to say that staff had not done their job and followed the letter of the law. Sometimes the law is very painful and in the end all we are looking for is just to make all the parties be satisfied and co-exist. I am confident that we can do that in the future and I hope that we don't have to bring these sort of matters to you on a consistent basis unless all else fails.

Commissioner Turley: Here is another point. Commissioner McConnell said that there is a cloud on the title. I am familiar with what that term means. He also pointed out that should you want to sell this property you would have to get the cloud removed before you could transfer title. If I owned that property and there was a cloud on it and I had no plans on selling it I would just let it ride. Then if 20 years from now I decided to sell the property I knew there was a cloud on it. Then about a year before I would sell it I would proceed in clearing the title. Thank you.

ASYES: McConnell, Morris, Turley, Peterman
NOS: Legalos.
ABSENT: Engelman, Salvadori.

Motion carries.

- 2. Use Permit 06-0022** is an application for additions to the chapel and administrative areas of Skyview Memorial Cemetery located at 200 Rollingwood.
Proposed CEQA Action: Exempt.

Staff recommends **approval** based on the findings and conditions in the staff report.

Marcus Adams: This is an application for an addition to the existing facility there that requires a use permit. Under the code when you are going to expand the use that is legally non-conforming that increases the intensity then you need to bring it up to code which requires a use permit. That is how this came before us tonight. It is a very simple addition. It is keeping the architectural integrity of the existing building. Staff did not see any issues with that. One of the things that we look at is the impact that it is going to have on the surrounding neighborhood. We look at traffic. We have not received any complaints or concerns from the neighbors. We do not have a history of any traffic problems there. Staff has determined that the project would not

Vallejo Planning Commission Minutes
December 18, 2006

have a negative impact on the neighborhood. We recommend approval. Under CEQA we used the Class 32 Infill Development. Also applicable could be the class one existing facility exemption. Any questions?

Commissioner Peterman: One of the requirements you are asking for is re-stripping the parking lot. How many handicapped places will this include? That young lady who lived on Perkins Street talked about her visitors who come with walkers and I believe this project might have about the same kind of clientele.

Marcus Adams: I don't know the exact number. I think they are actually going to increase the handicapped parking by one. I think there is one now and they are increasing it to two. The striping is not up to our City standard. Sheet TI 2 has the parking. There is a new ADA space and the loading area and the ramp. They do meet our requirements for handicapped.

Commissioner Peterman: Another requirement that you had was changing the restroom facilities. Perhaps you can explain that.

Marcus Adams: That was a Building Division requirement. It is almost just a standard condition. It is a catch all that it will meet ADA requirements if it does not already do so.

Chairperson Legalos opened the Public Hearing.

Buck Kamphause, 200 Rollingwood Dr, Vallejo: I am satisfied if you are. If you have any questions I will answer them.

Chairperson Legalos closed the Public Hearing.

Commissioner Peterman: I move approval of Use Permit 06-0022 with the findings and conditions in the staff report.

AYES: McConnell, Morris, Legalos, Turley, Peterman.

NOS: None.

ABSENT: Engelman, Salvadori.

Motion carries.

- 3. Tentative Map 06-0002** is an application for the conversion of 54 units into condos located at 301 Fairgrounds Drive. Proposed CEQA Action: Exempt.

Staff recommends **approval** based on the findings and conditions in the staff report.

Bill Tuikka: The project involves the conversion of 54 existing apartments into 54 airspace condominium units. The apartments were constructed from 1972 through 1974, and are approximately 974 square feet, containing two bedrooms and 1 ½ baths, and two outdoor decks in each unit. This is the first condominium conversion of this size that we have had in Vallejo for some time. The project is presently known as The Ridge Townhomes and is located on Fairgrounds Drive near the intersection of Valle Vista. They are almost all identical in size and configuration. The complex contains 10 buildings and each building contains from 4 to 8 units. The owners will be increasing the on site parking spaces from 86 to 121 in order to meet the current zoning requirements. This parking mix will provide 55 covered spaces and 66 uncovered spaces. There will be one covered space for each unit and one uncovered space and the rest will be guest parking. There are common barbeque

Vallejo Planning Commission Minutes
December 18, 2006

and picnic areas and play facilities. The site is generally in pretty good condition. The community is gated and there is an on-site management office and the project is surrounded by a wrought iron fence. You will note in your staff report that there are many special requirements that are required for condo conversions. They are detailed on pages 2 through 5 of the staff report. The applicant has met the requirements or is meeting them before submitting final map approval. We have had extensive discussions with the applicants and we both feel that this could be a good project in that there would be some upgrades provided to the units. One of the things that the Planning Commission must consider when approving any rental conversion to ownership is the affect on local housing market. Consideration must be given to the fact that the complex is serving low to moderate income households. This project is technically a market rate project but the monthly rents for the two bedroom units is currently 1100.00 to 1175.00 which would be classified as low income. The conversion could cause 54 units of currently low income housing to be removed from Vallejo's housing stock. However Vallejo has approximately 14,000 rental units of which these 54 units represent approximately .38% of 1% of the total of 14,000. It is estimated that as much as 25% of these 14,000 units are available to low income residents and presently there are also 1500 residential units under contract with Section 8 which assures their affordability. The average vacancy rate is about 6%. There are 47 units of this approximate size presently available to low income in Vallejo. Therefore we consider that this project represents a very small loss to the low income housing in Vallejo and can easily be absorbed by the existing vacancies. There is an advantage to converting these to condos in that these condos would add to the housing stock of affordable for-ownership units in Vallejo. Smaller condos are generally much more affordable than single-family detached homes. There is usually less of them on the market as well. The applicant has indicated that these will sell for approximately \$269,000. The owners have also offered to have 10% or 5 units to be sold for \$240,200 which is the median income and will be restricted to sale for moderate income residents and that will be established through our Housing Authority. The City is proposing to adopt an inclusionary housing ordinance which would require a specific percentage of units, new or converted to be offered at below market rates to eligible individuals. A ROI to adopt this ordinance was adopted by the City Council on November 7, 2006. This would not apply to this application, however the applicant has agreed to provide 10% to moderate income households. We feel that that is certainly a plus for this project. We recommend that the Planning Commission approve the tentative map based on the findings and conditions in the staff report. Any questions?

Commissioner Peterman: It said that some of the units have central heating and some have wall units. What is the reason?

Bill Tuikka: They were built between 1972 and 1974. Some of them have been upgraded. Perhaps there was a plan at one time to do all of them but not all of them have that now.

Commissioner Peterman: When they are converted to condos they will remain as they are now?

Bill Tuikka: That is the plan yes.

Commissioner McConnell: The gas meters out there are those from the 70s also?

Bill Tuikka: The gas meters may be but they will all be on separate meters. If there are any upgrades required for that the Building Division will facilitate that.

Vallejo Planning Commission Minutes
December 18, 2006

Commissioner McConnell: One of the things that some cities are starting to mandate is the instillation of automatic shut off valves on gas lines. I think that is a good idea. I think I would add that as a condition of approval for the project.

Bill Tuikka: I will make a note of that.

Chairperson Legalos: On the first page these are described as air space condos. What is an air space condo?

Bill Tuikka: Most of these units will not actually have the living space touching the grounds because there is parking underneath. Air space generally means that they do not have their own lot as a family home does. There is a common parcel and parking is on the bottom and the condos are above that.

Chairperson Legalos: So they are floating over the parking area.

Bill Tuikka: That is correct.

Chairperson Legalos: And then, there are two driveways that exist from the property. One exist onto Valle Vista and the other exist onto Fairgrounds Drive. Taking that exit I think there is a pretty severe line of site problem. There is overgrown shrubbery to the left of the exit that almost entirely blocks the view of oncoming traffic. That exit is also on a curve. By the time you see anything coming around that curve it is within 100 feet of your vehicle and you have to actually pull out onto the roadway. I want to see a condition added to cut back that shrubbery and replace it with plants that would grow no more than 3 to 4 feet in height.

Bill Tuikka: Thank you.

Commissioner Peterman: I think they have done a commendable job of landscaping and providing places for residents to gather together and I just wanted to commend them on that.

Chairperson Legalos opened the Public Hearing.

Commissioner Manning: Is there any Section 8 housing in there right now?

Bill Tuikka: I don't believe so.

Tim Deming: I am the engineer on the project. We have worked quite diligently with staff to resolve any outstanding concerns and come into compliance as best we could. Do you have any questions?

Commissioner Manning: Is there any Section 8 in those units now?

Tim Deming: We currently have 3.

Commissioner Manning: I just also wanted to say it is a very nice property.

Tim Deming: The additional conditions you have mentioned can easily be taken care of. We do not see any problems with these. A gas shut off valve is good practice at this point.

Chairperson Legalos closed the Public Hearing.

Vallejo Planning Commission Minutes
December 18, 2006

Commissioner McConnell: I move that we approve Tentative Map 06-0002 with the findings and conditions in the staff report and with the additional conditions that gas shut off valves be installed, and that the shrubbery on the Fairgrounds exit be cut out and replaced with appropriate plants that will not reach an excess of 4' in height.

AYES: McConnell, Morris, Legalos, Turley, Peterman.

NOS: None.

ABSENT: Engelman, Salvadori.

Motion carries.

Findings

1. The proposed conversion of 54 units of rental housing to individual ownership housing will not have an adverse effect on the diversity of the housing in the loss of 54 units represents less than one half of one percent of the total rental housing stock in Vallejo. Additionally, the conversion is consistent with General Plan Housing Goal B in that it increases the range of housing opportunities available to residents of Vallejo. The project will provide additional opportunities for lower cost for-purchase housing.
2. The proposed conversion will not displace a significant percentage of tenants and significantly delete low and moderate income rental units from the City's housing stock in that the conversion represents less than one-half of one percent of the City's total rental housing units. Additionally, a survey of five comparably-priced rental projects in Vallejo determined that there are approximately 45 units available that are similar in size and affordability.
3. The proposed conversion would not be detrimental to the health, safety or welfare of the community in that the project is consistent with the General Plan the General Plan Housing Element and any housing assistance programs offered by the City. Conditions of approval required by the conversion provision ensure that the units will be upgraded and maintained and will be an asses to Vallejo's for-sale condominium housing stock.
4. The overall design and construction of the project meets the standards specified in Chapter 16.79 of the Municipal Code in that conditions of approval are provided to ensure compliance with this Chapter.

CONDITIONS OF APPROVAL

A. Planning Division

1. Prior to the issuance of a building permit, submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list shall be submitted to the project planner who will coordinate development of the project.
2. Prior to the submittal of a final map, three sets of final landscape plans prepared by a registered landscape architect shall be submitted to the Planning Division for review and approval. Landscape plans shall comply with Chapter 16.70 (VMC). These landscape plans shall contain all proposed driveway alignments and shall accurately depict the trees along the right-of-ways that are remaining and which trees are being removed based on driveway alignment. This requirement may be waived by the

- Planning Manager if it is determined that the existing landscape for this project is adequate, or may be modified to include only a partial plan. Landscape plans shall include the following:
- a: The plans shall contain all proposed driveway alignments and shall accurately depict the trees along the existing right-of-ways that are remaining and which are being removed based on driveway alignment.
 - b: Plans shall contain locations of trees being replanted to replace trees removed for driveway alignment.
 - c: Street trees shall be planted at least 6 feet from any sewer line.
 - d: Plans shall include specifications of low-growth-type species adjacent to doors, windows, and walkways.
 - e: Plantings shall be low-water-using and drought-resistant plant materials.
 - f: The required backflow preventers shall be screened.
 - g. All newly planted trees shall be a minimum of 15-gallon, double staked; at least 50 percent of the proposed shrubs shall be a minimum of 5-gallon.
 - h. Plan shall include irrigation plans indicating all components of the irrigation system including sprinklers and other outlets, valves, backflow prevention devices, controllers, piping and water usage.
 - i. Plans shall include six inch high curbing around planters.
3. Detailed landscape plans shall include details and location of any proposed fencing. Fencing shall comply with Chapter 16.70 (VMC).
 4. All mechanical equipment and utility meters shall be screened in a manner approved by the Planning Division and shown on the final landscape plans. Electrical transformers shall be screened or placed underground.
 5. If any tenant is displaced or forced to move because of the conversion, the owner shall pay to such tenant the sum of five hundred dollars as and for moving and relocation expenses necessitated by the conversion. The developer may, at his option, give such tenant a credit for such amount, rather than a direct cash payment. Notice of this shall be furnished to the tenants upon approval of the tentative map. Any tenant who leases or rents a unit after approval shall not be eligible for this benefit unless such an agreement is made between the owner and the prospective tenant. Proof of this notice shall be provided to the Planning Division before approval of the Final Map.
 6. The property owner shall provide a one-year complete warranty to the buyer of each unit, at the close of escrow, on any major appliances that are provided, or shall provide manufacturer's warranties for such items. At such time as the homeowner's association takes over management of the development, the developer shall provide a one year complete warranty to the association for any pool and pool equipment and any appliances and mechanical equipment to be owned in common by the association. A statement prepared by a qualified inspector that all equipment is in satisfactory condition shall be presented to the Planning Division before approval of Final Map.
 7. Covenants, conditions and Restrictions shall be presented to the City Attorney and Planning Division before application for a Final Map. These C,C&R's shall contain at the minimum the following :

Vallejo Planning Commission Minutes
December 18, 2006

- a. Conveyance of private open space;
 - b. Conveyance of private storage areas;
 - c. Assignment and use of required off-street parking;
 - d. Right of public entry to common areas;
 - e. Maintenance of common areas and facilities;
 - f. Utility easements over private streets and other areas;
 - g. Access for construction, maintenance, and repairs;
 - h. Management contracts;
 - i. Discrimination;
 - j. Enforcement.
8. Condominium projects, in addition to applicable provisions of Municipal Code Chapter 16.79 shall also be subject to the requirements of the Subdivision Ordinance.
 9. Construction-related activities if any are required shall be limited to between the hours of 7:00 a.m. until 6:00 p.m., Monday through Saturday. No construction is to occur on Sunday or Federal Holidays. Construction equipment noise levels shall not exceed the City's maximum allowable noise levels.
 10. No boats, trailers or recreational vehicles shall be allowed on site for more than 24 hours at a time. These restrictions shall be inserted into the CC&R's

B. Building Division

1. Prior to submittal of an application for a Final Map, construction design and fire separation shall be reviewed at the Building Division.
2. Prior to submittal of an application for a Final Map, ADA requirements shall be submitted for review.
3. As a minimum, all conversion projects shall be brought into compliance with the 1958 Uniform Building Code heretofore adopted by the City pursuant to ordinance.
4. Common walls and floors between units shall comply with the Uniform Building Code governing noise resistance with a maximum impact and Sound Transmission Class (STC) of 50 (45 in field tested) as defined in UBC Standard No. 35-1 and 35-2. Evidence showing compliance by a qualified inspector or engineer shall be submitted to the Building Division before application for a Final Map.
5. All permanent mechanical equipment which is a source of structural vibration shall be shock-mounted as determined by the Chief Building Official. A determination of this equipment shall be made before application for a final map.
6. All units shall be provided with separate gas and electric meters, and provisions made for individual shutoff of all utility valves, including water. This shall be accomplished before approval of a Final Map.
7. Every dwelling unit shall be provided with a smoke detector conforming to UBC Standard no. 43-6. This shall be accomplished before approval of a Final Map.

Vallejo Planning Commission Minutes
December 18, 2006

8. Where there is one common attic over more than one living unit, the dividing wall between units shall extend all the way to the roof and that attic divider shall be rated for one-hour fire separation. This shall be accomplished before approval of a Final Map.
9. All units shall meet the required private outdoor open space requirement of a minimum of 150 square feet each. Proof of meeting this requirement shall be submitted before approval of Final Map.
10. All units to be under separate ownership after conversion shall be inspected by the City prior to application for a Final Map.
11. Gas shut off valves shall be installed on every gas meter before recordation of final map.
12. Prior to approval of a Final Map for the project, the following structural reports shall be submitted to the Building Official and Development Services Director for review and approval:
 - a. A report from a licensed roofing contractor certifying that the roofs of all structures will last for a period of time specified in the report;
 - b. A report by a professional engineer attesting that the structure of all buildings, pavements, storm drainage facilities and the exterior plumbing, electrical systems and utility and mechanical equipment to be owned in common or as part of individual condominiums are in good serviceable condition;
 - c. A report by a licensed termite and pest control specialist certifying that all the structures are free of infestation and structural damage. Any and all actual structural damage shall be repaired or financial provisions made for appropriate repair within a specific time period, prior to approval of the Final Map or properly bonded under the Subdivision Map Act;
 - d. A report by a licensed painting contractor certifying that painting throughout the project is in good condition and that the building exteriors should not require repainting for at least five years.

C. Public Works

1. Prior to building permit issuance, a numbered list shall be submitted to the Public Works Department stating how each condition of project approval contained in this report will be satisfied.
2. All public improvements shall be designed to City of Vallejo standards and to accepted engineering standards, except as specifically authorized in this approval. The City Engineer has all such standards on file and the Engineer's decision shall be final regarding the specific standards that shall apply.
3. Final Map and site improvements for the conversion shall be in compliance with the Subdivision Map Act and Vallejo Municipal Code.
4. Submit two copies of the existing soils report for this development for review or provide a new soils report evaluating the existing soils conditions of the project for

Vallejo Planning Commission Minutes
December 18, 2006

review and filing by the City Staff. The soils reports shall be submitted before or at the time of submittal for the Final Map.

5. The tentative map application, as submitted, does not provide utility plans. With the submittal for Final Map, submit a utility plan showing existing and proposed utility lines. The City may impose additional conditions on the project in the review process related to the existing and proposed utility facilities. .
6. Before or at submittal for a Final Map, submit a report prepared by a qualified and competent consultant evaluating the existing site grading and drainage, pavements and retaining walls to the Public Works Department for review. The required improvements shall be made before approval of a Final Map.
7. Surface runoff of this project shall be collected, piped and tied into the public storm drain system. Surface run off over sidewalk or driveway approach shall be mitigated. Submit site drainage plan for review and approval before approval of Final Map. Site Drainage shall be mitigated so that surface water does not have adverse impacts on neighboring properties or neighboring properties have adverse impact on the subject property.
8. The proposed four parking spaces at the northern property line that is along northern Fairgrounds Drive driveway is reducing the 25 feet minimum required back up space distance for the carports. The minimum 25-foot backup space shall be maintained. This shall be corrected before application for a Final Map.
9. Install additional street lights along Fairgrounds Drive and Valle Vista Avenue if required, to meet City Standard. This shall be accomplished before application for a Final Map.
10. Obtain an encroachment permit from the Department of Public Works for all work proposed within the public right-of-way.
11. Before application for a Final Map, trim street trees fronting project that overhang the sidewalk to a minimum height of 15 feet from sidewalk elevation.
12. Prior to recording the final map, the owner shall pay the City charges required for providing copies of the recorded map to the City. (\$15.00 per sheet)
13. Prior to recordation of the Final Map, establish a Homeowners Association for operation and maintenance of private common areas including but not limited to landscaping, irrigation system, drainage ditches, fences, retaining walls, private access areas, appropriate signage and hardware, private street light system, and other private facilities subject to the approval of the Planning Division, Public Works Director and the City Attorney. The Covenants, Conditions and Restrictions of all deeds issued within the condominium shall contain provisions requiring participation in the said Homeowners Association. The Homeowners Association must accept the above private elements of condominium improvements prior to acceptance.
14. Submit a copy of the C, C & R's at time of submittal of Final Map. .

Vallejo Planning Commission Minutes
December 18, 2006

15. Prior to approval of the Final Map, all broken curb, gutter, sidewalk or driveway approaches shall be removed or repaired as directed in the field by the City Engineer. (VMC Section 10.04)
16. Signing and striping shall be per City standard (VMC, Section 16.62.140).
17. Prior to final map approval, the applicant shall pay map checking fees based on the updated fee schedule.
18. An independent soils and geotechnical review of the project may be required by the City before approval of Final Map. The City shall select the soils engineer at the cost of the study to be borne by the project applicants.
19. Construction inspection shall be coordinated with the Public Works Department and no construction shall deviate from the approved plans.
20. The project design engineer shall be responsible for the project plans. If plan deviations are necessary, the project engineer must first prepare a revised plan or details of the proposed change for review by the Department of Public Works and, when applicable, by Vallejo Sanitation and Flood Control District. Changes shall be made in the field only after approval by the City. At the completion of the project, the design engineer must prepare and sign the "as built" plans.
21. Prior to approval of any construction plans, provide bonds and pay applicable fees. Bonding shall be provided to the City in the form of a "Performance Surety" and a separate "Labor and Materials Surety" in amounts stipulated by City Ordinances.
22. The project developer shall make any repairs needed so the engineering division of the Public Works Department can certify that any paved areas are in satisfactory condition.
23. Shrubbery shall be cut back at the entrance on Fairgrounds Drive in order to facilitate adequate visibility of on-coming traffic. This shall be accomplished before recordation of final map.

D. VSFC

1. If possible, pre-treat storm drain runoff before it enters the public storm drain system.

E. Fire Prevention

1. Submit a numbered list to the Fire Prevention Division stating how each condition of project approval shall be satisfied.
2. The project shall conform to all applicable requirements of Title 19 – Public Safety, 1998 CFC and all VMC Amendments.

Vallejo Planning Commission Minutes
December 18, 2006

3. Automatic fire sprinkler/Extinguishing systems shall be installed as recommended by the City of Vallejo Fire Marshal for all residential, commercial and industrial occupancies. (1998 CFC Section 1003.12 added VMC Section 12.28.190). Smoke detectors shall be installed in all bedrooms and in corridor central to bedrooms/sleeping areas.
4. Prior to recordation of final map, install 3A-40BC portable fire extinguishers as required by the Fire Prevention Division.
3. Prior to recordation of Final Map, install approved numbers or addresses on all buildings in such a position as to be clearly visible and legible from the street. Residential buildings shall have numerals or letters not less than 3-inches in height, and approved color that contrasts the background.
4. Prior to occupancy/final building inspection, all applicable fees shall be paid and a final Fire Prevention inspection shall be conducted. All meetings and inspections require a minimum 24-hour advance request.
5. Prior to final map recordation, install "No Parking Fire Lane" signs along interior access roadways in locations where vehicle parking would encroach on a 20-foot clear roadway width. Removal of parking to meet this standard shall not impact required parking.
6. If security gates are desired at any entrance to the project, they shall be provided with a Fire Department approved entry system.
7. Additional fire hydrants may be required. A complete set of plans for review and approval to the Fire Department before application of final map. All fire hydrants shall have "blue dot" highway reflectors on the adjacent street of the driveway to clearly identify the fire hydrant location.

F. Water

1. Submit a numbered list to the Water Division stating how each condition of project approval will be satisfied.
2. All water system improvements shall be consistent with the Northgate Water System Master Plan NWSMP, dated December 14, 1989, to the extent not specifically addressed by the (NWSMP). All improvements shall be consistent with the Vallejo Water System Master Plan, 1985 prepared by Kennedy/Jenks Engineers as updated by Brown & Caldwell, 1996. Submit water system improvement plans to the Water Division for review and approval that contain at least.
 - b. Location and size of fire service/sprinkler service connection(s).
 - c. Location and size of domestic service connection(s).
 - d. Location and size of irrigation service connection(s).
 - e. Location of fire hydrants.
 - f. Location of structures with respect to existing public water system improvements, such as mains, meters, etc.

Vallejo Planning Commission Minutes
December 18, 2006

- g. Location and size of backflow prevention devices (required on water service connections to irrigations system, certain commercial water users, and to the commercial fire sprinkler systems, per City Ordinance 922 N.C. (2d).
 - h. Location and size of any new water mains.
3. Fire flow requirements of the Fire department shall be complied with. Fire flow at no less than 25 psig residual pressure shall be available within 1,000 feet of any structure. One half of the fire flow shall be available within 300 feet of any structure.
 - a. For single-family residential units, the fire flow is 1,500 gpm.
 - b. For other developments, see the Vallejo Water System Master Plan 1985, prepared by Kennedy Jenks and its latest update by Brown and Caldwell dated April 1996.
4. Hydraulic calculations shall be submitted to the Water Superintendent demonstration that the fire flow requirements are complied with.
5. Fire hydrant placement and fire sprinkler system installation if any, shall meet the requirements of the Fire Department. For combined water and fire services, the requirements of the Fire Department, the Vallejo Water System Master Plan, with latest revisions, and the Northgate Water Systems Master Plan, Dated December 14, 1989, shall be satisfied.
6. Easements shall be granted for all water system improvements installed outside the public right-of-way in the City's Standard Form for Grand of Water Line Easement with the following widths:
 - a. 15 ft. wide (minimum) for water mains.
 - b. 10 ft. wide (minimum) for fire hydrants, water meters, backflow preventers double detector check valves, etc.
 - c. Other facilities shall be reviewed by the water division.
7. Each structure shall be metered separately.
8. Prior to occupancy or final building inspection, install water system improvements as required. Backflow devices/s where required shall be installed in areas hidden from public view and/or shall be mitigated by landscaping.
9. Water service shall be provided by the City of Vallejo following completion of the required system improvements and payment of applicable fees. Performance and payment bonds shall be provided to the City of Vallejo prior to construction of water system improvements. Fees include those fees specified in the Vallejo Municipal code including connection and elevated storage fees, etc., and fees for the City with respect to the water system improvements. The Water Division may be contacted for a description of applicable fees.

G. Police Department

1. Install "click to enter" at all vehicle entrances.

Vallejo Planning Commission Minutes
December 18, 2006

2. Post signs and paint driveways/curbs/parking areas red which have emergency access lanes.
3. Street numbers shall be displayed in a prominent location to be visible to oncoming emergency vehicles. The numbers shall be illuminated during hours of darkness.
4. At the entrance to the complex, a scaled map showing a person's location to the proximity to other buildings shall be displayed. It shall be illuminated during darkness.
5. Perimeter walls, fences, trash storage areas, etc. shall be built to prevent access to the roof or balconies.
6. All exterior lighting shall be sufficient to establish a sense of well-being to pedestrians and sufficient to facilitate recognition of persons at a reasonable distance. Metal Halide is the recommended light source.
7. All lighting shall be shielded to prevent light trespass into buildings.
8. All glass sliding doors shall have a secondary locking mechanism.
9. All front doors shall have a viewer that provides a minimum of 180-degree peripheral vision.
10. Landscaping shall not block or obstruct the view of any door, window, or light fixture.

GENERAL CONDITIONS

1. Landscaping shall be maintained in a neat, clean, and healthy condition. This shall include regular watering, pruning, mowing of lawns, weeding, removal of litter, fertilizing, and replacement of plants when necessary.
2. The applicant shall defend, indemnify, and hold harmless the City of Vallejo and its agents, officers, and employees from any claim, action, or proceeding against the City and its agents, officers, and employees to attack, set aside, void, or annul this approval by the City. The City may elect at its discretion to participate in the defense of any action.
4. **Code Text Amendment 06-0004** is a revision of Chapter 16.70 of the VMC-Screening and Landscaping Regulations.

Continued to the meeting of February 5, 2007.

L. OTHER ITEMS

None.

M. WRITTEN COMMUNICATIONS

Vallejo Planning Commission Minutes
December 18, 2006

None.

N. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 8:51 P.M.

Respectfully submitted,



(for) DON HAZEN, Secretary

Vallejo Planning Commission Minutes
January 17, 2007

For Video streaming click
City Agendas (blue rectangle on left hand side of page)
Scroll down to Archived Videos
Select Meeting you want and click on video on right hand
margin
When Granicus opens listen to entire meeting or
Click Jump To and select section you want to hear

A. The meeting was called to order at 7:00 p.m.

B. The pledge of allegiance to the flag was recited.

C. ROLL CALL:

Present: Commissioners Engelman, Manning, Legalos, Salvadori, Turley,
Peterman.

Absent: McConnell.

D. APPROVAL OF THE MINUTES.

None.

E. CONSENT CALENDER AND APPROVAL OF THE AGENDA

Chairperson Legalos asked that Item K4 be moved to Item K2 and all projects just be slid down a number with K5 remaining the same.

On a motion by Commissioner Peterman the agenda and consent calendar were approved with the requested changes.

Election of Chairperson and Vice-Chairperson.

On a motion by Commissioner McConnell, Commissioner Legalos was unanimously elected Chairperson and Commissioner Peterman was unanimously elected Vice-Chairperson.

F. REPORT OF THE SECRETARY

1. Upcoming Meeting of Monday, February 5, 2007

- a. Code Text Amendment 06-0004 is a revision of Chapter 16.70 of the VMC – Screening and Landscaping Regulations. *Continued from the meeting of December 18, 2006.*
- b. Planned Development 06-0025 Zio Fraedo's addition.
- c. Code Text Amendment 07-0001 Inclusionary Housing Ordinance.
- d. Planned Development 06-0018 for a new custom home in Hiddenbrooke.
- e. Planned Development 06-0024 for a new church to replace an existing church on the 700 block of Sonoma Avenue.

G. CITY ATTORNEY REPORT

None.

H. COMMUNITY FORUM

None.

I. REPORT OF THE PRESIDING OFFICER AND COMMISSIONERS

None.

J. LIAISON REPORTS

1. Council Liaison to Planning Commission

None.

2. Planning Commission Liaison to City Council

None.

K. PUBLIC HEARINGS

1. **Planned Development 06-0024** addition to Zio Fraedo's.
Continued to the meeting of February 5, 2007.

2. **Use Permit 06-0023** for the expanded hours of operation for a new restaurant located at 324 Virginia. Proposed CEQA Action: Exempt.

Staff recommends approval based on the findings and conditions in the staff report.

After a staff report, public hearing, and Commission discussion which included: potential impact for the residents in the neighborhood; project will support for events at the Empress Theater; balancing all uses in the neighborhood; having policy discussion with PD on setting policy for alcohol sales in Downtown; we are trying to establish an arts and entertainment district; red curbs and how it limits parking; recent street re-stripping; doors and windows staying closed during house of operation; shared bathroom facilities with the Empress; closing time and alcohol serving time; outside service; amplified vs non-amplified music; will be a full-service restaurant not a bar; 65% of sales from food and 35% from alcohol; how to handle intermission from the Empress when you already have diners; the number of tenants upstairs from the project now; will the Empress be serving alcohol in the future; and the amount of additional business between midnight and 2:00 a.m., the Commission made the following decision:

Commissioner Salvadori: I move approval of Use Permit 06-0023 with the findings and conditions as set forth by staff with the change that the operation hours be until 2:00 a.m., seven days a week, with alcohol service.

AYES: Engelman, Morris, Legalos, Salvadori, Turley, Peterman.

NOS: None.

ABSENT: McConnell.

Motion carries.

Findings:

Vallejo Planning Commission Minutes
January 17, 2007

1. As conditioned, the location and operating characteristics of the proposed restaurant, including alcohol service, will be compatible with adjacent uses per Sections 4 and 8 of this report.
2. As conditioned, the proposed restaurant, including alcohol service, is consistent with the General Plan per Section 3 of this report.

CONDITIONS OF APPROVAL

Planning Division

1. Prior to building permit submittal, submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project.
2. Doors and windows shall remain closed during the evening hours to minimize noise disturbances affecting residents in the vicinity.
3. Music shall be limited to non-amplified, acoustical music unless an acoustical study is done for the building and, with the approval of the Planning and Building Divisions, mitigation measures that would reduce noise impacts to a less-than-significant level are implemented.

Crime Prevention

1. Sales, service and consumption of alcoholic beverages shall be permitted only between the hours of 6:00 a.m. to 12 a.m. Sunday through Thursday and 6:00 a.m. to 2 a.m. on Friday and Saturday and on holidays.
2. Live entertainment provided shall be limited to a pianist and/or acoustic guitarist. No noise from said entertainment shall be heard from the exterior of the premises.
3. A single jukebox or stereo may be maintained upon the premises; however, the music shall not be audible outside the premises.
4. The front and rear doors shall be closed at all times during the operation of the premises except in cases of emergency and to permit deliveries.
5. The premise shall be equipped and maintained in good faith and shall possess, in operative condition, such convenience for cooking foods as stove, ovens, broilers, or other devices as well as pots, pans or containers which can be used for cooking or heating foods on the type heating device employed.
6. The area surrounding the premises shall be equipped with lighting of sufficient power to illuminate and make easily discernible the appearance and conduct of all persons on or about the stated area.
7. All employees must complete the LEAD training provided by ABC or similar training such as the RBS training.

PROJECT REQUIREMENTS

A. Planning Division

- a. Exterior lighting should be high pressure sodium, or equivalent type, and shall have an illumination intensity of between one and four footcandles. Lights shall be directed and shielded so as not to glare onto adjoining residential properties. Lights shall have a housing to

Vallejo Planning Commission Minutes
January 17, 2007

protect against breakage. Broken or burnt out lights shall be replaced within one hundred twenty business hours.

b. All graffiti shall be removed from the walls, fences, and/or buildings within one hundred twenty hours of its appearance on the property.

c. Establish and maintain a "complaint response/community relations" program which includes the following:

a. Coordinate with the local community division of the Vallejo Police Department regarding appropriate monitoring of community complaints concerning activities associated with the subject facility.

b. A local phone number for the area commander of the local police substation in the geographical area where the establishment is located for the receipt of complaints from the community regarding the subject facility and the main Vallejo Police Department phone number shall be posted at the entry or at the reception desk.

c. A representative of the subject facility should voluntarily meet with representatives of the neighbors and/or neighborhood association, at their request, to resolve neighborhood complaints regarding the establishment.

4. Sign and Advertising:

a. The following signs shall be prominently posted in English, Spanish, and the predominant language of the facility's clientele:

(1) A sign shall be prominently posted within any subject establishment, and outside, so as to be seen by anyone entering the establishment, stating that "California State Law prohibits the sale of alcoholic beverages to persons under twenty-one years of age." (A notice shall also be placed on all menus.)

(2) "No Loitering or Public Drinking" signs shall be posted in the alcohol beverage display areas in a readily visible manner.

5. A copy of the conditions of approval of the conditional use permit must be kept on the premises of the establishment and presented to any police officer or any authorized city official upon request.

6. All servers shall, within ninety days of employment, complete an approved course in "responsible beverage service training". The outlet shall, within ten days, provide evidence of the employee's completion of this training to the Planning Division.

B. Community Development

1. The Empress Theatre has a long-term lease for shared bathroom facilities.

GENERAL CONDITIONS:

1. All businesses on the premises and all contractors and subcontractors working on the project shall obtain current City of Vallejo business licenses.

2. The conditions herein contained shall run with the property and shall be binding on the applicant and all heirs, executors, administrators, and successors in interest to the real property that is the subject of this approval.

3. The applicant shall defend, indemnify, and hold harmless the City of Vallejo and its agents, officers, and employees from any claim, action, or proceeding against the City and its agents, officers, and employees to attack, set aside, void, or annul this approval by the City. The City may elect, at its discretion, to participate in the defense of any action.

- 3. Planned Development 02-0022 and Development Agreement 05-0008.** Amendments to the Vallejo Station Project and Waterfront Project as required by the City's CEQA lawsuit settlement agreement with the Vallejo Waterfront Coalition. The Commission will be advisory to the City Council. Proposed CEQA Action: An addendum to the Waterfront Project EIR is proposed.

Staff recommends a recommendation of approval to the City Council.

After The Planning Commission conducted a public hearing including a staff report and discussion which included: a lot of the issues had already been resolved by the City Council; need three recommendations to City Council for the Waterfront Plan; EIR certified in 2005, had a lawsuit by Waterfront Coalition resulting in negotiations and finally settlement agreement; agreement passed by City Council in November 2006; applicants must do several things when applying for projects in the area, those are private agreements; City had to make amendments to guiding documents: PDMP & DA; changes to these documents requires revisiting CEQA, proven in this instance to have no significant changes and requires only an addendum; bulk of changes in PDMP: additional four acre wetland park on parcel A, heights of buildings along Mare Island Way in Central Waterfront reduced, Civic Center Drive thought to be required for circulation in Central Waterfront may not be needed and if shown as not needed will be eliminated; commercial land uses in Central Waterfront modified and components added to PDMP. This lead to the creation of a fairly detailed zoning table. We also did this for the Northern and Southern Waterfront. Changes to the DA are largely definitions and clarifying language. Design Guidelines are part and parcel of the PDMP. There was also discussion about whether owners of current restaurants, if had to be eliminated, would be given preference for new restaurants. The Commission discussion also included definitions of major projects; duties and responsibilities of the Planning Commission and the Design Review Board.

During the Public Hearing Lea Dreger and Tim Collins of Callahan DeSilva did a PowerPoint presentation that demonstrated the changes in the Waterfront Plan. There were no other speakers during the Public Hearing.

The Commission further discussed: the level of water in the wetland park being fairly constant at 1 - 3 feet; no fencing around water; the team effort has made a wonderful project; everyone's hard work is appreciated; cleaning paths and having community involvement is outstanding; thanks was given to all involved. After this discussion the Commission took the following actions:

Commissioner Salvadori: I move that the Planning Commission recommend a recommendation of approval for the addendum to the EIR to the City Council.

AYES: Engelman, Morris, Legalos, Salvadori, Turley, Peterman.
NOS: None.
ABSENT: McConnell.

Motion carries.

Commissioner Salvadori: I move that the Planning Commission recommend a recommendation of approval for the proposed amendments to the PDMP and associated Design Guidelines as required by the settlement with the Waterfront Coalition to the City Council.

AYES: Engelman, Morris, Legalos, Salvadori, Turley, Peterman.
NOS: None.

Vallejo Planning Commission Minutes
January 17, 2007

ABSENT: McConnell.

Motion carries.

Commissioner Salvadori: I move that the Planning Commission recommend a recommendation of approval for the proposed amendment to the DA as required by the settlement with the Waterfront Coalition to the City Council.

AYES: Engelman, Morris, Legalos, Salvadori, Turley, Peterman.

NOS: None.

ABSENT: McConnell.

Motion carries.

- 4. Code Text Amendment 06-0007** to amend Chapter 16 of the Vallejo Municipal Code to supplement the City's Design Review Board Ordinance. The amendment integrates the unit plan review process described in Chapter 16 of the VMC with the new language in Chapter 2.39 of the VMC, addresses the DRB unit plan appeal process, and references relevant documents and agreements.
Proposed CEQA Action: Exempt.

Staff recommends a recommendation of approval to the City Council.

The Planning Commission conducted a public hearing including a staff report and discussion which included: the bulk of the Ordinance was approved by City Council on December 19, 2006 which changed Chapter 2.39 of the Code; used the Unit Plan review process in designing the Board; process authorized in Title 16, Zoning Ordinance of the VMC; essentially what this is, is cross referencing between 2.39 and Title 16, it ties the two chapters together. A recommendation to change Title 16 is required by the Planning Commission. Ten calendar days for appeal vs. 10 working days was discussed because of the Christmas holidays. It parallels the appeal language we have for everything across the board so no changes were made. The language in 2.39 cannot be changed because it has already been approved by the City Council. What is before the Commission is only Chapter 16.

No one spoke at the Public Hearing.

After the discussion the Commission took the following action:

Commissioner Turley: I move that we recommend a recommendation of approval to the City Council.

AYES: Engelman, Morris, Legalos, Salvadori, Turley, Peterman.

NOS: None.

ABSENT: McConnell.

Motion carries.

- 5. Planned Development 06-0017** for a new building in the Downtown Specific Plan area located at 401 Pennsylvania Street. Proposed CEQA Action: Exempt.

Staff recommends approval based on the findings and conditions in the staff report.

The Planning Commission conducted a public hearing including a staff report and discussion which included: this is an application for a new building within the

Vallejo Planning Commission Minutes
January 17, 2007

Downtown Specific Plan area; until DRB is formed Planning Commission will be governing body; application is for a sunroom showroom; small lot for commercial development; exceptions to Design Guidelines needed for development; unique application which contributes to goal of Plan so can waive two-story requirement; size of building requires six parking spaces and only five can be provided; applicant waited until the Specific Plan was adopted so that the building would be consistent with the Specific Plan and the Design Guidelines; revised findings handed out; curbs and/or gutters in the alley are not going to be installed; location of red curbs on Pennsylvania and Sonoma; a retaining wall building permit has already been issued for this project because it did not require Planning Commission scrutiny; the lot needs to be flat and in order to be flat it needs a retaining wall; light concerns for the apartment building next door; repair of broken sidewalks; lights need to be 1 candlepower instead of ½ candlepower; the exterior of the building is stucco with tile detail and color detail above the windows; size of the windows; landscaping; assurance that we will/do have quality projects; street trees.

No one spoke at the Public Hearing.

After the discussion the Commission took the following action:

Commissioner Peterman: I move approval of Planned Development 06-0017 with the revised findings and conditions in the staff report and with the additional condition that the lights along the walkways and in the parking lot be 1 candlepower.

AYES: Engelman, Morris, Legalos, Salvadori, Turley, Peterman.

NOS: None.

ABSENT: McConnell.

Motion carries.

Findings:

1. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is determined to be exempt per Section 15303, Title 14 of the California Code of Regulations as it consists of the construction of a new commercial building not exceeding 10,000 square feet of floor area in an urbanized area on a site zoned for such use, not involving the use of hazardous substances, with all necessary public services and facilities available, where the surrounding area is not environmentally sensitive.
2. The proposed Unit Plan is consistent with the intent, purpose, and development standards of the Downtown Vallejo Specific Plan per Sections 4 and 9 of this report.
3. The proposed Unit Plan is consistent with the goals and policies of the Vallejo General Plan per Section 3 of this report.
4. The proposed Unit Plan serves to achieve groupings of structures that will be well related on to another and that, taken together, will result in a well-composed urban design, with consideration given to site, height, arrangement, texture, material, color and appurtenances, the relation of these factors to other structures in the immediate area, and the relation of the development to the total setting as seen from key points in the surrounding area per Sections 1, 4, and 9 of this report.
5. The proposed Unit Plan is of a quality and character that harmonizes with and serves to protect the value of private and public investments in the area per Sections 1, 4, and 9 of this report.

Vallejo Planning Commission Minutes
January 17, 2007

6. The exception to reduce the parking requirement from 6 spaces to 5 spaces will result in development that meets the intent of the parking standard to provide sufficient parking for the proposed use per Sections 4 and 9 of this report.
7. With the exception to the parking requirement, the project will still meet the design intent of the Specific Plan per Sections 4 and 9 of this report.
8. The exception to the parking requirement would not adversely affect persons or development abutting the site in a manner that would impact economic value, habitability, or enjoyability of property per Sections 4 and 9 of this report.
9. The exception to the parking requirement would not result in a hazard to pedestrian and/or vehicular traffic per Sections 4 and 9 of this report.
10. The use of the property as a sunroom showroom is unique per Sections 4 and 9 of this report.
11. The project contributes to the overall goals of the Specific Plan per Sections 4 and 9 of this report.

CONDITIONS OF APPROVAL

Planning Division

1. Prior to building permit submittal, submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project.
2. Prior to building permit submittal, submit 3 sets of landscaping plans prepared by a registered landscape architect to the Planning Division for review and approval. The requirement for a registered landscape architect may be waived at the discretion of the Planning Manager. Landscape plans shall comply with Chapter 16.70 (VMC), and are to include the following:
 - a. location, species and size of all mature trees six inches in trunk diameter or greater;
 - b. replacement of any mature trees to be removed;
 - c. a minimum of 4 City-approved street trees to be planted at least 6 feet from any sewer line;
 - d. specification of low growth type species adjacent to doors, windows, and walkways;
 - e. low-water using and drought-resistant plant materials;
 - f. screening of required backflow preventer;
 - g. all trees to be minimum of 15 gallon, double staked; at least 50 percent of the proposed shrubs shall be a minimum of 5 gallon;
 - h. irrigation plan indicating all components of the irrigation system including sprinklers and other outlets, valves, backflow prevention devices, controllers, piping, and water usage;
 - i. 6 inch high curbing around planters; and
 - j. screening of vines and trellis or fencing for the parking lot from Sonoma Boulevard.Prior to occupancy/final building inspection install landscaping and irrigation per approved plans. The landscape architect shall verify in writing that the landscaping and irrigation have been installed in accordance with the approved landscaped plans with respect to size, health, number and species of plants and the overall design concept.
3. All mechanical equipment, utilities, and service areas shall be screened from public view by landscaping and/or design features. Submit revised plans to the project planner showing the location of all mechanical equipment, utilities, and service areas, including garbage and recycling, prior to building permit submittal.

PROJECT REQUIREMENTS

Vallejo Planning Commission Minutes
January 17, 2007

Planning Division

1. Prior to building permit submittal, submit 3 copies of a site specific soils/geotechnical investigation prepared by a registered engineer to the Planning Division for review and approval by the Public Works Department, the Building Division, and the Planning Division.

Building Division

1. Type V-N construction, 1 hour construction less than 20 feet to property line.
2. Fire protection is required for door and window openings less than 10 feet from property line.
3. ADA unloading zone is on wrong side of van-accessible stall.
4. Provide written documentation for use of alleyway for business.
5. Provide ADA path of travel from building to public way.

Public Works

1. Submit site grading, drainage, improvement, utility, and landscaping & irrigation, plans for review and approval. Site plan shall show all proposed and existing improvements and utility services. Secure approval of plans prior to building permit submittal.
2. Submit a geotechnical investigation report for review prior to building permit submittal.
3. Surface runoff from the site shall be intercepted onsite, piped, and tied into public storm drain system.
4. Obtain encroachment permit from CalTrans for any construction work within the Sonoma Boulevard right-of-way.
5. Remove and replace broken curb, gutter, and sidewalk fronting the property on Sonoma Boulevard and on Pennsylvania Street as determined in the field by City Engineer.
6. Install required street trees fronting the property on Pennsylvania Street. Street trees shall be selected from the City's approved street tree list.
7. Signing and striping shall be per City standard.

Additional standard comments that may apply:
PW1 through PW17 and PW19.

Vallejo Sanitation and Flood Control District

1. Prior to building permit issuance, a VSFCD Connection Permit is required. Pay all applicable review and connection fees.
2. The project, as submitted, was incomplete. The following information is needed:
 - a. Provide site utility plan showing all existing and proposed District facilities to serve the project. Site utility plan shall show existing and proposed sanitary sewer and storm drain facilities, mains, laterals, connections, etc.
 - b. Please show location of sanitary sewer and cleanout on site utility plan.

Vallejo Planning Commission Minutes
January 17, 2007

Fire Prevention

1. Submit a numbered list to the Fire Prevention Division stating how each condition of project approval will be satisfied.
2. The project shall conform to all applicable requirements of Title 19 – Public Safety, 1998 CFC and all VMC Amendments.
3. Automatic fire sprinkler/extinguishing systems are required for all commercial occupancies.
4. Prior to building permit submittal, building/construction plans and plans for required fire protection systems (automatic sprinklers, smoke alarms, etc.) shall be submitted to the Fire Prevention Division for review and approval. All applicable plan review and inspection fees shall be paid.
5. Prior to occupancy/final building inspection, install 3A-40BC portable fire extinguishers as required by the Fire Prevention Division.
6. Prior to occupancy/final building inspection, install approved numbers or addresses on all buildings positioned to be clearly visible and legible from the street. Commercial occupancies shall have numerals or letters not less than 6 inches in height, of contrasting background, and illuminated at night.
7. Prior to occupancy/final building inspection, all applicable fees shall be paid and a final Fire Prevention inspection shall be conducted. All meetings and inspection require a minimum 24-hour advance request.
8. Development sites shall be maintained weed free during construction.
9. Addition fire hydrant(s) may be required dependent upon location of future point of connection and fire flow requirements. Submit a complete set of plans to Fire Prevention for review and approval. All fire hydrants are to have “blue dot” highway reflectors installed on the adjacent street of the driveway to clearly identify the fire hydrant locations.
10. If security gates are desired at any entrances to the project, they shall be provided with a Fire Department approved entry system.
11. A fire alarm system will be required for this project.

Water Division

1. Prior to building permit issuance, submit a numbered list to the Water Division stating how each condition of project approval contained in this report will be satisfied.
2. All water system improvements shall be consistent with the Vallejo Water System Master Plan, 1985, prepared by Kennedy/Jenks Engineers. Prior to building permit issuance, water system improvement plans shall be submitted to the Water Division for review and approval, and shall contain at least:
 - a. Location and size of fire sprinkler service connection(s).
 - b. Location and size of domestic service connection(s).
 - c. Location and size of irrigation service connection(s).
 - d. Location of fire hydrants.

Vallejo Planning Commission Minutes
January 17, 2007

- e. Location of structures with respect to existing public water system improvements, such as mains, meters, etc.
 - f. Location and size of backflow prevention devices [required on water service connections to irrigation systems, certain commercial water users, and to commercial fire sprinkler systems, per City Ordinance 922 N.C. (2d)].
3. Fire flow and pressure requirements of the Fire Department shall be satisfied. Fire flow at no less than 25-psig residual pressure shall be available within 1,000 feet of any structure. One half of the fire flow shall be available within 300 feet of any structure. For other than single-family residential uses, see the Vallejo Water System Master Plan, 1985, prepared by Kennedy/Jenks Engineers and its latest update by Brown Caldwell dated April 1996.
 4. Prior to building permit issuance, hydraulic calculations shall be submitted to the Water Superintendent demonstrating that the fire flow required by the Fire Marshall is satisfied.
 5. Fire hydrant placement and fire sprinkler system installation, if any, shall meet the requirements of the Fire Department. For combined water and fire services, the requirements of both the Fire Department and the Vallejo Water System Master Plan, with latest revisions, shall be satisfied.
 6. Easements shall be provided for all water system improvements installed outside the public right-of-way:
 - a. 15 ft. wide (minimum) for water mains.
 - b. 10 ft. wide (minimum) for fire hydrants, water meters, backflow preventers, double detector check valves, etc.
 7. Each unit or structure shall be metered separately.
 8. Water service shall be provided by the City of Vallejo following completion of the required water system improvements and payment of applicable fees. Performance and payment bonds shall be provided to the City of Vallejo prior to construction of water system improvements. Fees include those fees specified in the Vallejo Municipal Code, including connection and elevated storage fees, etc. and fees for tapping, tie-ins, inspections, disinfection, construction water, and other services provided by the City with respect to the water system improvements. The Water Division may be contacted for a description of applicable fees.
 9. Prior to occupancy or final building inspection, install water system improvements as required. Backflow device/s, where required, shall be installed in areas hidden from public view and/or shall be mitigated by landscaping.

Crime Prevention

1. The street numbers shall be displayed in a prominent location on the street side of the property in such a position that the number is easily visible to approaching emergency vehicles. The numbers shall be no less than four inches in height and shall be of a contrasting color to the background to which they are attached. The numbers shall be illuminated during darkness.
2. The street numbers shall be displayed on the roof so as to be visible to law enforcement aircraft at an altitude of 1500 feet. Numbers to be no less than 48" in height.

Vallejo Planning Commission Minutes
January 17, 2007

3. The minimum of one-foot candle at ground level overlap shall be provided in all exterior doorways and vehicle parking area. Under no circumstances should the lighting trespass onto the adjacent properties.
4. The minimum of one-half foot candle at ground level overlap shall be provided on outdoor pedestrian walkways intended for public use.
5. All exterior doors shall be of solid core construction with a minimum thickness of 1 ¾ inches or with panels not less than 9/16 inches thick.
6. Glass on exterior doors or within 40 inches of an exterior door shall be break-resistant glass or glass-like material to the satisfaction of the Police Department.
7. All windows within 12 feet of the ground level shall have a secondary lock mounted to the frame of the window. The secondary lock shall be a bolt lock and shall be no less than 1/8 inch in thickness. The lock shall have a hardened steel throw of ½ inch minimum length.
8. Glass sliding doors shall have a secondary type locking device to the satisfaction of the Police Department. The secondary lock shall be a dead bolt lock and shall be no less than 1/8 inch in thickness and shall have a minimum hardened steel throw of ½ inch.
9. Plants, foliage and vegetation will not block windows.

GENERAL REQUIREMENTS

1. All contractors and subcontractors working on the project shall have City of Vallejo business licenses.
2. Construction-related activities shall be limited to between the hours of 7 a.m. and 6 p.m., Monday through Saturday. No construction is to occur on Sunday or federal holidays. Construction equipment noise levels shall not exceed the City's maximum allowable noise levels.
3. Required landscaping shall be maintained in a neat, clean, and healthy condition. This shall include pruning, weeding, removal of litter, fertilizing, replacement of plants when necessary, and the regular watering of all plantings.
4. The conditions herein contained shall run with the property and shall be binding on the applicant, and all heirs, executors, administrators, and successors in interest to the real property that is the subject of this approval.
5. The applicant shall defend, indemnify, and hold harmless the City of Vallejo or its agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void, or annul, the approval of this approval by the City. The City may elect, in its discretion, to participate in the defense of any action.

L. OTHER ITEMS

None.

M. WRITTEN COMMUNICATIONS

None.

Vallejo Planning Commission Minutes
January 17, 2007

N. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 8:45 P.M.

Respectfully submitted,

A handwritten signature in cursive script that reads "Deborah Marshall".

(for) DON HAZEN, Secretary

Vallejo Planning Commission Minutes
February 5, 2007

For Video streaming click
City Agendas (blue rectangle on left hand side of page)
Scroll down to Archived Videos
Select Meeting you want and click on video on right hand
margin
When Granicus opens listen to entire meeting or
Click Jump To and select section you want to hear

A. The meeting was called to order at 7:00 p.m.

B. The pledge of allegiance to the flag was recited.

C. ROLL CALL:

Present: Commissioners Manning, Salvadori, Peterman, McConnell.

Absent: Turley, Legalos, Engelman.

D. APPROVAL OF THE MINUTES.

None.

E. CONSENT CALENDER AND APPROVAL OF THE AGENDA

On a motion by Commissioner McConnell the consent calendar and agenda were unanimously approved.

F. REPORT OF THE SECRETARY

1. Upcoming Meeting of Monday, February 21, 2007

- a. Use Permit #546A – Appeal of staff determination concerning Rose Imports located at 1605 Solano Avenue.
- b. Variance 06-0001 for shopping center i.d. sign at Redwood Plaza.
- c. Use Permit 06-0021 for beer and wine service at an existing Mexican Restaurant located at 324 Virginia Street.
- d. Use Permit 06-0024 for a new auto dealership, Team GMC, Pontiac, Buick located at Auto Mall/Columbus Parkway.

G. CITY ATTORNEY REPORT

None.

H. COMMUNITY FORUM

None.

I. REPORT OF THE PRESIDING OFFICER AND COMMISSIONERS

None.

J. LIAISON REPORTS

1. Council Liaison to Planning Commission

None.

2. Planning Commission Liaison to City Council

None.

K. PUBLIC HEARINGS

- 1. Code Text Amendment 06-0004.** Revision of Chapter 16.70 Screening and Landscaping Regulations.

Continued to the meeting of April 16, 2007.

- 2. Planned Development 06-0025** is an application for an addition to Zio Fraedo's. Proposed CEQA Action: Exempt. *Continued from the meeting of January 17, 2007.*

Staff recommends approval based on the findings and conditions.

After The Planning Commission conducted a public hearing including a staff report and discussion which included: project is adjacent to the Harbor Master's office by the Marina; building is owned by the City and leased to the restaurant owner; requesting demolition of existing banquet room and replace with new, larger banquet room; improved access to the building from the Promenade and a raised outdoor dining patio; compatible with the existing building; stucco siding; roofline similar to segments of the existing roof, composition shingle roofing material; windows to match existing; in the Vallejo Waterfront Planned Development Master Plan area; once DRB is formed these projects will be overseen by them; project is also within the jurisdiction of the Bar Conservation and Development Commission; proposal meets BCDC objectives; revisions included opening up the view corridor from harbor Way to the water and providing improved access to the water by widening the walkway adjacent to the building; with the conditions of approval the project conforms to the requirements of Waterfront Plan; Title 14 is applicable to the new portion of commercial projects; there are no special recycle requirements for restaurants as compared to other businesses in the City; there is no excess food program here in Vallejo.

Katherine Donovan did a PowerPoint presentation. A printed copy is attached to the minutes.

Vice-Chairperson Peterman opened the Public Hearing.

Tony LoForte: In regards to the excess food I do not believe the Health Department would allow us to distribute the food. There are no measures in place to use up the excess food. It is a good idea though. There are no official demands for recycling however, every bottle and can is picked up by a couple of individuals who have asked me if they could come and take them. We set them aside and they take them to the recycling center. We will put the appropriate lights in to meet Title 14 requirements. It saves money for us too.

Vice-Chairperson Peterman closed the Public Hearing.

Commissioner McConnell: I move that we approve Planned Development 06-0025 with the findings and conditions presented to us.

AYES: Manning, Salvadori, Peterman, McConnell

NOS: None.

ABSENT: Turley, Legalos, Engelman.

Motion carries.

Vallejo Planning Commission Minutes
February 5, 2007

Findings:

1. The project is exempt from CEQA per Section 15301, Title 14 of the California Code of Regulations per Section 2 of this report.
2. The proposed Unit Plan is consistent with the intent, purpose, and development standards of the Vallejo Waterfront Planned Development Master Plan and Design Guidelines per Sections 4 and 8 of this report.
3. The proposed Unit Plan is consistent with the goals and policies of the Vallejo General Plan per Section 3 of this report.
4. The proposed Unit Plan serves to achieve groupings of structures that will be well related on to another and that, taken together, will result in a well-composed urban design, with consideration given to site, height, arrangement, texture, material, color and appurtenances, the relation of these factors to other structures in the immediate area, and the relation of the development to the total setting as seen from key points in the surrounding area per Sections 1, 4, and 8 of this report.
5. The proposed Unit Plan is of a quality and character that harmonizes with and serves to protect the value of private and public investments in the area per Sections 1, 4, and 8 of this report.

CONDITIONS OF APPROVAL

Planning Division

1. Prior to building permit submittal, submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project.
2. Prior to building permit submittal, submit three sets of landscaping plans prepared by a registered landscape architect to the Planning Division for review and approval. The requirement for a registered landscape architect may be waived at the discretion of the Planning Manager. Landscape plans shall comply with Chapter 16.70 (VMC) and the revised Waterfront Plan and Design Guidelines, and are to include the following:
 - a. location, species and size of all mature trees six inches in trunk diameter or greater;
 - b. replacement of any mature trees to be removed;
 - c. a minimum of 4 street trees chosen from the Street Tree Recommendations in Table 2.1 of the Waterfront Plan to be planted at least 6 feet from any sewer line;
 - d. sufficient canopy trees in the parking lot, planted evenly throughout the lot, to shade a minimum of 50 percent of the parking lot when the trees are mature (approximately 10 years);
 - e. specification of low growth type species adjacent to doors, windows, and walkways;
 - f. low-water using and drought-resistant plant materials;
 - g. planting areas shall be planted with a variety of trees, shrubs, perennials, and ornamental grasses so as to provide the maximum impact from the planting areas, with the planting areas adjacent to Harbor Way contain plantings of sufficient height and density to buffer the parking lot from Harbor Way and the future residential uses across the street;
 - h. screening of required backflow preventer;
 - i. all trees to be minimum of 15 gallon, double staked; at least 50 percent of the proposed shrubs shall be a minimum of 5 gallon;

Vallejo Planning Commission Minutes
February 5, 2007

- j. irrigation plan indicating all components of the irrigation system including sprinklers and other outlets, valves, backflow prevention devices, controllers, piping, and water usage; and
- k. 6 inch high curbing around planters.

Prior to occupancy/final building inspection install landscaping and irrigation per approved plans. The landscape architect shall verify in writing that the landscaping and irrigation have been installed in accordance with the approved landscaped plans with respect to size, health, number and species of plants and the overall design concept.

- 3. All mechanical equipment, utilities, and service areas shall be screened from public view by landscaping and/or design features. Submit revised plans to the project planner showing the location of all mechanical equipment, utilities, and service areas, including garbage and recycling, prior to building permit submittal.

Crime Prevention

- 1. No noise or music from entertainment shall be heard from the exterior of the premises.
- 2. The front and rear doors shall be closed at all times during the operation of the premises except in cases of emergency and to permit deliveries.
- 3. The area surrounding the premises shall be equipped with lighting of sufficient power to illuminate and make easily discernible the appearance and conduct of all persons on or about the stated area.

PROJECT REQUIREMENTS

Planning Division

- 1. Prior to building permit submittal, provide written approval of project from the Bay Conservation and Development Commission (BCDC).
- 2. The business shall comply with all conditions of approval for the original use permit for the restaurant, UP 1603.
- 3. As noted in the Waterfront Design Guidelines, all facades facing the outdoor patios and the Promenade shall be clear windows.
- 4. Per the Waterfront Design Guidelines, none of the trees that make up the eucalyptus allee along the Promenade shall be removed as part of this project.

Building Division

- a. Submit three sets of construction plans to the Building Division for review and approval. The project is to be designed to meet the requirements of the Uniform Building Code (as adopted).
- b. The project shall meet the requirements of Title 24 of the California Administrative Code for handicapped accessibility, including but not limited to ramps, parking spaces, and signage.

Vallejo Sanitation and Flood Control

- 1. All storm drainage shall be collected onsite and conveyed underground to the public storm drain system.

Vallejo Planning Commission Minutes
February 5, 2007

2. Direct roof drainage across non-paved areas prior to entering storm drain inlets and gutter, when feasible.

Fire Prevention

1. The project shall conform to all applicable requirements of Title 19 – Public Safety, California Code of Regulations, Uniform Fire Code (as adopted), and Vallejo Fire Prevention Standards.
2. Prior to building permit submittal, building/construction plans and plans for required fire protection systems such as automatic sprinklers, smoke alarms, etc. shall be submitted to the Fire Prevention Division for review and approval. All applicable plan review and inspection fees shall be paid.
3. Prior to occupancy/final building inspection, install portable fire extinguishers as required by Fire Prevention Division.

GENERAL REQUIREMENTS

1. All contractors and subcontractors working on the project shall have City of Vallejo business licenses.
 2. Construction-related activities shall be limited to between the hours of 7 a.m. and 6 p.m., Monday through Saturday. No construction is to occur on Sunday or federal holidays. Construction equipment noise levels shall not exceed the City's maximum allowable noise levels.
 3. Required landscaping shall be maintained in a neat, clean, and healthy condition. This shall include pruning, weeding, removal of litter, fertilizing, replacement of plants when necessary, and the regular watering of all plantings.
 4. The conditions herein contained shall run with the property and shall be binding on the applicant, and all heirs, executors, administrators, and successors in interest to the real property that is the subject of this approval.
 5. The applicant shall defend, indemnify, and hold harmless the City of Vallejo or its agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, or employees to attack, set aside, void, or annul, the approval of this approval by the City. The City may elect, in its discretion, to participate in the defense of any action.
- 3. Use Permit 06-0018** is a request to modify the Planning Commission additional conditions placed on an Ice Cream Commissary located at 1853 Broadway Street.
Proposed CEQA Action: Exempt.

Due to the fact that these conditions were required by the Planning Commission, Planning Division recommends the Planning Commission reconsider the merits of the Applicant's request.

The applicant requested that the application be continued to a date certain due to a lack of a full Commission.

Commissioner Salvadori moved that the application be continued to the meeting of March 5, 2007.

Vallejo Planning Commission Minutes
February 5, 2007

AYES: Manning, Salvadori, Peterman, McConnell
NOS: None.
ABSENT: Turley, Legalos, Engelman.

Motion carries.

4. Planned Development 06-0018 is an application for a new custom home in Hiddenbrooke located at 1757 Durrow Ct. Proposed CEQA Action: Exempt.

Staff recommends approval based on the findings and conditions.

The applicant requested that the application be continued to a date certain due to a lack of a full Commission.

Mr. Seamer, 1775 Landmark, Vallejo stated that he was against having the project continued as he had come to the meeting to speak tonight.

Commissioner Salvadori moved that the application be continued to the meeting of March 5, 2007.

Commissioner McConnell: I would like to inform anyone here that they are welcome, even encouraged, to put their thoughts in writing and send them to the Planning Division whether or not they wish to come to the next meeting pertaining to this item.

AYES: Manning, Salvadori, Peterman, McConnell
NOS: None.
ABSENT: Turley, Legalos, Engelman.

Motion carries.

L. OTHER ITEMS

None.

M. WRITTEN COMMUNICATIONS

None.

N. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 7:25 P.M.

Respectfully submitted,



(for) DON HAZEN, Secretary



City of Vallejo Memo

To: Planning Commission
From: Planning Division, Marcus Adams *M.A.*
Date: February 21, 2007
Re: Item K1- Rose Imports appeal of Planning Division land use determination

BACKGROUND:

On December 18, 2006, a public hearing was held by the Planning Commission to consider Rose Import Motors (Solano Avenue dealership) appeal of the Planning Division's determination that their used car dealership located on three parcels was operating without a required major conditional use permit, per Section 16.22.040(B)(3) of the Vallejo Municipal Code and that the parking of used cars on one of the parcels (APN 0057-182-010, lot 18) was in violation of the conditions of approval for Use Permit #546. The Planning Commission heard public testimony regarding the appeal from all parties, including neighbors but did not offer a motion regarding the appeal.

In lieu of a motion, the Commission requested that the item be continued and that staff host a community meeting with Rose Imports and their neighbors. On January 30, 2006, the City held the requested community meeting. Below are the unresolved issues presented by the Commission at the December 18th hearing followed by the applicable parties' positions, based on the community meeting and further research:

Issue #1: Grandfathering of the dealership use

The issue of grandfathering of the dealership use, which was recommended by one of the Commissioners, was briefly discussed at the community meeting between staff and Rose Imports. Rose Imports believes that 1615 Solano Avenue encompasses lots 18 and 19 and consequently, they should be grandfathered in by staff, as were lots 20 and 21. However, based on staff research of department records, and conversation with the Solano County Assessors Office, 1615 Solano Avenue has never included lots 18 and 19.

As with the Solano County Assessors and Recorder's Office, the Planning Division tracks historical land use data by parcel numbers, not addresses. Rose Imports property tax assessment is based on parcel numbers. Upon further research, staff was able to establish that lots 18 and 19 of APN 0057-182-020 at one time had a single family home on recognized as 245 Perkins Avenue from 1947 to 1954. In 1955, the single family home

was moved to Broadway Street near Sereno Drive, where it still sits today. At some point, the parcel in question was no longer recognized as 245 Perkins Avenue and only by the parcel number. Based on these findings and verification with the Assessor's Office, staff is unable to grandfather in the current use at lots 18 and 19.

Staff still supports its original determination regarding the historic use at 1605 Solano Avenue and due to the fact that Rose Imports has not provided staff with any new information regarding the parcel, staff is unable to grandfather in the used car use currently occurring.

Issue #2: Land use activity associated with the dealership

The issues of light body repair and spray painting in the parking lot were discussed at the community meeting. Rose Imports stated that the reason this activity occurs in the parking lot is because there is no other available location on their property. The applicant's compromise offered to the neighbors was to do this activity at the western end of their lot (1605 Solano Ave.). Staff's position on this issue is that these types of activities must occur within an enclosed building, which has been inspected and permitted by the City of Vallejo Building Division, Solano County Environmental Health, and Bay Area Air Quality Management. Staff intends to pursue abatement of this activity regardless of the Planning Commission decision.

Issue #3: Employee parking and staging of cars on public streets

This topic was discussed at the community meeting without a consensus being reached. Rose Imports stated that they attempt to limit the amount of staging and employee parking that occurs on public streets, but due to the amount of inventory and number of employees, they are often left with no choice but to use the public streets. The neighbors expressed their desire to see this practice eliminated either by having employees park on private property or with limited hours of public street parking.

It is still staff's position that use permit conditions of approval and a neighborhood petition by property owners for restricted hour parking would be the most appropriate way to address the parking issue.

Issue #4: Buffer zone, lot 18, between Rose Imports and 235 Perkins Avenue

This issue remained unresolved as all three parties, (Planning Division, neighbors and Rose Imports) had different ideas about how lot 18 should be used and developed as a buffer between a commercial and residential use. The lot is zoned residential (LDR).

Rose Imports-

It is Rose Import's position that lot 18 should be allowed to accommodate used cars, stored cars and/or employee cars on the lot. If the lot had to used as a buffer zone, Rose would prefer the buffer area be kept to a minimum and that trees not be used for the

landscaping. Rose also expressed concern that the buffer area could become a magnet for transients without adequate fencing and appropriate landscaping.

Perkins Avenue Neighbors-

The neighbors would like lot 18 to serve as a landscaped buffer between the commercial and residential use. They agreed with Rose Imports that trees would not be the most desirable landscaping planting. The property owner of lot 17, immediately adjacent to lot 18, stated that she would prefer if all of lot 18 was landscaped to prevent cars from being parked on the lot.

Planning Division-

Staff believes that the appropriate buffer width should be approximately 15 feet, and that it should be landscaped densely enough and with plant selections that would make the lot inhospitable for transients to encamp on.

Issue #5: Waiver or reduction of use permit application fee

As stated by the Planning Manager at the December 18th hearing, Planning Division staff does not have the discretion to waive application fees which are adopted by the City Council. According to records of use permits issued in 1984, the approximate year when Rose Imports started operating at their Solano Avenue location, the cost of a use permit was \$300 + .10/square foot. A reduction in use permit fees related to the cost of a permit in 1984 could only be granted by the City Council according to the City Attorney's Office.

The Development Services Director has agreed however to charge one use permit fee (\$1,833) for the two parcels that would require a use permit application.

RECOMMENDATION:

Based upon staff's research and findings staff recommends the Planning Commission **DENY** the appellants appeal and **AFFIRM** the following Planning Division determinations:

- Used auto sales occurring at 1605 Solano Avenue require use permit approval, as stated in Section 16.22.040(B)(3) of the Vallejo Municipal Code and;
- Used auto sales occurring at assessors parcel number 0057-182-150 are in violation of Use Permit #545;
- Within 45 days of the Planning Commission's decision, the property owner shall either abate the used auto sales at the two subject parcels or submit the following applications with fee payment: use permit application, zoning map amendment

and general plan amendment. Failure to submit the applications or abate the auto sale use within 45day period will result in immediate administrative citations.

Attachment A: December 18, 2006 Planning Commission minutes

Attachment B: December 18, 2006 Planning Division staff report

Attachment C: Conflict of Interest map

Attachment D: PowerPoint presentation

Vallejo Planning Commission Minutes
December 18, 2006

K. PUBLIC HEARINGS

1. USE PERMIT 546A – Appeal of staff determination concerning Rose Imports located at 1605 Solano Avenue.

Staff recommends the Planning Commission DENY the appellants appeal and AFFIRM the Planning Division's determination that the used auto sales occurring at 1605 Solano Avenue require use permit approval, as stated in Section 16.22.040(B)(3) of the Vallejo Municipal Code.

Marcus Adams: This first item deals with an appeal dealing with Rose Imports on Solano Avenue bordered by Solano, Tuolumne, and Perkins. *Marcus did a PowerPoint presentation which included the fact that there are three parcels on this site. Two of the three are addressed in this appeal.* Issue number one is located at 1605 Solano Avenue. *There was a picture of this parcel on the screen.* There were three issues that we dealt with on this property: 1) the vehicle parking there; 2) the establishment of the land use at the location; 3) the use permit process. The question of whether a used car dealership had ever been established through the use permit process which has been required since 1920 was not established by us. According to our research there were two tire companies there previously. I would like to refer you to Attachment A (lots 22 – 26) so we can clarify which lots these are. They are in Linier Commercial. For a used car dealership in this zoning a use permit is required. The second parcel is located on Perkins and raps around to Solano Avenue. There are two lots on this Perkins parcel; lots 18 and 19. The issue again is whether a use car lot had ever been established. The original use permit for 1959 is attachment H. The use was for a service station and the conditions, especially, for lot 18 which was to be used as a commercial driveway not allowing parking of commercial vehicles or trucks. There is also language in there about avoiding any type of incompatible hazards or uses such as noise, light, smell, etc. *Marcus showed a picture of lot 18 and its location next to a residential property.* Where the red arrow is shows the driveway and the curb cut. Next to the car parked on the street is lot 19. The use back in 1959 was for a service station with lot 18 being the commercial driveway and lot 19 was to have the service station on there. The reason lot 19 was to be used as a commercial driveway was to act as a buffer between that residential use and the commercial use. At the time of the original use permit lot 19 was zoned residential. There may be some question as to why the Planning Commission would put a commercial project on a residential lot however, be that as it may, the lot 18 definitely served as a buffer. There is no evidence of a new use permit or a use permit amendment which would allow for used car sales to go on. That is the steps that would need to be taken if you wanted to have used car sales on a site with a use permit for some other purpose. Use permits run with the property.

Our recommendations tonight are as follows, there are two options:

1. That the property owners apply for a conditional use permit to operate the use car lot at both 1605 Sonoma and 0050-182-150 and we would recommend a rezoning. It is zoned residential so you would want to rezone that to commercial use.
2. Apply for the conditional use permit just for 1605 Solano and abate the use car sales on lot 18. Also you may have seen reference to a fence. The plans that were approved back in 1959 had a fence to separate lots 18 & 19. This further served as a buffer. Lot 18 was the commercial driveway and lot 19 was going to be the service station. There is some discrepancy as to whether that fence was ever erected or not. Whether there was on was not it is in the original approval and the purpose was to separate those uses.

Vallejo Planning Commission Minutes
December 18, 2006

Marcus Adams: Some other issues I wanted to clarify were that I put use permit 545. It should have been use permit 546 and attachment I is the zoning ordinance from 1958 to 1969. There are no used car lots permitted outright. They required a use permit. Under CC zoning in 1970 – 1980, page 30, you will see sales of autos and parts requires a use permit. Any questions?

Don Hazen: Just to follow up on Marcus's great presentation I want to reiterate that really all you are dealing with tonight is do you support staff's determination on what process they need to follow if they wish to pursue the use. We would not want to get into the merits of a use permit or the merits of the rezone. This is strictly just whether you concur with the process or not. If they decide to follow through with this there would be another application and you would have a change to have another hearing on those uses.

Commissioner Turley: On page two, number 9, first paragraph, last sentence, you say the parking of cars on City streets eventually stopped. The day I was there I counted seven cars with Rose Import on the license plate. How many more belonged to them I do not know. I wanted you to be aware of that.

Marcus Adams: I did not delve too much into that because it is not part of the issue at hand. I just included it as history in the staff report. I have noticed on my visit today and other days that there were some used cars on the street. At the time we received the complaint, in 2001, the planner who had the case at that time determined that it did stop for at least awhile. It does appear that that is occurring again but, once again, it is not part of this issue.

Commissioner Turley: On page five, last paragraph, last sentence, it seems to be incomplete. Never mind, I did not see the last part of that sentence. That is the end of my questions.

Chairperson Legalos: On Attachment K, the project location indicated here, the parcels that border Perkins Street, is that 18 & 19 that are hatched?

Marcus Adams: On Attachment K it is hard to see but it is 18 and 19.

Chairperson Legalos: Then I am assuming that the area above that that borders on Solano is 20?

Marcus Adams: Yes.

Chairperson Legalos: What is the status of 20? The cars are parked all the way out to the sidewalk on Solano.

Marcus Adams: 20, we were able to establish that was a used car establishment that was put there previous to 1970. We had to grandfather it in because it had been established. The complaint was for 18 & 19.

Chairperson Legalos: So it is simply not part of the issue at this point.

Marcus Adams: Yes.

Chairperson Legalos: The fence that is there now is between 17 & 18.

Marcus Adams: Correct.

Chairperson Adams: 17 is the parcel that has the house on it?

Vallejo Planning Commission Minutes
December 18, 2006

Marcus Admas: Yes.

Chairperson Legalos: The fence that is referred to here is in the middle of the hatched area?

Marcus Adams: Yes. There is a dashed line between 18 & 19. You can see it better on the site plan. One more thing to clear up is that the cement slab on Tuolumne is where an illegal modular home was placed. We ask that they take it down. That is why you see the slab. Rose is not expanding onto Tuolumne. The owners of that lot have applied for permits.

Commissioner Manning: I have to say, I drove around there a long time to try to locate exactly what the uses were. Now that you explain it I understand. Thank you.

Chairperson Legalos opened the Public Hearing.

Kathryn Glauimi, 1605 Solano Ave, Vallejo: I am the other owner on the property. I will be as brief as possible. In September of this year Marcus came down to our lot and took some pictures. Walked up in the middle of a work day and said, "I am sorry but you do not have a license to do business here." 22 years I have been at this location. That was like a slap in the face, first of all. Our business generates 1.2 million dollars of sales tax to the City of Vallejo. We have been paying City business license for 22 years. In other business in this town we have been paying for over 30 years. We own several pieces of property in this town. We have brought a lot of business into this town along with other dealerships. I do not feel that we should be penalized for something that the City Planning checked off on my business license 22 years ago. I walked in and said I wanted to get a business license. Business License sent me up to Planning to get it checked off. Someone in Planning signed off my permit to do this. This was in 1984. Before that the location was Vallejo Chrysler. Before that, in 1968, it was Carden Motors. The only thing any of us can fall back on at this point is the Polk Directories, and there were two locations. In 1968 there was Carden Motors at 1615 Solano, which is the corner he is actually talking about. Further over there was 1515. This is where it gets confusing. According to the County records 1515 should be 1615. It is hard to prove with the Polk Directories which piece of property was actually licensed. 1515 is a block over and has nothing to do with our property. We have now dropped the address and gone with the parcel number. Nobody knows in 1968 where this dealership was at. We just know that there was one on 1605. In 1968 to 1971 there was Golden State Tire Company. That was 1605 which is the corner next to the cabinet shop. In 1972 to approximately 1984 Vallejo Chrysler was there at 1605. 1615 was Carden Motors a used car lot; 1605 was Carden Motors a used car lot between 1968 and 1971. Then in 1974 Chrysler Plymouth was at 1515 across the street. At the same time they had their staging lot at 1615 which is the one that is in question at this point. It is not 1615 parcel 18, 19, and 20. It is all of 1615. He was issued a permit at that time to do business at that location. That was in 1970. In 1970 someone said you need a use permit for used cars. One year later someone says duh you forgot to mark it off and 22 years later we have to take care of that mistake. That should have been something that was caught forever ago. I am required to keep track of the laws and rules and regulations. When a new one comes in you are very well aware of it. In 1970 use permits were required. One year later Chrysler went in and why didn't someone say they needed a use permit. I went in 10 years later they said it was a car dealership before and therefore it must be proper. Now I am supposed to pay for this; the City wants us to get use permits for something. They want a driveway put in, a driveway to where? There is no need for a driveway there. Our neighbors are concerned. We have been neighbors for 22 years. Granted, yes we do park our cars off the lot. You have to do that because there is no place else to move them to get

them in and out. We understand that and we have worked back and forth with this a lot. Molly will come us and ask us to move a car and we will do that. We work very closely with them and we do not have major conflicts with them. It could be whole lot worse if we end up selling it and something else goes in there. I don't blame Molly for being worried about that. She is the lady that is right on the other side of our fence. I do disagree with the fact that there was a fence there. There was never, ever a fence between 19 and 19 or 20. I know Molly says she remembers it. People who live in the area for over 50 years remember it. There were a lot of other items in here that were remembered that really are not true. There is no indication on our property whatsoever that there was ever a hole put in that property where there was a fence. The fence between Molly's property and our property is there and is probably the same fence. It has never been changed in the 22 years we have been there. I do not think there was another fence located on there. The City was at fault for there not being a use permit for this auto sales use not us. We are not the ones that did not issue the permit. We were issued a license to do business at that property. I went through the proper steps. The City is the one that did not go through the proper steps. If we had done it back then it would have cost, what \$200 or \$300. Now at this point it will cost us \$3000 or \$4000. We should not have to do that. I do not think it is fair for us as business people in this town. I can show you pictures of what they are talking about. They have it totally confused. *She showed a picture of the lot in 1986 where they had been in business for one year.* There is no fence or any indication that a fence had been there. Business licenses were issued for the entire 1615 not A, B and C. It was a whole parcel, not the back part, the front part. I do not think it is fair to break it up into particles. There was never a fence and hopefully there won't need to be a fence. There is no reason for it. What brought the whole thing up is that we put a shed up. Molly, our neighbor, was probably not happy with that. We thought we could do that. We were unaware that we could not. As soon as we were contacted by the City we took that shed down. We are not in any other violations. We are trying to run a business here and I think that is all we are asking is that someone work with us and tell us what we need to do but it is not our expense or responsibility. The City was the one that dropped the ball on us. Thank you.

