

MINUTE EXCERPT
SPECIAL JOINT MEETING OF THE
CITY COUNCIL
AND THE
PLANNING COMMISSION
WEDNESDAY, JUNE 25, 2008 – 6:30 P.M.
CALISTOGA COMMUNITY CENTER

1
2 **GENERAL GOVERNMENT:**

- 3
4 1. The need to review of the Growth Management Ordinance to address
5 complications and shortcomings of the existing language.

6
7 **City Manager McCann** stated the purpose of the GMA process is to establish
8 objectives that allow for the types of development to see. He stated that the
9 objectives are re-evaluated annually in order to facilitate the most desirable
10 projects. He suggested that smaller projects should receive allocations in a
11 timelier manner to prevent unwarranted delays.

12
13 **Chairman Manfredi** stated that the City's Growth Management Allocation
14 (GMA) system works well and suggested that the allocation have a two year
15 term instead of a single year.

16
17 **Commissioner Creager** suggested that GMA development objectives be more
18 aggressively respected to direct desired housing growth.

19
20 **Commissioner Coates** suggested revamping the building permitting process
21 in order to expedite the approval of small projects.

22
23 **Planning and Building Director Gallina** suggested authorizing to
24 administratively grant of minor allocations to prevent unnecessary delays for
25 small projects.

26
27 **Commissioner Creager** stated his concern with residences used for vacation
28 housing.

29
30 **Councilmember Slusser** suggested that developers be permitted to build an
31 adequate number of homes per year in order to keep construction costs down
32 and increase affordability.

33
34 **Bob Fiddamon, Calistoga Affordable Housing**, stated that there is a need
35 for higher density housing to increase affordability. He that it makes sense for

36 City staff to authorize water and wastewater allocations to developments with a
37 higher ratio to normal inclusionary housing.

38
39 **Norma Toffanelli, 1001 Dunaweal Lane**, stated her concern regarding the
40 existing development process and perceived inequities.

41
42 **Councilmember Garcia** stated that there should be more flexibility in the GMA
43 approval process in order to prevent delays in projects.

44
45 **Commissioner Kite** asked how frequently a GMA is denied.

46
47 **Planning and Building Director Gallina** responded that not every allocation
48 request is granted and approximately 5 have been denied since the Growth
49 Management Ordinance was adopted.

50

CITY OF CALISTOGA
PLANNING COMMISSION
REGULAR MEETING MINUTES EXCERPT
WEDNESDAY, July 9, 2009

1 **ROLL CALL**

2 **Present:** Chairman Jeff Manfredi, Vice-Chairman Clayton Creager, Commissioners Carol
3 Bush, Paul Coates and Nicholas Kite. Staff: Charlene Gallina, Planning and Building Director,
4 and Kathleen Guill, Planning Commission Secretary. Absent: Erik Lundquist, Associate
5 Planner, and Ken MacNab, Senior Planner.

6
7 **H. NEW BUSINESS**

8
9 1. Provide a recommendation to the City Council regarding the General Development
10 Objectives for the 2009 Growth Management Allocation process.

11
12 **Director Gallina** reported it was time to initiate the process for the fifth cycle of the allocation
13 program. She provided an overview stating the residential allocations exceeded the averaged
14 five year planning/growth period last year by 15 persons. However, in review of the allocations
15 awarded within the last two years it was likely a number of those allocations would expire
16 before the end of the year and that would balance out the negative balance and reduce the
17 number below the allowable 150 persons (1.35 %).

18
19 **Director Gallina** noted it was staffs recommendation the General Plan Objectives only
20 address the pent up demand to accommodate single-family and multifamily units, and identify
21 mixed use projects that target at least 80% of the affordable housing income levels.
22 Referencing non-residential allocations staff recommended that the objectives resume the
23 objectives adopted within the Growth Management System Ordinance in anticipation of some
24 type of action on the Urban Design Plan.

25
26 **Vice-Chairman Creager** asked if Staff could provide an estimate of the total number of those
27 allocations that may not be exercised.

28
29 **Director Gallina** reported about 100 persons.

30
31 **Vice-Chairman Creager** noted the unused allocations could create a plus of 85 persons then.

32
33 **Director Gallina** reported there have been many allocations granted that we have not
34 received formal permit applications for; and based on the Joint Session discussion it is
35 understood we need to stick with the allowed time line. Staff suggested it would be
36 appropriate to revisit the allocation provisions in the ordinance after this year's cycle of
37 allocations is complete.

38
39 **Vice-Chairman Creager** noted this is an important number because we will lose those
40 allocations with the new year. The 1.35% growth rate was the minimum we need to reach our
41 fair share of regional housing. He questioned how we currently stand within the housing
42 categories.

43
44 **Director Gallina** reported we are not anywhere close to meeting the required housing.

46 **Vice-Chairman Creager** suggested this was significant to the discussion because the criteria
47 we have basically has accepted what has come in the door, and we are not going to reach the
48 community base criteria.

49 **Commissioner Coates** referenced page 3 of 5, line 87, related to the adjustments applied to
50 the expired allocations and asked why the waste-water calculations were so much higher.

51 **Director Gallina** reported some of the waste-water is accounted for by the mineral water that
52 gets put back in.

53 **Director Gallina** reported Staff would like to bring process discussion forward to look at
54 timelines, staff authority, and review options. Consideration could be given to eliminate the
55 Growth Management Allocation process based on the small amount of development. We
56 definitely will need to look at the realization of population during the last four cycles.

