



TO: Honorable Mayor and Council Members
DATE: August 21, 2019
THROUGH: John W. Donlevy, Jr., City Manager
FROM: Heidi Tschudin, Contract City Planner
SUBJECT: Land Use Planning Workshop

OVERVIEW

Conduct a community workshop on Land Use Planning

RECOMMENDED ACTIONS

- 1) Accept the proposed Workshop Agenda
- 2) Receive staff presentation (City Attorney, Ethan Walsh and Contract Planner, Heidi Tschudin)
- 3) Conduct City Council discussion
- 4) Accept public comments
- 5) Provide City Council direction to staff on the following recommended actions:
 - a. Status of Northeast Area
 - Direct staff to maintain the informational website with current information regarding the project and application status.
 - Direct staff to request that prior to submittal of an application, the property owner representative submit a Letter of Intent that will be scheduled for consideration by the City Council pursuant to the requirements of Resolution 2001-05, as amended.
 - b. Land Development Application Process
 - Affirm the described land development application process for continued use with new applications
 - Direct staff to post the steps for a typical land development application process online as an informational tool
 - Direct staff to provide monthly updates to Council on activity related to land development projects.
 - c. Status of General Plan
 - Direct staff to undertake an adequacy review of General Plan to identify required and other strongly recommended changes, as well as preliminary budget and funding information for making such changes
 - Direct staff to develop workplan for update of the Housing Element with preliminary budget and funding information

- Direct staff to undertake an adequacy review of the location and extent of the General Plan planning area
- d. General Plan Implementation
 - Direct staff to identify funding and prepare a workplan plan for adoption of a Climate Action Plan/Sustainability Strategy
 - Direct staff to report on the status and adequacy of the City's infrastructure master plans and major projects financing fee program

WORKSHOP AGENDA

- Introduction (City Attorney)
- Presentation (Contract Planner, one hour)
 - 1/ Workshop Goals
 - 2/ Status of Northeast Area
 - 3/ Overview of Land Development Process
 - 4/ Status of General Plan
 - 5/ Overview of LAFCO and Annexation Process
 - 6/ General Plan implementation
 - 7/Planning Trends and New Requirements
- Council Questions and Discussion (one hour)
- Public Comment (one hour)

DISCUSSION INFORMATION

Introduction

This workshop has been prepared in response to direction received from Mayor Biasi at the July 2, 2019 City Council meeting.

Workshop Goals

Thank you for the opportunity to hold this workshop. Our goals for the workshop are to:

- Clarify the land use application process
- Achieve a common understanding of key planning concepts
- Develop a strategy for General Plan revisions

We recommend the Council allow staff to present the entire presentation and hold comments, questions, and discussions to the end. For each topic we present an overview, followed by staff recommendations

Status of Northeast Area

The Council and community are aware from past discussions, that representatives of property interests in the northeast area of the City have been considering the submittal of an application to the City for years. To date no application has been received; however in January of this year the property representative submitted a preliminary concept to City staff for their proposal (see Attachment A). The following basic information about the property and potential project is summarized below:

- Property Location: Northeast area of Winters city limits and adjoining unincorporated area of Yolo County
- Property Description: 793 acres comprised of:
- 183 ac within the City limits
 - 340 ac outside the City limits, but within the City Sphere of Influence (SOI)
 - 270 ac of unincorporated land outside the City limits and SOI
- Property Ownership: JBT Properties (50 ac; 6.3%)
Helmut Sommer (80 ac; 10.0%)
Bellevue North 250, LLC (Greg Hostetler) (663 ac; 83.5%)
- Representative: Jeff Roberts, Assemi Group, Inc
1396 W. Herndon Suite 110
Fresno, CA 93711
(559) 440-8308
- Anticipated Request: Certification of EIR
Amendment of General Plan
Approval of Specific Plan
Annexation and Pre-zoning
Amendment of Sphere of Influence (SOI) and Municipal Services Review (MSR)
Rezoning
Other approvals to be determined

The property owner representative has indicated they are contemplating the following next steps:

- Begin outreach process to gather information, opinions, and thoughts from community and “stakeholders” through the end of 2019 to inform the Specific Plan planning effort
- Prepare and process a Specific Plan, annexation, and related approvals within the next two to three years
- If Specific Plan is approved, begin development pursuant to the Plan, within the city limits and newly planned areas

In order to facilitate improved communication regarding this possible project, we recommend the Council consider the following actions:

- Direct staff to maintain the informational website with current information regarding the project and application status.
- Direct staff to request that prior to submittal of an application, the property owner representative submit a Letter of Intent that will be scheduled for consideration by the City Council pursuant to the requirements of Resolution 2001-05, as amended.

