# City of Calistoga Staff Report

TO:

Honorable Mayor and City Council

FROM:

Charlene Gallina, Planning and Building Director

DATE:

November 5, 2008

SUBJECT:

A Resolution Awarding the 2009 Growth Management System

Allocations

APPROVAL FOR FORWARDING:

James C. McCann, City Manager

**ISSUE:** Consideration of a Resolution awarding the 2009 Growth Management System Allocations for Residential and Non-Residential Applications pursuant to Chapter 19.02 Growth Management System of the Calistoga Municipal Code.

**RECOMMENDATION:** Adopt Resolutions.

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**BACKGROUND/DISCUSSION:** The City's Growth Management System implements a cornerstone policy of the General Plan and establishes a process for restricting population growth to no more than 1.35% per year and balancing growth with the availability of essential public facilities and services. In addition to providing the residential growth rate, a growth threshold for non-residential development correlated to water demand was also established. A limit to new water demand of 8.0-acre feet/year was established in the program. This process has been designed to occur on an annual basis through the acceptance of growth inducing development applications that are reviewed based on the following:

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- > The project's conformity to the project site's General Plan Land Use designation and Zoning District;
- The readiness of the projects to proceed through project review and construction consistent with the timelines established in the system;
- 22 > A clear determination of reasonable water and wastewater needs of the proposal; 23 and
  - Whether or not the project meets the General Development Objectives adopted for the allocation period.

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Once an applicant receives an allocation, the planning process (environmental review, public hearings, etc.) on a specific development proposal may be commenced. All required discretionary and non-discretionary approvals and permits necessary to commence construction must be obtained within 12 months of the date of allocation or the allocation will expire. Therefore, an award of a Growth Management System Allocation does not function as an endorsement or approval of a project; it only enables an application to proceed through the planning and/or building permit process. Environmental or land use issues may cause the proposal to be amended, conditionally approved or denied through the normal public hearing process.

# **Updated Summary of Previously Awarded Allocations:**

It should be noted that the 2009 allocation period is the City's final cycle within the fixed five-year cycle that commenced on January 1, 2005. As you may recall, the Growth Management System establishes a residential growth rate of 1.35% (28 units or 70.092 persons) and a non-residential allocation or growth rate of 8 acre feet of water/wastewater per year (averaged over a five year planning/growth period). Therefore, within the five year cycle, residential population was calculated to increase by 350.46 people, and 40 acre feet of new water and wastewater distribution to non-residential uses would occur.

Staff has included in the 2009 Growth Management Allocation Notebook a summary of the projects that have been awarded an allocation to date, as well as an identification of expired allocations, and the total allocations perfected or used up to date.

Based on this summary, the City Council has awarded the following allocations:

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54	Awarded Residential	New Population Added
55	GMA 2005	87.40 persons (32 Dwelling Units)
56	GMA 2006	65.75 persons (25 Dwelling Units)
57	GMA 2007	72.51 persons (25 Dwelling Units)
58	GMA 2008	224.32 persons (80 Dwelling Units)
59		Total 449.98 persons (162 Dwelling Units)
60	-Plus-	
61	Exempted Units Co	ounted Toward Growth Rate:
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63	53.36 persons (6 S	second Dwelling Units; 14 Single Family Detached Units - DA
64	Reserved through t	he Vineyard Oaks Subdivision)

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66	Total Population Added 503.34 persons (or 182 Dwelling Units)
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68	Population growth of 503.34 persons representing a 2.42% annual growth rate
69	[503.34 persons divided by 5,192 (2005 population) x 100% divided by 4 years =
70	2.42% annual growth rate]
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72	Expired Allocations Added Back
73	into the System to Date: 366.65 persons
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75	Reserved Exempted Units for 2009
`76	3 Second Dwelling Units 8.65 persons
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78	Adjusted Allocations Available for Granting:
79	205.12 persons (approximately 77 units)
80	[350.46 (5 year projection) - 145.34 (final added population through
81	perfected allocation in years 1, 2, 3, & 4, as well as the year 5 reserved
82	second dwelling units of this 5-year cycle) = 205.12]
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84	Awarded Non-Residential:
85	2005 15.174 Acre-Feet Water 17.343 Acre-Feet Wastewater
86	2006 1.194 Acre Feet Water 1.064 Acre-Feet Wastewater
87	2007 7.651 Acre Feet Water 12.430 Acre Feet Wastewater
88	2008 <u>4.004</u> Acre Feet Water <u>8.498</u> Acre Feet Wastewater
89	Total 28.023 Acre Feet Water 39.335 Acre Feet Wastewater
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91	Remaining Allocation for Granting: 11.977 Acre Feet Water
92	0.665 Acre Feet Wastewater
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94	Expired Allocations Added Back
95	into the System to Date: 16.448 Acre-Feet Water
96	31.602 Acre Feet Wastewater
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98	Adjusted Allocation Available for Granting:
99	28.425 Acre-Feet Water
100	32.267 Acre-Feet Wastewater
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Since 2005, the residential population added to Calistoga either in units constructed or creation of new lots through the subdivision process has been 145.34. This residential