57 **Commissioner Coates** suggested possible streamlining to encourage applicants, especially
58 downtown commercial.

59 **Director Gallina** reminded there are so very few lots of record, we may not want to encourage
60 them to come in.

61 **Vice-Chairman Creager** agreed with Commissioner Coates but noted with added flexibility we
62 will need future policy if we want to see people come in with better proposals. He suggested
63 the City could guide and shape proposals in a general way. Further suggesting possibly
64 withholding privileges until we see the nature of each proposal, and continue to deny proposals
65 unless they come in with something that meets our development needs.

66 **Commissioner Kite** suggested taking an apportionment with no charge for those that meet
67 certain criteria (an incentive base), and charge fees only for those that don't meet criteria. The
68 City could give a financial incentive; maybe allow for free water connection for the affordable
69 housing part of it.

70 **Vice-Chairman Creager** suggested we could add in an incentive base for median and
71 affordable housing.

72 **Commissioner Coates** suggested we have to be creative to work together, because we need
73 to care about the community and not have the bottom line be the developers driving force.
74 Incentives from the City will encourage, but he did not want City monies being spent to gain
75 projects. He also does not believe that apartments, townhouses and detached housing belong
76 together.

77 **Vice-Chairman Creager** there has been partnership and creative arrangements with the
78 affordable housing projects that have gone forward to date and an incentive base could help.

79 **Chairman Manfredi** reported he has sat through three different attempts with developers
80 asking how we can make a project work.

93 **Commissioner Coates** suggested there is a lack of trust by the developers and we need a
94 less rigid approach.

95
96 **Vice-Chairman Creager** noted the practical matter was not creativity; the issue is the
97 community comes out in force and issues red herrings and blind opposition to new
98 development within the city and this is the bigger factor.

99
100 **Commissioner Coates** stated the developers/applicants don't really do their homework. They
101 start off on the wrong foot. We have had a developer make a reasonable return, negotiate
102 concessions and conditions, and in the end the city did not get the affordable housing. This is
103 in error, we created an opportunity and that affordable development should have happened.

104
105 **Vice-Chairman Creager** stated we have learned not to structure agreements in that way.

106
107 **Commissioner Coates** stated he was frustrated with the process and instead of taking money
108 from other sources; he would like to see participation from other than our local housing. He
109 reported developers are turned off because the city is not making an honest attempt to make
110 things happen.

111
112 **Vice-Chairman Creager** referenced the Solage project noting the city negotiated drainage
113 repair for an entire quadrant, it was a win/win with an expanded benefit.

114
115 **Commissioner Coates** suggested focus on single detached residences, pointing out drainage
116 issues in Calistoga are a hindrance to creative affordable housing.

117
118 **Vice-Chairman Creager** suggested if a developer got a financial incentive for affordability,
119 then they could use the savings on addressing drainage and create median housing with
120 smaller homes.

121
122 **Commissioner Kite** suggested maybe there should be refinement of objectives, consideration
123 could be given for objectives to be aligned to create projects that the community will accept.

124
125 **Vice-Chairman Creager** suggested that a few enraged locals should not define what is
126 possible.

127
128 **Vice-Chairman Creager** suggested if a developer exceeds the criteria for affordable housing
129 they could be eligible to come in at any time and we could give them the opportunity to move
130 forward with their application expeditiously.

131
132 **Chairman Manfredi** restated some of the suggestions on the table.

- 133
- It is time for GMA to be reworked;
 - our general development objectives should focus on what we want.
 - How do we encourage more serious applicants to come in?
- 134
135
136

137 **Chairman Manfredi** reminded this Commission has spent a lot of time in conceptual reviews
138 and then sometimes we never see those developers again.

139

140
141 **Director Gallina** reported part of the reason for developers dropping a project is plain
142 economics.
143
144 **Commissioner Coates** reported housing is needed for our local police, teachers, and grocery
145 clerks. He suggested a cooperative effort by the School District, City and developers to create
146 housing, and possibly a support program for loan structure for single family homes.
147
148 **Director Gallina** noted these were good topics for consideration with the strategic housing
149 update to the housing element, and we need a strategy to provide incentives for developers to
150 come forward, i.e. connection fee incentives, and funding from housing funds.
151
152 **Chairman Manfredi** stated changing this ordinance needs to be a priority and should be
153 initiated no later than the end of this year.
154
155 **Commissioner Kite** stated given the effort that was given to the creation of the ordinance,
156 perhaps it should just be suspended until the demand exceeds supply.
157
158 **Chairman Manfredi** stated we should just rework this ordinance, noting it was created with
159 anticipation of pent up demand.
160
161 **Director Gallina** suggested if suspended Staff could schedule a bi- annual report on progress
162 and rate of growth.
163
164 **Commissioner Bush** questioned if the ordinance was suspended would it impact Staff
165 workload.
166
167 **Director Gallina** reported we would probably see more applications come in from the sale of
168 properties.
169
170 **Chairman Manfredi** noted the GMA had benefited the city by providing the City Council an
171 outlet for refusing projects that the city does not want.
172
173 **Vice-Chairman Creager** suggested we could selectively suspend portions of the GMA to allow
174 all good projects that exceed criteria to jump in with an application anytime. He recommended
175 we should evaluate projects by components. Then when the demand exceeds supply the City
176 could implement a full GMA processing again.
177
178 **Commissioner Coates** noted he believed there are opportunities for the City to do things that
179 will encourage more flexibility and get applicants with good projects in the door.
180
181 **Recommended Action:** There was motion by **Chairman Manfredi**, seconded by **Vice-**
182 **Chairman Creager** to Adopt Resolution PC 2008-26 recommending to the City Council
183 adoption of the General Development Objectives for the 2009 Growth Management Allocation
184 process to include the added suggestions.
185