Overview of Land Development Process

The land use process (both planning and development) is highly regulated in California. Key land use and related regulations at the State level, that are implemented at the local level, include State General Plan law, Planning and Zoning regulations, the California Environmental Quality Act (CEQA), the Subdivision Map Act, the Mitigation Fee Act, and the Brown Act. Among many other things, these regulations ensure due process for the landowner and transparency for the community. They support fully informed decision making, mandate a base level of analysis, minimize environmental impacts, and ensure that development pays its own way.

The legal basis for land use regulation in California, flows from the police power of the City to protect its residents. This power is set forth in the California Constitution. In a similar vein, property owners have a right to due process when they apply to use their land in the way they see fit. This right stems from the Fourteenth Amendment of the federal constitution. The City is required to accept a property owners land use application, and within certain parameters render a decision approving, modifying, or denying the request. When a project requires legislative approvals, such as a general plan amendment, specific plan, annexation, or rezoning, the City has significant flexibility in this regard; less so with quasi-judicial and administrative approvals, such as consideration of new subdivision maps or conditional use permits.

City Council Resolution No 2001-05 adopted in 2001 establishes as City policy that applications for projects outside of the City's general plan area must be brought before the Council after submittal, but prior to processing, to determine whether the application should be further processed or scheduled for immediate denial. This is a legitimate exercise of the City's police powers, that also respects the due process rights of an applicant. On August 20, 2019, the City Council will consider a new Resolution No. 2019-35, which is intended to clarify the application of Resolution No. 2001-05. This new resolution is consistent with the intent of Resolution No. 2001-05, and does not represent a substantive change in the City's approach to projects outside the general plan area.

As dictated by state and local laws and procedures, there are certain steps any given land development application must satisfy in order to be considered for approval. All of these steps must take place in the "public realm" meaning that the City has an obligation to disclose most information to the public as an application is processed and considered, and that the City must describe the reasons supporting an approval subject to key legal standards, should one be granted. The requirements for a denial are less onerous.

The key steps in a typical land development application process for a specific plan and annexation of new land into the City include the following (not all of these steps are required but they are considered best practices and advisable):

1. Early discussions with applicant¹
2. Community outreach and workshops
3. Preliminary opportunity and constraints assessments
4. Project/plan development
5. Application/draft plan submittal
6. Requests for and clarification of additional information
7. Determination that an application is complete
8. Commencement of CEQA process
9. Issuance of required public notices

¹ Compliance with Resolution 2001-05 (or the newly amended resolution) is recommended at this step.

10. Community outreach and meetings
11. Preparation of technical reports
12. Analysis of environmental impacts
13. Issuance of a draft CEQA document and draft specific plan
14. Public review and comment
15. Community outreach and workshops
16. Preparation of responses to comments
17. Issuance of final CEQA document and revised specific plan
18. Community meetings and hearings
19. Planning Commission recommendation
20. City Council final action
21. Finalize Plan and project documents
22. Negotiate County tax sharing agreement
23. LAFCO annexation application
24. LAFCO annexation hearings and action
25. Update masters plans and implementation documents

The recent process used to analyze and ultimately approve the PG&E Training Center was similar and provides a useful analogy. It underwent many of these same basic steps, including early communications and coordination with the applicant, significant community outreach and public participation, and frequent Council updates and council member involvement. That process did not involve property located outside of the City limits and therefore did not require annexation or the associated steps listed above, but did involve the extensive planning, environmental review and community dialogue outlined in the above processes. The PG&E process was successful and the outcome was beneficial to both PG&E and the community.