Molly Leavitt, 235 Perkins Ave, Vallejo: I have lived at this address since November 1946. I remember one morning equipment moving the house next door away and a sign going up saying Shell Oil Coming. I went to City Hall the records showed the lot next to my parcel as residential. A Planning Commission meeting was held and permission was given for Shell to go ahead with their plans. I stood up at that meeting and called Mr. Nelson's attention to the fact that permission had been given on a residential lot. They looked at the plot drawings and agreed with me. They said it would be taken care of. The decision was made that the residential part could only be used as a driveway. A record was made of that decision. Now many years later other problems have followed. They started moving cars off the lot. What followed over the years were many practices that broke more laws. Cars are still being parked on all the streets around Solano, Perkins and Tuolumne. The streets and the residential lot is used to dig out a *word I could not understand*, grind away and worst of all paint the cars. The pollution is very noticeable. All of this is against the law. During the summer they moved a 16 x 20 shed onto the residential lot right on the property line. I did not figure it was to keep the salesmen out of the sun while they smoked their cigarettes. That is when I went to City Hall to complain. He has been allowed to put cars on that residential lot but I ask that no activity that would change the appearance of the cars allowed. No painting, grinding, or dent repair allowed. He has a building on the property and it should be used for these types of activities. I am complaining because of illegal activities in the use of this property not because it is being used as commercial property. I do not want to see any other buildings put on the property. People my age come to visit me and when cars are parked all over

Vallejo Planning Commission Minutes
December 18, 2006

Perkins, they usually have canes and walkers. I have asked them to move cars and they have done that but I do not feel like going around the corner and doing that very often. Thank you.

Ralph Isaacs, 227 Perkins Ave, Vallejo: I live on the right hand side of Molly. Molly is the closest to Rose Imports and I am right next to her. I find myself at a little bit of a disadvantage in that my wife does not always show me the mail when I come home from work. When Molly came over and ask if I was coming to the hearing tonight I said what hearing. Like a good husband I was wondering and she explained what was going on. I find that I agree with the owners of the property. Someone in Planning made a very large error. It is going to cost someone something. It is either going to cost the residents who live on Perkins, possibly, more discomfort or these people that are trying to make a living or possibly eliminating part of their dealership for the so called driveway. I have to agree with them. I don't see what purpose this driveway would serve on this lot. There is quite a bit of congestion. The owners are always, let me repeat, always willing to come and correct whatever we have. But there is heavy congestion, there is a lot of traffic. I am concerned about the safety coming off of Solano onto Perkins since there is work at times being performed on Perkins that I think should be performed on the car lot itself. As a resident I do not see any reason why they could not continue to operate the way they were doing. If the use permit is to be issued I would like to see itemized things that they are allowed to do on the property. I agree with Molly maybe they are doing some things that should not be done. Good neighbors. Always willing to cooperate. I hope that this can be resolved because I think there are two parties. On the side of the owners I would be livid if 22 years later people that you never met made a drastic error and then there is of course the residents and their rights.

Rev F Douglas Northrip, 242 Perkins Ave, Vallejo: I live directly across the street from Rose Imports. My family has lived there since 1951. I remember the fence very clearly. It was between 18 & 19 as long as there was a gas station there. When the gas station was removed the lot was vacant for a year or so. Whoever put the first car lot there removed the fence with no notification and repaved lot 18. As long as the fence was between the two there had never been any paving done to use that as a driveway. The gas station did not use it as a driveway behind the station. My encounters over the last four or five years with Rose's staff, I have never met the owners, but I have had a number of occasions to go over and complain at the office about workmen painting. One day last summer they filled my house with fumes of spray paint. When the shed went up they were spray painting in the shed without proper ventilation or masks or whatnot. As recently as yesterday they had cars parked in front of my residence. When I came out at 2:30 in the afternoon they apologized for having them there and moved them quickly. Some of the staff is very pleasant to me. Some of the staff is very rude to me. In general I view them as being hostile to all of the neighbors. I do not have good relationships with Rose Import staff. They tolerate me and try and keep me pacified but I could not ever say they were friendly towards me. I would like the lot turned back into a driveway and not used to park cars on. The cars that are parked back there are there for a long, long period of time. They are not quick sales. They are cars that are not well attended to. There are weeds growing up among them. The building that was put on the lot is still on the lot. It has been dismantled and is up next to the fence on Perkins. I am afraid that it is going to be put back up again. Thank you.

Ojan Ghauimi, 1605 Solano Ave, Vallejo: The problem that we were having is that we put the shed up because the people were not happy if we wanted to take a dent out or something. Every lot in this town has these sheds. Everyone of them is without permits. If I did it wrong everyone else did wrong too. We removed the shed. This gentleman here, *points at Rev. Northrip*, came in one day in street clothes and

Vallejo Planning Commission Minutes
December 18, 2006

told us we should not be in the business and should get out of here that we had no license. 21 years ago we got a license properly. Someone checked it out and said we have the license. We pay \$2000+ for our license fee each year. Every quarter we pay \$300,000 sales tax. We have 22 employees. Some of the cars they see parked belong to the employees. The employees have to park. They don't commute together or take the bus. They have to park somewhere. We cannot park in the courthouse because that is 1 hour parking. The only thing we can do is park in the street. If people have a problem we gladly move the cars. Do we have cars in the street, sure. It is a business there. We have to move the cars around. We cannot just tell the customers to go home. The majority of the parking problems are the employee's cars. If there is a solution for that I would be glad to do it for you. *Mr. Ghaumi referred to a display that showed the area that referred to the driveway and the area where they fence was originally supposed to go. I do not know where the driveway goes. Maybe it goes to Heaven but it does not go through. He also referred to the display to show where 1615 and 1515 were located. When we purchased the property I did not even know there were three parcels. We never saw the fence. When I came to Vallejo there was nothing there but Chrysler. The dealership is not the issue. The issue is the driveway. The cars are sitting there. They do not bother anyone. There is a lot. If you want me to build a building give me permission. I will build a house on it. I have no problem I have the money to back it up. If parking the cars there is illegal then what is the property good for? If someone tells me I would be glad to do it. Thank you.*

Chairperson Legalos: One of the remarkable things is that in the photo you showed us you have very orderly rows of vehicles. You can see that any of those vehicles could be accessed easily. The current status of the lot is that the entire lot is jammed with vehicles. It is hard to imagine taking less than ½ hour to get at some of them. Have you considered looking for a larger area? Perhaps your business has been so successful and grown so much that you have actually outgrown the facility.

Ojan Ghaumi: I do not know where the location of a facility that is available is. I can't afford it. The amount of money at a new facility would be much more.

Chairperson Legalos: There is a lot of commercially zoned land available in the City.

Ojan Ghaumi: Do I have to look at that possibility?

Chairperson Legalos: No.

Ojan Ghaumi: If the City was willing to give me 3 or 4 million dollars I would gladly borrow the money and go and build it. I have no problem with that. To answer your question I cannot afford it.

Buck Kamphausen, 200 Rollingwood Dr, Vallejo: I have been involved in commercial property in Vallejo and I am also in the automobile business along with the funeral and cemetery business. I would be quite surprised if the same thing happened to me that happened to this gentleman. When you are trying to produce income in a City that does not have too much income. When a gentleman such as you tells someone to go get a bigger lot, with the prices of real estate in this town, I don't believe any small business could exist in this town. It seems shameful to me to have a Commission telling an individual like this that is producing. He has too lots in this town and I like to see businesses come into this town. I want to see this town change and be much better than what it is with vocational training and everything else. To see this kind of thing happen. I would just forget it and grandfather him in. He has a right to do business in this town. Thank you.

Vallejo Planning Commission Minutes
December 18, 2006

Chairperson Legalos closed the Public Hearing.

Commissioner McConnell: What would the purpose of the fence fulfill?

Marcus Adams: I think it establishes a buffer between a commercial use, the intensity of the commercial use, and the residential use. When you read through the minutes which I have attached and you look at the site plan and you see that for them to even allow a commercial use on a residentially zoned property the fence was supposed to be there to separate those uses so you would not have these incompatible uses. There are not only the cars but there are lights that glow into the windows at night. It just serves as a divider.

Commissioner McConnell: And is it staff's position that the only way that some of the problems that staff sees and the public has addressed is to make this business subject to the obtaining of a use permit where conditions can be placed on it.

Marcus Adams: That is correct. That is exactly right. That is the purpose of a use permit so that some of the issues we have heard tonight can be addressed. It is hard for staff to apply those until a complaint comes in. Without the use permit and those conditions staff's hands are pretty much tied unless there is a public health situation or a gross violation of some kind.

Commissioner McConnell: What kind of records did you find when you searched the City records back to 1950 and 1970 in the Planning Division?

Marcus Adams: Within the Planning Division itself we have our card file. Also in our parcel books there is information about what types of businesses are there. Then there is the Polk Directory. That is where we were able to establish that there had or had not been a used car dealership there and when it was established on the three parcels. We also have unit investigations that we can look into sometimes. Lastly we have the business license records. Those do not go as far back as the 1950s and 1960s.

Commissioner McConnell: I understand that a business license, which is nothing more than a revenue earning measure for the City. Did staff attempt to research any records of the previously operating businesses at this location? Did you go back and see what you could find in a file or anything?

Marcus Adams: The Polk Directory told us what businesses were there for that time period. We searched for those businesses and those business names. That is about all we did.

Commissioner McConnell: Are there any files in the City that you can look into?

Marcus Adams: The only files related to the property that we could look into was the use permit that was issued in 1959, #546. If the proper permits were never obtained we would not have a file or record of them.

Commissioner McConnell: Were you able to contact any people involved in those businesses at the time to speak to?

Marcus Adams: No. I did not search for people that used to work at those companies.

Commissioner McConnell: Is it within the power of the Planning Division to waive or reduce use permit application fees?

Vallejo Planning Commission Minutes
December 18, 2006

Don Hazen: Staff does not really have that type of discretion. The City Code is adopted by City Council and they mandate that we follow those letters of the law. I think our feeling is that it is never too late to enforce an Ordinance particularly when we are dealing with neighborhood compatibility issues and most especially when there have been complaints by neighbors. If we discover we have a code violation we are really compelled to act on that. It never entered our thought whatsoever to waive that because it was brought to our attention, we have a, in our opinion, use that is not in compliance with the codes. To us it was a straight forward matter.

Commissioner McConnell: I understand staff's thinking on that. In your view the only way to reduce an applicant's application fee is by specific act of City Council?

Don Hazen: Well we really never got down to the discussion of the fee. Yes the fee schedule is set by Council. I presume the Council could waive that if someone wanted to petition the Council and say they had been here for 20 years and I think I am entitled to a waiver on the fee. We did not get down to that level of analysis to be honest with you.

Commissioner McConnell: I will ask the City Attorney if "Grandfathering" is an actual recognized legal principle that is enforceable. Now, Mr. Adams, there is a residential lot here. If this was a use permit, and I understand that it is not, but if it was, what would staff's position be on what could be placed into that residential lot?

Marcus Adams: My recommendation would be to rezone that and not have residential. Then you could have a commercial use on it. There is question as to whether residential is compatible with the General Plan. Then you could have the commercial use on lot 19. Lot 18 would need to have some type of a buffer. Maybe not all of lot 18 would need to be buffer. We recognize that the driveway is not needed now but there should be up to 20 feet between the residential use and the commercial application. That way we avoid the situation like we have now. If they want to leave it residential, the owner spoke of putting a house there. Staff would love it if they put a house there. That is what it is zoned for. That would be great.

Commissioner McConnell: If we were to approve a rezoning we would want to have the commercially owned property merged into one lot?

Marcus Adams: We would want to have lot 19 merged into lot 20.

Commissioner McConnell: I am assuming that we could provide for some screening through trees and things like that.

Marcus Adams: You would want to have screening and landscaping on lot 18.

Commissioner McConnell: And that would address the problems with light intrusion.

Marcus Adams: Light, yes.

Commissioner McConnell: For sound microphones could be programmed so as to go into the lots only.

Marcus Adams: Correct.

Commissioner McConnell: What about the number of employees that have to park in this area?

Vallejo Planning Commission Minutes
December 18, 2006

Marcus Adams: This is a case where I think the success has been too good. Normally with use permits we look into such things as employee parking. We ask that the parking does not affect the neighborhood. Somehow, somehow, Rose Imports would have to find a way to have the employee's park within the property there. People can park on City streets but part of the use permit is to lessen the impacts of that use on the neighborhood. That is something that would have to be looked into.

Commissioner McConnell: My office is not far from that neighborhood and there is a 2 hour restriction on parking in front of my office but I have never seen an officer attempt to enforce that in the years that I have been there. We can put conditions there but what good does it do us if we really do not have the ability to enforce them?

Marcus Adams: That is correct. The Traffic Engineer prefers that we handle these things on the front end rather than wait for a problem to come up and then you have limited parking. That is why you see so much limited parking areas in Vallejo.

Commissioner McConnell: In your knowledge of use car dealerships in the City of Vallejo has there ever been a restriction placed on the number of vehicles that could be placed on that lot?

Marcus Adams: Not the total number. Normally what we would do is have them demarcate the parking lots and that way we can keep a hold on the number of cars that would be there. To my knowledge we have never said you can only 70 cars there for sale but we have them demarcate the lot and then the Commission says that there can be no cars for sale within the identified stalls. That usually handles that situation and potential problem.

John Nagel: The first issue has to do with lot 18 and the fact that it is zoned residential. There is no way that you can grandfather in a use that is against the law. Zoning is an ordinance adopted by the City Council and Planning Commission setting all the different laws. There is no way that that lot could be grandfathered in or used for a commercial activity without a rezoning as the Commission has been told. As to the other lot in order for something to be grandfathered in what essentially has to happen is that the use has to be a legal use at the time and then the use has changed afterwards, therefore what it becomes is a legal non-conforming use. You have to look at what the situation was in 1970 because that is when the Ordinance changed. The allegation is that in 1968 it was a used car lot. What the records show is that there was no proof that in 1968 there was a used car lot there nor was there a use permit that would permit a use car lot to be there so therefore I cannot see how you can construct an argument that somehow now the lots 22 through 26 are somehow a legal non-conforming use because there was a legal use there prior to the requirement of a use permit for a car lot. People sometimes get confused about what the intent of a business license is. It is unfortunate that historically it has been referred to in terms of a license. In people's minds when they hear that they believe that is gives some measure of permission, permitting, or approval for the activity which the person is paying tax for. In reality it is simply a taxing mechanism in which the City receives a report from the owner when income is generated there and they pay a tax on that and therefore the Planning Commission missing that the underlying use was there would not grandfather them in because taxes were paid. Trying to look at the business license, the approvable uses that are there, and the zoning I just simply don't see how the use on lot 18 by itself or lots 22 through 26, that you could permit them to have a used car lot without a use permit for 22 through 26 and without a rezoning of lot 18 to CL and a use permit along with that rezoning. I can see where the Commission has no ability to construct an argument that would permit them to continue their use.

Vallejo Planning Commission Minutes
December 18, 2006

Commissioner McConnell: What about the potential estoppel argument where the applicant came to the Planning Division and the Planning Division signed off on this. Doesn't that raise potential estoppel?

John Nagel: No because the purpose of a business license is simply to collect the tax. I do not know of any cases where that alone would allow this to rise to the level of estoppel. You have to remember, the principle of equitable estoppel is such that the fairness, not the law, but the fairness of the facts would require that something happen other than what the law requires. An equitable estoppel against a government entity, the government has a little bit more advantage than a private individual. That is because the purpose of government is to protect the greater public and that is by having zoning laws. I think it would be very unlikely that a court would ever say that equitable estoppel would require the City to change its zoning of that lot. As to the use permit for lots 22 through 26 I think there would be a little more likelihood that a court might consider that. I think it would be improbable that a court would consider that because the purpose of a use permit is to address the issues that Marcus raised in terms of how one mitigates a use that is going to have a larger impact than is normally in the zoning. I don't see an equitable estoppel argument on any of the lots prevailing.

There was a lady in the audience that stood and started loudly stating information. Chairperson Legalos called out of order because the public hearing was closed and asked her to be seated which she did.

Commissioner McConnell: I think this is a situation that requires some negotiation between staff, the applicants, and the neighborhoods. Maybe more in the form of a mediation session rather than simply voting this up or down tonight. I would like to send it back for further discussion to see if some middle ground can be accomplished. Middle ground means that both sides need to give up more than they are willing to give up and get less than what they hoped for. That is the answer to resolve this neighborhood dispute here. Perhaps the lot is oversaturated with vehicles and that is causing some parking problems. Perhaps some of the noise and lighting problems can be addressed through screening. Perhaps we could have a neighborhood hotline where they could contact the office rather than having to come over physically. I think there are a lot of accommodations that can be considered. Until that attempt is made I think it is premature to go ahead and vote this up or down this evening. I would also like to suggest to staff that they explore the potentiality for finding a way, if not to waive, then to at least reduce the use permit application fee back to what it would have been at the time it should have been obtained. That only seems fair and equitable and just as well. Those are my thoughts on the process. I am looking forward to hearing others at this time.

Commissioner Manning: I think this whole thing is very unfortunate for both the owners and the neighbors. You did not go out there because of the use permit you went out there because there was a complaint from the neighbors. If they had a use permit what would you have done?

Marcus Adams: We would have addressed the complaint issues. In this case the major ones were using the building for something other than approved for; the parking; and lighting and noise. We would just have handled the complaint issues.

Commissioner Manning: How would you have addressed the building? Would you have cited them?

Marcus Adams: I am not going to respond to some of the characterizations that were made but normally what I would do is visit the site, see if the complaints were valid,

Vallejo Planning Commission Minutes
December 18, 2006

talk to a manager or property owner and let them know what the problem was. Staff really tries to avoid getting to the point where it has to come to the Planning Commission. If we can't work something out verbally when we are there we send a letter making a record of that. We call it a courtesy letter officially informing them of the complaint. We give them a certain amount of time to correct that. If that does not happen then we would send one more notice and possibly make some phone calls, then a citation happens. After a citation happens they can address the citation or appeal the citation. That is how I would have handled it and actually that is how this process worked. Staff definitely did try to work this out. They may disagree on how but there were phone calls and stuff. It is a confusing situation with the addresses. We wrote letters to explain that and we did try to come to a compromise on the situation.

Commissioner Manning: My impression is that the fence is actually perpendicular to Perkins. It was between the two lots on Solano. It was splitting them down the middle. When you look at it, it looks like on big lot when you go there now.

Marcus Adams: Right.

Commissioner Manning: The fence we were talking about was pretty much going down the middle of that lot where the gas station was towards the Perkins side. I don't understand how putting a fence there now would buffer the neighbors. I understood what you were saying about lot 18. Why would splitting the area they have for selling their cars help?

Marcus Adams: That would not be our first recommendation as far as putting the fence up. Our first preference would be to rezone it and to do some other things such as shrubbery. At a minimum the fence would then eliminate any possibility that the commercial use would start to drift on over to lot 18 from lot 19 and then next to that property. There needs to be some type of barrier to prevent us having to be back here in a few months or years down the road.

Commissioner Manning: Just going out there today, any indication that lot 18 was ever a residential zoning, it is hard to discern that, it is just like part of that big lot where the cars are there. The great irony to me is that if there had not been a complaint by the neighbors because of the spraying and paint and because of the building of the construction there we would not even know about this. It could have continued on for another 40 years without anyone knowing the right permits were not there and that it was not zoned properly.

Marcus Adams: I am not going to comment on that. I will comment on one thing to make clear that the business license, when it is just a renewal, does not come to the Planning Division to check the legality of the use. It usually goes through the mail. When a new business comes or it is a reestablishment or they are changing the use staff gets a chance to check that. Renewals are done through the mail.

Commissioner Manning: You are saying that because Rose Imports came in it was just a renewal. It was a new license they were applying for.

Marcus Adams: No, what I am saying is that the impression that maybe year after year the Planning Division got a chance to look at this and make determinations is not accurate because renewals are done through the mail.

Commissioner Manning: I do not know if it is appropriate but I just want to comment on having been a small business owner in this community and going down to get a business license I had to go to the Planning Division to get it OK'd. My assumption

Vallejo Planning Commission Minutes
December 18, 2006

would have been the same at these owners here; that they had done the right thing. The whole thing is unfortunate. I do not see what other recourse we have because it is not zoned appropriately for what they are using it for.

Don Hazen: I want to offer a couple of things in that regard as well. You might recall at your last meeting you dealt with an ice cream businessman that had a series of business license renewals for the last 20 years or so too. Because of complaints it was discovered that he did not have the necessary permits. Luckily for him he found another site. We also had the issue of the outdoor storage that was brought to our attention from the adjacent use who was an adult day care type use. This seems to be a consistent pattern that maybe we need to look at how we renew business licenses but we are in the position, and I know you are not suggesting it to be selective, but it seem ironic that we are dealing with that tonight and you have had two such projects at your previous meetings as well. I think at those two meetings you address this by going in and applying the regulations that we have to enforce. It is painful. I recognize that.

Commissioner Peterman: At one point the appellant said that the same address applies to all three parcels. Is that true?

Marcus Adams: Not according to our records. The County records show lots 22 – 26 being 1605 Solano and then the rest of that being along Tuolumne there. 1615 is lots 19 & 20 front Solano and Perkins and the parcel with the parcel number fronts Perkins. At no time has it been one parcel or one address.

Commissioner Peterman: So is the residential parcel has the 1515 Solano address.

Marcus Adams: That is the one that Katherine pointed out is the address of the cabinet shop down the street. That is why we voided that citation and is why we refer to that as the parcel number instead of that site address. That site address does not even face Perkins. The County handles the addresses through a third party, MetroScan. The parcel number has been consistent as far as that parcel on Perkins since we have been keeping records of parcel numbers.

Commissioner Peterman: I still do not understand if it faces Perkins why it does not have a Perkins address. I certainly agree that if I had started a business 30 some years ago and went through all the hoops that I thought I had to and someone told me sorry Charlie you are out of luck I would be quite annoyed too. You are saying that the fence should be between 18 & 19 correct?

Marcus Adams: Correct.

Commissioner Peterman: That would be a small parcel then that would really be of little use to them. Would there be some way to make the fence closer to the existing fence? Or could they plant some vegetation closer to the existing fence so they would have use of that property?

Marcus Adams: I think that is something we would entertain with a new use permit application. We would have to use the appropriate buffer between the residential and commercial uses. Do we need a 30 foot buffer, probably not but do we need more than 2 feet, I would think so. That would have to be negotiated.

Commissioner Peterman: I just wanted to say the I think having 15 feet would be more than is actually necessary for that kind of buffer between the residential and the commercial. When they talk about how much revenue they bring into the City, Heaven knows we need that. I would hate for that to discontinue. Thank you.

Vallejo Planning Commission Minutes
December 18, 2006

Commissioner Turley: I am a little bit disappointed that this project is even being brought before us. Here is a business that has been in business for more than 30 years and all of a sudden a bunch of new people come along and say there is a problem there. Well, maybe there is a little problem there. I even mentioned the Rose Import cars in the street. But really that is no big deal. I am concerned about the maintenance building meeting code compliance especially in the painting area. I would hope that that is Fire Department approved and also has adequate ventilation so the fumes do not bother the neighbors. I really believe that this project should be grandfathered in with no additional fees. I think \$4000 had been mentioned. For some of the small businesses it is a big deal. There is a saying that might fit here very nicely, "If it ain't broke, don't fix it." It might be bent a little bit but I do not believe it is really broke. I would also favor postponing this project for further discussion and consideration. Perhaps mediation would be appropriate. No way do I want to go on record of trying to drive a small business out of town that produces more than a million dollars to the City tax coffers. Thank you.

Commissioner McConnell: We have a situation here that has to be resolved. The applicant has a problem in that if they ever want to sell this property they now have a cloud on their title. That could cause substantial delay in the ability pass clear title. This matter has to be resolved. I am going to offer a motion to continue this so that the matter can be studied further by staff and the applicant because this has to get finished. Waiving the fee, fencing, combining the lots, screening; these things are not going to resolve the problem that this application presents this evening. With that thought in mind I am going to move that this matter be continued to the January 15, 2007 meeting. Before that time I would hope that the applicant, the owners and staff would meet and make some adjustments so that this can be worked out.

Commissioner Peterman: I would wonder if that would give them enough time to sit down and negotiate. I think we should put it a little further out.

Commissioner McConnell: That is fine. I am open to any dates that everyone is agreeable with.

Commissioner Peterman: I would like to amend it to the first meeting in February, which would be the 5th.

Commissioner McConnell: I accept that.

Commissioner Manning: If we send this back to the Planning Division what would they come back to us with? The owners still have to rectify this.

Don Hazen: I guess I understand what the Commission would like to see happen. I am sure we can work those things out but I would have to defer to our City Attorney as far as the legal avenue we would have to take to get to this mutually acceptable solution.

John Nagel: Essentially what staff would have to do is to reevaluate their initial analysis and determine that they were inaccurate or wrong as to lots 22 – 26 to see whether or not a use permit is needed or not. As to lot 18 it is zoned residential and it has a use permit on it that is not to sell cars it was to be a driveway for another business. I do not know how staff could get around that issue to say OK we are going to give a use permit for something on residential property that is not allowed. It is very awkward. If the issue were simply a use permit needed to be obtained and the property owner did not want to pay the fees they could petition City Council and possibly the fees could be waived because of the historical presence of the property owners on the site. In the best of all worlds that may indeed be the best way of

finding middle ground as to lot 22 – 26. Lot 18 is much more difficult because it is zoned residential. At this point staff is not even certain that they could make the finding to change it from residential to commercial because of the General Plan. If that finding cannot be made there is no legal basis for even changing the zoning. Too assume the worst and that analysis is correct then I am not sure anything could be done for lot 18. The other lots could obtain a use permit and petition the City Council to waive the fees. There is also no certainty that the City Council would be willing to do that.

Don Hazen: From a policy standpoint I look at the number of applications we talked about at the last meeting and another one tonight and from a policy standpoint I do not like the idea of retroactively going after people and saying you did not apply for a use permit 20 years ago. I am very troubled by that and I think in the end what we are looking for is getting to whatever those issues were that prompted people to wait many years to bring it to the City's attention which usually means it is at a breaking point where patience have run out. I would like for staff to really emphasize on working out solutions. If there is a complete failure on negotiations between the two parties we would come to you as a last resort. From a policy standpoint I do not believe we need to be so quick to delve into our file cabinet and look at what paperwork we have on file. I would like to see us spend more time putting the parties together and working out the issues. I do not mean to say that staff had not done their job and followed the letter of the law. Sometimes the law is very painful and in the end all we are looking for is just to make all the parties be satisfied and co-exist. I am confident that we can do that in the future and I hope that we don't have to bring these sort of matters to you on a consistent basis unless all else fails.

Commissioner Turley: Here is another point. Commissioner McConnell said that there is a cloud on the title. I am familiar with what that term means. He also pointed out that should you want to sell this property you would have to get the cloud removed before you could transfer title. If I owned that property and there was a cloud on it and I had no plans on selling it I would just let it ride. Then if 20 years from now I decided to sell the property I knew there was a cloud on it. Then about a year before I would sell it I would proceed in clearing the title. Thank you.

ASYES: McConnell, Morris, Turley, Peterman
NOS: Legalos.
ABSENT: Engelman, Salvadori.

Motion carries.

- 2. Use Permit 06-0039** is an application for additions to the chapel and administrative areas of Skyview Memorial Cemetery located at 200 Rollingwood.
Proposed CEQA Action: Exempt.

Staff recommends **approval** based on the findings and conditions in the staff report.

Buck Kamphause, 200 Rollingwood Dr, Vallejo:

- 3. Tentative Map 06-0002** is an application for the conversion of 54 units into condos located at 301 Fairgrounds Drive. Proposed CEQA Action: Exempt.

Staff recommends **approval** based on the findings and conditions in the staff report.

- 4. Code Text Amendment 06-0004** is a revision of Chapter 16.70 of the VMC-Screening and Landscaping Regulations.

Vallejo Planning Commission Minutes
December 18, 2006

Continued to the meeting of February 5, 2007.

L. OTHER ITEMS

None.

M. WRITTEN COMMUNICATIONS

None.

N. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 8:51 P.M.

Respectfully submitted,

A handwritten signature in cursive script that reads "Debra Marshall".

(for) DON HAZEN, Secretary



STAFF REPORT

CITY OF VALLEJO PLANNING COMMISSION

Date of Hearing: December 18, 2006 Agenda Item: K1

Application Number: Use Permit #546A (appeal) as governed by Section 16.102.030 of the Vallejo Municipal Code (V.M.C.)

Recommendation: Recommend DENIAL of appeal of Use Permit #546A and ACCEPTANCE of staff determination that the use being conducted at 1605 Solano Avenue requires conditional use permit approval and that the use occurring at Lot 18 of assessors parcel number 0057-182-020 is in violation of conditions of approval associated with Use Permit #546 based upon the findings contained in this staff report.

1. PROJECT DESCRIPTION: The applicant is appealing a Planning Division staff determination that Rose Import Motors is operating a used car dealership located at, 1605 Solano Avenue, and never received a conditional use permit to operate. Also being appealed is staff's determination that the conditions of Use Permit #546 are being violated by the parking of used cars for the same dealership on Lot 18 of Assessor's Parcel Number (APN) 0057-182-020, which abuts a residential property (see Attachment A).

The appellant believes that a used car dealership was previously established at 1605 Solano Avenue before their tenure and that their use should be grandfathered in. The appellant also believes that due to the length of time used cars have been displayed on Lot 18 (Assessor's Parcel Number 0057-182-020), and Rose Imports having received a business license from the City to operate, they should not have to get a use permit to continue to display cars.

2. LOCATIONS: 1) 1605 Solano Avenue APN: 0057-182-150
2) Perkins @ Solano APN: 0057-182-020 (lot 18)

3. APPLICANT: Kathryn & Ojan Ghavimi
508 Atkins Court
Benicia, CA 94510

4. PROPERTY OWNER: Kathryn & Ojan Ghavimi

5. EXISTING LAND USE:

1) The property is currently occupied by vehicles displayed for the purpose of used retail sales; an office building; and a building being used for vehicle maintenance and cleaning.

2) Assessors parcel number 0057-182-020, lot 18 is occupied by vehicles displayed for the purpose of used retail sales

6. SURROUNDING LAND USES:

1) 1605 Solano Avenue is encompassed by adjoining used car sales to the east, commercial uses to the north and west and residential use to the south.

2) Lot 18 is encompassed by adjoining used car sales to the north and west and residential uses to the east and south.

7. CONFORMANCE WITH ZONING REGULATIONS:

1) 1605 Solano Avenue is zoned Linear Commercial (CL). Automotive and equipment sales are permitted with conditional use permit approval, per Section 16.22.040(B)(3)VMC

2) Lot 18 (APN 0057-182-020) is zoned Low Density Residential, (LDR). Automotive and equipment sales are not permitted within LDR zoning districts.

8. NOTICING AND PUBLIC COMMENTS: Notice of the appeal was sent to: property owners within 500 feet of the subject property and the applicant on December 6, 2006. As of the date of this report, staff received one phone inquiry related to the notice. The property owner wanted to know why she was sent a notice when she doesn't live near Rose Imports. Staff explained to her that since she owned a rental property with 500' of Rose Imports, she was notified of the public hearing. The property owner requested that no notices be sent to her in the future.

9. ENFORCEMENT CASE HISTORY: On July 25th and November 8, 2001, Planning Division staff sent letters to Rose Imports informing them that complaint's had been received (and confirmed) from neighbors stating that Rose Imports was parking their vehicles on city streets. The parking of used cars on city streets eventually stopped.

On August 2, 2006, a neighboring property owner of Rose Imports came into the Planning Department to file the following complaints regarding Rose's operation: 1) an accessory structure, i.e. temporary metal carport, had been erected at the property line of assessors parcel number 0057-182-020 (lot 18) and that light body work, painting, and auto storage was occurring within the structure; 2) Lot 18, which was

never intended to be used as a parking lot for used cars, was in fact being used as a used car display area which was a violation of a use permit granted many years ago (UP #546); 3) Rose Imports never got the proper permits to operate their business at their location since she had never received a notice from the City informing her and her neighbors of their proposed use.

On August 7, 2006, staff conducted a site visit to Rose Imports in order to verify the complaint received. Upon inspection, staff did observe the accessory structure located on Lot 18 as well as used car sale display being conducted at the lot and at 1605 and 1615 Solano Avenue. Staff sent the owners of Rose Imports, Mr. & Mrs. Ghavimi, a letter informing them of the zoning ordinance and use permit violations occurring at their location with a deadline to comply or instructions on how to appeal staff's determination (see Attachment B).

On August 18, 2006, the case was turned over to Code Enforcement for administrative citations with three citations being issued on August 25, 2006, (see Attachment C).

On November 1, 2006, Kathryn Ghavimi filed an appeal to the Planning Commission of staff's determination that a use permit is required for used auto sales occurring at 1605 Solano Avenue and that the used car sale display occurring at Lot 18 is a violation of Use Permit #546 (see Attachment G).

10. ADMINISTRATIVE CITATION EVIDENCE:

Staff's determination that land use violations are occurring at the two Rose Import properties were based on the following:

Appeal Issue #1- 1605 Solano Avenue

Based on **Polk Directory records**¹, two tire companies were located at 1605 Solano Avenue from 1957 to 1971 (copies of Polk records available at Planning Division office). Starting in 1970, used car sales required a conditional use permit, per the **Vallejo Zoning Ordinance**. The Planning Division has no record of a use permit for used auto sales at 1605 Solano Avenue ever being issued. Staff has found the Polk Directories to be the most accurate way of determining land uses at properties when the use was established prior to the City keeping business license records (approximately, 1965).

Appeal Issue #2- APN #0057-182-150, Lot 18

In 1959, **Use Permit #545** was approved by the Planning Commission to allow a

¹ R.L. Polk & Company are a private firm who as part of the Association of North American Directory Publishers, produce national Directories for cities which include a complete inventory of residents and businesses in the community for which it is published. They are highly regarded by Planning Departments' country wide as a reliable, accurate source of information.

service station to operate at the site, lots 18 and 19 (see Attachment H). Specific conditions were placed on lot 18 that the lot not allow "parking of trucks or other commercial vehicles on the property and that there shall be no creation of odors, smoke, or noise thereon, and that there shall be no further illumination of the property which would constitute a nuisance to adjoining properties." The site plan approved as part of the use permit illustrated a 6' board fence to separate lots 18 and 19. According to neighborhood testimony, the fence was installed.

Because use permits run with the property and not with the use, and based on the fact that the Planning Division has no record of a new use permit being issued for the lot in question allowing used car sale display, staff determined that the used auto sale display on lot 18 was a violation of the conditions of Use Permit #545.

11. STAFF RECOMMENDATION:

Appeal Issue #1: Used car sales/display being operated at 1605 Solano Avenue without required conditional use permit approval.

As detailed in staff's letters to Rose Imports dated August 7th, September 12th, and October 19th staff's research indicates that M & M Tire Company was located at the subject property from 1957-1965, and that Golden State Tire Company was located there from 1968-1971. Staff concurs with the Ghavimi's that Vallejo Chrysler Plymouth established a dealership at 1605 Solano Avenue; however, records indicate the dealership was established in 1972, two years after use permits were required for used car sales in the City. Because the used car sale use was never "legally established" staff does not consider it eligible to be grandfathered in and believes for the use to be legally conforming, a conditional use permit must be granted. As of the date of this report, the appellants have not provided any evidence supporting a claim that used car sales were established at 1605 Solano Avenue prior to 1970.

Based upon staff's research and findings staff recommends the Planning Commission **DENY** the appellants appeal and **AFFIRM** the Planning Division's determination that the used auto sales occurring at 1605 Solano Avenue require use permit approval, as stated in Section 16.22.040(B)(3) of the Vallejo Municipal Code. The appellant shall submit a use permit application, including a detailed site plan illustrating all structures, driveways, and demarcated auto display spaces within thirty days of the Commission's decision. Failure to submit the use permit application and associated plans within the thirty day period shall result in immediate administrative citations.

Appeal Issue #2: Used cars sales/display occurring at assessors parcel number 0057-182-150 Lot 18 are in violation of Use Permit #545 which allowed a commercial driveway to be established on Lot 18 with the conditions that there shall be no parking of trucks or other commercial vehicles on the property and that there shall be no creation of odors, smoke, or noise thereon, and that there shall be no further illumination of the property which would constitute a nuisance to adjoining properties.

Staff believes it is very clear that the use permit issued in 1959 to establish a service station at assessors parcel number 0057-182-150 took into account the residential zoning of the property and its abutting residential property with the conditions applied to the permit and the allowed use for Lots 18 and 19. This is borne out by the approved plans for the service station which although hard to identify, detail clearly enough a six foot board fence separating lot 19 and 18, with lot 18 to be used only as a commercial driveway. Though the Ghavimi's state that the previous property owner, Ron Barber, does not remember a driveway use or fence being located at lot 18, staff conversation with neighbors, including the abutting neighbor of lot 18, who has resided at her property for over 50 years, indicate otherwise.

It is staff's belief that whether the fence was removed before the Barber's and Ghavimi's owned the property or not, the purpose of a fence being approved and at one time, installed, was to clearly separate a commercial use on a residentially zoned property from a single family home abutting the use. Staff believes this issue goes to the very fundamental basis for zoning regulations: to promote the health, safety, and general welfare of the public, while protecting their property rights.

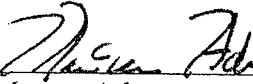
The Ghavimi's question/statement of "why should we now need to get a use permit when according to Mr. Adams the city failed to obtain one (a use permit) after almost 30 years" (see November 20th appeal letter) infers that because the City has not required a use permit for the activity taking place at lot 18 for over 25 or 30 years, the non-permitted use should be allowed to continue, despite any negative impacts on neighbors.

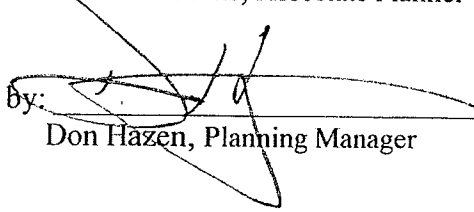
Staff has repeatedly explained to the Ghavimi's that these issues regarding the uses on their lot only came to the Planning Division's attention when the complaint was filed (August 2006) and upon receiving the complaint, staff took immediate action. It should be kept in mind that though the Planning Division does make all attempts to check the legality of uses at properties before signing off on business licenses, for the most part, when a business has been established at a particular location, especially for years, staff signs off when a new owner or name change is taking place and does not do a extensive historical land use review of the site. It should also be noted that the business license application for commercial uses are only a "tax" not a permit to operate according to the City Attorney's Office.

Based on these facts, and the fact that as of the date of this report, the appellants have not provided staff with any documented evidence to support a finding that a used car lot was ever legally established on lot 18 of assessor parcel number 0057-182-020, staff recommends the Planning Commission **DENY** the appellants appeal and **AFFIRM** the Planning Division's determination that the used car display and parking at lot 18 of assessor parcel number 0057-182-020 is in violation of Use Permit #546 and should be abated, with a six foot board fence placed at the property line between lot 19 and 18, as identified in the associated plans within thirty days of the Commission's decision. Failure to abate the violation and install the fence within the

thirty day period shall result in immediate administrative citations.

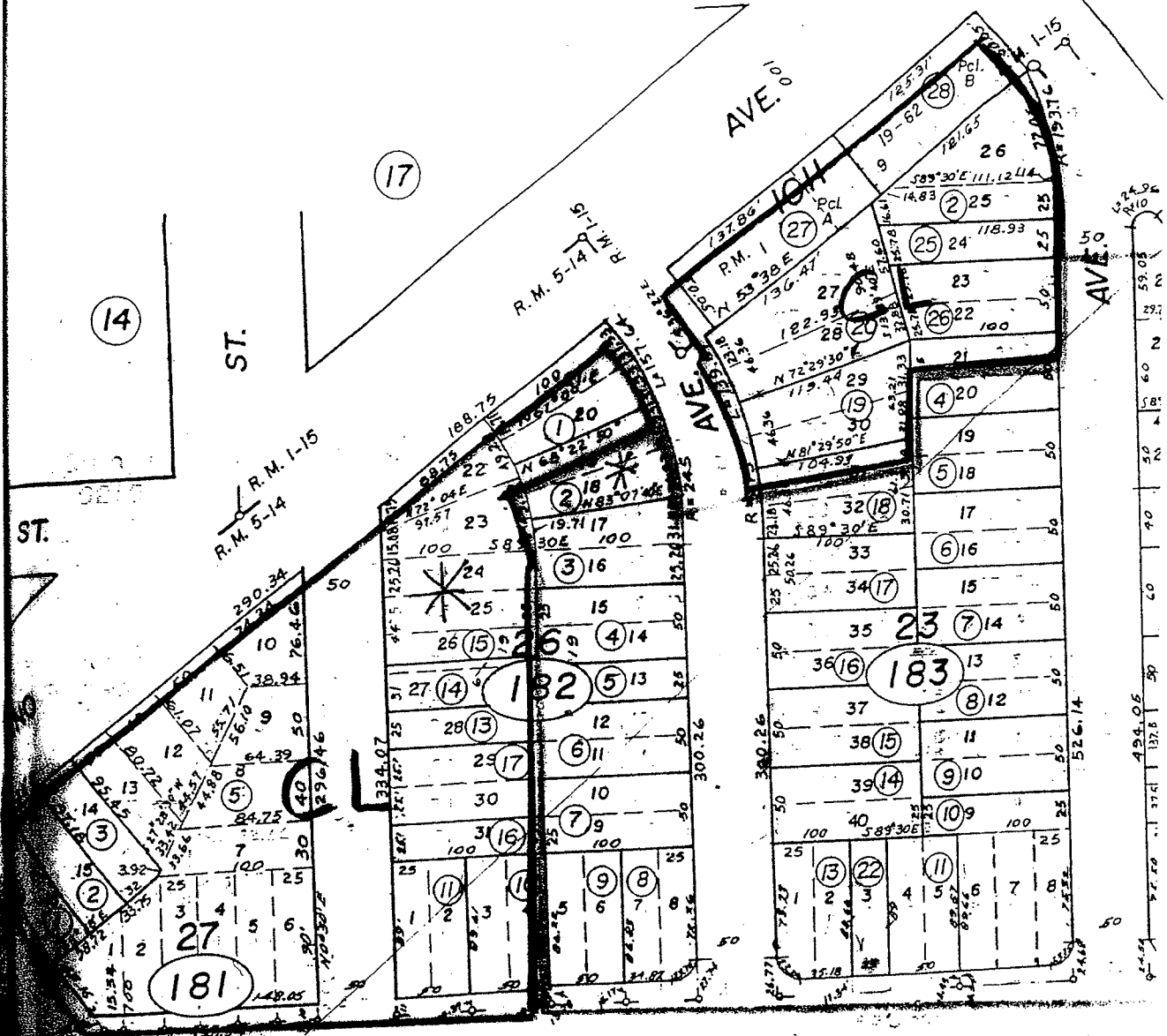
The applicant or any party adversely affected by a decision of the Planning Commission may appeal the decision by filing an appeal to the City Council. Such appeal must be filed in writing with the Secretary of the Planning Division within ten calendar days after the Planning Commission's action. The Council may affirm, reverse, or modify any decision of the Planning Commission that is appealed.

Prepared by: 
Marcus Adams, Associate Planner

Reviewed by: 
Don Hazen, Planning Manager

- Attachment A: Parcel map identifying subject lots
- Attachment B: August 7, 2006 Planning Division letter sent to Rose Imports
- Attachment C: Administrative citations
- Attachment D: September 1, 2006 letter from the Ghavimi's
- Attachment E: September 12, 2006 letter to the Ghavimi's
- Attachment F: October 19, 2006 letter to Kathryn Ghavimi
- Attachment G: November 1, 2006 appeal application & November 20th appeal statement letter
- Attachment H: Use Permit #546 and associated plans/documents
- Attachment I: 1969, 1970 zoning ordinance standards
- Attachment J: Site pictures
- Attachment K: Conflict of Interest Map

J:\PL\Marcus\2006permits\appeals\roseimports\staffreport



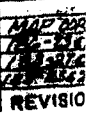
GEORGIA

WALLACE

TUOLUMNE

PERKINS

GLEASON



CITY OF VALLEJO

Development Services Department

ATTACHMENT: B



Planning Division
707-648-4326
707-552-0163 Fax

Building Division
707-648-4374
707-552-0163 Fax

Code Enforcement Division
707-648-4469
707-649-3540 Fax

555 SANTA CLARA STREET • P.O. BOX 3056 • VALLEJO • CA • 94590-5934

August 7, 2006

Kathryn & Ojan Ghavimi
508 Atkins Court
Benicia, CA 94510

SUBJECT: Use Permit #546-violation of commercial driveway use conditions @ 1515 Solano Avenue & potential current use violation, Used Auto Sales w/o required Use Permit: 1605, 1615 Solano Avenue, APN 0057-182-150

Dear Mr. & Mrs. Ghavimi,

The Planning Division has received an anonymous complaint that the property located at 1515 Solano Avenue is being used in violation of the use originally approved in 1959 which was for a commercial driveway. As I attempted to explain to you and your husband Ojan on Monday August 7th, the properties, 1605 & 1615 Solano Avenue, where Rose Imports operates were originally developed with a service station. Because the adjacent lot, in question (1515 Solano Avenue) was (and still is) zoned for residential use, the owner, Mr. Warren J. Miller, applied for, and was granted, a use permit (#546, enclosed) to use the lot for the sole purpose of a commercial driveway, with the following conditions: 1) no parking of trucks or other commercial vehicles on the property; 2) that use of the property create no odors, smoke, or noise; and 3) no further illumination which would constitute a nuisance to adjoining properties occur. As of the date of this letter, the lot in question, 1515 Solano Avenue, was not being used per Use Permit #546 conditions and purpose, and in fact, now contains a structure which abuts the neighboring property line, blocking a window (see enclosed picture) and used cars for sale.

Upon researching the history of this parcel and 1605/1615 Solano Ave., where Rose Imports displays their vehicles, it was discovered that the building permit to demolish the service station was issued in 1976 (copy enclosed), but that a "use permit" for used auto sales was never issued, according to Planning Division records. Use permits for used auto sales at the site of Rose Imports have been required by the City of Vallejo since 1970. According to long time neighborhood residents, used car sales did not occur at 1605/1615 Solano Ave. prior to 1970. The Building Division permit records show that the earliest a building permit was granted for any used auto sale use at the site was March 9, 1988 by Blanca Motors. Business license records indicate 1981 as the earliest record of auto sales at the property, Rose Imports.

To avoid an administrative citation of \$200.00 or more per cite, and possible revocation or suspension of Use Permit #546, please do one of the following by **August 17, 2006:**

1. Remove the steel canopy structure and all vehicles from property located at 1515 Solano Avenue and use the property only as a commercial driveway OR apply for a lot line adjustment and zoning map amendment changing the zoning of the parcel to a commercial use (linear commercial) and merge the parcel with your parcels at 1605/1615 Solano Avenue; and,
2. Provide evidence of a use permit granted by the Planning Commission for used auto sales at 1605/1615 Solano Avenue OR if no evidence is available (no evidence of use permit was found within City records) apply for a Use Permit to legalize the current used car sales occurring at the property.

Judging from you and your husband's verbal responses made to me during my site visit, I presume you will want to appeal any enforcement action related to the violations cited in this letter. In order for you to appeal the Planning Division's determination and/or code enforcement citations, one of two actions need to occur:

1. You refuse to apply for the required use permit to legalize used car sales by the above date and refuse to remove the structure and cars from 1515 Solano Avenue, in which case, you will receive an administrative citation, which may be appealed to the Planning Commission; or,
2. You remove the structure and cars from 1515 Solano Avenue, avoiding a \$200 administrative citation, but appeal the Planning Division's determination that a use permit is required for auto sales at 1605/1615 Solano Ave. to the Planning Commission, who will then determine the future use of the residentially zoned 1515 Solano Avenue and whether you need to apply for a use permit to continue used car sales

Sincerely,



Marcus Adams
Associate Planner

Cc: Rose Imports

• Ella Mae Lofton, Code Enforcement Officer- South Division

Citation #: 06-1262A

CASE #CE06-1262

Administrative Citation

1st Citation 2nd Citation 3rd Citation 4th Citation 5th Citation

PERSON CITED:

GHAVIMI OJAN & KATHRYN JT

VIOLATION ADDRESS

1605 SOLANO AVENUE

PARCEL#

0057182150

MAILING ADDRESS

508 ATKINS CT BENICIA CA 94510

An administrative fine in the amount stated below is now being imposed. To avoid **additional citations** please correct this code violation by **9/3/2006**. Other enforcement action may result if compliance is not achieved by the third citation.

Municipal Code Section Violated	Fine Amount	VIOLATION DESCRIPTION:
16.22.040	\$200.00	Requires a Major Use Permit for used auto sales.
Total fine amount	\$200.00	<i>(see reverse side for payment and appeal instructions)</i>

Municipal Code Section Violated	CORRECTIONS REQUIRED
16.22.040	Please apply for a Major Use Permit, or provide evidence of major use permit or that used cars sells established on the lots prior to 1970. If you have any questions, please contact Marcus Adams in Planning Division at 648-5392.

Date and time violation was observed: 8/23/06

Citation Date: 8/24/2006

Issuing Officer: Dong M. Yoo

Signature: 

Citing Department (Division): Code Enforcement Division

Phone Number: (707) 648-4469

Department Address: Code Enforcement Division, 555 Santa Clara St. 2nd floor, Vallejo, CA

READ REVERSE SIDE FOR IMPORTANT APPEAL INFORMATION

CASE #CE06-1264

Administrative Citation

1st Citation [checked] 2nd Citation [] 3rd Citation [] 4th Citation [] 5th Citation []

PERSON CITED:

GHAVIMI OJAN & KATHRYN JT

VIOLATION ADDRESS

1515 SOLANO AVENUE

PARCEL#

0057-182-020

MAILING ADDRESS

508 ATKINS CT BENICIA CA 94510

An administrative fine in the amount stated below is now being imposed. To avoid additional citations please correct this code violation by 9/3/2006. Other enforcement action may result if compliance is not achieved by the third citation.

Table with columns: Municipal Code Section Violated, Fine Amount, VIOLATION DESCRIPTION. Includes entry for Use permit #546 with a \$200.00 fine and a total fine amount of \$200.00.

Table with columns: Municipal Code Section Violated, CORRECTIONS REQUIRED. Includes instruction: Please remove the cars and structure(s) from this parcel. If you have any questions, please contact Marcus Adams at 648-5392 in Planning Division.

Date and time violation was observed: 8/23/06

Citation Date: 8/24/2006

Issuing Officer: Dong M. Yoo

Signature: [Handwritten Signature]

Citing Department / Division: Code Enforcement Division

Phone Number: (707) 648-4469

Department Address: Code Enforcement Division, 555 Santa Clara St. 2nd floor, Vallejo, CA

READ REVERSE SIDE FOR IMPORTANT APPEAL INFORMATION

September 1, 2006

City of Vallejo
Planning Division
555 Santa Clara St
Vallejo, CA
94590

RE: citation CE06-1264

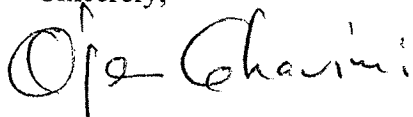
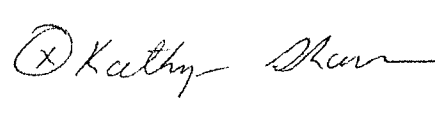
Mr. Marcus Adams,

In your letter dated August 7, 2006 you requested that we remove the shed and vehicles located on 1515 Solano Avenue but unfortunately Northbay Cabinet Shop is located at 1515 Solano Avenue. Since that time we have found out that the shed is actually located on back area of our lot and it is scheduled to be removed on Friday September 8, 2006 as there seems to have been an "anonymous complaint" as to its location.

You also stated that the use permit issued for that location does not allow for trucks or commercial vehicles to be parked on it. There were no trucks or commercial vehicles parked there. They were all cars and SUVs. Perhaps the City Planning Department needs to work with us, instead of against us, on the problem so it can be corrected.

Please contact us what you suggest be done as soon as possible.

Sincerely,

Ojan and Kathryn Ghavimi

CITY OF VALLEJO

Development Services Department

Attachment E



Planning Division
707-648-4326
707-552-0163 Fax

Building Division
707-648-4374
707-552-0163 Fax

Code Enforcement Division
707-648-4469
707-649-3540 Fax

555 SANTA CLARA STREET • P.O. BOX 3056 • VALLEJO • CA • 94590-5934

September 12, 2006

Kathryn & Ojan Ghavimi
508 Atkins Court
Benicia, CA 94510

SUBJECT: Administrative Citations- CE06-1262, CE06-1263, CE06-1264, Rose Imports

Dear Mr. & Mrs. Ghavimi,

The Planning Division is in receipt of your letter dated September 1, 2006 and after further investigation, has the following comments and determinations:

Ghavimi statement (*paraphrased*):

Based on Polk Directory records of an auto dealership being located at 1615 and 1515 Solano Ave. in 1968, and a tire company located at 1605 Solano Ave., this is enough proof that used car sales were established at the three properties prior to 1970.

Planning Division response:

A review of the Development Services Division Polk Directories indicated the following:

-1515 Solano Avenue

Though now recognized by the Solano County Recorder Office as being located at Assessor Parcel Number 0057-182-020, lots 18 and 19 of Block 182 near the intersection of Solano and Perkins Ave., was originally located near the intersection of Solano Ave. and Wallace Street, currently occupied by North Bay Cabinets as you state in your other September 1st letter. That 1515 Solano Avenue location (Solano and Wallace) hosted an automobile dealership as early as 1957 until 1998. The current 1515 Solano Avenue as recognized by the County, which to avoid any further confusion, will now be recognized as APN #0057-182-020 (lots 18 and 19) was not recognized in the Polk Directories and has always been vacant according to Polk and long time residents.

In 1959, Use Permit #546 was approved by the Planning Commission for a service station at Solano and Perkins Avenue. The address stated on the Notice of Hearing and on the Resolution was 1615 Solano Avenue. Both documents state the use permit would allow a commercial driveway to be established on property at Lot 18, Block 26, Vallejo Annex Subdivision. This Lot 18 is the same Lot 18 identified today as APN #0057-182-020 (lot 18). The site plan approved for this Use Permit illustrates a 6' fence separating

the proposed service station and residentially zoned Lot 18. The service station was located at 1615 Solano until 1967. In 1968, Kardon Motors used 1615 Solano for a used car lot, then in 1970 the lot was vacant, and from 1971 until 1976, 1615 Solano was a staging lot for the Vallejo Chrysler Plymouth dealership located at the original 1515 Solano Avenue.

It is staff's determination that even if Kardon Motors used Lot 18 to display used cars for the one year in 1968, which according to long time residents they didn't, this did not void the condition of Use Permit #546 that Lot 18 be used ONLY as a commercial driveway, with a fence separating the commercial use from a residential property. If Kardon or Vallejo Chrysler Plymouth wanted to use the lot for vehicle display, the Use Permit should have been amended or a new use permit issued for used car sales at the property.

Staff will recognize that used car sales were established at 1615 Solano Avenue, but not legally established at Lot 18, Assessor Parcel Number 0057-182-020 and therefore, the lot should be used only for the purpose of a commercial driveway, with no structures placed on the property. It is also staff's opinion that commercial driveways do not have any vehicles parked on them, commercial or non-commercial. This was the purpose of the fence that existed separating Lots 18 & 19, to prevent any unintended nuisances from affecting the neighboring residential property. Due to your stated confusion regarding the actual location of 1515 Solano Avenue, ~~staff will request that citation CE06-1264 be voided if the carport structure is removed from Lot 18 and that citation CE06-1263 be voided as of the date of this letter.~~

-1605 Solano Avenue

According to Department Polk Directories, M & M Tire company was located at 1605 Solano Avenue from 1957-1965. Golden State Tire Company was located there from 1968-1971 (no Polk Directories are available for 1966-67). Starting in 1970, used car sales required a use permit in the City of Vallejo. Establishment of a tire company does not constitute establishment of a used car lot and so the Planning Division has determined that the used car lot of Vallejo Chrysler Plymouth at 1605 Solano Avenue established in 1972 required a use permit, which according to our records, was not obtained.

Ghavimi Statement (paraphrased):

The Solano County Recorder has all three properties zoned commercial.

The Solano County land use designations do differ from the City of Vallejo Zoning district designations, but the County land use designations do not take priority or void and City zoning district designations. Lot 18 has been, and still is zoned residential (LDR- Low Density Residential).

Summary

Though staff understands your questioning why after 20 years, the City would take action on your establishment's operating status and legality, staff also has the responsibility to enforce the Zoning Ordinance and land use activity, especially when brought to our attention by City of Vallejo residents, no matter how long the questionable or non-permitted activity has been taking place. To ignore or not act on the complaints, when

found valid in our opinion, would be injustice to resident tax payers. Fortunately for you and your husband, there is an appeal process that you can utilize, where a third party, in this case the Planning Commission, can hear your rebuttal against our determination. The appeal process for our determination that Lot 18 be used only for a commercial driveway, and that a use permit be acquired for used car sales at 1605 Solano Avenue, can be started by submitting an appeal letter and fee of \$286.00 to the Planning Division, with a copy of the appeal and fee receipt to the City Clerk. You will have ten days from the date of this letter (September 22, 2006) to initiate your appeal. Failure to do so will result in a second administrative citation for used auto sales at 1605 Solano Avenue, and a first citation for violation of Use Permit #546 at Assessor Parcel Number 0057-182-020, Lot 18.

Sincerely,



Marcus Adams
Associate Planner

Cc: Rose Imports (Solano Ave. dealership)
Dong Yoo, Code Enforcement Officer

CITY OF VALLEJO

Development Services Department

Attachment F



Planning Division
707-648-4326
707-552-0163 Fax

Building Division
707-648-4374
707-552-0163 Fax

Code Enforcement Division
707-648-4469
707-649-3540 Fax

555 SANTA CLARA STREET • P.O. BOX 3056 • VALLEJO • CA • 94590-5937

October 19, 2006

Kathryn & Ojan Ghavimi
508 Atkins Court
Benicia, CA 94510

SUBJECT: Administrative Citations- CE06-1262, CE06-1263, CE06-1264, Rose Imports

Dear Kathryn,

Thank you for your patience during our phone conversation yesterday and for explaining to me the confusion of the letter sent to you from the Planning Division dated September 12, 2006. The purpose of this letter will be to explain the voidance of the above citations and what the current status is regarding the legality of used car sales being operated at the three parcels owned by Ojan and yourself.

-1605 Solano Avenue/Citation CE 06-1262A: ACTIVE

As stated in the September 12th letter, Polk Directories indicate that a tire company was located at 1605 Solano Avenue from 1957-1971. In 1972, Vallejo Chrysler Plymouth established a used car lot at the property. Used car lots have required use permits in the City of Vallejo since 1970. According to our records, no use permit has been approved for 1605 Solano Avenue, parcel number 0057-182-150.

I am aware of your argument that the used car use has been operating for 20+ years at the property, so if the use has been operating without proper permits, the City bears responsibility; however, when a land use violation is brought to the City's attention, especially via a public complaint, as stated in the September 12th letter, the City has an obligation to address the violation, whether it has been over-looked for 20+ years or not. The City has not established a policy of "grandfathering" in non-permitted uses as of the date of this letter, therefore, the administrative citation for this property is still active and has not been voided.

1615 Solano Avenue/Citation CE 06-1263A: VOIDED

Based on records indicating that Kardon Motors established used car sales at 1615 Solano Avenue in 1968 for one year, staff will use that establishment of used car sales prior to 1970 (which is when used car sales required a use permit) as a basis for "grandfathering" in the used car use at this property.

Parcel number 0057-182-020/Citation CE 06-1264A: VOIDED

Your letter to staff dated September 1, 2006 infers that you were confused about the request to "remove the shed and vehicles located on 1515 Solano Avenue since Northbay Cabinet Shop is located at 1515 Solano Avenue." Based on your stated confusion regarding the address of parcel number 0057-182-020, this administrative citation was voided as staff agrees that this address assigned to this parcel according to Solano County Assessor/Recorder records is inaccurate.

Please be aware though that just because this citation was voided does not mean that there are no violations at the property. As stated in the September 12, 2006 letter, Use Permit #546 specifically stated that Lot 18, which is located on parcel number 0057-182-020, was to be used ONLY as a commercial driveway. Used car sales were never legally established for either Lot 19 or Lot 18 of parcel 0057-182-020. Use permits run with the land, as do the conditions of approval for use permits; therefore, the parking of used cars on Lot 18 of parcel 0057-182-020 is a violation of Use Permit #546 as this does not constitute a use of a commercial driveway. Failure to remove the vehicles from Lot 18 of parcel number 0057-182-020 and replace the fence that divided Lot 19 from Lot 18 according to approved plans (see enclosed) and confirmed by long time neighbors by **November 2, 2006** will result in an administrative citation of \$200 or more per cite.

It is our hope that we can work together to correct the above mentioned violations however, as stated in the September 12, 2006 letter, you do have the opportunity to appeal this determination to the Planning Commission by submitting an appeal letter and fee of \$286.00 to the Planning Division, with a copy of the appeal and fee receipt to the City Clerk. You will have ten days from the date of this letter (October 30, 2006) to initiate your appeal for citation CE 06-1262A. Failure to do so will result in a second administrative citation for used auto sales at 1605 Solano Avenue, as well as a first citation for violation of Use Permit #546 at Assessor Parcel Number 0057-182-020, Lot 18 on November 2, 2006.

Sincerely,



Marcus Adams
Associate Planner

Cc: Rose Imports (Solano Ave. dealership)

~~Dong Yoo, Code Enforcement Officer~~



Planning Application

PAID
NOV 01 2006
COMMERCIAL SERVICES DIV

Development Services Department
555 Santa Clara Street
Vallejo CA 95490
PH: (707) 648-4326
FX: (707) 552-0163
www.ci.vallejo.ca.us

Attachment G

CK 51340
R 58212

Application No: _____
Planner: _____

APPLICANT TO COMPLETE THIS PAGE

Property Address: 1605 Solano Ave ~~1605 Solano Ave~~ ^{& Parcel} 0057-182-020

- Administrative Permit
- Major Use Permit
- Minor Use Permit
- Minor Exception
- Parcel Map
- Planned Development
- Preliminary Review
- Sign Permit
- Site Development
- Tentative Map
- Zoning Amendment
- Other Appraiser

Applicant Name Kathryn Ghavini Applicant Phone (707) 977-9539
 Applicant Address 508 Atkins Ct City Benicia Zip 94570
 Name of Legal Property Owner Ojas & Kathryn Ghavini Owner Phone (707) 977-9539
 Owner Address Same as Applicant City _____ Zip _____
 Architect Name _____ Architect Phone (____) _____
 Architect Address _____ City _____ Zip _____

I hereby certify the truth of this application and acknowledge that any inaccuracies in it shall, at the City's option, result in automatic invalidation of the action based thereon and that final approval is dependent on compliance with the City's requirements.

Signature of Owner: Kathy Ghavini Date: 10-31-06
 Signature of Applicant: Kathy Ghavini Date: 10-31-06

Detailed Description of Proposal: Zoning District CP/LDR APN: 0057-182-150
0057-182-020
Appeal of required use permit on 1605 Solano Ave
and Appeal of now existing use permit #546 on parcel
0057-182-020 lot 18

Residential
 Lot Area: _____ Existing Units: _____ Proposed Units: _____ No. of Units Demolished: _____
 Total Sq Ft Proposed: _____

Commercial / Industrial
 Existing Building Sq Ft: _____ Total Sq Ft Demo: _____ Total Bldg Sq Ft Proposed: _____

Parking
 Existing Parking Spaces: _____ Proposed Parking Spaces: _____

Sign
 Total Existing Signs: _____ Total Proposed Signs: _____ Bldg/Tenant Space Frontage: _____
 Maximum Sign Area: _____ Area of Existing Signs: _____ Area of Proposed Signs: _____

Circle One: Single/Double Face Electrical Freestanding/Monument Projecting Roof Wall Other
 Total Area: _____ Sign Area Remaining: _____ Action: _____

November 20, 2006

City of Vallejo
Planning Commission
555 Santa Clara St
Vallejo, CA
94590

To whom it may concern,

Back in September of this year, Marcus Adams came to our business located at 1605 Solano Avenue and informed us that our location was not properly permitted to be in business. As any normal business person who had been at the same location for over 21 years would have done, we took this as a "slap in the face". After doing some checking on the history of this location (including the whole block), we discovered that an established dealership had been here since before we took over (formerly Vallejo Chrysler).

We are filing an appeal to the City Planning Commission as to the need to obtain a use permit for the property located at 1605 Solano and 1615 Solano (including parcel 0057-182-020). Apparently, per Mr. Adams, parcel 0057-182-020 had originally had a use permit issued on it as a driveway separated by a fence. We have spoken with Mr. Ron Barber, the previous dealership owner, to see if he knew anything about the driveway or a fence and he said that he was not aware of this during the time he was doing business here.

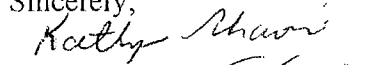
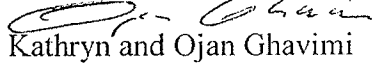
When we began our business at this location, we went through the normal process of obtaining a business license. This included going to the planning department and having them check that this property was properly permitted to do business as an auto dealership. According to Mr. Adams, use permits were required since at least 1970 but Vallejo Chrysler and Rose Import Motors were both issued business license to do business at this location after the planning department signed off for the business. Why did they not at that time request a use permit be obtained? Why wait **over 25 years** and then request it?

As for the property located at 1615 Solano Avenue, Mr. Adams is stating that the back parcel is to be used as a driveway only. But in his letter dated September 12, 2006, he stated "It is staff's determination that even if Kardon Motors used lot 18 to display used cars for the one year in 1968 this did not void the condition of Use Permit #546 that lot #18 be used **ONLY** as a commercial driveway, with a fence separating the commercial use from a residential property. **If Kardon or Vallejo Chrysler Plymouth wanted to use the lot for vehicle display, the Use permit should have been amended or a new permit issued for used car sales at the property.**" Why should we now need to get a use permit when according to Mr. Adams the city failed to obtain one after almost 30 years? In the same letter Mr. Adams stated that since 1615 Solano Avenue had Kardon Motors prior to 1970, the "grandfathering" on the used car use at this property will void

citation 06-1263A. If this is true, then this should be good for the complete piece of property not just parcels of it.

We have been paying our city business license and sales taxes for Rose Import Motors for almost 26 years. During all that time the city has definitely profited from us being at this location. We realize that the city of Vallejo is having financial problems, but we hope that this use permit problem can be solved and we can continue to bring these much needed income into the city's accounts.

Sincerely,



Kathryn and Ojan Ghavimi

Cc: Marcus Adams, Associate Planner

City Planning Commission
Application No. 546

Special Application No. 546

That the Planning Commission of the City of Vallejo has
granted the JBE PERMIT of Warren J. Miller to allow a
commercial driveway to be established on property owned by
the applicant, on Lot 16, Block 26, Vallejo Annex Subdivision,
City of Vallejo, at the rear of 1615 Solano Avenue, in an R-1
Single Family Residential District adjacent to a C-3 General
Commercial District, now, therefore,

it is resolved: That the Planning Commission of the City of
Vallejo GRANT the JBE PERMIT as per application, with the
provisions that there shall be no parking of trucks or other
commercial vehicles on this property, that there shall be no
emission of odors, smoke, or noise thereon, and that there
shall be no further illumination of the property which would
constitute a nuisance to adjoining properties.

Reference is made to the minutes of the Planning Commission
dated of October 20, 1959, for the report and recommendation.

Resolution was passed after a public hearing at a
regular meeting of the Planning Commission, held Tuesday,
October 20, 1959, by the following vote of Commissioners:

David L. Wenger, Chairman, 24
Alrett W. Schroeter, Secretary, 24
Pearce, 24

W. J. ...

... ..

David L. Wenger, Chairman

Alrett W. Schroeter, Secretary

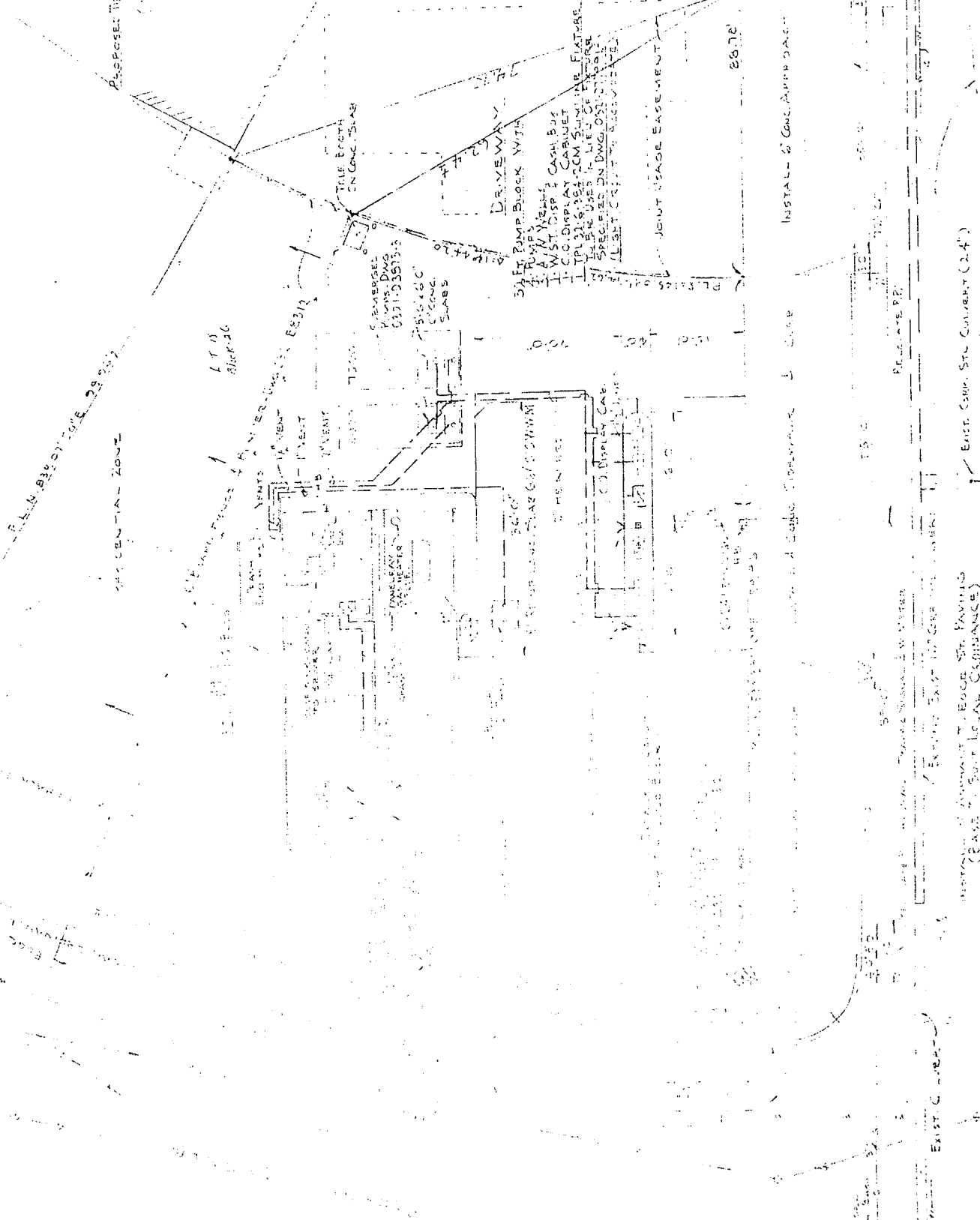
Proposed Fire Sale And Tire Recycling
Building
(M.S.R. FIRE CO)

NOTE:
REMOVE EXIST. SLABS &
FOUNDATIONS.

EXHIBIT A
10-4-59
DATE ISSUED
CITY OF VALLEJO
PLUMBING DEPARTMENT

ALL WORK TO BE DONE IN
CONFORMANCE WITH THE
SAN FRANCISCO PLUMBING
COUNCIL REGULATIONS

TIDE WATER ASSOCIATED OIL CO. SAN FRANCISCO CALIFORNIA	
PROJECT NO.	847913
DATE	10-4-59
BY	VA-510
CHECKED	VA-510
DATE	10-4-59



EXIST. CORR. STN. CONCRETE (2.4')
INSTALL 6\"/>

1/2\"/>

PLUMBING P.P.

EXIST. CORR. STN. CONCRETE (2.4')

INSTALL 6\"/>

1/2\"/>

SECTION 9. REGULATIONS FOR C-3 DISTRICTS.

9.1 The following regulations shall apply in all C-3 Districts and shall be subject to the provisions of Section 12.

(a) Uses Permitted:

1. All uses permitted in any R or C-1 District without regard to securing any use permit.

2. Lumber Yards, mills, carpenter shops, blacksmith and welding shops, clothing manufacture, bottling works, feed and fuel yards, manufacture of handicraft products, wholesale storage of petroleum products, and other uses which in the opinion of the Planning Commission are similar in character to those enumerated in this section and subject to the securing of a use permit in each case.

3. Junk yards, auto wrecking and contractors yards only when conducted within a building or when enclosed by a solid fence at least 7 feet in height and subject to the securing of a use permit in each case.

Notwithstanding the provisions of Section 13 of this ordinance, all existing junk yards and auto wrecking yards, unless conducted within a building, shall be enclosed by a solid fence at least 7 feet in height by January 1, 1967.

(b) Building Height Limit:

Eight stories but not exceeding 100 feet.

(c) Yards Required:

Same as specified for C-1 Districts.

SECTION 7. REGULATIONS FOR C-1 DISTRICTS.

7.1 The following regulations shall apply to all C-1 Districts and shall be subject to the provisions of Section 12.

(a) Uses permitted

1. All uses permitted in any R District, without regard to securing any use permit.

2. Stores and shops for the conduct of any retail business but not including second hand stores, automobile service stations for the sale of gasoline, oil and minor accessories only; banks, barber shops, beauty parlors, restaurants, excluding drive-ins, music or dance studios; dressmaking, millinery, shoe and tailor shops; messenger offices; storage garages; studios, telegraph offices, theatres and other business uses which in the opinion of the Planning Commission, are of the same general character as those enumerated in this subsection and not obnoxious or detrimental to the neighborhood in which they are to be located.

3. Stores and shops for the conduct of any wholesale business, creameries; laundries; storage of goods or material, automobile sales and service; used car sales; drive-ins, sale of used or second hand goods, mortuaries, automobile storage or repair, nurseries; animal hospitals and pet shops, and other uses which in the opinion of the Planning Commission are similar in character to those enumerated in this subsection and will not be obnoxious or detrimental to the neighborhood in which they are to be located and all subject to the securing of a use permit in each case."

4. No dance hall, road house, night club, commercial club, or any establishment where liquor is served, or commercial place of amusement or recreation or any such place or any other place where entertainers are provided, whether as social companions or otherwise, shall be established in any C-1 District closer than two hundred (200) feet to the boundary of any dwelling district, unless and until a use permit shall first have been secured for the establishment, maintenance and operation of such use.

5. The use of power-driven machinery incidental and accessory to any of the uses permitted in C-1 Districts.

(b) Building Height Limit:

Six stories but not exceeding 75 feet.

(c) Yards required:

None Except:

1. Where a portion of a block is in any "R" District in which case the front yard depth and/or the side yard width, on the frontage of the block adjacent to such "R" District, shall be the same as required for the adjacent "R" District.

2. Where any building line is established by this ordinance or if an Official Plan Line is established by any Master Street and Highway Plan of the City, then the yards shall have a depth and/or width of not less than that specified thereby.

(d) In recommending C-1 Districts, the Planning Commission may require all uses permitted be placed under Planned Unit Development regulations.

308 COMMUNITY SHOPPING AND SERVICE DISTRICT (C-C)

A. Description. Areas of the City so designated provide for commercial concentrations which offer comparison as well as convenience goods and services. Normally, the principal land use is a department store. Each concentration serves approximately twenty-five thousand (25,000) persons. Such concentrations should be established on the basis of market analysis and should be not less than fifteen (15) acres in area.

B. Land Use Objectives

1. To provide community shopping facilities which are conveniently and safely accessible.
2. Since over fifty (50%) per cent of the patrons of such a district are multi-purpose shoppers, the design of any new district should provide for efficient, safe and coordinated vehicular and pedestrian circulations.

C. Uses Permitted

1. Establishments retailing foodstuffs, non-alcoholic beverages, off-sale alcoholic beverages, drugs, apparel, fabrics, hardware, paints, floor and wall coverings, furniture, appliances, jewelry, flowers, plant nursery products, toys, curios, gifts, musical merchandise, cameras, tobacco products, office supplies, books and stationery, hobby and craft supplies, pets and pet supplies, and sporting goods.
2. Establishments collecting and distributing laundry and dry cleaning; laundrettes; barber and beauty shops; shoe, appliance, radio and T.V. repair shops; banks and offices; dressmaking and tailoring; instruction in arts, crafts and trades; mail order offices; travel agencies; auction rooms; mortuaries; and parking lots.
3. Restaurants, nightclubs and bars, provided no alcoholic beverage is dispensed within two hundred (200) feet of a residential zoning district.
4. Miniature golf courses, movie theaters, bowling alleys, billiard parlors, skating rinks, and actor's workshops.
5. Lodge halls, hotels, motels, and residential clubs.
6. Dwelling units when located on other than the street level of the building and where the street level of the building is designed for and used for uses otherwise permitted in this Ordinance.
7. Service stations and carwashes.
8. Those incidental and appurtenant authorized in Section 401, Subsection A.