186 **Commissioner Kite** restated for the record, suggestions included language to require an
187 overall revision of the Growth Management program no later than the end of this year to
188 incorporate lessons learned; examination for possible suspension of all or portions of the GMA
189 program; and consideration for use of an incentive scheme to pricing of development (i.e.
190 adjustment to water and sewer connection fees). **Chairman Manfredi** confirmed his motion to
191 include this proposed language and **Commissioner Bush** seconded the revised motion.
192 **Motion carried: 5-0-0-0.**

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Kathleen Guill,
Secretary to the Planning Commission

**Chapter 19.02
GROWTH MANAGEMENT SYSTEM**

Sections:

<u>19.02.010</u>	Purpose.
<u>19.02.020</u>	Objectives.
<u>19.02.030</u>	Definitions.
<u>19.02.040</u>	General provisions.
<u>19.02.050</u>	Exceptions.
<u>19.02.060</u>	Allocation procedures.
<u>19.02.070</u>	General development objectives for awarding allocations.
<u>19.02.080</u>	Carryover of unused allocations.

19.02.010 Purpose.

It is the purpose and intent of this chapter to provide for the public health, safety and general welfare by: (1) ensuring that development remains within the limits established by the City's General Plan; (2) encouraging growth that is properly matched with essential public facilities and services; and (3) preserving the unique small-town character of the community which is vital to protecting the existing quality of life and strengthening the local economy and tax base. This chapter provides a mechanism for the City to select development proposals based on a set of specific development objectives including, but not limited to, housing that is affordable to families with lower and moderate incomes, infill development or redevelopment over development at the City's edges, and mixed-use development. (Ord. 624 § 1, 2005; Ord. 616 § 1, 2004).

19.02.020 Objectives.

Protection of the public health, safety and general welfare requires the City establishes a growth management system to accomplish the following:

- A. Facilitate and implement the City's General Plan, including the goals and policies contained in the land use, housing, community identity, open space, economic development, conservation and infrastructure elements, which cannot be accomplished by zoning ordinances alone;
- B. Provide a reasonable and understandable mechanism to phase growth over the term of the General Plan at a pace that does not exceed the City's ability to provide the resources, services and facilities necessary to accommodate its existing residents and businesses; avoids large fluctuations in the rate of population and employment growth; and maintains compliance with the City's share of the region-wide housing need to minimize exposure to legal challenges, provide access to funding to secure affordable housing development, and ensure vital State subventions are protected into the future;
- C. Regulate new residential growth in accordance with the population growth rate established in the General Plan;
- D. Regulate the pace of new nonresidential growth in accordance with the goals and objectives established in the General Plan;
- E. Give preference to lower-income housing development by encouraging developers to include subsidized housing in their projects beyond the minimum amount required by local ordinance or to provide equitable financial assistance to the community to accomplish this goal;
- F. Give preference to moderate-income housing development by encouraging developers to pursue residential developments which through deed restrictions or other provisions will ensure their long-term availability to households of moderate incomes;
- G. Promote infill development over new development at the edges of town;
- H. Integrate new growth into existing developed areas which encourages reinvestment in the maintenance and rehabilitation of older residential neighborhoods or established commercial areas, expansion of existing uses, enhances efficient use of municipal services by avoiding unnecessary extensions, and promotes housing near employment centers which tends to be more affordable to a broader economic segment of the community;
- I. Reduce dependency on the automobile by providing a mix of housing types in pedestrian-oriented neighborhoods located near City parks, commercial retail uses and services, and public transit;
- J. Provide a balance of residential and nonresidential growth to ensure the community's unique quality of life and economic well-being; and
- K. Recognize Federal and State preemptions on residential development, such as for second dwelling units, and establish a process for providing resources to residential units with existing prior City commitments and where substantial

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investments in the implementation of infrastructure are already in place. (Ord. 624 § 1, 2005; Ord. 616 § 1, 2004).

19.02.030 Definitions.

"Abandoned allocation" shall mean an allocation awarded to an applicant which has exceeded 12 months without the development receiving the required discretionary and nondiscretionary permits to construct the project, or which has exceeded 24 months if an extension has been authorized under the provisions of this chapter.

"Affordable housing" shall mean a residential unit or units intended for households whose income is within the very low-, low- and moderate-income categories.

"Allocation" shall mean the amount of development (the number of new lots or dwelling units, new commercial square feet of building space) and the water and wastewater resources necessary to support such development assigned to a project or projects and authorized by the City to proceed through the permit review process.

"Allocation process" shall mean the procedures established for requesting, awarding and using allocations for residential and nonresidential development projects.

"Annual allocation" shall mean the total number of new residential units and total acre-feet of water for distribution to nonresidential development that are available for allocation in a single calendar year.

"Application expiration period" shall mean the date on which the City closes the period for receiving applications for residential and nonresidential allocations.

"Combined average allocation" shall mean the total number of residential units or total acre-feet of water for distribution to nonresidential development estimated to be available for allocation in a five-year cycle.