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population figure represents a total of 54 units (33 constructed units; 18 lots created; 3 reserved second dwelling units) added to the City's housing stock.

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#### 2009 Growth Management Allocation Process:

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On August 5, 2008, the City Council adopted Resolution No. 2008-074 establishing General Development Objectives for and opening the 2009 Growth Management Allocation Process. The adopted Objectives are as follows:

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#### General Development Objectives for Awarding Allocations in 2009

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A. Preference for **residential** allocations shall generally be given to projects that include one or more of the following:

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 Construction of deed restricted residential units that go towards the goal of fulfilling the City's remaining regional housing need in the very-low, lowand/or moderate-income housing categories as defined by the General Plan.

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 Construction of residential units that are proposed as part of a mixed-use development project.

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Construction of infill development located on existing residential lots of record.

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B. Preference for **non-residential** allocations shall generally be given to projects that include one or more of the following:

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• Intensification of existing uses or the construction of new structures for occupancy by a local serving retail or commercial business.

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 Construction of a structure that includes non-residential uses as part of a mixed-use development project.

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 Intensification of existing uses or new construction on vacant, underdeveloped or redeveloped land with necessary public infrastructure in place.

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• Public or quasi-public uses (e.g., schools, churches, community facilities, etc.).

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# Application Filing:

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On September 26, 2008, the filing period for the final GMA cycle within the five-year cycle that commenced on January 1, 2005 was closed resulting in the submittal of 21 applications. Attached to this report is a summary of all applications received, which fall

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143 into three categories: Residential, Commercial and Mixed-Use. Of the 21 applications, allocation requests are as follows: 144

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Proposed # of New Units Requested 82 Residential:

> 223.45 persons Total Population Projected

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Additional Water Requested 149 Commercial: 27.700 (Acre Feet) 150

27.101 (Acre Feet) Additional Waste Water Requested

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Staff attributes the significant amount in residential allocation requests to the expiration of previously granted GMA allocations and the submittal of the Cottage Glen project proposal.

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#### Residential Allocations:

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To calculate the population increase attributable to each application, staff utilized the City of Calistoga's 2000 Census on Population By Units In Structure by Tenure, which identifies the persons "generated" per household by the proposed residential unit type. Therefore, in this application period, a factor of 2.63 persons per household was used for requested development of single-family residences proposed to be created through minor or major subdivisions, a factor of 2.99 persons per household was used for Rossi Development - Washington Commons Condominiums, and factors of 2.75, 2.77, 2.63. and 3.39 persons per household for the Gumina Partnership mixed-use development proposal).

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As requested, the total number residential allocations exceed the number of allocations available in this final cycle of the City's Growth Management System program (an increase in population of 205.12 persons available within the 1.35% growth rate of this five-year cycle; proposals representing a population increase of 223.45 persons have The residential allocation requests have been divided into the been submitted). following three categories.

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- Creation of new lots through small subdivisions (6 applications 10 new lots proposed; 12 single family units; population increase of 31.56 persons);
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- Creation of new lots through large subdivisions (1 application 30 new lots; 30 single family units; credit for the replacement of 1 existing SFD would be granted; population increase of 78.90 persons)

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Mixed Use Development (3 applications – subdivision and/or construction of 5 apartments, 12 duplex units, 6 single-family units with optional 5 granny units and 12 condominium units; population increase of 112.99 persons)

Staff has determined that out of 10 requested residential allocation applications, only 4 applications (mixed use proposals – GMA 2009-22 – Gumina; GMA 2009-24 – Franklin; GMA 2009-25 - Rossi; and GMA 2009-27 - Cortez) meet the City's adopted General Development Objectives for this final cycle. Furthermore, staff finds that all 4 applications are consistent with their respective General Plan Land Use designations and Zoning District designations with respect to proposed type of units to be created and density requirements.

The other residential applications do not directly or fully address the adopted General Development Objectives. Still, given the availability of additional growth potential within the five-year cycle (205.12 persons), staff recommends GMA's be granted to several proposals.