308 COMMUNITY SHOPPING AND SERVICE DISTRICT (C-C) (Continued)

D. Uses Permitted if Authorized by Use Permit under procedure prescribed in Section 502

1. Those authorized in Section 401, Subsection B.
2. Motorcycle sales and service.
3. Animal hospitals
4. Sale of automobiles or automobile parts.
5. On-sale of alcoholic beverages when within two-hundred (200) feet of a residential zoning district.
6. Drive-in restaurants, when not within one hundred (100) feet of a residential zoning district.

E. Basic Site Development Standards

1. Maximum Building Height - seventy-five (75) feet except that when within fifty (50) feet of an abutting residential district the height of any structure may not exceed that height permitted in the abutting residential district.
2. Off-street parking - as prescribed by Section 402, Subsection B.
3. Signs - as prescribed by Section 402, Subsection C.
4. Landscaping - as prescribed by Section 402, Subsection D.

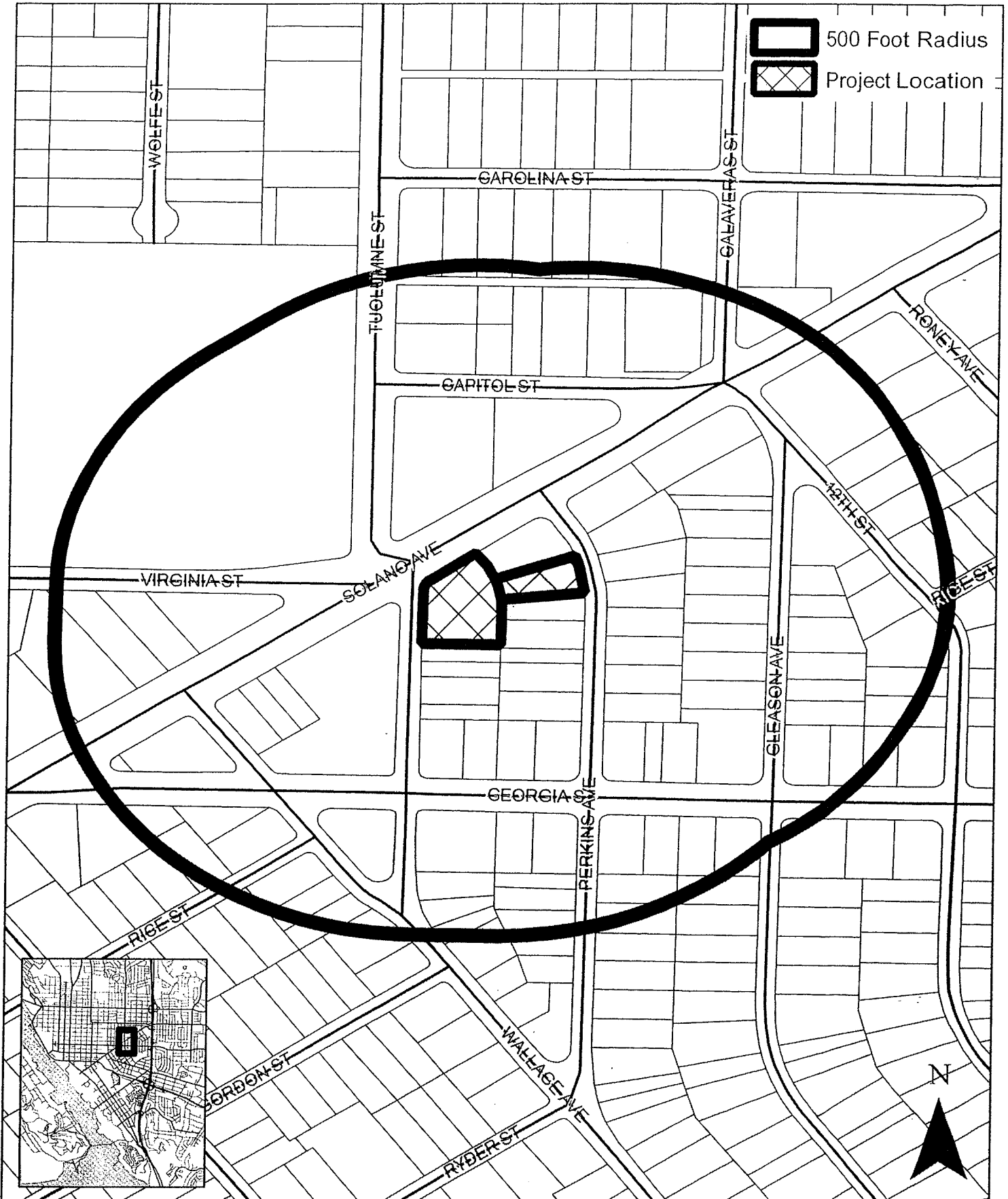
NOTE: Exceptions to the use of land and Basic Site Development Standards of this district are in following subsections:

- 403A - Integrated Project Development
- 403B- Nonconforming Uses
- 403C- Exceptions to Minimum Lot Areas in Residential Districts
- 403D- Exceptions to Required Depths of Side Yards in Residential Districts
- 403E- Exceptions to Required Depths of Yards Abutting Streets in Residential Districts
- 403F- Exceptions to Maximum Heights
- 403G- Permitted Yard Encroachments

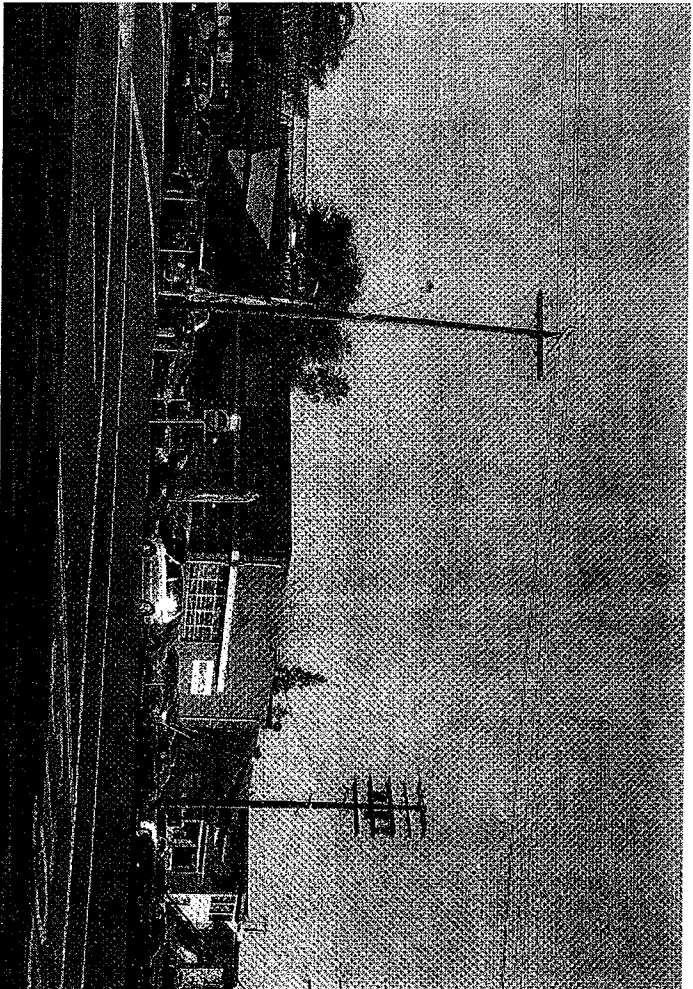
Conflict of Interest Map

Appeal of Use Permit # 546A

1605 Solano Avenue - (APN#s 0057-182-150 and 020)



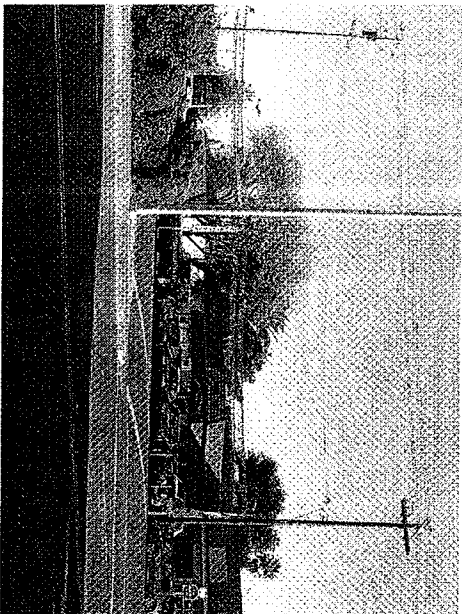
Rose Imports (Solano Ave. Dealership)



Tuolumne St.

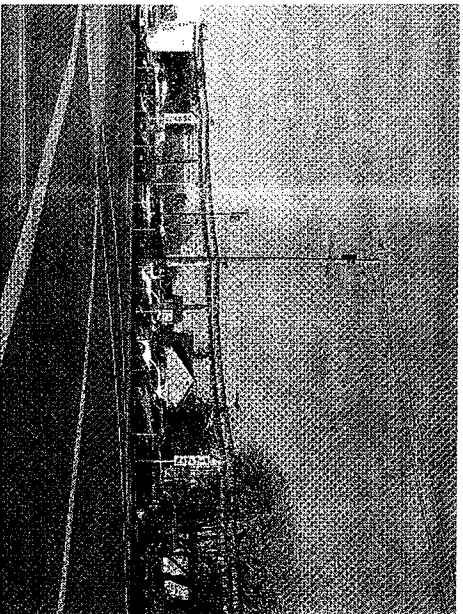
Solano Ave. (lots 22-26)

Land Use Issues (1605 Solano Ave.)



- Used Vehicle Parking

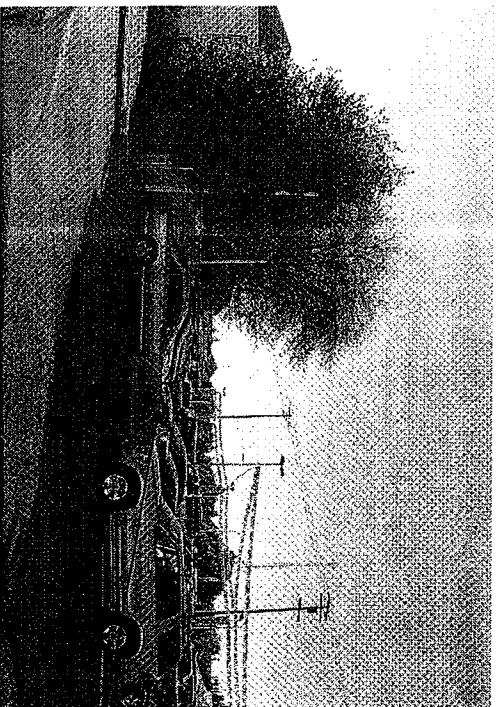
- Auto dealership establishment



- Use Permit Approval

Land Use Issues

(APN: 0057-182-150 [lot 18])



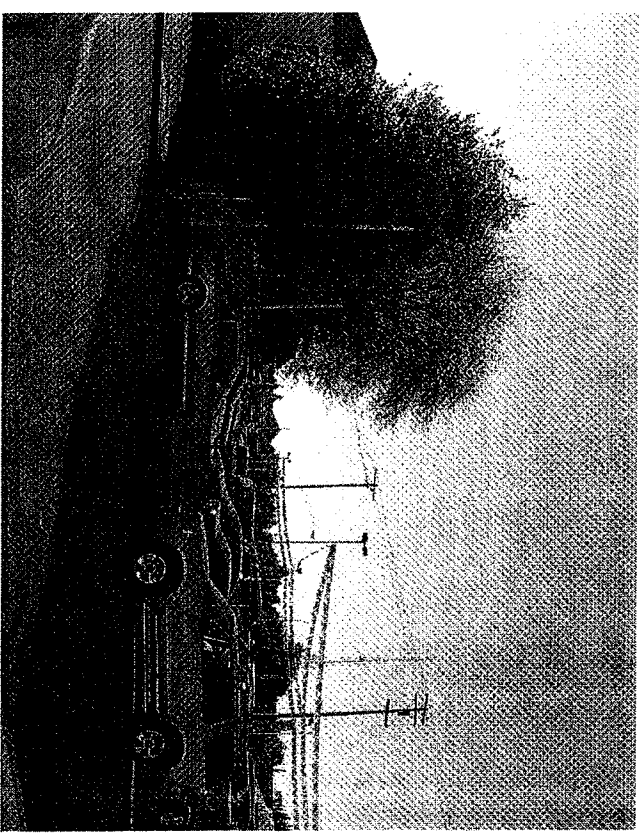
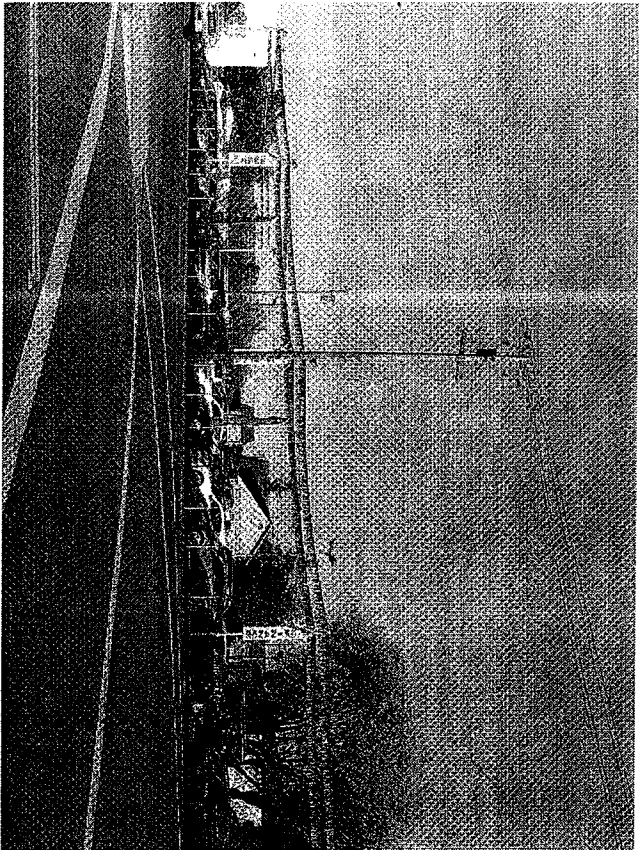
- Used Vehicle Parking
- Historical allowed use
- Current use impacts on neighbors

Lot 18

Lot 19

Recommendations

(within 45 days)



1. Apply for a conditional use permit to operate a used car lot at 1605 Solano Ave. & APN: 0057-182-150 , with a rezoning and general plan amendment
or;
2. Abate the used car sales/display at the two subject parcels



**STAFF REPORT
CITY OF VALLEJO PLANNING COMMISSION**

Date of Hearing: February 21, 2006 **Agenda Item:** K-2

Application Number: Use Permit # UP06-0024

Recommendation: Staff recommends that the Planning Commission **Approve** Use Permit #UP06-0024, with conditions, and make the findings contained in the attached Resolution.

Location: Columbus Parkway near Ascot Parkway; Assessors Parcel Number 0081-800-330

Applicant: Ken Ross, Team Dealerships
301 Auto Mall Parkway
Vallejo, CA 94591

Property Owner: Same as above

Project Description: The project involves a request for a Major Use Permit to allow a 24,630 square foot automobile dealership for Team GMC Pontiac Buick on a 4.0-acre site near the intersection of Columbus Parkway and Ascot Parkway.

General Plan: Northgate Mixed-Use Zoning: MUPD - Northgate Specific Plan Designation of Commercial

Existing Land Use: The site is currently vacant.

Surrounding Land Use: The surrounding land uses include a City of Vallejo Fire Station and water pumping facility and open space to the north across Columbus Parkway. To the south is the proposed Belvedere Condominium project. To the east is vacant land proposed for a Solano Community College campus, and to the west is an approved auto dealership currently under construction.

Public Notice: Public notice of this hearing was mailed to the owners of property within 500 feet of this site on January 29, 2007. In addition, a notice was published in the Vallejo Times-Herald on January 30, 2007.

Background and Related Actions: In October 1988, the City Council adopted the Northgate Specific Plan and certified a Final Environmental Impact Report (Northgate FEIR) for the Plan.

The plan covers approximately 1,165+ acres in the area known as the "Northeast Quadrant". An area bounded on the north by Columbus Parkway, on the south by Turner Parkway, to the east by single-family homes and to the west by Admiral Callaghan Lane was set aside as a Business Park area intended to be developed with office, light industrial and commercial land uses. The Business Park area represents the last approximately 109 acres of the Specific Plan that has not been either fully developed or preserved in permanent open space.

Since 1988, the Specific Plan has been amended several times. In 1999, the City adopted an amendment to the Specific Plan which authorized changing the Business Park Element permitting auto related sales and auto-related uses, as well as minor changes to the adopted development standards for the Business Park Element. The last amendment was adopted in 2000 and proposed broadening permitted and conditional uses for the Business Park, which included lodging and senior housing. However, approval of this amendment was conditioned upon the property owner or developer entering into a development agreement with the City by October 1, 2000. The development agreement was never executed and the City rescinded this approval.

In 2000, the City conditionally approved Major Use Permits for the development and operation of two automobile dealers for the Business Parks area. These Major Use Permits were approved for two years and have lapsed.

In July 2002, the City entered into a multi-party Memorandum of Understanding (MOU) with the current property owner and two automobile dealers. This MOU was amended in December 2002. The purpose of the MOU is to provide a list of tasks, and to establish processing milestones and a schedule for the City, the property owner and the dealers to follow in achieving orderly development of the remaining 109 acres of the Plan area. Most of the items in the MOU are applicable to steps that the developer, Mandarin Developments, is required to carry out. The provisions in the MOU applicable to the auto dealers include: a) processing the necessary City applications including a General Plan amendment and a Specific Plan amendment, subdivision application, and Major Conditional Use Permit to allow timely development; b) purchasing the land from Mandarin Developments; and c) requiring the dealers to enter into agreements with the City for reimbursement of certain assessment and development fees. These goals and milestones were developed to allow the project sponsor to broaden the allowed land uses for this Plan area with the intent of developing a mix of residential and non-residential uses. In addition, applications for amendments to the Vallejo General Plan and the Northgate Specific Plan were required to be processed to achieve this goal.

An amendment to the Vallejo General Plan, the Northgate Specific Plan, and the Northeast Quadrant Gateway Planned Unit Developments was approved by the City Council on July 29, 2003 with the adoption of a Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program. The General Plan Amendment was approved changing the land use designation on the entire 109 acres from "Employment" to "Northgate Mixed Use". The new General Plan land use designation is characterized by having land uses that can generate jobs and housing as well as retail and commercial opportunities. Acceptable land uses include commercial, neighborhood shopping and services, mixed use, senior housing, assisted living and low density residential.

The amendment to the Specific Plan changed the 4.6-acre site on the northwest corner of Admiral Callaghan Lane and Columbus parkway from "Office Park" to "Commercial". The

balance of the 105 acres previously characterized as “Business Park” went to “Commercial” (appx. 50-acres), to “Low Density Residential”, (25.8 acres), to “Neighborhood Shopping and Services” (11.8 acres), and to “Mixed Use” (17.5 acres). The land use designation on the site proposed for the auto dealers, the subject of this report, is part of the “Commercial” designation.

1. PROJECT DESCRIPTION

The project involves the construction of a 46,590 square foot automobile dealership for Team GMC Pontiac Buick on a 4.0-acre site near the intersection of Columbus Parkway and Ascot Drive. The project proposes 13 service bays, 000 parking spaces and anticipates employment for 31 people. The building will be one story, and will contain the automobile showroom, service, parts and customer service areas, and administrative and sales offices and a training room. The facility will be open seven day a week, from 7:00 a.m. until 9:30 p.m.

2. ENVIRONMENTAL REVIEW

The General Plan Amendments and the amendments to the Specific Plan approved by City Council on July 29, 2003 resulted in a need to prepare a revised Initial Study and Mitigated Negative Declaration to analyze the impacts associated with this type of land use. This Initial Study was prepared prior to the July 2003 Specific Plan as part of the Specific Plan Amendment. The Negative Declaration adopted in July 2003 is considered adequate for review of this project and therefore there is no need to prepare a new Initial Study or adopt a new Negative Declaration. This application presented for Commission consideration will only address the analysis and mitigation measures applicable to this automobile sales and service facility.

On July 29, 2003, a Revised Initial Study and Mitigated Negative Declaration were adopted concurrently with an amendment to the Northgate Specific Plan. The Revised Initial Study and Mitigated Negative Declaration contained a Mitigation Monitoring and Reporting Program for the project.

Under CEQA Guidelines section 15162, the lead agency may rely on the previous Revised Initial Study and Mitigated Negative Declaration instead of preparing a subsequent or additional EIR or Mitigated Negative Declaration where, on the basis of substantial evidence in the light of the whole record,

- 1) No substantial changes are proposed which will require major revisions of the previous negative declaration due to the involvement of new significant environmental effects, or a substantial increase in the severity of previously identified significant effects,
- 2) No substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions to the negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and,

3) No new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous negative declaration was adopted, shows any of the following:

- (A) The project will have one or more significant effects not discussed in the previous negative declaration;
- (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR
- (C) Mitigation measures or alternatives previously found not be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative or
- (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

For this project, no substantial changes are proposed to the project as described in the initial mitigated negative declaration, and no new information of substantial importance is known which would necessitate an additional or subsequent EIR or Negative Declaration. The proponent agrees to comply with all mitigation measures contained in the Revised Initial Study, and incorporated into the conditions of approval for this project. Therefore, reliance on the previous Revised Initial Study and Mitigated Negative Declaration is proper.

Pursuant to Section 21081.6 of the Public Resources Code, a mitigation monitoring and/or Reporting program was previously adopted as part of the Revised Initial Study – Mitigated Negative Declaration for the Northgate Specific Plan, in order to mitigate significant effects on the environment. This Mitigated Negative Declaration adopted in July, 2003 proposes adequate mitigations for this project. Those mitigations have been agreed to by the applicant and adequate mitigation is provided for as conditions of approval to this project.

3. CONSISTENCY WITH THE GENERAL PLAN

The General Plan land use designation for this site is “Northgate Mixed Use”. An automobile sales and service facility is consistent with that land use designation as provisions for the development of auto sales facilities are contained in the Northgate Specific Plan.

4. CONSISTENCY WITH OTHER ADOPTED POLICIES

Appendix B of the Northgate Specific Plan sets forth Design and Development Guidelines for the Vallejo Auto Mall. The following is a discussion of the project’s compliance with these Guidelines. For reference, the Sections and capital letters following the Sections correspond to the Chapter numbering and lettering in Appendix B.

Section 3.01 Master Design. The Plan contains a diagram that specifies the location of landscaping and location of signage.

The project is in conformance with the Master Design with regard to landscaping and the location of the landscaping. This is discussed further in this report. The project is conditioned to be consistent with the requirements of Section 8, *Signage Design Guidelines* of Appendix B of the Specific Plan.

Section 4.01, Building Height. The maximum building height shall be 45 feet, inclusive of screening for mechanical equipment and fascia

The building, including roof equipment is 26 feet in height.

Section 4.03, Metal Building. No pre-engineered metal skin buildings shall be permitted.

The project is in compliance with this requirement. The building consists stucco finish area, decorative concrete masonry blocks, and aluminum composite siding material and clear anodized aluminum-framed windows.

Section 4.04, Building Materials. The following are allowed: a) glass or glass curtain wall; b) poured in place concrete, pre-cast concrete and cement plaster; c) brick masonry; d) block masonry; e) ceramic tile or building stone; f) prefinished metal; g) all exposed roofing materials; h) other materials that may be approved by the City. The following materials are not allowed: 1) pre-engineered industrial metal buildings; 2) exposed ply-wood; 3) wood siding; 4) wood shingles and shakes.

The project is in compliance with this requirement. The building materials are listed in Section 4.03, above.

Section 4.05, Variety of Materials. Buildings should be designed with a limited number of materials, as selected from the above list. The building improvements shall consist of three basic materials (including roofing) plus the use of one accent material. Two basic colors, not including roofing materials and glass, plus one accent color are to be utilized.

The project is in compliance with this requirement as listed in Section 4.03 as it contains cement plaster walls, large expanses of glass. Proposed building colors are white with aluminum finish accent areas and is consistent with the requirement. A color board has been provided.

Section 5.01, Building Setbacks. A building encroachment into a setback as set forth below shall only be allowed if the encroachment is approved by the City. The following setbacks shall apply to all lots.

A. Public Streets. All buildings shall have a minimum setback of 25 feet from any public right-of-way.

The project is in compliance with this requirement as the building is set back approximately 145 feet from the right-of-way.

- B. Adjacent Properties. *A 25-foot minimum setback shall be maintained between adjacent lots and/or properties.*

The project is in compliance with this requirement. This building is set back approximately 50 feet from the west property line and approximately 55 feet from the east property line.

- C. Landscape Frontage Zone. *There shall be a landscape zone within each lot that is a minimum of 10-feet wide along Columbus Parkway, Ascot Parkway and Admiral Callaghan Lane, as measured from the right-of-way. Neither buildings nor vehicles may be placed in the Landscape Zone except for vehicle display pads.*

This requirement has been complied with along Columbus Parkway. A 12-foot landscaping area has been provided on site in addition to an area that ranges from two additional feet to ten feet in the public right of way.

- D. Landscape Setback. *There shall be no landscaping setback required adjacent to public open space.*

There is no public open space adjacent this parcel. The open space buffer to the rear is private open space, and the parcel to the east is the future Solano Community College. Public open space is located across the street, on the other side of Columbus Parkway.

Section 5.02, Screening of Equipment and Activities.

- A. *All storage areas, air conditioning, heating and mechanical equipment shall be enclosed and hidden from view by means of appropriate screening, fencing or barricades, which shall be architecturally consistent with the overall building design.*

The project is consistent with this requirement as roof top equipment has been placed behind a parapet wall that has the same finish as the building. Additionally, the roof equipment will be painted the same color as the roof.

- B. *All body repair activities, painting activities, air compressors and air compressor uses shall be contained and operated within a building. Trash containers and other stored materials shall be restricted to enclosed areas and screened from public view.*

The requirement pertaining to activities being conducted indoors has been made a condition of approval. The trash container is proposed to be located within a trash enclosure at the rear of the building.

Section 5.03, Design of Ground Level Protective Screening. *If screening is necessary it shall consist of a minimum of a solid wall or similarly permanent materials and be landscaped as required by the Landscape Design Guidelines, Chapter 9 of Appendix B. Wooden fences and chain link fences, with or without slats will not be permitted.*

Screening shall be subject to the prior review and approval of the City based upon aesthetics and durability of the proposed materials.

See Section 5.04, below.

Section 5.04, Barriers. No fence, division, rail or obstruction of any type shall be placed, kept, permitted or maintained between the Lot, or between any portion of division thereof, or upon or along any of the property lines of any portion or division thereof, except for: (i), landscaping and security dividers, (materials used to prevent vehicles from being stolen or vandalized) between Lots and (ii) visual screen walls used to screen back of lots from front view. The materials and locations of such barriers must be submitted to and approved by the City. Wooden fences and chain link fences with or without slats will not be permitted except that along the rear property lines adjacent open space, a black vinyl chain link fence is permitted with the inclusion of landscaping along the fence.

The applicant proposes to install landscape screening at the rear of the project and between the adjacent parcels. Any additional fencing that may be installed at the rear shall be wrought-iron type and be subject to the review and approval of the Planning Manager.

Section 6.02, Access. For each Lot east of Admiral Callaghan Lane, primary public vehicular access shall be from Columbus Parkway.

This primary access to this site is via a shared access road on the east portion of the parcel. This access road also provides access to the adjacent dealer. A secondary access is provided through the adjacent dealership leading to Ascot Parkway. This secondary access is acceptable to the City's Traffic Engineer.

Section 6.03, Loudspeaker Systems. It is the intent of the City that loudspeaker systems utilized in the Automall be designed and operated to produce negligible audibility outside of each Lot. In no event shall noise levels exceed five decibels (5 dB) in excess of the local ambient noise level at any point outside of the perimeter of any lot.

Mitigation Measures in the Revised Initial Study – Mitigated Negative Declaration requires that the public address system not exceed 50 dBA at the property line of adjacent noise sensitive uses. If the standard of 5 dB above the ambient noise right outside the project property line is achieved, the public address system at the property line of the uphill residential would likely be less than 50 dBA. This has been made a condition of approval. Additionally, a condition of approval requires that the loudspeaker not be used after 7:00 p.m.

Section 6.04, Antennas, Satellite Dishes and Flagpoles. No external antennas are permitted on any lot. Roof antennas are not permitted. No flagpoles or flags, other than one common eighty-foot flagpole, are permitted on any Lot. Satellite dish equipment, to be used solely for telecommunications with a national manufacturer are permitted. Dishes shall not exceed eight feet in diameter and may be located on the roof of a building provided that they have been screened from public view of have been designed

to blend into the roof structure. For example, if the roof equipment of a building is white in color so shall the satellite dish. One common flagpole, to be utilized/shared by all Lots, may fly the State and Federal flags only. Each flag shall not exceed 200 square feet in area (each side). The height of flagpole for purposes of this section shall be measured from ground height within one (1) foot of the flagpole base. Final location of the proposed flagpole, and the flags to be flown, shall be reviewed, approved and/or disapproved by the City.

The above mitigation is proposed as a condition of approval.

Section 6.05, Sale of Used Automobiles. No retail sales of used vehicles will be permitted except as a part of a new car dealership.

The applicant proposes to sell new and used automobiles at this dealership.

Section 6.07, Temporary Buildings. Once an Owner, Lessee or user has commenced a commercial business operations on a Lot, no temporary portable or modular or modular buildings, or trailers shall be permitted for any purpose.

This requirement is proposed as a condition of approval.

Section 6.08, Architectural Review. No improvements shall be erected, constructed, or placed on any Lot, or altered, including a change of exterior color, unless the external appearance and coloring of the improvements, including elevations, height, dimensions, and the location have been approved by the City in writing.

This requirement is proposed as a condition of approval.

Section 6.09, Noise. This Section of Appendix B of the Northgate Specific Plan establishes specific noise mitigation criteria to be complied with by the applicants. The complete text of this Section is the same as the mitigations listed in this staff report on Page 5, A through F, and is also listed on page B-13 of the Northgate Specific Plan, Appendix B.

The noise mitigations set forth in the Specific Plan have been addressed in Section 2, Environmental Review, of this report and have been made draft conditions of approval.

Section 7.02, Customer and Employee Parking. The minimum number of parking spaces for each Lot shall be as provided in Section 16.62 of the Vallejo Municipal Code, titled "Off Street Parking and Loading Regulations." Customer and employee parking shall be clearly designated in the application.

The proposed dealership has a total of 15,430 gross square feet (minus the service area). The parking requirement is the total of the square footage parking requirement of the building not counting the service area, plus an additional requirement for the service bays. As a result, the total parking requirement is 99 spaces, based on one space for each 400 gross square feet (39 required) and four spaces for each of the 15 service bays (60 required). The project is providing 313 spaces, including four disabled access spaces,

which is 214 more spaces than the City requirement. Space not used by customers and employees will be available for vehicle storage. Staff believes that this amount is more than adequate, as the total does not include an undetermined amount of display parking area at the front of the lot.

Section 8.01, Signage Design Guidelines. The objectives of the Automall sign requirements are to provide an integrated system of signs that combines marketing effectiveness with tasteful design. The signs shall provide consistent materials for controlled identification of the makes of new vehicles offered for sale within the Automall. In cases not addressed in Chapter 8 of Appendix B, such as time limits for promotional displays, the signs must comply with the City of Vallejo Sign Ordinance.

A condition of approval is proposed that limits signage and promotional displays to those allowed in Appendix B of the Northgate Specific Plan and the City of Vallejo Sign Ordinance.

Section 9.01, Intent of Guidelines. It is the intent that a continuous landscape theme be provided for the entire Automall. This landscape theme shall be compatible with the design theme of the Northgate Mixed Use Development.

The project has the same landscape theme as the proposal for the neighboring Chevrolet and Hyundai Dealers. The three auto dealerships landscaping has designed by the same landscape architect. The landscape architect considered the nearby parcels along Admiral Callaghan Lane when choosing plant species for this project. A condition of approval proposes that any future changes or additions to the approved landscape design be compatible with surrounding development and with the Northgate area.

Section 9.02, Principal Features. Principal features shall include the following:

- A. *Columbus Parkway, Ascot Parkway and Admiral Callaghan Lane Landscaping
There shall be a landscaping Zone minimum of ten feet (10') as measured from the right of way along public streets, in addition to the landscape area found behind the meandering sidewalk and adjacent to the public right of way. The 10-foot landscape zone and the landscape area behind the sidewalk shall be improved and maintained by the adjacent Lot Owner. Within the noted areas, plant material shall include turf along with low growing, accent shrubbery and groundcovers that will provide seasonal color, form and texture.*

The 10-foot required landscape zone-landscaping requirement has been met for this project. A condition of approval requiring landscape maintenance as well as the types of plans to be installed in this area has been included in this report.

- B. *Main Entry Drives: The design intent is to create an attractive, comfortable, and inviting environment at each of the private main entry drives. To support this objective, the interior street shall allow easy access to each Lot by customers who may travel on foot between neighboring dealerships. The display areas, street crossings, vehicular entries, pedestrian walkways, customer parking, signage, lighting and landscaping shall be thoughtfully integrated to facilitate this*

objective. Each Lot shall develop a landscape theme in accordance with the plant pallet and landscaping direction as follows:

- 1. A minimum ten (10) foot wide landscape zone is to be maintained parallel to and on either side of the primary entry.*

A minimum ten-foot landscaping area has been provided which is consistent with the landscaping for the under construction Team dealerships on the parcel to the west.

- 2. The primary ground plane material shall include turf, shrubs and specimen accent trees.*

A recommended condition of approval requires these elements in the landscape plan.

- 3. Low, native stone garden walls may also be used to clad each side of the entry driveways.*

No stone walls are proposed as part of this project.

- C. Building Area: The hardscape and landscape material pallets shall be consistent with the overall design concept of the Northgate Mixed Use Development. Their repeated use throughout the Automall will provide a continuity and unification of the architectural and landscape theme, while providing each dealer with an opportunity for an individually designed site. Design elements not included in the pallets must be submitted to the City for approval and/or disapproval. Each Lot shall allot ten percent of the total site area (exclusive of the building footprints, parking lots, storage areas or refuse collection, and street oriented landscaping (overall 10-foot Landscape Zone and the 10-foot Landscape Zone found at each entry) for landscape planter areas within each Lot. The landscape areas shall be designed and located to provide adequate visual and solar relief to the paved areas, especially those in public view. The following standards for plant pallet and landscaping details shall be as follows: 1) A minimum 10-foot wide planting area by a minimum twenty-five percent of the length of the front of the building's façade shall be maintained with accent planting or shrubs and flowering perennials. Remaining hardscape surfaces adjacent to the showrooms shall have decorative paving (example, interlocking pavers, stamped concrete finishes) for the display of automobiles; 2) Designated customer parking shall be well marked (striped) and shall have trees.*

The application complies with these requirements in that the landscape plan has been designed to the requirements of the Northgate Specific Plan and contains a variety of plant materials.

Section 9.03, Tree Selection, Master Tree List.

C. Tree Placement and Function: Trees within each Lot shall serve the following functions, which will dictate their placement.

1. Breaking up Blank Walls. A common theme throughout each Lot is to use freestanding screen walls to block undesirable views of car storage or service areas. Since these walls typically fall in the "back" of each Lot, trees can easily be used to visually break u these walls without blocking the display areas. Additionally, these trees will create a backdrop for the buildings. Other blank wall such as sides of buildings should also be screened by tree plantings.

The project contains a significant number of trees and shrubs on the perimeter as well as in landscape planters. The auto storage area in the rear of the parcel has been screened with larger trees as well as shrubs.

2. Screening. Facilities such as service garages or vehicle storage areas that do not require high visibility may be visually enhanced by tree plantings.

The service garage is located to the rear of the project, and as a result is screened by the building configuration. Planting is provided at the rear to screen this area from uphill residents.

3. Framing. Trees placed in the front corners of the building will frame the building and still allow views.

The project is in compliance with this requirement in that large trees have been placed at the ends of parking bays, the corners of the property and along the rear.

4. Solar Relief. Within each Lot trees should be placed at the customer and employee parking areas to provide a reasonable shade. However, shade trees are not being required where they would block showroom visibility.

The project meets these requirements in that trees have been provided in the parking areas.

5. Accent. Specimen trees must be used to accent special areas within each Lot such as display areas or building entries.

The Landscape Plan prepared by Molly Duff, Landscape Architect, dated August 10, 2006, shows that 24-inch box trees are being installed in the front parking lot area and along the service entrance side area. A significant number of the other trees are being installed in 15-gallon size.

- D. Master Plant Material List. Trees selected for each lot should be compatible with automobile display. They should be high branching for vehicle clearance and visibility and should be selected to minimize the amount of litter drop. Trees, shrubs and groundcovers shall be selected from those listed within Specific Plan

Appendix A. In addition, to provide for variety, a minimum of 50% of the trees selected for each Lot must be evergreen.

The landscape plan prepared by Molly Duff, Landscape Architect, is consistent with this requirement.

E. Conditions. The following design and landscaping conditions shall be met:

- 1. No vehicles, display or otherwise, shall be permitted to be parked on or within any landscape area other than specific vehicle display pad areas.*

This has been made a proposed condition of approval of the project.

- 2. Landscaping, as approved will be installed prior to occupancy. After installation, the said landscaping will be maintained in conformance with these design guidelines.*

This has been made a proposed condition of approval of the project.

F. Design Approval. The landscape design will be in accordance with plans and specifications submitted to and approved by the City of Vallejo, pursuant to these Landscape Design Guidelines and the requirements of the Vallejo Municipal Code. Plans should be in compliance with the Landscape Design Guidelines. Plant materials shall be reviewed and approved by the City's representative prior to planting.

The plan has been reviewed by the Planning Division and the City's Landscape Manager. Staff has determined that the general concept is in compliance with the Vallejo Municipal Code and the Specific Plan landscape guidelines.

G. Size of Trees and Shrubs. The minimum size of all trees to be planted for all improvements shall be 15-gallon container size and shrubs shall be a minimum of 5-gallon in size, as commonly sold in commercial nurseries

The landscape plan indicates that this requirement has met.

Section 9.04 Pruning and Maintenance. All portions of each Lot shall be maintained in a neat and orderly, weed free condition. All landscaped areas shall be irrigated with an automatic, subterranean water efficient irrigation system. All dead or dying material shall be replaced with identical species and compatible size within fourteen days of observance. Trees shall be pruned only as required to select and develop permanent scaffold branches that are smaller in diameter than the trunk or branch to which they are attached and which have a vertical spacing of from 18-inches to 48-inches and radial orientation so as not to overlay one another; to eliminate diseased or damaged growth; to eliminate damage by thinning out crowns; to maintain growth within space limitations; to maintain a natural appearance.

This requirement has been recommended as a condition of approval of the project.

Section 10.04: Lighting Guidelines and Requirements, Lighting Design Criteria: The Specific Plan sets forth design standards for the Automall with regard to building, parking lot and landscape lighting and establishes maximum and minimum footcandle levels and standard outdoor products for the whole area. There are minor areas in this plan that do not comply with some of these standards. A condition of approval has been drafted that requires the project lighting to comply with all aspects of Chapter 10 – *Lighting Guidelines and Requirements of the Northgate Specific Plan*. Upon issuance of a certificate of occupancy, all exterior lighting should be subject to a 30-day lighting level review to insure compatibility with the surrounding neighborhood and conformance with Appendix B, *Lighting Guideline and Requirements of the Northgate Specific Plan*. The lighting level reviews shall be accomplished with the assistance of the applicant's lighting contractor with appropriate measuring equipment.

5. PUBLIC COMMENTS

No public comments have been received up to the time of preparation of this staff report.

6. REFERENCES

City of Vallejo General Plan

City of Vallejo, Zoning Ordinance:

Chapter 16.62, Off Street Parking and Loading Requirements

Chapter 16.82. Conditional Use Permit Procedures

Northgate Specific Plan

Revised Initial Study – Mitigated Negative Declaration, Northgate Specific Plan

7. STAFF ANALYSIS/CONCLUSION

The land use and design of the proposed Team GMC Pontiac Buick automobile dealership complies with the provisions of the Northgate Specific Plan, as discussed in detail in the above sections of this report. The project will contribute to the Northgate area as it will create a harmoniously designed collection of auto dealers as desired by the City Council, as this application is last of four new dealerships in this area. The Vallejo Toyota dealership has been located nearby since 1990 and currently has two locations on Admiral Callaghan Lane.

9. STAFF RECOMMENDATION

Staff recommends that the Planning Commission APPROVE Major Conditional Use Permit 06-0024, and make the findings contained in the attached resolution based on all the evidence in the record, including this report, all of which is included by reference.

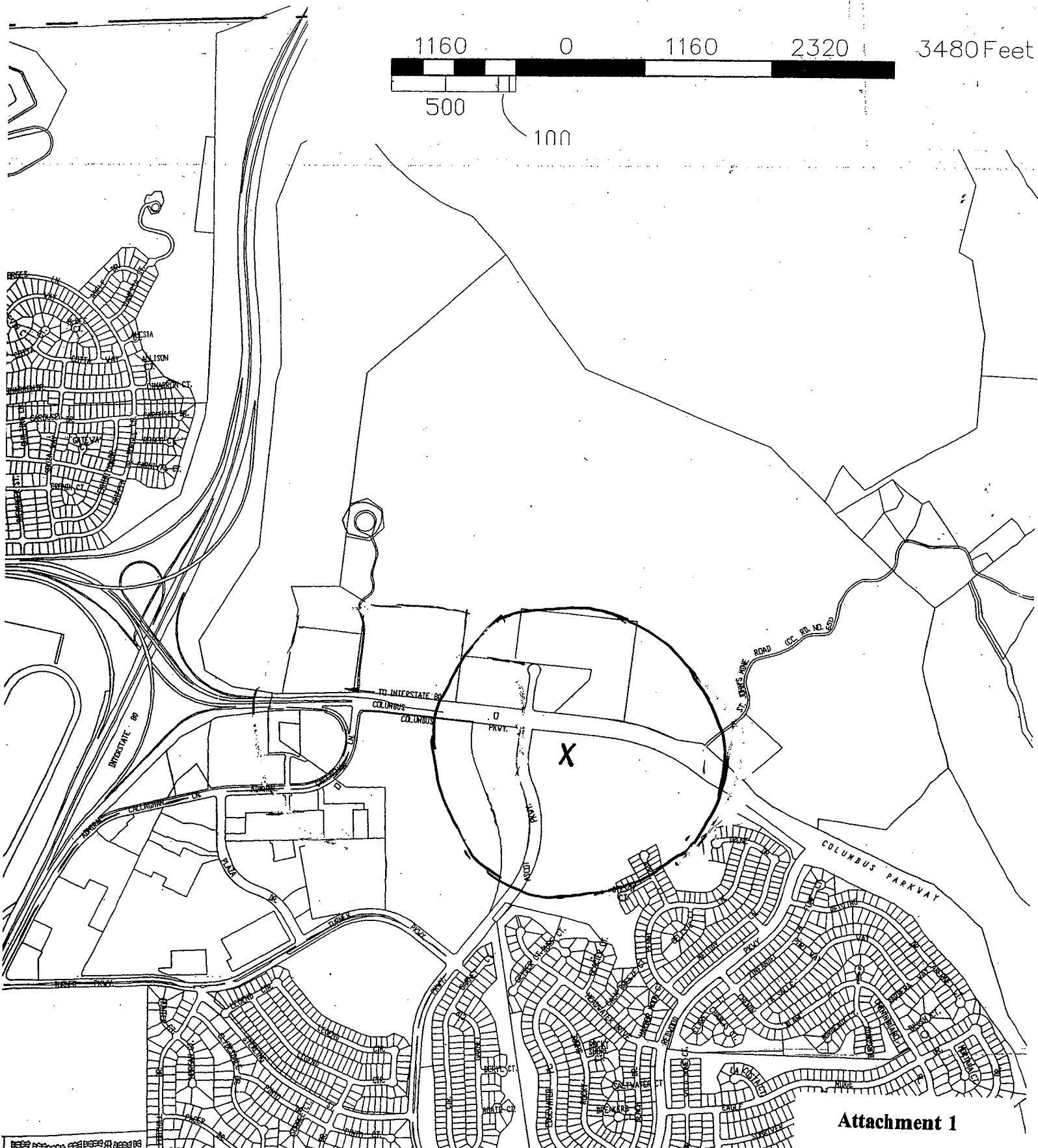
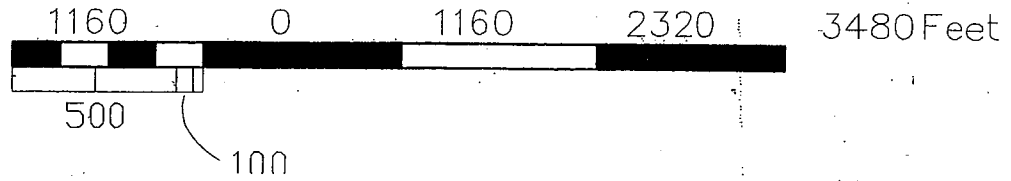
ATTACHMENTS

- Attachment 1 – Location map/Conflict of Interest map
- Attachment 2 – Vicinity Map
- Attachment 3 – Site Plan
- Attachment 4 – Exterior Elevations
- Attachment 5 – Floor Plan
- Attachment 6 – Roof Plan
- Attachment 7 – Preliminary Grading Plan
- Attachment 8 – Preliminary Utility Plan
- Attachment 9– Landscape plan
- Attachment 10 -Lighting Plan
- Attachment 11 –Aerial Photo of site
- Attachment 12- Draft Resolution with Attached Conditions

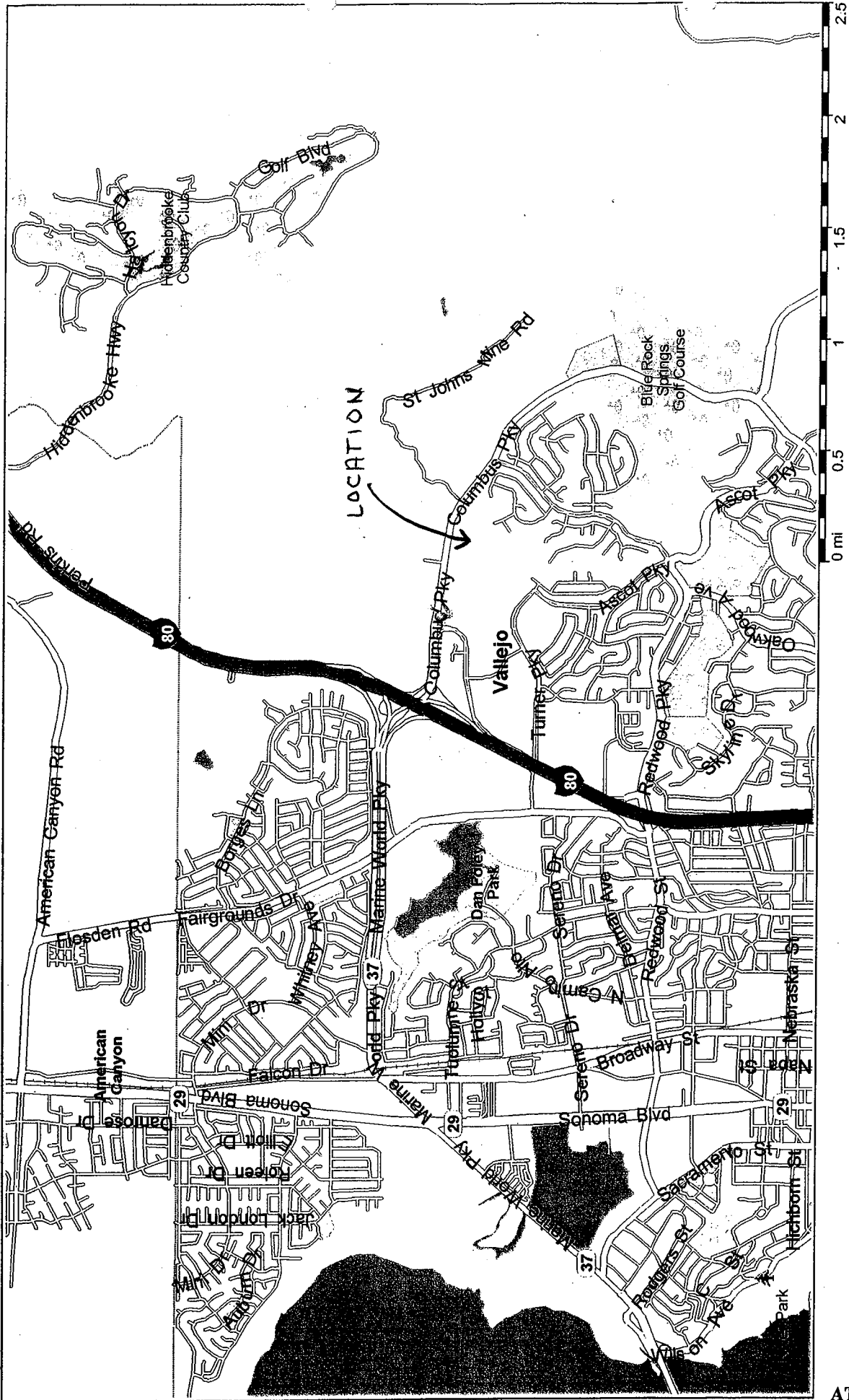
The applicant or any party adversely affected by a decision of the Planning Division may appeal the decision by filing an appeal to the Planning Commission. Such appeal must be filed in writing with the Secretary of the Planning Division within ten calendar days after the Planning Division's action. The Commission may affirm, reverse, or modify any decision of the Planning Division that is appealed.

City of Vallejo

CONFLICT OF INTEREST MAP



Vallejo, California, United States



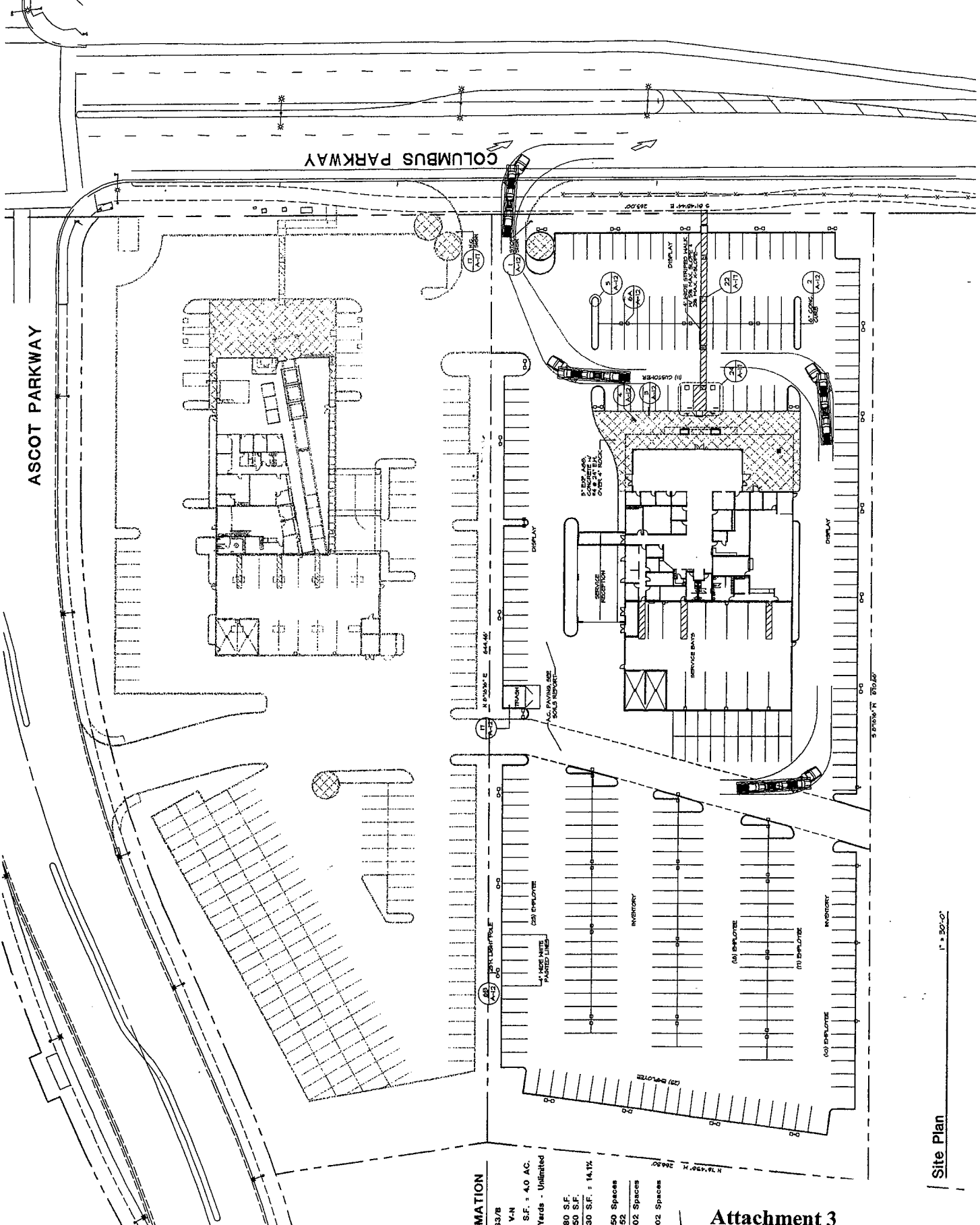
AVANESSIAN ASSOCIATES
 ARCHITECTS
 400 CENTER POINT BLVD., SUITE 115
 SOUTH SAN FRANCISCO, CA. 94080
 VOICE: (415) 583-7544
 FAC: (415) 583-0978
 E-MAIL: AVANESSIAN@AVANESSIAN.COM



BUICK PONTIAC GMC
 Automobile Sales and Service
 Columbus Parkway, Vallejo, California

REVISIONS	JOB NO.	DATE
	2042	Aug 10, 2006

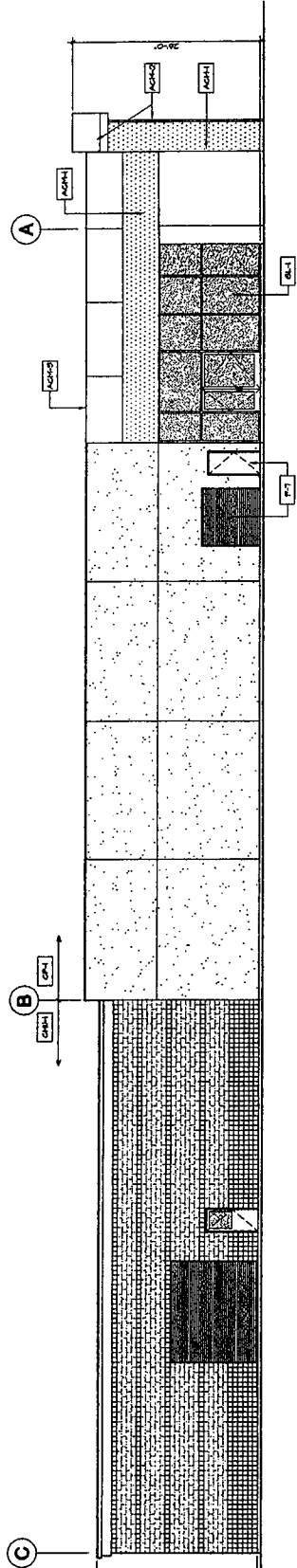
Site Plan
 DRAWING SHEET
A-1
 OF



NOTATION
 33/8
 V-N
 S.F. = 4.0 AC.
 Yards - Unlimited
 80 S.F.
 30 S.F.
 30 S.F. = 14.1%
 50 Spaces
 62
 102 Spaces
 102 Spaces

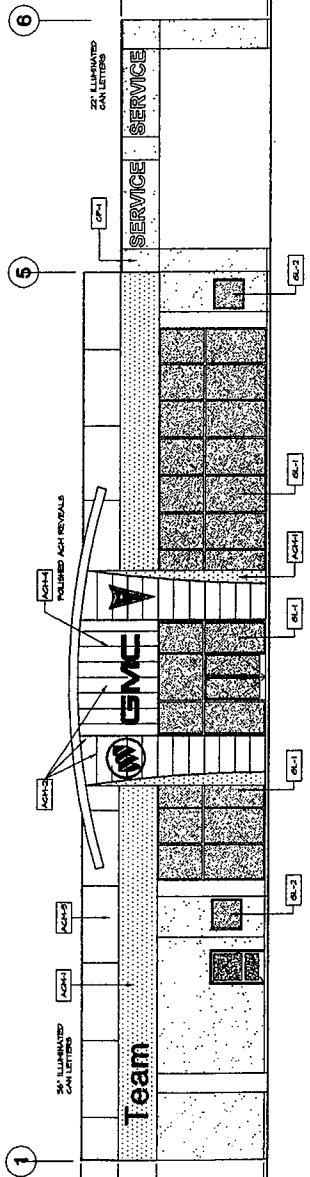
Attachment 3

Site Plan
 1" = 30'-0"

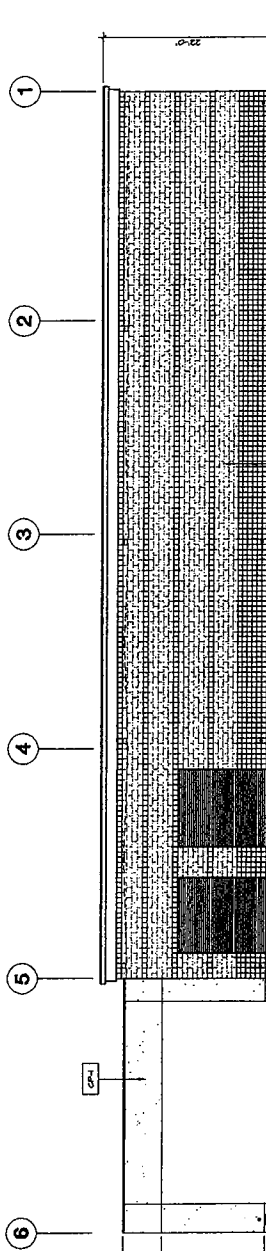


East Elevation

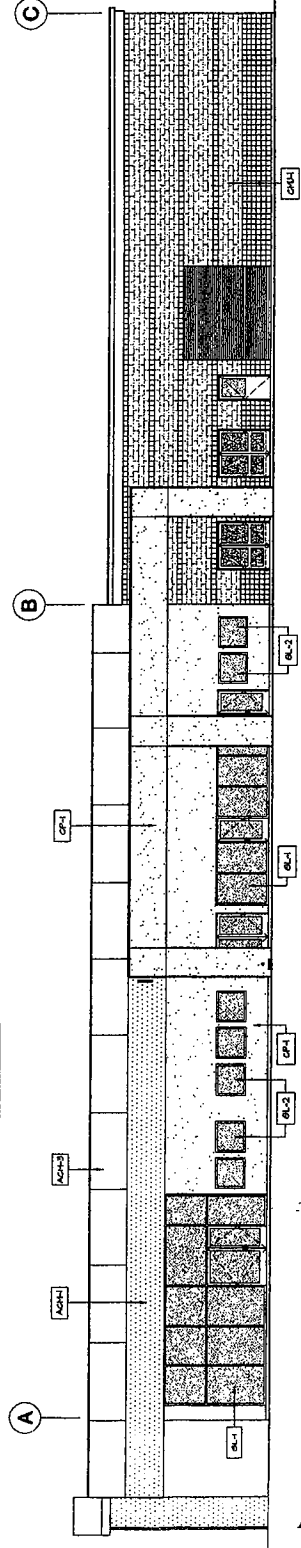
CODE	MATERIAL	MANUFACTURER	DESCRIPTION
ACH-1	ALUMINUM CORNER METAL	ALUMINUM CORNER METAL CONTRACT: DAVE DEANNEY 371-553-8274	1/2" BLACK ANODIZED ALUMINUM PLATE OR EQUAL (ALT. SOURCES: ALUCOR/ALCOAN)
ACH-2	ALUMINUM CORNER METAL	ALUMINUM CORNER METAL CONTRACT: DAVE DEANNEY 371-553-8274	ENGRAVED MARINE ALUMINUM PLATE OR EQUAL (ALT. SOURCES: ALUCOR/ALCOAN)
ACH-3	MERCH CONCRETE METAL	MERCH CONCRETE METAL CONTRACT: DAVE DEANNEY 371-553-8274	PAINT FINISH METAL CONCRETE OR EQUAL (ALT. SOURCES: ALUCOR/ALCOAN)
ACH-4	MERCH CONCRETE METAL	MERCH CONCRETE METAL CONTRACT: DAVE DEANNEY 371-553-8274	MESH FINISHED ALUMINUM PLATE OR EQUAL (ALT. SOURCES: ALUCOR/ALCOAN)
CM-1	CONC. MASONRY UNIT	CONC. MASONRY UNIT	PAINTED P-1
CP-1	CONC. PLASTER	CONC. PLASTER	PAINTED P-1
FP-1	FIBERGLASS	FIBERGLASS (600-84-8494)	302-45 SIGN INTERIOR/EXTERIOR BRASS OR EQUAL
GL-1	GLASS	GLASS	LOW IR INSULATED CLEAR GLASS WITH 2" X 6" CLEAR ANODIZED ALUMINUM FRAMES
GL-2	GLASS	GLASS	1/2" POLISHED & CLEAR GLASS WITH 1 1/2" X 4" X 2" CLEAR ANODIZED ALUMINUM FRAMES



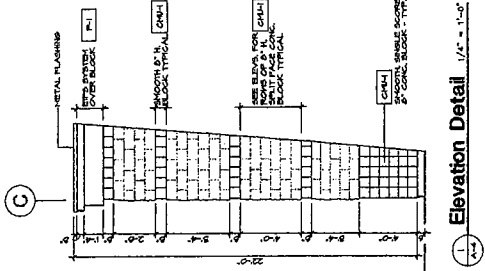
North Elevation



South Elevation



West Elevation



Elevation Detail 1/4" = 1'-0"

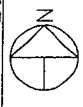
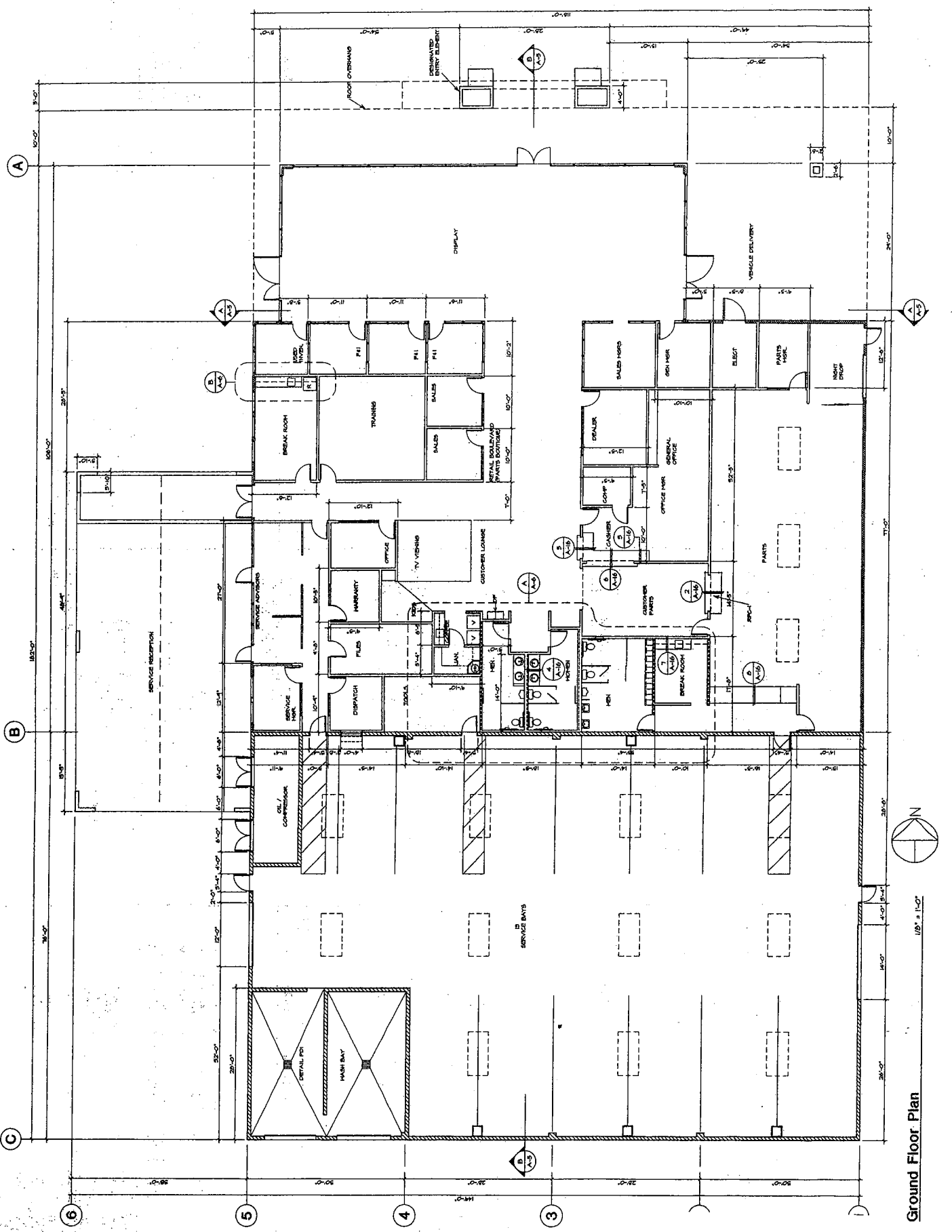
AVANESSIAN ARCHITECTS
 400 OVERTON BLVD., SUITE 112
 ALTA RISK, OAKLAND, CA 94612
 SOUTH SAN FRANCISCO, CA 94080
 VOICE (415) 435-7344
 FAX (415) 435-0075
 E-MAIL: AVANESSIAN@AOL.COM



BUICK PONTIAC GMC
 Automobile Sales and Service
 Columbus Parkway, Vallejo, California

REVISIONS	JOB NO.	DATE
	2042	AUG 20, 2008

Ground Floor Plan
 DRAWING SHEET
A-2
 OF 02



1/8" = 1'-0"
 Ground Floor Plan

AVANESSIAN ASSOCIATES
 ARCHITECTS
 400 OVERTON FOUNT BLDG., SUITE 105
 SOUTH SAN FRANCISCO, CA. 94080
 TEL: (415) 435-3333
 FAX: (415) 435-3333
 E-MAIL: AVANESSIAN@COMcast.com

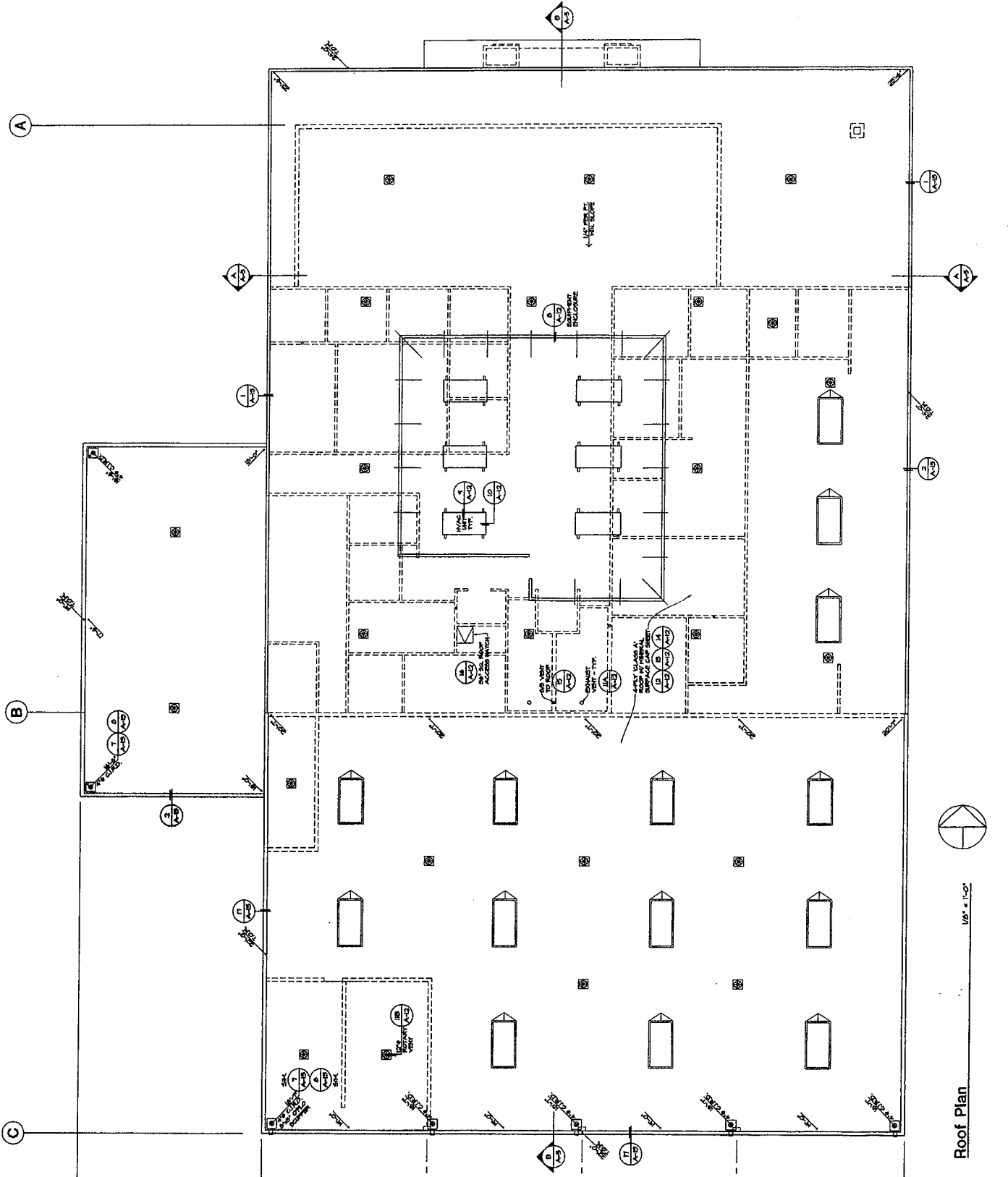


Automobile Sales and Service
BUICK PONTIAC GMC
 Columbus Parkway, Vallejo, California

REVISIONS	

JOB NO. 2042
 DATE Aug. 20, 2008
 PROJECT: Automobile Sales and Service Building
 1000 Columbus Parkway, Vallejo, CA 94591
 ARCHITECT: Avnessian Associates
 DRAWING NO. A-4

Roof Plan
 DRAWING SHEET
 A-4 -
 OF



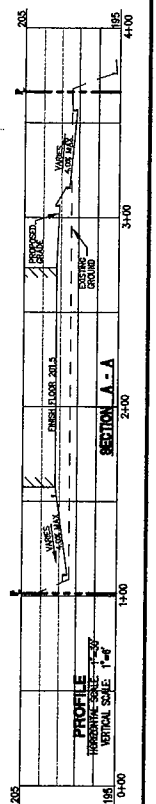
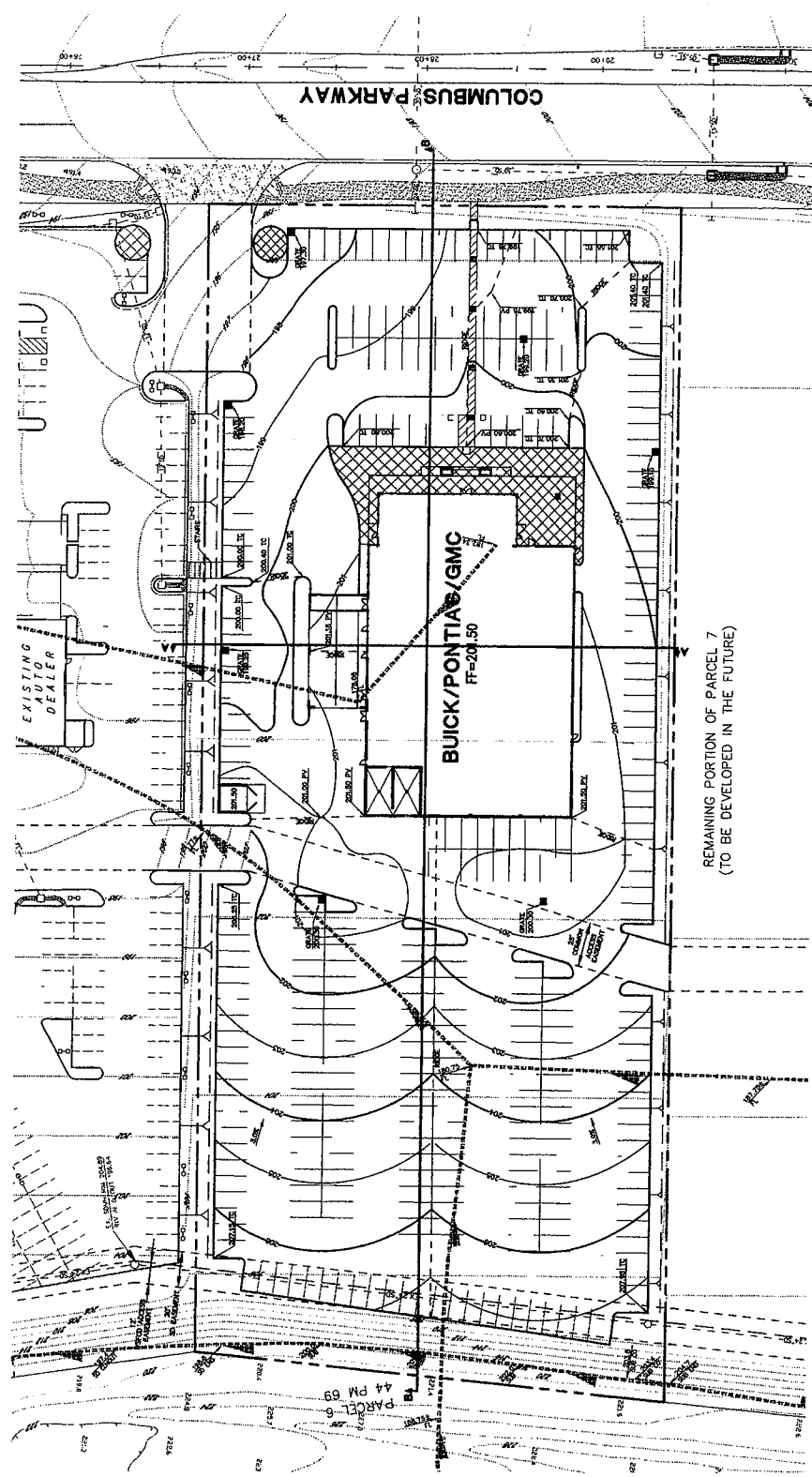
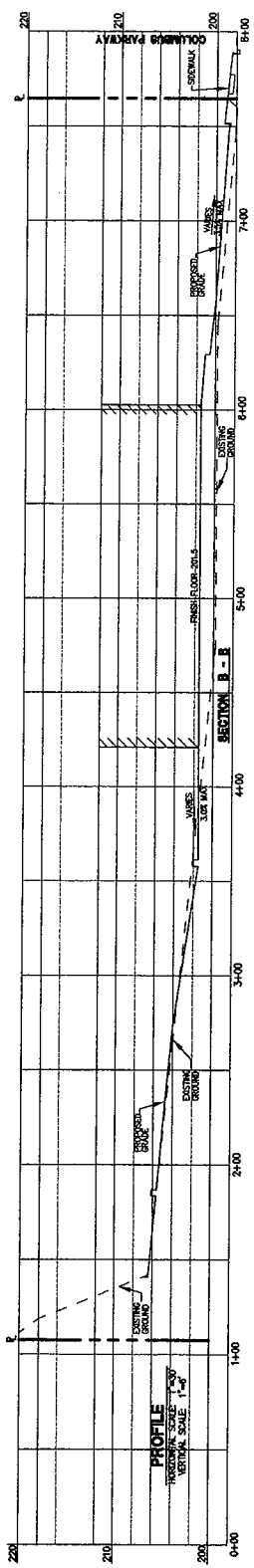
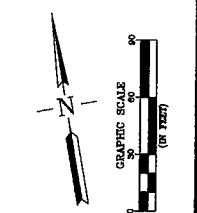
Roof Plan
 1/8" = 1'-0"

DATE	NO.	BY	CHK	REVISIONS

SHEET NO. **1**
 OF NO. 2 SHEETS
 A06857

LEGEND

PROPOSED MAJOR CONTOUR
 PROPOSED MINOR CONTOUR
 EXISTING MAJOR CONTOUR
 EXISTING MINOR CONTOUR
 PROPOSED DRIVE
 PROPOSED PAVEMENT
 EXISTING PAVEMENT
 EXISTING UTILITY



PRELIMINARY PLAN
NOT FOR CONSTRUCTION

DATE	02/21/18
DESIGNER	JM
CHECKED	JK
APP. NO.	
DATE	
APP. NO.	
DATE	
APP. NO.	
DATE	
APP. NO.	
DATE	
APP. NO.	
DATE	
APP. NO.	