"Competitive evaluation" shall mean the process of reviewing and awarding allocations for development based on predetermined development objectives.

"Five-year cycle" shall mean the fixed five-year period within which allocations are made and monitored to ensure that targeted population growth rate and water distributions for nonresidential development are not exceeded.

"Floor area, gross" shall mean that the total horizontal area in square feet of all floors measured from the exterior walls of a building, but not including the area of unroofed inner courts or shaft enclosures. (Note: This definition is a little more specific than the definition provided in the zoning ordinance. It accounts for interior mezzanines.)

"Housing, above moderate-income" shall mean a residential unit intended for a household whose income exceeds 120 percent of the median household income for the County with adjustments based on household size.

"Housing, low-income" shall mean a residential unit intended for a household whose income is between 51 percent and 80 percent of the median household income for the County with adjustments based on household size.

"Housing, moderate-income" shall mean a residential unit intended for a household whose income is between 81 percent and 120 percent of the median household income for the County with adjustments based on household size.

"Housing, very low-income" shall mean a residential unit intended for a household whose income does not exceed 50 percent of the median household income for the County with adjustments based on household size.

"Lower-income housing" shall mean a residential unit or units intended for households whose income is within the very low- and low-income ranges.

"Mixed use" shall mean the combination of uses such as office, retail, commercial, and institutional with residential uses in a single building or on a project site.

"Permit review process" shall mean all discretionary and ministerial approval required by the City, County, State and/or Federal agencies required at the time of application completeness.

"Residential development" shall mean a development proposal for a dwelling or multiple dwellings, or for a subdivision that will result in the construction, creation or placement of one or more new dwellings or residential lots of record in the City, and which shall require approval of an allocation provided through the allocation process.

"Residential unit" shall mean a residential housing unit or a residential lot of record proposed to be created through the division of land. (Ord. 624 § 1, 2005; Ord. 616 § 1, 2004).

19.02.040 General provisions.

A. The provisions contained in this chapter shall apply to all development in the City, unless otherwise exempt by this title or by State law. No development shall be authorized by the City to proceed through the permit review process until the development has received an allocation.

B. Applications for allocations shall be made to the Planning and Building Department on forms provided by the City. Applications shall be accompanied by the following information, where applicable:

1. A project narrative describing the proposed development plan or intensification of use at an existing facility, including: quantification of the number, size, type and nature of any proposed residential dwelling units and/or quantification of the proposed intensification of use or total amount of new nonresidential square footage by type of use; proposed sales price for new homes or rental rate for rental units; any sales price or rental rate restrictions proposed to be established; the extent in which the project would be consistent with the character of the neighborhood; an estimate of projected water usage and wastewater production by type of use based upon the City's Standardized Use Table; and a clear description of the allocations being requested in terms of residential units and/or amount of nonresidential water and wastewater capacity. A statement and sufficient detail regarding steps proposed by the proposed project to conserve or utilize resources efficiently.
2. A preliminary site plan, including a vicinity map which illustrates the relationship of the proposed development with the surrounding area and showing the extent, location, and type of existing and proposed uses on the site, any proposed demolition of structures, and the nature and extent of open space, parking and other similar facilities. A set of preliminary architectural building elevation drawings for all new proposed buildings.
3. A description of all project phasing, including an illustration on the site plan of which improvements will be phased and over what period of time.
4. A development schedule showing the anticipated date of submittal of all requests for discretionary permits, design review, environmental assessment, subdivision maps, building permits, or other similar requests.
5. Such other information as may be required by the Planning and Building Department as outlined on the "Materials Required for Filing a Growth Management Allocation Application" form.
6. Each application for an allocation, other than those specifically exempted by CMC 19.02.050, shall be accompanied by a processing fee as established by City Council resolution. Such fees shall not be refundable once processing of the application begins. (Ord. 624 § 1, 2005; Ord. 616 § 1, 2004).

19.02.050 Exceptions.

The following development is exempt from this chapter and shall be authorized to proceed through the permit review process without an allocation:

- A. Second dwelling units, as provided in Government Code Section 65852.2. Such units shall be counted towards the five-year cycle 1.35 percent growth rate in this chapter.
- B. Residential development submitted as part of an approved permit or subdivision authorized by the City on or before January 1, 2004, and which is intended for lower-income households as defined by this chapter. For dwellings located within a multiple-lot subdivision, only those dwellings that qualify and are secured as affordable to lower-income households shall be exempt from the residential growth management system. The remaining dwellings shall be required to receive an allocation prior to proceeding through the permit review process.
- C. Dwellings or nonresidential structures which have received final design review, if required, and which have previously received a building permit prior to the effective date of the ordinance codified in this chapter which has not expired under the terms of the uniform codes adopted in this title.
- D. Dwellings or nonresidential structures on existing parcels of record which have paid water and wastewater connection fees prior to the effective date of the ordinance codified in this chapter and are paying water meter service charges and/or a wastewater capacity allocation charge to maintain a water and/or wastewater allocation. In such instances, the parcel shall have a history of residential or nonresidential development in the past, and the proposed new development shall not exceed the water consumption and wastewater production of the original development, as defined in the City's Standardized Use Table or established baseline allocation, as applicable. This exception does not apply to parcels that do not have a history of residential or nonresidential development.
- E. Dwellings which are replaced, including mobile homes on an approved mobile home site, and additions, alterations, remodeling and repair to existing dwellings; provided, that there is no net increase in the number of units.
- F. Development projects for which the City has entered into a development agreement with the project proponent may

be exempt from provisions of this chapter; however, any residential component of such projects shall be subject to the 1.35 percent growth rate in this chapter.