In order to confirm the Council's support for utilization of this process to consider new planning applications, we recommend the Council consider the following actions:

- Affirm the described land development application process for continued use with new applications
- Direct staff to post the steps for a typical land development application process online as an informational tool
- Direct staff to provide monthly updates to Council on activity related to land development projects.

Status of General Plan

The City's General Plan was adopted in 1992 and has undergone various amendments over time, including a significant amendment in 2008 as a component of adopting the 2008 Winters Storm Drainage Master Plan, and regular amendments to update the Housing Element as required under State law. The year of adoption is not in and of itself determinative of the adequacy of a General Plan, provided it continues to reflect the values and vision of the community. The General Plan has demonstrated remarkable resiliency over time and is still viewed as a robust reflection of community values.

With the exception of the northwest area which is constrained by the City's flood overlay zone (FOZ), much of the City limits are built out. Of the 1,579 acres within the city limits, approximately 580 acres remain vacant and not currently entitled for development, of which approximately 530 acres are in the FOZ. While these 50 acres outside of the FOZ provide remaining opportunity, it is limited. The 530 acres available within the FOZ are significantly hampered by drainage and flooding problems and it is not clear

that the designated land uses can support the economic investment necessary to provide the needed infrastructure that would allow development pursuant to the General Plan within that geographic area.

The City has spent significant time and resources toward the implementation of the General Plan goals and policies. However, the age of the General Plan suggests that the General Plan should be reviewed to ensure basic adequacy from a legal and regulatory perspective. This would include integrating: new statutes; relevant court cases; factual updates of demographics, background data, and references; City amendments since adoption; extending the horizon year; modernization of language and organization; verifying required consistency within the General Plan (between elements) and with other planning and implementation documents; plus possibly other considerations. Staff has led a series of discussions about this recently referred to as the General Plan “refresh”. Given that the vast majority of land within the City is either built out, currently entitled, or located within the FOZ, this level of review would seem appropriate at this point, unless the City intends to revisit its plans for lands within the FOZ, consider an expanded planning area, or consider increased density and intensity within the current city limits.

If the City does seek to reevaluate its plans for the land in the FOZ, an expansion of the planning area, or increased density and intensity within the current city limits, a more substantive update would be appropriate that might include new or revised elements, revised content and mapping, new community visioning, modified policy direction, expanded planning area, and possibly additional considerations.

A key question for the Council is how to pay for general plan revisions and to what end. The City faces a mandatory update of the Housing Element by October 2021 and desires to modernize the General Plan, which may include new policies and/or a new element on sustainability, reduction of greenhouse gas (GHG) emissions, climate change, and climate resiliency. It is important to make practical decisions about whether and how to modify the Plan. General Plan work is expensive. There are few options for funding General Plan updates. If an update is well-grounded in economic reality and reflects feasible and desirable future investment opportunities, the City can recoup update costs after the fact through charges to future applicants or fees levied on building permits. Alternatively, if there is alignment of interests with large and/or significant properties, the City could incorporate the cost of a substantive update that is needed to address a specific development proposal, with a specific plan or major project application, with no obligation to any particular project-level outcomes. The latter presents a way to fund update costs at the front end but may not be viewed as desirable.

A robust General Plan is important not only to promote growth and economic development where growth is appropriately accommodated, but also to signal where growth is to be controlled and curtailed. Successful General Plans require both significant community buy-in and extensive property owner support. Given that the city is primarily built out, unless there is significant interest in increased density and intensity within the existing built-out area, property owner interest is likely limited to those with significant financial interests in remaining vacant or underutilized sites. It is also important to be mindful of balancing the community goals established in the General Plan with the fiscal realities that are required to realize those goals. The scope and scale of certain community amenities (such as parks, schools, roadway improvements, etc.) are dependent on having the population and local revenue required to provide those amenities. A balance must be struck between the vision for the City established in the General Plan and fiscal realities of achieving that vision, in order to ensure that the City will be fiscally sustainable. Identifying ways to align community values about growth with market forces and property owner interest is the ultimate win-win scenario.