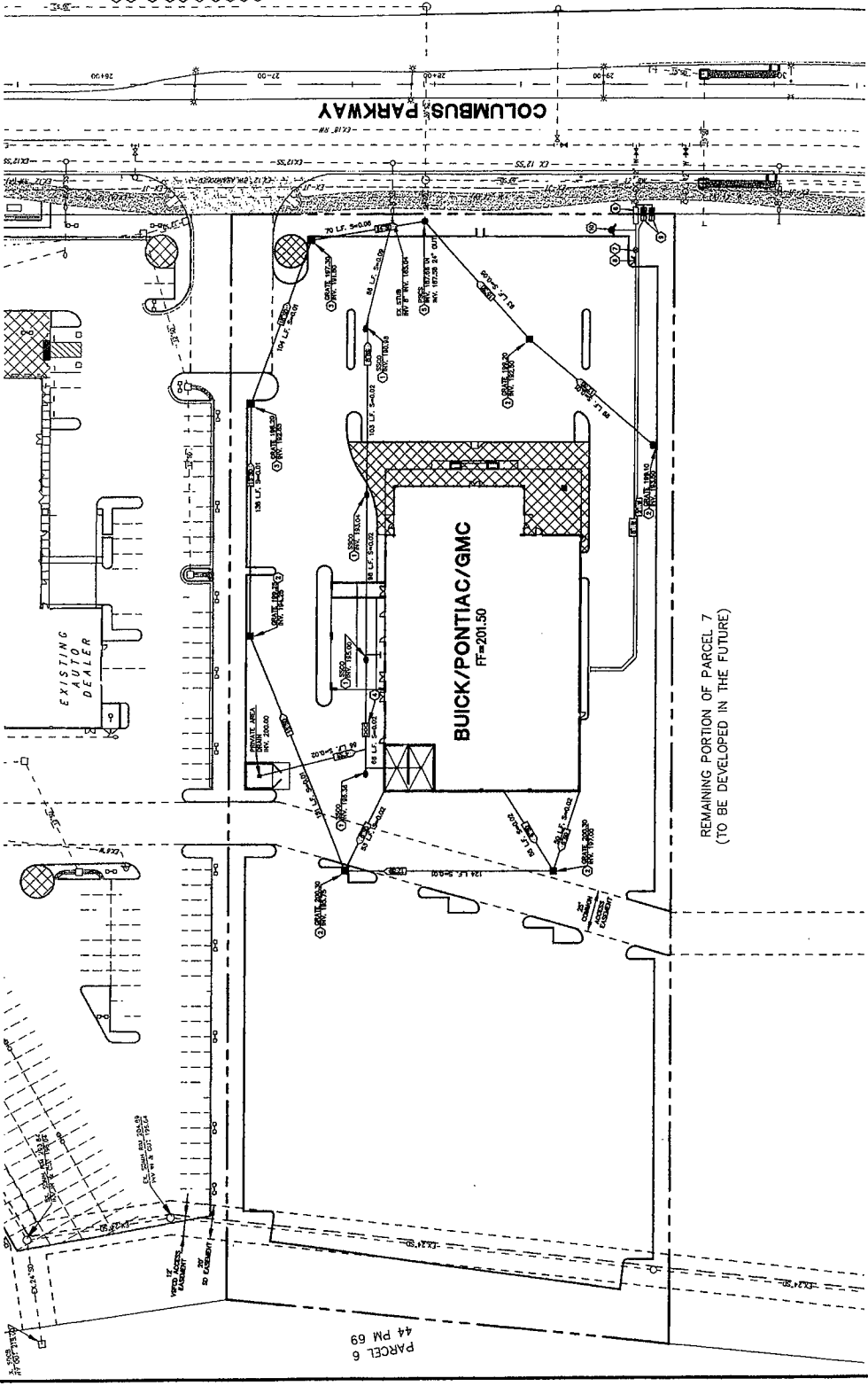
BUICK/PONTIAC/GMC
PRELIMINARY UTILITY PLAN
VALLEJO, CALIFORNIA

FOR: KEN ROSS

RAK
CIVIL ENGINEERS
707 BUCK AVENUE
FAIRFAX, CALIFORNIA 94533
PHONE (707) 452-8228 FAX (707) 432-0488
© COPYRIGHT 2008 ROBERT A. KARN & ASSOCIATES, INC.

- LEGEND**
- PRIVATE STORM DRAIN (Symbol)
 - CATCH BASIN (Symbol)
 - FIRE HYDRANT (Symbol)
 - WATER METER (Symbol)
 - SANITARY SEWER CLEANOUT (Symbol)
 - STORM DRAIN (Symbol)
 - SANITARY SEWER (Symbol)
 - WATER LINE (Symbol)

- CONSTRUCTION NOTES**
- INSTALL SANITARY SEWER CLEANOUT PER CITY OF VALLEJO STANDARDS.
 - INSTALL CATCH BASIN PER CITY OF VALLEJO STANDARDS. IF THE CATCH BASIN IS TO BE INSTALLED IN AN EXISTING DRAIN, IT SHALL BE INSTALLED IN AN APPROVED MANNER. USE A STANDARD PANEL.
 - INSTALL WATER METER PER CITY OF VALLEJO STANDARDS. THE WATER METER SHALL BE INSTALLED IN AN APPROVED MANNER. USE A STANDARD PANEL.
 - INSTALL FIRE HYDRANT PER CITY OF VALLEJO STANDARDS. THE FIRE HYDRANT SHALL BE INSTALLED IN AN APPROVED MANNER. USE A STANDARD PANEL.
 - INSTALL PRIVATE SEWER CONTROL STRUCTURE PER CITY STANDARDS.
 - INSTALL PRIVATE SEWER CONTROL VALVE PER CITY OF VALLEJO STANDARDS.
 - INSTALL FIRE DEPARTMENT CONNECTION PER CITY OF VALLEJO STANDARDS.
 - INSTALL WATER METER PER CITY OF VALLEJO STANDARDS.
 - INSTALL FIRE HYDRANT PER CITY OF VALLEJO STANDARDS.



PRELIMINARY PLAN
NOT FOR CONSTRUCTION

AVANESSIAN ARCHITECTS ASSOCIATES
 1400 WESTERN PARKWAY, SUITE 115
 OAKLAND, CALIFORNIA 94612
 PHONE: (925) 853-7344
 FAX: (925) 853-0974
 E-MAIL: AVANESSIAN@AOL.COM



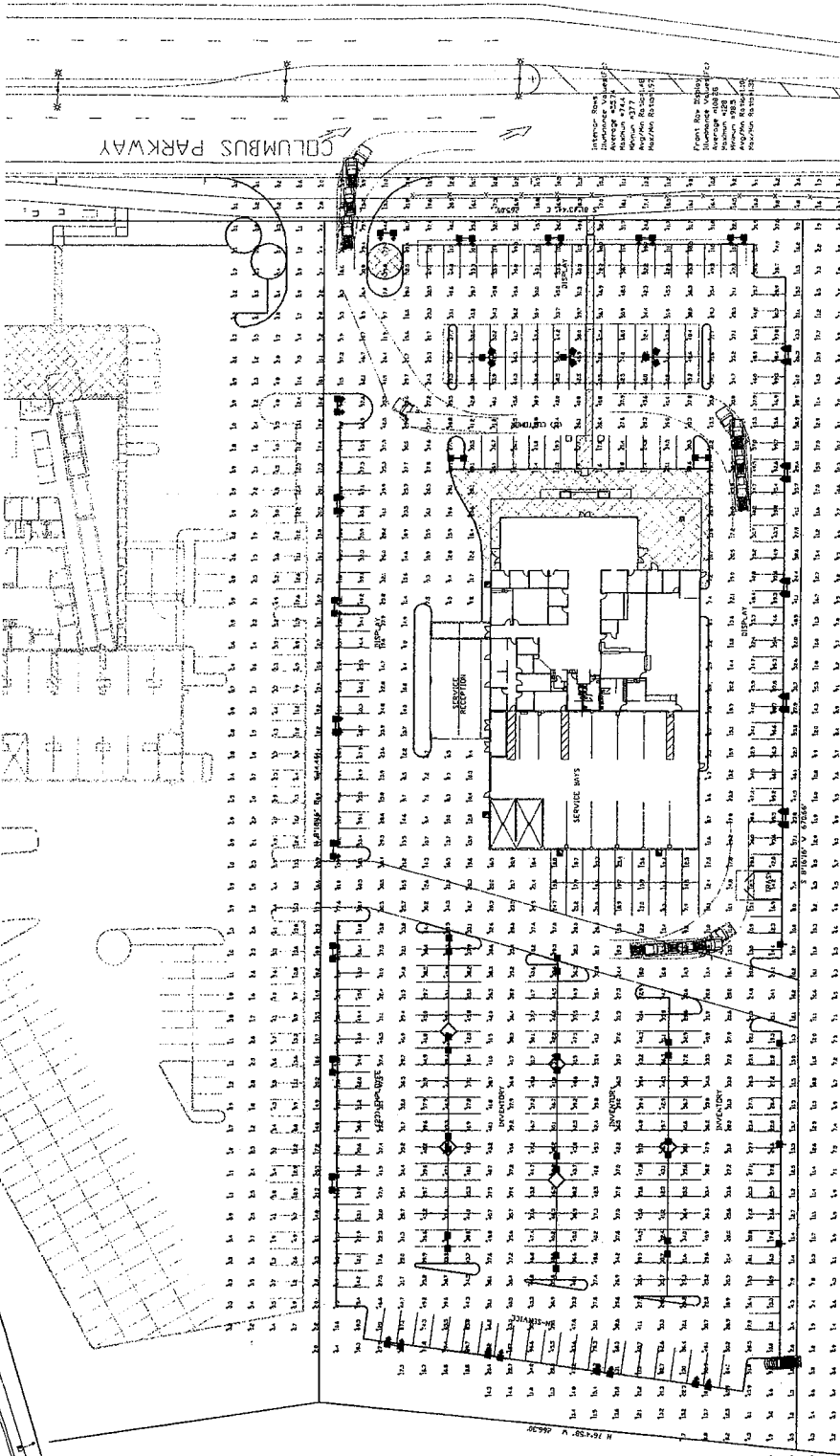
BUICK PONTAC GMC
 Automobile Sales and Service
 Columbus Parkway, Vallejo, California

REVISIONS

NO.	DATE	DESCRIPTION
1	08/15/06	ISSUED FOR PERMITS

DATE: Aug. 10, 2006
 JOB NO.: 2042

Site Plan
 DRAWING SHEET
 LT-1 - OF



Interior Summary

PROJECT #	PROJECT NAME	Category	Units	Area	Per Sq Ft	Per Hour
0001	0001	Interior	100	100	1.0	1.0

Estimated Area Summary

Category	Area	Per Sq Ft	Per Hour
Interior	100	1.0	1.0
Exterior	100	1.0	1.0

Visiomatic Lighting
 Photometric Study
 29113867/1
 Vallejo, CA
 Avanesian & Associates
 Ventworth Lighting
 Date: 8/15/06

Lighting Schedule





Symbol	Qty	Arrangement	Lumens	LF	Description
1	22	2x2	8000	1000	Visiomatic American AEC-1 15-2595-02 Back-Back-VLGE & 24" x 48" Ht.
2	1	STAGLE	4000	1000	Visiomatic American AEC-2 15-2595-01 All Mount-VLGE & 18" x 48" Ht.
3	1	STAGLE	4000	1000	Visiomatic American AEC-4 15-2595-01 Single-VLGE & 24" x 48" Ht.
4	13	BACK-TO-TO	8000	1000	Visiomatic American AEC-1 15-2595-02 Back-Back-VLGE & 24" x 48" Ht.
5	3	3 x 800 DEGREES	8000	1000	Visiomatic American AEC-1 15-2595-02 Back-Back-VLGE & 24" x 48" Ht.

Site Plan
 11-36-C



Location Information	
Zip Code:	94591
Zoning:	MUPD
APN Book Number:	81



-  Streets
-  Water
-  Parcels
-  City Boundaries
- 8 FT Image

CITY OF VALLEJO PLANNING COMMISSION

RESOLUTION NO. PC-07-_____

**A RESOLUTION OF THE PLANNING COMMISSION
APPROVING A CONDITIONAL USE PERMIT APPLICATION**

(UP #06-0024)

*Team GMC Pontiac Buick Dealership
411 AutoMall Parkway
0081-800-330*

I. GENERAL FINDINGS

WHEREAS an application was filed by Ken Ross seeking approval for a conditional use permit to allow the construction of a 24,630 automobile dealership,

WHEREAS the City of Vallejo Planning Commission conducted a duly noticed public hearing to consider the application for the Conditional Use Permit on February 21, 2007, at which testimony and evidence, both written and oral, was presented to and considered by the Planning Commission,

WHEREAS based on evidence received at the public hearing, the Planning Commission makes the following factual findings:

II. CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS.

Section 1. On July 29, 2003, a Revised Initial Study and Mitigated Negative Declaration were adopted concurrently with an amendment to the Northgate Specific Plan. The Revised Initial Study and Mitigated Negative Declaration contained a Mitigation Monitoring and Reporting Program for the project.

Section 2. Under CEQA Guidelines section 15162, the lead agency may rely on the previous Revised Initial Study and Mitigated Negative Declaration instead of preparing a subsequent or additional EIR or Mitigated Negative Declaration where, on the basis of substantial evidence in the light of the whole record,

- 1) No substantial changes are proposed which will require major revisions of the previous negative declaration due to the involvement of new significant environmental effects, or a substantial increase in the severity of previously identified significant effects,

2) No substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions to the negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and,

3) No new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous negative declaration was adopted, shows any of the following:

(A) The project will have one or more significant effects not discussed in the previous negative declaration;

(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR

(C) Mitigation measures or alternatives previously found not be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative or

(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Section 3. For this project, no substantial changes are proposed to the project as described in the initial mitigated negative declaration, and no new information of substantial importance is known which would necessitate an additional or subsequent EIR or Negative Declaration. The proponent agrees to comply with all mitigation measures contained in the Revised Initial Study, and incorporated into the conditions of approval for this project. Therefore, reliance on the previous Revised Initial Study and Mitigated Negative Declaration is proper.

Section 4. Pursuant to Section 21081.6 of the Public Resources Code, a mitigation monitoring and/or Reporting program was previously adopted as part of the Revised Initial Study – Mitigated Negative Declaration for the Northgate Specific Plan, in order to mitigate significant effects on the environment. This Mitigated Negative Declaration adopted in July, 2003 proposes adequate mitigations for this project. Those mitigations have been agreed to by the applicant and adequate mitigation is provided for as conditions of approval to this project.

III. FINDINGS RELEVANT TO USE PERMIT AND FINDINGS FOR PROJECT APPROVAL AND FOR DETERMINATION OF PROJECT CONSISTENCY WITH APPLICABLE GENERAL PLAN AND SPECIFIC PLAN

Section 5. The Planning Commission finds that applicant submitted a Major Use Permit

application for a 24,630 square foot automobile dealership to be located at 411 Auto Mall Parkway. Use Permit approval is governed by Chapter 16.82 of City of Vallejo Municipal Code. The Use Permit is required for automobile dealerships in the Northgate Specific Plan area pursuant to the City of Vallejo Municipal Code sections 16.112 and 16.82.

Section 6. The Planning Commission finds, based on the facts contained in sections 1,2,3, 4, 5 of the staff report incorporated herein by this reference, and the evidence presented at the public hearing, and subject to the conditions attached to this resolution that:

1. The location, size, design and operating characteristics of the proposed conditional use will be compatible with adjacent uses, building or structures, with consideration given to harmony in scale, bulk, coverage, and density; to the availability of civic facilities and utilities, to the harmful effect, if any, upon desirable neighborhood character; to the generation of traffic and the capacity and physical character of surrounding streets; and to any other relevant impact of the proposed use.
2. The impacts, as described in subsection 1 and the location of the proposed conditional use are consistent with the city general plan.
The General Plan land use designation for this site is "Northgate Mixed Use".

Section 7. The proposed use is consistent with the Northgate Specific Plan in that the proposed use meets the intent and specific standards set forth in the Northgate Specific Plan, Appendix B and described in detail in Section 4 of the staff report. An automobile sales and service facility is consistent with that land use designation as provisions for the development of auto sales facilities are contained in the Northgate Specific Plan.

IV. RESOLUTION RECOMMENDING APPROVAL OF THE CONDITIONAL USE PERMIT APPLICATION FOR THE TEAM GMC PONTIAC BUICK DEALERSHIP, SUBJECT TO CONDITIONS OF APPROVAL

NOW, THEREFORE, LET IT BE RESOLVED that the Planning Commission hereby APPROVES the conditional Use Permit application (UP 06-0024) for the Team GMC Pontiac Buick dealership, based on all the evidence in the record, including all the written correspondence, the findings contained in this resolution and in the staff report and subject to the Conditions of Approval attached to this resolution.

V. VOTE

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the City of Vallejo, State of California, on the 21st day of February, 2007, by the following vote to-wit:

AYES:
NOES:
ABSENT:

CHARLES LEGALOS, CHAIRPERSON
City of Vallejo PLANNING COMMISSION
Attest:

Don Hazen
Planning Commission Secretary

CONDITIONS OF APPROVAL

EXHIBIT 1

List of specific conditions that apply to this application:

Planning Division

1. The following dust control measures shall be implemented during grading and construction: a) paving, applying water three times per day, or applying (non-toxic) soil stabilizers on all unpaved access roads, parking areas and staging areas at construction sites; b) sweep daily (with water sweepers) all paved access roads, parking areas and staging areas for construction sites; c) sweep daily (with water sweepers) if visible soil material is carried onto adjacent public streets. All trucks hauling soil and the loose material be covered or run under a water spray system to reduce material fly-off.
2. Enhanced dust control measures shall be incorporated for this site as it is larger than four acres. These measures include: hydro-seeding or applying soil stabilizers to inactive construction areas and limiting traffic speeds on unpaved roads to 15 miles per hour.
3. To reduce potential impact to structures and improvements associated with land sliding and slope instability, the project sponsor shall comply with the landslide stabilization recommendations presented in the Updated Geotechnical Report for Northgate Mixed Use Development Area, prepared by KC Engineering dated September 30, 2002.
4. Prior to the submittal of a grading permit for each site within the development area, the project sponsor shall submit an erosion control plan to the City of Vallejo. Construction personnel shall implement all relevant measures of the plan during earth movement and other construction activities. The plan shall include the following measures that are to be incorporated into the grading plan for each development site: a) erosion control measures shall be installed prior to and shall remain in place through the rainy season (November 1 through April 15); b) specific soil stockpile areas shall be designed within the proposed construction areas, and shall not be stockpiled outside the designated areas, soils and other materials shall not be stockpiled near drainage channels or inlets; c) tarps shall be used to cover all excavated soils and stockpiles during the rainy season; d) silt basins and swales shall be installed, where appropriate to collect silt and eroded soils; and, landslide repair or containment shall be the first order of work during construction, so that the potential for erosion from such features is minimized during the initial phases of site grading and construction.
5. Prior to submittal of a grading/building permit for each development area or lot, a geologist or licensed engineer, experienced in soils and geology, shall prepare a comprehensive analysis of expansive bedrock conditions (expansive volcanic tufts). The investigation shall determine if expansive bedrock conditions are present in the area proposed for development. If such conditions are present, the location of the expansive shall be mapped and presented in the investigation. In

addition, the investigation shall present appropriate measures to mitigate potential damage to structures where expansive bedrock exists. The investigation shall be submitted with the grading or building permit application and recommended measures of this investigation shall be incorporated into the site grading and building plans.

6. At no time shall the project exceed the maximum daytime exterior noise standard of 55 dBA at the nearest noise sensitive use.
7. Auto shop services shall be limited to the hours of 7:00 a.m. until 10:00 p.m.
8. The service bay doors shall be kept closed to a maximum practicable extent in order to minimize opportunities for auto shop service activity noise to adversely affect adjacent noise sensitive uses.
9. Noise from public address systems shall be controlled so as not to exceed 50 dBA at the property line of the adjacent noise sensitive land uses. To accomplish this standard, orient the loudspeakers so that the sound is directed away from noise sensitive land uses. As an alternative, pagers could be used to notify sales staff. In response to complaints, the Planning Manager shall have the authority to require that the public address system not be used after 7:00 p.m. or be modified in such a way as to eliminate public address system sound transmission resulting in a noise nuisance to residents of the single family homes to the south.
10. Applicable noise monitoring measures which are specified in the Brown-Buntin assessment (Page 13, Appendix D-1 of the Initial Study) shall be implemented.
11. Heating, ventilation, and air conditioning equipment installed on the Team dealership building shall be sited and designed to achieve the City of Vallejo exterior noise standard of 50 dBA and an interior noise standard 45 dBA, as measured from the nearest noise sensitive land use. Documentation shall be provided to the Planning Division demonstrating how compliance is achieved.
12. The applicant shall submit a construction logistics plan incorporating the following measures: a) limit activities or individual site grading and construction to the daytime hours of 7 a.m. to 6 p.m., Monday through Friday, and 9:00 A.M to 5:00 P.M. on Saturday (no grading or construction activities on Sunday's or federal holidays) in order to minimize construction disturbances to surrounding residents; b) Noise abatement measures such as barriers, setbacks from adjacent residential neighborhoods. In addition, require that construction vehicles and equipment be fitted with noise dampening devices (e.g. mufflers). This plan shall be submitted to the City for approval prior to the submittal of a grading permit.
13. All body repair activities, painting activities, air compressors and air compressor uses shall be contained and operated within a building. Trash containers and other stored materials shall be restricted to enclosed areas and screened from public view.

14. No external antennas are permitted on the any Lot. Roof antennas are not permitted. No flagpoles or flags, other than one common eighty-foot flagpole, are permitted on any Lot. Satellite dish equipment, to be used solely for the telecommunications with a national manufacturer are permitted. Dishes shall not exceed eight feet in diameter and may be located on the roof of a building provided that they have been screened from public view or have been designed to blend into the roof structure. For example, if the roof equipment of a building is white in color so shall the satellite dish. One common flagpole, not exceeding 80 feet in height may be permitted in the entire Automall. The single common flagpole, to be utilized to be utilized /shared by all Lots, may fly the State and Federal flag only. Each flag shall not exceed 200 square feet in area (each side). The height of the flagpole for the purposes of this section shall be measured from ground height within one foot of the flagpole base. The common flagpole shall not be placed on the roof of a building or within 30 feet of the public right-of-way. Final location of the proposed flagpole, and the flags to be flown shall be reviewed, approved and/or disapproved by the City.
15. Once an owner, lessee, or user has commenced commercial business operations this site, no temporary portable or modular buildings, or trailers shall be permitted on this site for any purpose.
16. No improvements shall be erected, constructed, or placed on this site, or altered, including a change of exterior color, unless the external appearance and coloring of the improvements including elevations height, dimensions and location have been approved by the City in writing.
17. All parking spaces, access isles, backup space, and driveways shall be designed to be in compliance with the Vallejo Zoning Ordinance.
18. The 10-foot landscape area behind the meandering walk adjacent to the public right-of-way shall be maintained by lot owner. Within the noted areas, plant material shall include turf along with low growing accent shrubbery and groundcovers that will provide seasonal color, form and texture.
19. The project lighting shall comply with all aspects of Chapter 10- Lighting Guideline and Requirements of the Northgate Specific Plan. Upon issuance of a certificate of occupancy, all exterior lighting shall be subject to a 30-day lighting level review to insure compatibility with the surrounding neighborhood and conformance with Appendix B or the Northgate Specific Plan. The lighting level review shall be accomplished with the assistance of the applicant's lighting contractor with appropriate measuring equipment.
20. Trees selected shall be compatible with automobile display. They shall be high branching for vehicle clearance and visibility and should be selected to minimize the amount of litter drop. Trees, shrubs, and groundcovers shall be selected from those listed within the Northgate Specific Plan Appendix A. A minimum of 50 % of the trees selected shall be evergreen.

21. Prior to the submittal of building permits, the applicant shall submit a set of landscape and irrigation plans for the entire site for final review and approval. This landscaping and irrigation shall be installed in accordance with approved plans in conformance with Appendix B of the Northgate Specific Plan prior to the issuance of occupancy permits.
22. The entire site shall be kept free of all litter, debris, weeds, garbage, and the like, at all times. Landscaping shall be maintained in conformance with the Guidelines in Appendix B of the Northgate Specific Plan. All landscaping shall be fertilized as required per site conditions and species requirements. All landscape areas shall be irrigated with an automatic, subterranean, water efficient irrigation system. All dead or dying material shall be replaced with identical special and compatible size within 14-days of observance. Trees shall be pruned only as required to select and develop permanent scaffolding branches that are smaller in diameter than the trunk or branch to which they are attached and which have a vertical spacing of from 18 to 48 inches and radial orientation so as not to overlay one another, to eliminate narrow V-shaped branch forks that lack strength; to reduce toppling and wind damage by thinning out crowns; to maintain growth within space limitations; to maintain natural appearance.
23. The property owner must keep the parking lot paving, signage and striping in good condition at all times.
24. Prior to building permit submittal, the Planning Division shall confirm that building permits drawings and subsequent construction substantially conforms to the approved Planning application drawings.
25. Promotional displays shall be limited to only those allowed in Appendix B of the Northgate Specific Plan. No balloons, banners or other signage over and above the allowed and approved signage for the site shall be allowed.
26. No vehicles, display or otherwise, shall be permitted to be parked on or within any landscape area other than specific vehicle display pads.
27. Prior to building permit submittal, submit a revised landscape plan showing additional landscaping along the rear property line to achieve heavier screening from the proposed single family home area. All plant material shall be reviewed and approved by the City's representative prior to planting.

Building Division

1. Construction plans submitted for building permits shall indicate the Construction Type and Occupancy Classification to the satisfaction of the Chief Building Official.
2. A fire sprinkler system shall be installed.

3. All exit doors must have identified exit path to public way separate from parking and driveways. Exit widths based off of the occupant load at each exit, cumulative.

City Engineer

1. Submit grading, drainage, improvement and utility plans for review and approval.
2. The entire onsite surface runoff shall be collected, piped and connected to the public storm drainage system.
3. No sheet flow of water from onsite is permitted over the driveway approach.
5. Install stop sign and right turn only at the exit from site to Columbus Parkway per City standard. .
6. Dedicate required water line easement to accommodate water facilities that lies within private property.
7. Parking lot slope shall not be more than 5% in all directions.

Landscape Maintenance Manager - Public Works

1. Prior to Use Permit approval, the Department of Public Works shall check the landscape concept for the project. Under the direction of the applicant, the landscape architect shall make a determination to what landscape improvements are private or public. A licensed landscape architect shall prepare preliminary landscape plans. Plans will include, but may not be limited to all landscaping to be installed, and any additional fine grading. The plans shall identify street light locations, trail locations, fence plans and entry monuments and any Hillside Ordinance prone areas. The plans shall also utilize the City approved street tree list.
2. Submit three sets of landscape plans to the Public Works Engineer assigned to the project. Plans shall clearly define new plants and existing vegetation to remain, irrigation, utility connection locations, fences, trails, maintenance access, monuments, signs, etc. Fence design and location on the parcels shall be provided on the plans and approved by the Planning Division and Public Works Departments. Prior to the acceptance of any private landscaping, the landscape architect must perform a complete and thorough field inspection. The landscape architect shall provide the Planning and Public Works Departments written certification that all private landscape construction is in full compliance with the approved landscape plans.
3. Prior to building occupancy, all public landscaping required by the Department of Public Works shall be constructed as approved.

4. Prior to acceptance of parcels or landscape maintenance easements, the applicant shall insure open space areas are fenced and gated to prevent unauthorized access. Direct the removal of toxic substances, boulder placements not approved by the City, stockpiles of excess soil, building construction debris, and combustible piles of plant material from the applicant's project. The existing natural setting of open spaces must be preserved, maintained in a fire wise preventative condition. Tree and shrub groves shall be free of combustible branches and leaves hanging below 14 feet, which shall be measured, from the base of tree to drip line of canopy and include a 50 foot wide weed free clear zone to the outer drip line of the grove. All open space in proximity of any of the structure shall require minimum 100-foot firebreak.
5. All pads adjacent to an open space down slope shall have a minimum three-foot bench between property line and top or bottom of slope to accommodate potential erosion and provide for public maintenance access. Prior to landscaping, all slope instabilities, adverse erosion impacts or drainage, landslides, which are identified on public lands shall be investigated and mitigated to the satisfaction of the Department of Public Works.
6. During construction, maintain access roads to open spaces, PG&E towers, and other utility facilities. Preserve location locations and improvements of existing access roads and any other revisions to existing roads shall be approved by the Planning and Public Works Departments and concerned utility companies. Gates controlling such access shall be a minimum of 14 feet wide. For public access, a thickened sidewalk is preferable rather than driveway curb cuts. Any access road into the future public open spaces shall be constructed for the future use of heavy excavation equipment, weed control and fire suppression equipment. Should access be needed to open spaces or utility easements, any crossing required over concrete ditches shall be designed as a reinforced low water crossing or approved equal.
7. All public landscape improvements shall be designed to City of Vallejo standards and regulations and compliment accepted engineering industry design standards. Slopes facing public or utility right-of-ways, public open space, or at the perimeter of the subdivision shall have a greater proportion of trees and plant material.
8. Final landscape plans shall consider views from adjacent dwellings.
9. All open space parcels shall be subject to the Uniform Fire Code, Division II, Combustible and Flammable Materials.
10. Prior to release for occupancy, approved street trees shall be planted in accordance with the approved landscape plans. The Standard Regulation and Specifications for Public Improvements and the list of City approved street trees shall be used implanting street trees. All public street trees are subject to inspection by the Public Works Landscape Inspection staff prior to planting.

Traffic Engineer

1. Install stop sign at the entrance at Columbus Parkway per City standard.
2. All parking spaces must be in accordance with the City of Vallejo's Off Street Parking standards (standard parking spaces shall be nine feet by 18 feet deep, and compact spaces shall be eight feet wide by 16 feet deep).
3. No more than 40 percent of the total parking spaces can be compact.
4. All two-way traffic isles must have a clear width of at least 25 feet. Wider aisles may be required to accommodate the large turning radius of a car carrier.
5. All driveways must meet Vallejo City standards.
6. Directional arrows, stop bars, and stop pavement markings should be installed in thermoplastic.
7. Stop bars and stop pavement markings should be installed at each stop sign location.

Fire Prevention

1. The proposed project shall comply with all applicable provisions of 1998 UBC, as administered by the Vallejo Fire Prevention Division regarding the installation and monitoring of the fuel dispensing and storage system (1998 CFC Article 52 & Article 79).

Vallejo Sanitation and Flood Control District

General

1. The preliminary plan review fee has not been paid. Project plans submitted for this project shall be considered subject to all Vallejo Sanitation and Flood Control District guidelines, policies, and standards.
2. Prior to building permit issuance, submit complete improvement plans and supporting documentation for proposed sanitary sewage and storm drainage work to VSFCD for review and approval.
3. Prior to building permit issuance, a VSFCD Connection Permit is required. Pay all applicable review and connection fees.

Storm Drain

4. Prior to building permit issuance, submit grading and erosion control plans to VSFCD for review and approval. Do not block drainage from adjacent lands.

5. The 100-year storm overflow pattern shall be shown on grading plans. Provide a secondary (surface flow) drainage system to handle flows in excess of the capacity of the primary piped system (piped or channelized). The proposed locations shall avoid this secondary path. Also determine the 100-year storm tributary area. This may differ from the 15-year tributary area.
6. All storm drainage shall be collected onsite and conveyed underground to the public storm drain system.

Sanitary Sewer

7. Areas within refuse enclosures shall drain to the sanitary sewer system. The outside perimeter of the trash enclosure shall be graded to prevent storm water from draining into the sanitary sewer system. The trash enclosure shall be covered with a roof awning.

Storm Water Quality

8. Pretreatment of storm water runoff is required, storm drainage runoff shall be conveyed over landscaped areas or as other wise treated, as feasible, before discharging into the public the public system. This is to improve the storm water quality leaving the site. The project architect or civil engineer should contact VSFCDC for possible design solutions and their impact on the design of the project.
9. Submit proof of NOI, Storm Water Pollution Prevention Plan, and Post Construction Best Management Practice Design Plan (see current VSFCDC Storm Water Management Appendix 4B).
10. Grading and improvement plans shall include storm water pollution prevention plans for use during site development and building construction to mitigate impacts of this development. This plan shall include calculations, measures related to debris, refueling, areas, disposal of excess materials, site cleanup, hazardous substance containment, street cleaning, catch basin cleaning, and other similar measures (see current VSFCDC Storm Water Management Plan Section 4.45).
11. Direct roof drainage across non-paved areas prior to entering storm drain inlets and gutter, when feasible.

Rights of Entry/Easements

12. Prior to building permit issuance, the property owner shall grant VSFCDC a right-of-way (Grant of Right of Entry) to test and repair sanitary sewer laterals per Resolution No. 89-4210.

Other

13. Utility plans shall show elevations and flow of storm drain runoff. The storm drain runoff from the parking areas shall be pretreated before it enters the public storm drain system.
14. Submit a storm water pollution prevention plan.

List of **standard** conditions that apply to this application:

A. Planning Division

1. Prior to building permit submittal, submit a numbered list to the Planning Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project.
2. Prior to building permit submittal, the applicant shall submit a color board indicating exterior materials and colors to the Planning Division for review and approval. Color chips shall be attached to the building elevation drawings. Once installed, all improvements are to be maintained in accordance with the approved plans. Any changes, which affect the exterior character, shall be resubmitted to the Planning Division for approval.
3. Prior to building permit submittal, submit three sets of landscaping plans prepared by a registered landscape architect to the Planning Division for review and approval. The requirements for a registered landscape architect may be waived at the discretion of the Planning Manager. Landscape plans shall comply with Chapter 16.70 (VMC), and are to include the following:
 - a. Location, species and size of all mature trees six inches in trunk diameter or greater;
 - b. Replacement of any mature trees to be removed;
 - c. City-approved street trees shall be planted at least 6 feet from any sewer line;
 - d. Specifications of low-growth-type species adjacent to doors, windows and walkways;
 - e. Low-water-using and drought-resistant plant materials;
 - f. Screening of the required backflow preventers;
 - g. Trees shall be a minimum of 15-gallon, double staked; at least 50-percent of the proposed shrubs shall be a minimum of 5-gallon.
 - h. Irrigation plan indicating all components of the irrigation system including sprinklers and other outlets, valves, backflow prevention devices, controllers and water usage; and
 - i. Six inch curbing around the planters.
4. Prior to building permit submittal, submit details and location of any proposed fencing to the Planning Division for review and approval. Fencing shall comply with Chapter 16.70 (VMC) and the provisions of the Northgate Specific Plan.

5. Prior to building permit issuance, submit design details of trash enclosure to the Planning Division for review and approval. Trash enclosure shall meet the requirements of the Vallejo Garbage Service. Materials and colors shall be similar to those approved for the building.
6. All mechanical equipment and utility meters shall be screened in a manner approved by the Planning Division. Electrical transformers shall be screened or placed underground.
7. All vents, gutters, downspouts, flashings, electrical conduits, etc., shall be painted to match the color of the adjacent surface.
8. All roof-mounted mechanical devices and their components such as air conditioners, heating equipment, exhaust fans, vents or ducts, or similar equipment shall be screened from view in a manner approved by the Planning Division. In this particular case, the equipment shall be painted to match the roof color. All wall-mounted air conditioners shall be flush mounted.
9. Prior to occupancy permit submittal; submit a sign program to the Planning Division for review and approval. Sign program shall include sign size, shape, color, lighting, and location. Signs shall be designed to be compatible with the building and in conformance with Appendix B of the Northgate Specific Plan.
10. Prior to building permit submittal, obtain an administrative permit from the Planning Division for any temporary or construction trailer.
11. Prior to building permit submittal, the Planning Division shall confirm that the building permit drawings and subsequent construction substantially conform with the approved Planning application drawings.
12. Obtain an inspection from the Planning Division prior to occupancy/final building inspection. All inspections require a minimum 24-hour notice. Occupancy permits shall not be granted until all construction and landscaping is completed and finalized in accordance with the approved plans and required conditions of approval or a bond has been posted to cover all costs of the unfinished work as agreed to by the Planning Manager.
13. Prior to occupancy/final building inspection, install landscaping and irrigation per approved plans. The landscape architect shall verify in writing that the landscaping and irrigation have been installed in accordance with the approved landscape plans with respect to size, health, number and species of plants, and the overall design concept.
14. Prior to occupancy/final building inspection, install parking lot per approved plans. Each parking space designated for compact cars shall be identified by a permanent marking reading "compact".

15. Prior to occupancy/final building inspection, install trash enclosure per approved plans.
16. Prior to occupancy/final building inspection, install fencing per approved plans.
17. Construction-related activities shall be limited to between the hours of 7 a.m. and 6 p.m., Monday through Saturday. No construction is to occur on Sunday or federal holidays. Construction equipment noise levels shall not exceed the City's maximum allowable noise levels.
18. There shall be no outdoor storage or display of any kind except as allowed per Chapter 16.70 and 16.77 (VMC).
19. Required landscaping shall be maintained in a neat, clean, and healthy condition. This shall include pruning, mowing of lawns, weeding, removal of litter, fertilizing, replacement of plants when necessary, and the regular watering of all plants.
20. If the Planning Division, either independently or as a result of complaints from the public, becomes aware that the use is being conducted in a manner which violates the conditions of this use permit or other applicable City regulations, and Planning staff is unable to obtain compliance or abatement, staff will refer the use permit to the Planning Commission for possible suspension or revocation per Section 16.82.110, Vallejo Municipal Code.
21. The applicant shall establish a recycling program for the building in coordination with the Planning Division and when established, either participate in the citywide commercial recycling program or demonstrate to the satisfaction of the Planning Division that the established recycling program is sufficient.
22. This Use Permit shall be valid for two years from approval or until February 21, 2009, and shall be null and void if a building permit is not issued and construction has begun or a time extension granted.

B. Building Division

1. Submit three sets of construction plans to the Building Division for review and approval. The project is to be designed to meet the requirements of the Uniform Building Code (as adopted).
2. The project shall meet the requirements of Title 24 of the California Administrative Code for disabled accessibility, including but not limited to ramps, parking spaces and signing.
3. Construction of retaining walls with a surcharge are governed by the Uniform Building Code and require a building permit. The Building Division allows only poured-in-place concrete, block, masonry, keystone or crib walls.

4. Prior to building permit issuance, pay plan check review fee and all applicable building permit fees.
5. Prior to final inspection by the Building Division, install disabled parking identification signs as per Section 2-7102e, Title 24, California Code of Regulations.
6. Obtain inspection from the Building Division when all construction work has been completed and approvals from all other appropriate City departments and agencies have been obtained.

C. Public Works

1. Prior to building permit issuance, a numbered list shall be submitted to the Planning Division stating how each condition of project approval contained in this report will be satisfied.
2. All public improvements shall be designed to City of Vallejo standards and to accepted engineering standards, except as specifically authorized in this approval. The City Engineer has all such standards on file and the Engineer's decision shall be final regarding the specific standards that shall apply.
3. Submit three sets of plans to the Department of Public Works for plan check review and approval. (Improvement or civil plans are to be prepared by a licensed Civil Engineer.) Plans are to include, but may not be limited to, grading and erosion control plans, improvement plans, joint trench utility, street light plans, and landscaping, irrigation and fencing plans and all supporting documentation and pertinent reports.
4. Site grading shall comply with Chapter 12.40 – Excavations, Grading, and Filling (VMC). Prior to issuance of grading permit, submit a soils report for review. An independent soils and geological review of the project may be required. The City shall select the soils engineer, with the cost of the study to be borne by the developer/project sponsor.
5. In design of grading and landscaping, line-of-sight distance shall be provided based on Caltrans standards. Installation of fencing, signage, above ground utility boxes, etc. shall not block the line-of-sight of traffic and must be set back as necessary.
6. During grading operations, the project geologist or soils engineer and necessary soils testing equipment must be present on site. In the absence of the soils engineer or his representative on site, the Department of Public Works shall shut down the grading operation.
7. All dust and erosion control shall be in conformance with City standards, ordinance, and NPDES requirements.

8. Prior to building permit issuance or acceptance of grading, compaction test results and certification letter from the project soils engineer and civil engineer confirming that the grading is in conformance with the approved plans must be submitted to the Department of Public Works for review and approval. Test values must meet minimum relative compaction recommended by the soils engineer (usually at least 90 percent).
9. Obtain a street excavation permit from the Department of Public Works prior to performing any work within City streets or rights-of-way, or prior to any cutting and restoration work for utility trenches in existing public streets. All work shall conform to City standards. Entrances to any private project must be standard driveway approaches unless deviation is permitted by the City Engineer.
10. Obtain an encroachment permit from the Department of Public Works for all work proposed within the public right-of-way.
11. Prior to start of construction; submit a traffic control plan to the Department of Public Works for review and approval.
12. Construction inspection shall be coordinated with the Department of Public Works and no construction shall deviate from the approved plans.
13. The project design engineer shall be responsible for the project plans. If plan deviations are necessary, the project engineer must first prepare a revised plan or details of the proposed change for review by the Department of Public Works and, when applicable, by Vallejo Sanitation and Flood Control District. Changes shall be made in the field only after approval by the City. At the completion of the project, the design engineer must prepare and sign the "as built" plans.
14. Prior to approval of construction plans, provide bonds and pay applicable fees. Bonding shall be provided to the City in the form of a "Performance Surety" and a separate "Labor and Materials Surety" in amounts stipulated by City ordinances.
15. Prior to occupancy/final building inspection, install the improvements required by the Department of Public Works including but not limited to streets and utilities.
16. Prior to occupancy/final building inspection, all broken curb, gutter, sidewalk or driveway approaches shall be removed or repaired as directed in the field by the City Engineer.
17. No building shall encroach on an existing easement unless the utility agencies quit claim their easement to property owner.
18. Prior to release for occupancy, all street trees shall be planted in accordance with Vallejo Municipal Code, Section 15.06.190 and Regulations and Specifications for Public Improvements, Section 3.3.48. The list of approved trees is available in the office of the Public Works Director. The minimum standard shall be at least one tree for each 50 feet of street frontage or fraction thereof, including

secondary or side streets. Public Works Landscape Inspector shall inspect street tree(s) prior to release for occupancy.

19. There are fiber optic and/or copper signal interconnect cables located at the edge of the roadway or under the sidewalk. The plans should address either a relocation of these cables or a note should be made of the cable location. A warning should be included on the plans stating that if the cable is damaged, the contractor shall replace the entire length of the cable between the two nearest hubs unless otherwise authorized by the City Engineer.
20. Submit site grading, drainage, utility, and improvement plans prepared by a civil engineer for review and approval.
21. On-site water runoff shall be collected and conveyed through pipe, and connected to the public storm drain system. A complete drainage plan shall be submitted to the Public Works Department for review and approval before issuance of building permit.

D. Fire Prevention

1. Prior to building permit issuance, submit a numbered list to the Fire Prevention Division stating how each condition of project approval contained in this report will be satisfied. The list should be submitted to the project planner who will coordinate development of the project.
2. The project shall conform to all applicable requirements of Title 19-Public Safety, California Code of Regulations, Uniform Fire Code (as adopted), and Vallejo Fire Prevention Standards.
3. Per Section 12.28.190 (VMC), automatic fire extinguishing systems are required for all residential, commercial, and industrial occupancies unless specifically excepted by the Uniform Building Code, Chief Building Official, or Fire Marshall.
4. Prior to building permit issuance, building/construction plans and plans for required fire protection systems such as automatic sprinklers, smoke alarms, etc. shall be submitted to the Fire Prevention Division for review and approval. All applicable plan review and inspection fees shall be paid.
5. Prior to building permit issuance, the applicant shall install an approved and tested water supply system capable of supplying the required fire flow as determined by the Fire Chief. Water supply systems for staged construction shall provide required fire flows at all stages.
6. Prior to building permit issuance, paved fire apparatus roads shall be installed for every building or stockpile of combustible materials located more than 150 feet from fire department access. Said access roads are to be posted "No Parking/Fire Lane" and shall not be used for storage of materials.

7. Prior to occupancy/final building inspection, install a key box as approved by the Fire Prevention Division. (See Fire Prevention Standard No. 202).
8. Prior to occupancy/final building inspection, install portable fire extinguishers as required by the Fire Prevention Division.
9. Prior to occupancy/final building inspection, install approved numbers or addresses on all buildings in such a position as to be clearly visible and legible from the street. The numbers shall be of a color contrasting to the background. (See Fire Prevention Standard No. 205).
10. Prior to occupancy/final building inspection, install "No Parking/Fire Lane" signs along interior access roadways in locations where vehicle parking would encroach on a 20-foot clear width of roadway. (See Fire Prevention Standard No. 204).
11. Prior to occupancy/final building inspection, pay applicable fees and obtain an inspection from the Fire Prevention Division. All meetings and inspections require a minimum 24-hour advance request.
12. Development sites shall be maintained weed free during construction.
13. The installation of underground or aboveground waste oil tanks shall comply with Article 79 and Article 80 of the California Fire Code, 1991 Edition.

E. Water Superintendent

1. Submit a numbered list to the Water Division stating how each condition of project approval will be satisfied.
2. All water system improvements shall be consistent with the *Vallejo Water System Master Plan, 1985*, prepared by Kennedy/Jenks Engineers as updated by Brown & Caldwell, 1996 and *Sky Valley Water Master Plan, 1990*, prepared by Brian Kangas Foulk. Prior to Improvement Plan approval and building permit issuance, water system improvement plans shall be submitted to the Water Division for review and approval, and shall contain at least:
 - a. Location and size of fire sprinkler service connection(s).
 - b. Location and size of domestic service connection(s).
 - c. Location and size of irrigation service connection(s).
 - d. Location of fire hydrants.
 - e. Location of structures with respect to existing public water system improvements such as mains, meters, etc.
 - f. Location and size of any new water mains.
 - g. Location and size of backflow prevention devices (required on water service connections to irrigation systems, certain commercial water users, and to commercial fire sprinkler systems, per City Ordinance 922 N.C. (2d).

3. Comply with all fire flow requirements of the Fire Department. Fire flow at no less than 25 psig residual pressure shall be available within 1,000 feet of any structure. One half of the fire flow shall be available within 300 feet of any structure. See the *Vallejo Water system Master Plan*, 1985, prepared by Kennedy/Jenks and its latest update by Brown and Caldwell dated April 1996 for specific fire flow requirements.
4. Prior to Improvement Plan approval and building permit issuance, hydraulic calculations shall be submitted to the Water Superintendent demonstrating compliance with the fire flow requirements.
5. Fire hydrant placement and fire sprinkler system installation, if any, shall meet the requirements of the Fire Department. For combined water and fire services, the requirements of both the Fire Department and the *Vallejo Water System Master Plan*, with latest revisions, shall be satisfied.
6. Easements shall be granted for all water system improvements installed outside the public right-of-way in the City's Standard Form for Grant of Water Line Easement with the following widths:
 - a. 15 feet wide (minimum) for water mains.
 - b. 10 feet wide (minimum) for fire hydrants, water meters, backflow preventers, double detector check valves, etc.
 - c. Other facilities will be reviewed by the Water Division.
7. Water service shall be provided by the City of Vallejo following completion of the required water system improvements and payment of applicable fees. Performance and payment bonds shall be provided to the city of Vallejo prior to construction of water system improvements. Fees include those fees specified in the Vallejo Municipal Code, including connection and elevated storage fees, etc., and fees for tapping, tie-ins, inspections, disinfection, construction water, and other services provided by the City with respect to the water system improvements. The Water Division may be contacted for a description of applicable fees.
8. Prior to occupancy or final building inspection, install water system improvements as required. Backflow devices, where required, shall be installed in areas hidden from public view and/or shall be mitigated by landscaping.

F. Police Department

1. Exposed roof vents and ducts shall be grated or constructed of an impact resistant material to the satisfaction of the Police Department. Skylights shall be secured and hatch openings shall be burglary resistant. Glazing shall be of a burglary resistant glass or glass-like material
2. Perimeter walls, fences, trash storage areas shall be built to prevent access to the roof or balconies.

3. All exterior man-doors shall be of solid core construction with a minimum thickness of 1 ¾ inches or with panels not less than 9/16 inches thick.
4. Exterior doors that swing outward shall have nonremovable hinge pins.
5. In swinging exterior doors shall have rabbitted jambs.
6. Glass on exterior doors or within 40 inches of an exterior door shall have break resistant glass or glass-like material to the satisfaction of the Police Department.
7. All windows within 12 feet of the ground level shall have a secondary lock mounted to the frame of the window. The secondary lock shall be a bolt lock and shall be no less than ¼ inch in thickness. The lock shall have a hardened steel throw of ½ inch minimum length.
8. Any window in or within 40 inches of an exterior door shall be stationary and non-removable.
9. The project shall comply with City of Vallejo, Administrative Rule 7.6 (Building Security Ordinance) and Chapter 12.48 et sec, Vallejo Municipal Code. It shall be the responsibility of the developer, project owner, architect or general contractor to insure that all appropriate personnel have knowledge of all requirements of the ordinance and Chapter 12.48 and if necessary are provided copies of all documents.
10. The project developer, owner, or general contractor shall provide the Communications Supervisor of the Police Department with a list of at least 2 persons who will be able to respond to the construction site after normal business or construction hours, in the event of an emergency. The contact person in the Police Department who should receive this information is Bill Powell at 707-648-4321.
11. All plan or project changes shall be submitted to the Police Department for approval.
12. The construction site and all open storage of materials, supplies, and equipment shall be secured by use of fencing and a lockable access gate. Any building or trailer used as storage or as an office shall be within the fenced portion of the construction site. The fenced area shall be illuminated during all hours of darkness.
13. Property shall be posted with approved signage that prohibits illegal activity and gives notice for the legal removal of vehicles from private property under Section 22658 of the California Vehicle Code.
14. Prior to building permit issuance, a final landscape and lighting plan shall be reviewed by the Police Department.

15. Street numbers shall be displayed in a prominent location on the street side of the property in such a position that the number is easily visible to approaching emergency vehicles. The numbers shall be no less than four inches in height and shall be of a contrasting color to the background to which they are attached. The address numbers shall be illuminated during darkness.
16. Prior to occupancy/final building inspection, obtain an inspection from the Police Department. All meetings and inspections require a minimum 24-hour advance request.

GENERAL CONDITIONS:

1. The conditions herein contained shall run with the property and shall be binding on the applicant and all heirs, executors, administrators, and successors in interest to the real property that is the subject of this approval.
2. The applicant shall defend, indemnify, and hold harmless the City of Vallejo and its agents, officers, and employees from any claim, action, or proceeding against the City and its agents, officers, and employees to attack, set aside, void, or annul this approval by the City. The City may elect, at its discretion, to participate in the defense of any action.



STAFF REPORT

CITY OF VALLEJO PLANNING COMMISSION

Date of Hearing: February 21, 2007

Agenda Item: K3

Application Number: Code Text Amendment #07-0001, as governed by Vallejo Municipal Code Chapter 16.86, Amendment to the Zoning Ordinance.

Recommendation: Staff recommends that the Planning Commission review the proposed Ordinance, provide feedback to staff, and hear public comment on this item, then continue the item until the March 5, 2007, Planning Commission to approve the resolution recommending City Council approval of the Code Text Amendment #07-0001, amending Title 16 of the Vallejo Municipal Code by adding Chapter 16.56 entitled "Inclusionary Housing Ordinance."

Location: Citywide

Applicant: City of Vallejo

Project Description: The proposed code text amendment would add Chapter 16.56 to the Vallejo Municipal Code Entitled "Inclusionary Housing Ordinance." The proposed ordinance would require developers of residential or mixed-use developments, or applicants proposing condominium conversions to develop affordable units on-site and concurrently with market-rate units, targeted to specific income levels. Ownership units would be required to provide 10% of total project units affordable to Moderate-Income Households, and 5% affordable to Low-Income Households, except in the case of condominium conversion projects, which would be required to provide 15% affordable to Low-Income Households. Rental projects would be required to include 10% of total project units affordable to Low-Income Households. To assist developers in achieving the requirements under this ordinance, certain incentives may be requested and granted. Alternative compliance measures may be permitted in certain cases.

Environmental Review: An Initial Study resulting in a Negative Declaration was prepared for the proposed text amendment pursuant to California

Environmental Quality Act (CEQA) Section 15061(b)(3), Title 14 of the California Code of Regulations.

Public Notice:

Notice of this pending application and public hearing was published in the Vallejo Times Herald on January 22, 2007.

1. PROJECT DESCRIPTION

The proposed inclusionary housing ordinance would require that all new residential projects provide a certain percentage of affordable units targeted to households of either Low or Moderate income, or comply with the ordinance through alternate means identified in the ordinance. As proposed the ordinance would require for ownership projects that 10% of the units be sold at prices affordable to Moderate-income and 5% of units be sold at prices affordable to Low-income, based upon Area Median Income in Solano County and adjusted for family size. For rental projects, 10% of the units would be required to be affordable to Low-income households. For condominium conversion applications, 15% of the resulting ownership units would be required to be affordable to Low-income households. Alternative compliance measures are outlined, as well as incentives that may assist developers in meeting inclusionary requirement.

Housing costs in the City of Vallejo have become steadily more expensive for owners and renters, as housing costs have risen faster than incomes for many groups in the community. Between 2001 and 2006, the median price of a home in Vallejo increased on average 16.9% per year. In 2006, the median home price for a new home was over \$700,000. With significant production of market-rate for-sale homes in Vallejo that are unaffordable to moderate-income households or below, the city has not achieved an economically integrated, balanced community through the provision of housing. In addition, homebuyers are struggling to keep their homes, having over-extended themselves on mortgage payments. Vallejo is currently in the top 15 cities in the nation in rate of foreclosure. The creation of new ownership units through inclusionary zoning allows families to benefit from the tax incentives, and to live in all neighborhoods within Vallejo. While the city has subsidized the development of several affordable rental developments for the very low income, these units are completely separate from market-rate developments and not geographically dispersed throughout the city. The resources of the city have not been able to achieve the Fair Share Housing Goals allocated by the State for the period of 1999 through 2006. New Housing Element goals will be established for Vallejo for 2007 through 2014 and the resources of the city will very likely be insufficient to facilitate affordable housing production without contribution from the private sector. An inclusionary housing ordinance will require the concurrent production of affordable housing with each new market-rate development, or with the conversion of rental units to condominiums, and is proposed as an additional tool to facilitate the production of housing affordable to very low, low and moderate income households in the City of Vallejo. Certain incentives and alternative compliance measures, such as off-site construction, or acquisition and rehabilitation of rental housing, are described in the ordinance.

2. ENVIRONMENTAL REVIEW

An Initial Study was performed for this project resulting in a Negative Declaration. Adoption of the ordinance in and of itself would not induce population growth or displacement. New homes generated due to implementation of the ordinance would be subject to environmental review on a project specific basis.

3. CONSISTENCY WITH THE GENERAL PLAN

The proposed Code Text Amendment would be compatible with the General Plan.

- Per Objective B.3.ii.2 of the City Housing Element, the City will explore the adoption of an inclusionary housing program, and alternative compliance options.
- Per Objective B.3.iii. the City will encourage the development of affordable housing for lower-income workers employed in Vallejo.
- The proposed inclusionary ordinance may assist in achieving Objective A.1.ii.1.b. Review of regulations that might unduly constrain housing development, such as allowing density bonuses only for projects in the PD zone. The inclusionary ordinance can include current state density bonus provision to comply with State law.
- Objective B.1.iv is to increase types of new development that will qualify for density bonuses, which would be an effect of the inclusionary ordinance.
- By including condominium conversions as subject to the inclusionary ordinance, the ordinance also serves to facilitate Objective B.1.v. to ensure that condominium conversion applications will not adversely affect housing affordability, choice, and balanced neighborhood goals.

4. PUBLIC COMMENTS

Notice of public hearing for the proposed Chapter was published in the Vallejo Times Herald on January 22, 2007.

5. REFERENCES

City of Vallejo General Plan

6. STAFF ANALYSIS

History. At a City Council Study Session in June 2006, the City's Housing and Community Development Division presented inclusionary zoning as one of several methods to facilitate the development of affordable housing in Vallejo. Several jurisdictions in Solano County already have inclusionary ordinances in place (see Attachment 4). After receiving input from the City Council to proceed with the study of inclusionary zoning, staff executed a contract with consulting firm, David Rosen and Associates (DRA), to prepare a comprehensive background study on the impact of inclusionary zoning in Vallejo. With input from staff and the development community, DRA completed a background report in November 2006. Information about the study

was mailed to 99 developers and interested stakeholders, inviting them to view the report on the City's website, or participate in three focus groups that were held specifically to explain the study. The full Background Report and Summary of Key Findings can be found in Attachment 3. On November 7, 2006, the City Council passed a resolution to consider an inclusionary ordinance and to formally notify developers in the Residential Activity List that had an application in process that an inclusionary ordinance, when adopted, may apply to a project that had not received tentative map approval or final planning approvals. On December 5, 2006, the City Council held a study session on inclusionary zoning during which feedback was provided to staff on parameters to be included in a draft ordinance. Staff has incorporated that feedback into the proposed inclusionary ordinance to better address the City's residential development needs. Staff is recommending that the Planning Commission recommend to the City Council the approval of the proposed ordinance, Attachment 1 and Fee Resolution, Attachment 2.

Staff also invited all interested parties to three focus group sessions to answer questions regarding the background study, two held in November, and one on January 3, 2007. Staff also met separately with representatives of the Solano County Association of Realtors, a representative of Northern California Homebuilders Association, and the Vallejo Chamber of Commerce.

Intent. The proposed inclusionary ordinance will have the following benefits:

1. It enables cities to conform to State Housing Element law, even in localities with limited housing development funds, such as Vallejo, by showing that standards will be consistently applied, and illustrating that requirements will actually result in affordable housing in the jurisdiction.
2. It provides the greatest certainty for developers, because it allows the developer to incorporate all requirements before they submit their development application. It also saves time in the entitlement process by eliminating back and forth negotiations. And it enables developers to negotiate their land purchases with an understanding of the city's requirements for the project.
3. It facilitates compliance because an ordinance provides clear obligations, standards and monitoring procedures that ensure that the affordable housing will be built, either on-site or through some other form of contribution by developers, by making the requirement part of the locality's zoning laws and application process. It is also more consistent and fair, and therefore defensible in its application.
4. It essentially requires that affordable units be built concurrently and in an integrated manner with market-rate housing. This reduces issues around concentration of low-income units, and provides a greater array of housing options, resulting in increased economic diversity, and will ultimately result in more homeownership opportunities and rental choices for Vallejo residents.

Proposed Elements of the Ordinance.

The following are the sections proposed in the draft ordinance.

Title and Purpose. This section outlines the findings that provide the rationale for the ordinance and describe the purpose of the ordinance. These include the City's Housing Element objectives that the ordinance would fulfill. As mentioned above, the

ordinance allows the City to facilitate the development of housing at a range of affordability levels, thereby allowing the City to meet State mandated, Fair Share Housing Goals. Inclusionary zoning also allows the community to grow in a more equitable, economically integrated manner. It also allows the City to meet five objectives within the City's certified Housing Element.

Definitions. Terminology specific to the ordinance such as Low Income (51% to 80% of Area Median Income) and Moderate Income (81% to 120% AMI) are defined in this section, based upon Solano County median income and adjusted for household size. Current Area Median Income for Solano County for a family of four is \$74,000. Pursuant to California Redevelopment law, the maximum income limits used to determine affordable sales price are 110% AMI for Moderate, and 70% AMI for Low income categories, and 60% AMI for Low income renters. The definitions section also includes the calculation used for determining affordable sales prices and rents. The formula for determining Affordable Sales Price and Affordable Rent are comparable to the State requirements under Redevelopment Law. This ensures that units will be counted by the State toward Regional Fair Share Housing Goals. The Affordable Sales Price formula includes all housing costs, such as mortgage payment, insurance, taxes, utilities, and assessments or condominium fees as part of the 35% of Moderate household income counted toward housing costs, or 30% of a Low household income. Eligible buyers would be first-time homebuyers, and qualify under appropriate income limits. The process for buyer selection will be established upon adoption of the ordinance in an implementation procedures manual developed by the Housing Division. Affordable rents are no more than 30% of a household's monthly income, including utilities.

Applicability. This section establishes the required percentage of affordable units and the targeted income limits based upon the type of project. The proposed ordinance applies to all residential projects of three units or more, both rental and ownership, mixed-use projects, and condominium conversions. Condominium conversions are proposed to be covered under this inclusionary ordinance in recognition of the fact that conversions are creating new ownership units at a lower cost than new construction, and resulting in a potential loss of market-rate rental units affordable to Low income families. In light of that, conversions are proposed to have a greater inclusionary requirement, targeted to a deeper affordability category.

Discussion: On November 7, 2006, City Council passed a Resolution to provide notice to the public and developers that an Inclusionary Ordinance was being drafted, and that as of November 7th, any Residential Projects with active applications that did not receive a tentative map approval or final planning approvals by the adoption of the inclusionary ordinance would be required to comply. In a focus group on the inclusionary study on January 4, 2007, several developers asked whether their specific projects might be exempted. Due to the need to be consistent in application of the ordinance, and the need to establish a definitive timeframe for application, staff recommends retaining the starting date of November 7, 2006 for ordinance applicability to eligible projects, as it was publicly noticed. This will likely affect approximately 40 units in total. Correspondence from various agencies are in Attachment 6 to this staff report.

As of the end of November 2006, there were 10 residential projects in the pipeline that had not yet received planning approvals, with a total of 571 units. See Attachment 7, the Fall/Winter Residential Activity List. Of those, 180 are by the developer Lennar Mare Island and are covered under a Development Agreement which is not subject to the inclusionary requirement. Of the balance of 391 units, a 285-unit project (Kennedy Homes) has been withdrawn, and 60 units have been approved, leaving 46 units that may be subject to the draft inclusionary ordinance, when adopted. In addition, two proposed projects that may come forward soon are a 223-unit project at Rollingwood and Benicia, and a 300-unit project at the Crossroads. So of 569 new units, a 15% inclusionary requirement would result in approximately 85 new affordable units.

Vallejo's projected total buildout allows for approximately 10,300 additional units; however, this includes more than 2000 units that would be exempted from the inclusionary requirement because they are subject to Development Agreements. Specifically exempted from the proposed ordinance are 1400 housing units on Mare Island proposed for development by Lennar Mare Island, LLC, and the estimated 1200 units in the Waterfront Development Planned Development Master Plan proposed for development by Callahan De Silva Vallejo, LLC. Approximately 800 units in Downtown Vallejo would be subject to a 9% affordability requirement pursuant to a Development Agreement between the City and Triad Downtown Vallejo, LLC.

If ABAG's projections are similar to the last cycle, Vallejo will be allocated a goal of roughly 1800 additional Very Low, Low and Moderate income units in the next 7 years. Given 8300 units, less exempt units, under a buildout scenario, a requirement of 15% would yield 1245 affordable units. In addition, 9% of the approximately 800 new units planned for the downtown under a DDA with the developer Triad will be affordable to Moderate Income, producing about 72 affordable units.

The inclusionary requirements within the proposed ordinance and further implementation procedures and documents that are developed would be applied to the 9% Moderate units by Triad, as well as any units produced under the Waterfront Disposition and Development Agreement to ensure consistent administration and monitoring of affordable housing in Vallejo.

Proposed Percentage Requirement and Targeted Income Level.

1. *Owner-occupied new residential: 10% at Moderate, 5% at Low*
2. *Renter-occupied new residential: 10% at Low*
3. *Condominium Conversions: 15% at Low*

Income targets define the depth of affordability. In other words, the units are required to be affordable to Moderate or Low-income households. Many cities have different income targets for rental units than for ownership units. DRA's study indicates that a 20% at moderate requirement could be accommodated by new ownership developments. However, staff received input during two Focus Groups from various stakeholders on this issue. The Homebuilders Association indicated in a public comment period on November 7, 2006, that a 10% requirement for Moderate could be accommodated within a flexible ordinance. See Attachment 6 for a model ordinance as proposed by HBA and NPH. A

representative from Local SEIU indicated that their union members predominantly earned incomes at 80% Area Median Income (AMI), Low-Income or below. They strongly encouraged a required percentage of units for Low Income households. The consultant's findings indicated that either a 20% moderate requirement or a 10% low requirement could be accommodated by ownership projects. This is discussed in Attachment 5, the Memorandum of Key Findings from DRA and in the background study. The consultant also recommended a 10% requirement at Low Income for new rental, given that the market is cyclical and will likely experience more positive factors for market rental housing in the near future. In order to ensure that housing is provided in a balanced and integrated manner for different income groups, staff is recommending a blended requirement for ownership projects of 10% affordable to Moderate and 5% affordable to Low. Staff is also recommending a 10% affordable to Low requirement for rental projects. In 2006, as the background study indicates, rental housing development was infeasible in Vallejo due to insufficient market rent levels. Indicators have begun to show that rents rose in late 2006 and will continue to rise in 2007, which may bring rental development within the feasible range, however the 10% inclusionary requirement may slow the market trend somewhat. Given that no rental development is currently proposed, the requirement for rental is recommended at this time as well as the requirement for ownership as developers will be able to account for the requirement in their pro forma rental scenarios.

Incentives.

Unit interior or exterior finishes: Incentives related to design refers to whether affordable units must be built exactly like market-rate units or whether some differences in either exteriors or interiors are allowed. The proposed ordinance requires that affordable units have the same proportional bedroom type as the market-rate units (e.g. 15% of total 3-bedroom project units must be affordable units, and 15% of 2-bedroom units, etc.). The proposed ordinance allows different interior finishes of durable and good quality for affordable units, with City approval. From the exterior, affordable units generally should be indistinguishable from market-rate units, unless a higher density product or an alternative compliance measure is approved.

Alternative product type: The proposed ordinance allows the affordable units to be constructed as an alternative product type than market-rate units, thus allowing for example, a townhome or attached product within a single-family detached development, or a stacked flat product in a less dense development. This could provide significant cost savings to the developer, while still allowing for the integration of affordable units within the development. Particular attention must be paid to architecture and site planning to ensure that affordable units are well integrated in the design of the development.

Discussion: Many cities require that affordable inclusionary units look indistinguishable from market rate units on the exterior to ensure that there is not a stigmatization of the affordable units. They also require that units are dispersed throughout the project. Some cities require that interior features be the same, and some allow interior features to differ if they are of good, durable quality materials, to reduce costs. Some cities also allow inclusionary units to be smaller than the other project units, provided they have the same bedroom count. By allowing an alternative product type, e.g. attached vs. detached, for

the affordable units, the flexibility will increase the likelihood of the development occurring on site, rather than a developer opting for an alternative compliance measure.

Parking reduction: The proposed ordinance allows a project with structured parking to apply, with the concurrent submission of a parking study for City approval, for a 20% reduction in total parking spaces required under Vallejo's zoning code. The study must document that reduction will not have an adverse affect on parking conditions in the neighborhood. This reduction does not apply to surface parking or stand alone parking structures at grade. The purpose of this incentive is to assist the developer financially in meeting the inclusionary requirement by allowing a reduction in overall project costs. Costs for structured parking range from \$20,000 per space or more, thus a reduction in spaces may be a significant cost benefit to the developer. In addition, encouraging fewer cars in in-fill development may increase use of public transit, resulting in added benefits for the environment and air quality, consistent with the overall principles of Smart Growth.

Incentive for Larger Units: To encourage larger affordable unit production, the ordinance allows a 4-bedroom unit to count as 1.25 units toward meeting affordability requirements in a particular project. This may encourage some development of larger units for larger households.

Zoning concessions: The proposed ordinance allows for a developer to request a density bonus consistent with State Density Bonus law, and includes the option of meeting the density bonus criteria to request specific concessions, including, but not limited to, changes in height, floor area ratio, density, set back and side yard requirements. This section is included to ensure that the City of Vallejo is compliant with State Density Bonus law. Ownership projects meeting the 15% requirement, would be eligible for a 10% bonus, and rental projects meeting the 10% requirement would be eligible for a 20% bonus. In cases where a Commercial or Planned Development District exist, no density bonus would be applicable, unless the City establishes a base maximum density in these cases from which a density bonus could be calculated. It should be noted that only a small percentage of potential development sites in Vallejo would be eligible for a density bonus as most opportunities exist within commercial districts or Planned Development Districts where there are no limitations on density.

Discussion: DRA's analysis includes the value of certain offsets, including density bonuses consistent with those allowed by the State, unit size reductions, and parking reductions. Cost offsets allow a developer to recoup some of the cost of creating the inclusionary unit, and may, in some cases, almost completely offset the cost of the inclusionary requirement. Most ordinances have some provisions that allow for or that require City-provided cost offsets. The types of cost offsets requested by developers often include the following:

- Fee deferrals or waivers
- Unit size reductions
- Parking reductions
- Allowing different interior finishes and appliances
- Expedited development review processing

- Density bonus options
- Flexible development standards (different setbacks, etc.)

Affordable Housing Plan Required. Project applicants will be required to submit a plan as to how they will meet the requirements of this ordinance with their application to the Planning Division for the application to be considered complete. All plans will be reviewed by the Housing and Community Development Manager for consistency with the ordinance. Applicants will be notified in writing of the consistency determination.

Time Performance Required. Market rate units must be noted on the approved plans and built concurrently with affordable units. If project is phased, affordable units must be incorporated into a phasing plan proportionately with market-rate units. No certificate of occupancy for market rate units shall be completed prior to affordable units receiving Certificates of Occupancy.

Continued Affordability. Most jurisdictions set a term of affordability for both rental and ownership units to ensure a minimum period of affordability. California Redevelopment Law requires a minimum term of 55 years for rental housing and 45 years for ownership housing, so many cities use these as benchmarks, and these are proposed in the draft ordinance. Of ordinances statewide, almost 50% require units to be affordable for 55 years or more, and a quarter require between 30 and 50 years of affordability. Ownership affordability may range from “initial purchase only” to “in perpetuity,” which is essentially starting the time period over at each purchase. Of existing ordinances, over two thirds require 30 years or more of ownership affordability.

Discussion: To ensure that all inclusionary units may be counted by the State toward Fair Share Affordable Housing goals, many cities find it prudent to use the same terms of affordability and definitions of affordability as set by the State Housing and Community Development Department, which would be a minimum of 45 years for ownership and 55 years for rental development. Special exemptions for market-rate sales will be allowed in very limited hardship circumstances. A note and deed of trust will be recorded on ownership units to ensure that the City is notified at time of sale. Some local Realtors have expressed disagreement with limiting the appreciation on a unit for the eligible buyer. They have mentioned that it is a disincentive for maintaining the unit, or even purchasing the unit. It is true that buyers of Inclusionary Units will not benefit from a surge in home appreciation; however, neither are market-rate homebuyers guaranteed appreciation. Inclusionary units allow families, **who would not otherwise be able to purchase a home**, the ability to own a home in the city they grew up in or work in without spending over half of their income, putting them at risk of foreclosure. With regard to maintaining the units, there will be language included in either the Rental Regulatory Agreement or the Ownership Resale Restriction Agreement (See Attachment 8 for sample Resale Restriction Agreement) requiring maintenance standards for the unit. The City has the ability to enforce these provisions, whereas, in the private market, the City has far less ability to enforce maintenance standards. Of course, CC&Rs may be privately enforced on all developments with homeowner associations.

Alternatives to On-Site Construction.

A. Acquisition and rehabilitation may be allowed for same number of rental or owner units or more, of housing at least 40 years old, with rents restricted to Low or Very Low Income households for a minimum of 55 years. The ordinance requires that the acquired units be on a 1:1 basis for the affordable requirement in the market-rate project, with a 55-year minimum regulatory agreement recorded.

B. In lieu of building Affordable Units within an Owner Project, a developer may elect to construct, or make possible construction by another developer, Affordable Units not physically contiguous to the Market Rate Units. At the discretion of the Housing and Community Development Manager or the Manager's designee, off-site construction of Affordable Units pursuant to this subsection (a) may be approved only if:

(1) building permits for the related Affordable Units are issued before building permits for the related Market Rate Units;

(2) final inspections for occupancy for the related Market Rate Units must be completed after certificates of occupancy for the off-site Affordable Units are issued;

(3) the City will require the developer of the Market Rate Units to purchase the site for the off-site Affordable Units, secure all planning entitlements, and record affordability covenants against the site, and secure a building permit for the Affordable Units required of the Market Rate Units prior to issuance of a building permit for the related Market Rate Units; and,

(4) The City will require that the completion of off-site Affordable Units shall be further secured by a letter of credit from the developer in an amount at a minimum equal to the in lieu fee amount described under subsection (c).

C. An In-lieu fee is proposed to be accepted only for fractional units of less than .5, and would be due prior to building permit issuance. The in-lieu fee for both rental and owner units will be calculated as the average affordability gap between the affordable sales price and the median sales price of new construction sales, weighted for Low and Moderate income requirements. The In-lieu fee calculated for 2006 by DRA per Affordable Unit is \$504,100. Therefore a fractional unit fee would result in a fee payment of less than \$252,050. The in-lieu fee will be recalculated administratively at the end of each Calendar year.

Discussion: Most ordinances also have a provision for an alternative method for meeting the affordable requirement, such as in an-lieu fee, where the developer makes a payment to the City for future affordable housing instead of building the affordable unit on-site. Cities may place restriction on when alternatives are allowed in order to ensure that affordable units are produced. Types of alternatives commonly used are:

- Payment of an **in-lieu fee** amount per affordable unit, or per project unit
- **Land dedication** of a threshold value to the public entity for future affordable housing

- **Off-site development of the units**

Case law has shown that allowing for some flexibility within an ordinance is the best method of ensuring that developers have options for compliance. Payment of an in-lieu fee for fractional units or for smaller projects is one method to ensure flexibility. Payment of in-lieu fees entirely in place of on-site construction of units is not recommended or allowed under this ordinance, however, because this has resulted most often, where allowed, in the payment of fees rather than in the production of units. As Vallejo nears buildout, the production of affordable ownership units is a key goal in this policy development. The allowance of in-lieu fee for fractional units may allow the City to add to its financial resources to create new subsidized rental housing for Very Low income households, and so may reach a deeper affordability level than the Inclusionary units provided at Low or Moderate income levels. However, it requires substantially more resources, sites, and time to develop affordable housing through the collection of in-lieu fees and is not a substitute for a must-build requirement. In-lieu fees may be calculated on an affordability gap or a cost to build gap. In-lieu fees proposed in conjunction with this ordinance are calculated as the blended attached/detached affordability gap, as applied on a per project unit basis.

Land dedication is not as desirable an option because the land value may be significantly less than the value of an actual inclusionary unit. This also delays the development of an inclusionary unit until the City has aggregated additional subsidies to assist in creating the affordable units.

Simultaneous, off-site development of units, or development of rental rather than ownership units by the Residential Project developer is a permitted alternative because it would create new affordable units at a lower affordability level than on-site inclusionary units. However, it does not meet the goal of mixed-income development and the distribution of affordable units. In addition, the provision for the acquisition and rehabilitation of older, deteriorated rental stock would rehabilitate and preserve affordable housing, also policy goals of the City, and retain affordability for a 55-year period.

Use and Expenditure of Fees. Any fees collected under ordinance will be used to provide affordable housing. Fees will be collected for administration of the inclusionary program at the initiation of a project. A fee of 1% will also be charged on the resale of each affordable unit which will be for ongoing program administration.

Affordable Housing Agreement. Prior to issuance of a building permit, developers would be required to enter into an Affordable Housing Agreement to be recorded on the subject property.

Exemptions. Projects that have received tentative map approval or other final planning approvals prior to the effective date of the ordinance would not be subject to this ordinance. In addition, the ordinance allows for a process for a developer to request a waiver if a taking is demonstrated.

Fiscal Impact. It is estimated that approximately \$250,000 might be generated per year in in-lieu fees. This estimate is based on at least two projects with fractional unit payments. The cost of administering the inclusionary program will initially be lower, but as more units become part of the City's affordable housing inventory, a half-time staff position would be required to administer the program. Alternatively the City might contract with a consultant to monitor the units. This cost is estimated to range from \$75,000 to \$125,000 per year after full program implementation, as estimated by costs incurred by other Bay Area cities.

Conclusion. The City wishes to encourage the balanced and integrated provision of housing affordable to all income levels. The proposed inclusionary ordinance assists the city in achieving this goal.

7. STAFF RECOMMENDATION

Staff recommends that the Planning Commission make the recommendation to City Council to **APPROVE** CTA #007-0001 subject to the following:

Findings:

- A. Persons of low and moderate income are experiencing increasing difficulty in locating and maintaining adequate, safe and sanitary affordable housing within the City of Vallejo, as housing costs have risen faster than incomes over the past decade. Many persons who work in Vallejo, or who wish to live in Vallejo, cannot afford housing in the city.
- B. An inclusionary background study was prepared by consulting firm, David Rosen and Associates in November 2006, calculating the affordability gap between sales prices and affordable prices in Vallejo, and demonstrating the potential impact of inclusionary requirements in Vallejo; and
- C. An Inclusionary Housing Ordinance has been drafted that would require new ownership and rental residential projects or condominium conversions to provide a specified percentage of affordable housing for Moderate or Low-income households; and
- D. As noted in the City's Housing Element, a regional shortage of affordable housing is contributing to overpayment for housing accommodations, sometimes leading to temporary or permanent homelessness. According to the Association of Bay Area Governments' Regional Housing Needs Projections, the City of Vallejo needs to provide housing affordable to persons of very low, low and moderate income.
- E. Increasing the production and availability of affordable housing is problematic. Prices and rents for affordable housing remain below the level needed to attract new construction. At the same time, escalating land costs and rapidly diminishing amounts of land available for development hinder the provision of affordable dwelling units solely through private action. Federal and State housing finances and subsidy programs are not sufficient by themselves to satisfy the affordable housing needs;

however, programs and activities to expand affordable housing opportunities can be accomplished through public/private partnership action.

- F. The ordinance meets Objective B.3.ii.2 of the City Housing Element, which indicates that the City will study the adoption of an inclusionary housing program, and alternative compliance options.
- G. The ordinance meets Objective B.3.iii. of the City Housing Element to encourage the development of affordable housing for lower-income workers employed in Vallejo.
- H. The ordinance assists in achieving Objective A.1.ii.1.b. of the City Housing Element, the review of regulations that might unduly constrain housing development.
- I. The ordinance includes provisions to bring the City into compliance with State Density Bonus law.
- J. The ordinance supports Objective B.1.iv of the City Housing Element to increase types of new development that will qualify for density bonuses.
- K. By including condominium conversions as subject to the inclusionary ordinance, the ordinance also assists in meeting Objective B.1.v. to ensure that condominium conversion applications will not adversely effect housing affordability, choice, and balanced neighborhood goals.
- L. Requiring affordable units within each housing development serves the goal of maintaining an economically balanced community. Requiring developments of new housing to include some housing affordable to households at a range of incomes is fair, not only because new development without affordable units contributes to the shortage of affordable housing but also because zoning and other ordinances concerning new housing in the city should be consistent with the community's goal to foster an adequate supply of housing for persons at all economic levels.