G. Replacement, repair, remodeling, minor additions or alterations to existing nonresidential structures; provided, that the net increase in gross floor area does not exceed 10 percent and there is no significant change in use.

H. Public facilities sponsored by the City of Calistoga or the Calistoga Joint Unified School District.

I. Projects sponsored by public and nonprofit organizations which provide medical, dental, social services, and the like for the residents of Calistoga. (Ord. 624 § 1, 2005; Ord. 620 § 1, 2005; Ord. 616 § 1, 2004).

19.02.060 Allocation procedures.

A. In July of each year, except for the initial year of application of this chapter, the Planning and Building Director shall prepare and distribute a written report, which estimates the number of residential units and acre-feet of water for nonresidential uses that are available for allocation by the City for the upcoming calendar year. The report shall also estimate combined average residential and nonresidential allocations available for distribution within the five-year cycle, pursuant to the following formulas:

Annual Residential Allocation = Population x 1.35 percent/Household Size

"Population" is based upon the most recent available estimates provided by the State Department of Finance.

"Household Size" reflects the average number of persons per household, as provided by the State Department of Finance.

Where the "Annual Residential Allocation" is a fraction, this amount shall be rounded down to the nearest whole number. Final assessment of population generation will be based upon information provided by the U.S. Census Bureau (H33. Population by Units in Structure by Tenure).

Annual Nonresidential Allocation = Water Supply x Percentage Distribution for Nonresidential Uses

"Water Supply" is the total amount of water (in acre-feet) available to serve Calistoga in the calendar year.

"Percentage Distribution" is the percentage of water supply to be designated for nonresidential uses as specified in Chapter 13.16 CMC.

B. Following the Planning and Building Director's report provided in subsection (A) of this section, the City Manager shall prepare and distribute a written report to the City Council assessing community conditions, including the adequacy of existing services and facilities, availability of resources and current development and growth trends. In conjunction with this report the Public Works Director shall provide information on current water use by all land uses, the quantity of unallocated water including the quantity and total percentage of overall system losses and emergency reserves, the quantity of wastewater which is being treated, and the permitted treatment capacity of the wastewater treatment plant taking into consideration the ability to properly dispose the treated effluent. The report shall also include a determination on whether there is sufficient capacity to serve projected allocations for the upcoming year and for the five-year cycle. Allocations shall not be made by the City where there is inadequate water or wastewater treatment capacity.

The City Manager's report shall present the Planning Commission's annual recommendation to the City Council regarding the proposed development objectives for the upcoming year. The City Manager's report may recommend that certain development objectives be adopted by City Council.

C. Within 30 days from receipt of the City Manager's report, and not later than September 15th of each year, the City Council, by resolution, shall confirm the number of residential units and amount of water for nonresidential use available for allocation and establish a list of development objectives for residential and nonresidential development by order of priority for the upcoming year. The list may or may not include the general development objectives identified in CMC 19.02.070(A) and (B), and shall be consistent with goals and policies in the City's General Plan. The list shall be used by the City to evaluate applications for allocations in the event that the number of allocations requested in a given year exceeds the number of allocations that are available for that year.

D. Unless otherwise provided in this chapter, the allocation confirmed in subsection (C) of this section as having adequate water and wastewater treatment capacity to serve the development shall represent the amount of residential and nonresidential development that may receive allocations in a calendar year.

E. Where there is no allocation available for distribution by the City, a resolution shall be adopted by the City suspending the allocation procedures contained in this chapter until the following calendar year.

F. Annual allocations may be increased, as approved by City Council resolution; provided, that the combined average residential allocations do not result in a population growth rate of more than 1.35 percent or nonresidential water distribution exceeding the percentage specified in Chapter 13.16 CMC as calculated over the fixed five-year cycle, commencing on January 1, 2005.

G. Except as otherwise provided in this chapter, no development may be determined to be complete or will be approved until the development has received an allocation pursuant to the following procedures:

1. Not later than November 30th of each year, the City shall conduct a competitive evaluation of applications for annual residential or nonresidential allocations, if such have been determined to be available, and shall award allocations by resolution. The competitive evaluation shall begin with an open enrollment period in which applications for allocations shall be submitted. The enrollment period shall be noticed in a local newspaper of general circulation and shall be open for a period of no less than 30 days.
2. Applications for annual allocations shall be submitted to the Planning and Building Department before the close of regular business hours on the last day of open enrollment period. Applications shall be accompanied by the required submittal materials and fee, as provided in CMC 19.02.040.
3. No application for development shall be processed by the City unless it is determined by the Planning and Building Department to be complete and consistent with the General Plan's land use designation as reflected on the current Land Use Map (Figure LU-4) and the City's Zoning District as reflected on the current Zoning District Map. (Note: Any required General Plan amendment or rezoning will need to be secured prior to requesting allocations).
4. Applications which are not in conformity with the adopted General Plan land use designation and zoning district on the date of submittal, or require an amendment to the adopted General Plan or zoning ordinance, excluding applications on property designated as planned development in the General Plan and zoning ordinance, and which are not consistent with key General Plan goals, objectives and policies shall not be eligible for an allocation.
5. Upon the close of the period by which applications for allocations may be accepted, the Planning and Building Department shall review each application for completeness. Applications determined to be incomplete after the close of the application period will not be recommended by staff to receive an allocation.
6. All applications received shall be evaluated by the City Council and awarded allocations in accordance with the preferences established in CMC 19.02.070.
7. Applications for projects exceeding available annual allocations may be awarded allocations from the combined average allocation identified under subsection (F) of this section; provided, that the allocation does not result in a population growth rate of more than 1.35 percent or a nonresidential water distribution exceeding the percentage specified in Chapter 13.16 CMC as calculated over the fixed five-year cycle.
8. Applicants who are not awarded an allotment shall be sent notice of such decision within 10 days after the decision. Such notice shall inform the applicant of the decision and the right to reapply for an allocation in the next application period. Such applicants will not be subject to filing fees provided the same application is resubmitted.
9. Applications for the construction of residential units sponsored by a nonprofit housing organization that fulfill the City's remaining regional housing need in the very low-, low- and moderate-income housing categories as defined by the General Plan may be submitted at any time during the year for consideration of an allocation reservation for the next allocation period.