Aligning the General Plan with community values about outward growth, and adding strong policies and programs to allow infill, redevelopment of underutilized sites, and increased density, are both important. While outward growth may be controversial, infill, redevelopment, and increased density are equally if not more challenging in different ways. Either way a strategy for growth is critical. The City needs jobs and economic stability, local housing options are severely limited, and the state is becoming increasingly directive about whether and how California jurisdictions will grow. For that reason a strong General Plan is also important as a pre-emptive strategy in the face of increasingly invasive State directives.

The City has received the following three grants that may help in part to offset the cost of updating the General Plan:

- Planning Grant received from SACOG in the amount of \$100,000 that may be used to update General Plan elements to reflect key planning goals in transportation (complete streets, bike/pedestrian master plans, design), climate action plan, economic development goals, housing, community design and public facilities.
- Planning Grant received pursuant to Senate Bill 2 for the purpose of expediting and streamlining the production of housing in the amount of \$160,000
- 2019 State Budget planning allocation to expedite and streamline the production of housing in the amount of \$65,000.

In order to achieve consensus on whether and how to update the General Plan, we recommend the Council consider the following actions:

- Direct staff to undertake an adequacy review of General Plan to identify required and other strongly recommended changes as well as preliminary budget and funding information for making such changes
- Direct staff to develop workplan for update of the Housing Element with preliminary budget and funding information

Overview of LAFCO and Annexation Process

Local Agency Formation Commissions (LAFCOs) are regional agencies established by the State to promote orderly growth, efficient provisions of public services and infrastructure, and agricultural/open space preservation. They function independently from the cities and counties they serve. LAFCOs have authority over jurisdictional boundary changes (e.g. incorporations and annexations) and they establish SOIs. A SOI reflects the area of probable future expansion for the subject city, county, or special district. LAFCOs prepare public service analyses called Municipal Service Reviews (MSR) to support their determination of the appropriate SOIs for a particular jurisdiction. The MSRs and SOI studies for each of the cities of Yolo County are posted online at the Yolo LAFCO website.

Annexation is the process of formally expanding the city limits. City's must apply to LAFCO to approve annexations. The typical process for annexation involves the following steps:

- The City Council directs staff to file the application with LAFCO.
- The City and the County negotiate property tax sharing agreement.
- LAFCO staff review the application for completeness and prepare documentation to move forward.
- LAFCO conducts the first public hearing called a "Notice of Application" hearing.

- LAFCO takes action to approve, deny, or modifying the annexation.
- If approved LAFCO may conduct a second public hearing called a “protest” hearing (not necessary for uninhabited areas).
- Depending on the number of written protests received from registered voters and/or landowners,
- LAFCO will order the annexation, order the annexation subject to an election, or terminate the annexation.
- If LAFCO orders the annexation, LAFCO staff will prepare necessary documentation.

The LAFCO Commission must consider certain factors in making their decision regarding the annexation (see Government Code Section 56668) including likelihood of significant growth in the area during the next ten years, conformity of the project with LAFCO policies on orderly growth, effects on agricultural land, consistency with general and specific plans, and whether the proposal is necessary to achieve the jurisdiction’s fair share regional housing needs, among other considerations.

Successful annexation of new territory in the northeast area would depend on these and other considerations by both the City and LAFCO, none of which can be assessed until a land development application is received. However, the City could start to explore with the community whether the current SOI reflects appropriate areas for future expansion of the City’s boundaries (for development or open space/buffer uses), whether the General Plan planning area should be expanded, and whether the full list of LAFCO considerations could be satisfied by alternative annexation areas.

As a part of the City’s consideration of possible General Plan modifications (see discussion above), we recommend the Council consider the following action:

- Direct staff to undertake an adequacy review of the location and extent of the General Plan planning area

General Plan Implementation

The General Plan is the City’s primary land development document. All other land development plans and regulations must be consistent with the General Plan. This includes the Zoning Ordinance, other area and master plans, climate change requirements, project impact fees, capital improvement expenditures, etc. These second-tier plans and regulations are what implement the General Plan and may require realignment after a significant General Plan update. A summary of several of these key implementing documents is provided below.