ATTACHMENTS

Attachment 1 – Proposed Ordinance

Attachment 2—Proposed City Council Fee Resolution

Attachment 3—Planning Commission Resolution

Attachment 4—Summary of Other Solano County inclusionary ordinances

Attachment 5—Inclusionary Study by DRA, Addendum Memorandum, and Fee Memo

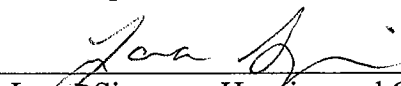
Attachment 6—HBA and NPH model ordinance

Attachment 7—Residential Activity List

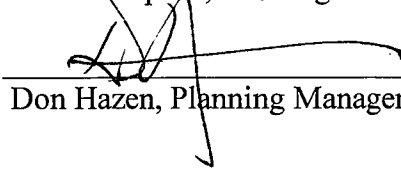
Attachment 8—Sample Resale Restriction Agreement

Attachment 9—Correspondence

Prepared by: _____


Laura Simpson, Housing and Community Development Manager

Reviewed by: _____


Don Hazen, Planning Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF VALLEJO ADDING
CHAPTER 16.56 TO THE VALLEJO MUNICIPAL CODE

WHEREAS, Persons of low and moderate income are experiencing increasing difficulty in locating and maintaining adequate, safe and sanitary affordable housing within the City of Vallejo, as housing costs have risen faster than incomes over the past decade. Many persons who work in Vallejo, or who wish to live in Vallejo, cannot afford housing in the city; and

WHEREAS, As noted in the City's Housing Element, a regional shortage of affordable housing is contributing to overpayment for housing accommodations, sometimes leading to temporary or permanent homelessness. According to the Association of Bay Area Governments' Regional Housing Needs Projections, the City of Vallejo should facilitate the provision of housing affordable to persons of very low, low and moderate income; and

WHEREAS, Increasing the production and availability of affordable housing is problematic. Prices and rents for affordable housing remain below the level needed to attract new construction. At the same time, escalating land costs and rapidly diminishing amounts of land available for development hinder the provision of affordable dwelling units solely through private action. Federal and State housing finances and subsidy programs are not sufficient by themselves to satisfy the affordable housing needs; however, programs and activities to expand affordable housing opportunities can be accomplished through public/private partnership action; and

WHEREAS, An inclusionary background study was prepared by consulting firm, David Rosen and Associates in November 2006, calculating the affordability gap between sales prices and affordable prices in Vallejo, and demonstrating the potential impact of inclusionary requirements in Vallejo; and

WHEREAS, An Inclusionary Housing Ordinance has been drafted that would require new ownership and rental residential projects or condominium conversions to provide a specified percentage of affordable housing for Moderate or Low-income households; and

WHEREAS, The proposed Inclusionary Housing Ordinance meets Objective B.3.ii.2 of the City Housing Element, which indicates that the City will study the adoption of an inclusionary housing program, and alternative compliance options; and

WHEREAS, The ordinance meets Objective B.3.iii. of the City Housing Element to encourage the development of affordable housing for lower-income workers employed in Vallejo; and

WHEREAS, The ordinance assists in achieving Objective A.1.ii.1.b. of the City Housing Element, the review of regulations that might unduly constrain housing development; and

WHEREAS, The ordinance includes provisions to bring the City into compliance with State Density Bonus law; and

WHEREAS, The ordinance supports Objective B.1.iv of the City Housing Element to increase types of new development that will qualify for density bonuses; and

WHEREAS, By including condominium conversions as subject to the inclusionary ordinance, the ordinance also assists in meeting Objective B.1.v. to ensure that condominium conversion applications will not adversely effect housing affordability, choice, and balanced neighborhood goals; and

WHEREAS, Requiring affordable units within each housing development serves the goal of maintaining an economically balanced community. Requiring developments of new housing to include some housing affordable to households at a range of incomes is fair, not only because new development without affordable units contributes to the shortage of affordable housing but also because zoning and other ordinances concerning new housing in the city should be consistent with the community's goal to foster an adequate supply of housing for persons at all economic levels.

THE COUNCIL OF THE CITY OF VALLEJO DOES ORDAIN AS FOLLOWS:

SECTION 1. Chapter 16.56 is hereby added to the Vallejo Municipal Code to read as follows:

INCLUSIONARY HOUSING ORDINANCE

- 16.56.010 Purpose**
- 16.56.020 Definitions**
- 16.56.030 Applicability**
- 16.56.040 Incentives**
- 16.56.045 Affordable Housing Plan Required**
- 16.56.050 Time Performance Required**
- 16.56.060 Continued Affordability; City Review of Occupancy**
- 16.56.070 Alternatives to On-Site Construction**
- 16.56.080 Use and Expenditure of Fees**
- 16.56.090 Affordable Housing Agreement**
- 16.56.100. Enforcement**
- 16.56.110. Severability**
- 16.56.120 Exemptions**
- SECTION 2. Effective Date**

16.56.010. Purpose.

The provisions of 16.56.010 through 16.56.130 inclusive, shall be known as the Inclusionary Housing Ordinance. This Ordinance is enacted under the City's general police power. The purpose of this Ordinance is to provide for the development of

affordable housing concurrently and in an integrated manner with market-rate housing, and to require new development to provide affordable housing in a fair and consistent manner, to implement that City's General Plan, including its Housing Element, and to enable the City to comply with State Housing Element law.

16.56.020. Definitions.

A. **Affordable Housing Plan.** Affordable Housing Plan means the plan submitted by the developer of a Residential Project and approved, or modified and approved, by the City that describes how the inclusionary housing requirements will be met by the Residential Project, including but not limited to the number, location, and type of affordable units that will be provided, the timing of the construction of the affordable units for phased developments, buyer screening and selection methodology, and compliance with all other requirements of this chapter and of the rules and regulations adopted to implement this chapter.

B. **Affordable Ownership Price.** Affordable Ownership Price means a sales price that results in a monthly housing payment consistent with California Health and Safety Code Section 50052.5(b), as amended from time to time. The affordable price shall be the sum of the affordable mortgage as calculated in this Section plus a five (5) percent down payment. In addition, eligible buyers shall be responsible for paying customary closing costs. For Low Income Households, average monthly housing payment during the first calendar year of a household's occupancy, including mortgage interest and principal payments on a thirty-year fixed rate mortgage based on the then current Freddie Mac thirty-year mortgage rate or successor index, property taxes, assessments or other government assessments or special taxes, such as special taxes imposed under a community facilities district on the subject Residential Project and applicable to the Affordable Unit, mortgage insurance, homeowner's insurance, homeowners or condominium association dues which apply to the unit being purchased by the eligible homebuyer, allowances for utilities as published annually by the Vallejo Housing Authority, or successor index, and any assessments paid by homeowners, is equal to or less than one-twelfth (1/12) of thirty percent (30%) of seventy percent (70%) of the area median income adjusted for household size.

For Moderate Income Households, average monthly housing payments, during the first calendar year of a household's occupancy, including mortgage interest and principal payments on a thirty-year fixed rate mortgage based on the then current Freddie Mac thirty-year mortgage rate or successor index, property taxes, mortgage insurance, homeowner's insurance, actual homeowners association dues which apply to the unit being purchased by the eligible homebuyer, allowances for utilities as published annually by the Vallejo Housing Authority, or successor index, and any assessments paid by homeowners, is equal to or less than one-twelfth (1/12) of thirty-five percent (35%) of one hundred ten percent (110%) of the area median income allowed for Moderate Income Households, adjusted for household size.

C. **Affordable Rent.** The definition of Affordable Rent shall be consistent with California Health and Safety Code Section 50053, as amended from time to time. Monthly rent, including allowances for utilities as published annually by the Vallejo

Housing Authority or successor index, and all fees for housing services, must be equal to or less than one-twelfth (1/12) of thirty percent (30%) of fifty percent (50%) of the area median household income, adjusted for household size for Very Low Income Households and sixty percent (60%) of the area median income, adjusted for household size for Low Income Households.

D. Affordable Unit. Living Units that are required under this chapter to be rented at an Affordable Rent or available at an Affordable Ownership Price to specified households, and initially occupied by specified households. Subject to 16.56.020B and C. Affordable Units shall be comparable in overall number of bedrooms, proportion of units in each bedroom category, quality of exterior appearance and overall quality of construction to market rate units in the same residential project. Interior features and finishes in affordable units shall be durable, of good quality and consistent with contemporary standards for new housing. A minimum of one (1) full bathroom must be provided in two bedroom Affordable Units. All other Affordable Units shall have the identical bathroom count to those in market rate units in the development subject to this chapter and of identical bedroom count.

E. Area Median Income. Area median income as published pursuant to California Code of Regulations, Title 25, Section 6932 (or its successor provision).

F. Condominium Conversion Project. A rental residential development for which the owner has applied for a tentative or parcel map for the conversion of residential property into a condominium, community apartment project or stock cooperative project .

G. Eligible Household. A household whose household income does not exceed the maximum specified in Section 3 for a given Affordable Unit. Affordable Units for ownership shall only be purchased by income eligible households as specified in Section 3 who are also First Time Homebuyers.

H. First Time Homebuyer. A household which has not owned a home for the three calendar years prior to the date they apply for home purchase, with the exception of households which owned a home during the prior three calendar period but lost it through divorce proceedings or as a result of medical expenses resulting from an uninsured medical emergency.

I. Household Income. The combined adjusted gross income for all adult persons living in a Living Unit as calculated for the purpose of the Section 8 program under the United States Housing Act of 1937, as amended, or its successor.

J. Living Unit. One or more rooms designed to be occupied or intended for occupancy as separate living quarters with a stove, sleeping and bathroom facilities.

K. Low Income Household. The definition of Low

Income Household shall be consistent with California Health and Safety Code Section 50079.5 for lower income households, as amended from time to time. Low Income Household means persons and families whose income does not exceed eighty percent (80%) of area median income, adjusted for household size. "Adjusted for household size" shall be consistent with California Health and Safety Code Section 50052.5(h), as amended from time to time. Maximum annual household income for Low Income Households shall be set based on presumed occupancy levels of one person in a studio apartment, two (2) persons in a one (1) bedroom unit, three (3) persons in a two (2) bedroom unit, and one additional person for each additional bedroom thereafter.

L. Low Income Owner Unit. Low Income Owner Unit means a Living Unit in a Residential Project that is offered for purchase at construction completion at an Affordable Ownership Price to a Low Income Household.

M. Low Income Renter Unit. Low Income Renter Unit means a Living Unit in a Residential Project that is offered at an Affordable Rent to a Low Income Household.

N. Market Rate Units. Market Rate Units are Living Units in Residential Projects that are not Affordable Units under subsection (c) of this section.

O. Moderate Income Household. The definition of Moderate Income Household shall be consistent with California Health and Safety Code Section 50093, as amended from time to time. Moderate Income Household means persons and families whose income does not exceed one hundred-twenty percent (120%) of area median income, adjusted for household size. "Adjusted for household size" shall be consistent with California Health and Safety Code Section 50052.5(h), as amended from time to time. Presumed occupancy levels shall be one person in a studio apartment, two (2) persons in a one (1) bedroom unit, three (3) persons in a two (2) bedroom unit, and one additional person for each additional bedroom thereafter.

P. Moderate Income Owner Unit. Moderate Income Owner Unit means a Living Unit in a Residential Project that is offered for purchase at construction completion at an Affordable Ownership Price to a Moderate Income Household.

Q. Owner Project. Owner Project is a Residential Project, or portion thereof, which is intended to be sold to owner-occupants upon completion.

R. Rental Project. A Rental Project is a Residential Project, or portion thereof, which is intended to be rented to tenants upon completion.

S. Residential Project. Any project that includes three (3) or more living units or residential lots, or living units and residential lots which total three (3) or more in Contemporaneous construction of three (3) or more living units on a lot, or on contiguous lots for which there is evidence of common ownership or control, even though not covered by the same City land use approval, shall also be considered a Residential Project. Construction shall be considered contemporaneous for all units which do not have completed final inspections for occupancy and which have outstanding, at any one time, any one or more of the following: planned district, subdivision map, conditional use

permit or other discretionary City land use approvals, or building permits, or applications for such an approval or permits.

T. Very Low Income Household. The definition of Very Low Income Household shall be consistent with California Health and Safety Code section 50105, as amended from time to time. Very Low Income Household means persons and families whose income does not exceed fifty percent (50%) of area median income, adjusted for household size. "Adjusted for household size" shall be consistent with California Health and Safety Code Section 50052.5(h), as amended from time to time. Maximum annual household income shall be set based on presumed occupancy levels of one person in a studio apartment, two (2) persons in a one (1) bedroom unit, three (3) persons in a two (2) bedroom unit, and one additional person for each additional bedroom thereafter.

U. Very Low Income Renter Unit. Very Low Income Renter Unit means a Living Unit that is offered at an Affordable Rent to a Very Low Income Household.

16.56.030. Applicability.

Subject to the provisions of this chapter all Residential Projects shall provide affordable units as follows:

- A. For Rental Projects:
 - (1) At least ten percent (10%) of all new Living Units shall be Low Income Renter Units.

- B. For Owner Projects:
 - (1) At least five percent (5%) of all new Living Units shall be Low Income Owner Units and ten percent (10%) of all new Living Units shall be Moderate Income Owner Units.

- C. For Condominium Conversion Projects:
 - (1) At least fifteen percent (15%) of all rental units converted to ownership units shall be Low Income Owner Units. In the event this requirement results in a fractional unit obligation, regardless of what fraction, the number of Low Income Owner Units required of the Condominium Conversion Project will be increased by one unit. The alternative compliance options stipulated in Section 16.56.060 of this chapter shall not apply to Condominium Conversion Projects. The number of units in a condominium conversion project are subject to this chapter shall be determined as part of the approval of the housing plan and the tentative or parcel map for the condominium conversion and shall provide for the tenants' rights to purchase units.

- D. For purposes of calculating the number of affordable units required by this section, any additional units authorized as a density bonus pursuant to California Government Code Section 65915(b)(1) or (b)(2), as amended, shall not be counted as part of the Residential Project.

- E. When the application of the Affordable Unit requirements set forth in subsections (a) and (b) results in a number that includes a fraction and where the fraction

is 0.5 or greater, the developer of the Residential Project must construct the next higher whole number of Affordable Units, and where the fraction is less than 0.5, the developer is allowed to pay a fee to the City in lieu of constructing an Affordable Unit pursuant to 16.56.070C. In the case of a 3-unit project or a 4-unit project, developer shall have the option of adding one additional unit which would be designated as an Affordable Unit, or paying the fractional in-lieu fee.

F. Affordable Units must be geographically dispersed throughout the project site.

16.56.040. Incentives.

Residential Projects which are subject to this chapter may request the following as part of the Affordable Housing Plan:

A. Affordable Units may have different interior finishes and features than Market Rate Units in the same Residential Project, so long as the interior finishes and features are durable, of good quality and consistent with contemporary standards for new housing.

B. Affordable Units may be constructed using an alternative housing product type, for example, townhome, in a single-family detached project, than the Market Rate Units in the same Residential Project, but in no case shall Affordable Units be less than 75% of the total square footage of the similar type of Market Rate Units in the Residential Project, and must generally be assimilated into the overall design and character of the Residential Project.

C. A Residential Project with structured parking may provide up to 20% fewer parking spaces per unit than the required number of spaces under Vallejo's zoning code applicable to the Residential Project if the Residential Project developer/owner has prepared a parking study demonstrating that the parking reduction will not have a significant impact on parking in the project vicinity and the City concurs with the findings of the parking study. This parking reduction will not apply to projects with surface parking or stand alone garages constructed at grade.

D. If the Developer commits to four bedroom Affordable Units, each four bedroom Affordable Unit shall be deemed to be 1.25 units for the purpose calculating the total number of Affordable Units in a Residential Project.

E.. The Residential Project developer may request and the City may approve additional zoning code revisions for the Residential Project needed to enable the Project to benefit from all of the incentives offered in this Section 16.56.040 and the provisions of California Government Code Section 65915(b)(1), and (b)(2), as amended, State Density Bonus law. Revisions to the zoning code which qualify for approval under this Section include, and may not be limited to, changes in restrictions on height, floor area ratio, density, set back and side yard requirements.

F. Funds under the control of the City, City of Vallejo Housing Authority or the City of Vallejo Redevelopment Agency cannot be used to grant, finance, or otherwise subsidize Residential Projects unless:

(1) The Residential Project will provide an amount of Affordable Units in excess of the requirements of this chapter; or,

(2) The Residential Project serves households with lower incomes than required under Section 16.56.020A and B while providing the same, or greater, number of Affordable Units required under Section 16.56.030A and B.

16.56.045. Affordable Housing Plan Required.

A. The developer of a Residential Project shall submit, concurrently with or prior to the submission of an application for the first discretionary approval for a Residential Project, a proposal n application as provided by the City describing the proposed Affordable Housing Plan for the Residential Project, in accordance with this chapter and the intended method for implementing the plan, including but not limited to: unit floor plans, affordable unit locations on site plan, number and type of affordable units, proposed affordable rents and prices and proposed market-rate rents or prices, proposed construction schedule, and Affordable Unit marketing plan. .

B. Approval Process of Affordable Housing Plans. The approval process for affordable housing plans will include the following steps:

1. Submission of the affordable housing plan as part of the project application submitted to the Planning Division. Staff shall then refer the affordable housing plan to the Director of the Housing and Community Development who will review and either approve or deny the plan based on compatibility with the following: this chapter, adopted city affordable housing goals, and currently identified city housing needs.

2. The Affordable Housing Plan shall be included as an attachment to the staff report in the public hearings for the planning entitlements requested for the Residential Project.

C. Appeal. The Director's decision on the Affordable Housing Plan may be appealed to City Council by filing a Notice of Appeal within ten days of the Director's decision. In considering the appeal, sections 16.56.130 B and C shall govern.

16.56.050. Time Performance Required.

A. No building permit shall be issued for any Market Rate Unit until the developer of the Residential Project has obtained building permits for Affordable Units sufficient to meet the requirements of Section 16.56.030, or received certification from the Housing and Community Development Manager that the developer has met, or made arrangements satisfactory to the City to meet, an alternative requirement of Section 16.56.060. No final inspection for occupancy for any Market Rate Unit shall be completed until the developer has constructed and received certificate(s) of occupancy for the Affordable Units required by Section 16.56.030 or completed corresponding alternative performance under Section 16.56.060.

B. Conditions to carry out the purposes of this chapter shall be imposed on the first approval for a Residential Project.

C. If the Residential Project is to be constructed in phases, the phasing plan and the Affordable Housing Plan shall delineate the number of affordable units to be built in each phase and the provisions of subsection A shall apply to each phase. If the affordable units are not equally distributed among the phases, then the phasing plan and the Affordable Housing Plan shall determine the manner of compliance with subsection A, and the City may require security or other arrangements satisfactory to the City to assure compliance with this section.

16.56.060. Continued Affordability; City Review of Occupancy.

A. Regulatory agreements consistent with the requirements of this chapter shall be recorded against Residential Projects with rental Affordable Units. For Affordable Units designated for owner occupancy, resale restrictions, deeds restrictions; notes and deeds of trust and/or other documents consistent with the requirements of this chapter shall be recorded against owner-occupied Affordable Units. Only resale restrictions and associated documents will be used to assure continued affordability of owner-occupied Affordable Units, and no equity sharing provisions will be used to assure continued affordability of such Affordable Units.

In the case of Affordable Units that are initially rented, these recorded rent restrictions and associated documents shall be consistent with the California Health and Safety Code Section 33334.3(f)(1)(A), as amended from time to time, but in no case shall the minimum term be less than 55 years.

B. The City Housing and Community Development Manager shall annually certify compliance with rules published by the Manager within six months of the effective date of this chapter to establish rent restrictions, tenant income certification procedures, property management and maintenance standards, occupancy requirements, other compliance standards and associated documents for this chapter. In the case of Affordable Units that are initially sold, these documents shall be consistent with California Health and Safety Code Section 33334.3(f)(1)(B), but in no case shall the minimum term be less than 45 years. In the case of owner-occupied Affordable Units that are transferred during the required term, renewed restrictions shall be entered into on each change of ownership, with a 45 year renewal term. The forms of regulatory agreements, resale restrictions, deeds of trust and other documents authorized by this subsection A, and any change in the form of any such document which materially alters any policy in the document, shall be approved by the City Manager or his designee within six months of the effective date of this chapter.

C. In the case of Affordable Units which are initially owner-occupied, the documents required by subsection A. shall prohibit subsequent rental occupancy, unless approved for hardship reasons by the Housing and Community Development Manager. Such hardship approval shall include provision for United States military personnel who are required to leave the country for active military duty. For Affordable Units which are initially rented, the documents required by subsection A shall provide for continued occupancy for one year, dated from the required annual income certification under the

Regulatory Agreement by households occupying the units whose incomes increase during their occupancy so that they may exceed the maximum household income otherwise permitted for the Affordable Unit.

D. The maximum sales price permitted on resale of an Affordable Unit designated for owner-occupancy shall not exceed: the seller's purchase price paid by the owner/seller at the time the owner/seller acquired the unit under this chapter, increased by the percentage increase, if any, in the area median income during period of the owner/seller's ownership. The documents required by subsection (a) may authorize the seller to recover the depreciated value at time of sale of capital improvements made by the seller that were approved in writing by the City in advance of construction and the seller's necessary costs of sale and may authorize an increase in the maximum allowable sales price to achieve such recovery. The resale restrictions shall allow the City a right of first refusal to purchase any affordable owner-occupancy unit at the maximum price that could be charged to a purchaser household, at the time the owner proposes any sale. The Housing and Community Development Manager shall publish rules enforcing resale restrictions, disclosure statements to be issued to purchasers of resale-restricted owner-occupied Affordable Units, occupancy requirements, and restrictions on third mortgages and cash out refinancing secured by Affordable Units, and cost recovery for capital improvements to owner occupied Affordable Units.

E. No household shall be permitted to begin occupancy of an ownership or rental Affordable Unit unless the City has approved the household's eligibility. If the City maintains a list of, or otherwise identifies, eligible households, initial and subsequent occupants of Affordable Units shall be selected first from the list of identified households, to the maximum extent possible.

16.56.070. Alternatives to On-Site Construction.

A. Rental Rehabilitation. A developer of a renter or owner Residential Development may satisfy the requirements of Section 16.56.030(a) and 16.56.030 (b) by purchasing and rehabilitating, or make possible another developer's purchasing and rehabilitating blighted, older rental housing, restricted to Very Low Income households, as recorded in an Affordable Housing Agreement and regulatory agreement. When electing this alternative compliance option, the Housing and Community Development Manager will have the authority to approve an Affordable Housing Plan. It is the intention of this subsection (d) that it be used only to rehabilitate rental housing that is at least forty (40) years old, suffers from severe deterioration, and is restored through physical rehabilitation to a renewed useful life of fifty-five (55) years. The unit and bedroom count distribution must remain comparable and proportionate to the market rate Residential Project. A fifty-five year rent restriction must be recorded against the property, and all other provisions of this chapter will apply to the rehabilitated affordable rental housing.

B. In lieu of building Affordable Units within an Owner Project, a developer may elect to construct, or make possible construction by another developer, Affordable Units not physically contiguous to the Market Rate Units. At the discretion of the

Housing and Community Development Manager or the Manager's designee, off-site construction of Affordable Units pursuant to this subsection (a) may be approved only if:

(1) construction has started or, if construction not required, certificates of occupancy and a regulatory agreement or resale restriction agreements are recorded for the related Affordable Units before building permits are issued for the related Market Rate Units;

(2) final inspections for occupancy for the related Market Rate Units must be completed after certificates of occupancy for the off-site Affordable Units are issued;

(3) the City will require the developer of the Market Rate Units to purchase the site for the off-site Affordable Units, secure all planning entitlements, and record affordability covenants against the site, and secure a building permit for the Affordable Units required of the Market Rate Units prior to issuance of a building permit for the related Market Rate Units; and,

(4) The City will require that the completion of off-site Affordable Units shall be further secured by a letter of credit from the developer in an amount at a minimum equal to the in lieu fee amount described under subsection (c) and recorded in an Affordable Housing Agreement.

C. In-lieu Fees. At the discretion of the City Council, a developer may pay a fee to the City in lieu of building Affordable Units within a Residential Project only under the following condition:

(1) When the application of the requirements set forth in 16.56.030A or B results in a number that includes a fraction, a developer is allowed to pay a fee to the City if the resulting fractional amount is lower than 0.5.

In lieu fees shall be paid upon issuance of building permits for Market Rate Units in a Residential Project. If building permits are issued for only part of a Residential Project, the fee amount shall be based only on the number of units then permitted.

The City Council shall establish the in lieu fee by resolution in an amount that that is adequate, at a minimum, to cover the difference between the Affordable Ownership Price defined in 16.56.020B and the median price of a newly constructed Market Rate ownership home in Vallejo for the preceding calendar year, weighted for Low and Moderate income requirements. The fee will be revised and published annually by February 15th by the Housing and Community Development Manager based on the percent increase or decrease in the median sale price of a newly constructed home in Vallejo for the preceding twelve (12) month period, using standard accepted real estate data services, e.g. Dataquick.

16.56.080. Use and Expenditure of Fees.

A. The City Council may, by resolution, establish reasonable fees and deposits for the administration of this chapter. The fees collected under this chapter and all earnings from investment of the fees shall be expended exclusively to provide or assure continued provision of affordable housing through acquisition, construction, development assistance, rehabilitation, financing, rent subsidies or other methods, and for costs of administering programs which serve those ends. Funds will be tracked separately within an Inclusionary Housing Fund Account. Funds expended to administer this program may be reimbursed through fees collected under this ordinance.

B. The City will charge the seller of any owner-occupied Affordable Unit an asset management fee of one percent (1%) of the restricted resale price to a new Affordable Unit homebuyer. These asset management fees will be used by the City Manager to defray the costs of assuring compliance with the resale restriction provisions of this chapter.

16.56.090 Affordable Housing Agreement.

Developers of Residential Projects will be required to enter into affordable housing agreements with the City to document the obligations of the developer under this chapter. The affordable housing agreement must be approved by the Housing and Community Development Manager and executed by the developer prior to completion of a final map for a single family detached housing development. If the foregoing approvals are not required, then the affordable housing agreement must be approved by the City and executed by the developer prior to issuance of a grading or building permit, whichever occurs first.

For a multifamily development, the Affordable Housing Agreement must be approved by the City and executed by the developer prior to issuance of entitlement approval or design review approval of the market rate residential development.

16.56.095. Rules and Regulations to Implement Inclusionary Housing Ordinance.

The City Manager may adopt rules and regulations to assist in the implementation of this chapter, including but not limited to provisions for the calculation of eligible buyers or tenants, screening and/or prescreening of eligible buyers or tenants, methods of selection of buyers or tenants, suggested design, size, type and location of affordable units, and implementation documentation and requirements, such as deeds of trust, regulatory agreements and the like.

16.56.100. Enforcement.

A. The City Attorney is authorized to enforce the provisions of this chapter and all regulatory agreements and resale controls placed on affordable units, by civil action and any other proceeding or method permitted by law.

B. Failure of any official or agency to fulfill the requirements of this chapter shall not excuse any developer from the requirements of this chapter.

16.56.110. Severability.

If any clause, sentence, section, or part of this chapter, or any fee or requirement imposed upon any person or entity, is found to be unconstitutional, illegal, or invalid, such unconstitutionality, illegality, or invalidity shall affect only such clause, sentence, section or part, or such person or entity, and shall not affect or impair any of the remaining provisions, clauses, sentences, sections, or parts or the effect of this chapter on other persons or entities. It is hereby declared to be the intention of the City Council that this chapter would have been adopted had such unconstitutional, illegal, or invalid clause, sentence, section, or part not been included herein, or had such person or entity been expressly exempted from the application of this chapter.

16.56.120. Exemptions.

A. Projects with active planning applications as of November 7, 2006, that have received all discretionary land use approvals necessary under Chapter 16 for the project, including, but not limited to, rezoning, general plan change, major subdivision, vesting tentative map, parcel map, use permit, planned development or site development permit, or have an executed development agreement with the City prior to the effective date of the Ordinance adopting this chapter will be exempt from this chapter. If such a project is not built and the developer/owner later returns for amendments to the discretionary land use approvals, or because the entitlement has expired, the Residential Project shall then comply with this Chapter to the extent permitted by law.

16.56.130. Adjustments or Waivers.

A. The requirements of this Chapter may be adjusted or waived if the Developer demonstrates to the satisfaction of the City Council that there is not a reasonable relationship between the impact of a proposed Residential Project and the requirements of this Article, or that applying the requirement of this Article would take property in violation of the United States or California Constitutions.

B. To receive an adjustment or waiver, the Developer must request it when applying for first approval of the Residential Project.

C. The matter shall be considered before the City Council within thirty days. In making the finding or determination, or in considering any appeal, the City Council may assume the following: (1) the Developer is subject to the inclusionary housing requirements in this Article; (2) availability of any incentives, affordable financing, or subsidies; and (3) the most economical affordable housing product in terms of construction, design, location, and tenure. For purposes of a taking determination, the Developer has the burden of providing economic and financial documentation and other evidence necessary to establish that application of this Article would constitute a taking of the property without just compensation.

D. If it is determined that the application of the provisions in this Article would constitute a taking, the inclusionary requirements for the Residential Project shall be modified to reduce the inclusionary housing obligations to the extent and only to the extent necessary to avoid a taking. If it is determined that no taking would occur by

application of this Article, the requirements of the Article remain applicable and no approvals for the Residential Project shall be issued unless the Developer has executed an Affordable Housing Plan pursuant to the requirements of this Article.

SECTION 2. Effective Date.

This ordinance shall take effect thirty days after final passage.

RESOLUTION NO. ____ N.C.

BE IT RESOLVED by the City Council of the City of Vallejo as follows:

WHEREAS, an inclusionary background study was prepared by David Rosen and Associates (DRA);

WHEREAS, the study was an effort to evaluate the cost of providing a minimum percentage of units affordable to Moderate or Low income households in new ownership and rental residential development;

WHEREAS, the gap to price difference for a Low income household in 2006 is \$602,500 and for a moderate income household is \$454,000, with the weighted in-lieu fee per affordable unit based on this methodology as performed by DRA is \$504,100;

WHEREAS, the proposed inclusionary housing ordinance would allow for an in-lieu fee payment where a fractional unit results from the application of the percentage requirement for a fractional unit below .5;

WHEREAS, the study mentioned above have been read by the Council and incorporated in this Resolution by reference as though fully set forth herein;

WHEREAS, the City Council held a study session on this matter on March __ 2007;

BE IT RESOLVED that the City Council adopts the attached fee schedule (Attachment B)

BE IT FURTHER RESOLVED, that the City Manger, in consultation with the Finance Director, is directed to update the Fee Schedule annually on January 1st of each year, by the Consumer Price Index For All Urban Consumers, or whatever comparable Price Index the Manager and Finance Director determines to be appropriate to reflect the increase in costs in the San Francisco Bay Area; and,

BE IT FURTHER RESOLVED that the adoption of the above fees is found to be exempt from the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that the adoption of this code will have a significant effect on the environment.

ADOPTED by the Council of the City of Vallejo at a regular meeting held on _____ by the following vote:

CITY OF VALLEJO PLANNING COMMISSION

RESOLUTION NO. PC-07-_____

A RESOLUTION OF INTENTION
TO AMEND THE ZONING ORDINANCE
Code Text Amendment #07-0001

*Inclusionary Housing Ordinance
citywide*

I. GENERAL FINDINGS

WHEREAS, Chapter 16.56, and Inclusionary Housing Ordinance amending the Title 16 of the Vallejo Municipal Code has been prepared; and

WHEREAS the City of Vallejo Planning Commission conducted a duly noticed public hearing to consider Code Text Amendment #07-0001 on February 21, 2007, at which testimony and evidence, both written and oral, was presented to and considered by the Planning Commission; and

WHEREAS based on evidence received at the public hearing, the Planning Commission makes the following factual findings:

II. CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS

Section 1. An Initial Study and Notice of Intent to Adopt a Negative Declaration were prepared by the City and made available to the public for review on January 22, 2007. The Notice of Intent to Adopt the Negative Declaration was duly sent, posted, and available for public review.

Section 2. The Planning Commission finds that the Initial Study identifies no potentially significant environmental effect.

Section 3. The planning commission hereby makes these findings based on the whole record, including the environmental findings contained in section 2 "Environmental Review" of the staff report attached hereto as "Exhibit 1" and incorporated herein by this reference. Section 3.

**III. FINDINGS RELEVANT TO DETERMINATION OF PROJECT
CONSISTENCY WITH APPLICABLE GENERAL PLAN**

Section 4. The Planning Commission finds that amendments to the City of Vallejo's Zoning Ordinance are subject to the procedures contained in Chapter 16.86 of the City of Vallejo Municipal Code.

Section 6. The Planning Commission finds that the amendment is consistent with the General Plan.

**IV. RESOLUTION RECOMMENDING AMENDMENT TO THE
ZONING ORDINANCE FOR,**

NOW, THEREFORE, LET IT BE RESOLVED that the Planning Commission hereby APPROVES this resolution of intent to amend the zoning ordinance by adopting Code Text Amendment 07-0001, amending Title 16 of the Vallejo Municipal Code by adding Chapter 16.56 entitled "Inclusionary Housing Ordinance," based on the findings contained in this resolution, with reference to the staff report and subject to the Conditions of Approval attached herein.

V. VOTE

PASSED and APPROVED at a regular meeting of the Planning Commission of the City of Vallejo, State of California, on the ____ day of _____, 2007, by the following vote to-wit:

AYES:

NOES:

ABSENT:

CHARLES LEGALOS, CHAIRPERSON
City of Vallejo PLANNING COMMISSION
Attest:

Don Hazen
Planning Commission Secretary

Table 24
 Sample Inventory of North Bay Jurisdictions' Inclusionary Zoning Ordinances.xls
 A Comparison of Key Features

Jurisdiction	Applies to Projects with More than _____ Units	Inclusionary Requirement	Targeted Income Groups		Term of Affordability; Term of Sale Restrictions			Alternatives to Building Affordable Units				Notes	Units Developed through Inclusionary Housing Program
			Rental Units	For-Sale Units	Rental Units	For-Sale Units	In Lieu Fees	Off-Site Allowance	Land Dedication Allowance	Developer Credit Transfer			
American Canyon	5	10%	Very Low and Low Income; at least 50% very low income	Low	40 years	40 years	\$38,770 per developed unit	Yes	Yes	Yes	Offer development reduction in standards and deferral of fee payments to reduce financial impact	Information not available	
Benicia	10	10%	Very Low and Low Income; at least 50% very low income	Very Low and Low Income; at least 50% very low income	30 years	30 years	Yes -- amount set by City Council annually.	Yes	Yes	Yes	Guidelines for the distribution of 1-, 2-, 3 and 4-bedroom units in developments with fewer than 10 units.	Information not available	
Cotati	0	20%	Very Low, Low and Moderate Income; 1/3 very low income 1/3 low income 1/3 moderate	Very Low, Low and Moderate Income; 1/3 very low income 1/3 low income 1/3 moderate	30 years	30 years	Only for developments < 8 units	Yes	Yes	No	Alternatives could be used in combination or individually. Affordable Housing Plan is used to identify which alternative would better serve the intent of the code.	Information not available	
City of Napa	10	10	Low, Moderate Income	Low, Moderate Income	In perpetuity	30 years; with transfer of home, term of restrictions starts again	Available for single-family projects where inclusionary requirements deemed infeasible. Sliding scale fee equals 2% of the construction cost	Yes	Yes	No		200 - 250	

Table 24
Sample Inventory of North Bay Jurisdictions' Inclusionary Zoning Ordinances.xls
 A Comparison of Key Features

Jurisdiction	Applies to Projects with More than ___ Units	Inclusionary Requirement	Targeted Income Groups		Term of Affordability, Term of Sale Restrictions		Alternatives to Building Affordable Units					Notes	Units Developed through Inclusionary Housing Program
			Rental Units	For-Sale Units	Rental Units	For-Sale Units	In Lieu Fees	Off-Site Allowance	Land Dedication Allowance	Developer Credit Transfer			
Rohnert Park	5	15%	Very Low, Low Income: at least 50% very low income	Low, Moderate Income: at least 50% low income	55 years	45 years	Yes	Yes	Yes	Yes	Yes	Most developers do not take advantage of compliance options; they build inclusionary units.	≤100
Petaluma	5	15%	Low Income	Moderate Income	30 years	30 years	Determined by square footage and applies to units between 640 and 4,000 sq. ft. Minimum fee is \$2,400 (for 640 sq. ft.) to \$23,500 (for 4,000 sq. ft.).	Yes	Yes	Yes	Yes	Petaluma also offers customized alternatives on a case-by-case basis.	1000+
Santa Rosa	0	15%	Low Income	Low Income	30 years	30 years	Current fee schedule is \$819 for a 910 sq. ft. unit and \$10,423 for a 2,000 sq. ft. unit.	Yes, but affordable units must be constructed within the same City "quadrant" and inclusionary unit requirement increases to 20 percent.	Yes, but sites must be at least 7.5% to 10% of the area of developer's net acreage.	No	No		538 (300+ in progress)

*Napa County's Ordinance is very similar to that of the City of Napa
 Solano County jurisdictions lacking Inclusionary Zoning Ordinances: County of Solano, City of Dixon, City of Fairfield, City of Suisun City, City of Vacaville, City of Vallejo
 Sources: City of Vallejo



DAVID PAUL ROSEN & ASSOCIATES
DEVELOPMENT, FINANCE AND POLICY ADVISORS

1330 Broadway
Suite 937
Oakland, CA 94612
Phone: 510-451-2552
Fax: 510-451-2554
admin@draconsultants.com
www.draconsultants.com

November 28, 2006

To: Mr. Craig Whittom
Ms. Laura Simpson

From: Mr. David Rosen
Ms. Nora Lake-Brown

Subject: Summary of Findings and Additional Land Residual Analysis
Vallejo Inclusionary Housing Analysis

This memorandum is a supplement to the "City of Vallejo Inclusionary Housing Study" prepared by David Paul Rosen & Associates dated October 19, 2006. It contains a summary of key findings of the report, as well as the results of additional sensitivity testing of the land residual analysis addressing the following variables:

1. Addition of 16% profit and overhead to the development cost estimates for the owner housing prototypes. This 16% profit and overhead is included in all of the analyses contained in this memo.
2. Adjustment upwards in market sales price assumptions for the owner prototypes.
3. Analysis of additional owner housing set-asides of 10% of units affordable to households earning 80% of area median income, and 20% of units affordable to households earning 80% of area median income, respectively.
4. Analysis of the cost savings resulting from a 0.5 parking space per unit reduction in required parking for the stacked flat condominium prototype only.

Except for the above variations, all of the assumptions in this analysis are the same as in the original Inclusionary Housing Study cited above.

Mr. Craig Whittom, Ms. Laura Simpson
November 28, 2006
Page 2

SUMMARY OF KEY FINDINGS

DRA was retained by the City of Vallejo to analyze the economic impact of imposing alternative inclusionary requirements on landowners and developers and to examine offsets, incentives and alternative compliance options the City can offer to developers to mitigate the economic impact of inclusionary requirements.

DRA used a land residual analysis approach for this analysis. Land residual analysis calculates the underlying value of land based on the revenues and costs, exclusive of land, generated by development of a site. Because inclusionary housing requirements reduce the revenues from a housing development, residual land value will decrease under an inclusionary housing program unless offset by incentives or alternative compliance measures provided to developers. In other words, developers are not willing to pay as much for land when compared to land that does not have any inclusionary requirements. DRA compared the residual land value of a series of owner and renter housing prototypes, with and without inclusionary housing set-asides and incentives, to market prices for residential land to determine the economic feasibility of alternative scenarios.

DRA's findings and conclusions from the inclusionary economic analysis are summarized as follows:

1. Development of market-rate rental housing is not currently economically feasible at the market rents and development costs profiled in this analysis, indicated by negative residual land values. The City could impose an inclusionary requirement, such as 10% of units affordable to households earning 60% of area median income. When and as the market changes, which it will, the land value will adjust to this requirement. Imposing such a requirement may delay or defer the economic feasibility of rental housing, but won't prevent it from happening.

2. Inclusionary set-asides of 10% of units affordable at 80% of area median income, or 20% of units affordable at 110% of area median income, or a hybrid of the two, are economically viable at the assumptions modeled for virtually all of the owner housing prototypes. The single-family detached prototypes (Owner #1 and Owner #2) are also feasible with the higher set-aside of 20% of units at 80% of area median income.
3. For the owner townhome prototype (Owner #3), the residual land value generated by 100% market-rate units equals \$26 per square foot, slightly below the market land sales comparables of \$30 per square foot. Since this prototype is being developed in the market currently, showing that it is economically viable, this suggests that our pricing assumptions may still be conservative compared to the development cost estimates we have used.
4. Pursuant to State density bonus law, the lower income targeting at 80% of area median income entitles the developer to a higher density bonus than income targeting at 110% of area median income. We have not modeled these higher density bonuses, but retained a 5% density bonus for the scenario with 10% of units affordable at 80% of area median income, and a 15% density bonus for the scenario with 20% of units affordable at 80% of area median income. The higher density bonus of up to 20% allowed under State law for the set-aside with 10% of units at 80% of area median income could improve the financial viability of the owner townhome (Owner #3) prototype, depending upon the actual increase in density that could physically be accommodated in this prototype.

ADDITIONAL SENSITIVITY ANALYSIS ASSUMPTIONS

DRA analyzed the effect on the land residual analysis of the following changes to the original assumptions of the Inclusionary Housing Study:

A. Addition of 16 Percent Profit and Overhead to Owner Prototype Development Costs

The development cost estimates for the owner housing prototypes in the Inclusionary Housing Study did not include developer profit and overhead, rather the return to the developer is contained in the surplus value of the land over the estimated market sales price.

To isolate the value generated to the land from the minimum level of profit and overhead a developer might require to undertake the project, the analysis in this Appendix adds an allowance for a "threshold" level of profit and overhead to the developer. Minimum developer profit is estimated at 12 percent of development costs, based on input from developers and DRA's experience nationwide. This level is considered a baseline profit or "hurdle rate," representing the minimum necessary for the deal to proceed. Developer overhead is estimated at 4 percent of total development costs. Developer overhead cost line items typically represent a larger percentage of costs on small projects than larger projects. A more accurate estimate of actual overhead costs would specify line items charged to "overhead" but not included in "developer fee."

DRA considers a total of 16 percent for developer profit and overhead as conservative as a threshold minimum. In DRA's experience, developers have proceeded with half this amount of profit and overhead. DRA's approach to the affordable housing analysis is to model accurate market conditions, erring on the side of conservatism. Therefore, we have chosen to use a 16 percent developer profit and overhead assumption for the purposes of this analysis, which is consistent with the targets provided by the local developers we interviewed.

B. Upward Adjustment in Owner Market Sales Prices

The estimates of market-rate sales prices for the owner housing prototypes were conservatively based on median prices for resale homes for the period September, 2005 and August, 2006. Given the rapid run-up in prices since the fall of 2005, the median over this period underestimates prices at the end of that period, during the summer of 2006. We believe our prior estimates may be overly conservative, and recalculated the land residual analysis using the revised higher home sales prices assumptions shows in **Table 1**. While recognizing that prices may be softening in recent months, we believe we still remained conservative in our pricing.

Table 1
Sales Price Assumptions
Owner Housing Prototypes

<u>Type</u>	<u>Unit Type</u>	<u>Median Resale Prices, Sept. 2005 to Aug. 2006</u>	<u>Assumed Sales Prices</u>	
			<u>Original¹</u>	<u>Revised²</u>
Attached	One BR	\$205,000	\$250,000	\$300,000
	Two BR/1BA	\$295,000	\$325,000	\$350,000
	Two BR	\$295,000	\$350,000	\$380,000
	Three BR	\$310,000	\$425,000	\$450,000
Detached	Three BR	\$435,000	\$475,000	\$575,000
	Four BR	\$520,000	\$540,000	\$625,000
	Five BR	\$617,500	\$640,000	\$675,000

Note: Median New Construction Sales Price, Sept. 2005 to August 2006: \$707,000

Source: Dataquick, David Paul Rosen & Associates

¹ City of Vallejo Inclusionary Housing Study, October 19, 2006.

² Analysis contained in this Appendix A, Sensitivity Analysis.

C. Analysis of Owner Set-Asides at 80 Percent of Area Median Income

DRA analyzed two additional set-asides for the owner housing prototypes of 10% of units affordable at 80 percent of gross income, adjusted for household size, and 20% of units affordable at 80 percent of gross income, adjusted for household size. The definition of affordable housing expense used to calculate affordable home price is 30 percent of 70 percent of area median income, adjusted for household size using an occupancy standard of one person per bedroom plus one, for principal, interest, property taxes, property insurance, utilities and homeowner association fees (with HOA fees at \$200 per month).

It should be noted that, pursuant to State density bonus law, the lower income targeting at 80% of area median income entitles the developer to a higher density bonus than income targeting at 110% of area median income. We have not modeled these higher density bonuses, but have retained the 5% density bonus for the scenario with 10% of units at 80% of area median income and the 15% density bonus for the scenario with 20% of units at 80% of area median income.

D. Analysis of Cost Savings from Parking Reduction

DRA estimated the cost savings from reducing the parking requirement on the stacked flat condominium prototype (Owner #4) by one-half parking space per unit. Given the structured parking required for that prototype and an estimated cost per space of \$20,000, this reduction can have a significant affect on the economics of this prototype.

RESULTS OF ADDITIONAL LAND RESIDUAL ANALYSIS

Table 2 summarizes the results of the land residual analysis for the owner prototypes after adding the 16% developer profit and overhead and using the revised higher home sales price assumptions. The scenarios in Table 2 assume the original set-asides of 10% of units at 110% of area median income and 20% of units at 110% of area median income.

Mr. Craig Whittom, Ms. Laura Simpson
November 28, 2006
Page 7

Table 3 summarizes the results of the land residual analysis for the owner prototypes at the additional housing set-asides of 10% of units at 80% of area median income and 20% of units at 80% of area median income. These scenarios also incorporate 16% developer profit and overhead and the revised higher home sales price assumptions.

Table 2

**Residual Land Value Per Square Foot Site Area
Owner Housing Prototypes with Alternative Inclusionary Housing Requirements and Density Bonuses
At 110% of Area Median Income
Incentives and Offsets
City of Vallejo Inclusionary Housing Analysis
2006**

Prototype: Inclusionary Requirement/Incentives:	Owner 1	Owner 2	Owner 3	Owner 4
	Low Density Detached	Small Lot Detached	Medium Density Attached	Stacked Flat Condominium
10% of units at 110% of area median income Land Value Per Square Foot	\$33.50	\$73.50	\$18.95	\$85.66
10% of units at 110% of area median income 5% density bonus Land Value Per Square Foot	\$37.73	\$80.25	\$22.91	\$104.65
10% of units at 110% of area median income 5% density bonus 10% Reduction in Size of Affordable Units Land Value Per Square Foot	\$38.14	\$80.88	\$23.58	\$107.80
10% of units at 110% of area median income 5% density bonus 10% Reduction in Size of Affordable Units 0.5 Space/Unit Parking Reduction, Owner Condos Land Value Per Square Foot	N/A	N/A	N/A	\$132.13
20% of units at 110% of area median income Land Value Per Square Foot	\$26.44	\$61.83	\$11.48	\$56.36
20% of units at 110% of area median income 15% density bonus Land Value Per Square Foot	\$37.09	\$79.51	\$20.33	\$25.67
20% of units at 110% of area median income 15% density bonus 10% Reduction in Size of Affordable Units Land Value Per Square Foot	\$37.91	\$80.80	\$22.19	\$32.01
20% of units at 110% of area median income 15% density bonus 10% Reduction in Size of Affordable Units 0.5 Space/Unit Parking Reduction, Owner Condos Land Value Per Square Foot	N/A	N/A	N/A	\$59.56
No Inclusionary Requirement	\$40.56	\$85.07	\$26.43	\$114.41
Market Land Sales Comparables	\$9.00	\$20.00	\$30.00	\$35.00

Source: David Paul Rosen & Associates

Table 3

**Residual Land Value Per Square Foot Site Area
Owner Housing Prototypes with Alternative Inclusionary Housing Requirements and Density Bonuses
At 80% of Area Median Income
Incentives and Offsets
City of Vallejo Inclusionary Housing Analysis
2006**

Prototype: Inclusionary Requirement/Incentives:	Owner 1	Owner 2	Owner 3	Owner 4
	Low Density Detached	Small Lot Detached	Medium Density Attached	Stacked Flat Condominium
10% of units at 80% of area median income Land Value Per Square Foot	\$30.20	\$67.68	\$11.82	\$53.24
10% of units at 80% of area median income 5% density bonus Land Value Per Square Foot	\$34.42	\$74.42	\$15.77	\$72.23
10% of units at 80% of area median income 5% density bonus 10% Reduction in Size of Affordable Units Land Value Per Square Foot	\$34.84	\$75.06	\$16.70	\$75.38
10% of units at 80% of area median income 5% density bonus 10% Reduction in Size of Affordable Units 0.5 Space/Unit Parking Reduction, Owner Condos Land Value Per Square Foot	N/A	N/A	N/A	\$99.72
20% of units at 80% of area median income Land Value Per Square Foot	\$19.75	\$50.13	(\$2.79)	(\$8.83)
20% of units at 80% of area median income 15% density bonus Land Value Per Square Foot	\$30.41	\$67.81	\$6.06	(\$39.53)
20% of units at 80% of area median income 15% density bonus 10% Reduction in Size of Affordable Units Land Value Per Square Foot	\$31.23	\$69.10	\$7.92	(\$33.19)
20% of units at 80% of area median income 15% density bonus 10% Reduction in Size of Affordable Units 0.5 Space/Unit Parking Reduction, Owner Condos Land Value Per Square Foot	N/A	N/A	N/A	(\$15.19)
No Inclusionary Requirement	\$40.56	\$85.07	\$26.43	\$114.41
Market Land Sales Comparables	\$9.00	\$20.00	\$30.00	\$35.00

NOTE: ALL SCENARIOS INCLUDE 16% DEVELOPER PROFIT AND OVERHEAD

Source: David Paul Rosen & Associates



DAVID PAUL ROSEN & ASSOCIATES

CITY OF VALLEJO INCLUSIONARY HOUSING STUDY

ADMINISTRATIVE REVIEW DRAFT

Prepared for:

Laura Simpson
Division Manager
Housing and Community Development
City of Vallejo
200 Georgia Street
Vallejo, CA 94590
Phone: 707.648.4507
Fax: 707.648.5249

Prepared by:

David Paul Rosen & Associates
1330 Broadway, Suite 937
Oakland, California 94612-2509
510/451-2552 • Fax: 510/451-2554
www.DRAConsultants.com
Admin@DRAConsultants.com

October 19, 2006



Table of Contents

City of Vallejo Inclusionary Housing Study

	<u>Page</u>
Executive Summary	ES-1
I. Introduction.....	1
II. Affordable Housing Need	2
A. Cost Burdened Households.....	2
B. Fair Share Housing Goals.....	5
C. Affordable Housing Production and Barriers to Production.....	6
D. Meeting Affordable Housing Need - Inclusionary Housing Program	8
III. Land Residual Analysis	9
A. Introduction	9
B. Housing Prototypes.....	11
C. Development Costs	12
D. Determining Economic Value: Selecting Target Income Levels and Calculating Affordable Housing Cost.....	16



Table of Contents

City of Vallejo Inclusionary Housing Study

	<u>Page</u>
IV. Analysis of Developer Incentives	30
A. Density Bonus.....	30
B. Alternative Unit Comparability Standards.....	39
C. Reduction in Parking Requirements.....	41
D. "Packaging" Developer Incentives.....	41
V. Analysis of Alternative Compliance Measures	44
A. In Lieu Fees.....	45
B. Off-Site Compliance.....	51
VI. Survey of Inclusionary Housing Ordinances of Local Jurisdictions.....	53
A. Requirements Imposed on Developers	53
B. In Lieu Fees.....	54
C. Additional Compliance Options.....	54
D. Offsets/Incentives Provided to Developers.....	55
E. Long-Term Affordability	55

Table of Contents

City of Vallejo Inclusionary Housing Study

Attachment A: Land Residual Analysis Tables

Attachment B: Affordability Gap Analysis, Density Bonus Scenarios

Attachment C: Developers Contacted for the Inclusionary Housing Study



List of Tables

City of Vallejo Inclusionary Housing Study

	<u>Page</u>
ES-1. Housing Prototypes, City of Vallejo Inclusionary Housing Study	ES-2
ES-2. Residual Land Value per Square Foot, Rental Housing Prototype, Alternative Inclusionary Requirements.....	ES-5
ES-3. Residual Land Value per Square Foot, Owner Housing Prototypes, Alternative Inclusionary Requirements.....	ES-6
ES-4. In Lieu Fees Based on Difference Between Median Sales Price and Affordable Home Price	ES-9
ES-5. In Lieu Fees Based on Gap Between Construction Costs and Affordable Price..	ES-10
ES-6. Evaluation of Offsets/Incentives Provided to Developers	ES-11
1. 2006 Income Limits, Solano County	2
2. Annual Household Income Needed to Purchase Median Price Home, 2005	3
3. Households Overpaying for Owner Housing Costs	4
4. Households Overpayment for Rental Housing.....	4
5. Fair Share Housing Goals by Income Level	5
6. Rental Prototype Development Cost.....	14
7. Assumptions Rental Development Costs.....	15
8. Owner Prototypes Development Cost	17



List of Tables

City of Vallejo Inclusionary Housing Study

	<u>Page</u>
9. Assumptions Owner Development Costs.....	18
10. Affordable Rents by Income Level.....	21
11. Comparison Between Average Market Rents and Rents Affordable to Low Income Households	23
12. Maximum Affordable Mortgage, 110% of Area Median Income.....	26
13. Sales Price Assumptions, Owner Housing Prototypes	27
14. Rental Housing Prototype, 20% Density Bonus	33
15. Rental Housing Prototype, 27.5% Density Bonus	34
16. Rental Housing Prototype, 35% Density Bonus	35
17. Owner Housing Prototypes, 5% Density Bonus.....	36
18. Owner Housing Prototypes, 15% Density Bonus.....	37
19. Residual Land Value, Rental Housing Prototype, Alternative Inclusionary Requirements and Density Bonus.....	38
20. Residual Land Value, Owner Housing Prototypes, Alternative Inclusionary Requirements and Density Bonus.....	40
21. Potential Cost Savings from Reduction in Affordable Unit Size.....	42
22. Median Home Sales, Vallejo, 2006.....	48



DAVID PAUL ROSEN & ASSOCIATES

List of Tables

City of Vallejo Inclusionary Housing Study

23.	Affordable Home Price, Moderate Income Household, 2006	49
24.	Sample Inventory of North Bay Jurisdictions Inclusionary Zoning Ordinances..	57



EXECUTIVE SUMMARY

To help address its affordable housing needs, the City of Vallejo seeks to analyze the feasibility of an inclusionary housing program. The City retained DRA to conduct a study of inclusionary housing to gain an understanding of the following issues:

- the economic impact of imposing alternative inclusionary requirements on landowners and developers;
- compliance options that can be offered to developers;
- offsets and incentives the City can offer to developers to mitigate the economic impact of inclusionary requirements; and,
- a survey of nearby jurisdictions and their inclusionary housing programs.

A. Land Residual Analysis

To understand the economic impact of imposing inclusionary requirements, DRA conducted a land residual analysis. A land residual analysis calculates the underlying value of land based on revenues, net of all development costs except land, of a development on a site. Because inclusionary housing requirements reduce the revenues from a housing development, residual land value will decrease under an inclusionary housing program unless offset by incentives or alternative compliance measures provided to developers. In other words, developers are not willing to pay as much for land when compared to land that does not have any inclusionary requirements.

An important factor to bear in mind is that land values always fluctuate in response to a wide range of market factors, such as interest rates, construction costs, development impact fees, competitive supply of housing, cap rates, the rate of household formation, employment, wages, and other factors. In any given year, land values may fluctuate between 10 percent and 20 percent absent any local government action. Therefore, if the net effect of a jurisdiction's zoning action, such as inclusionary housing, falls within this range, or price elasticity, it may be received as non-disruptive to housing development cycles. Moreover, a jurisdiction can moderate, and in some cases eliminate, any negative effect on land value with development incentives and alternative compliance measures.

DRA calculated residual land values for five housing "prototypes" under multiple inclusionary scenarios. **Table ES-1** summarizes the housing prototypes used in this analysis. These prototypes represent broadly the range of housing types currently developed in Vallejo.

Table ES-1
Housing Prototype Projects
City of Vallejo Inclusionary Housing Study
2006

PROTOTYPE	Renter 1 Stacked Flat	Owner 1 Low Density Detached	Owner 2 Small Lot Detached	Owner 3 Medium Density Attached	Owner 4 Stacked Flat Condominium
	Family	Family	Family	Family	Family
UNIT COUNT	150 Units	90 Units (one phase of larger development)	100 Units	150 Units	100 Units
TENURE	Rental	Owner	Owner	Owner	Owner
RESIDENT POPULATION	Family	Family	Family	Family	Family
TYPE OF PRODUCT	Stacked Flat	Single Family Detached	Single Family Detached	Townhouse	Stacked Flat
CONSTRUCTION TYPE	Wood Frame	Wood Frame	Wood Frame	Wood Frame	Wood Frame
DENSITY (DU'S/Acre)	25.0	9.0	15.4	20.7	100.0
LAND AREA (Acres)	6.00 Acres	10.00 Acres	6.5 Acres	7.25 Acres	1.00 Acres
UNITS BY BR COUNT					
One Bedroom	40	0	0	0	25
Two Bedroom/1 Bath	30	0	0	0	25
Two Bedroom	55	0	0	80	30
Three Bedroom	25	25	45	70	20
Four Bedroom	0	40	55	0	0
Five Bedroom	0	25	0	0	0
Six+ Bedroom	0	0	0	0	0
UNIT SIZE (Net Square Feet)					
One Bedroom	700	0	0	0	825
Two Bedroom/1 Bath	900	0	0	0	950
Two Bedroom	950	0	0	1,300	1,050
Three Bedroom	1,100	2,200	1,700	1,800	1,325
Four Bedroom	0	2,300	2,200	0	0
Five Bedroom	0	2,500	0	0	0
Six+ Bedroom	0	0	0	0	0
Average Square Feet	898	2,328	1,975	1,533	1,024
BLDG. SQ. FEET					
Net Living Area	134,750	209,500	197,500	230,000	102,375
Community Space	1,500	0	0	0	1,500
Total Net Bldg. Square Feet	136,250	209,500	197,500	230,000	103,875
TYPE OF PARKING	On grade/tuck under	Garage	Garage	Garage	Structured parking one level underground
PARKING REQUIREMENT	1 per 1BR unit 2 per 2/3BR unit	2 per 2/3BR unit 3 per 3BR+ unit	2 per 2/3BR unit 3 per 3BR+ unit	2 per 2/3BR unit	1 per 1BR unit 2 per 2/3BR unit
NO. OF PKG. SPACES	260	245	255	300	175



DAVID PAUL ROSEN & ASSOCIATES

An inclusionary housing program requires that developers set aside a portion of new construction units as affordable housing. For the rental housing prototype, the land residual value under 10 percent, 11 percent, and 15 percent inclusionary requirements were calculated under the following scenarios:

- five percent of units targeted to very low income households (50 percent of area median income) and five percent of units targeted to low income households (80 percent of area median income);
• 11 percent of units targeted to very low income households (to meet threshold qualifications for the maximum density bonus of 35 percent allowable under State density bonus law); and,
• 15 percent of units targeted to low income households.

For the owner housing prototypes, the land residual value was calculated under 10 percent and 20 percent inclusionary requirements. Land residual values were calculated assuming moderate income households (120 percent of area median income) would be targeted.

The following chart summarizes household income ranges for the defined targeted income levels described above.

2006 Household Income Limits Solano County

Table with 6 columns: Family Size, 1 person, 2 persons, 3 persons, 4 persons, 5 persons. Rows include Very Low Income (50% of area median income), Low Income (80% of area median income), and Moderate Income (120% of area median income).

Source: State of California Department of Housing and Community Development

Table ES-2 summarizes the land residual values for the rental housing prototypes under three alternative inclusionary scenarios. Table ES-2 shows that even in the absence of inclusionary requirements, multifamily rental housing is not economically feasible in the

current Vallejo housing market. Inclusionary requirements only modestly exacerbate this condition. It is important to bear in mind that an inclusionary housing policy is a long-term policy. The land residual analysis is always a "snapshot" of current economic conditions, and rental housing development may become economically feasible in the future. The economic impact of inclusionary requirements on rental housing will also change as market conditions change.

Table ES-3 summarizes land residual values for the four owner housing prototypes. This analysis shows that while inclusionary requirements have a negative impact on revenue generated by a housing development, the current Vallejo market can still support some types of owner housing development. Single family detached, small lot single family detached, and condominium developments all remain economically feasible even when developers are required to set aside 20 percent of units for moderate income households. The only potential issue is with townhome developments. Because of series of conservative assumptions used in this analysis, the land residual analysis indicates that new construction townhomes are not economically feasible in Vallejo under a 20 percent inclusionary requirement. It is likely that the sales price assumptions used in the analysis understate the actual market price for new construction homes. If that is true, then it is likely that townhomes are also economically feasible in the Vallejo housing market even a under 20 percent inclusionary requirement.

B. Compliance Options

Jurisdictions that impose inclusionary requirements typically provide developers with compliance options in addition to providing affordable units on-site. According to a statewide survey of inclusionary housing programs by the Northern California Association of Nonprofit Housing, the most common compliance options are as follows:

- payment of fees;
- building affordable units off-site;
- dedicating land to a nonprofit developer or to a jurisdiction for affordable housing development.

This study analyzes two alternative compliance options: in lieu fees and building affordable units off-site. Land dedication is not viewed as a viable compliance option because in most cases additional subsidies are necessary to build affordable units. Additionally, land dedication will result in a delay in the construction of affordable units.

Table ES-2

Residual Land Value Per Square Foot Site Area
 Rental Housing Prototype with Alternative Inclusionary Housing Requirements

City of Vallejo Inclusionary Housing Analysis
 2006

Prototype	Renter 1 Stacked Flat
Total Units	44
Inclusionary Requirement, Alternative 1: 5% of units at 50% of area median income 5% of units at 80% of area median income Land Value Per Square Foot	(\$50.68)
Inclusionary Requirement, Alternative 2: 11% of units at 50% of area median income Land Value Per Square Foot	(\$52.76)
Inclusionary Requirement, Alternative 3: 15% of units at 80% of area median income Land Value Per Square Foot	(\$51.22)
No Inclusionary Requirement	(\$48.08)

Source: David Paul Rosen & Associates

Table ES-3

Residual Land Value Per Square Foot Site Area
 Owner Housing Prototypes with Alternative Inclusionary Housing Requirements

City of Vallejo Inclusionary Housing Analysis
 2006

Prototype	Owner 1	Owner 2	Owner 3	Owner 4
	Low Density Detached	Small Lot Detached	Medium Density Attached	Stacked Flat Condominium
Total Units	90	100	150	100
Inclusionary Requirement, Alternative 1: 10% of units at 110% of area median income				
Land Value Per Square Foot	\$31.02	\$61.64	\$28.27	\$110.02
Inclusionary Requirement, Alternative 2: 20% of units at 110% of area median income				
Land Value Per Square Foot	\$25.56	\$53.18	\$22.11	\$87.96
No Inclusionary Requirement	\$36.57	\$69.93	\$34.42	\$130.97
Market Land Sales Comparables	\$9.00	\$20.00	\$30.00	\$35.00

Source: David Paul Rosen & Associates



1. In Lieu Fees

Cities typically include in lieu fees as a compliance option. In lieu fees can be a valuable compliance option to allow developers of smaller developments to contribute to the development of affordable housing while avoiding the economic burden of providing an affordable unit. For example, many jurisdictions impose inclusionary requirements on projects smaller than five units. Requiring a developer of a fourplex to set aside one of the four units as affordable may render the development economically infeasible. As an alternative, a jurisdiction may allow payment of a fee that is less of an economic burden than providing an affordable unit.

The problem with in lieu fees is that unless the fees are comparable to the affordability gap (the difference between the cost of constructing a housing development and the amount households at targeted income levels can afford to pay to rent or buy that housing), the collection of fees will result in development of fewer affordable units. Additionally, if fees are set too low, then developers will have an incentive to pay the fees rather than build affordable units. To calculate a fee schedule that avoids the issues discussed above, the following criteria should be used:

- fees for each inclusionary unit obligation should be sufficient to allow a jurisdiction to provide an affordable unit to very low, low, and/or moderate income household;
- in lieu fee amounts should not provide developers with incentive to pay fees instead of provide affordable inclusionary units; and,
- the methodology for calculating the in lieu fee schedule should be simple to administer to allow for updating of the schedule over time because of changes in housing market conditions.

This analysis evaluates two alternative methodologies for calculating in lieu fees:

- Method 1: fees equal the difference between market sales price and affordable home price; and,
- Method 2: fees equal the difference between the cost of developing a market rate unit and the amount of financing supported by an affordable unit.

Both of these methods satisfy the first two criteria stated above. The two methods provide sufficient subsidy to a jurisdiction to provide an affordable unit. Additionally, these two methods result in fees that do not provide developers incentive with paying fees. However,



because it is often difficult and time consuming to calculate housing development costs, the method that relies on defining development costs is not simple to administer over time.

Table ES-4 summarizes the fees that would be charged based on the difference in sales prices. **Table ES-5** summarizes the fees that would be charged based on the difference between the cost of developing a market rate unit and the amount of financing supported by an affordable unit.

2. Off-Site Construction of Affordable Units

Allowing off-site construction of affordable units can be advantageous to market rate developers while serving the public policy goals of a jurisdiction. First, providing inclusionary units on-site with some developments, especially very low density single family detached home developments, is not a cost effective means for providing affordable units. In this case, off-site construction of affordable units can reduce the costs of compliance for a developer by providing affordable units in a higher density format and/or on a site with lower land costs.

Additionally, off-site compliance can result in a greater number of affordable housing units if a developer is able to secure subsidies for the off-site affordable housing development.

The difficulty with off-site construction is that jurisdictions may have a problem enforcing construction of the affordable units after the market rate housing project is completed. For this reason, many jurisdictions require the affordable units to be constructed concurrently or before the construction of the market rate unit development.

C. Analysis of Developer Incentives

An economic analysis of inclusionary requirements demonstrates that inclusionary housing programs have a negative economic impact on landowners, including developers who own land at the time an inclusionary housing ordinance is implemented. A jurisdiction can offer incentives and offsets to reduce the financial impact of inclusionary housing. Important offsets and incentives include:

Table ES-4

**In Lieu Fees Per Developed Unit Based on
Difference Between Median Sales Price
and Affordable Home Price to Low and Moderate Income Households**

Fees Based on September 2005-August 2006 Sales in Vallejo

City of Vallejo Inclusionary Housing Study

Inclusionary Requirement	In Lieu Fee Per Developed Unit, Gap Between Median Home Price and Affordable Home Price to Low Income Households	In Lieu Fee Per Developed Unit, Gap Between Median Home Price and Affordable Home Price to Moderate Income Households
10% Inclusionary Requirement	\$29,630	\$15,406
20% Inclusionary Requirement	\$59,260	\$30,812

Source: David Rosen & Associates

Table ES-5

In Lieu Fees Based on Alternative Inclusionary Requirements
Fees Based Gap Between Development Costs and Affordable Price

City of Vallejo Inclusionary Housing Study

Inclusionary Requirement	Rental - Stacked Flat	Owner - Low Density Detached	Owner- Small Lot Detached	Owner - Medium Density Attached	Owner - Stacked Flat Condo
10% Inclusionary Requirement	\$17,747	\$13,385	\$8,692	\$13,549	\$5,175
20% Inclusionary Requirement	\$35,493	\$26,770	\$17,385	\$27,098	\$10,350



- awarding higher than permitted densities if inclusionary units are provided on-site;
- allowing developers to provide fewer parking spaces than permitted under current zoning; and,
- allowing modest differences between affordable housing units and market rate units, such as allowing developers to reduce the size of affordable units relative to market rate units.

Table ES-6 summarizes the strengths and weaknesses of each incentive.

Table ES-6

Evaluation of Offsets/Incentives Provided to Developers

Offset/Incentive	Strengths	Weaknesses
Density Bonus	<ul style="list-style-type: none"> • lowers per unit land costs 	<ul style="list-style-type: none"> • Developers often build at lower densities to serve a particular market • Can increase costs if higher density leads to more expensive construction type • Can increase costs if higher density results in need to provide structured parking
Reduction in Parking Requirements	<ul style="list-style-type: none"> • lowers cost of compliance 	<ul style="list-style-type: none"> • may be less effective because of parking demands imposed by market
Alternative Unit Comparability Standards	<ul style="list-style-type: none"> • lowers costs of compliance 	<ul style="list-style-type: none"> • City must establish minimum standards



DAVID PAUL ROSEN & ASSOCIATES

D. Survey of Jurisdictions with Inclusionary Housing Programs

City of Vallejo staff surveyed several local jurisdictions with inclusionary housing programs. City staff surveyed the following cities:

- American Canyon;
- Cotati;
- Napa;
- Santa Rosa;
- Rohnert Park;
- Petaluma; and,
- Benecia

The following is a summary of the general parameters of these inclusionary housing programs:

- affordability set-asides: inclusionary requirements range from 10 percent to 20 percent. Typically, very low and low income households are targeted with rental developments, while low and moderate income households are targeted with owner developments.
- applicability of inclusionary requirements: inclusionary requirements are applied to all projects in Cotati and Santa Rosa. Benecia and Napa exempt projects smaller than 10 units. All other cities surveyed exempt projects smaller than five units.
- term of affordability: the minimum term of affordability is 30 years, while Napa applies affordability requirements in perpetuity.
- compliance options: the cities surveyed offer a variety of compliance options, including in lieu fees, off-site construction of affordable units, land dedication, and developer credit transfers.



I. INTRODUCTION

The City of Vallejo (City) retained David Paul Rosen & Associates (DRA) to conduct a feasibility analysis of an inclusionary housing program. In this analysis, DRA evaluates the need for affordable housing in the City and the role an inclusionary housing program can play in helping to address this need.

An important consideration for jurisdictions evaluating adoption of inclusionary programs is to understand the economic impact of imposing inclusionary requirements. By imposing inclusionary requirements, the amount of revenue generated by a development is reduced. In turn, developers reduce the amounts they are willing to pay for land. DRA conducted a financial analysis of the economic impact of inclusionary requirements on land values.

The financial analysis also incorporates potential program elements that the City may provide developers to offset the cost of providing affordable units. Examples include density bonuses, reduced parking requirements, and allowing affordable units to be smaller in size than market rate units. DRA quantifies the economic impact of these potential offsets and incentives.

Jurisdictions typically offer developers with options for complying with inclusionary requirements. In this report, DRA analyzes important compliance options, including:

- payment of fees in lieu of providing on-site affordable units; and,
- construction of affordable units off-site.

Finally, when considering program elements for inclusionary programs, many jurisdictions are interested in learning from the experience of other jurisdictions and their inclusionary programs. This report includes a survey conducted by City staff of North Bay Area jurisdictions that impose inclusionary requirements.



II. AFFORDABLE HOUSING NEED

A. Cost Burdened Households

From several alternative perspectives, the City faces a need for housing affordable to very low and low income households. In this analysis, very low, low, and moderate income households are defined as follows:

- very low income: households earning less than 50 percent of area median income, adjusted for family size;
- low income: households earning between 50 percent and 80 percent of area median income, adjusted for family size; and,
- moderate income: households earning between 80 percent and 120 percent of area median income, adjusted for family size.

Table 1 summarizes income limits for Solano County for 2006.

Table 1

2006 Income Limits
Solano County

Family Size	1 person	2 persons	3 persons	4 persons	5 persons
Very Low Income (50% of median)	\$25,900	\$29,600	\$33,300	\$37,000	\$39,950
Low Income (80% of median)	\$41,450	\$47,350	\$53,300	\$59,200	\$63,950
Moderate Income (120% of median)	\$62,200	\$71,000	\$79,900	\$88,800	\$95,900

Vallejo, like much of the housing market in California and especially the San Francisco Bay Area, has experienced significant increases in housing costs. The increase in housing costs has put current median home prices and rents out of the reach of very low, low, and moderate income households in Vallejo.

Approximately 73 percent of the housing stock in Vallejo is made up of single family homes. Out of the total of 41,161 housing units in the City, there are 28,337 detached single family homes and an additional 1,699 single family attached units. At the time of the 2000 Census, there were 9,781 multifamily units in the City and 1,239 mobilehome units.



The 2000 US Census documents that the median home value in Vallejo was \$166,400. In July 2006, the median price of \$425,000 price of homes in the City represents an increase of over 155 percent from 2000.

The median home price in Vallejo is not affordable to very low, low, and moderate income households. Assuming an interest rate of 6.48 percent (the average conforming mortgage rate reported on August 24, 2006, by Freddie Mac), a downpayment of 20 percent, and an allowance for property taxes, insurance, and homeowners association costs, a household income of approximately \$100,000 annually is needed to afford a median price home of \$425,000 in Vallejo.

Table 2

City of Vallejo
Annual Household Income Needed to Purchase Median Price Home
July 2006 Median Home Price: \$425,000

2006 Very Low Income: \$37,000 (family of four)
2006 Low Income: \$59,200 (family of four)
2006 Moderate Income: \$88,800 (family of four)

Type of Home	Median Sales Price, July 2006 Sales	Annual Household Income Needed to Purchase Median Price Home (1)
All Homes	\$425,000	\$100,000

(1) Assuming a 20% downpayment, 35% of income devoted to housing costs, mortgage rate of 6.48%.

Source: Dataquick Information Systems; David Paul Rosen & Associates

With the high cost of housing in Vallejo, a large proportion of households are cost burdened. Table 3 shows that almost 22 percent of all owner households in Vallejo are cost burdened and pay more than 35 percent of household income on housing costs. Almost 80 percent of cost burdened owner households have household incomes below \$50,000 annually.



Table 3

Households Overpaying for Owner Housing Costs
City of Vallejo
2000 Census

Total Number of Owner Households: 22,269 Households

Owner Housing Costs as Percentage of Household Income	Number of Households, Total	Number of Households Below \$50,000 in Household Income
35 percent and over	4,863	3,801

Source: 2000 US Census

Not surprisingly, renters experience high housing costs in Vallejo, which results in a high percentage of cost burdened renter households. Table 4 shows that over 41 percent of all renter households pay more than 30 percent of their household income toward rent. Almost half of all cost burdened renter households pay more than 50 percent of their household income on rent.

Table 4

Renter Households Overpaying for Housing Costs
City of Vallejo
2000 Census

Total Number of Renter Households: 14,513 Households

Gross Rent as Percentage of Household Income	Number of Renter Households	Percent of All Vallejo Renter Households
30 percent to 39 percent	1,995	13.7%
40 percent to 49 percent	1,065	7.3%
50 percent and over	2,953	20.3%
Total Number of Households Overpaying for Rental Housing	6,013	41.3%

Source: 2000 US Census



Most cost-burdened renter households are very low and low income households. Of the 6,013 households paying more than 30 percent of their income toward rent, 5,431 have incomes below \$35,000 annually. In other words, over 90 percent of cost burdened renter households have incomes below \$35,000 annually.

An additional indicator of housing need is the number of overcrowded households in Vallejo. With high housing expenses, many households can only afford to pay housing expenses by sharing housing costs with another household. According to the 2000 Census, 4,743 households were considered overcrowded. An overcrowded household is defined as one where the number of persons living in a unit exceeds the number of rooms, excluding bathrooms and kitchens. Of these, 2,647 households, or 56 percent, are renter households.

B. Fair Share Housing Goals

An additional measure of affordable housing need in Vallejo is the Association of Bay Area Governments' (ABAG) fair share housing goals for the City. For the period 1999-2006, ABAG projects that an additional 1,943 new housing units are needed to meet projected demand by very low, low, and moderate income households in Vallejo. Of these units, 1,164 units are for very low and low income households in the City.

Table 5 provides Vallejo's fair share housing goals as defined by ABAG.

Table 5

**City of Vallejo
Fair Share Housing Goal by Income Level, 1999-2006**

<u>Income Level</u>	<u>Housing Goal, 1999-2006</u>
Very Low Income (\$37,000 for a family of four)	690 units
Low Income (\$59,200 for a family of four)	474 units
Moderate Income (\$88,800 for a family of four)	779 units
Total Housing Goal, Very Low, Low, and Moderate Income Households, 1999-2006	1,943 units

Source: Association of Bay Area Governments; Income levels are for 2006



C. Affordable Housing Production and Barriers to Production

1. Affordable Housing Production

The 2001 Housing Element discusses several strategies and outlines several programs to increase the availability of affordable housing. Important strategies include:

- increase the supply of Section 8 vouchers;
- provide financial assistance for new construction units affordable to very low and low income households;
- ensure that condominium conversions do not adversely affect the availability of affordable housing; and,
- provide funding for first-time homebuyer programs.

These strategies will increase the availability of affordable housing opportunities. However, for several reasons, the City remains unable to meet the demand for affordable housing. These reasons include high land and construction costs and limited sources of public subsidy, discussed in the next section of this report.

Importantly, one policy discussed in the Housing Element is the exploration of the adoption of a local inclusionary housing program. With an inclusionary housing program, market rate housing developers construct affordable units to help address the housing affordability problem in Vallejo.

2. Barriers to Production of Affordable Housing

a. High Development Costs

Both land and construction costs in Vallejo contribute significantly to affordable housing production costs in the City. In Vallejo, land for housing can cost from \$40,000 to \$80,000 per lot for single family homes. In addition to these costs, a developer may have to undertake significant off-site work because the unavailability of undeveloped land requires developers to look at sites with issues, such as grading or environmental hazards. These costs can exceed the acquisition costs of the land.

Vallejo, as with most areas of the state, experiences high construction costs. For example, construction costs only on a single family detached home can range from \$65 to \$80 per square foot for developers of large single family developments. For developers of small developments of one or two homes, construction costs can be significantly higher. At



construction costs of \$80 per square foot, single family homes would cost in excess of \$400,000 per home. Even if a developer sold the home at the development cost, a moderate income household (at 120 percent of area median income, and assuming five persons in the household) can only afford to purchase a home priced at approximately \$282,400.

b. Limited Public Resources

In an environment with high development costs, the lack of local public sources of funds for subsidizing the development of affordable housing is a significant barrier to affordable housing production. There are two ongoing sources of local subsidies for affordable housing: HOME funds from HUD and redevelopment agency housing set-aside funds. Additionally, the Housing Authority has reserves available for funding affordable housing development, and the City may allocate Community Development Block Grant (CDBG) funds for affordable housing development.

The City receives a direct allocation of HOME funds from HUD, in the amount of \$638,689 in FY2006. Relative to the cost of developing housing in the Vallejo housing market, this allocation amount is not significant.

According to the Vallejo Redevelopment Agency's Implementation Plan (FY2004/05-FY2008/09), the total amount of unencumbered housing set-aside funds available during that five-year period is \$1.34 million. According to the City, approximately \$224,000 is available annually from Agency housing set-aside funds for housing development after administrative costs. The amount of housing set-aside funds available is very low compared to the cost of developing affordable housing in Vallejo.

The City receives \$1.4 million annually in CDBG funds. However, jurisdictions do not typically use CDBG funds for new housing development activities. Instead, housing activities typically funded through CDBG are owner-occupied rehabilitation loan programs, or first-time homebuyer assistance. The City may consider allocating a portion of its CDBG funds for affordable housing development.

To complement the City's existing financial resources for affordable housing, the City is in the process of identifying City-owned land suitable for affordable housing development. The City has conducted an initial assessment of City-owned sites, and is in the process of determining the most suitable sites for affordable housing development.

3. Buchongo Settlement Agreement, Vallejo Redevelopment Agency

Importantly, the Vallejo Redevelopment Agency entered into an affordable housing agreement with Legal Services of Northern California in July 1999. This agreement, known as the Buchongo Settlement Agreement, requires the Agency to provide 425 units of

housing affordable to low and moderate income households by July 2007. Housing units that count toward this requirement must be either new construction or substantial rehabilitation (at least \$40,000 or 25 percent of the after-rehabilitation value of the unit). Of the 425 units, 300 must be affordable to very low income households. Additionally, 125 units must be multifamily units of two bedrooms or more.

D. Meeting Affordable Housing Need - Inclusionary Housing Program

One potential tool for assisting the City with meeting its affordable housing need is the adoption of an inclusionary housing program. An inclusionary housing program requires housing developers to set aside a portion of its units for very low, low, and/or moderate income households. Typically, cities with inclusionary programs require developers to set aside 10 percent to 20 percent of housing units for targeted income households. In addition to compelling market rate housing developers to construct affordable housing, inclusionary housing programs can encourage partnerships between market rate and affordable housing developers to produce affordable housing units. For example, a market rate developer can donate land to an affordable housing developer to construct affordable units on the donated site.