H. Once a development has received an allocation, all required discretionary and nondiscretionary approvals and permits necessary to commence construction must be obtained within 12 months of the date of allocation.

I. Failure to receive the necessary permits to commence construction, or in the case of a subdivision to receive approval and recordation of a final subdivision map or final parcel map, shall deem the allocation expired. A one-time extension may be authorized by the Planning and Building Director, for a period of up to 12 months; provided, that the applicant is actively seeking permit approval. No allocation shall extend for a period of over 24 months without the allocation being deemed expired.

J. Allocations shall be nontransferable by the applicant from one parcel to another. (Ord. 624 § 1, 2005; Ord. 616 § 1, 2004).

19.02.070 General development objectives for awarding allocations.

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

1. Construction of residential units that fulfill the City's remaining regional housing need in the very low-, low- and moderate-income housing categories as defined by the General Plan.
2. Construction of residential units that will be available to households of moderate-income as defined by the General Plan.
3. Construction of residential units that are proposed as part of a mixed-use development project.
4. Construction of residential units on vacant, underdeveloped or redeveloped land with necessary public infrastructure in place.

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

1. Intensification of existing uses or the construction of new structures for occupancy by a local-serving retail or commercial business.
2. Construction of a structure that includes nonresidential uses as part of a mixed-use development project.
3. Intensification of existing uses or new construction on vacant, underdeveloped or redeveloped land located within the downtown commercial (DC) zoning district.
4. Public or quasi-public uses (e.g., schools, churches, community facilities, etc.)

C. Residential and/or nonresidential development objectives and priorities for awarding allocations may be adjusted annually by the City Council resolution in response to changing conditions within the City in accordance with the procedures set forth in CMC 19.02.060(B) and (C). In January of each year, the Planning Commission may recommend to the City Council, depending on conditions at the time, which general development objectives identified above should be or not be included in annual development objectives for the upcoming allocation to commence in July. (Ord. 624 § 1, 2005; Ord. 616 § 1, 2004).

19.02.080 Carryover of unused allocations.

A. Any unused allocations, or allocations which expire as provided in CMC 19.02.060(I), shall be carried over to the following annual allocation; provided, that the carried-over allocations do not result in a population growth rate of more than 1.35 percent or a nonresidential water distribution exceeding the quantity specified in Chapter 13.16 CMC in any five-year cycle.

B. Unallocated residential units in one year that are carried over to a subsequent year shall first be available to residential developments including lower-income housing beyond that typically required by local ordinance, and secondly to residential developments including moderate-income housing and mixed-use projects, as provided in the process of establishing preferences in CMC 19.02.070. (Ord. 624 § 1, 2005; Ord. 616 § 1, 2004).

CITY OF CALISTOGA
PLANNING COMMISSION MINUTE EXCERPT

Wednesday, April 22, 2009
5:30 PM
Calistoga Community Center
1307 Washington St., Calistoga, CA

Chairman Jeff Manfredi
Vice- Chairman Clayton Creager
Commissioner Carol Bush
Commissioner Paul Coates
Commissioner Nicholas Kite

1 **A. ROLL CALL**

2 **Present:** Chairman Jeff Manfredi, Vice-Chairman Clayton Creager, Commissioners Carol Bush, Paul
3 Coates. **Absent:** Nicholas Kite. **Staff Present:** Charlene Gallina, Planning and Building Director and
4 Kathleen Guill, Planning Commission Secretary. **Absent:** Erik Lundquist, Associate Planner and Ken
5 MacNab, Senior Planner.

6
7 **G. PUBLIC HEARINGS**

8
9 1. **CMC 2009-01.** Consideration of a Municipal Code Amendment initiated by the City of Calistoga for a
10 text amendment to Title 19, Environmental Protection specifically, Chapter 19.02 Growth Management
11 System of the Calistoga Municipal Code to clarify and improve program implementation. No further
12 environmental review is required in accordance with Section 15061(b)(3) of the CEQA Guidelines.

13
14 **Director Gallina** reported during the 2009 Growth Management Allocation "GMA" cycle the City Council
15 and the Planning Commission expressed the desire to revisit the GMA program regulations to explore
16 options for more flexibility and the potential for development incentives to encourage applicants to bring in
17 projects that address City needs. The direction was to look at ways to improve, streamline and simplify
18 the program, incorporate lessons learned, and/or suspend the GMA program, or look at extending the
19 allowable processing time. There was also the suggestion to give staff administrative authority to grant
20 small amount allocation requests.