With respect to the application submitted by Calistoga Affordable Housing, Inc. (GMA 2009-01), staff finds that this proposal will greatly assist the City in fulfilling the City's regional housing need requirement, since 88% of the units proposed will be deed restricted to very low, low, and moderate income households. The Council is aware that Conceptual Design Review by the Planning Commission was conducted on this proposal this past September and October and was not well received by the surrounding neighbors. The Planning Commission did express concerns about project intensity, however, thought that this issue could be overcome, if adequately mitigated. Therefore, the Commission noted that the applicant must address potential environmental impacts identified through this review, including but not limited to the following: traffic, drainage, protection of trees, wetland, cultural and biological resources, and site design and compatibility issues such as housing layout, project access and circulation, parking, and protection of surrounding neighborhood privacy (through setbacks and building heights) in conjunction with a formal application. Given this, staff recommends that Council grant an allocation for this application.

Staff further recommends that **Mr. Cortez's** (GMA 2009-27) and **Mr. Franklin's** (GMA 2009-24) application be granted a new allocation. Staff has no concerns with these proposals. It should be noted that **Mr. Cortez's** application is a re-submittal of a 2007 GMA allocation that was granted by the City Council on November 8, 2006 and which will expired on November 8, 2007. Back in August, Mr. Cortez's planning approvals were granted by the Planning Commission. However, additional time is needed for Mr.

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Cortez to process required building permits to secure his allocation. Mr. Franklin is 219 seeking a small subdivision to divide his 2.15 acre parcel into two parcels for the 220 purpose of creating a 1 acre lot for sale and future development of 1 single family 222 detached unit.

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With regard to Mr. Gumina's application (GMA 2009-22), staff is recommending that an allocation be granted at this time. This application is a re-submittal of a 2008 GMA allocation that was granted on November 6, 2007 and which will expire on November 6, 2008. It should be noted that Mr. Gumina did complete Conceptual Design Review by the Planning Commission in October 2007 and was well received. applicant was unable to submit a formal application on this project to meet deadlines for securing an allocation due market conditions and other reasons.

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The Rossi's application (GMA 2009-25) is a re-submittal of an allocation request granted by the City Council on November 6, 2007 and which will expire on November 6, 2008. It should be noted that this project was first granted an allocation in 2005. Although the project had received all necessary planning and building permit approvals, the applicant failed to secure their allocations due to market conditions and a desired change in product type - conversion of apartments to condominiums with a modest commercial component to the project. However, the applicant has failed to submit a formal application on this project to meet deadlines for securing an allocation. It should be further noted that the subject property has been placed on the market for sale. Given this lack of progress, it appears that the applicant is not ready to proceed with processing this project coupled with the limited number of allocations available for this final cycle; therefore, staff is reluctant to recommend the granting of an allocation at this time.

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With respect to the remaining five applications, staff finds that these applications are not consistent with the City's adopted General Development Objectives for this final cycle, since such applications represent the creation of new residential lots through small subdivisions (either infill or located within the City's Rural Residential General Plan land use designation). However, staff recognizes all these applications are re-submittals of forthcoming expired allocations (all granted in 2007 and will expire on November 6, 2008) and further recognizes that all have submitted a formal planning application for processing. Unfortunately, all have been unable to complete their processing in the required timeframe in order to secure their allocation.

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Out of these five applications, staff finds that the two applications (Montelli - GMA 2009-04 and Tulloch-MacPhail - GMA 2009-06) should be reallocated in order to Awarding of 2009 Growth Management System Allocations City Council Staff Report November 5, 2008 Page 8 of 12

complete the Final Map processing for their project. Both applicants have sought their tentative parcel map approvals and are now in the final stages of securing final map recordation.

The remaining applications (Arroyo - GMA 2009-03; Lundy - GMA 2009-05; Von Strasser - GMA 2009-07); include three minor subdivision proposals (four lots or less). Staff finds these allocation requests to be inconsistent with the adopted General Development Objectives. Furthermore, these subdivision requests were late in the submittal of a formal application (May and June, 2008) which contributed to their inability to secure an allocation within the required timeframe. Of the three subdivision proposals, Mr. Arroyo's application is a reconfiguration of a previously granted allocation in which the project was withdrawn in June 2007 in response to public comments received on the environmental review prepared for this Tentative Parcel Map This project is located within the Rural Residential General Plan Land Use Designation. The remaining two subdivision proposals are located within Rural Residential – Hillside General Plan Land Use Designation (Strasser, Lundy). However, given that these applicant's have submitted a formal tentative parcel map application, staff is recommending that Council grant each an allocation.