Most jurisdictions also allow market rate developers to pay fees in lieu of developing affordable housing units. In turn, these fees are used to further affordable housing development, such as new affordable housing development or first-time homebuyer programs. As we discuss later in this report, this compliance option typically results in the development of fewer affordable housing units relative to the number of units a market rate developer is required to build under an inclusionary program. Most jurisdictions set their "in lieu fees" at an amount that does not provide sufficient subsidy to produce a comparable number of affordable units required under their inclusionary programs.

An important consideration for jurisdictions evaluating inclusionary housing programs is the economic effect on housing development. By reducing the amount of revenue generated by a development, an inclusionary program ultimately affects land values. Developers typically conduct land residual analyses to calculate the value attributed to land from proposed development. Therefore, if the amount of revenue that can be generated by a development is reduced because of inclusionary requirements, developers will pay less for land. Of course, land values are affected by other factors, such as availability of development opportunities, the strength or weakness of the economy, interest rates, land costs in surrounding areas, and several other factors. However, the ultimate result from imposing inclusionary requirements is a reduction in land value.



DAVID PAUL ROSEN & ASSOCIATES

III. LAND RESIDUAL ANALYSIS

A. Introduction to Land Residual Analysis

As we discuss earlier, an important consideration for jurisdictions considering the adoption of inclusionary housing is the economic impact of inclusionary requirements on landowners.

To examine the potential economic effects of inclusionary requirements in the Vallejo housing market, DRA conducted a land residual analysis. The analysis evaluates the economic impact of alternative inclusionary set-aside requirements on both renter and owner housing. In addition, the analysis evaluates the economic benefit of incentives the City can offer to developers to offset the cost of providing affordable units under inclusionary requirements.

This analysis is specific to the Vallejo housing market, based on housing construction costs, market rents, and market prices in the City. DRA interviewed residential developers active in Vallejo to develop assumptions about development costs. Five housing prototypes were developed with City staff. These prototypes represent the variety of housing currently or prospectively being built in Vallejo.

Land residual analyses are used by real estate developers, lenders, and investors to evaluate development financial feasibility. Because developers and landlords charge the maximum rents and sales prices the market will bear, any increase in development costs resulting from government action or other factors ultimately affects the price of land and/or profits to developers and owners. To maintain a threshold level of profit, developers will reduce the amount they are willing to pay for land when faced with increases in development costs and/or reductions in the revenue potential of developments. Increases in development costs will not result in an increase in home prices or apartment rent. Importantly, a reduction in developer profit margins does not necessarily render a project infeasible as long as the developer meets threshold profit and overhead requirements.

This land residual analysis calculates the value of the five housing prototypes based on income potential and subtracts the estimated cost of development to yield the underlying value of the land. A land use that generates a negative land value is not financially feasible. Similarly, an alternative use that generates a land value lower than a landowner is willing to accept is infeasible. Conversely, a land use that generates a land value in excess of current market prices for land is economically feasible.



1. Land Residual Methodology

The first step in this land residual analysis is to create housing prototypes that reflect the Vallejo housing market. **Table ES-1** in the Executive Summary describes the five housing prototypes used in this analysis developed with City staff.

The second step is to estimate development costs (not including land costs) for the five housing prototypes. Based on interviews with developers experienced in the Vallejo market as well as construction cost indexes, DRA developed cost estimates for each of the housing prototypes.

The third step is to estimate the economic value of the housing prototypes. For the rental housing prototype, economic value is based on the amount of income generated by the prototypical development. In this case, projected net operating income from a combination of market rents and rents affordable to targeted income groups (e.g. very low income and low income households) less operating expenses is calculated. In this analysis, market rents are based on average rents for the Vallejo market using data provided by REALFACTS. The use of average rents is a conservative assumption given that new apartments typically rent at higher per square foot rates than existing apartment buildings. The age of apartment buildings in the Vallejo market ranges from 46 years old to 18 years old.

The economic value of the rental housing prototype is calculated by dividing annual net income by a "cap rate". A cap rate is equal to the net operating income of a property divided by the price (or value) of a property. The real estate industry uses this ratio to estimate the value of rental properties.

For purposes of this analysis, we use a cap rate of 6.1 percent. Defining an appropriate cap rate for this analysis was particularly challenging because the last sale of an apartment building in Vallejo was in 2004.

For the owner housing prototypes, the economic value of the prototypes is based on projected sales revenues including sales prices affordable to targeted income groups (e.g. moderate income households) under an inclusionary housing program. The projected market sales prices are based on sales data for existing homes in Vallejo for the 12 month period from September 2005 to August 2006. This is a conservative approach because there is typically a significant premium for new construction homes.

The fourth step is to calculate the land residual value for each of the housing prototypes by subtracting the total development cost (not including land cost) for each prototype from the estimated economic value of each prototype to render the underlying value of the land.



2. Alternative Land Residual Calculations

At the City's direction, land residual value for the housing prototypes was calculated under a variety of scenarios to understand the range of effects of alternative inclusionary requirements and program elements. For the rental housing prototype, the land residual value under 10 percent, 11 percent, and 15 percent inclusionary requirements were calculated under the following scenarios:

- five percent of units targeted to very low income households (50 percent of area median income) and five percent of units targeted to low income households (80 percent of area median income);
- 11 percent of units targeted to very low income households (to qualify for the maximum density bonus of 35 percent allowed under State density bonus law); and,
- 15 percent of units targeted to low income households.

Table ES-2 in the Executive Summary summarizes land residual values under those alternative inclusionary scenarios.

For the owner housing prototypes, the land residual value was calculated under 10 percent and 20 percent inclusionary requirements. The land residual value was calculated assuming moderate income households (120 percent of area median income) would be targeted.

Table ES-3 in the Executive Summary summarizes land residual values under those alternative inclusionary requirements.

B. Housing Prototypes

Table ES-1 in the Executive Summary describes the five housing prototypes, one rental and four owner, examined in the land residual analysis. These prototypes were developed with City staff to represent the range of housing development types in Vallejo.

1. Rental Housing Prototypes

The rental prototype analyzed is a stacked flat, new construction family rental housing development at 20 development units per acre. Although this type of development is not currently being developed in the City, potential changes in the housing market could result in the development of larger rental housing developments.



2. Owner Housing Prototypes

The owner housing prototypes include:

- a low density new construction single family housing development;
- a new construction small lot detached single family housing development with zero lot lines;
- a new construction townhome development; and,
- a high density new construction condominium tower with structured parking underneath.

These owner housing prototypes are based on developments that are currently being developed in Vallejo.

C. Development Costs

1. Rental Housing Prototype

Estimating costs for stacked flat rental housing in Vallejo is difficult because of the absence of recent developments in the area. Based on developer interviews, construction costs for a stacked flat rental constructed in 2004 was approximately \$90 per square foot to \$100 per square foot, adjusting for prevailing wages.

A major developer of affordable housing in California recently developed an apartment building in Sonoma County at a cost of \$160 per square foot, including general contractor overhead and profit, as well as paying prevailing wages. Prevailing wages typically add 20 percent to 30 percent to construction costs. Adjusting for both prevailing wages and taking out contractor overhead and profit results in a range from approximately \$107 per square foot to \$116 per square foot for hard construction costs.

For 2006, RS Means estimates hard construction costs for a stacked flat wood frame rental at approximately \$100 to \$140 per square foot, not including contractor profit and overhead, general requirements, and architect fees.

In American Canyon, a developer is constructing a rental development with similar density as the rental housing prototype in this analysis. Excluding contractor profit, overhead, and general conditions, construction costs are expected to be approximately \$130 per square foot while paying prevailing wages. Adjusting for prevailing wages, hard construction costs would be in the range of \$110 to \$115 per square foot.



For the stacked flat rental housing prototype, DRA estimates hard construction costs at \$115 per square foot.

Table 6 and **Table 7** summarize development costs and development cost assumptions for the rental housing prototype.

b. Owner Housing Prototypes

Construction hard costs are based on guidelines provided by developers in interviews and from RS Means estimates.

For the low density single family detached prototype, developers interviewed provided a range from \$65 per square foot to \$85 per square foot for hard construction costs. According to 2006 RS Means data for Vallejo, hard construction costs for an average quality two-story home of 2,000 square feet is approximately \$79 per square foot. In the land residual analysis, we use \$79 per square foot for hard construction costs.

With the small lot detached housing prototype, developers we interviewed provided a range from \$68 per square foot to \$90 per square foot. According to 2006 RS Means data for Vallejo, based on average quality two story homes, construction costs are approximately \$86 per square foot. In the land residual analysis, we use \$86 per square foot for hard construction costs.

The cost estimates for the medium density attached housing prototype is based on interviews with developers. In this instance, RS Means data does not appear to be accurate for Vallejo. In the interviews with developers, we were given a range of \$110 per square foot to \$140 per square foot for hard construction costs, with comments from developers stating that costs are closer to the lower end of that range. In the land residual analysis, we use \$117 per square foot hard construction costs based on comments from developers.

For the higher density condominium development, developers contacted by DRA did not provide data on costs for this type of development. In the absence of this data, DRA reviewed RS Means cost data. For high rise steel frame buildings, RS Means estimates construction costs at \$140 per square foot. However, the condominium prototype is assumed to be wood frame construction, which should be substantially less expensive than steel frame.

For this analysis, we assume square footage costs higher than the stacked flat rental prototype at \$115 per square foot hard construction costs and the medium density attached owner prototype at \$117 per square foot, while remaining lower than the \$140 per square foot estimate for steel frame construction housing from RS Means.

Table 6

Rental Prototype Development Cost
 City of Vallejo Inclusionary Housing Study
 Land Residual Analysis
 2006

	<u>Renter 1 Stacked Flat</u>
Number of Units	150
Acres	6.00
Units/Acre	25
Total Net Square Feet	136,250
Ratio Net/Gross SF	85%
Total Gross Square Feet Building Area	160,294
LAND ACQUISITION, DEMOLITION, RELOCATION	\$2,352,240
OFF-SITE AND SITE IMPROVEMENTS	\$2,613,600
UNIT CONSTRUCTION HARD COSTS	\$18,433,824
PARKING	\$1,040,000
ARCH./ENG./CONSTR. SUPERVISION	\$1,052,371
LOCAL PERMITS AND FEES	\$3,750,000
ALTA SURVEY	\$20,000
ENVIRONMENTAL PHASE I AND II	\$20,000
SOILS TESTING	\$90,000
CONSTRUCTION LOAN FEES	\$141,221
PERMANENT LOAN FEES	\$114,076
CONSTRUCTION/LEASE-UP INTEREST	\$932,057
PROPERTY INSURANCE	\$60,000
PROPERTY TAXES DURING CONSTR.	\$233,997
CONSTR. LOAN TITLE AND CLOSING	\$15,000
APPRAISAL FEES	\$10,000
REAL ESTATE LEGAL	\$30,000
MARKET STUDY	\$15,000
MARKETING/LEASE-UP/START-UP	\$50,000
FURNITURE/EQUIPMENT	\$75,000
DEVELOPMENT/ADMIN. FEE	\$2,699,860
TOTAL PROJECT COSTS	\$33,748,244
COST PER UNIT	\$224,988
COST PER NET SF	\$247.69

Source: David Paul Rosen & Associates

Table 7

Assumptions, Rental Development Costs
 City of Vallejo Inclusionary Housing Study
 Land Residual Analysis
 2006

Renter 1
 Stacked Flat

DEVELOPMENT COST ASSUMPTIONS

Land Acquisition/Relocation/Demolition Cost Per Square Foot		\$9.00	
Land Acquisition Cost Per Unit		\$15,682	
Off-Site and Site Improvement Costs per SF Site Area		\$10	
Hard Construction Costs per SF		\$115	
Parking Costs per SF		\$20	392040
Architectural/Engineering (Percent of Hard Costs)		5.00%	
Local Permits and Fees (Per Unit)		\$25,000	
Property Insurance During Construction (Percent of Hard Costs)		0.50%	
Development Fee (% of Total Development Costs Less Land)		8.00%	

FAIR MARKET VALUE CALCULATION

Net Operating Income		\$1,148,595
Capitalization Value @ Cap Rate of:	6.10%	\$18,829,426
Maximum Construction Loan @LTV of	75%	\$14,122,070

MAXIMUM CONSTRUCTION LOAN CALCULATION

Capitalized Value at Restricted Rents		\$18,829,426
Maximum Construction Loan @ LTV of	75%	\$14,122,070

CONSTRUCTION LOAN

Construction Loan Amount		\$14,122,070
Interest Rate		8.00%
Loan Fees	1.00%	\$141,221
Average Loan Balance		55.00%
Construction Period		14 Months
Lease-Up Period		4 Months
Total Construction Loan Term		18 Months
Construction Loan Interest—Construction Period		\$724,933
Construction Loan Interest—Lease-Up		\$207,124

PERMANENT LOAN

Net Operating Income, Market Rents		\$1,148,595
Debt Coverage Ratio		1.20
Debt Service		\$957,163
Mortgage Term (Amortization)		30 years
Interest Rate		7.50%
Maximum Permanent Loan Amount Based on DCR		\$11,407,598
Loan Fees	1.00%	\$114,076
Maximum Loan to Value (% of FMV @ Restr. Rents)		100%
Maximum Loan Amount Based on LTV Test		\$18,829,426
Permanent Loan Amount (Min. DCR or LTV)		\$11,407,598
Permanent Loan Debt Service		\$957,163



In addition to the cost of developing the housing units, the density of this prototype creates a need for structured parking. The prototype is defined at one level of underground parking and one level of above ground structured parking (assuming 300 square feet per parking space including circulation). For 2006, RS Means estimates structured parking at approximately \$18,000 per space, and underground garage parking at \$22,000 per space. We use an estimate of \$20,000 per space overall for the structured parking garage.

Per unit total development costs for each prototype are summarized in **Table 8**. Detailed development cost assumptions and budgets for each prototype are contained in **Table 9**.

D. Determining Economic Value: Selecting Target Income Levels and Calculating Affordable Housing Cost

For the rental housing prototype, economic value is calculated by estimating net operating income. With the owner housing prototypes, economic value was based on estimates of gross sale proceeds.

1. Assumptions for Determining Economic Value of Rental Prototypes

With the rental housing prototype, the following factors for determining economic value were incorporated in the land residual analysis:

- affordable rents, as determined by definition of affordable housing expense, target income levels, occupancy levels, and allowances for payment of utilities;
- operating expenses;
- vacancy rates;
- market rents; and,
- cap rates.

This section discusses the assumptions incorporated in the land residual analysis.

Table 8

Estimate Prototype Development Costs
Ownership Housing Prototypes
City of Vallejo Inclusionary Housing Study
Land Residual Analysis
2006

	Owner 1 Low Density Detached Family	Owner 2 Small Lot Detached Family	Owner 3 Medium Density Attached Family	Owner 4 Stacked Flat Condominium Family
Acres	10.00	6.50	7.25	1.00
No. of Units	90	100	150	100
Units/Acre	9.0	15.4	20.7	100.0
Total Net Square Feet	209,500	197,500	230,000	103,875
Ratio Net/Gross SF	100%	100%	100%	85%
Total Gross Square Feet Building Area	209,500	197,500	230,000	122,206
LAND AND BUILDING ACQUISITION	\$3,920,400	\$5,662,800	\$9,474,300	\$1,524,600
PARKING GARAGE	\$0	\$0	\$0	\$3,500,000
OFF-SITE AND SITE IMPROVEMENTS	\$7,840,800	\$5,096,520	\$6,316,200	\$871,200
CONSTRUCTION HARD COSTS (INCLUDING GARAGES)	\$16,550,500	\$16,985,000	\$26,910,000	\$15,275,735
GENERAL CONDITIONS	\$260,000	\$260,000	\$320,000	\$340,000
ARCH./ENG./CONSTR. SUPERVISION	\$975,652	\$883,261	\$1,993,572	\$968,816
LOCAL PERMITS AND FEES	\$2,681,545	\$2,738,410	\$4,125,000	\$2,756,295
ALTA SURVEY	\$20,000	\$20,000	\$20,000	\$20,000
ENVIRONMENTAL PHASE I AND II	\$20,000	\$20,000	\$20,000	\$20,000
SOILS TESTING	\$90,000	\$90,000	\$90,000	\$90,000
CONSTRUCTION LOAN FEES	1.00% \$277,500	\$273,750	\$412,500	\$204,750
CONSTRUCTION/SALE PERIOD INTEREST	\$1,322,750	\$1,304,875	\$2,420,000	\$1,201,200
PROPERTY INSURANCE	\$165,505	\$169,850	\$269,100	\$152,757
PROPERTY TAXES	\$283,117	\$277,443	\$427,005	\$176,715
TITLE AND CLOSING	\$30,000	\$30,000	\$30,000	\$30,000
APPRAISAL FEES	\$10,000	\$10,000	\$10,000	\$10,000
REAL ESTATE LEGAL	\$50,000	\$50,000	\$50,000	\$50,000
WARRANTY	2.00% \$989,500	\$1,021,500	\$1,155,000	\$667,500
MARKETING/SALES COMMISSIONS	4.00% \$1,979,000	\$2,043,000	\$2,310,000	\$1,335,000
TOTAL PROJECT COST	\$37,466,269	\$36,936,409	\$56,352,677	\$29,194,569
PER UNIT	\$416,292	\$369,364	\$375,685	\$291,946
PER SF	\$178.84	\$187.02	\$245.01	\$281.05

Source: David Paul Rosen & Associates

Table 9

**Financing Assumptions
Ownership Housing Prototypes
City of Vallejo Inclusionary Housing Study
Land Residual Analysis
2006**

	Owner 1 Low Density Detached Family	Owner 2 Small Lot Detached Family	Owner 3 Medium Density Attached Family	Owner 4 Stacked Flat Condominium Family
DEVELOPMENT COST ASSUMPTIONS				
Property Acquisition Cost Per SF	\$9	\$20	\$30	\$35
Property Acquisition Cost Per Unit	\$43,600	\$56,600	\$63,200	\$15,200
Off-site and Site Improvement Costs per SF Site Area	\$18	\$18	\$20	\$20
Parking Garage (per space)	\$0	\$0	\$0	\$20,000
Hard Construction/Rehabilitation Costs per SF	\$79	\$86	\$117	\$125
Hard Construction/Rehabilitation Costs per Unit	\$183,894	\$169,850	\$179,400	\$152,757
Architectural/Engineering (Percent of Hard Costs)	4%	4%	6%	6%
Local Permits and Fees Per Unit	\$29,795	\$27,384	\$27,500	\$27,563
Property Insurance During Construction (Percent of Hard Costs)	1.00%	1.00%	1.00%	1.00%
CONSTRUCTION LOAN				
Value, Based on Development Costs				
Constr. Loan Amt 75% Total Dev. Cost	\$27,750,000	\$27,375,000	\$41,250,000	\$20,475,000
Interest Rate	8.00%	8.00%	8.00%	8.00%
Loan Points	1.00%	1.00%	1.00%	1.00%
Average Loan Balance—Construction	55.00%	55.00%	55.00%	55.00%
Construction Period	13 Months	13 Months	16 Months	17 Months
Total Construction Loan Term	13 Months	13 Months	16 Months	17 Months
Total Construction Loan Interest	\$1,322,750	\$1,304,875	\$2,420,000	\$1,201,200
Construction Loan Points	\$277,500	\$273,750	\$412,500	\$204,750
HOMEBUYER PERMANENT MORTGAGES				
Interest Rate (include. PMI)	6.48%	6.48%	6.48%	6.48%
Term (Years)	30	30	30	30



a. Affordable Housing Expense and Utility Allowances

Affordable housing expense for renters is defined as 30 percent of targeted income, including an allowance for utilities. This definition is used by virtually all affordable housing programs, and is consistent with California Redevelopment Law, U.S. Department of Housing and Urban Development programs, and State of California Housing and Community Development programs.

Allowable affordable rents are calculated net of allowances for the utilities paid directly by the tenants from the gross rent (or affordable housing cost). For purposes of this analysis, we incorporated utility allowances as adopted by the Vallejo Housing Authority in August 2006. The analysis assumes that the resident pays utilities on the following items:

- electric heating;
- electric cooking;
- other electric appliances and uses;
- water;
- range/microwave; and,
- refrigerator.

Actual utility allowances depend upon a variety of factors, including the utilities that are paid by the tenants (e.g. water, gas, electricity, sewer, trash), the type of appliances and heating units incorporated in the units, and whether appliances and heating units require electricity or gas.

The following utility allowances are used in the land residual and affordability gap analysis:

<u>Size of Unit</u>	<u>Utility Allowance</u>
1 Bedroom	\$78 per month
2 Bedroom	\$97 per month
3 Bedroom	\$108 per month

b. Target Income Levels and Occupancy Levels

The land residual analysis for the rental prototype is based on alternative inclusionary requirements targeting very low and low income households. Targeted income levels are used to calculate affordable rents, which in turn form the basis for net operating income calculations for the rental housing prototypes. For this study, very low income is defined at approximately 50 percent of area median income for Solano County, or \$37,000 for a family of four, based on incomes published by the State of California Department of Housing and Community Development (HCD). Low income households are households at



or below approximately 80 percent of area median income for Solano County. For 2006, HCD defines lower income for a household of four persons in Solano County at \$59,200. However, affordable rent for lower income households is targeted to 60 percent of area median income, per California Redevelopment Law. For 2006, a household of four persons in Solano County at 60 percent of area median income is \$44,400.

An additional factor to determine affordable housing cost is defining occupancy levels for targeted households. California Health and Safety Code defines household income by household size and by targeted income level. This methodology is used in California Redevelopment Law, HUD, HCD, and the California Tax Credit Allocation Committee. For 2006, HUD and HCD, a three person very low income household in Solano County is assumed to have a household income of \$33,300, while a five person very low income household is assumed to have a household income of \$39,950. Based on this method for defining affordable housing expense, for example, a five person low income household can afford a higher housing expense than a three person low income household.

In this analysis a standard of one person per room (not including kitchen and bathrooms) was used. This occupancy standard is required by California Redevelopment Law when determining affordable housing expense.

Table 10 summarizes the calculations of affordable rents based on the assumptions of targeted income levels, occupancy levels, utility allowances, and percentage of income devoted to housing expenses.

c. General Operating Costs, Vacancy Allowance

Annual operating costs are estimated at \$4,232 per unit for the rental prototypes. This amount is based on data from the Institute of Real Estate Management ("Income/Expense Analysis: Conventional Apartments") 2004, adjusted for inflation using the Consumers Price Index changes from 2004 to 2006. The median operating expense figure from IREM is for 23 apartment buildings in the Oakland metropolitan area, comprising 4,026 garden-style apartment units.

A vacancy allowance of five percent of rental income is used to compensate for the landlord's potential loss of rental income when units become unoccupied.

Summaries of the net operating income generated under alternative household income and inclusionary set aside scenarios are included in **Attachment A**.

Table 10

**Affordable Rents by Income Level
City of Vallejo Inclusionary Housing Study
Land Residual Analysis
2006**

ASSUMPTIONS

2006 Median Household Income, Family of Four, Solano County					\$75,000
Affordable Housing Cost As a % of Income, Rental					30%
Household Size, (1 person per room plus one)					
Renter Utility Allowance, City of Vallejo Hsg. Auth., Aug. 2006	2 Persons	3 Persons	4 Persons	5 Persons	
	\$78	\$97	\$108	\$134	

AFFORDABLE RENTS AND GROSS RENTAL INCOME BY INCOME LEVEL

		1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
<u>50% of Median</u>	Rental				
Annual Gross Income		\$29,600	\$33,300	\$37,000	\$39,950
Affordable Monthly Housing Cost		\$740	\$833	\$925	\$999
Less: Monthly Utility Allowance		\$78	\$97	\$108	\$134
Affordable Monthly Rent		\$662	\$736	\$817	\$865
<u>60% of Median (1)</u>	Rental				
Annual Gross Income		\$35,520	\$39,960	\$44,400	\$47,940
Affordable Monthly Housing Cost		\$888	\$999	\$1,110	\$1,199
Less: Monthly Utility Allowance		\$78	\$97	\$108	\$134
Affordable Monthly Rent		\$810	\$902	\$1,002	\$1,065

(1) Affordable rent for Lower Income households (up to 80 percent of area median income) is targeted to 60 percent of area median income per California Redevelopment Law.

Source: David Paul Rosen & Associates



d. Market Rent Assumptions

Under an inclusionary housing program, market rate units remain the large majority of units in housing development. Therefore, it is necessary to make assumptions regarding market rate rents in Vallejo. According to REALFACTS, the average rent in Vallejo during the second quarter of 2006 was \$1,034. The following chart summarizes average rents in Vallejo during the second quarter of 2006.

City of Vallejo

Average Rents, Second Quarter 2006

<u>Unit Type</u>	<u>Average Per Unit Rent</u>	<u>Average Rent Per Square Foot</u>
One Bedroom/One Bath	\$914/month	\$1.33/sf/month
Two Bedroom/One Bath	\$1,019/month	\$1.16/sf/month
Two Bedroom/Two Bath	\$1,188/month	\$1.25/sf/month
Three Bedroom/Two Bath	\$1,280/month	\$1.04/sf/month

Source: REALFACTS

In the land residual analysis, we assume that average rents will be slightly lower than the rents offered at new construction rental developments assuming that renters are willing to pay somewhat more for renting a new unit. The following market rent assumptions were incorporated in the land residual analysis:

City of Vallejo

Market Rent Assumptions
Land Residual Analysis

<u>Unit Type</u>	<u>Per Unit Rent</u>	<u>Rent Per Square Foot</u>
One Bedroom	\$950/month	\$1.36/sf/month
Two Bedroom/One Bath	\$1,060/month	\$1.18/sf/month
Two Bedroom/Two Bath	\$1,225/month	\$1.29/sf/month
Three Bedroom	\$1,310/month	\$1.19/sf/month

The market rents assumed in the land residual analysis range from \$30 to \$40 per month greater than the average market rents for Vallejo in the second quarter of 2006 because of the assumption that new construction rental developments can charge somewhat higher rents than older, existing apartment buildings.

Table 11 compares average market rents with rents affordable to very low and low income households.

Table 11

City of Vallejo

Comparison Between Average Market Rents and Rents Affordable to Very Low Income and Low Income Households (50% and 80% of Area Median Income)

<u>Unit Type</u>	<u>Market Rate Average Per Unit Rent</u>	<u>Affordable Rent Very Low Income</u>	<u>Affordable Rent Low Income (1)</u>
One Bedroom/One Bath	\$914/month	\$662/month	\$810/month
Two Bedroom/One Bath	\$1,019/month	\$736/month	\$902/month
Two Bedroom/Two Bath	\$1,188/month	\$736/month	\$1,002/month
Three Bedroom/Two Bath	\$1,280/month	\$817/month	\$1,065/month

(1) Affordable rents are calculated based on the median income for Solano County, and adjusted by household size and utility allowances. Household size is assumed to be one person per bedroom plus one. For Low Income Households up to 80 percent of area median income, affordable rent is defined at 60 percent of area median income per California Redevelopment Law.

In the current housing market, rents affordable to low income households is only modestly below average market rents. Therefore, the benefit of an inclusionary housing program targeting low income renter households is not primarily lowering of rents to these households. Instead, the primary benefit of an inclusionary housing is to protect these households, and future low income households, from increases in rents that would require them to overpay for housing costs.

Average market rate rents continue to be above affordable rents for very low income households (50 percent of area median income). Therefore, an inclusionary program targeting very low income households benefits these households through offering housing units at a lower cost and restricting increases in rents for the long-term. As discussed earlier in this report, the 2000 Census showed that over 90 percent of cost burdened renter households in Vallejo (paying more than 30 percent of household income on housing expenses) were very low income households.

e. Cap Rates

Calculations of net operating income were divided by an assumed cap rate to determine economic value of the rental housing prototype under alternative inclusionary scenarios. A cap rate is equal to the net operating income of a property divided by the price or value of a property.



We assumed a cap rate of 6.1 percent. This cap rate is based on data from the National Real Estate Index for the Oakland/East Bay and Sacramento regions for Class A apartment buildings.

According to the National Real Estate Index Value Monitor, the average cap rate for the Oakland/East Bay region (which includes Contra Costa County but not Solano County) was 6.6 percent for the second quarter of 2006 for Class B apartments. For Class A apartments, the cap rate was 6.2 percent for the same time period.

For the Sacramento region, the average cap rate for the Sacramento area was 6.3 percent for Class B apartments and 6.1 percent for Class A apartments for the second quarter of 2006.

According to REALFACTS, the only sale of a larger apartment building in Vallejo in the past three years was the sale of a 148 unit development. The cap rate for that sale, which occurred in 2003, was approximately 7.0 percent. However, because the sale was three years ago in a different housing market, and is only one sample, we do not believe the cap rate of 7.0 percent accurately reflects the current housing market.

2. Assumptions for Determining the Economic Value of Owner Prototypes

With the owner housing prototypes, the most important factors for determining economic value are:

- affordable home price, based on target income level, mortgage rates, downpayment amount (as a percentage of affordable home price), targeted income levels, occupancy standards, percent of income devoted to housing expense, and defining items to include in housing expense; and,
- market home prices.

a. Target Income Levels and Occupancy Standards

With the owner land residual analysis, affordable home prices are based on targeting moderate income households. For purposes of this study, a four person moderate income household (at approximately 120 percent of area median income) has a total annual income of \$88,800.

The owner housing land residual analysis incorporates occupancy standards of one person per bedroom, plus one, based on the standard used in California Redevelopment Law.

b. Definition of Housing Expense

For homeowners, housing expense is equal to mortgage payments, homeowner association fees, property taxes, insurance, assessments passed on to owners, and maintenance costs. Based on California Redevelopment Law definitions of affordable housing expense, we assume that 35 percent of a household's income goes toward housing expenses. This is a conservative assumption because most lenders will allow a greater percentage of household income to pay for housing expenses.

Using the California Redevelopment Law definition for housing expense for owner moderate income households, we assume that 35 percent of 110 percent of area median income, adjusted for household size, will be devoted to total housing expenses. Although moderate income is defined as households at or below 120 percent of area median income, housing expense is tied to 110 percent of area median income under California Redevelopment Law.

We assume a modest homeowners association fee of \$200 per month as part of monthly housing expense.

Mortgage payments are based on an interest rate of 6.48 percent. Currently, rates for 30 year fixed rate mortgages are slightly lower than that rate, although rates have been higher and lower than 6.48 percent in 2006. The rate of 6.48 percent was the average rate for 30 year fixed rate mortgages for the week of August 24, 2006, according to Freddie Mac.

Additionally, we incorporate a utility allowance based on the definition of affordable housing expense under California Redevelopment Law. For the owner prototypes, we assume payment of the following utilities:

- gas heating;
- gas cooking;
- other electric;
- water heating;
- water;
- sewer;
- trash collection;
- range/microwave; and,
- refrigerator.

Table 12 provides assumptions and calculations for affordable mortgages and home prices.

Table 12
Maximum Affordable Mortgage
Households Earning 110% of Area Median Income

City of Vallejo Inclusionary Housing Study
2006

Unit Size (Bedroom Count)	1 Bedrooms	2 Bedrooms	3 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
Household Size	2 Persons	3 Persons	4 Persons	4 Persons	5 Persons	6 Persons
2006 Income Limit	\$71,000	\$79,900	\$88,800	\$88,800	\$95,900	\$103,000
% of Income Used to Calculate Afford. Mortg.	110% of AMI	110% of AMI	110% of AMI	110% of AMI	110% of AMI	110% of AMI
% of Income Spent on Housing	35%	35%	35%	35%	35%	35%
Income Used to Calculate Affordable Mortg.	\$65,120	\$73,260	\$81,400	\$81,400	\$87,912	\$94,424
Affordable Monthly Housing Cost	\$1,899	\$2,137	\$2,374	\$2,374	\$2,564	\$2,754
Less: Monthly Utility Allowance	\$120	\$178	\$195	\$262	\$318	\$355
Less: Homeowner Association Fees	\$200	\$200	\$200	\$200	\$200	\$200
Less: Property Taxes and Assess. 1.20%	\$214	\$240	\$273	\$263	\$282	\$305
Less: Property Insurance	\$125	\$125	\$125	\$125	\$125	\$125
Affordable Mortgage Payment (P&I)	\$1,214	\$1,364	\$1,547	\$1,492	\$1,603	\$1,731
Affordable Mortgage-	\$192,435	\$216,175	\$245,340	\$236,475	\$254,197	\$274,433
Affordable Home Price	\$213,817	\$240,194	\$272,600	\$262,750	\$282,441	\$304,925

Source: David Paul Rosen & Associates



c. Downpayment Assumptions

The analysis assumes that homebuyers will provide ten percent (of affordable home price) downpayments. Homebuyers generally provide between five to 20 percent of home price as downpayments. We use the lower end of this range assuming that moderate income persons will have difficulty providing downpayments ranging from 15 percent to 20 percent of home price.

d. Market Home Prices

Table 13 summarizes market sales price assumptions for the owner housing prototypes and compares these prices to prices for resale homes in Vallejo.

Table 13

**Sales Price Assumptions
Owner Housing Prototypes**

<u>Type</u>	<u>Unit Type</u>	<u>Median Sales Prices, Sept. 2005 to Aug. 2006</u>	<u>Assumed Sales Prices</u>
Attached	One BR	\$205,000	\$250,000
	Two BR/1BA	\$295,000	\$325,000
	Two BR	\$295,000	\$350,000
	Three BR	\$310,000	\$425,000
Detached	Three BR	\$435,000	\$475,000
	Four BR	\$520,000	\$540,000
	Five BR	\$617,500	\$640,000

Source: Dataquick, David Paul Rosen & Associates

The market sales prices we assume for the new construction owner prototypes are shown as slightly higher than prices for resale homes in Vallejo for the period September 2005 to August 2006. This is a conservative approach because of the high premium paid for new construction homes. For example, according to Dataquick, the median sales price for all resale homes for the period September 2005 to August 2006 was \$421,750, while the median sales price for new construction homes was \$707,000. One other example was provided by a developer active in Vallejo. He stated that new construction townhomes have sold in the high \$300,000's and \$400,000's in Vallejo.



3. Calculating Economic Value of Housing Prototypes

a. Economic Value of Rental Housing Prototypes

For each of the rental housing prototypes, annual net operating income was calculated based on four alternative scenarios:

- no inclusionary requirements;
- five percent of units set aside for households at or below 50 percent of area median income and five percent of units set aside for households at or below 80 percent of area median income;
- 11 percent of units set aside for households at or below 50 percent of area median income; and,
- 15 percent of units set aside for households at or below 80 percent of area median income.

The calculations of net operating income for each of these scenarios are based on the assumptions described above (the calculations are contained in **Attachment A**).

As we discuss above, determining the economic value of the rental housing prototypes was based on dividing net operating income by an assumed cap rate of 6.1 percent.

b. Owner Sales Calculations

For each of the owner housing prototypes, home sales revenues were calculated based on three alternative scenarios:

- no inclusionary requirements;
- 10 percent of units set aside for households at or below 120 percent of area median income; and,
- 20 percent of units set aside for households at or below 120 percent of area median income.

The calculations for each housing prototype are contained in **Attachment A**.

In summary, the land residual analysis indicates that imposing inclusionary housing requirements lowers residual land value for all housing types. Importantly, however, with



DAVID PAUL ROSEN & ASSOCIATES

one potential exception, the land residual analysis also indicates that the resulting reduction in residual land value may not affect the economic feasibility of an owner development. The exception may be new construction townhomes, where a 20 percent inclusionary requirement may render a developer economically infeasible. However, this may result from conservative assumptions used in the economic modeling for townhomes.



IV. ANALYSIS OF DEVELOPER INCENTIVES

The findings of the land residual analysis of inclusionary requirements indicate that there is an economic cost to providing inclusionary units. Many jurisdictions offer developers some form of offset to these costs. This section discusses the following incentives that can be offered to developers to offset the costs of complying with inclusionary requirements:

- density bonus;
- alternative unit comparability standards; and,
- reduction in parking requirements.

A. Density Bonus

1. Discussion

Providing developers with an increase over the legally permissible density may result in an increase in the economic value of a development. By allowing developers to build more units on a parcel, a development will generate more revenue with a reduction in per unit development costs.

SB1818 revises State Government Code Section 65915 and requires jurisdictions to provide a density bonus from five percent up to 35 percent based on the percentage of affordable units provided with the project. SB1818 provides for density bonuses under the following scenarios:

- a 20 percent density bonus for rental developments with 10 percent low income units. For every one percent increase in affordable units, the developer receives a 1.5 percent density bonus increase up to a maximum 35 percent.
- a 20 percent density bonus for rental developments with five percent very low income units. For every one percent increase in affordable units, the developer receives a 2.5 percent density bonus increase up to a maximum 35 percent.
- a five percent density bonus for planned unit developments or condominium developments with 10 percent moderate income units. For every one percent increase in affordable units, the developer receives a one percent density bonus increase up to a maximum 35 percent.



Density bonuses are also provided for senior housing developments.

In addition, if one of these conditions is met, the jurisdiction must also offer one to three of the following concessions to a developer:

- A reduction in site development standards or a modification of zoning code requirements or architectural design requirements.
- Approval of mixed use zoning.
- Other regulatory incentives or concessions that result in identifiable, financially sufficient, and actual cost reductions.

The number of incentives that must be offered to developers depends on the percentage of affordable units provided by the developer.

This analysis calculates land residual analysis under the following scenarios for rental housing:

- five percent of units set aside for very low households and five percent of units set aside for low income households. This scenario qualifies for a 20 percent density bonus;
- 11 percent of units set aside for very low income households. This scenario qualifies for the maximum 35 percent density bonus; and,
- 15 percent of units set aside for low income households. This scenario qualifies for a 27.5 percent density bonus.

With the land residual analysis for the owner housing prototypes, the following scenarios were examined:

- 10 percent of units set aside for households at or below 120 percent of area median income. Assuming the developments are PUDs or condominiums, this scenario qualifies for a five percent density bonus; and,
- 20 percent of units set aside for households at or below 120 percent of area median income. Assuming the developments are PUDs or condominiums, this scenario qualifies for a 15 percent density bonus.



2. Economic Analysis

Table 14 summarizes revisions to the rental housing prototype based on a 20 percent density bonus. **Table 15** summarizes revisions to the rental housing prototype based on a 27.5 percent density bonus, and **Table 16** summarizes revisions to the rental housing prototype based on a 35 percent density bonus.

Table 17 and **Table 18** summarize revisions to the owner housing prototypes based on density bonuses of five percent and 15 percent.

DRA conducted a land residual analysis of each of these revised prototypes based on the inclusionary housing scenarios used in the land residual analysis for the original housing prototypes.

Table 19 summarizes the results of the land residual analysis for the revised rental housing prototypes under alternative density bonus scenarios. With the rental housing prototype, residual land value was not affected significantly by the density bonuses under current housing market conditions. In the current housing market, land residual value for the rental housing prototype remains negative, i.e. economically infeasible.

One additional consideration with the rental housing prototype is that a density bonus may lead to the need to use structured parking, which substantially increases costs for parking. In this case, the need to provide structured parking will not alter economic feasibility because there are no scenarios where rental housing is financially feasible. With a 20 percent density bonus, the density of the rental housing prototype increases to 28 units per acre. With a 35 percent density bonus, the density of the rental housing prototype increases to 34 units per acre. At 34 units per acre, a significant portion of the parking requirement will have to be accommodated in structured parking, although the actual amount is site specific. As an example, an apartment development at slightly over 37 units per acre developed by BRIDGE Housing resulted in approximately 50 percent of all parking in a structure, with the remaining spaces accommodated with surface parking. At 50 units per acre, almost all parking would have to be accommodated in structured parking.

In Table 19, we assume that one-third of all parking is accommodated in a structure at a 20 percent density bonus. At density bonuses of 27.5 percent and 35 percent, we assume that half of all parking is accommodated in a structure.

Table 14
Housing Prototype Projects
20 Percent Density Bonus
City of Vallejo Inclusionary Housing Study

2006

PROTOTYPE	Renter 1
	Stacked Flat Family
UNIT COUNT	180 Units
TENURE	Rental
ZONING	RM
RESIDENT POPULATION	Family
TYPE OF PRODUCT	Stacked Flat
CONSTRUCTION TYPE	Wood Frame
DENSITY (DU'S/Acre)	30.0
LAND AREA (Acres)	6.00 Acres
UNITS BY BR COUNT	
One Bedroom	48
Two Bedroom/1 Bath	36
Two Bedroom	66
Three Bedroom	30
UNIT SIZE (Net Square Feet)	
One Bedroom	700
Two Bedroom/1 Bath	900
Two Bedroom	900
Three Bedroom	1,100
Average Square Feet	880
BLDG. SQ. FEET	
Net Living Area	158,400
Community Space	1,500
Total Net Bldg. Square Feet	159,900
TYPE OF PARKING	On grade/Structured
PARKING REQUIREMENT	1 per 1BR unit 2 per 2/3BR unit
NO. OF PKG. SPACES	312
SQUARE FEET PER PARKING SPACE	200
TOTAL PARKING SF	62,400

Table 15

Housing Prototype Projects
 27.5 Percent Density Bonus
 City of Vallejo Inclusionary Housing Study

2006

PROTOTYPE	Renter 1
	Stacked Flat Family
UNIT COUNT	191 Units
TENURE	Rental
ZONING	RM
RESIDENT POPULATION	Family
TYPE OF PRODUCT	Stacked Flat
CONSTRUCTION TYPE	Wood Frame
DENSITY (DU'S/Acre)	31.8
LAND AREA (Acres)	6.00 Acres
UNITS BY BR COUNT	
One Bedroom	51
Two Bedroom/1 Bath	38
Two Bedroom	70
Three Bedroom	32
UNIT SIZE (Net Square Feet)	
One Bedroom	700
Two Bedroom/1 Bath	900
Two Bedroom	900
Three Bedroom	1,100
Average Square Feet	880
BLDG. SQ. FEET	
Net Living Area	168,100
Community Space	1,500
Total Net Bldg. Square Feet	169,600
TYPE OF PARKING	On grade/Structured
PARKING REQUIREMENT	1 per 1BR unit 2 per 2/3BR unit
NO. OF PKG. SPACES	331
SQUARE FEET PER PARKING SPACE	200
TOTAL PARKING SF	66,200

Table 16

Housing Prototype Projects
 35 Percent Density Bonus
 City of Vallejo Inclusionary Housing Study

2006

PROTOTYPE	Renter 1
	Stacked Flat Family
UNIT COUNT	202 Units
TENURE	Rental
ZONING	RM
RESIDENT POPULATION	Family
TYPE OF PRODUCT	Stacked Flat
CONSTRUCTION TYPE	Wood Frame
DENSITY (DU'S/Acre)	33.7
LAND AREA (Acres)	6.00 Acres
UNITS BY BR COUNT	
One Bedroom	53
Two Bedroom/1 Bath	41
Two Bedroom	74
Three Bedroom	34
UNIT SIZE (Net Square Feet)	
One Bedroom	700
Two Bedroom/1 Bath	900
Two Bedroom	900
Three Bedroom	1,100
Average Square Feet	887
BLDG. SQ. FEET	
Net Living Area	178,000
Community Space	1,500
Total Net Bldg. Square Feet	179,500
TYPE OF PARKING	On grade/Structured
PARKING REQUIREMENT	1 per 1BR unit 2 per 2/3BR unit
NO. OF PKG. SPACES	351
SQUARE FEET PER PARKING SPACE	200
TOTAL PARKING SF	70,200

Table 17
Housing Prototype Projects
5% Density Bonus
City of Vallejo Inclusionary Housing Study
2006

PROTOTYPE	Owner 1	Owner 2	Owner 3	Owner 4
	Low Density Detached Family	Small Lot Detached Family	Medium Density Attached Family	Stacked Flat Condominium Family
UNIT COUNT	95 Units (one phase of larger development)	105 Units	158 Units	105 Units
TENURE	Owner	Owner	Owner	Owner
ZONING	RH	RS	RS	RM
RESIDENT POPULATION	Family	Family	Family	Family
TYPE OF PRODUCT	Single Family Detached	Single Family Detached	Townhouse	Stacked Flat
CONSTRUCTION TYPE	Wood Frame	Wood Frame	Wood Frame	Wood Frame
DENSITY (DU'S/Acre)	9.5	16.2	21.8	105.0
LAND AREA (Acres)	10.00 Acres	6.5 Acres	7.25 Acres	1.00 Acres
UNITS BY BR COUNT				
One Bedroom	0	0	0	26
Two Bedroom/1 Bath	0	0	0	26
Two Bedroom	0	0	84	32
Three Bedroom	27	47	74	21
Four Bedroom	42	58	0	0
Five Bedroom	26	0	0	0
Six+ Bedroom	0	0	0	0
UNIT SIZE (Net Square Feet)				
One Bedroom	0	0	0	825
Two Bedroom/1 Bath	0	0	0	950
Two Bedroom	0	0	1,300	1,050
Three Bedroom	2,200	1,700	1,800	1,325
Four Bedroom	2,300	2,200	0	0
Five Bedroom	2,500	0	0	0
Six+ Bedroom	0	0	0	0
Average Square Feet	2,326	1,976	1,534	1,025
BLDG. SQ. FEET				
Net Living Area	221,000	207,500	242,400	107,575
Community Space	0	0	0	1,500
Total Net Bldg. Square Feet	221,000	207,500	242,400	109,075
TYPE OF PARKING	Garage	Garage	Garage	Structured parking one level underground
PARKING REQUIREMENT	2 per 2/3BR unit 3 per 3BR+ unit	2 per 2/3BR unit 3 per 3BR+ unit	2 per 2/3BR unit	1 per 1BR unit 2 per 2/3BR unit
NO. OF PKG. SPACES	258	268	316	184
SQUARE FEET PER PARKING SPACE	200	200	200	200
TOTAL PARKING SF	51,600	53,600	63,200	36,800

Table 18

Housing Prototype Projects
15% Density Bonus
City of Vallejo Inclusionary Housing Study

2006

PROTOTYPE	Owner 1	Owner 2	Owner 3	Owner 4
	Low Density Detached Family	Small Lot Detached Family	Medium Density Attached Family	Stacked Flat Condominium Family
UNIT COUNT	104 Units (one phase of larger development)	115 Units	173 Units	116 Units
TENURE	Owner	Owner	Owner	Owner
ZONING	RH	RS	RS	RM
RESIDENT POPULATION	Family	Family	Family	Family
TYPE OF PRODUCT	Single Family Detached	Single Family Detached	Townhouse	Stacked Flat
CONSTRUCTION TYPE	Wood Frame	Wood Frame	Wood Frame	Wood Frame
DENSITY (DU'S/Acre)	10.4	17.7	23.9	116.0
LAND AREA (Acres)	10.00 Acres	6.5 Acres	7.25 Acres	1.00 Acres
UNITS BY BR COUNT				
One Bedroom	0	0	0	29
Two Bedroom/1 Bath	0	0	0	29
Two Bedroom	0	0	92	35
Three Bedroom	29	52	81	23
Four Bedroom	46	63	0	0
Five Bedroom	29	0	0	0
Six+ Bedroom	0	0	0	0
UNIT SIZE (Net Square Feet)				
One Bedroom	0	0	0	825
Two Bedroom/1 Bath	0	0	0	950
Two Bedroom	0	0	1,300	1,050
Three Bedroom	2,200	1,700	1,800	1,325
Four Bedroom	2,300	2,200	0	0
Five Bedroom	2,500	0	0	0
Six+ Bedroom	0	0	0	0
Average Square Feet	2,328	1,974	1,534	1,023
BLDG. SQ. FEET				
Net Living Area	242,100	227,000	265,400	118,700
Community Space	0	0	0	1,500
Total Net Bldg. Square Feet	242,100	227,000	265,400	120,200
TYPE OF PARKING	Garage	Garage	Garage	Structured parking one level underground
PARKING REQUIREMENT	2 per 2/3BR unit 3 per 3BR+ unit	2 per 2/3BR unit 3 per 3BR+ unit	2 per 2/3BR unit	1 per 1BR unit 2 per 2/3BR unit
NO. OF PKG. SPACES	283	293	346	203
SQUARE FEET PER PARKING SPACE	200	200	200	200
TOTAL PARKING SF	56,600	58,600	69,200	40,600

Table 19

Residual Land Value Per Square Foot Site Area
 Rental Housing Prototype with Alternative Inclusionary Housing Requirements and Density Bonuses
 Incentives and Offsets
 City of Vallejo Inclusionary Housing Analysis
 2006

Prototype	Renter 1 Stacked Flat
Inclusionary Requirement, Alternative 1: 5% of units at 50% of area median income 5% of units at 80% of area median income 20 percent density bonus Land Value Per Square Foot	(\$63.36)
Inclusionary Requirement, Alternative 2: 5% of units at 50% of area median income 5% of units at 80% of area median income 20 percent density bonus 10% Reduction in Affordable Unit Size Land Value Per Square Foot	(\$62.73)
Inclusionary Requirement, Alternative 3: 11% of units at 50% of area median income 35 percent density bonus Land Value Per Square Foot	(\$72.41)
Inclusionary Requirement, Alternative 4: 11% of units at 50% of area median income 35 percent density bonus 10% Reduction in Affordable Unit Size Land Value Per Square Foot	(\$71.74)
Inclusionary Requirement, Alternative 5: 15% of units at 80% of area median income 27.5 percent density bonus Land Value Per Square Foot	(\$70.14)
Inclusionary Requirement, Alternative 6: 15% of units at 80% of area median income 27.5 percent density bonus 10% Reduction in Affordable Unit Size Land Value Per Square Foot	(\$69.17)
No Inclusionary Requirement	(\$48.08)

Source: David Paul Rosen & Associates



Table 20 summarizes the results of the land residual analysis for the revised owner housing prototypes under two alternative density bonus scenarios. With a five percent density bonus and a 10 percent inclusionary set aside for moderate income households, the value of the density bonus almost makes up for the lost revenue that results from the inclusionary requirements. With a 15 percent density bonus and a 20 percent inclusionary set aside for moderate income households, a similar result occurs. The density bonus provides substantial value to the developer.

The one exception is with the higher density condominium prototype. We assume that a 15 percent increase in density results in changing construction type from wood frame to steel frame. Construction costs increase from \$125 per square foot to \$140 per square foot, with the increase in costs of construction substantially reducing land residual value. However, the prototype remains economically feasible under current market conditions.

Although a density bonus can be valuable to a developer, in some situations it is difficult for a developer to take advantage of density bonuses. For example, in some single family detached developments, increases in density can reduce the market appeal of a development. In some cases, a density bonus results in a different housing or construction type, rendering the density bonus either not attractive or even unusable to developers. For example, applying a 15 percent density bonus to the condominium prototype would result in a steel frame construction rather than wood frame construction, dramatically increasing costs. Alternatively, higher densities can affect the type of parking provided on a site, which can increase costs if surface parking must now be changed to structured parking.

B. Alternative Unit Comparability Standards

1. Discussion

Jurisdictions may choose to allow developers to use alternative comparability standards for the affordable units to reduce the cost of constructing these units. Common alternatives include:

- allowing the affordable units to be smaller than the market rate units; and,
- using more modest grades of interior finishes in the affordable units.

Reduction in unit size results in greater cost savings than allowing the use of more modest grades of interior finishes in the affordable units. However, when a jurisdiction allows a developer to reduce the size of the affordable units, it should set a minimum standard to ensure some degree of comparability with the market rate units. In addition to comparability standards, households should have the same access to project amenities.

Table 20

**Residual Land Value Per Square Foot Site Area
Owner Housing Prototypes with Alternative Inclusionary Housing Requirements and Density Bonuses
Incentives and Offsets
City of Vallejo Inclusionary Housing Analysis
2006**

Prototype	Owner 1	Owner 2	Owner 3	Owner 4
	Low Density Detached	Small Lot Detached	Medium Density Attached	Stacked Flat Condominium
Inclusionary Requirement, Alternative 1: 10% of units at 110% of area median income 5% density bonus				
Land Value Per Square Foot	\$34.43	\$66.80	\$31.84	\$126.00
Inclusionary Requirement, Alternative 2: 10% of units at 110% of area median income 5% density bonus 10% Reduction in Size of Affordable Units				
Land Value Per Square Foot	\$34.84	\$67.44	\$32.77	\$129.15
Inclusionary Requirement, Alternative 3: 20% of units at 110% of area median income 15% density bonus				
Land Value Per Square Foot	\$34.89	\$67.59	\$31.46	\$64.84
Inclusionary Requirement, Alternative 4: 20% of units at 110% of area median income 15% density bonus 10% Reduction in Size of Affordable Units				
Land Value Per Square Foot	\$35.71	\$68.88	\$33.32	\$71.18
No Inclusionary Requirement	\$36.57	\$69.93	\$34.42	\$130.97
Market Land Sales Comparables	\$9.00	\$20.00	\$30.00	\$35.00

Source: David Paul Rosen & Associates



2. Economic Analysis

Table 21 summarizes examples of cost savings resulting from a reduction in unit sizes by ten percent. Cost savings range from approximately \$11,000 per affordable unit for the Stacked Flat rental prototype to almost \$19,600 per unit for the Medium Density Attached owner prototype. These savings result from lower hard construction costs, general contractor profit and overhead, and construction loan interest.

Some developers question the value of allowing smaller units, because of redesign requirements. However, if the developer incorporates this concession in the design process, this strategy can be used to reduce construction costs.

C. Reduction in Parking Requirements

One potential cost saving measure for developers is a reduction in parking requirements. This offset is especially valuable with developments that have structured parking garages. Reducing the number of required parking spaces reduces the size of the parking structure which can be expensive to construct.

With the higher density condominium prototype, we estimate costs at \$20,000 per space. If the parking requirement was reduced to 1.5 spaces per unit (from 1.75 spaces per unit), the developer would construct space for 150 parking spaces, which is 25 spaces fewer than current parking requirements. In theory, a developer would save \$500,000 with a reduction in parking requirements. In practice, the number of parking spaces is also related substantially to the footprint of the building and garage. Therefore, it is not a certainty that a developer will save any money from a lower parking requirement.

D. "Packaging" Developer Incentives

Most jurisdictions offer a variety of offsets and incentives in their inclusionary housing programs. Developers are typically allowed to take advantage of more than one offset.

DRA modeled residual land values assuming that developers can take advantage of more than one incentive. **Table 19** compares residual land value for the rental housing prototype assuming:

- no inclusionary requirements;
- inclusionary requirements with three alternative density bonuses as the only incentives; and,
- inclusionary requirements with density bonus and reduction in size of affordable units by 10 percent.

Table 21

Potential Cost Savings from Reduction in Affordable Unit Size
 10% Inclusionary Requirement
 City of Vallejo Inclusionary Housing Study

2006

PROTOTYPE	Renter 1 Stacked Flat	Owner 1 Low Density Detached	Owner 2 Small Lot Detached	Owner 3 Medium Density Attached	Owner 4 Stacked Flat Condominium
UNIT COUNT	150 Units	90 Units	100 Units	150 Units	100 Units
Market Rate Units (net sf)					
One Bedroom	700	0	0	0	825
Two Bedroom/1 Bath	900	0	0	0	950
Two Bedroom	950	0	0	1,300	1,050
Three Bedroom	1,100	2,200	1,700	1,800	1,325
Four Bedroom	0	2,300	2,200	0	0
Five Bedroom	0	2,500	0	0	0
Affordable Units (net sf)					
One Bedroom	630	0	0	0	743
Two Bedroom/1 Bath	810	0	0	0	855
Two Bedroom	855	0	0	1,170	945
Three Bedroom	990	1,980	1,530	1,620	1,193
Four Bedroom	0	2,070	1,980	0	0
Five Bedroom	0	2,250	0	0	0
Construction Costs per SF					
(incl. hard construction costs, general contractor overhead and profit, construction loan interest)	\$122	\$85	\$93	\$128	\$135
Inclusionary Requirement @ 10%					
Number of Affordable Units					
One Bedroom	4	0	0	0	3
Two Bedroom/1 Bath	3	0	0	0	2
Two Bedroom	6	0	0	8	3
Three Bedroom	2	3	5	7	2
Four Bedroom	0	3	5	0	0
Five Bedroom	0	3	0	0	0
Total Affordable Units	15	9	10	15	10
Net Savings in SF	1,340 S.F.	2,100 S.F.	1,950 S.F.	2,300 S.F.	1,018 S.F.
Total Cost Savings	\$163,267	\$179,159	\$180,584	\$293,300	\$137,189
Cost Savings per Affordable Unit	\$10,884	\$19,907	\$18,058	\$19,553	\$13,719



Table 20 compares residual land value for the owner housing prototypes assuming:

- no inclusionary requirements;
- inclusionary requirements with two alternative density bonuses as the only incentive; and,
- inclusionary requirements with density bonus and reduction in size of affordable units by 10 percent.

Tables 19 and 20 show that while density bonuses can have a beneficial effect on land residual values, reduction in the size of affordable units does not have a material effect. Importantly, under all scenarios with the potential exception of the Medium Density Attached owner housing prototype under a 20 percent inclusionary requirement, the owner housing prototypes are economically feasible even without incentives and offsets provided to developers. A density bonus with the Stacked Flat Condominium prototype, however, substantially reduces land residual value. As discussed earlier, if a density bonus requires the use of a more expensive construction type, such as with the Condominium prototype, then the density bonus can actually have a negative economic effect on a development.



V. ANALYSIS OF ALTERNATIVE COMPLIANCE MEASURES

Inclusionary housing programs are adopted by jurisdictions to increase the availability of housing affordable to very low, low, and moderate income persons. To attain this goal, the simplest method is to require developers to build affordable units on the same site as the market rate units.

However, for a variety of reasons, a jurisdiction should consider alternative means for complying with inclusionary requirements. For example, including affordable housing units in luxury single family detached housing development can be an inefficient means for providing affordable housing.

Recognizing the importance of alternative compliance measure, almost all jurisdictions offer developers a degree of flexibility with complying with inclusionary requirements. Alternative compliance measures offer developers opportunities to reduce the economic impact of inclusionary requirements.

According to a survey of inclusionary housing programs by the Northern California Association of Nonprofit Housing, the most commonly used alternative compliance measures are:

- payment of fees in lieu of constructing affordable housing units;
- off-site construction of inclusionary units; and,
- dedication of land to a nonprofit or the jurisdiction for the purpose of constructing affordable housing.

This section analyzes the strengths and weaknesses of two alternative compliance measures:

- in lieu fees: payment of fees to a jurisdiction in lieu of constructing affordable housing units; and,
- off-site compliance: construction of affordable units at a site other than the market rate development.

Land dedication is not analyzed because of several issues with offering this compliance option. Notably, additional subsidy is required to construct affordable units even with the provision of free land. In other words, free land is insufficient to bridge the gap between market rate units and affordable units.



A. In lieu Fees

1. Advantages of In lieu Fee Option

Most jurisdictions offer an in lieu fee option that permits developers to pay fees to the jurisdiction in lieu of constructing affordable housing units.

In lieu fees are useful with jurisdictions that apply inclusionary requirements to small developments. For example, if a jurisdiction imposes a ten percent inclusionary requirement yet imposes inclusionary requirements on projects of five units and larger, the inclusionary requirement results in a fractional unit of 0.5 units on a five unit development. Rather than building an inclusionary unit, a developer can pay an in lieu fee to the jurisdiction.

An in lieu fee option is simple to administer by City staff. Once a schedule of fees is developed then it is a simple matter to assess the fee on a development.

In lieu fees provide jurisdictions with flexibility with its affordable housing production. A jurisdiction can decide how to use these fees in a manner that best fits the community's needs. For example, in lieu fees can be used for downpayment and mortgage assistance for first-time homebuyers, constructing affordable rental housing, or constructing affordable owner housing. In contrast, on-site compliance means that the affordable housing product type will be similar to the market rate housing units.

2. Disadvantages

In many cases, in lieu fees are set at amounts that provide developers with incentive to pay the fees. To prevent this issue, in lieu fees at a minimum should be set at the affordability gap amount.

For rental housing, the affordability gap is equal to the amount of capital required to develop housing affordable to very low and low income households and the amount the targeted households can afford to pay for rental housing. For owner housing, the affordability gap is the difference between the cost of constructing a home and the price affordable to a targeted household.

If a jurisdiction sets fees at below the affordability gap, developers will opt to pay the fees rather than build the affordable units because it is cheaper for the developer to pay the fee. For this reason, low fees will result in fewer affordable units when compared to on-site compliance.

On-site compliance also means that affordable housing units will be constructed within a specific time frame because jurisdictions typically require affordable units to be built



concurrently with market rate units. Importantly, the use of in lieu fees depends on affordable housing development opportunities. Development opportunities are not within the control of a jurisdiction; it is possible that several years will pass before a jurisdiction is able to use in lieu fees to fund an affordable housing development.

An important goal of an inclusionary housing program is economic integration. The construction of affordable units within a market rate development results in a single development can accommodate a mix of household income levels. Payment of in lieu fees means that a developer does not provide affordable units on-site.

3. Criteria for Development of an In Lieu Fee Schedule

To calculate an appropriate in lieu fee schedule that avoids some of the issues discussed above, the following criteria can be used to develop an in lieu fee schedule:

- the in lieu fee for each inclusionary unit obligation should be sufficient to allow a jurisdiction to provide an affordable unit to a very low or low income household for a rental development, or to a moderate income household for an owner development;
- in lieu fee amounts should not provide developers with incentive to pay fees instead of provide affordable inclusionary units; and,
- the methodology for calculating the in lieu fee schedule should be simple to administer to allow for updating of the schedule over time. Because housing market conditions change over time, jurisdictions should adjust in lieu fee schedules regularly to accommodate these changes.

a. Alternative Methodologies for Calculating In Lieu Fees

Using the criteria discussed above, there are two alternative methods for calculating in lieu fees for new construction housing:

- in lieu fees should equal the difference between the median price of market rate homes in the City of Vallejo and the price affordable to a very low, low, or moderate income household; and,
- in lieu fees should equal the difference between the cost of constructing a market rate unit in the City and the amount affordable to a very low, low, or moderate income household.



Method 1: Fees Equal Difference Between Market Sales Price and Affordable Home Price

According to Dataquick, the median price for all homes sold in Vallejo for the period September 2005 to August 2006 was \$436,500, based on the sales of 2,666 homes. An affordable home price to a moderate income household is \$282,441 for a household of five persons. An affordable home price to a low income household is \$140,199 for a household of five persons. A household of five persons is the occupancy standard for a four bedroom home using California Redevelopment Law standards. Additional assumptions used to calculate affordable home price are as follows:

- affordable home expense: 35 percent of 110 percent of area median income, based on California Redevelopment Law standards for moderate income households, 30 percent of 70 percent of area median income for low income households;
- utility allowances of \$195 monthly, based on gas heating, cooking, water heating; other electric; water; sewer; trash collection; range/microwave; and, refrigerator;
- homeowners association fees of \$200 monthly;
- interest rate of 6.48 percent with a 30 year mortgage;
- downpayment of ten percent;
- property taxes at 1.2 percent of affordable home price; and,
- property insurance of \$125 monthly.

This methodology has the benefit of providing incentive to developers to construct affordable units rather than pay in lieu fees. Additionally, updating this fee is methodologically simple.

Table ES-4 in the Executive Summary provides per developed unit in lieu fees equal to the difference between market home prices and affordable home prices and based on alternative inclusionary requirements.

Table 22 summarizes median home prices for Vallejo for 2006. **Table 23** summarizes the affordable home price to low and moderate income households in Vallejo, assuming a family size of five persons.

Table 22

**Median Homes Sales
City of Vallejo Inclusionary Housing Study
2006**

	All Homes Sales, September 2005 to August 2006	All Homes Sales, March 2006 to August 2006
Median Sales Price	\$436,500	\$432,000
Number of Sales	2,666	1,283

Source: Dataquick

Table 23

**Affordable Home Price
Low and Moderate Income Households
City of Vallejo Inclusionary Housing Analysis
2006**

Income	Affordable Home Price
Low Income Household (five persons, 70% of area median income)	\$140,199
Moderate Income Household (five persons, 110% area median income)	\$282,441

Assumptions:

1. Solano County area median income, 2006 (family of four): \$74,000
2. Definition of household expense: For moderate income households, 35% of household income goes toward mortgage payment, property taxes, homeowners insurance, homeowners association/maintenance allowance. For low income households, 30 percent of income goes toward housing expenses
3. Mortgage interest rate: 6.48%, 30 year fixed rate for August 24, 2006 (Freddie Mac survey).
4. Property insurance: \$1,500 annually (\$125 monthly).
5. Homeowners association/monthly maintenance allowance: \$200 per month.
6. Property taxes: 1.2% of affordable home price.
7. Downpayment: 10% of affordable home price.
8. Occupancy standard: based on California Redevelopment Law standard, one person per bedroom plus one.
9. Although moderate income households are defined at up to 120 percent of area median income, California Redevelopment Law defines housing expense targeting households at 110 percent of area median income. Low income households are defined at up to 80 percent of area median income. However, California Redevelopment Law defines housing expense targeting households at 70 percent of area median income.

Source: David Paul Rosen & Associates



Method 2: Fees Equal Difference Between the Cost of Developing a Market Rate Unit and the Amount of Financing Supported by an Affordable Unit

This method employs the use of an affordability gap analysis. In an affordability gap analysis, the cost of developing a market rate unit is calculated. Second, the amount a tenant or homebuyer within the target income range(s), adjusted for family size, can afford to contribute to the cost of renting or owning a unit is calculated. The difference between these two amounts is the affordability gap.

For the rental housing prototype, the gap analysis approach is used to measure the difference between what households of different income levels can afford to pay for rental housing and what it costs to produce such housing in Vallejo. For the owner housing prototypes, the affordability gap is the difference between the cost of developing a home and the price affordable to a targeted household.

Importantly, the cost estimates developed for the rental housing prototype may not represent the actual costs of providing affordable housing units under an inclusionary housing program. Many cities with inclusionary housing programs allow developers to reduce costs on affordable units through strategies such as allowing the affordable units to be smaller than the market rate units, eliminating luxury items from the affordable units, or using less costly interior finishes in the affordable units. The cost estimates in this analysis assume that affordable units cost exactly the same as the market rate units. These cost estimates represent a high-end estimate for an affordable unit.

One important issue regarding rental housing development costs is the difficulty in determining land values for rental housing. As demonstrated in the land residual analysis, rental housing results in a negative residual land value. Therefore, in the current Vallejo housing market, land is not purchased for rental housing uses. Land is purchased for uses such as owner housing. The land residual analysis shows that most, if not all, of the four owner housing prototypes ranging from single family detached homes to condominiums, are economically feasible in the current market. Because land is not currently purchased for rental housing uses, the rental housing gap analysis assumes a land cost of \$392,000 per acre, which is the lowest land cost estimate for the four owner housing prototypes. This is the land cost assumption used for the low density single family detached prototype. Using this land cost as the assumption for the rental housing underestimates actual land price for rental housing because of the need to upzone such property for rental housing purposes.

For owner housing, the second step is to estimate construction costs. These construction costs are estimated in the land residual analysis, along with estimates of land costs.

The next step in the gap analysis establishes the housing expenses paid by the tenants and owners. These costs can be categorized into operating costs, and financing or mortgage obligations. For renter households, housing expense is defined as rent less an allowance for



tenant paid utilities. For owner households, housing expense is defined as utilities, property maintenance, property taxes, property insurance, assessments paid by homeowners, and insurance. These calculations are also a part of the land residual analysis.

Financing or mortgage obligations are the costs associated with the purchase or development of the housing unit itself. For the renter housing prototype, the gap analysis calculates the difference between total development costs and the conventional mortgage supportable by net operating income from restricted rents. For the owner housing prototypes, the gap is the difference between the estimated construction cost of a home and the mortgage supportable by a moderate income household plus the moderate income household's downpayment.

Table ES-5 in the Executive Summary provides per developed unit in lieu fees equal to the affordability gap assuming a 10 percent inclusionary requirement and a 20 percent inclusionary requirement.

B. Off-Site Compliance

1. Advantages

Development of affordable units off-site may be beneficial to a developer. Off-site construction of units may be less expensive than the development of on-site inclusionary units if the housing product type of the market rate development is expensive. To maintain a consistent "character" for a project and to maintain its perceived attractiveness, a developer may feel it is necessary to construct affordable units comparable in quality to the market rate units. Off-site construction would be less expensive because the developer can build lower cost units in an off-site affordable housing development.

Off-site compliance may also provide a developer an opportunity to take advantage of lower land costs at a separate location, although in Vallejo the consistency of land costs may render this potential advantage moot.

From the City's perspective, there are two reasons off-site compliance can be an attractive option. First, more affordable units may be built under an off-site compliance option if a developer can secure subsidies, such as low income housing tax credits, to build additional affordable units. Second, off-site compliance allows developers to partner with nonprofit affordable housing developers. Partnerships with nonprofit developers can be beneficial because of nonprofit developers' expertise in securing additional subsidies and developing affordable units. Additionally, nonprofit developers' long-term interest in maintaining quality affordable housing developments benefits the City.



2. Disadvantages

Many jurisdictions do not consider off-site compliance an attractive alternative compliance measure for two reasons. Similar to the payment of in lieu fees, off-site construction means that affordable units will not be integrated with market rate units. Again, one public policy goal of an inclusionary housing program is to provide a mix of housing affordability levels in a single development.

Second, off-site compliance can be difficult to enforce. A jurisdiction can require off-site affordable units to be constructed either before or concurrently with the construction of the market rate units. In practice, this requirement can be difficult to enforce. Because of the complexities of the development process, developers may not be able to synchronize the construction of two projects. However, a developer has economic incentive to complete the market rate units and no incentive to construct the affordable units. Therefore, developers will seek to build the market rate units before the affordable units. A jurisdiction may not have any effective methods to enforce compliance with inclusionary requirements once the market rate units are constructed.



VI. SURVEY OF INCLUSIONARY HOUSING ORDINANCES OF LOCAL JURISDICTIONS

Inclusionary housing programs have become common practice among California jurisdictions to address their affordable housing needs. The Northern California Association of Nonprofit Housing surveyed inclusionary housing programs statewide and found 107 jurisdictions that impose inclusionary requirements.

In the San Francisco Bay Area, there are a number of jurisdictions that have adopted inclusionary housing programs to address their affordable housing problem. City staff surveyed seven local jurisdictions that have adopted inclusionary housing programs to gain an understanding of the requirements these jurisdictions impose.

City staff surveyed the following jurisdictions:

- American Canyon;
- Cotati;
- Napa;
- Santa Rosa;
- Rohnert Park;
- Petaluma;
- Benecia

A. Requirements Imposed on Developers

The cities surveyed impose 10 percent to 20 percent inclusionary requirements. Most jurisdictions target very low and low income households (50 to 80 percent of area median income) for rental housing and low and moderate income households (80 to 120 percent of area median income) for ownership units. Certain cities exempt developments of 10 to 15 units or less from inclusionary requirements, although some cities impose lower thresholds. Santa Rosa and Cotati do not exempt any housing developments, including single family homes.

These jurisdictions impose long-term affordability requirements are imposed on both ownership and rental developments. With ownership units, cities generally impose resale restrictions, controlling the appreciation of home prices. Most cities impose thirty year



resale restrictions, although Rohnert Park imposes 45 year resale restrictions. American Canyon now imposes 40 year resale restrictions, an increase from the 10 year restriction originally adopted.

With rental developments, cities impose affordability requirements ranging from 30 years to permanent affordability, which is imposed by Napa. The City of Rohnert Park imposes 55 year rent restrictions. American Canyon recently updated their ordinance to impose 40 year rent restrictions, increasing the term from 10 year rent restrictions.

B. In-lieu Fees

All jurisdictions surveyed by City staff offer in lieu payment options. However, some jurisdictions impose restrictions on the ability of developers to use the in lieu fee option. For example, the City of Napa requires developers to demonstrate that providing affordable inclusionary units is economically infeasible. Cotati only allows payment of fees with developments of nine units and smaller. Santa Rosa allows payment of fees on developments with densities higher than 15 units to the acre.

American Canyon imposes the highest in lieu fees. Recently adopted, American Canyon now imposes an in lieu fee of \$38,770 per developed unit to encourage developers to build affordable units rather than pay in lieu fees. Rather than using a flat fee, the City of Napa imposes a fee based on two percent of the construction cost of the housing development.

In lieu fees of jurisdictions surveyed by DRA include:

- Pleasant Hill: \$27,275 per developed unit (based on a ten percent inclusionary requirement for very low income households);
- Pittsburg: \$15,400 per developed unit for rental housing, \$20,650 per developed unit for developments with densities higher than seven units/acre; and,
- Brentwood: no in lieu fee allowed for rental developments, \$23,900 per developed unit for owner housing developments.

C. Additional Compliance Options

Most jurisdictions offer compliance options in addition to constructing inclusionary units on-site. Similar to in lieu fees, cities have different strategies when using alternative compliance options. Some cities, such as Petaluma, provide a number of options to tailor compliance for a particular developer.

Other commonly used compliance options are:



- off-site construction of affordable units;
- land dedications to a nonprofit or the jurisdiction; and,
- credit for affordable units built at another location within the jurisdiction.

All jurisdictions surveyed offer off-site construction of affordable units as a compliance option. Additionally, all jurisdictions surveyed offer land dedication as a compliance option.

Just over half of the jurisdictions surveyed offer developer credit transfers as a compliance option. The cities of American Canyon, Benecia, Rohnert Park, and Petaluma offer this compliance option, while Cotati, Napa, and Santa Rosa do not.

D. Offsets/Incentives Provided to Developers

All jurisdictions offer some offsets and/or incentives to developers constructing the inclusionary units. In most cases, a density bonus for affordable housing development is offered.

Offsets and/or incentives other than density bonuses provided to developers include:

- reductions in development standards, such as reductions in setbacks and parking space ratios;
- fee waivers or deferrals; and,
- design modifications, such as reduction in interior finish quality.

Some cities make it clear that financial assistance will not be offered to developers. For example, Benecia's ordinance states that it is not the intention of the City to provide subsidies to assist a developer with complying with inclusionary requirements. The City of American Canyon recently revised its ordinance to eliminate language that allowed the City to provide subsidies to developers meeting inclusionary requirements.

E. Long-Term Affordability through City First Right of Refusal

To ensure long-term affordability of ownership units, some jurisdictions require developers to offer the city a first right of refusal to purchase ownership units when an affordable unit is re-sold. Napa incorporates this type of provision in its ordinance.



DAVID PAUL ROSEN & ASSOCIATES

These provisions are important because a city's first right of refusal makes it easy for an owner of an inclusionary unit to sell the home if the seller cannot easily identify an income-eligible purchaser. As we summarized earlier, most cities impose long-term resale restrictions on inclusionary units.

Table 24 provides a summary of local jurisdictions' inclusionary housing programs.