21
22 **Director Gallina** provided an overview of proposed recommendations in the Staff Report. Projects
23 recommended for exception and administrative approval were:

- 24 • Non-residential allocations not to exceed two acre feet of water per calendar year for facilitation of
25 small business start-ups, etc; and
26 • Construction of single family units on existing lots of record, noting it was not reasonable to have those
27 applicants wait; and
28 • Processing of minor residential subdivisions of three or fewer lots.

29
30 These exceptions would be administered by the Planning and Building Director, tracked with the
31 population counted in the regular cycle to make sure we don't go over our allowable acre feet per year.
32 Non residential allocations would also be counted towards the eight (8) acre fee annual restriction.
33 Processing of the small subdivisions with an existing house and creating up to two additional lots would
34 still go through other regular permitting processes i.e. Conditional Use Permit, etc.

35
36 **Director Gallina** reported staff recommended a change in language to the standard General Development
37 Objectives to be used every year to improve flexibility in addition to deleting those objectives that have
38 been provided under the "exception" provisions, to make allowances that address the preference for
39 projects with a majority of affordable housing (at least 50 percent) and some market rate. Development
40 fee reduction proposals were reportedly on hold to provide the opportunity for Staff to look at our Housing
41 element, to allow for a full analysis. Director Gallina advised further recommendation to retain the single
42 year with one year extension timeframe for permit processing because the GMA program is based on
43 applicants being project ready. Proposals for phasing should go through the development agreement
44 process. Staff advised draft language changes of the Ordinance were provided with the Staff Report and
45 at this time she was open to suggestions and recommendations.

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47 **Commissioner Coates** referenced Exhibit A – Proposed Amendments, page 11 of 12, starting at line 449,
48 under B, bullet three: *“Intensification or expansion of existing uses greater than ten percent (10%) in floor*
49 *area or new construction on vacant underdeveloped or redeveloped land with necessary public*
50 *infrastructure in place.”*; questioning language *“... with necessary infrastructure in place...”* asking how
51 does that work.

52
53 **Director Gallina** stated it relates to infill development as opposed to on the fringe or borders of the City
54 and doesn't necessarily preclude a project.

55
56 **Commissioner Coates** asked if an applicant was redoing something would their project have a
57 preference over those having to initiate infrastructure.

58
59 **Director Gallina** noted those projects larger in scale would be encouraged to come in for a development
60 agreement. The Ordinance language is directed more to development downtown.

61
62 **Commissioner Coates** asked what about projects where they have to upsize something.

63
64 **Director Gallina** stated that is ok because it is still infill development and there is the ability to connect to
65 the system.

66
67 **Commissioner Coates** asked if that was the case no matter what the project is, even if the City dictates
68 infrastructure would need to be removed and replaced.

69
70 **Director Gallina** advised during the processing of Growth Management applications the City does not
71 look at a project to that detail.

72
73 **Vice-Chairman Creager** referenced Exhibit A, Proposed Amendments, page 10 of 12, section H, line 411,
74 412: *“Once a development has received an allocation, all required discretionary and nondiscretionary*
75 *approvals and permits necessary to commence construction or in the case of a subdivision recordation of*
76 *a final subdivision map or final parcel map must be obtained within 12 months of the date of allocation.”*,
77 and asked Staff to explain what that means.

78
79 **Director Gallina** advised if someone comes in and requests an allocation for four lots (example); to
80 secure the allocation the person has to get Planning approval, plus the final map approved by City Council
81 and the County. It secures the applicants GMA for the allocation and they may come in and apply years
82 later to build and pay the connection fee because they have reserved the population for that lot. Failure to
83 record a final subdivision map or final parcel map within the 12 months (or 24 months with an extension
84 provided the applicant is actively seeking permit approval) shall deem the allocation expired.

85
86 **Director Gallina** provided example of the Pestoni and Turner subdivisions, the final maps were ready to
87 go and everything stopped, and now each have to come through the GMA process to get a ticket to
88 process a building permit. That no longer occurs because applicants with a parcel map secure the
89 allocation through the parcel map and they just have to pay the connection fees.

90
91 **Vice-Chairman Creager** recapped saying in effect a parcel map or subdivision map can hold a Growth
92 Management allocation for a very long time with no action.

93
94 **Director Gallina** stated “yes”, because the population has already been counted.

95 **Vice-Chairman Creager** shared concern for those holding onto an allocation and not using them,
96 because it is counted against the 1.35 percent and real growth may not be able to occur. Housing lags
97 behind need and a developer could be waiting for a different market sector, and so a good project could
98 end up waiting to apply.

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Commissioner Coates stated he agreed with Vice-Chairman Creager.

Director Gallina stated this practice has always been in place in the GMA process and she wanted to make it clear if someone has a map, it has reserved an allocation.

Commissioner Coates suggested a limit to be applied to projects for speculation.

Vice-Chairman Creager stated the affect could be the City could have 100 lots recorded and nothing built and noted this provides an opportunity for more abuse and clogging the system.

Director Gallina stated there are very few subdivision applications that have come in, i.e. Brogan, Tulloch, Montelli, Arroyo so those are the ones that we currently have no guarantee when they will build on them.