#### Non-Residential Allocations:

The non-residential applications submitted in this final cycle have been divided into the following four categories.

- Intensification of an Existing Use Local Serving (5 applications)
- Intensification, Redevelopment, Renovation and/or Expansion of Existing Development (5 applications);
- Mixed Use Development (4 applications); and
- Quasi-Public uses (1 application)

Staff has determined that fourteen (14) of these applications are consistent with the adopted General Development Objectives and the respective City's General Plan Land Use designation and Zoning District. However, staff has concerns regarding the ability of some applications to meet the required deadlines for securing the allocations.

With respect to those applications requesting a modest increase in water/wastewater baselines and/or renovation/redevelopment of an existing structure or properties, staff finds that these applications are project ready to proceed through planning review and/or building permit process. Therefore, staff recommends that the City Council grant

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an allocation for the following applications: Patiris – GMA 2009-02 (Existing Residence & New B&B Facility), Feiereisen - GMA 2009-10 (Yo El Rey Roastery); Shaw - GMA 2009-11 (CalMart Office/Storage), Stover/Mitrovich GMA 2009-12 (Wine Tasting Facility), Farris/Alverez - GMA 2009-14 (Mitchells Grocery), Sereni - GMA 2009-15 (Scoops & Swirls); Saunders - GMA 2009-23 (Existing Apartments & Beauty Salon), and Romeo – GMA 2009-26 (Existing Residence & Wine Sales-Tasting).

Staff further recommends that **Mr. Patel's** (GMA 2009-21) and **Mr. Cortez** (GMA 2009-27) applications also be granted a new allocation. Staff has no concerns with these proposals. Mr. Patel's application is a re-submittal of a 2008 GMA allocation that was granted by the City Council on November 6, 2007 and which will expire on November 6, 2008. It should be noted that this application includes a request for an increase in water and wastewater to accommodate an adjustment in the proposed project. Furthermore, a new allocation will provide Mr. Patel adequate time for processing this proposed 80 unit lodging facility with a spa, conference, retail and dining facility and the renovation of a manager's unit. This project has been scheduled for Planning Commission consideration on November 12, 2008.

**Mr.** Cortez's application is also a re-submittal of a 2007 GMA allocation that was granted by the City Council on November 8, 2006 and which expired on November 8, 2008. Back in August, Mr. Cortez's planning approvals were granted by the Planning Commission. However, additional time is needed for Mr. Cortez to process required building permits to secure his allocation, which includes both a residential and non-residential allocation for the expansion of Vallarta Market and 1 apartment unit.

With respect to **Upper Valley Ministries** (GMA #2009-13), this application is a resubmittal of a 2005 GMA allocation that was granted by the City Council on May 3, 2005 and which expired on May 3, 2008. Once again, this application meets the General Objective of being a quasi-public use. Given the desire of the applicant to move forward with the construction of their Church in 2009, staff is recommending that the Council grant a new allocation for this project to give Upper Valley Ministries sufficient time to commence construction and secure their allocation.

As discussed above under Residential Allocations, staff recommends **Mr. Gumina** (GMA 2009-22) also be granted a non-residential allocation, since this application represents a modest request to accommodate commercial space to be located in a mixed use building.

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With respect to the **Bounsall** family's application (GMA 2009-20), staff finds this project proposal has substantial merit and should be encouraged. However, in review of this application, staff has determined it to be consistent with the adopted General Development Objectives with regards to a mixed use project (reconfiguration of existing residential units and a winery-event center). With respect to the General Plan Land Use designation and Zoning District, staff finds this project inconsistent with respect to proposing retail use and an event center. However, staff has discussed the option for submittal of a Planned Development District rezone request to address this issue. Furthermore, it should be noted that the applicant has completed their pre-application conference with staff and is ready to proceed forward to the Planning Commission for Conceptual Design Review. In addition, staff has concerns regarding this project's ability to meet the required deadlines for securing a GMA given the applicant's desire to phase this project in three phases. It should be noted that the City's Growth Management System Program was originally set up for those projects that were ready to immediately secure project entitlements and commence construction/record a final map on all facets of a project within a year with the ability to request an extension up to 12 months. Given that the Bounsall family proposes to phase this project, staff has discussed this issue with the applicant at length. As a result, the Bounsall family has expressed an interest to pursue a Development Agreement with the City. However, in the interest of pursuing all options for securing a water and wastewater allocation from the City, the applicant opted to also request a Growth Management allocation.