Table 24
Sample Inventory of North Bay Jurisdictions' Inclusionary Zoning Ordinances.xls
 A Comparison of Key Features

Jurisdiction	Applies to Projects with More than _____ Units	Inclusionary Requirement	Targeted Income Groups		Term of Affordability; Term of Sale Restrictions			Alternatives to Building Affordable Units					Notes	Units Developed through Inclusionary Housing Program
			Rental Units	For-Sale Units	Rental Units	For-Sale Units	In Lieu Fees	Off-Site Allowance	Land Dedication Allowance	Developer Credit Transfer				
American Canyon	5	10%	Very Low and Low Income: at least 50% very low income	Low	40 years	40 years	\$38,770 per developed unit	Yes	Yes	Yes	Yes	Offer development reduction in development standards and deferral of fee payments to reduce financial impact	Information not available	
Bentonia	10	10%	Very Low and Low: at least 50% very low income	Very Low and Low: at least 50% very low income	30 years	30 years	Yes -- amount set by City Council annually.	Yes	Yes	Yes	Yes	Guidelines for the distribution of 1-, 2-, 3 and 4-bedroom units in developments with fewer than 10 units.	Information not available	
Cotati	0	20%	Very Low, Low and Moderate Income: 1/3 very low 1/3 low income 1/3 moderate	Very Low, Low and Moderate Income: 1/3 very low 1/3 low income 1/3 moderate	30 years	30 years	Only for developments < 9 units	Yes	Yes	Yes	No	Alternatives could be used in combination or individually. Affordable Housing Plan is used to identify which alternative would better serve the intent of the code.	Information not available	
*City of Napa	10	10	Low, Moderate Income	Low, Moderate Income	In perpetuity	30 years; with transfer of home, term of restrictions starts again	Available for single-family projects where inclusionary requirements deemed infeasible. Sliding scale fee equals 2% of the construction cost	Yes	Yes	Yes	No		200 - 250	

Table 24
Sample Inventory of North Bay Jurisdictions' Inclusionary Zoning Ordinances.xls
 A Comparison of Key Features

Jurisdiction	Applies to Projects with More than ___ Units	Inclusionary Requirement	Targeted Income Groups		Term of Affordability, Term of Sale Restrictions		Alternatives to Building Affordable Units					Units Developed through Inclusionary Housing Program	
			Rental Units	For-Sale Units	Rental Units	For-Sale Units	In Lieu Fees	Off-Site Allowance	Land Dedication Allowance	Developer Credit Transfer	Notes		
Rohnert Park	5	15%	Very Low, Low Income: at least 50% very low income	Low, Moderate Income: at least 50% low income	55 years	45 years	Yes	Yes	Yes	Yes	Yes	Most developers do not take advantage of compliance options; they build Inclusionary units.	≤100
Petaluma	5	15%	Low Income	Moderate Income	30 years	30 years	Determined by square footage and applies to units between 640 and 4,000 sq. ft. Minimum fee is \$2,400 (for 640 sq. ft.) to \$23,500 (for 4,000 sq. ft.).	Yes	Yes	Yes	Yes	Petaluma also offers customized alternatives on a case-by-case basis.	1000+
Santa Rosa	0	15%	Low Income	Low Income	30 years	30 years	Current fee schedule is \$819 for a 910 sq. ft. unit and \$10,423 for a 2,000 sq. ft. unit.	Yes, but affordable units must be constructed within the same City "quadrant" and Inclusionary unit requirement increases to 20 percent.	Yes, but sites must be at least 7.5% to 10% of the area of developer's net acreage.	No	No		538 (300+ in progress)

*Napa County's Ordinance is very similar to that of the City of Napa
 Solano County jurisdictions lacking Inclusionary Zoning Ordinances: County of Solano, City of Dixon, City of Fairfield, City of Suisun City, City of Vacaville, City of Vallejo
 Source: City of Vallejo



DAVID PAUL ROSEN & ASSOCIATES

ATTACHMENT A

LAND RESIDUAL ANALYSIS TABLES



DAVID PAUL ROSEN & ASSOCIATES

Attachment A

List of Tables

- A-1 Mix of Market Rate and Inclusionary Units, 10% Inclusionary Housing Requirement
- A-2 Mix of Market Rate and Inclusionary Units, 11% Inclusionary Housing Requirement
- A-3 Mix of Market Rate and Inclusionary Units, 15% Inclusionary Housing Requirement
- A-4 Mix of Market Rate and Inclusionary Units, 20% Inclusionary Housing Requirement
- A-5 Market Rent Assumptions, Rental Housing Prototypes
- A-6 Affordable Rents at 50% and 80% of Area Median Income, Rental Housing Prototype
- A-7 Net Operating Income Rental Prototype, 100% Market Units, Market Rent Assumptions
- A-8 Net Operating Income, 5% of Units Affordable to Very Low Income Households and 5% of Units Affordable to Low Income Households, Rental Housing Prototypes
- A-9 Net Operating Income, 11% of Units Affordable to Very Low Income Households, Rental Housing Prototype
- A-10 Net Operating Income, 15% of Units Affordable to Low Income Households, Rental Housing Prototype
- A-11 Land Residual Analysis, 100% Market Rate Units, Rental Housing Prototype
- A-12 Land Residual Analysis, 5% of Units Affordable to Very Low Income Households and 5% of Units Affordable to Low Income Households, Rental Housing Prototype
- A-13 Land Residual Analysis, 11% of Units Affordable to Very Low Income Households, Rental Housing Prototype



DAVID PAUL ROSEN & ASSOCIATES

Attachment A

List of Tables

- A-14 Land Residual Analysis, 15% of Units Affordable Low Income Households, Rental Housing Prototype
- A-15 Land Residual Analysis, 100% of Market Price Sales, Owner Housing Prototypes
- A-16 Land Residual Analysis, 10% of Units Affordable to Moderate Income Households, Owner Housing Prototypes
- A-17 Land Residual Analysis, 20% of Units Affordable at Moderate Income Households, Owner Housing Prototypes
- A-18 Mix of Market Rate and Inclusionary Units, 20% Density Bonus, Rental Housing Prototype
- A-19 Mix of Market Rate and Inclusionary Units, 35% Density Bonus, Rental Housing Prototype
- A-20 Mix of Market Rate and Inclusionary Units, 27.5% Density Bonus, Rental Housing Prototype
- A-21 Net Operating Income, 5% of Units Affordable to Very Low Income Households and 5% of Units Affordable to Low Income Households, Rental Housing Prototype With 20% Density Bonus
- A-22 Net Operating Income, 11% of Units Affordable to Very Low Income Households, Rental Housing Prototype With 35% Density Bonus
- A-23 Net Operating Income, 15% of Units Affordable Low Income Households With 27.5% Density Bonus
- A-24 Land Residual Analysis, 5% of Units Affordable to Very Low Income Households and 5% of Units Affordable to Low Income Households, Rental Housing Prototype With 20% Density Bonus



DAVID PAUL ROSEN & ASSOCIATES

Attachment A

List of Tables

- A-25 Land Residual Analysis, 11% of Units Affordable to Very Low Income Households, Rental Housing Prototype With 35% Density Bonus
- A-26 Land Residual Analysis, 15% of Units Affordable Low Income Households With 27.5% Density Bonus
- A-27 Mix of Market Rate and Inclusionary Units, 5% Density Bonus, Owner Housing Prototypes
- A-28 Mix of Market Rate and Inclusionary Units, 15% Density Bonus, Owner Housing Prototypes
- A-29 Land Residual Analysis, 10% of Units Affordable to Moderate Income Households, Owner Prototypes With 5% Density Bonus
- A-30 Land Residual Analysis, 20% of Units Affordable to Moderate Income Households, Owner Prototypes With 15% Density Bonus
- A-31 Land Residual Analysis, 5% of Units Affordable to Very Low Income Households and 5% of Units Affordable to Low Income Households, Rental Housing Prototype With 20% Density Bonus, Reduction in Affordable Unit Size
- A-32 Land Residual Analysis, 11% of Units Affordable to Very Low Income Households, Rental Housing Prototype With 35% Density Bonus, Reduction in Affordable Unit Size
- A-33 Land Residual Analysis, 15% of Units Affordable to Low Income Households, Rental Housing Prototype With 27.5% Density Bonus, Reduction in Affordable Unit Size
- A-34 Land Residual Analysis, 10% of Units Affordable to Moderate Income Households, Owner Prototypes With 5% Density Bonus, Reduction in Affordable Unit Size
- A-35 Land Residual Analysis, 20% of Units Affordable to Moderate Income Households, Owner Prototypes With 15% Density Bonus, Reduction in Affordable Unit Size

Table A-1
 Mix of Market Rate and Inclusionary Units
 10% Inclusionary Housing Requirement
 City of Vallejo Inclusionary Housing Study
 2006

Prototype		Renter 1 Stacked Flat	Owner 1 Low Density Detached	Owner 2 Small Lot Detached	Owner 3 Medium Density Attached	Owner 4 Stacked Flat Condominium
Units by Bedroom Count	Total:	150	90	100	150	100
One Bedroom		40	0	0	0	25
Two Bedroom/1 Bath		30	0	0	0	25
Two Bedroom/2 Bath		55	0	0	80	30
Three Bedroom		25	25	45	70	20
Four Bedroom		0	40	55	0	0
Five Bedroom		0	25	0	0	0
Six+ Bedroom		0	0	0	0	0
Market Rent Units						
One Bedroom		36	0	0	0	22
Two Bedroom/1 Bath		27	0	0	0	23
Two Bedroom/2 Bath		49	0	0	72	27
Three Bedroom		23	22	40	63	18
Four Bedroom		0	37	50	0	0
Five Bedroom		0	22	0	0	0
Six+ Bedroom		0	0	0	0	0
Total		135	81	90	135	90
Inclusionary Units	10%					
One Bedroom		4	0	0	0	3
Two Bedroom/1 Bath		3	0	0	0	2
Two Bedroom/2 Bath		6	0	0	8	3
Three Bedroom		2	3	5	7	2
Four Bedroom		0	3	5	0	0
Five Bedroom		0	3	0	0	0
Six+ Bedroom		0	0	0	0	0
Total		15	9	10	15	10

Source: David Paul Rosen & Associates

Table A-2
Mix of Market Rate and Inclusionary Units
11% Inclusionary Housing Requirement
City of Vallejo Inclusionary Housing Study
2006

Prototype	Renter 1	
		Stacked Flat
Units by Bedroom Count	Total:	150
One Bedroom		40
Two Bedroom/1 Bath		30
Two Bedroom/2 Bath		55
Three Bedroom		25
Four Bedroom		0
Five Bedroom		0
Six+ Bedroom		0
Market Rent Units		
One Bedroom		36
Two Bedroom/1 Bath		27
Two Bedroom/2 Bath		49
Three Bedroom		22
Four Bedroom		0
Five Bedroom		0
Six+ Bedroom		0
Total		134
Inclusionary Units	11%	
One Bedroom		4
Two Bedroom/1 Bath		3
Two Bedroom/2 Bath		6
Three Bedroom		3
Four Bedroom		0
Five Bedroom		0
Six+ Bedroom		0
Total		16

Source: David Paul Rosen & Associates

Table A-3
Mix of Market Rate and Inclusionary Units
15% Inclusionary Housing Requirement
City of Vallejo Inclusionary Housing Study
2006

Prototype	Renter 1	
		Stacked Flat
Units by Bedroom Count	Total:	150
One Bedroom		40
Two Bedroom/1 Bath		30
Two Bedroom/2 Bath		55
Three Bedroom		25
Four Bedroom		0
Five Bedroom		0
Six+ Bedroom		0
Market Rent Units		
One Bedroom		34
Two Bedroom/1 Bath		25
Two Bedroom		47
Three Bedroom		21
Four Bedroom		0
Five Bedroom		0
Six+ Bedroom		0
Total		127
Inclusionary Units		
	15%	
One Bedroom		6
Two Bedroom/1 Bath		5
Two Bedroom		8
Three Bedroom		4
Four Bedroom		0
Five Bedroom		0
Six+ Bedroom		0
Total		23

Source: David Paul Rosen & Associates

Table A-4
Mix of Market Rate and Inclusionary Units
20% Inclusionary Housing Requirement
City of Vallejo Inclusionary Housing Study
2006

Prototype		Owner 1	Owner 2	Owner 3	Owner 4
		Low Density Detached	Small Lot Detached	Medium Density Attached	Stacked Flat Condominium
Units by Bedroom Count	Total:	90	100	150	100
One Bedroom		0	0	0	25
Two Bedroom/1 Bath		0	0	0	25
Two Bedroom/2 Bath		0	0	80	30
Three Bedroom		25	45	70	20
Four Bedroom		40	55	0	0
Five Bedroom		25	0	0	0
Six+ Bedroom		0	0	0	0
Market Rent Units					
One Bedroom		0	0	0	20
Two Bedroom/1 Bath		0	0	0	20
Two Bedroom/2 Bath		0	0	64	24
Three Bedroom		20	36	56	16
Four Bedroom		32	44	0	0
Five Bedroom		20	0	0	0
Six+ Bedroom		0	0	0	0
Total		72	80	120	80
Inclusionary Units	20%				
One Bedroom		0	0	0	5
Two Bedroom/1 Bath		0	0	0	5
Two Bedroom/2 Bath		0	0	16	6
Three Bedroom		5	9	14	4
Four Bedroom		8	11	0	0
Five Bedroom		5	0	0	0
Six+ Bedroom		0	0	0	0
Total		18	20	30	20

Source: David Paul Rosen & Associates

**Table A-5
Market Rent Assumptions
Rental Housing Prototype
City of Vallejo Inclusionary Housing Analysis
2006**

	Renter 1	
<u>Prototype</u>	<u>Stacked Flat</u>	
Per Unit Monthly Market Rent		
One Bedroom	\$950	
Two Bedroom/1 Bath	\$1,060	
Two Bedroom/2 Bath	\$1,225	
Three Bedroom	\$1,310	
Per Sq. Ft. Monthly Market Rent		
One Bedroom	\$1.36	
Two Bedroom/1 Bath	\$1.18	
Two Bedroom/2 Bath	\$1.29	
Three Bedroom	\$1.19	

Source: REALFACTS; David Paul Rosen & Associates

Table A-6
Affordable Rent Assumptions
Very Low and Low Income Units
50% and 80% of Area Median Income
Rental Housing Prototypes
City of Vallejo Inclusionary Housing Analysis
2006

	Renter 1
<u>Prototype</u>	<u>Stacked Flat</u>
Per Unit Monthly Affordable Rent, 50% of Area Median Income	
One Bedroom	\$662
Two Bedroom/1 Bath	\$736
Two Bedroom/2 Bath	\$736
Three Bedroom	\$817
Per Sq. Ft. Monthly Affordable Rent, 50% of Area Median Income	
One Bedroom	\$0.95
Two Bedroom/1 Bath	\$0.82
Two Bedroom/2 Bath	\$0.77
Three Bedroom	\$0.74
Per Unit Monthly Affordable Rent, 80% of Area Median Income (1)	
One Bedroom	\$810
Two Bedroom/1 Bath	\$902
Two Bedroom/2 Bath	\$1,002
Three Bedroom	\$1,065
Per Sq. Ft. Monthly Affordable Rent, 80% of Area Median Income (1)	
One Bedroom	\$1.16
Two Bedroom/1 Bath	\$1.00
Two Bedroom/2 Bath	\$1.05
Three Bedroom	\$0.97

(1) Per California Redevelopment Law, affordable rent for lower income households (up to 80 percent of area median income) is targeted to 60 percent of area median income.

Source: David Paul Rosen & Associates

Table A-7

**Net Operating Income
Market Rent Assumptions
Rental Housing
City of Vallejo Inclusionary Housing Analysis**

Prototype	Renter 1 Stacked Flat	
Units by Bedroom Count	Total:	150
One Bedroom		40
Two Bedroom/1 Bath		30
Two Bedroom		55
Three Bedroom		25
Four Bedroom		0
Net Operating Income		
One Bedroom		\$456,000
Two Bedroom/1 Bath		\$381,600
Two Bedroom		\$808,500
Three Bedroom		\$393,000
Four Bedroom		\$0
Total Gross Rents		\$2,039,100
Less: Vacancy	5%	(\$101,955)
Effective Gross Income		<u>\$1,937,145</u>
Operating Expenses		(\$788,550)
Net Operating Income		<u>\$1,148,595</u>
(1) Total Per Unit Oper. Costs		\$5,257
Annual Operating Costs/Unit		\$4,232
Annual Property Taxes/Unit		\$1,025

(1) Includes operating expenses, property taxes and insurance.

Table A-8

Net Operating Income
5% Very Low Income Units, 5% Low Income Units, 90% Market Rate Units
Rental Housing
City of Vallejo Inclusionary Housing Analysis

Prototype	Renter 1 Stacked Flat
Units by Bedroom Count Total:	150
Net Operating Income, Market Rate Units	
One Bedroom	\$410,400
Two Bedroom/1 Bath	\$343,440
Two Bedroom	\$720,300
Three Bedroom	\$361,560
Total Gross Rents, Market Rate Units	\$1,835,700
Net Operating Income, Affordable Units	
One Bedroom	\$35,328
Two Bedroom/1 Bath	\$39,312
Two Bedroom	\$62,568
Three Bedroom	\$22,584
Total Gross Rents, Inclusionary Units	\$159,792
Less: Vacancy	5% (\$99,775)
Effective Gross Income	\$1,895,717
Operating Expenses	(\$788,550)
Net Operating Income	\$1,107,167
(1) Total Per Unit Oper. Costs/Reserves	\$5,257
Annual Operating Costs/Unit	\$4,232
Annual Property Taxes/Unit	\$1,025

(1) Includes operating expenses, property taxes and insurance. Source: Institute of Real Estate Management. Source: REALFACTS, Institute of Real Estate Management; David Paul Rosen & Associates

Table A-9

**Net Operating Income
11% Very Low Income Units, 89% Market Rate Units
Rental Housing
City of Vallejo Inclusionary Housing Analysis**

Prototype	Renter 1 Stacked Flat
Units by Bedroom Count Total:	150
Net Operating Income, Market Rate Units	
One Bedroom	\$410,400
Two Bedroom/1 Bath	\$343,440
Two Bedroom	\$720,300
Three Bedroom	\$345,840
Total Gross Rents, Market Rate Units	\$1,819,980
Net Operating Income, Affordable Units	
One Bedroom	\$31,776
Two Bedroom/1 Bath	\$26,496
Two Bedroom	\$52,992
Three Bedroom	\$29,412
Total Gross Rents, Inclusionary Units	\$140,676
Less: Vacancy	5% (\$98,033)
Effective Gross Income	\$1,862,623
Operating Expenses	(\$788,550)
Net Operating Income	\$1,074,073
(1) Total Per Unit Oper. Costs/Reserves	\$5,257
Annual Operating Costs/Unit	\$4,232
Annual Property Taxes/Unit	\$1,025

(1) Includes operating expenses, property taxes and insurance. Source: Institute of Real Estate Management. Source: REALFACTS, Institute of Real Estate Management; David Paul Rosen & Associates

Table A-10

Net Operating Income
15% Low Income Units, 85% Market Rate Units
Rental Housing
City of Vallejo Inclusionary Housing Analysis

Prototype	Renter 1 Stacked Flat
Units by Bedroom Count Total:	150
Net Operating Income, Market Rate Units	
One Bedroom	\$387,600
Two Bedroom/1 Bath	\$318,000
Two Bedroom	\$690,900
Three Bedroom	\$330,120
Total Gross Rents, Market Rate Units	\$1,726,620
Net Operating Income, Affordable Units	
One Bedroom	\$58,320
Two Bedroom/1 Bath	\$54,120
Two Bedroom	\$96,192
Three Bedroom	\$51,120
Total Gross Rents, Inclusionary Units	\$259,752
Less: Vacancy	5% (\$99,319)
Effective Gross Income	\$1,887,053
Operating Expenses	(\$788,550)
Net Operating Income	\$1,098,503
(1) Total Per Unit Oper. Costs/Reserves	\$5,257
Annual Operating Costs/Unit	\$4,232
Annual Property Taxes/Unit	\$1,025

(1) Includes operating expenses, property taxes and insurance. Source: Institute of Real Estate Management.
Source: REALFACTS, Institute of Real Estate Management; David Paul Rosen & Associates

Table A-11

**Land Residual Analysis
100% Market Rate Units
Rental Housing Prototype
City of Vallejo Inclusionary Housing Study
2006**

Prototype	Renter 1 Stacked Flat
Number of Units	150 Units
Net Operating Income: Market Rents	\$1,148,595
Capitalized Value 6.10%	\$18,829,426
Total Direct Cost (Except Land)	\$31,396,004
Land Value Per Unit	(\$83,777)
Land Value Per Square Foot	(\$48.08)

Source: David Paul Rosen & Associates

Table A-12

**Land Residual Analysis
5% Very Low Income, 5% Low Income Inclusionary Units
Rental Housing Prototypes
City of Vallejo Inclusionary Housing Study
2006**

Prototype	Renter 1 Stacked Flat
Number of Units	150 Units
Net Operating Income	\$1,107,167
Capitalized Value 6.10%	\$18,150,285
Total Direct Cost (Except Land)	\$31,396,004
Land Value Per Unit	(\$88,305)
Land Value Per Square Foot	(\$50.68)

Source: David Paul Rosen & Associates

Table A-13

**Land Residual Analysis
11% Very Low Income Inclusionary Units
Rental Housing Prototypes
City of Vallejo Inclusionary Housing Study
2006**

Prototype	Renter 1 Stacked Flat
Number of Units	150 Units
Net Operating Income	\$1,074,073
Capitalized Value 6.10%	\$17,607,757
Total Direct Cost (Except Land)	\$31,396,004
Land Value Per Unit	(\$91,922)
Land Value Per Square Foot	(\$52.76)

Source: David Paul Rosen & Associates

Table A-14

**Land Residual Analysis
15% Low Income Inclusionary Units
Rental Housing Prototypes
City of Vallejo Inclusionary Housing Study
2006**

Prototype	Renter 1 Stacked Flat
Number of Units	150 Units
Net Operating Income	\$1,098,503
Capitalized Value 6.10%	\$18,008,252
Total Direct Cost (Except Land)	\$31,396,004
Land Value Per Unit	(\$89,252)
Land Value Per Square Foot	(\$51.22)

Source: David Paul Rosen & Associates

Table A-15

Land Residual Analysis
All Market Rate Units

Owner Housing Prototypes
City of Vallejo Inclusionary Housing Study
2006

Prototype		Owner 1 Low Density Detached	Owner 2 Small Lot Detached	Owner 2 Medium Density Attached	Owner 3 Stacked Flat Condominium
Total Units		90	100	150	100
One Bedroom		0	0	0	25
Two Bedroom/1 Bath		0	0	0	25
Two Bedroom		0	0	80	30
Three Bedroom		25	45	70	20
Four Bedroom		40	55	0	0
Five Bedroom		25	0	0	0
Sales Revenues, Market Units					
	<u>Price/Unit</u>				
One Bedroom	\$250,000	\$0	\$0	\$0	\$6,250,000
Two Bedroom/1 Bath	\$325,000	\$0	\$0	\$0	\$8,125,000
Two Bedroom	\$350,000	\$0	\$0	\$28,000,000	\$10,500,000
Three Bedroom (Attached)	\$425,000	\$0	\$0	\$29,750,000	\$8,500,000
Three Bedroom (Detached)	\$475,000	\$11,875,000	\$21,375,000	\$0	\$0
Four Bedroom	\$540,000	\$21,600,000	\$29,700,000	\$0	\$0
Five Bedroom	\$640,000	\$16,000,000	\$0	\$0	\$0
Total Sales Revenue, Market Units		\$49,475,000	\$51,075,000	\$57,750,000	\$33,375,000
Total Direct Cost (Except Land)		\$33,545,869	\$31,273,609	\$46,878,377	\$27,669,969
Total Land Value		\$15,929,131	\$19,801,391	\$10,871,623	\$5,705,031
Land Value Per Unit		\$176,990	\$198,014	\$72,477	\$57,050
Land Value per Square Foot		\$36.57	\$69.93	\$34.42	\$130.97

Table A-16

Land Residual Analysis
Owner Housing Prototypes
10% of Units Affordable at 110% of Area Median Income
City of Vallejo Inclusionary Housing Study
2006

Prototype		Owner 1 Low Density Detached	Owner 2 Small Lot Detached	Owner 3 Medium Density Attached	Owner 4 Stacked Flat Condominium
Total Units		90	100	150	100
Inclusionary Units:	10%				
Total, Inclusionary Units		9	10	15	10
One Bedroom		0	0	0	3
Two Bedroom/1 Bath		0	0	0	2
Two Bedroom/2 Bath		0	0	8	3
Three Bedroom		3	5	7	2
Four Bedroom		3	5	0	0
Five Bedroom		3	0	0	0
Sales Revenues, Inclusionary Units					
	<u>Price/Unit</u>				
One Bedroom	\$213,817	\$0	\$0	\$0	\$641,450
Two Bedroom	\$240,194	\$0	\$0	\$1,921,556	\$1,200,972
Three Bedroom (Attached)	\$272,600	\$0	\$0	\$1,908,202	\$545,200
Three Bedroom (Detached)	\$262,750	\$788,250	\$1,313,749	\$0	\$0
Four Bedroom	\$282,441	\$847,322	\$1,412,204	\$0	\$0
Five Bedroom	\$304,925	\$914,775	\$0	\$0	\$0
Total Sales Revenue, Inclusionary Units		\$2,550,347	\$2,725,953	\$3,829,757	\$2,387,623
Total, Market Rate Units		81	90	135	90
One Bedroom		0	0	0	22
Two Bedroom/1 Bath		0	0	0	23
Two Bedroom		0	0	72	27
Three Bedroom		22	40	63	18
Four Bedroom		37	50	0	0
Five Bedroom		22	0	0	0
Sales Revenues, Market Units					
	<u>Price/Unit</u>				
One Bedroom	\$250,000	\$0	\$0	\$0	\$5,500,000
Two Bedroom/1 Bath	\$325,000	\$0	\$0	\$0	\$7,475,000
Two Bedroom	\$350,000	\$0	\$0	\$25,200,000	\$9,450,000
Three Bedroom (Attached)	\$425,000	\$0	\$0	\$26,775,000	\$7,650,000
Three Bedroom (Detached)	\$475,000	\$10,450,000	\$19,000,000	\$0	\$0
Four Bedroom	\$540,000	\$19,980,000	\$27,000,000	\$0	\$0
Five Bedroom	\$640,000	\$14,080,000	\$0	\$0	\$0
Total Sales Revenue, Market Units		\$44,510,000	\$46,000,000	\$51,975,000	\$30,075,000
Total Sales Revenue		\$47,060,347	\$48,725,953	\$55,804,757	\$32,462,623
Total Direct Cost (Except Land)		\$33,545,869	\$31,273,609	\$46,878,377	\$27,669,969
Land Value		\$13,514,478	\$17,452,344	\$8,926,380	\$4,792,654
Land Value Per Unit		\$150.161	\$174.523	\$59.509	\$47.927
Land Value Per Square Foot		\$31.02	\$61.64	\$28.27	\$110.02
No Inclusionary Requirement, Land Value per Square Foot		\$36.57	\$69.93	\$34.42	\$130.97
Market Land Comparables		\$9.00	\$20.00	\$30.00	\$35.00

(1) Affordable to Moderate Income households, 120% of area median income.

Table A-17

Land Residual Analysis
Owner Housing Prototypes
20% of Units Affordable at 110% of Area Median Income
City of Vallejo Inclusionary Housing Study
2006

Prototype		Owner 1 Low Density Detached	Owner 2 Small Lot Detached	Owner 3 Medium Density Attached	Owner 4 Stacked Flat Condominium
Total Units		90	100	150	100
Inclusionary Units:	20%				
Total, Inclusionary Units		18	20	30	20
One Bedroom		0	0	0	5
Two Bedroom/1 Bath		0	0	0	5
Two Bedroom		0	0	16	6
Three Bedroom		5	9	14	4
Four Bedroom		8	11	0	0
Five Bedroom		5	0	0	0
Sales Revenues, Inclusionary Units	Price/Unit				
One Bedroom	\$213,817	\$0	\$0	\$0	\$1,069,083
Two Bedroom	\$240,194	\$0	\$0	\$3,843,112	\$2,642,139
Three Bedroom (Attached)	\$272,600	\$0	\$0	\$3,816,403	\$1,090,401
Three Bedroom (Detached)	\$262,750	\$1,313,749	\$2,364,749	\$0	\$0
Four Bedroom	\$282,441	\$2,259,526	\$3,106,849	\$0	\$0
Five Bedroom	\$304,925	\$1,524,625	\$0	\$0	\$0
Total Sales Revenue, Inclusionary Units		\$5,097,901	\$5,471,597	\$7,659,515	\$4,801,623
Total, Market Rate Units		72	80	120	80
One Bedroom		0	0	0	20
Two Bedroom/1 Bath		0	0	0	20
Two Bedroom		0	0	64	24
Three Bedroom		20	36	56	16
Four Bedroom		32	44	0	0
Five Bedroom		20	0	0	0
Sales Revenues, Market Units	Price/Unit				
One Bedroom	\$250,000	\$0	\$0	\$0	\$5,000,000
Two Bedroom/1 Bath	\$325,000	\$0	\$0	\$0	\$6,500,000
Two Bedroom	\$350,000	\$0	\$0	\$22,400,000	\$8,400,000
Three Bedroom (Attached)	\$425,000	\$0	\$0	\$23,800,000	\$6,800,000
Three Bedroom (Detached)	\$475,000	\$9,500,000	\$17,100,000	\$0	\$0
Four Bedroom	\$540,000	\$17,280,000	\$23,760,000	\$0	\$0
Five Bedroom	\$640,000	\$12,800,000	\$0	\$0	\$0
Total Sales Revenue, Market Units		\$39,580,000	\$40,860,000	\$46,200,000	\$26,700,000
Total Sales Revenue		\$44,677,901	\$46,331,597	\$53,859,515	\$31,501,623
Total Direct Cost (Except Land)		\$33,545,869	\$31,273,609	\$46,878,377	\$27,669,969
Land Value		\$11,132,032	\$15,057,988	\$6,981,138	\$3,831,654
Land Value Per Unit		\$123,689	\$150,580	\$46,541	\$38,317
Land Value Per Square Foot		\$25.56	\$53.18	\$22.11	\$87.96
No Inclusionary Requirement, Land Value per Square Foot		\$36.57	\$69.93	\$34.42	\$130.97
Market Land Comparables		\$9.00	\$20.00	\$30.00	\$35.00

(1) Affordable to Moderate Income households, 120% of area median income.

Source: David Paul Rosen & Associates

Table A-18
Mix of Market Rate and Inclusionary Units
20% Density Bonus
5% Very Low, 5% Low Income Inclusionary Housing Requirement
City of Vallejo Inclusionary Housing Study
2006

Prototype	Renter 1	
		Stacked Flat
Units by Bedroom Count	Total:	180
One Bedroom		48
Two Bedroom/1 Bath		36
Two Bedroom/2 Bath		66
Three Bedroom		30
Market Rent Units		
One Bedroom		44
Two Bedroom/1 Bath		32
Two Bedroom		60
Three Bedroom		28
Total		164
Inclusionary Units	5% Very Low	
One Bedroom		2
Two Bedroom/1 Bath		2
Two Bedroom		3
Three Bedroom		1
Total		8
Inclusionary Units	5% Low	
One Bedroom		2
Two Bedroom/1 Bath		2
Two Bedroom		3
Three Bedroom		1
Total		8

Source: David Paul Rosen & Associates

Table A-19
Mix of Market Rate and Inclusionary Units
35% Density Bonus
11% Very Low Income Inclusionary Housing Requirement
City of Vallejo Inclusionary Housing Study
2006

Prototype		Renter 1 Stacked Flat
Units by Bedroom Count	Total:	202
One Bedroom		53
Two Bedroom/1 Bath		41
Two Bedroom/2 Bath		74
Three Bedroom		34
Market Rent Units		
One Bedroom		49
Two Bedroom/1 Bath		38
Two Bedroom		68
Three Bedroom		31
Total		186
Inclusionary Units	11%	
One Bedroom		4
Two Bedroom/1 Bath		3
Two Bedroom		6
Three Bedroom		3
Total		16

Source: David Paul Rosen & Associates

Table A-20
Mix of Market Rate and Inclusionary Units
27.5% Density Bonus
15% Low Income Inclusionary Housing Requirement
City of Vallejo Inclusionary Housing Study
2006

Prototype		Renter 1 Stacked Flat
Units by Bedroom Count	Total:	191
One Bedroom		51
Two Bedroom/1 Bath		38
Two Bedroom/2 Bath		70
Three Bedroom		32
Market Rent Units		
One Bedroom		45
Two Bedroom/1 Bath		33
Two Bedroom		62
Three Bedroom		28
Total		168
Inclusionary Units	15%	
One Bedroom		6
Two Bedroom/1 Bath		5
Two Bedroom		8
Three Bedroom		4
Total		23

Source: David Paul Rosen & Associates

Table A-21

**Net Operating Income
20% Density Bonus
5% Very Low Income Units, 5% Low Income Units, 90% Market Rate Units
Rental Housing
City of Vallejo Inclusionary Housing Analysis**

Prototype	Renter 1 Stacked Flat	
Units by Bedroom Count	Total:	180
Net Operating Income, Market Rate Units		
One Bedroom		\$501,600
Two Bedroom/1 Bath		\$407,040
Two Bedroom		\$882,000
Three Bedroom		\$440,160
Total Gross Rents, Market Rate Units		\$2,230,800
Net Operating Income, Affordable Units		
One Bedroom		\$35,328
Two Bedroom/1 Bath		\$39,312
Two Bedroom		\$62,568
Three Bedroom		\$22,584
Total Gross Rents, Inclusionary Units		\$159,792
Less: Vacancy	5%	(\$119,530)
Effective Gross Income		\$2,271,062
Operating Expenses		(\$946,260)
Net Operating Income		\$1,324,802
(1) Total Per Unit Oper. Costs		\$5,257
Annual Operating Costs/Unit		\$4,232
Annual Property Taxes/Unit		\$1,025

(1) Includes operating expenses, property taxes and insurance. Source: Institute of Real Estate Management.
Source: REALFACTS, Institute of Real Estate Management; David Paul Rosen & Associates

Table A-22

Net Operating Income
35% Density Bonus
11% Very Low Income Units, 89% Market Rate Units
Rental Housing
City of Vallejo Inclusionary Housing Analysis

Prototype	Renter 1 Stacked Flat
Units by Bedroom Count Total:	202
Net Operating Income, Market Rate Units	
One Bedroom	\$558,600
Two Bedroom/1 Bath	\$483,360
Two Bedroom	\$999,600
Three Bedroom	\$487,320
Total Gross Rents, Market Rate Units	\$2,528,880
Net Operating Income, Affordable Units	
One Bedroom	\$38,880
Two Bedroom/1 Bath	\$32,472
Two Bedroom	\$72,144
Three Bedroom	\$38,340
Total Gross Rents, Inclusionary Units	\$181,836
Less: Vacancy	5% (\$135,536)
Effective Gross Income	\$2,575,180
Operating Expenses	(\$1,061,914)
Net Operating Income	\$1,513,266
(1) Total Per Unit Oper. Costs	\$5,257
Annual Operating Costs/Unit	\$4,232
Annual Property Taxes/Unit	\$1,025

(1) Includes operating expenses, property taxes and insurance. Source: Institute of Real Estate Management. Source: REALFACTS, Institute of Real Estate Management; David Paul Rosen & Associates

Table A-23

**Net Operating Income
27.5% Density Bonus
15% Low Income Units, 85% Market Rate Units
Rental Housing
City of Vallejo Inclusionary Housing Analysis**

Prototype		Renter 1 Stacked Flat
Units by Bedroom Count	Total:	191
Net Operating Income, Market Rate Units		
One Bedroom		\$513,000
Two Bedroom/1 Bath		\$419,760
Two Bedroom		\$911,400
Three Bedroom		\$440,160
Four Bedroom		\$0
Total Gross Rents, Market Rate Units		\$2,284,320
Net Operating Income, Affordable Units		
One Bedroom		\$58,320
Two Bedroom/1 Bath		\$54,120
Two Bedroom		\$96,192
Three Bedroom		\$51,120
Total Gross Rents, Inclusionary Units		\$259,752
Less: Vacancy	5%	(\$127,204)
Effective Gross Income		\$2,416,868
Operating Expenses		(\$1,004,087)
Net Operating Income		\$1,412,781
(1) Total Per Unit Oper. Costs		\$5,257
Annual Operating Costs/Unit		\$4,232
Annual Property Taxes/Unit		\$1,025

(1) Includes operating expenses, property taxes and insurance. Source: Institute of Real Estate Management.
Source: REALFACTS, Institute of Real Estate Management; David Paul Rosen & Associates

Table A-24

**Land Residual Analysis
20% Density Bonus
5% Very Low Income, 5% Low Income Inclusionary Units
Rental Housing Prototype
City of Vallejo Inclusionary Housing Study
2006**

Prototype	Renter 1 Stacked Flat
Number of Units	180 Units
Net Operating Income	\$1,324,802
Capitalized Value 6.10%	\$21,718,072
Total Direct Cost (Except Land)	\$38,276,755
Land Value Per Unit	(\$91,993)
Land Value Per Square Foot	(\$63.36)
No Inclusionary Requirement, Land Value Per Square Foot	(\$48.08)

Source: David Paul Rosen & Associates

Table A-25

Land Residual Analysis
35% Density Bonus
11% Very Low Income Inclusionary Units
Rental Housing Prototype
City of Vallejo Inclusionary Housing Study
2006

Prototype	Renter 1 Stacked Flat
Number of Units	202 Units
Net Operating Income	\$1,513,266
Capitalized Value 6.10%	\$24,807,643
Total Direct Cost (Except Land)	\$43,733,417
Land Value Per Unit	(\$93,692)
Land Value Per Square Foot	(\$72.41)
No Inclusionary Requirement, Land Value Per Square Foot	(\$48.08)

Source: David Paul Rosen & Associates

Table A-26

Land Residual Analysis
27.5% Density Bonus
15% Low Income Inclusionary Units
Rental Housing Prototypes
City of Vallejo Inclusionary Housing Study
2006

Prototype	Renter 1 Stacked Flat
Number of Units	191 Units
Net Operating Income	\$1,412,781
Capitalized Value 6.10%	\$23,160,351
Total Direct Cost (Except Land)	\$41,491,816
Land Value Per Unit	(\$95,976)
Land Value Per Square Foot	(\$70.14)
No Inclusionary Requirements Land Value Per Square Foot	(\$48.08)

Source: David Paul Rosen & Associates

Table A-27
Mix of Market Rate and Inclusionary Units
5% Density Bonus
Owner Housing Prototypes
10% Moderate Income Inclusionary Housing Requirement
City of Vallejo Inclusionary Housing Study
2006

Prototype		Owner 1	Owner 2	Owner 3	Owner 4
		Low Density Detached	Small Lot Detached	Medium Density Attached	Stacked Flat Condominium
Units by Bedroom Count	Total:	95	105	158	105
One Bedroom		0	0	0	26
Two Bedroom/1 Bath		0	0	0	26
Two Bedroom/2 Bath		0	0	84	32
Three Bedroom		27	47	74	21
Four Bedroom		42	58	0	0
Five Bedroom		26	0	0	0
Six+ Bedroom		0	0	0	0
Market Rent Units					
One Bedroom		0	0	0	23
Two Bedroom/1 Bath		0	0	0	24
Two Bedroom		0	0	76	29
Three Bedroom		24	42	67	19
Four Bedroom		39	53	0	0
Five Bedroom		23	0	0	0
Six+ Bedroom		0	0	0	0
Total		86	95	143	95
Inclusionary Units	10%				
One Bedroom		0	0	0	3
Two Bedroom/1 Bath		0	0	0	2
Two Bedroom		0	0	8	3
Three Bedroom		3	5	7	2
Four Bedroom		3	5	0	0
Five Bedroom		3	0	0	0
Six+ Bedroom		0	0	0	0
Total		9	10	15	10

Source: David Paul Rosen & Associates

Table A-28
Mix of Market Rate and Inclusionary Units
15% Density Bonus
Owner Housing Prototypes
20% Moderate Income Inclusionary Housing Requirement
City of Vallejo Inclusionary Housing Study
2006

Prototype		Owner 1 Low Density Detached	Owner 2 Small Lot Detached	Owner 3 Medium Density Attached	Owner 4 Stacked Flat Condominium
Units by Bedroom Count	Total:	104	115	173	116
One Bedroom		0	0	0	29
Two Bedroom/1 Bath		0	0	0	29
Two Bedroom/2 Bath		0	0	92	35
Three Bedroom		29	52	81	23
Four Bedroom		46	63	0	0
Five Bedroom		29	0	0	0
Six+ Bedroom		0	0	0	0
Market Rent Units					
One Bedroom		0	0	0	24
Two Bedroom/1 Bath		0	0	0	24
Two Bedroom		0	0	76	29
Three Bedroom		24	43	67	19
Four Bedroom		38	52	0	0
Five Bedroom		24	0	0	0
Six+ Bedroom		0	0	0	0
Total		86	95	143	96
Inclusionary Units	20%				
One Bedroom		0	0	0	5
Two Bedroom/1 Bath		0	0	0	5
Two Bedroom		0	0	16	6
Three Bedroom		5	9	14	4
Four Bedroom		8	11	0	0
Five Bedroom		5	0	0	0
Six+ Bedroom		0	0	0	0
Total		18	20	30	20

Source: David Paul Rosen & Associates

Table A-29

Land Residual Analysis
5% Density Bonus
Owner Housing Prototypes
10% of Units Affordable at 110% of Area Median Income
City of Vallejo Inclusionary Housing Study
2006

Prototype		Owner 1 Low Density Detached	Owner 2 Small Lot Detached	Owner 3 Medium Density Attached	Owner 4 Stacked Flat Condominium
Total Units		95	105	158	105
Inclusionary Units:	10%				
Total, Inclusionary Units		9	10	15	10
One Bedroom		0	0	0	3
Two Bedroom/1 Bath		0	0	0	2
Two Bedroom/2 Bath		0	0	8	3
Three Bedroom		3	5	7	2
Four Bedroom		3	5	0	0
Five Bedroom		3	0	0	0
Six+ Bedroom		0	0	0	0
Sales Revenues, Inclusionary Units	<u>Price/Unit</u>				
One Bedroom	\$213,817	\$0	\$0	\$0	\$641,450
Two Bedroom	\$240,194	\$0	\$0	\$1,921,556	\$1,200,972
Three Bedroom (Attached)	\$272,600	\$0	\$0	\$1,908,202	\$545,200
Three Bedroom (Detached)	\$262,750	\$788,250	\$1,313,749	\$0	\$0
Four Bedroom	\$282,441	\$847,322	\$1,412,204	\$0	\$0
Five Bedroom	\$304,925	\$914,775	\$0	\$0	\$0
Total Sales Revenue, Inclusionary Units		\$2,550,347	\$2,725,953	\$3,829,757	\$2,387,623
Total, Market Rate Units		86	95	143	95
One Bedroom		0	0	0	23
Two Bedroom/1 Bath		0	0	0	24
Two Bedroom		0	0	76	29
Three Bedroom		24	42	67	19
Four Bedroom		39	53	0	0
Five Bedroom		23	0	0	0
Six+ Bedroom		0	0	0	0
Sales Revenues, Market Units	<u>Price/Unit</u>				
One Bedroom	\$250,000	\$0	\$0	\$0	\$5,750,000
Two Bedroom/1 Bath	\$325,000	\$0	\$0	\$0	\$7,800,000
Two Bedroom	\$350,000	\$0	\$0	\$26,600,000	\$10,150,000
Three Bedroom (Attached)	\$425,000	\$0	\$0	\$28,475,000	\$8,075,000
Three Bedroom (Detached)	\$475,000	\$11,400,000	\$19,950,000	\$0	\$0
Four Bedroom	\$540,000	\$21,060,000	\$28,620,000	\$0	\$0
Five Bedroom	\$640,000	\$14,720,000	\$0	\$0	\$0
Six+ Bedroom	\$750,000	\$0	\$0	\$0	\$0
Total Sales Revenue, Market Units		\$47,180,000	\$48,570,000	\$55,075,000	\$31,775,000
Total Sales Revenue		\$49,730,347	\$51,295,953	\$58,904,757	\$34,162,623
Total Direct Cost (Except Land)		\$34,733,725	\$32,382,962	\$48,847,826	\$28,674,188
Land Value		\$14,996,623	\$18,912,992	\$10,056,931	\$5,488,434
Land Value Per Unit		\$157,859	\$180,124	\$63,651	\$52,271
Land Value Per Square Foot		\$34.43	\$66.80	\$31.84	\$126.00
No Inclusionary Requirement, Land Value per Square Foot		\$36.57	\$69.93	\$34.42	\$130.97
Market Land Comparables		\$25.00	\$15.60	\$25.00	\$25.00

Table A-30

Land Residual Analysis
15% Density Bonus
Owner Housing Prototypes
20% of Units Affordable at 110% of Area Median Income
City of Vallejo Inclusionary Housing Study
2006

Prototype		Owner 1 Low Density Detached	Owner 2 Small Lot Detached	Owner 3 Medium Density Attached	Owner 4 Stacked Flat Condominium
Total Units		104	115	173	116
Inclusionary Units:	20%				
Total, Inclusionary Units		18	20	30	20
One Bedroom		0	0	0	5
Two Bedroom/1 Bath		0	0	0	5
Two Bedroom/2 Bath		0	0	16	6
Three Bedroom		5	9	14	4
Four Bedroom		8	11	0	0
Five Bedroom		5	0	0	0
Sales Revenues, Inclusionary Units					
	<u>Price/Unit</u>				
One Bedroom	\$213,817	\$0	\$0	\$0	\$1,069,083
Two Bedroom	\$240,194	\$0	\$0	\$3,843,112	\$2,642,139
Three Bedroom (Attached)	\$272,600	\$0	\$0	\$3,816,403	\$1,090,401
Three Bedroom (Detached)	\$262,750	\$1,313,749	\$2,364,749	\$0	\$0
Four Bedroom	\$282,441	\$2,259,526	\$3,106,849	\$0	\$0
Five Bedroom	\$304,925	\$1,524,625	\$0	\$0	\$0
Total Sales Revenue, Inclusionary Units		\$5,097,901	\$5,471,597	\$7,659,515	\$4,801,623
Total, Market Rate Units		86	95	143	96
One Bedroom		0	0	0	24
Two Bedroom/1 Bath		0	0	0	24
Two Bedroom		0	0	76	29
Three Bedroom		24	43	67	19
Four Bedroom		38	52	0	0
Five Bedroom		24	0	0	0
Sales Revenues, Market Units					
	<u>Price/Unit</u>				
One Bedroom	\$250,000	\$0	\$0	\$0	\$6,000,000
Two Bedroom/1 Bath	\$325,000	\$0	\$0	\$0	\$7,800,000
Two Bedroom	\$350,000	\$0	\$0	\$26,600,000	\$10,150,000
Three Bedroom (Attached)	\$425,000	\$0	\$0	\$28,475,000	\$8,075,000
Three Bedroom (Detached)	\$475,000	\$11,400,000	\$20,425,000	\$0	\$0
Four Bedroom	\$540,000	\$20,520,000	\$28,080,000	\$0	\$0
Five Bedroom	\$640,000	\$15,360,000	\$0	\$0	\$0
Total Sales Revenue, Market Units		\$47,280,000	\$48,505,000	\$55,075,000	\$32,025,000
Total Sales Revenue		\$52,377,901	\$53,976,597	\$62,734,515	\$36,826,623
Total Direct Cost (Except Land)		\$37,179,083	\$34,839,324	\$52,799,842	\$34,002,290
Land Value		\$15,198,818	\$19,137,273	\$9,934,673	\$2,824,333
Land Value Per Unit		\$146,142	\$166,411	\$57,426	\$24,348
Land Value Per Square Foot		\$34.89	\$67.59	\$31.46	\$64.84
No Inclusionary Requirement, Land Value per Square Foot		\$36.57	\$69.93	\$34.42	\$130.97
Market Land Comparables		\$25.00	\$15.60	\$25.00	\$25.00

Source: David Paul Rosen & Associates

Table A-31

**Land Residual Analysis
20% Density Bonus
10% Reduction in Size of Affordable Units
5% Very Low Income, 5% Low Income Inclusionary Units
Rental Housing Prototype
City of Vallejo Inclusionary Housing Study
2006**

Prototype	Renter 1 Stacked Flat
Number of Units	180 Units
Net Operating Income	\$1,324,802
Capitalized Value 6.10%	\$21,718,072
Total Direct Cost (Except Land)	\$38,113,489
Land Value Per Unit	(\$91,086)
Land Value Per Square Foot	(\$62.73)
No Inclusionary Requirement, Land Value Per Square Foot	(\$48.08)

Source: David Paul Rosen & Associates

Table A-32

**Land Residual Analysis
35% Density Bonus
10% Reduction in Size of Affordable Units
11% Very Low Income Inclusionary Units
Rental Housing Prototype
City of Vallejo Inclusionary Housing Study
2006**

Prototype	Renter 1 Stacked Flat
Number of Units	202 Units
Net Operating Income	\$1,513,266
Capitalized Value 6.10%	\$24,807,643
Total Direct Cost (Except Land)	\$43,556,748
Land Value Per Unit	(\$92,817)
Land Value Per Square Foot	(\$71.74)
No Inclusionary Requirement, Land Value Per Square Foot	(\$48.08)

Source: David Paul Rosen & Associates

Table A-33

Land Residual Analysis
27.5% Density Bonus
10% Reduction in Size of Affordable Units
15% Low Income Inclusionary Units
Rental Housing Prototypes
City of Vallejo Inclusionary Housing Study
2006

Prototype	Renter 1 Stacked Flat
Number of Units	191 Units
Net Operating Income	\$1,412,781
Capitalized Value 6.10%	\$23,160,351
Total Direct Cost (Except Land)	\$41,239,606
Land Value Per Unit	(\$94,656)
Land Value Per Square Foot	(\$69.17)
No Inclusionary Requirements Land Value Per Square Foot	(\$48.08)

Source: David Paul Rosen & Associates

Table A-34

Land Residual Analysis
5% Density Bonus
Owner Housing Prototypes
10% Reduction in Size of Affordable Units
10% of Units Affordable at 110% of Area Median Income
City of Vallejo Inclusionary Housing Study
2006

Prototype		Owner 1 Low Density Detached	Owner 2 Small Lot Detached	Owner 3 Medium Density Attached	Owner 4 Stacked Flat Condominium
Total Units		95	105	158	105
Inclusionary Units:	10%				
Total, Inclusionary Units		9	10	15	10
One Bedroom		0	0	0	3
Two Bedroom/1 Bath		0	0	0	2
Two Bedroom/2 Bath		0	0	8	3
Three Bedroom		3	5	7	2
Four Bedroom		3	5	0	0
Five Bedroom		3	0	0	0
Six+ Bedroom		0	0	0	0
Sales Revenues, Inclusionary Units	<u>Price/Unit</u>				
One Bedroom	\$213,817	\$0	\$0	\$0	\$641,450
Two Bedroom	\$240,194	\$0	\$0	\$1,921,556	\$1,200,972
Three Bedroom (Attached)	\$272,600	\$0	\$0	\$1,908,202	\$545,200
Three Bedroom (Detached)	\$262,750	\$788,250	\$1,313,749	\$0	\$0
Four Bedroom	\$282,441	\$847,322	\$1,412,204	\$0	\$0
Five Bedroom	\$304,925	\$914,775	\$0	\$0	\$0
Total Sales Revenue, Inclusionary Units		\$2,550,347	\$2,725,953	\$3,829,757	\$2,387,623
Total, Market Rate Units		86	95	143	95
One Bedroom		0	0	0	23
Two Bedroom/1 Bath		0	0	0	24
Two Bedroom		0	0	76	29
Three Bedroom		24	42	67	19
Four Bedroom		39	53	0	0
Five Bedroom		23	0	0	0
Six+ Bedroom		0	0	0	0
Sales Revenues, Market Units	<u>Price/Unit</u>				
One Bedroom	\$250,000	\$0	\$0	\$0	\$5,750,000
Two Bedroom/1 Bath	\$325,000	\$0	\$0	\$0	\$7,800,000
Two Bedroom	\$350,000	\$0	\$0	\$26,600,000	\$10,150,000
Three Bedroom (Attached)	\$425,000	\$0	\$0	\$28,475,000	\$8,075,000
Three Bedroom (Detached)	\$475,000	\$11,400,000	\$19,950,000	\$0	\$0
Four Bedroom	\$540,000	\$21,060,000	\$28,620,000	\$0	\$0
Five Bedroom	\$640,000	\$14,720,000	\$0	\$0	\$0
Six+ Bedroom	\$750,000	\$0	\$0	\$0	\$0
Total Sales Revenue, Market Units		\$47,180,000	\$48,570,000	\$55,075,000	\$31,775,000
Total Sales Revenue		\$49,730,347	\$51,295,953	\$58,904,757	\$34,162,623
Total Direct Cost (Except Land)		\$34,554,565	\$32,202,378	\$48,554,526	\$28,536,999
Land Value		\$15,175,782	\$19,093,575	\$10,350,231	\$5,625,623
Land Value Per Unit		\$159,745	\$181,844	\$65,508	\$53,577
Land Value Per Square Foot		\$34.84	\$67.44	\$32.77	\$129.15
No Inclusionary Requirement, Land Value per Square Foot		\$36.57	\$69.93	\$34.42	\$130.97
Market Land Comparables		\$25.00	\$15.60	\$25.00	\$25.00

Source: David Paul Rosen & Associates

Table A-35

Land Residual Analysis
15% Density Bonus
Owner Housing Prototypes
10% Reduction in Size of Affordable Units
20% of Units Affordable at 110% of Area Median Income
City of Vallejo Inclusionary Housing Study
2006

Prototype		Owner 1 Low Density Detached	Owner 2 Small Lot Detached	Owner 3 Medium Density Attached	Owner 4 Stacked Flat Condominium
Total Units		104	115	173	116
Inclusionary Units:	20%				
Total, Inclusionary Units		18	20	30	20
One Bedroom		0	0	0	5
Two Bedroom/1 Bath		0	0	0	5
Two Bedroom/2 Bath		0	0	16	6
Three Bedroom		5	9	14	4
Four Bedroom		8	11	0	0
Five Bedroom		5	0	0	0
Six+ Bedroom		0	0	0	0
Sales Revenues, Inclusionary Units					
	<u>Price/Unit</u>				
One Bedroom	\$213,817	\$0	\$0	\$0	\$1,069,083
Two Bedroom	\$240,194	\$0	\$0	\$3,843,112	\$2,642,139
Three Bedroom (Attached)	\$272,600	\$0	\$0	\$3,816,403	\$1,090,401
Three Bedroom (Detached)	\$262,750	\$1,313,749	\$2,364,749	\$0	\$0
Four Bedroom	\$282,441	\$2,259,526	\$3,106,849	\$0	\$0
Five Bedroom	\$304,925	\$1,524,625	\$0	\$0	\$0
Total Sales Revenue, Inclusionary Units		\$5,097,901	\$5,471,597	\$7,659,515	\$4,801,623
Total, Market Rate Units		86	95	143	96
One Bedroom		0	0	0	24
Two Bedroom/1 Bath		0	0	0	24
Two Bedroom		0	0	76	29
Three Bedroom		24	43	67	19
Four Bedroom		38	52	0	0
Five Bedroom		24	0	0	0
Six+ Bedroom		0	0	0	0
Sales Revenues, Market Units					
	<u>Price/Unit</u>				
One Bedroom	\$250,000	\$0	\$0	\$0	\$6,000,000
Two Bedroom/1 Bath	\$325,000	\$0	\$0	\$0	\$7,800,000
Two Bedroom	\$350,000	\$0	\$0	\$26,600,000	\$10,150,000
Three Bedroom (Attached)	\$425,000	\$0	\$0	\$28,475,000	\$8,075,000
Three Bedroom (Detached)	\$475,000	\$11,400,000	\$20,425,000	\$0	\$0
Four Bedroom	\$540,000	\$20,520,000	\$28,080,000	\$0	\$0
Five Bedroom	\$640,000	\$15,360,000	\$0	\$0	\$0
Six+ Bedroom	\$750,000	\$0	\$0	\$0	\$0
Total Sales Revenue, Market Units		\$47,280,000	\$48,505,000	\$55,075,000	\$32,025,000
Total Sales Revenue		\$52,377,901	\$53,976,597	\$62,734,515	\$36,826,623
Total Direct Cost (Except Land)		\$36,821,618	\$34,473,527	\$52,213,242	\$33,726,227
Land Value		\$15,556,283	\$19,503,071	\$10,521,273	\$3,100,396
Land Value Per Unit		\$149,580	\$169,592	\$60,817	\$26,728
Land Value Per Square Foot		\$35.71	\$68.88	\$33.32	\$71.18
No Inclusionary Requirement, Land Value per Square Foot		\$36.57	\$69.93	\$34.42	\$130.97
Market Land Comparables		\$25.00	\$15.60	\$25.00	\$25.00



DAVID PAUL ROSEN & ASSOCIATES

ATTACHMENT B

AFFORDABILITY GAP ANALYSIS TABLES

DENSITY BONUS SCENARIOS



DAVID PAUL ROSEN & ASSOCIATES

Attachment B

List of Tables

- B-1 Estimated Prototype Development Costs, Rental Housing Prototype, 20% Density Bonus
- B-2 Assumptions, Rental Development Costs, 20% Density Bonus
- B-3 Estimated Prototype Development Costs, Rental Housing Prototype, 27.5% Density Bonus
- B-4 Assumptions, Rental Development Costs, 27.5% Density Bonus
- B-5 Estimated Prototype Development Costs, Rental Housing Prototype, 35% Density Bonus
- B-6 Assumptions, Rental Development Costs, 35% Density Bonus
- B-7 Estimated Prototype Development Costs, Owner Housing Prototypes, 5% Density Bonus
- B-8 Assumptions, Owner Development Costs, 5% Density Bonus
- B-9 Estimated Prototype Development Costs, Owner Housing Prototypes, 15% Density Bonus
- B-10 Assumptions, Owner Development Costs, 15% Density Bonus
- B-11 Gap Between Construction Cost and Financing Supported by Rents Affordable to Very Low Income Households
- B-12 Gap Between Construction Costs and Affordable Price to Moderate Income Households
- B-13 Amount of Financing Supported by Rents Affordable to Very Low Income Households

Table B-1

Rental Prototype Development Cost
 20% Density Bonus
 City of Vallejo Inclusionary Housing Study
 Land Residual Analysis
 2006

	<u>Renter 1</u> <u>Stacked Flat</u>
Number of Units	180
Acres	6.00
Units/Acre	30
Total Net Square Feet	159,900
Ratio Net/Gross SF	85%
Total Gross Square Feet Building Area	188,118
LAND ACQUISITION, DEMOLITION, RELOCATION	\$2,352,240
PARKING STRUCTURE	\$2,080,000
SITE IMPROVEMENTS	\$2,613,600
UNIT CONSTRUCTION HARD COSTS	\$21,633,529
PARKING, SURFACE	\$832,000
ARCH./ENG./CONSTR. SUPERVISION	\$1,212,356
LOCAL PERMITS AND FEES	\$4,500,000
ALTA SURVEY	\$20,000
ENVIRONMENTAL PHASE I AND II	\$20,000
SOILS TESTING	\$90,000
CONSTRUCTION LOAN FEES	\$162,886
PERMANENT LOAN FEES	\$131,576
CONSTRUCTION/LEASE-UP INTEREST	\$1,194,494
PROPERTY INSURANCE	\$60,000
PROPERTY TAXES DURING CONSTR.	\$265,994
CONSTR. LOAN TITLE AND CLOSING	\$15,000
APPRAISAL FEES	\$10,000
REAL ESTATE LEGAL	\$30,000
MARKET STUDY	\$15,000
MARKETING/LEASE-UP/START-UP	\$50,000
FURNITURE/EQUIPMENT	\$90,000
DEVELOPMENT/ADMIN. FEE	\$3,250,320
TOTAL PROJECT COSTS	\$40,628,995
COST PER UNIT	\$225,717
COST PER NET SF	\$254.09

Source: David Paul Rosen & Associates

Table B-2

Assumptions, Rental Development Costs
 20% Density Bonus
 City of Vallejo Inclusionary Housing Study
 Land Residual Analysis
 2006

Renter 1
 Stacked Flat

DEVELOPMENT COST ASSUMPTIONS

Land Acquisition/Relocation/Demolition Cost Per Square Foot		\$9.00
Land Acquisition Cost Per Unit		\$13,068
Off-site and Site Improvement Costs per SF Site Area		\$10
Parking Structure (per space)		\$20,000
Hard Construction Costs per SF		\$115
Parking Costs per SF		\$20
Architectural/Engineering (Percent of Hard Costs)		5.00%
Local Permits and Fees (Per Unit)		\$25,000
Property Insurance During Construction (Percent of Hard Costs)		0.50%
Development Fee (% of Total Development Costs Less Land)		8.00%

FAIR MARKET VALUE CALCULATION

Net Operating Income; 5% Very Low, 5% Low Income Inclusionary Units		\$1,324,802
Capitalization Value @ Cap Rate of:	6.10%	\$21,718,072
Maximum Construction Loan @LTV of	75%	\$16,288,554

MAXIMUM CONSTRUCTION LOAN CALCULATION

Capitalized Value at Restricted Rents		\$21,718,072
Maximum Construction Loan @ LTV of	75%	\$16,288,554

CONSTRUCTION LOAN

Construction Loan Amount		\$16,288,554
Interest Rate		8.00%
Loan Fees	1.00%	\$162,886
Average Loan Balance		55.00%
Construction Period		16 Months
Lease-Up Period		4 Months
Total Construction Loan Term		20 Months
Construction Loan Interest--Construction Period		\$955,595
Construction Loan Interest--Lease-Up		\$238,899

PERMANENT LOAN

Net Operating Income		\$1,324,802
Debt Coverage Ratio		1.20
Debt Service		\$1,104,002
Mortgage Term (Amortization)		30 years
Interest Rate		7.50%
Maximum Permanent Loan Amount Based on DCR		\$13,157,646
Loan Fees	1.00%	\$131,576
Maximum Loan to Value (% of FMV @ Restr. Rents)		100%
Maximum Loan Amount Based on LTV Test		\$21,718,072
Permanent Loan Amount (Min. DCR or LTV)		\$13,157,646
Permanent Loan Debt Service		\$1,104,002

Table B-3

**Rental Prototype Development Cost
27.5% Density Bonus
City of Vallejo Inclusionary Housing Study
Land Residual Analysis
2006**

	Renter 1 Stacked Flat
Number of Units	191
Acres	6.00
Units/Acre	32
Total Net Square Feet	169,600
Ratio Net/Gross SF	85%
Total Gross Square Feet Building Area	199,529
LAND ACQUISITION, DEMOLITION, RELOCATION	\$2,352,240
PARKING GARAGE	\$3,310,000
SITE IMPROVEMENTS	\$2,613,600
UNIT CONSTRUCTION HARD COSTS	\$22,945,882
PARKING, SURFACE	\$662,000
ARCH./ENG./CONSTR. SUPERVISION	\$1,277,974
LOCAL PERMITS AND FEES	\$4,775,000
ALTA SURVEY	\$20,000
ENVIRONMENTAL PHASE I AND II	\$20,000
SOILS TESTING	\$90,000
CONSTRUCTION LOAN FEES	\$173,703
PERMANENT LOAN FEES	\$140,314
CONSTRUCTION/LEASE-UP INTEREST	\$1,401,201
PROPERTY INSURANCE	\$60,000
PROPERTY TAXES DURING CONSTR.	\$279,117
CONSTR. LOAN TITLE AND CLOSING	\$15,000
APPRAISAL FEES	\$10,000
REAL ESTATE LEGAL	\$30,000
MARKET STUDY	\$15,000
MARKETING/LEASE-UP/START-UP	\$50,000
FURNITURE/EQUIPMENT	\$95,500
DEVELOPMENT/ADMIN. FEE	\$3,507,525
TOTAL PROJECT COSTS	\$43,844,056
COST PER UNIT	\$229,550
COST PER NET SF	\$258.51

Source: David Paul Rosen & Associates

Table B-4

Assumptions, Rental Development Costs
 27.5% Density Bonus
 City of Vallejo Inclusionary Housing Study
 Land Residual Analysis
 2006

Renter 1
 Stacked Flat

DEVELOPMENT COST ASSUMPTIONS

Land Acquisition/Relocation/Demolition Cost Per Square Foot		\$9.00
Land Acquisition Cost Per Unit		\$12,315
Off-site and Site Improvement Costs per SF Site Area		\$10.00
Parking Garage (per space)		\$20,000
Hard Construction Costs per SF		\$115
Parking Costs per SF		\$20
Architectural/Engineering (Percent of Hard Costs)		5.00%
Local Permits and Fees (Per Unit)		\$25,000
Property Insurance During Construction (Percent of Hard Costs)		0.50%
Development Fee (% of Total Development Costs Less Land)		8.00%

FAIR MARKET VALUE CALCULATION

Net Operating Income; 15% Restr. Rents @ 80% AMI		\$1,412,781
Capitalization Value @ Cap Rate of:	6.10%	\$23,160,351
Maximum Construction Loan @ LTV of	75%	\$17,370,263

MAXIMUM CONSTRUCTION LOAN CALCULATION

Capitalized Value at Restricted Rents		\$23,160,351
Maximum Construction Loan @ LTV of	75%	\$17,370,263

CONSTRUCTION LOAN

Construction Loan Amount		\$17,370,263
Interest Rate		8.00%
Loan Fees	1.00%	\$173,703
Average Loan Balance		55.00%
Construction Period		18 Months
Lease-Up Period		4 Months
Total Construction Loan Term		22 Months
Construction Loan Interest--Construction Period		\$1,146,437
Construction Loan Interest--Lease-Up		\$254,764

PERMANENT LOAN

Net Operating Income		\$1,412,781
Debt Coverage Ratio		1.20
Debt Service		\$1,177,318
Mortgage Term (Amortization)		30 years
Interest Rate		7.50%
Maximum Permanent Loan Amount Based on DCR		\$14,031,436
Loan Fees	1.00%	\$140,314
Maximum Loan to Value (% of FMV @ Restr. Rents)		100%
Maximum Loan Amount Based on LTV Test		\$23,160,351
Permanent Loan Amount (Min. DCR or LTV)		\$14,031,436
Permanent Loan Debt Service		\$1,177,318

Table B-5

Rental Prototype Development Cost
 35% Density Bonus
 City of Vallejo Inclusionary Housing Study
 Land Residual Analysis
 2006

	<u>Renter 1 Stacked Flat</u>
Number of Units	202
Acres	6.00
Units/Acre	34
Total Net Square Feet	179,500
Ratio Net/Gross SF	85%
Total Gross Square Feet Building Area	211,176
LAND ACQUISITION, DEMOLITION, RELOCATION	\$2,352,240
PARKING GARAGE	\$3,510,000
SITE IMPROVEMENTS	\$2,613,600
UNIT CONSTRUCTION HARD COSTS	\$24,285,294
PARKING, SURFACE	\$702,000
ARCH./ENG./CONSTR. SUPERVISION	\$1,344,945
LOCAL PERMITS AND FEES	\$5,050,000
ALTA SURVEY	\$20,000
ENVIRONMENTAL PHASE I AND II	\$20,000
SOILS TESTING	\$90,000
CONSTRUCTION LOAN FEES	\$186,057
PERMANENT LOAN FEES	\$150,294
CONSTRUCTION/LEASE-UP INTEREST	\$1,500,862
PROPERTY INSURANCE	\$60,000
PROPERTY TAXES DURING CONSTR.	\$292,511
CONSTR. LOAN TITLE AND CLOSING	\$15,000
APPRAISAL FEES	\$10,000
REAL ESTATE LEGAL	\$30,000
ORGANIZATIONAL	\$0
CONSTRUCTION MANAGER	\$0
DEVELOPMENT/BOND/FINANCIAL ADV.	\$0
MARKET STUDY	\$15,000
POST-CONSTRUCTION AUDIT	\$0
MARKETING/LEASE-UP/START-UP	\$50,000
FURNITURE/EQUIPMENT	\$101,000
DEVELOPMENT/ADMIN. FEE	\$3,686,853
TOTAL PROJECT COSTS	\$46,085,657
COST PER UNIT	\$228,147
COST PER NET SF	\$256.74

Source: David Paul Rosen & Associates

Table B-6

Assumptions, Rental Development Costs
 35% Density Bonus
 City of Vallejo Inclusionary Housing Study
 Land Residual Analysis
 2006

Renter 1
 Stacked Flat

DEVELOPMENT COST ASSUMPTIONS

Land Acquisition/Relocation/Demolition Cost Per Square Foot		\$9.00
Land Acquisition Cost Per Unit		\$11,645
Off-site and Site Improvement Costs per SF Site Area		\$10.00
Parking Garage (per space)		\$20,000
Hard Construction Costs per SF		\$115
Parking Costs per SF		\$20
Architectural/Engineering (Percent of Hard Costs)		5.00%
Local Permits and Fees (Per Unit)		\$25,000
Property Insurance During Construction (Percent of Hard Costs)		0.50%
Development Fee (% of Total Development Costs Less Land)		8.00%

FAIR MARKET VALUE CALCULATION

Net Operating Income; 11% Restr. Rents@50% AMI		\$1,513,266
Capitalization Value @ Cap Rate of:	6.10%	\$24,807,643
Maximum Construction Loan @LTV of	75%	\$18,605,732

MAXIMUM CONSTRUCTION LOAN CALCULATION

Capitalized Value at Restricted Rents		\$24,807,643
Maximum Construction Loan @ LTV of	75%	\$18,605,732

CONSTRUCTION LOAN

Construction Loan Amount		\$18,605,732
Interest Rate		8.00%
Loan Fees	1.00%	\$186,057
Average Loan Balance		55.00%
Construction Period		18 Months
Lease-Up Period		4 Months
Total Construction Loan Term		22 Months
Construction Loan Interest--Construction Period		\$1,227,978
Construction Loan Interest--Lease-Up		\$272,884

PERMANENT LOAN

Net Operating Income, Restricted Rents		\$1,513,266
Debt Coverage Ratio		1.20
Debt Service		\$1,261,055
Mortgage Term (Amortization)		30 years
Interest Rate		7.50%
Maximum Permanent Loan Amount Based on DCR		\$15,029,425
Loan Fees	1.00%	\$150,294
Maximum Loan to Value (% of FMV @ Restr. Rents)		100%
Maximum Loan Amount Based on LTV Test		\$24,807,643
Permanent Loan Amount (Min. DCR or LTV)		\$15,029,425
Permanent Loan Debt Service		\$1,261,055

Table B-7

Estimate Prototype Development Costs
Ownership Housing Prototypes
5% Density Bonus
City of Vallejo Inclusionary Housing Study
Land Residual Analysis
2006

	Owner 1 Low Density Detached Family	Owner 2 Small Lot Detached Family	Owner 3 Medium Density Attached Family	Owner 4 Stacked Flat Condominium Family
Acres	10.00	6.50	7.25	1.00
No. of Units	95	105	158	105
Units/Acre	9.5	16.2	21.8	105.0
Total Net Square Feet	221,000	207,500	242,400	107,575
Ratio Net/Gross SF	100%	100%	100%	85%
Total Gross Square Feet Building Area	221,000	207,500	242,400	126,559
LAND AND BUILDING ACQUISITION	\$3,920,400	\$5,662,800	\$9,474,300	\$1,524,600
PARKING GARAGE	\$0	\$0	\$0	\$3,680,000
OFF-SITE AND SITE IMPROVEMENTS	\$7,840,800	\$5,096,520	\$6,316,200	\$871,200
CONSTRUCTION HARD COSTS (INCLUDING GARAGES)	\$17,459,000	\$17,845,000	\$28,360,800	\$15,819,853
GENERAL CONDITIONS	\$260,000	\$260,000	\$320,000	\$340,000
ARCH./ENG./CONSTR. SUPERVISION	\$1,011,992	\$917,661	\$2,080,620	\$1,001,463
LOCAL PERMITS AND FEES	\$2,830,520	\$2,875,331	\$4,345,000	\$2,894,110
ALTA SURVEY	\$20,000	\$20,000	\$20,000	\$20,000
ENVIRONMENTAL PHASE I AND II	\$20,000	\$20,000	\$20,000	\$20,000
SOILS TESTING	\$90,000	\$90,000	\$90,000	\$90,000
CONSTRUCTION LOAN FEES	1.00% \$288,000	\$282,000	\$429,000	\$212,250
CONSTRUCTION/SALE PERIOD INTEREST	\$1,372,800	\$1,344,200	\$2,516,800	\$1,245,200
PROPERTY INSURANCE	\$174,590	\$178,450	\$283,608	\$158,199
PROPERTY TAXES	\$292,202	\$286,043	\$441,513	\$182,157
TITLE AND CLOSING	\$30,000	\$30,000	\$30,000	\$30,000
APPRAISAL FEES	\$10,000	\$10,000	\$10,000	\$10,000
REAL ESTATE LEGAL	\$50,000	\$50,000	\$50,000	\$50,000
WARRANTY	2.00% \$994,607	\$1,025,919	\$1,178,095	\$683,252
MARKETING/SALES COMMISSIONS	4.00% \$1,989,214	\$2,051,838	\$2,356,190	\$1,366,505
TOTAL PROJECT COST	\$38,654,125	\$38,045,762	\$58,322,126	\$30,198,788
PER UNIT	\$406,886	\$362,341	\$369,127	\$287,608
PER SF	\$174.91	\$183.35	\$240.60	\$280.72

Source: David Paul Rosen & Associates

Table B-8
Financing Assumptions
Ownership Housing Prototypes
5% Density Bonus
City of Vallejo Inclusionary Housing Study
Land Residual Analysis
2006

	Owner 1 Low Density Detached Family	Owner 2 Small Lot Detached Family	Owner 3 Medium Density Attached Family	Owner 4 Stacked Flat Condominium Family
DEVELOPMENT COST ASSUMPTIONS				
Property Acquisition Cost Per SF	\$9	\$20	\$30	\$35
Property Acquisition Cost Per Unit	\$41,300	\$53,900	\$60,000	\$14,500
Off-site and Site Improvement Costs per SF Site Area	\$18	\$18	\$20	\$20
Parking Garage (per space)	\$0	\$0	\$0	\$20,000
Hard Construction/Rehabilitation Costs per SF	\$79	\$86	\$117	\$125
Hard Construction/Rehabilitation Costs per Unit	\$183,779	\$169,952	\$179,499	\$150,665
Architectural/Engineering (Percent of Hard Costs)	4%	4%	6%	6%
Local Permits and Fees Per Unit	\$29,795	\$27,384	\$27,500	\$27,563
Property Insurance During Construction (Percent of Hard Costs)	1.00%	1.00%	1.00%	1.00%
CONSTRUCTION LOAN				
Value, Based on Development Costs				
Constr. Loan Amt. 75% Total Dev. Cost	\$28,800,000	\$28,200,000	\$42,900,000	\$21,225,000
Interest Rate	8.00%	8.00%	8.00%	8.00%
Loan Points	1.00%	1.00%	1.00%	1.00%
Average Loan Balance--Construction	55.00%	55.00%	55.00%	55.00%
Construction Period	13 Months	13 Months	16 Months	17 Months
Total Construction Loan Term	13 Months	13 Months	16 Months	17 Months
Construction Loan Interest--Construction	\$1,372,800	\$1,344,200	\$2,516,800	\$1,245,200
Total Construction Loan Interest	\$1,372,800	\$1,344,200	\$2,516,800	\$1,245,200
Construction Loan Points	\$288,000	\$282,000	\$429,000	\$212,250
HOMEBUYER PERMANENT MORTGAGES				
Interest Rate (include. PMI)	6.48%	6.48%	6.48%	6.48%
Term (Years)	30	30	30	30

Table B-9

**Estimate Prototype Development Costs
Ownership Housing Prototypes
15% Density Bonus
City of Vallejo Inclusionary Housing Study
Land Residual Analysis
2006**

	Owner 1 Low Density Detached Family	Owner 2 Small Lot Detached Family	Owner 3 Medium Density Attached Family	Owner 4 Stacked Flat Condominium Family
Acres	10.00	6.50	7.25	1.00
No. of Units	104	115	173	116
Units/Acre	10.4	17.7	23.9	116.0
Total Net Square Feet	242,100	227,000	265,400	118,700
Ratio Net/Gross SF	100%	100%	100%	85%
Total Gross Square Feet Building Area	242,100	227,000	265,400	139,647
LAND AND BUILDING ACQUISITION	\$4,791,600	\$6,229,080	\$9,474,300	\$1,524,600
PARKING GARAGE	\$0	\$0	\$0	\$4,060,000
OFF-SITE AND SITE IMPROVEMENTS	\$7,840,800	\$5,096,520	\$6,316,200	\$871,200
CONSTRUCTION HARD COSTS (INCLUDING GARAGES)	\$19,125,900	\$19,522,000	\$31,051,800	\$19,550,588
GENERAL CONDITIONS	\$360,000	\$360,000	\$360,000	\$360,000
ARCH./ENG./CONSTR. SUPERVISION	\$1,078,668	\$984,741	\$2,242,080	\$1,225,307
LOCAL PERMITS AND FEES	\$3,098,674	\$3,149,172	\$4,757,500	\$3,197,302
ALTA SURVEY	\$20,000	\$20,000	\$20,000	\$20,000
ENVIRONMENTAL PHASE I AND II	\$20,000	\$20,000	\$20,000	\$20,000
SOILS TESTING	\$90,000	\$90,000	\$90,000	\$90,000
CONSTRUCTION LOAN FEES	1.00% \$312,750	\$306,000	\$457,500	\$261,750
CONSTRUCTION/SALE PERIOD INTEREST	\$1,490,775	\$1,458,600	\$2,851,750	\$1,631,575
PROPERTY INSURANCE	\$191,259	\$195,220	\$310,518	\$195,506
PROPERTY TAXES	\$317,583	\$308,476	\$468,423	\$219,464
TITLE AND CLOSING	\$30,000	\$30,000	\$30,000	\$30,000
APPRAISAL FEES	\$10,000	\$10,000	\$10,000	\$10,000
REAL ESTATE LEGAL	\$50,000	\$50,000	\$50,000	\$50,000
WARRANTY	2.00% \$1,047,558	\$1,079,532	\$1,254,690	\$736,532
MARKETING/SALES COMMISSIONS	4.00% \$2,095,116	\$2,159,064	\$2,509,381	\$1,473,065
TOTAL PROJECT COST	\$41,970,683	\$41,068,404	\$62,274,142	\$35,526,890
PER UNIT	\$403,564	\$357,117	\$359,966	\$306,266
PER SF	\$173.36	\$180.92	\$234.64	\$299.30

Source: David Paul Rosen & Associates

Table B-10

Financing Assumptions
 Ownership Housing Prototypes
 15% Density Bonus
 City of Vallejo Inclusionary Housing Study
 Land Residual Analysis
 2006

	Owner 1 Low Density Detached Family	Owner 2 Small Lot Detached Family	Owner 3 Medium Density Attached Family	Owner 4 Stacked Flat Condominium Family
DEVELOPMENT COST ASSUMPTIONS				
Property Acquisition Cost Per SF	\$11	\$22	\$30	\$35
Property Acquisition Cost Per Unit	\$46,100	\$54,200	\$54,800	\$13,100
Off-site and Site Improvement Costs per SF Site Area	\$18	\$18	\$20	\$20
Parking Garage (per space)	\$0	\$0	\$0	\$20,000
Hard Construction/Rehabilitation Costs per SF	\$79	\$86	\$117	\$140
Hard Construction/Rehabilitation Costs per Unit	\$183,903	\$169,757	\$179,490	\$168,540
Architectural/Engineering (Percent of Hard Costs)	4%	4%	6%	6%
Local Permits and Fees Per Unit	\$29,795	\$27,384	\$27,500	\$27,563
Property Insurance During Construction (Percent of Hard Costs)	1.00%	1.00%	1.00%	1.00%
CONSTRUCTION LOAN				
Value, Based on Development Costs				
Constr. Loan Amt. 75% Total Dev. Cost	\$31,275,000	\$30,600,000	\$45,750,000	\$26,175,000
Interest Rate	8.00%	8.00%	8.00%	8.00%
Loan Points	1.00%	1.00%	1.00%	1.00%
Average Loan Balance--Construction	55.00%	55.00%	55.00%	55.00%
Construction Period	13 Months	13 Months	17 Months	18 Months
Total Construction Loan Term	13 Months	13 Months	17 Months	18 Months
Construction Loan Interest--Construction	\$1,490,775	\$1,458,600	\$2,851,750	\$1,631,575
Total Construction Loan Interest	\$1,490,775	\$1,458,600	\$2,851,750	\$1,631,575
Construction Loan Points	\$312,750	\$306,000	\$457,500	\$261,750
HOMEBUYER PERMANENT MORTGAGES				
Interest Rate (include. PMI)	6.48%	6.48%	6.48%	6.48%
Term (Years)	30	30	30	30

Table B-11

**Gap Between Development Cost and Financing Supported by Rents
Affordable to Very Low Income Households**

**City of Vallejo Inclusionary Housing Study
2006**

Targeted Income	Gap Based on Development Costs
Very Low Income (50% of Area Median Income)	\$177,467

Table B-12

Gap Between Development Costs and Affordable Price to Moderate Income Households
Owner Housing Prototypes

City of Vallejo Inclusionary Housing Study
2006

Owner 1 Prototype - Low Density Detached	Owner 2 Prototype - Small Lot Detached	Owner 3 Prototype - Medium Density Attached	Owner 4 Prototype - Stacked Flat Condo
\$133,851	\$86,923	\$135,490	\$51,751

Table B-13

**Amount of Financing Supported by Rents
Affordable to Very Low Income Households**

**City of Vallejo Inclusionary Housing Study
2006**

Prototype		Stacked Flat
Total Units:		150
Units by Bedroom Count:		
One Bedroom		40
Two Bedroom/1 Bath		30
Two Bedroom		55
Three Bedroom		25
Net Operating Income:		
One Bedroom		\$317,760
Two Bedroom/1 Bath		\$264,960
Two Bedroom		\$485,760
Three Bedroom		\$245,100
Total Gross Rents		\$1,313,580
Less: Vacancy	5%	(\$65,679)
Effective Gross Income		\$1,247,901
Operating Expenses (1)		(\$649,800)
Net Operating Income		\$598,101
(1) Total Per Unit Oper. Costs		\$4,332
Annual Operating Costs/Unit		\$4,232
Annual Property Taxes/Unit		\$100

PERMANENT LOAN CALCULATIONS

Annual Net Operating Income, Very Low Income Rents	\$598,101
Debt Coverage Ratio	1.20
Debt Service	\$498,418
Mortgage Term (Amortization)	30 years
Interest Rate	7.50%
Maximum Permanent Loan Amount Based on DCR	\$7,128,249



DAVID PAUL ROSEN & ASSOCIATES

ATTACHMENT C

DEVELOPERS CONTACTED FOR THE INCLUSIONARY HOUSING STUDY



DAVID PAUL ROSEN & ASSOCIATES

Attachment C

Developers Contacted for the Inclusionary Housing Study

Name	Company
Barney Rancau	Lennar Homes
Robert Stevenson	Lennar Homes
Robert Sprague	Mandarich Developments
Joe Callahan (1)	Callahan Property Company
Chris Austin	Triad
Peter Ziblatt (1)	Braddock and Logan
Darrell Bolognesi (1)	Braddock and Logan
Dennis O'Keefe	Pulte Homes
Ray Panek (1)	KB Homes
Eric Clayton (1)	Vallejo NHS
Jim Buckley (1)	Citizens Housing
Jim Silverwood	Affirmed Housing

(1) Developers who provided information for this study. In addition to these developers, BRIDGE Housing and Mid-Peninsula Housing Coalition provided information on construction costs.