Chairman Manfredi stated there has always been a problem, people get their allocation and they end up not doing anything because they understand it may be the wrong time for a project. He further noted there should be a mechanism they should be counted and buyers should not be burdened with obtaining an allocation.

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Director Gallina questioned if we should allow subdivisions to go through map processing first and once the land is recorded then apply for a GMA.

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Vice-Chairman Creager stated we should push the rigor to which we grant allocations, asking isn't it housing we need and want and noted we are facing huge hurdles. If people bank allocations for years and are allowed to sit and wait for the value to increase, there are housing applications that could meet our needs that could be denied. A whole allotment of houses could be filled in the back end. It is a back door way of by passing our housing preferences by banking them. How can we say we are meeting our housing commitment if applications are held in limbo because those available lots have held their allocations. He stated there must be some mechanism to free that up, maybe include some guidance to Council, Planning Commission on the identified potential concern.

131

Commissioner Bush excused herself from the meeting at 6:10 PM.

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Vice-Chairman Creager suggested maybe this is the time and place to favor conservation oriented projects and asked if this is where we could apply Green Principles we have adopted, and ask for fewer units as a preference.

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Director Gallina reported the time to change the standard would be in the review of the general development objectives, Exhibit A, Proposed Amendments, page 11 of 12, starting at line 424. We could insert a preference for residential and non-residential or we can wait and modify the development objectives during the annual review each year.

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Chairman Manfredi suggested for this section we could state the City is looking for projects that are aware of conservation. He further reiterated it has always been a problem that applicants are not using their allocation. Maybe allocations could expire after two or three years. There should be some methodology we could apply.

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148

Vice-Chairman Creager stated allocations are a finite resource, people locking in allocations will increase scarcity and increase the property value and this could drive the market up. The way we can control this is we say "no" and the allocation goes back into the rotation. When you subdivide it suggests you have

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149 the intent to develop. It needs to clear when someone records a lot there is a finite development of water
150 and resources and they need to act on their allocation in a timely manner.

151
152 **Director Gallina** stated they do have to act, they must get their map recorded within two years. However,
153 when a buyer will come in to process their building permit is unknown.

154
155 **Commissioner Coates** stated the problem is with land speculation. Applicants obtain rights and the land
156 sits with entitlements and then it turns into pure gold. This is not what we should set ourselves up for.
157 The value continues to escalate and becomes unaffordable. We want reality within 24 to 36 months, if
158 not, we need the ability to pull the string.

159
160 **Vice-Chairman Creager** asked why there seemed to be reluctance from staff.

161
162 **Director Gallina** shared her concern in how we could regulate this. Can we create a ticket to come in the
163 door and then restrict the ticket for completion of the development of lots.

164
165 **Vice-Chairman Creager** stated a restriction serves as a catalyst. It promotes development housing stock.

166
167 **Commissioner Coates** suggested an applicant could come in speculate, get approved, and recoup their
168 money through construction of the homes. The shortcoming is they have to have money. Resources are
169 it, and they can decide I'm not going to put in the infrastructure until the value is so high and then locals
170 have no opportunity to buy.

171
172 **Director Gallina** suggested continuing the item to figure out a process and the ramifications of allowing a
173 map to record and then having an expiration on the allocation. Staff needs time to figure how it can be
174 written into the ordinance.

175
176 **Chairman Manfredi** inquired about the Ed Nagel development project.

177
178 **Director Gallina** reported the project was processed through a seven year development agreement and
179 includes a provision by stipulation on when lots have to be sold.

180
181 **Vice-Chairman Creager** asked what about conservation language.

182
183 **Director Gallina** reported Staff can include a general preference to apply to residential and non-
184 residential requiring a preference for conservation oriented projects that meet City Green objectives.

185
186 **Aaron Harkin**, 1019 Myrtle Street, stated while he understands preservation of allocation resources, he
187 didn't understand why a Tentative Map would require renewal of the resources. He stated he would like
188 the Commission to allow staff to streamline, and maintain the current renewal process.

189
190 **Chairman Manfredi** stated he was agreeable to the portion of the recommendation on flexibility related to
191 small projects etc., and those should be administratively approved by staff. Where the Commission is
192 stuck is on the potential for bankrolling and they are in agreement we need to figure an equitable manner
193 to prevent them from potentially stopping someone else from obtaining their GMA when their project is
194 ready to go.

195
196 **Vice-Chairman Creager** suggested stating in the revision that we don't always fill all the allocations
197 available. However if someone is holding an allocation without action on actual development it is keeps
198 someone else out, so there is a real affect that inhibits real development that could occur. Therefore if
199 there are more requests for allocations than what is allowed in a cycle, the allocations for unrealized
200 projects should have to go back into the pool. Vice-Chairman Creager asked if staff could investigate

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201 when an allocation has been sitting and notify the applicant they have 120 days to get the project on its
202 way. He further stated he was expressly talking about projects that have not invested in any physical
203 improvements.
204

205 There was motion by **Chairman Manfredi**, seconded by **Commissioner Coates** to continue consideration
206 of a Municipal Code Amendment initiated by the City of Calistoga for a text amendment to Title 19,
207 Environmental Protection specifically, Chapter 19.02 Growth Management System to the next regular
208 scheduled meeting of May 13, 2009 . **Motion carried: 3-0-2-1.**
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Kathleen Guill,
213 Secretary to the Planning Commission
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