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At this time, staff recommends the applicant should proceed forward in obtaining a Memorandum of Understanding from the City in order to reserve an allocation through the processing of Development Agreement, given the scope and proposed timing of this project. A major benefit for pursuing this avenue is to provide an opportunity for the applicant to secure a longer timeframe for the processing and construction of such a project rather than phase project approval within yearly increments. In addition, the processing of a Development Agreement would remove any uncertainties with respect to the required payment of processing and development impact fees and make them known up front in the process.

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369 370 With regards to the **Mr. Rossi's** application (GMA 2009-25), staff, based upon discussion provided above, is reluctant to recommend the granting of an allocation even though such non-residential allocation represents a modest request to accommodate commercial space to be located in a mixed use building.

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#### 374 Allocation Request Recommendations:

Based upon staff analysis of the applications submitted for 2009, staff is recommending that the City Council grant Growth Management Allocations as follows:

#### Residential:

### **Mixed-Use Development**

Application No.	Applicant Name	Pop. Increase b	ased on 2000 Census
GMA #2009-22	Gumina Partnership	(26 units)	74.34 persons
GMA #2009-24	Steve Franklin (1 lo	t)	2.63 persons
GMA #2009-27	Jamie Cortez (1 uni	t)	2.77 persons
Subtotal	·		79.74 persons

#### Large Subdivisions:

Application No.	Applicant Name	Pop. Increase base	ed on 2000 Census
GMA #2009-01	Calistoga Affordable	Housing (30 lots)	78.90 persons
Subtotal		- ,	78.90 persons

Small Subdivisions (Four Lots of Recordation of Final Map Anticipated within 6 Months):

Application No.	Applicant Name	Pop. Increase ba	ased on 2000 Census
GMA #2009-03	Vincent Arroyo (4 I	ots)	10.52 persons
GMA #2009-04	Daniel Montelli (1 l	ot)	2.63 persons
GMA #2009-05	John Lundy (3 lots	)	7.89 persons
GMA #2009-06	Tulloch/MacPhail (	2 lots)	5.26 persons
GMA #2009-07	Rudy & Rita Von S	Strasser (1 lot)	2.63 persons
Subtotal	-		28.93 persons

## Grand Total 187.57 persons

#### Non-Residential & Mixed-Use Developments:

409	Application No.		Water	Wastewater
410	GMA #2009-02	Yiota Patiris	0.340 a.f.	0.300 a.f.
411	GMA #2009-10	J Kirk Feiereisen	0.062 a.f.	0.056 a.f.
412	GMA #2009-11	William Shaw	0.140 a.f.	0.126 a.f.

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422	Total		12.960 a.f.	14.036 a.f.
421	GMA #2009-27	Jamie Cortez	0.401 a.f.	0.361 <u>a.f.</u>
420	GMA #2009-26	Frank & Eugena Romeo	0.480 a.f.	0.430 a.f.
419	GMA #2009-23	Corrine Sanders	0.144 a.f.	0.129 a.f.
418	GMA #2009-22	Gumina	0.130 a.f.	0.120 a.f.
417	GMA #2009-21	Jag Patel	5.620 a.f.	9.950 a.f.
416	GMA #2009-15	Brian Sereni	0.071 a.f.	0.064 a.f.
415	GMA #2009-14	Farris/Alverez	0.122 a.f.	0.110 a.f.
414	GMA #2009-13	Upper Valley Ministries	4.870 a.f.	1.800 a.f.
413	GMA #2009-12	Stover & Mitrovich	0.580 a.f.	0.590 a.f.

Attached to this report are appropriate resolutions for City Council action. Please note that three resolutions have been provided in recognition of Council member conflict of interest in taking action on the award of allocations requested by Ms. Sanders, Mr. Romeo, and Mr. Gumina.

Revisit of the Growth Management System Ordinance: In August, the City Council, as well as, the Planning Commission agreed that there was a need to revisit the City's Growth Management System Program to provide more flexibility in the regulations and to explore options on providing development incentives to encourage applicants to bring in projects that address City needs. Given this direction, it is staff's intent to bring forth recommendations on an amendment after City Council granting of the 2009 allocations. Therefore, staff will be moving forward on this direction and will be presenting recommendations for changes to the Planning Commission in December and thereafter to the City Council.

FISCAL IMPACT: Authorizing the allocations does not present any fiscal impact to the City. Costs incurred in the review of the allocation request have been offset by application fees.

#### **ATTACHMENTS:**

- Draft Resolutions
- 445 2. Summary of GMA Application Requests Residential, Commercial, & Mixed-Use
- 446 3. 2009 Growth Management System Allocation Applications [Notebook]