February 14, 2007

To: Laura Simpson
From: David Rosen
Nora Lake Brown
Subject: In Lieu Fee Calculation, 2006, Vallejo Inclusionary Housing Ordinance

Attached find a table which calculates the in lieu fee required by terms of the inclusionary housing ordinance under consideration by the Vallejo City Council. The ordinance requires that 5 percent of all new residential for sale housing units be set aside at an affordable housing expense for households earning between 50 percent and 80 percent of the Solano County Area Median Income (AMI), adjusted by household size and as published annually by the California Department of Housing and Community Development (HCD) (the low income obligation), plus 10 percent of all new for sale units be set aside at an affordable housing expense for households earning between 80 percent and 110 percent of AMI (the moderate income obligation).

The ordinance further requires that if a developer's affordable housing production requirement results in a fractional unit obligation of less than 0.50 percent of a unit, then the developer shall pay an in lieu fee, pro rated to the percentage unit obligation. The in lieu fee is calculated using the following methodology. The affordable housing gap, weighted for the combined low and moderate income obligation, is calculated as the difference between the affordable owner housing expense for both income groups and the median new construction house price in Vallejo for the preceding calendar year.

In 2006, 155 new construction homes sold in Vallejo for a median price of \$727,500.

The affordable homeownership cost for a "low income" household of four occupying a three bedroom unit is \$125,000, as calculated in the housing affordability gap analysis conducted by DRA in 2006. The affordable price for a "moderate income" household of the same size is \$272,600. The "gap to price" difference for a low income household, deducting the affordable home purchase price from the median new home price for 2006, is \$602,500. The gap to price difference for a moderate income household is \$454,900.

The weighted in lieu fee per affordable unit, based on this methodology, is \$504,100.

Attachment: Table 1: In Lieu Fee Per Affordable Unit Based on Difference Between Median Sales Price and Affordable Home Price to Low and Moderate income Households; 2006, City of Vallejo Inclusionary Housing Study

Table 1

**In Lieu Fee Per Developed Unit Based on
Difference Between Median Sales Price
and Affordable Home Price to Low and Moderate Income Households**

Fees Based on 2006 New Home Sales in Vallejo

City of Vallejo Inclusionary Housing Study

**2006 Median Sales Price, New
Homes (1)**

\$727,500

	In Lieu Fee Per Developed Unit, Gap Between Median Home Price and Affordable Home Price to Low Income Households	In Lieu Fee Per Developed Unit, Gap Between Median Home Price and Affordable Home Price to Moderate Income Households
Definition of Affordable Housing Expense (2)	30% of 70% of Area Median Income	35% of 110% of Area Median Income
Affordable Home Price (3)	\$125,000	\$272,600
Affordability Gap to Median Price	\$602,500	\$454,900
Inclusionary Requirement	5%	10%
In Lieu Fee	\$30,125	\$45,490
Total In Lieu Fee, 5% Low Income and 10% Moderate Income	\$75,615	

(1) Based on 155 new single-family and condominium homes sales in Vallejo during 2006 from Dataquick Information Systems

(2) Affordable housing expense defined to include mortgage principal and interest, property taxes, property insurance HOA dues and utilities.

(3) For a four-person family and a three-bedroom home.

Source: David Rosen & Associates

ON COMMON GROUND:

JOINT PRINCIPLES ON INCLUSIONARY HOUSING POLICIES

JULY 2005



A Joint Policy Initiative by



THE ANAS GROUP CONSULTING AND POLICY GROUP OF THE INTERNATIONAL BROTHERHOOD OF BUILDERS

POLICY



THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA

HOME BUILDERS ASSOCIATION



Dear Affordable Housing Supporters,

In 2004, the Non-Profit Housing Association of Northern California (NPH) and the Home Builders Association of Northern California (HBANC) began a series of conversations about inclusionary housing in the Bay Area. Inclusionary housing programs require or encourage market-rate housing developments to include a percentage of homes affordable to lower- and moderate-income households. Although our organizations hold some differing opinions on the merits of inclusionary housing, we realized that we shared some important views on how to create more affordable housing at the local level.

NPH and HBANC firmly believe that increasing the housing supply is critical to addressing the affordable housing crisis that affects everyone from food-income seniors to young families. NPH and the HBANC understand it will take a much broader commitment from the public and private sectors to make housing affordable to individuals and households with modest incomes. Frankly, current efforts in our region are not enough. We are going to have to dramatically increase both the supply of all types of housing and our investment in affordable housing to have a real impact.

At its heart, this joint policy statement reflects our shared belief that we need to maximize the limited resources that are currently available to create affordable housing. In terms of inclusionary housing, this means the traditional way of implementing the policy is often not the most effective in producing the most homes at the most affordable prices. In fact, flexibility and adaptation to local market factors are the keys to a more effective and successful program. Based on that premise, the NPH and HBANC offer here some key principles and recommendations on inclusionary housing programs for consideration by jurisdictions that currently have policies as well as those that are in the process of adopting a policy.

Together, NPH and HBANC look forward to working with both the public and private sectors to advance this dialogue beyond the Bay Area and towards a real solution to the affordable housing crisis in California and around the country.

Sincerely,

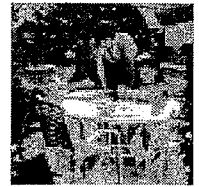
Dianne J. Spaulding
Executive Director, NPH

Joseph Perkins
President and CEO, HBANC

KEY PRINCIPLES OF INCLUSIONARY HOUSING

In its most basic terms, inclusionary housing requires or encourages market-rate housing developments to include a percentage (usually 10 to 20 percent) of homes affordable to lower- and moderate-income households. Inclusionary policies take the form of either a local ordinance, a General Plan policy, or a permit approvals process that requires or rewards affordable housing projects. While NPH and HBANC hold differing views on the merits of inclusionary housing, the following are key principles upon which our organizations agree:

- Providing an adequate supply of housing is a societal responsibility.
- Local communities with inclusionary housing programs have a responsibility to contribute tangible and substantial resources so that the cost of providing affordable housing is spread fairly across the community.
- Affordable housing policies that maximize resources by providing more housing opportunities or deeper levels of affordability at the same or less cost should be encouraged.
- Traditional inclusionary housing policies that require the development of "like-for-like" units distributed uniformly throughout the market-rate development are often not the most effective or efficient way of providing affordable housing.
- To increase effectiveness and efficiency, inclusionary housing programs should provide flexibility and allow a range of alternative methods of providing affordable units.



RECOMMENDATIONS FOR JURISDICTIONS WITH INCLUSIONARY HOUSING PROGRAMS

Market-rate builders should be provided with a choice of several options for producing the affordable homes. The builder should not be required to demonstrate the financial infeasibility of traditional inclusionary requirements in order to use one of these options and, so long as the relevant criteria for a particular option are met, the builder should not be required to obtain approval by the local jurisdiction on a case-by-case basis.

HOUSING TYPE AND DESIGN FLEXIBILITY

Market-rate builders should be able to satisfy an inclusionary requirement by providing alternative for-sale housing types, such as duets, townhouses, or condominiums. Builders should have the option of clustering the units onsite or building offsite (see *Offsite Construction*, page 4).

Market-rate builders should be able to satisfy an inclusionary requirement by providing rental housing, provided that the project meets the inclusionary percentage and income targets applicable to rental projects. Again, the builder should have the option of clustering the units on the project site or providing for the units offsite (see *Offsite Construction*, below).

LAND DEDICATION

Market-rate builders should be able to satisfy an inclusionary requirement by donating land to the local government or a non-profit housing developer, subject to the following:

- The builder and city should ensure that through an upzoning or density bonus the dedicated site will accommodate more affordable units or units at a deeper affordability level than the inclusionary requirement would have provided;
- Where rental housing is to be constructed on the dedicated site, the site should accommodate at least 40 affordable units;
- If the dedicated site is such that it requires “extra” construction costs—such as the need to do podium development or steel construction—in order to accommodate the required number of units, the market-rate builder should bear the extra cost, including any offsite improvements, environmental remediation or provision of utilities. In most other situations, the land dedication itself will satisfy the inclusionary requirement;
- The dedicated site is located within the same jurisdiction as the project or within a defined subregion;
- The dedicated site should have all land-use entitlements secured prior to completion of the market-rate units. If the local jurisdiction unreasonably refuses to approve the necessary entitlements, the builder should be able to pay in-lieu fees.

LAND DEDICATION AT WORK:

At Corona Ranch in Piedmont, CA, the market-rate builder provided land to Eden Housing instead of directly developing the inclusionary homes, making it possible to create 74 apartments affordable to families earning below 60 percent of area median income (\$28,000- \$53,000), offering rents ranging from \$427 to \$861 per month (1BR-4BR).



OFFSITE CONSTRUCTION

Market-rate builders should be able to choose to satisfy an inclusionary requirement by providing for the units to be constructed outside the project location, subject to the following:

- The offsite location is either comparable to the project site or will result in either greater levels of affordability or a greater number of affordable units than the inclusionary requirement would have provided;
- The affordable units should be developed concurrently with the market-rate homes.

POOLING AND CREDIT TRANSFERS

- Two or more market-rate builders should be able to pool resources to satisfy their inclusionary requirement through a single affordable housing project;
- Market-rate builders that build “extra” affordable housing units (i.e., more than required by the inclusionary ordinance) should be able to use the additional units as credits for meeting future inclusionary requirements in the jurisdiction or a defined subregion;
- Market-rate builders that build “extra” affordable housing units should be able to sell the additional units as credits to other builders in the same jurisdiction or a defined subregion;
- The “extra” units should be built before they can be treated as credits;
- Non-profit builders should also be able to sell credits to market-rate builders for projects and/or units that are not being funded by the local government. The affordable homes should be entitled before or concurrently with the market-rate development acquiring the credits;
- Non-profit builders should be able to acquire and improve existing market-rate developments and restrict future rents to very-low income households and sell the units as credits to other builders in the same jurisdiction or a defined subregion. This option should only be allowed if: a) households served are at or below 50 percent of median income; b) the property undergoes extensive renovations; c) number of units acquired and renovated is at least double that of the standard inclusionary requirement; d) affordability is guaranteed for a period of at least 55 years; and e) tenant relocation is appropriately addressed.



OFFSITE CONSTRUCTION AT WORK:

Villa Loma Apartments was made possible because the City of Carlsbad, CA allowed the homebuilder to partner with the non-profit BRIDGE Housing to develop the inclusionary homes offsite, but near the market-rate homes. BRIDGE Housing created 1, 2, 3 and 4 bedroom apartments for 344 households earning at or below 50 and 60 percent of the area median income.

- Where a redevelopment agency exists, increase to at least 50 percent the tax increment devoted to affordable housing programs. (Current law requires a 20 percent low- to moderate-income set-aside for housing.)

2. Zoning

- Provide at least one density bonus for each unit of affordable housing required.
- Exempt inclusionary units from building permit caps and growth allocation processes.
- Proactively “pre-entitle” (general plan and zoning) the sites identified in the housing element as affordable housing sites.
- Make appropriate surplus publicly owned land available for affordable housing.

3. Program Administration

- Local governments should provide a dedicated staff and budget to administer the program or contract with a competent entity to do so.
- This responsibility includes up-front assistance to homebuilders and prospective buyers/renters in the sales/rental process as well as long-term monitoring of the inclusionary homes.
- In the case of for-sale inclusionary units, in which the developer makes a good faith effort to sell the unit but it remains unsold after 90 days, the local government should either: a) purchase the unit at the restricted price and take over marketing; or b) give permission to sell the unit at market-rate and capture the difference. For option A, the local government must close on the unit within 120 days from completion. For option B, the program should be structured so that there will be an incentive to obtain true market value for the unit.
- The cost of program administration should not come from fees or other exactions imposed on builders.

CONCLUSION

Throughout California, public officials and private citizens are struggling to find ways to address the affordable housing crisis. Together, NPH and HBANC want to ensure that the dialogue about solutions is being informed by a set of principles effective and efficient at shaping public policies that will work for builders, cities and residents. California has long led the nation in innovative approaches to addressing the affordable housing crisis, and, by working together, NPH and HBANC believe that we can find common ground to help solve the problem in the near future.

ACKNOWLEDGMENTS

NPH

Staff:

Dianne J. Spaulding, *Executive Director*
Geeta Rao, *Policy Director*
Evelyn Stivers, *Program Coordinator*
Inclusionary Housing Initiative
Tina Duong, *Communications & Programs Director*

Policy Committee:

Carol Galante, BRIDGE Housing
Chris Glaudel, Mercy Housing California
John Lowry, Burbank Housing Development Corp.
Linda Mandolini, Eden Housing
Betty Pagett, EAH, Inc.
Fran Wagstaff, Mid-Peninsula Housing Coalition

About NPH

Since 1979, the Non-Profit Housing Association of Northern California (NPH) has worked to advance affordable housing as the foundation for thriving individuals, families and neighborhoods.

As the collective voice of those who support, build, finance and manage affordable housing, NPH promotes the proven methods of the non-profit sector and focuses government policy on housing solutions.

369 Pine Street, Suite 350
San Francisco, CA 94104
Tel (415) 989-8160
www.nonprofithousing.org

HBANC

Staff:

Joseph Perkins, *President & CEO*
Paul Campos, *Vice President of Governmental Affairs & General Counsel*
Jay Bedecarre, *Director of Communications & Member Services*

Policy Committee:

Layne Marceau, Shea Homes
Greg Mix, William Lyon Homes
Mike Meyer, Greenbriar Homes Communities
Kile Morgan Jr., Ponderosa Homes
Dennis O'Brien, The O'Brien Group
Cheryl O'Connor, Warmington Homes
Jeffrey Schroeder, Ponderosa Homes
J. Christian Truebridge, Shapell Homes

About HBANC

The Home Builders Association of Northern California (HBANC) is a professional association comprised of home builders, developers, trade contractors, suppliers, and related industry specialists who are dedicated to the advancement of the home building industry in the Bay Area.

200 Porter Drive, #200
San Ramon, CA 94583
Tel (925) 820-7626
www.hbanc.org

Photo Credits:
BRIDGE Housing
Burbank Housing
Eden Housing
MAAC Corporation

CITY OF VALLEJO - RESIDENTIAL ACTIVITY LIST

Fall/Winter 2006
(5+ Units)

FILE NUMBER	PROJECT NAME DEVELOPER	# UNITS UNIT TYPE	PARCEL # and Location /ACRES	APPROVAL DATE/Planner	EXPIRATION DATE	FINAL MAP	STATUS/ UNITS FINALED	AFFORDABLE UNITS
UP 06-0023 TM 06-0009	Sandy Beach Estates Cole Carter 1650 Longspur Sunnyvale, CA 94087 (408) 836-9304	17 SFR	0062-120-010 201 Sandy Beach Rd. 3.4 acres	Incomplete Donovan	N/A	No	0	0
TM 06-0002	The Ridge Condominiums Keenan Howard 2726 Overlook Drive Vallejo, CA 94591 (510) 773-6099	54 unit condo conversion from apartments	0052-282-320 301 Fairgrounds Dr. 29,620 ft ²	Incomplete Tujikka <i>Approved</i>	N/A	No	0	0
SD 06-0042	Grant Street Commons Clyde Miles Construction 970 Garcia Ave. Pittsburg, CA 94565 (925) 427-4473	6 SFR	0061-211- 040,080,100,110,120, 150 Grant St. (between Magazine & Cherry St.)	Incomplete Adams <i>Approved</i>	N/A	No	0	0

FILE NUMBER	PROJECT NAME DEVELOPER	# UNITS UNIT TYPE	PARCEL # and Location /ACRES	APPROVAL DATE/Planner	EXPIRATION DATE	FINAL MAP	STATUS/ UNITS FINALED	AFFORDABLE UNITS
PD 06-0012 TM 06-0006	4C Lennar 690 Walnut Avenue Vallejo, CA 94590 562-4000	42 MFR condos	N/A	Pending Hightower	N/A	No	0	0
PD 06-0011 TM 05-0002	Glendale Grove (8A) Lennar/John Lang Homes 1544 Eureka Blvd., Suite 250 Roseville, CA (925) 257-7605	43 SFR (Lennar) 24 MFR townhomes	30 acres	Approved 7/5/06 Hightower	N/A	No	0	0
PD 06-0005 TM 05-0002	8A Marine Barracks Lennar 690 Walnut Avenue Vallejo, CA 94590	42 MFR condos	N/A	Pending (unit plan) Hightower	N/A	No	0	0
PD 06-0003 TM 05-0015	8C Lennar 690 Walnut Avenue Vallejo, CA 94590	68 SFR 28 MFR	22 acres	Pending (unit plan) Hightower	N/A	No	0	0
PD 05-0010	8D Lennar 690 Walnut Avenue Vallejo, CA 94590	38 SFR	6 acres	Approved 1/9/06 Hightower	N/A	Yes	Model Homes being built	0
PD 05-0012 TM 05-0004 ZMA 050002	Paisno Village CLW Partnership 2743 Markas Corner Road Suisun Valley, CA 94534 372-0560	6 SFR	0056-024-080,090 0.47 acres Illinois @ Fern St.	Pending Goon <i>approved</i>	N/A	No	0	0

FILE NUMBER	PROJECT NAME DEVELOPER	# UNITS UNIT TYPE	PARCEL # and Location /ACRES	APPROVAL DATE/Planner	EXPIRATION DATE	FINAL MAP	STATUS/ UNITS FINALED	AFFORDABLE UNITS
TM 06-0001 UP 06-0005 ME 06-0006	McLane Townhomes Vallejo Neighborhood Housing 610 Lemon St. Vallejo, Ca (707) 552-4663	12	0061-051-010 thru 050 749 & 759 Sonoma Blv	Approved 7/17/06 Donovan	N/A	No	0	0
TM 06-0003	Skyline Estates Skyline Estates LLC 690 Walnut Ave. #210 Vallejo, CA 94592 (707) 558-0222	23 SFR	0069-010-530, 630 between Parajo & Skyview Dr.	Pending Adams	N/A	No	0	0
TM 06-0007 PD 06-0016 GPA 06- 0001 ZMA06-0002 ME 06-	Kennedy Lane Pulte Homes 6210 Stoneridge Mall Rd. Pleasanton, CA 94566 (510) 571-2200	285 MFR townhomes	0067-140-060,070 Mini/Sonoma/Broadw ay	Pending Adams	N/A	No	0	0
TM 05-0013	Tuscan Valley Estates Jeanine Berman 329 Yerba Buena S.F., CA 94130 (415) 350-3402	18 Lots (SFR) 4.1 Acres	0072-160-800 Columbus & Devlin	Approved 6/19/06 Donovan	N/A	No	0	0
TM 05-0016 PD 05-0023 ME 06-0005	Belvedere Mandarich Developments, Inc. 6545 Sunrise Blvd., Suite 300 Citrus Heights, California 95610 (916) 727-1800	336 units condos (age restricted)	0081-800- 310,320,350 N. Ascot Pkwy (between Columbus & Turner)	Approved Tuikka	N/A	No	0	0

FILE NUMBER	PROJECT NAME DEVELOPER	# UNITS UNIT TYPE	PARCEL # and Location /ACRES	APPROVAL DATE/Planner	EXPIRATION DATE	FINAL MAP	STATUS/ UNITS FINALED	AFFORDABLE UNITS
UP 05-0003	Castlewood Townhomes Sham S. Vohra 6254 Pebble Beach Rd. Vallejo, CA 94591 644-8140	10	0071-062-020	Approved 3/21/05 Tuikka	3/21/07	N/A	Building permit submittal approved by Planning	0
PD 05-0022 TM 05-0006	McLane Court Anthony Investments 961 Moraga Rd. Lafayette, CA 94549 (925) 299-7611	Master Plan	0061-052-170	Approved 3/28/06 (PD) 6/6/05 (TM) Donovan	6/6/08	No	grading	0
TM 05-0001 PD 05-0004	Kirkland Isle (Unit 2) Lennar 900 Walnut Avenue Vallejo, CA 94590	62 SFR 4 MFR	Mare Island West of Azuar Pkwy 22 acres	Approved 4/18/05 Hightower	4/18/08	Yes	15	0
PD 05-0017 TM 05-0007	The Grove @ Hiddenbrooke (Phase III) Triad Communities LP 1095 Hiddenbrooke Pkwy Vallejo, CA 94590 (707) 557-1184	70 SFR	182-060-040,200,800,810,820, 182-280-000 66.37 acres (11.89 residential)	Approved 4/11/06 Adams	4/11/09	No	Plan check	0
PD 05-0020 TM 05-0010	Forest Hill Condos Abbas Maroofi 2 North Knoll Road Mill Valley, CA 94941 (925) 932-4906	28 Condo	0094-481-950 Forest Hill Dr. (off Avian Dr.)	Approved 2/7/06 Adams	2/7/09	No	Plan check	0

FILE NUMBER	PROJECT NAME DEVELOPER	# UNITS UNIT TYPE	PARCEL # and Location /ACRES	APPROVAL DATE/Planner	EXPIRATION DATE	FINAL MAP	STATUS/ UNITS FINALED	AFFORDABLE UNITS
TM 05-0005 UP 05-0024	Broadway St & Garibaldi Dr Hunter Strauss LLC PO Box 1716 Ross, CA 94957 (415) 990-9911	14 units live-work	0052-143-020	Approved 2/6/06 Donovan	2/6/09	N/A	0	0
TM 05-0012 PD 04-0020	Virginia Street Project Triad Communities 1095 Hiddenbrooke Parkway Vallejo, CA 94591	150 MFR 8 live-work	Virginia Street- downtown 0056-191-100, 260	Approved 10/05 Jensen	10/08	No	0	0
PD 05-0013 TM 05-0008	Waterfront/Downtown Callahan DaSilva Vallejo, CA 94590	175 Townhomes 13.5-Acres	Various Parcels	Approved 10/27/05 Haag	10/27/08	No	0	0
UP 04-0017	Magnolia Apartments Jose Gonzalez 351 Kenyon Way Vallejo, CA 94589 (707) 333-9751	18 MFR apartments	0053-162-200 .88 acres	Approved 11/1/04 Adams	11/1/06	N/A	0	0
PD 04-0015 TM 04-0004	Garthe Ranch De Silva Group 1155 Dublin Blvd. Dublin, CA 94568	105 SFR	Columbus Pkwy, (east side) @ Springs Rd. 0082-030-230, 060	Approved 11/30/04 Tuikka	11/30/07	Yes	0	0
TM 03-0005 PD 03-0005	THE SUMMIT (Parcel 316A) Triad Communities 1095 Hiddenbrooke Parkway Vallejo, CA 94591	71 Single Family detached	182-272-030 Hiddenbrook Pkwy & street a	Approved 7/21/03 Adams	7/21/06	Yes	6	0

FILE NUMBER	PROJECT NAME DEVELOPER	# UNITS UNIT TYPE	PARCEL # and Location /ACRES	APPROVAL DATE/Planner	EXPIRATION DATE	FINAL MAP	STATUS/ UNITS FINALED	AFFORDABLE UNITS
TM 02-0004 PD 02-0010	BORDONI PROJECT Braddock & Logan Group 4155 Blackhawk Plaza Circle, Suite 201, Danville, CA 94526 (925) 736-4000	454 Single Family detached	72-180-03,05/ 82-010-10 Columbus Pkwy. & Benicia Rd.	Approved (pending annexation approval) Everts/Tuikka	N/A	N/A	0	0
PD 02-0009	STANFORD VILLAGE Vallejo Neighborhood Housing 610 Lemon St Vallejo, CA 94590 (707) 552-4663	22 Duplex units	68-100-35 Stanford & Mini Dr. 1.98 acres	Approved 6/16/03 Donovan	6/16/06	No	0	22
PD 01-0002	AVIAN GLEN APTS. Affirmed Housing Group 200 E. Washington Ave. #208 Escallia, CA 92025	87 unit apartment units (1-3 bedrooms)	81-270-18,20 Avian Drive	Approved 2/21/01 Adams	8/21/02	Yes	30	87
TM 05-0009 TM 01-0002 PD 01-0017	Oakwood Village Mapes Brothers, Inc. 22245 Cynthia Circle Hayward, CA 94541 (510) 889-9924	33 Single Family	81-060-39 5.25 acres Oakwood Ave.	Approved 9/19/05 7/15/02 9/17/02	9/19/08	No	0	0
PUD 528 TM 78-11	The Arbors (Phase 2) Diaz & Son's Inc. 720 L Street Vallejo, CA 94592 557-1273	22 SFR	0078-403-010	Approved 3/16/05 Adams-Dolan	N/A	Yes	0	0

**RECORDING REQUESTED BY AND
WHEN RECORDED, RETURN TO:**

City of
Attn: Housing and Community Development Manager

**AFFORDABLE HOUSING COVENANTS,
RESALE RESTRICTIONS AND
OPTION TO PURCHASE AGREEMENT**

THIS AFFORDABLE HOUSING COVENANTS, RESALE RESTRICTIONS AND
OPTION TO PURCHASE AGREEMENT (this "Agreement") is made as of _____
_____, 200X, by and between _____ ("Owner") and the City of
_____, a municipal corporation ("City").

Recitals

A. Owner is acquiring title to that certain real property in the City of _____, California, which is more particularly described in Exhibit A hereto (the "Unit"). The Unit is part of a development that was approved by the City subject to the requirement that one or more of the units be designated and maintained as affordable to moderate-income families.

B. The purpose of this Agreement is to implement the foregoing requirement by ensuring that the Unit is only purchased by moderate-income families. This Agreement accomplishes this purpose by, among other things, restricting the resale of the Unit. Execution of this Agreement by any purchaser of the Unit is required by the conditions of approval of the development. This Agreement is secured by a deed of trust executed by Owner. The term of this Agreement is 45 years.

In consideration of the terms and conditions of this Agreement and the approval of the development, of which the Unit is a part, the parties hereto agree as follows:

Agreements

**ARTICLE 1
DEFINITIONS**

As used in this Agreement, the terms set forth below shall have the following meanings (other defined terms in this Agreement not referenced below shall have the meanings where first used).

1.1 Area Median Income means the combined salaries, wages, or other sources of income based upon household size in a geographic area, in this case, the Oakland Metropolitan Statistical Area, which includes Contra Costa County, as provided in Section 50093(c) of the California Health and Safety Code.

1.2 Eligible Buyer shall mean a Moderate Income Household.

1.3 Eligible Buyer Maximum Income shall mean the maximum income of a Moderate Income Household.

1.4 Eligible Buyer Purchase Price means a sales price that results in monthly housing costs, including mortgage (principle and interest based on a standard 30-year fixed interest rate loan approved by City), property taxes, utilities, property insurance and homeowner association fees, that assume a minimum 5% down payment from Buyer, and do not exceed one-twelfth of 35% of the maximum annual income for a Moderate Income Household, as determined by the City in its sole discretion.

1.5 Moderate Income Household means a household whose annual income does not exceed the qualifying limits of 120% of area median income, based on household size, set for 'persons and families of low or moderate income' in Health and Safety Code section 50079.5.

ARTICLE 2 RESTRICTIONS

2.1 Owner Acknowledgments and Agreements. Owner hereby acknowledges and agrees that taking title to a Unit shall constitute Owner's acknowledgment and agreement of the following:

A. THE UNIT IS BEING ACQUIRED BY OWNER AT A COST WHICH IS BELOW MARKET RATE FOR SUCH UNIT AND THAT SUCH UNIT IS SUBJECT TO THE RESALE RESTRICTIONS AND CITY'S PURCHASE OPTION CONTAINED IN THIS AGREEMENT GRANTING THE CITY AN IRREVOCABLE POWER OF ATTORNEY COUPLED WITH AN INTEREST TO ACT ON THE OWNER'S BEHALF TO EXECUTE, ACKNOWLEDGE AND DELIVER ANY AND ALL DOCUMENTS RELATING TO THE CITY'S PURCHASE OPTION. THERE SHALL BE NO SALE OR TRANSFER OF THE UNIT EXCEPT IN ACCORDANCE WITH THIS AGREEMENT. ANY SALE OR OTHER TRANSFER OF THE UNIT IN VIOLATION OF THIS AGREEMENT SHALL BE VOIDABLE BY CITY.

B. OWNER SHALL OCCUPY THE UNIT AS ITS PRINCIPAL RESIDENCE FOR THE DURATION OF ITS OWNERSHIP. Upon request by the City, each Owner shall submit an affidavit to the City certifying under penalty of perjury that the Unit is the Owner's principal residence, and provide City with a recent utility bill or other evidence of residency satisfactory to the City. If an Owner vacates the Unit, or for any reason does not continue to occupy the Unit as its principal residence, City may declare an Event of Default pursuant to Section 9.11 and exercise any or all of its rights and remedies hereunder, including without limitation the City's Purchase Option pursuant to Article 5.

C. OWNER'S RIGHT TO RESELL THE UNIT AT MARKET VALUE IS VERY LIMITED, AND THAT, IN CERTAIN INSTANCES, CITY WILL HAVE THE OPTION TO PURCHASE THE UNIT FROM OWNER.

E. THE UNIT WILL NOT NECESSARILY APPRECIATE IN VALUE DURING THE DURATION OF ITS OWNERSHIP, AND THAT THE ELIGIBLE BUYER PURCHASE PRICE MAY BE LESS THAN THE INITIAL PRICE THAT THE OWNER ORIGINALLY

PAID FOR THE UNIT AND, THUS, WHEN THE OWNER SELLS ITS UNIT IT MAY RECEIVE LESS THAN IT ORIGINALLY PAID FOR THE UNIT.

2.2 Permitted Transfers. Subject to compliance with the procedures described in Article 3, including but not limited to providing required notices to the City, the following Transfers of the Unit without monetary consideration are "Permitted Transfers":

- (a) Transfer of title by gift, devise, or inheritance to an Owner's spouse;
- (b) Transfer of title by devise or inheritance to an Owner's natural or adopted children;
- (c) Transfer of title by an Owner's death to a surviving joint tenant, tenant by entireties, or a surviving spouse of community property;
- (d) Transfer of title to a spouse as part of divorce or dissolution proceedings; or
- (e) Transfer of title or any interest in the Unit to the spouse in conjunction with marriage.

2.3 Permitted Sales. Subject to compliance with the procedures described in Article 4 and Article 5, including but not limited to providing required notices to the City, an Owner may Sell the Unit to an Eligible Buyer ("Permitted Sale"). If the City or the Owner are unable to identify an Eligible Buyer as provided in Article 4, then City shall have the option to purchase the Unit pursuant to the City's Purchase Option described in Article 5. If the City or the Owner are unable to identify an Eligible Buyer and the City has not exercised the City's Purchase Option, the Owner shall have the right to Sell the Unit to a non-Eligible Buyer in accordance with the provisions of Article 6.

2.4 Prohibited Transfers; Prohibited Sales. Any Transfer other than a Permitted Transfer is a Prohibited Transfer. A Prohibited Transfer specifically includes any Transfer of a use, rental or leasehold interest in a Unit. Any Sale of the Unit other than a Permitted Sale, the City's Purchase Option, or an Extraordinary Sale is a Prohibited Sale. If an Owner attempts or makes a Prohibited Transfer or Prohibited Sale, then in addition to all other rights or remedies City may have under this Agreement, City shall have the right to exercise the City's Purchase Option described in Article 5, which may be exercised against the Transferee or the Owner under such Prohibited Transfer or Prohibited Sale.

ARTICLE 3 TRANSFER PROCEDURES

3.1 Transfer by Devise or Inheritance. If an Owner has made a Permitted Transfer (other than by gift) by devise, inheritance or rights of survival under Sections 2.2(a), (b) or (c), the trustee, executor or new owner shall notify City in writing of the change in ownership of the Unit within 20 days of such event giving rise to such Permitted Transfer. Any such Transferee shall be bound by and subject to the provisions of this Agreement and the trustee, executor or new owner shall execute, acknowledge and deliver to the City, within such 20-day period, an Assumption Agreement in a form acceptable to the City whereby the Transferee agrees to be bound by this Agreement, and the failure to do so shall constitute a default under Section 9.11; provided that such Transferee shall be bound by and subject to the provisions of this Agreement notwithstanding its failure to deliver such executed and recordable Assumption Agreement.

3.2 Other Permitted Transfers. If an Owner desires to Transfer the Unit by gift under Section 2.2(a) or by a Permitted Transfer under Sections 2.2(d) or (e), Owner shall provide City with a Notice of Intent to Transfer in the form attached as Exhibit B, together with any other

documentation City may reasonably request in order to ensure that the Transfer is a Permitted Transfer. Upon receipt of a Notice of Intent to Transfer, City shall have 45 days after receipt by the City of such Notice of Intent to Transfer and other documentation to deliver written notice to the Owner that either approves the Transfer as a Permitted Transfer or disapproves the Transfer. The Transfer shall be deemed a Permitted Transfer if City fails to disapprove the proposed Transfer within such 45 day period. The Owner shall complete the Permitted Transfer, including recordation of all applicable documents, within 60 days after receipt of approval of the Transfer. Any such Transferee shall be bound by and subject to the provisions of this Agreement as an Owner and shall execute, acknowledge and deliver to the City an Assumption Agreement in the form of Exhibit G, and the failure to do so shall constitute a default under Section 9.11; provided that such Transferee shall be bound by and subject to the provisions of this Agreement as an Owner notwithstanding its failure to deliver such executed and recordable Assumption Agreement.

3.3 Transfer of the Unit without City's Approval. If City determines that the proposed Transfer is a Prohibited Transfer, the Owner shall not Transfer the Unit. Any Transfer of a Unit without City's approval shall be voidable and in such event, in addition to all other rights and remedies City may have under this Agreement, City shall have the right to exercise City's Purchase Option pursuant to Article 5, which may be exercised against the Transferee or Owner under such Prohibited Transfer.

ARTICLE 4 SALE PROCEDURES

4.1 Notice of Permitted Sale. If an Owner desires to Sell the Unit, the Owner shall provide City with a Notice of Intent to Sell in the form attached as Exhibit C. Within fifteen (15) business days after receipt of such Notice, City shall provide Owner with the Eligible Buyer Purchase Price and the Eligible Buyer Maximum Income. The Owner shall market the Unit to Eligible Buyers for a period of not less than Ninety (90) days from providing the Notice, unless the Unit is sold prior to the expiration of the 90-day period to an Eligible Buyer in accordance with this Agreement. City may, in its sole discretion, assist in the marketing of the Unit. If Owner is unable to locate an Eligible Buyer who is ready, willing and able to enter into a purchase agreement for the Unit in accordance with this Agreement within the 90-day period, City shall have 30 days from after the expiration of the period to exercise City's Purchase Option under Article 5.

4.2 Inspection; Repair Costs. Upon receipt of a Notice of Intent to Sell, City or its agent shall have the right to enter the Unit at reasonable times with 24 hours advance notice to inspect the Unit to determine whether any damage or violations of applicable laws or ordinances exist. For purposes of this inspection, the City may hire a third party inspector. City shall conduct its inspection within 15 days after receipt of the Notice of Intent to Sell. In the event any damage or violations are discovered, City shall determine the cost of repair or correction of such condition ("Repair Costs"). By way of example, Repair Costs would include the cost of repairing or replacing such things as broken, damaged or worn appliances, fixtures (including lights, shelving, bathroom fixtures, cabinets, countertops, tubs and vanities) walls, ceilings and paint and exterior surfaces, window coverings and carpets (collectively "Unit Amenities") due to stains, extreme wear, damage or destruction. Within 30 days after the inspection, City will prepare a written report describing the Repair Costs. The Owner shall have the option to either (i) repair or replace the items on such report at Owner's cost prior to closing (without extending

the closing date), or (ii) at closing cause the escrow holder to pay the Repair Costs to the Buyer out of Owner's Gross Proceeds of the sale. If an Owner elects to repair or replace the items on such report, City shall have the right to re-inspect the Unit under the terms of this Section 4.2 after the repairs and/or replacements are complete. If City determines that deficiencies still remain, the Owner shall cause the escrow agent at closing to pay to Buyer from Owner's Gross Proceeds the Repair Costs in such amounts as City determines are necessary to complete the remaining repairs and/or replacements. City's determinations shall be final.

4.3 Transaction Fee. Upon close of escrow, a Transaction Fee shall be deducted from Owner's Gross Proceeds and paid to the City pursuant to Section 4.7. The transaction fee shall be an amount determined by the City as necessary to cover City's costs related to the transaction, which amount shall not exceed One Percent (1%) of the Eligible Buyer Purchase Price.

4.5 Eligible Buyer Purchase Price. The sale of the Unit pursuant to this Article may only be made to an Eligible Buyer at a price that does not exceed the Eligible Buyer Purchase Price.

4.6 Appraisal; City Documents. Upon receipt of a Notice of Intent to Sell, City shall cause an Appraisal to be completed prior to close of escrow to determine the Market Value of the Unit as of the date of such Notice.

At close of escrow, the Eligible Buyer shall deliver or cause to be delivered into escrow:

(a) An Affordable Housing Covenants, Resale Restrictions and Option to Purchase Agreement in substantially the form of this Agreement approved by the City and executed by the City and the Eligible Buyer, together with a standard deed of trust securing the obligations thereunder.

(b) The required downpayment and all documents required by the Eligible Buyer's Senior Lender.

4.7 Proceeds from Permitted Sale. Owner's Gross Proceeds from a Permitted Sale shall be distributed in the following priority to the extent funds from Owner's Gross Proceeds are available:

(a) first, to pay any amounts owed under the Owner's Senior Lien;

(b) second, to pay the costs of the Appraisal under Section 4.6, and to pay, as provided in Section 4.10, all customary closing costs that a seller would pay in Contra Costa County;

(c) third, to pay to Buyer all Repair Costs (if any, and to the extent not already paid) which are owed to the Buyer under Section 4.2;

(d) further, to pay to City the Transaction Fee under Section 4.3;

(e) fifth, any remaining amounts shall be paid to the Owner as the Owner's Net Proceeds.

4.8 Personal Property. Any sums paid to an Owner by an Eligible Buyer for personal property shall not be part of the Eligible Buyer Purchase Price. No other consideration of any nature whatsoever shall be paid by an Eligible Buyer to the Owner unless fully disclosed to and approved by City in advance.

4.9 Closing. At closing, the Owner shall convey fee title to the Eligible Buyer by standard title company form grant deed. The Owner shall cause the title company to issue to the Eligible Buyer a CLTA standard coverage owner's form of title insurance policy in the amount of the Eligible Buyer Purchase Price insuring title to the Unit is vested in the Eligible Buyer, subject to exclusions from coverage, exceptions for current taxes and assessments not yet due, this Agreement and all documents recorded pursuant to this Agreement and such other matters (other than encumbrances created or suffered by the Owner) which were exceptions to title on the date of this Agreement. All other closing costs shall be paid by the Owner or the Eligible Buyer pursuant to the custom in Contra Costa County.

ARTICLE 5 CITY'S PURCHASE OPTION

5.1 Purchase Option. By taking title to the Unit, each Owner irrevocably grants, to City an option to purchase the Unit (the "City's Purchase Option") at an amount equal to the Eligible Buyer Purchase Price upon the occurrence of any of the following:

- (a) in the event City or the Owner is unable to identify an Eligible Buyer pursuant to and within the times set forth in Section 4.1;
- (b) in the event of any Prohibited Transfer or Prohibited Sale by the Owner;
- (c) in the event that Owner is in default of the occupancy requirement set forth in Section 2.1(c);
- (d) in an Event of Default (as defined in Section 9.11); or
- (e) in the event that escrow fails to close within the times set forth in Section 4.1 or Section 6.5; or
- (f) as reserved to City under Section 6.1 for the period of time from Owner's Notice of Extraordinary Sale pursuant to Section 6.2 hereof to the date of written acceptance by Owner of an offer to purchase the Unit from a buyer,

provided, that in the case of (b), (c), (d) or (e), above, City's Purchase Option shall be in addition to any other remedy provided in this Agreement for an Event of Default. By taking title to the Unit, Owner agrees that City's facilitation of the Transfers contemplated hereby and its acts, commitments and expenditures in furtherance thereof constitute adequate consideration for the grant of the City's Purchase Option hereunder.

5.2 Exercise of Option.

(a) Permitted Sale. If the City's Purchase Option is available to the City pursuant to Subsection 5.1(a), then City may exercise the City's Purchase Option within the 30-day period described in Section 4.1 and in accordance with Section 5.4.

(b) Prohibited Transfer, Prohibited Sale, Failure to Occupy or Event of Default. If the City's Purchase Option is available to the City pursuant to Subsection 5.1(b), (c), or (d) above, then City may exercise its option in accordance with Section 5.4.

(c) Failure to Close Escrow. If the City's Purchase Option is available to the City pursuant to Section 5.1(e) or (f), then City shall exercise its option in accordance with Section 5.4.

5.3 Assignment of City's Purchase Option. After City has exercised the City's Purchase Option, City may, without the Owner's or Transferee's consent, assign the City's Purchase Option to an Eligible Buyer or to a governmental City or non-profit organization that agrees to be subject to this Agreement; provided, however, that any such assignment shall not extend any time limits contained in this Agreement.

5.4 Procedure Upon Exercise of Option. City shall exercise the City's Purchase Option by delivering written notice to the Owner (and to Transferee, if applicable). Closing of escrow shall occur within 110 days (plus any time delays caused by the Owner), or such additional time as reasonably determined by the City is necessary under the circumstances after the date of City's written notice exercising the City's Purchase Option. Proceeds from the sale shall be distributed in the manner provided in Section 4.7. Closing shall occur in the manner provided in Section 4.10, with the City having the rights and responsibilities of the Eligible Buyer provided thereunder.

5.5 Failure to Close. In the event City exercises the City Purchase Option pursuant to Section 5.1(a), if City fails to close escrow pursuant to Section 5.4, then the Owner may conduct an Extraordinary Sale under Article 6. In the event City exercises the City Purchase Option pursuant to Section 5.1(b), (c), (d), (e) or (f), if City fails to close escrow pursuant to Section 5.4, then the City shall be deemed to retain all remedies available under Section 9.11, including the exercise of City's Purchase Option.

5.6 Power of Attorney. By taking title to the Unit, each Owner grants to City an irrevocable power of attorney coupled with an interest to act on the Owner's behalf to execute, acknowledge and deliver any and all documents relating to the City's Purchase Option.

ARTICLE 6 EXTRAORDINARY SALE

6.1 When Extraordinary Sale Permitted. The purpose of this Article is to permit the sale of the Unit to a buyer who is not an Eligible Buyer when an Eligible Buyer has not been secured, while at the same time not creating a disincentive for Owner to find an Eligible Buyer. Accordingly, the purpose of this Article is to limit the Owner's return upon an Extraordinary Sale to the same gross amount (i.e. the Eligible Buyer Sales Price) that would have been realized from a sale pursuant to Article 4.

If City or an Owner fails to identify an Eligible Buyer within the times set forth in Section 4.1 after receipt by the City from the Owner of a Notice of Intent to Sell, and:

(a) City fails to exercise the City's Purchase Option within the times set forth in Sections 4.1 and 5.2(a), or

(b) City fails to close escrow pursuant to Section 5.4 after exercising the City's Purchase Option pursuant to Section 4.1 and 5.2(a),

then the Owner shall have the right to make an Extraordinary Sale in accordance with the procedures set forth in this Article 6; provided, however that City shall retain the City's Purchase Option for the period of time from Owner's Notice of Extraordinary Sale pursuant to Section 6.2 hereof to the date of written acceptance by Owner of an offer to purchase the Unit from a buyer. In no event shall an Owner have the right to make an Extraordinary Sale in the event of any attempted or actual Prohibited Transfer or Prohibited Sale by the Owner or if there is any other Event of Default by the Owner under this Agreement. If, following commencement of Owner's right to conduct and Extraordinary Sale and prior to Owner entering into a binding sales agreement, an Eligible Buyer is identified by City or Owner who is ready, willing and able to purchase the Unit at the Eligible Buyer's Purchase Price, Owner shall sell the Unit to that Eligible Buyer pursuant to Article 4.

6.2 Notice of Extraordinary Sale; Appraisal. Each Owner shall notify City of the Owner's intent to make an Extraordinary Sale by delivering a Notice of Extraordinary Sale in the form attached as Exhibit D. The Notice of Extraordinary Sale shall contain a request that City calculate the current Market Value of the Unit based upon an Appraisal, the cost of which shall be paid by Owner through escrow. City shall provide the Owner with a copy of the Appraisal within 10 days after receipt of by the City. City shall use reasonable efforts to obtain the Appraisal within 60 days after receipt of the Notice of Extraordinary Sale. The Owner shall be required to Sell the Unit at a price not less than the current Market Value, unless otherwise approved by City in writing. All transfer documents relating to the Extraordinary Sale shall be submitted to the City for its review and approval as consistent with the terms of this Agreement. The actual gross sales price for the Unit under any such sale is the "Extraordinary Sale Price." For purposes of determining the parties' respective share of the proceeds, the City shall also provide Owner with the Eligible Buyer Sales Price.

6.3 City's Share of Proceeds. In the event of an Extraordinary Sale, the Owner shall pay to the City the difference between the Extraordinary Sale Price and the Eligible Buyer Sales Price.

6.4 Distribution of Proceeds. The Extraordinary Sale Price shall be distributed in the following priority to the extent funds are available:

- (a) first, to pay any amounts owed under the selling Owner's Senior Lien;
- (b) second, subject to the provisions of Section 6.7 below, to pay all customary closing costs, and escrow fees that are the responsibility of the selling Owner;
- (c) third, to pay to City, as determined by City, the Transfer Fee under Section 4.3;
- (d) fourth, to pay to City the difference between the Extraordinary Sale Price and the Eligible Buyer Sales Price;

6.5 Time Requirements for Extraordinary Sale. Each Owner shall complete an Extraordinary Sale within 120 days after receipt of the Appraisal under Section 6.2. If the Extraordinary Sale is not completed within such time, and Owner is not bound by written

contract with a buyer to Sell the Unit, the City may either (i) designate an Eligible Buyer for the Unit pursuant to Section 4.1, in which case the provisions of Article 4 shall apply in lieu of the provisions of this Article 6, or (ii) exercise the City's Purchase Option under Section 5.1, in which case the provisions of Article 5 shall apply in lieu of the provisions of this Article 6.

6.6 Effect of Extraordinary Sale. Upon the close of escrow for an Extraordinary Sale in compliance with the provisions of this Article 6, the purchaser at the Extraordinary Sale shall acquire title to the Unit free and clear of the provisions of this Agreement, including the City's Purchase Option. Pursuant to Section 9.13 and in accordance with this Section 6.6, City agrees to execute, acknowledge and record a release or other documentation sufficient to release the Unit sold at an Extraordinary Sale from the provisions of this Agreement, including the City's Purchase Option.

6.7 Foreclosure Sale. In the event of a foreclosure sale, this Section 6.7 shall operate to require the same obligations of Owner as in an Extraordinary Sale and all references to the "close of escrow" shall be replaced by "foreclosure sale."

ARTICLE 7 LENDER PROVISIONS

7.1 Senior Liens. Mortgages, deeds of trust, sales and leases-back or any other form of conveyance required for any reasonable method of financing (subject to Section 7.2, the "Senior Lien") are permitted, but only as follows:

(a) for the sole purpose of securing a purchase money loan of funds to be used by an Owner for financing the acquisition of the Unit by the Owner ("Initial Financing"), provided such Initial Financing shall be in compliance with the Program and shall be obtained through a bank, savings and loan association, insurance company, pension fund, publicly traded real estate investment trust, governmental City, or charitable organization engaged in making residential real estate loans ("Senior Lender"); or

(b) for the sole purpose of refinancing an Owner's Initial Financing ("Refinancing"), provided such Refinancing shall be limited solely to the outstanding principal balance owed under the Owner's Initial Financing, and shall not include any additional amounts, such as fees or costs associated with such Refinancing or additional funds disbursed to the Owner and refinancing shall not include secondary financing such as subordinate deeds of trust, i.e. home equity loan.

7.2 Subordination. There shall be no subordination of this Agreement unless City enters into a subordination agreement with a Senior Lender to subordinate the provisions of this Agreement and its lien under the City Note and City Deed of Trust to the Senior Lien provided that Owner and the Senior Lender shall agree to the Default and Foreclosure provisions set forth in Section 7.3, below, or other alternative provisions acceptable to the City in its sole discretion. Notwithstanding the foregoing, this agreement is subordinated to any deed of trust held by CalHFA or its assigns.

7.3 Default and Foreclosure.

(a) City shall record a request for notice of default and any notice of sale under any deed of trust or mortgage with a power of sale encumbering the Unit pursuant to California Civil Code Section 2924b. Whether or not a request for a notice of default is recorded, the Owner shall provide a true and correct copy of any notice of default to City within three (3) business days of the Owner's receipt.

(b) In the event of default and foreclosure, City shall have the same right as the Owner to cure any defaults, reinstate the loan (not less than a specified number of times to be set forth in the subordination agreement between the City and the Senior Lender) or redeem the Unit prior to foreclosure sale or the acceptance of a deed in lieu of foreclosure by the Senior Lender. Such redemption shall be subject to the same fees, charges and penalties which would otherwise be assessed against the Owner. Nothing herein shall be construed as creating any obligation on the part of City to cure any such default, nor shall this right to cure and redeem operate to extend any time limitations in the default provisions of the underlying deed of trust or mortgage.

(c) If the trustee set forth in Senior Lender's deed of trust sells the Unit at a foreclosure sale the proceeds shall be delivered in the following priority to the extent funds are available:

- (i) first, to pay all sums due and owing under the Senior Lien, including without limitation the principal amount, interest, fees and costs of sale;
- (ii) second, to pay to City all amounts due and owing for the Transaction Fee under Section 4.3;
- (iii) third, to pay to City the difference between the sales proceeds and the Eligible Buyer Purchase Price;
- (iv) fourth, to pay any junior creditors and/or the Owner.

(d) If this Agreement is subordinated to the Senior Lender under Section 8.2, then except as otherwise expressly provided in the subordination agreement, this Agreement shall remain in full force and effect upon completion of any such foreclosure or acceptance of any deed in lieu of foreclosure by Senior Lender, and any party acquiring title to the Unit through a trustee's sale, judicial foreclosure sale or deed in lieu of foreclosure shall receive title subject to the provisions of this Agreement including the City's Purchase Option. Notwithstanding the foregoing, any party acquiring title to the Unit through a trustee's sale, judicial foreclosure sale or deed in lieu of foreclosure of any deed of trust held by CalHFA or its assigns shall receive title to the Unit free and clear of the provisions of this Agreement.

(e) By taking a loan from a Senior Lender, each Owner represents that it has provided Senior Lender the necessary consent and authorization to provide City with a monthly report of the payment status of Owner and all other financial information concerning Owner to City. In addition, each Senior Lender is hereby authorized by each Owner to furnish a monthly report of the payment status of The Owner and all other financial information concerning the Owner to City upon request by City.

(f) Except as otherwise expressly provided in a City approved subordination agreement, or in the case of a deed of trust held by CalHFA, or its assignee, by making a loan to Owner, Senior Lender grants to City the option to purchase the Senior Lien from Senior Lender at any time after the filing of a notice of default under the Senior Lien but prior to consummation of the foreclosure or the giving of a deed-in-lieu of foreclosure. Pursuant to this subsection, City may purchase the Senior Lien from Senior Lender for an amount equal to the entire indebtedness secured by the Senior Lender's deed of trust. City may exercise this option by giving Senior Lender written notice of its intent to do so (A) with respect to a foreclosure, at any time prior to the filing of a notice of sale under the Senior Lien, and (B) with respect to a deed-in-lieu of foreclosure, within ten (10) days after receiving written notice from Senior Lender of its intent to accept a deed-in-lieu of foreclosure with respect to the Unit. Upon receipt of such written notice from the City, Senior Lender shall promptly give City a written statement setting forth the amount of the total indebtedness secured by the Senior Lender deed of trust, which shall be the purchase price for the Senior Lien, and a copy of the policy of title insurance insuring the priority and validity of the Senior Lender deed of trust. Within ten (10) days after City gives such written notice, City shall establish an escrow at such title company and concurrently therewith give Senior Lender written notice thereof, and City shall deposit the purchase price in such escrow. Within fifteen (15) days after Senior Lender's receipt of notice of the opening of the escrow, Senior Lender shall deposit in the escrow the promissory note evidencing the Senior Lien endorsed in favor of City, the original of the Senior Lender deed of trust, an assignment of the Senior Lender deed of trust duly executed by Senior Lender and in recordable form and all other documents, instruments, agreements, certificates and other items that evidence, secure or otherwise relate to the Senior Lien. The escrow holder shall be instructed to close the escrow within two (2) business days after receipt of all such items and upon such close of escrow to issue to City a CLTA Form No. 104.1 endorsement to the title policy, showing City as Senior Lender's assignee with respect to the Senior Lender deed of trust. Senior Lender and City shall execute and deliver escrow instructions and such other documents as may be necessary or appropriate in connection with such escrow and to implement the intent hereof. City shall pay the escrow fees (irrespective of whether the escrow closes), recording fees and the premium for the CLTA Form No. 104.1 endorsement.

ARTICLE 8 MISCELLANEOUS

8.1 No Option Assignment Liability. In no event shall City in any way become liable to Owner nor become obligated in any manner to any other party by reason of the assignment of the City's Purchase Option, nor shall City in any way be obligated or liable to any Owner for any failure of City to purchase the Unit or to comply with the terms of the City's Purchase Option.

8.2 Distribution of Insurance and Condemnation Proceeds. If the Unit is condemned or the improvements damaged or destroyed, all proceeds from insurance or condemnation shall be distributed to Owner or its successors or assigns, for purposes of restoring or replacing the Unit, unless the Senior Lender deed of trust or, if not covered by the Senior Lender Deed of Trust, the City Deed of Trust provides otherwise, in which case the Senior Lender Deed of Trust or, if not covered by the Senior Lender Deed of Trust, the City Deed of Trust shall control.

8.3 Maintenance and Use. Each Owner shall maintain the interior and exterior of the Unit in a clean, well maintained condition consistent with the neighborhood and all appliances and fixtures in good working order. The Unit shall be used and occupied by each Owner solely

for residential purposes, and in addition to the residential purpose may also be used for any accessory uses that comply with the provisions of the Walnut Creek Municipal Code, as it may be amended from time to time. No Owner shall grant use of, rent or lease all or any part of the Unit, but shall occupy the Unit as its principal residence as provided in Article 2.

8.4 Default Remedies. In addition to any other rights or remedies set forth in this Agreement or allowed by law or equity, in the event of a default by an Owner of any of the Owner's obligations under this Agreement, City may apply to a court of competent jurisdiction for specific performance of this Agreement, for an injunction prohibiting a proposed Sale or Transfer in violation of this Agreement or for enforcing the City Purchase Option, or for any such other relief as may be appropriate (including, but not limited to, monetary damages).

8.5 Attorneys' Fees and Costs. If any action is brought to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

8.6 Controlling Agreement. Owner covenants that it has not executed, and will not execute without the City's prior written approval, any other agreement with provisions contradictory to or in opposition to the provisions of this Agreement.

8.7 Severability. If any one or more of the provisions contained in this Agreement for any reason shall be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

8.8 Time of the Essence. Time is of the essence of this entire Agreement. Whenever the time for performance falls on a day that is not a business day, such time for performance shall be extended to the next business day.

8.9 Notices. All notices, demands, requests for approval and other communications provided for in this Agreement shall be in writing and shall be deemed received if sent to the addresses set forth below (a) on the date of delivery when personally delivered; (b) one business day after deposit with a reputable overnight courier or delivery service with all delivery charges paid; or (c) date of receipt by party if deposited in the United States first class mail, postage prepaid, registered or certified, return receipt requested. Any party may change its address by notice delivered in the manner specified above.

If to City: Housing Program Manager
 Community Development Department
 City of Walnut Creek
 1666 N. Main St.
 P.O. Box 8039
 Walnut Creek, CA 94596

If to Owner: at the Unit address of the Owner

8.10 Covenants Running with the Land. All provisions of this Agreement, including the benefits and burdens, are equitable servitudes, run with the land and are binding upon the heirs, successors, assigns and personal representatives of the Owner hereto and inure to the benefit of City and permitted successors and assigns. The covenants benefit and bind City, Unit and the Property, and all owners and successor owners thereto. Each and every contract, deed or other instrument covering, conveying or otherwise transferring the Unit or any interest therein

shall conclusively be held to have been executed, delivered and accepted subject to this Agreement regardless of whether the other party or parties have actual knowledge of this Agreement.

8.11 Default. If an Owner defaults in the performance or observance of any covenant, agreement or obligation of Owner set forth in this Agreement, and if such default remains uncured for a period of 30 days after written notice has been given by the City (or if such cure reasonably takes longer than 30 days, if such cure has not been commenced within the 30-day period), or in the event an Owner has provided false information or documentation required in connection with the purchase or sale of a Unit, then the City may declare an "Event of Default" has occurred, and City may exercise any or all of its rights or remedies under this Agreement, including without limitation any or all of the following:

(a) by any suit, action or proceeding at law or in equity, require the Owner to perform its obligations and covenants under this Agreement or enjoin any unlawful acts;

(b) take such other action at law or in equity as may appear necessary or desirable to enforce the Owner's obligations, covenants and agreements; or

(c) exercise the City's Purchase Option pursuant to Article 5.

8.12 Construction. The rule of strict construction does not apply to this Agreement. This Agreement shall be given a reasonable construction to create a valid and enforceable Purchase Option and to prevent any Prohibited Transfer or Prohibited Sale or any use of the Property or Unit in violation of this Agreement. Whenever the context and construction so requires, all words used in the singular shall be deemed to be used in the plural, all masculine shall include the feminine and neuter, and vice versa.

8.13 Termination of Agreement. This Agreement shall terminate as to any Unit either (a) as provided under the terms and conditions of any subordination agreement between a Senior Lender and City which may extend the term of this Agreement, or (b) an Extraordinary Sale pursuant to Section 6.5. Upon termination of this Agreement, on request of the then record owner of the Unit, City shall execute, acknowledge and record a termination of this Agreement. To the extent permitted by law, any unfulfilled obligations of any Owner shall survive the termination of this Agreement but this Agreement shall no longer affect title to the Unit.

8.14 Indemnification. Each Owner agrees to indemnify and hold harmless City and its respective officers, directors, employees and agents from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorney's fees) incurred by City arising out of or relating to any action by the Owner. Each Owner agrees that if any claims, demands, suits or other legal proceedings are made or instituted by any person against City which arise out of any of the matters relating to this Agreement, the Owner shall cooperate fully with City in the defense or other disposition.

8.15 Entire Agreement and Modifications. This Agreement, together with the exhibits attached hereto, represents the entire agreement between the parties with respect to the subject matter set forth herein and replaces and supercedes any and all prior or contemporaneous oral or written agreements, subject to Section 8.16. This Agreement may be modified only in a writing duly signed by the affected Owner or Owners and an authorized agent of City. The modifications shall be effective when recorded in the official records of Contra Costa County, California. In the event of any inconsistency between this Agreement and the Final Affordable Housing Plan, this Agreement shall control.

8.16 Term. This Agreement shall become effective upon its execution and delivery and unless sooner terminated in accordance with Section 8.13, shall remain in full force and effect until forty-five (45) years after the effective date of this Agreement.

8.17 No Discrimination. Notwithstanding the following, Owner acknowledges under this Agreement that it is expressly prohibited from leasing the Unit and is required to occupy the Unit as its principal residence at all times:

(a) Owner covenants by and for itself, its successors, its assigns and every successor in interest to the Unit or any part thereof, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation, source of income, age, physical or mental handicap, medical condition, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Unit, nor shall Owner itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Unit. The foregoing covenants shall run with the land and shall remain in effect in perpetuity.

(b) All deeds and contracts made relative to the Unit shall contain or be subject to the following nondiscrimination or nonsegregation clauses set forth in Health and Safety Code Section 33436 in substantially the same form:

(i) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation, source of income, physical or mental handicap, medical condition, ancestry, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(ii) In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, sexual orientation, source of income, age, physical or mental handicap, medical condition, ancestry, or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land."

8.18 Exhibits. The following exhibits are attached to this Agreement and incorporated herein by this reference:

- Exhibit A: Property Description
- Exhibit B: Notice of Intent to Transfer
- Exhibit C: Notice of Intent to Sell
- Exhibit D: Notice of Extraordinary Sale

IN WITNESS THEREOF, the parties have executed this Agreement as of the year and date first written above.

CITY:

OWNER:

CITY OF

By: _____

Name: _____

Its: _____

1.1

STATE OF CALIFORNIA)
)ss.
COUNTY OF _____)

On _____, before me, _____,
personally appeared _____, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

STATE OF CALIFORNIA)
)ss.
COUNTY OF _____)

On _____, before me, _____,
personally appeared _____, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

EXHIBIT A

LEGAL DESCRIPTION OF UNIT

[To Be Inserted.]

EXHIBIT B

NOTICE OF INTENT TO TRANSFER

Date _____

To: Housing Program Manager
Community Development Department
City of Walnut Creek
1666 N. Main St.
P.O. Box 8039
Walnut Creek, CA 94596

The undersigned _____, owner of that certain real property located in Walnut Creek, California, commonly known as _____ [insert address] _____, (the "Unit") hereby notifies you of its intent to Transfer in compliance with Section 3.2 of the Affordable Housing Covenants, Resale Restrictions and Option to Purchase Agreement (the "Agreement"). The reason or circumstances relating to such transfer are as follows: _____

_____ Any additional information regarding the proposed transferee shall be provided to you immediately upon request. The undersigned acknowledges that all applicable time periods under the Agreement commence only upon City's receipt of this notice. The undersigned further acknowledges and agrees that any such transfer shall be subject to the provisions of the Agreement.

Owner

EXHIBIT C

NOTICE OF INTENT TO SELL

Date _____

To:
Community Development Department

The undersigned _____, owner of that certain real property located in Walnut Creek, California, commonly known as _____[insert address]_____, (the "Unit") hereby notifies you of its intent to Sell the Unit in compliance with Section 4.1 of the Affordable Housing Covenants, Resale Restrictions and Option to Purchase Agreement (the "Agreement"). The undersigned acknowledges that all applicable time periods under the Agreement commence only upon City's receipt of this notice.

Owner

EXHIBIT D

NOTICE OF EXTRAORDINARY SALE

Date: _____

To: Housing Manager
Community Development Department

The undersigned _____, (the "Owner") is the owner of that certain real property located in Walnut Creek, California, commonly known as _____ [insert address] _____, (the "Unit"). On _____, 20____, Owner provided City with written notice of its intent to sell the Unit. Owner has failed to identify an Eligible Buyer in accordance with Section 4.1 of the Affordable Housing Covenants, Resale Restrictions and Option to Purchase Agreement (the "Agreement") and the City has failed to exercise the City's Purchase Option pursuant to Article 5, or failed to close escrow within the time set forth in Section 5.4 of the Agreement. Accordingly, Owner hereby notifies City of its intent to make an Extraordinary Sale of the Unit in accordance with Section 6.2 of the Agreement. Owner hereby requests that City calculate the Market Value of the Unit based on an Appraisal in accordance with Article 6 of the Agreement. Owner hereby acknowledges that City shall retain City's Purchase Option until the time that Owner has accepted in writing an offer to purchase the Unit from a buyer, and that all applicable time periods for an Extraordinary Sale under the Agreement commence only upon City's receipt of this Notice.

Owner

RESOLUTION NO. 07-02

**RECOMMENDATIONS TO THE CITY COUNCIL REGARDING
INCLUSIONARY HOUSING**

BE IT RESOLVED by the Housing and Redevelopment Commission of the City of Vallejo as follows:

WHEREAS on December 13, 2006 the Chairperson of the Housing and Redevelopment Commission appointed an Ad Hoc Committee to formulate recommendations regarding inclusionary housing to be brought before the City Council; and

WHEREAS this Ad Hoc Committee consulted and decided on three recommendations to be brought before the Commission for approval to be recommended to the Council.

NOW, THEREFORE, BE IT RESOLVED by the Housing and Redevelopment Commission of the City of Vallejo that the following three recommendations be provided to the City Council of the City of Vallejo:

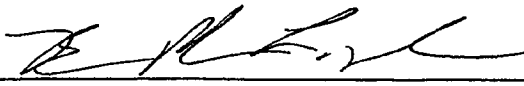
1. The creation and adoption of an inclusionary housing ordinance
2. Affordable housing set aside be not less than 15% for ownership housing
3. In-lieu fees be only allowed for fractional unit obligation

ADOPTED by the Housing and Redevelopment Commission of the City of Vallejo at a special meeting held on February 7, 2007 by the following vote:

AYES: Chairperson Abdul-Ghanee, Vice-Chair Verder-Aliga,
Commissioners Brown, Chavez, Platzer, and Pitts
NOES: None
ABSENT: Commissioner Vance
ABSTENTIONS: None



MUSTAFA ABDUL-GHANE, Chairperson

ATTEST: 

BONNIE ROBINSON LIPSCOMB
Senior Community Development Analyst
City of Vallejo

November 7, 2006

Mayor Anthony Intintoli
City of Vallejo
555 Santa Clara Street
Vallejo, CA, 94590
Via email and fax

RE: Inclusionary Housing Ordinance – SUPPORT

Dear Mayor Intintoli,

Vallejo families are struggling to find homes they can afford. Although new homes are being built in Vallejo, they are not ones that local workers and families can afford. In fact, in 2005, eighty percent of residents could not afford the median-priced home. Vallejo's high cost of housing and skewed housing market creates many more expensive homes and many fewer affordably-priced places to buy and rent.

The lack of affordable homes affects everyone. It lowers Vallejo's quality of life by pushing development out, driving people to commute longer and spend less time with their families, and forcing people to leave the city altogether.

To address Vallejo's housing crisis, we urge the City of Vallejo to adopt and inclusionary housing ordinance. These ordinances require a share of all new housing developments to be affordable to teachers, hospital workers, retail clerks and others with modest incomes. An inclusionary housing ordinance would help to create mixed income neighborhoods throughout Vallejo.

We understand that the City of Vallejo City Council has initiated a process to study an inclusionary housing ordinance. **We commend your leadership in working towards real solutions to respond to this critical issue.**

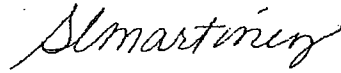
To be effective Vallejo an inclusionary housing ordinance should fit the community's needs. As such, we encourage you to adopt an ordinance that serves people with a range of incomes, particularly families at the low, very low and extremely low federal income categories. We also encourage you to include flexible options for meeting the inclusionary requirements.

We look forward to working with you and all stakeholders in crafting an inclusionary housing ordinance that works for Vallejo. Thank you for your continued leadership.

Sincerely,



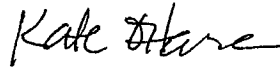
Sandy Carson
Solano Housing Coalition



S. Lynn Martinez
Western Center on Law and Poverty
Vallejo Office



Evelyn Stivers
Non Profit Housing Association
of Northern California



Kate O'Hara
Greenbelt Alliance

CC: Vallejo City Councilmembers; Laura Simpson, Housing and Community Development Manager, City of Vallejo; Pelton Stewart, Continental Omega Boys and Girls' Club; Susannah Straw-Gast, Service Employees International Union, Local 1280; Paul Ainger, Community Housing Opportunities Corporation; David Brigode Affordable Housing Affiliation; Dennis McCray, Solano Affordable Housing Foundation.

Statement of Jim Ellett, President of SEIU Local 1280

Good evening. My name is Jim Ellet. I am a resident of Vallejo and I serve as the President of SEIU Local 1280. We represent about 3,000 workers in Solano County. Our members perform services that are vital to the community—they do the essential work of the County (from inspecting food to administering elections to serving as Probation officers) and they also care for our elderly and disabled, teach HeadStart, and more.

More and more, our members are being forced to move OUT of the community they serve. They are going to Sacramento and Yolo counties in order to find housing they can afford. Our members make anything from extremely low wages, to over \$70,000 a year—but the majority make between \$30,000 and \$40,000 a year. That is simply not enough to buy a home in Vallejo these days.

On behalf of our members and the community they serve, we urge you to implement this inclusionary housing ordinance—we need more options for housing in Vallejo in order to keep our community together.

HOME
BUILDERS
ASSOCIATION



OF NORTHERN CALIFORNIA

December 5, 2006

Mayor and City Council
City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590

Dear Mayor and City Council:

This letter is being written on behalf of the Home Builders Association of Northern California (HBANC). Our group is a professional association comprised of home builders, developers, trade contractors, suppliers and related industry specialists who are dedicated to the advancement of the home building industry. In preparation for the study session to discuss establishing an inclusionary housing requirement at your Tuesday, December 5 meeting, HBANC would like to share some of the thoughts of our industry on this subject.

Localities throughout the state are under pressure to meet the need for affordable housing for their citizens. The California housing crisis is driven by the fact that we are not building enough housing of the right types in local jurisdictions to keep up with our population growth and job creation. Our builders are committed to constructing as many units as possible; however, land use and other constraints limit construction. The Bay Area alone falls short of meeting its housing demand by 20,000 more units every year. This housing deficit has pushed up prices of both new and existing homes.

Counties and cities often respond to the housing crisis by imposing inclusionary zoning ordinances. However, studies have found that inclusionary housing programs:

- Act as a form of price control, preventing builders and subsequent owners from selling or leasing at market prices
- Make housing less affordable
- Frequently push middle-income households out and down to lower quality units while placing low-income households in higher quality units
- Impose significant additional costs on market-rate buyers because the prices of all homes in the development must be increased to cover the affordable sales
- May not result in any additional low-income housing.
- Serve as a tax on the housing industry without commitment on the part of the larger community

Mailing Address:
P.O. Box 5160
San Ramon
California 94583-5160

Tel (925) 820-7626
Fax (925) 820-7296
www.hbanc.org

Understanding that the Council has already taken action to move forward with the development of an inclusionary ordinance we would like recommend that the following suggestions be included in the draft ordinance:

- Market rate builders should be able to satisfy an inclusionary requirement by donating land to the local government or a non-profit housing developer.
- Market rate builders should be able to choose to satisfy the requirement by providing for the units to be constructed outside the project location through offsite construction
- The pooling of credits and credit transfers should be allowed
- Projects of all sizes should be able to satisfy the requirement by paying a fee in lieu of directly developing the units.
- At least one density bonus for each unit of affordable housing required should be provided to the builder
- The cost of program administration should not come from fees or other exactions imposed on builders.

We would further recommend that the City begin with a tiered requirement. This would require that the builder provide either 10% of the project be dedicated to moderate income residents, 7% be dedicated to low income residents or 4% be dedicated to very-low income residents. We would suggest that the City adopt this tiered requirement and review its effectiveness after one years time and then evaluate whether or not to make changes to the requirement.

While we were unable to attend the initial stakeholder meeting we look forward to attending the future stakeholders meeting mentioned in the staff report. Thank you for your consideration of the comments and suggestions of HBANC during your review of inclusionary housing requirements.

Sincerely yours,

Bob Glover
Executive Director
Eastern Division

**MILLER
STARR
&
REGALIA**
A PROFESSIONAL
LAW CORPORATION

1331 NORTH CALIFORNIA BLVD.
FIFTH FLOOR
P.O. BOX 8177
WALNUT CREEK, CALIFORNIA 94596
FACSIMILE (925) 933-4126
TELEPHONE (925) 935-9400

MICHAEL E. DI GERONIMO

MED@MSANDR.COM
(925) 941-3247

November 17, 2006

VIA FACSIMILE AND MAIL (707) 648-5249

Laura Simpson
Housing and Community Development Director
City of Vallejo
200 Georgia Street
Vallejo, CA 94590

Re: City of Vallejo Inclusionary Housing Study

Dear Ms. Simpson:

As you know, this firm represents Mandarin Developments in connection with its various development projects in the City of Vallejo. On behalf of Mandarin Developments, this past Wednesday, November 15, 2006, I participated in the City's focus group discussion on inclusionary housing. Pursuant to your request, the purpose of this letter is to provide the City with Mandarin Developments' comments regarding the proposed inclusionary housing program.

We understand that the City is still in the process of analyzing the feasibility of an inclusionary housing program, and has not yet drafted an inclusionary housing ordinance or settled on a specific inclusionary housing requirement. We further understand that the City is not considering the adoption of an inclusionary housing requirement applicable to rental units, and that only development of for-sale units will trigger the inclusionary housing requirement. As the City develops its inclusionary housing requirements, it is Mandarin Developments' request that the percentage requirements for inclusionary units not exceed ten percent of the units to be developed, except at the election of the developer, and that those units be required to be affordable to moderate-income families (i.e. up to 120% of area median income). In the present market, a ten percent moderate-income requirement allows the City to create needed affordable housing without running the risk of making proposed residential projects uneconomical to develop.

Mandarin Developments strongly believes that the proposed inclusionary housing ordinance, if adopted, should grant the City significant flexibility in adjusting affordable housing requirements for mixed used developments since, among other things, the amount of

MNDV45857681336.1

Laura Simpson
November 17, 2006
Page 2

market rate housing a developer may construct in such projects is already limited by the zone or other city requirements.

Mandarich Developments also strongly believes that in all developments the City of Vallejo's inclusionary housing program should provide flexibility both to developers and to the City, and allow a range of alternatives for providing affordable units. To avoid the ineffectiveness and potential infeasibility of a program wherein only like-for-like units may be created, the following alternatives should be part of any program adopted by the City of Vallejo:

- **Housing Type and Design Flexibility.** Developers should be able to satisfy the City's inclusionary housing requirement by providing alternative for-sale housing types (e.g., townhouses, condominiums), and/or by clustering units onsite or off site.
- **Land Dedication.** Developers should be able to satisfy the City's inclusionary housing requirement by donating land to either the City or to a non-profit affordable housing developer.
- **Off-Site Construction.** Developers should be able to satisfy the City's inclusionary housing requirement by constructing affordable units at an alternative off-site location.
- **Pooling and Credit Transfers.** Developers should be able to pool resources to satisfy the City's inclusionary housing requirement. Additionally, developers who voluntarily develop extra affordable units should be able to use those extra units to satisfy future inclusionary housing requirements, or sell those units to other developers in the City.
- **In-Lieu Fees.** Developers should have the option of satisfying the City's inclusionary housing requirement by paying a fee in-lieu of directly developing the units.
- **Waiver or Modification of Inclusionary Requirements by Agreement.** Developers should have the option of proposing alternative methods of compliance to the City, and the City should have the flexibility to agree to such alternative methods through development agreements.

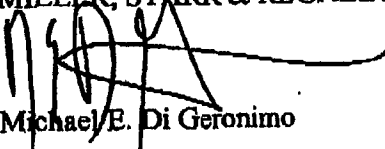
We appreciate the opportunity to provide these comments and suggestions to the City. On behalf of our client, we look forward to continuing to work together to develop quality

Laura Simpson
November 17, 2006
Page 3

development projects in the City of Vallejo.

Very truly yours,

MILLER, STARR & REGALIA



Michael E. Di Geronimo

cc: Gary Mandarich
Robert Sprague
Brian Dolan
Kristina Lawson

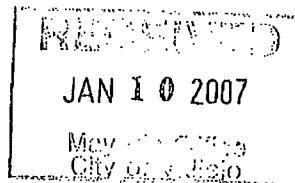
1/7/2007

Mr. Anthony Intintoli
Mayor of Vallejo
555 Santa Clara Street
Vallejo, CA 94590

RECEIVED

JAN 12 2007

CITY MANAGERS OF
CITY OF VALLEJO



Subject: Resolution No: 06-333 (Dated 11/07/2006) Inclusionary zoning ordinance (Requiring all land developers to provide below market housing to low income Vallejo residents) and its retroactive effect on tentative map applications already submitted to Vallejo.

Dear Mr. Intintoli,

I am writing you with regard to the above noted inclusionary zoning ordinance resolution and the potential unfair impact that it might have on our small project located at 201 Sandy Beach Rd, Vallejo. Our tentative map application was submitted to the Vallejo Planning Department on September 29, 2006. I was unaware of Vallejo's intent to pass an Inclusionary Zoning Ordinance until I received a letter from Laura Simpson inviting me to a focus group in early December, 2006. Up to that time we proceeded to incur costs in surveying, a geotechnical engineering investigation, extensive civil engineering and house design work to complete our tentative map application. This is my first attempt at residential development. The project has involved considerable cost to date and is a financial stretch for me. We are a small project and presently have house designs complete for the 17 parcels requested in our tentative map application. We do not have flexibility or economy of scale that a large developer might have to include below market housing into our project. It is unlikely that our tentative map will be approved within the next couple of months when the zoning ordinance might go before the City Council for a vote.

You may pass the Inclusionary Ordinance as early as March, 2007. Passing of the ordinance would require us to either redesign our project or pay a sizeable "In Lieu" fee penalty. Redesign of our project is not feasible since we have the engineering and design work complete. The tentative map approval process is largely under the control of your City. This includes public meetings and other Vallejo requirements that are yet to be determined.

It is a worthy cause to make housing available to all of Vallejo's citizens. My point is that we worked in "Good Faith" with the information available to us and submitted our Tentative Map application in September, 2006. We have met with a number of people (including Brian Dolan and Katherine Donovan, our planner) at the Vallejo planning department on numerous occasions over the past 20 months. We even had an interdepartmental preliminary review of our project. Never was there any word of an Inclusionary Zoning Ordinance planned. If we knew we might be subject to an Inclusionary Zoning Ordinance, we would have done things differently. It would be unfair and a hardship for us to redesign our already submitted project to accommodate an inclusionary zoning ordinance. Similarly a retroactive "In Lieu" fee for not complying with the new zoning ordinance would also be unfair.

I respectfully request that our project (in the tentative map process) be exempt from any Inclusionary Zoning Ordinance that you might pass.

Regards,

Col Carter
Col Carter

cc: Laura Simpson
Bob Glover
Don Hazen
Katherine Donovan

ATTACHMENTS

- Attachment 1 – Proposed Ordinance
- Attachment 2—Proposed City Council Fee Resolution
- Attachment 3—Planning Commission Resolution
- Attachment 4—Summary of Other Solano County inclusionary ordinances
- Attachment 5—Inclusionary Study by DRA, and Addendum Memorandum
- Attachment 6—HBA and NPH model ordinance
- Attachment 7—Residential Activity List
- Attachment 8—Sample Resale Restriction Agreement and ~~Rental Regulatory Agreement~~
- Attachment 9—Correspondence

Prepared by: _____
Laura Simpson, Housing and Community Development Manager

Reviewed by: _____
Brian Dolan, Development Services Director