Zoning is the primary implementation tool for the General Plan. Zoning involves the division of the City into land use districts and the application of development regulations specific to each district. The regulations generally include both development controls (setbacks, height, design, etc.) and land use restrictions. Zoning can help stabilize the character of an area, maintain and protect property values, ensure efficient service delivery, and control nuisance and architecture. There are different methods of zoning (eg. form based, Euclidean, etc). The zone district for a property must be consistent with the General Plan land use designation.

Specific Plans are hybrid documents that act as a bridge between the General Plan and zoning. While a General Plan is programmatic in nature, a Specific Plan is focused on a particular property or area. It contains policy, land use, and regulatory components and may even include design controls. It ensures certainty for both the City and the developer, and can greatly simplify the development of an area over

time because it includes site-specific considerations and conditions of approval and can be analyzed in total under one comprehensive EIR. Subsequent projects consistent with all the requirements may proceed in a streamlined fashion which helps contain the development costs and make an area more affordable overall for future residents and workers. In advance of receiving a specific plan application, City staff have previously drafted a template or framework for the desired organization and contents of a Specific Plan (see Attachment C).

Climate change and sustainability considerations are critical components of General Plan implementation. Adoption of a climate action plan (CAP) and/or sustainability strategy that is fully integrated with the General Plan and zoning is an important tool for addressing these issues. CAPs that are adopted in a manner consistent with CEQA Guidelines 15183.5 (Tiering and Streamlining the Analysis of Greenhouse Gas Emissions) have the added benefit of providing CEQA streamlining for the jurisdiction, which allows for a simplified method of analyzing the potential climate related impacts of individual projects that come to the City for consideration. The City has done a considerable amount of work in this area and is well poised to adopt a Sustainability Strategy and possibly a formal CAP. Next steps include developing a workplan for this effort in order to right-size it to the City's needs, identifying funding to complete the tasks, and setting parameters to ensure realistic and achievable outcomes.

Infrastructure master plans and updated impact fees are critical for planning and financing public service and utilities to support planned growth. The City's current infrastructure plans are aligned with the current General Plan including assumptions about amount, direction, and density/intensity of growth. The City should continue to undertake regular reviews of its master plans and impact fees to ensure consistency with the General Plan, adequacy to accomplish specified goals, and feasibility in terms of being timely constructed and operational when triggered by new growth and the needs of the community. An important consideration for any significant changes to the General Plan is whether and how those changes would affect community investments in existing and planned infrastructure.

We recommend the Council consider the following actions relevant to these topics:

- Direct staff to identify funding and prepare a workplan plan for adoption of a Climate Action Plan/Sustainability Strategy
- Direct staff to report on the status and adequacy of the City's infrastructure master plans and major projects financing fee program

Planning Trends and New Requirements

As a wrap-up to this workshop, this section briefly explores new requirements and trends affecting land use planning and development.

Housing – Housing is the number one priority of the Governor and the State Legislature, labeling it a “crisis” due to the lack of availability, affordability, and associated homelessness which proliferates throughout the State. This is a huge focus at the state level currently, including production of a local fair share of new units, ensuring affordability to all economic segments, and addressing issues related to homelessness. In Winters, there is currently a 0% vacancy factor and rapid escalation in the costs of market rate rental and for sale housing.

Jobs- The need for the creation of local jobs in correlation with housing opportunities in support of the local economy and sustainability.

Equity and Environmental Justice – Ensuring that the burdens and benefits of land use activities and policies are borne equally by all sectors of the community is a key aspect of equity and environmental justice.

Sustainability and Resiliency – Integrating basic considerations of sustainability and resiliency into government decisions is becoming increasingly important as the impacts of human activities are felt globally.

VMT analysis and Reduction – Understanding and reducing vehicle miles travelled (VMT) is necessary for GHG emission reductions, human health, community design, CEQA compliance, and overall sustainability.

GHG analysis and Reduction – Reduction of greenhouse gases and planning for the effects of climate change is a state mandate.

Community Design – Increased density, incentives for infill, promotion of mixed use, designing for walkability, and supporting a balanced jobs/housing relationship is necessary for improved community health, and success in the other areas summarized above.

Attachments

Attachment A – Preliminary Project Information, January 28, 2019 (8 pages)