

RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) 2016 COMPETITION EVALUATION OF PROJECTS FOR THE FISCAL YEAR 2018/2019 ALLOTMENT

October 25, 2016

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BACKGROUND

On May 18, 2016, the City Council approved annual building allotments for FY 2018/19 and FY 2019/20. For the 2016 RDCS competition, 250 allotments are to be allocated, with 85 previously awarded, leaving 165 available. Resolution No. 16-080 (Attachment 1), approved by the City Council on May 25, 2016, established a total building unit allotment and distribution for FY 2018/19 as follows:

Fiscal Year 2018/19

<u>Competition Category</u>	<u>Allotment</u>
On-going Projects	15
Affordable Set-aside	50
Micro Projects	5
Small Projects	5
Multi-Family Rental	10
Multi-Family Rental (>150 units)	10* (85 allotments awarded in 2015-16 RDCS Competition)
Open/Market	65
Monterey Corridor Area Projects	5
<u>Project</u>	<u>Allotment</u>
MC-15-18 (San Pedro-Presidio)	85
Total	250

RDCS APPLICATIONS

The 2016 RDCS application submittal deadline was September 1, 2016. The City received 11 applications by the submittal deadline requesting a total of 232 allotments. In addition, the City received 5 requests for on-going project status, requesting an additional 75 allotments (Attachments 2 through 6).

A. Open/Market

To be eligible to compete within this category, an open/market project consists of more than 15 dwelling units at build-out and can be any housing type.

1. **RDCS2016-0009 E. Dunne-Mana:** Through the 2015 RDCS competition Mana Hanalei VD received 16 FY 2017/18 building allotments. The applicant is requesting 16 building allotments for FY 2018/19 to complete the project. The proposed development would be 32 single-family attached residential units at full build-out. **The Planning Officer score is 180.**

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2. **RDCS2016-0010 Monterey-Dynasty:** The project has competed in multiple years and has received building allotments as demonstrated in the following table:

Competition Year	Fiscal Year	Allotment Award
2008	FY 2010/11	68
2009	FY 2011/12	31
2010	FY 2012/13	15
2010 (2nd year)	FY 2013/14	14
Total Allotments		128

The applicant is requesting 2 building allotments for FY 2018/19. The request would convert a designated daycare room and community room into two units. The project at build-out would be 131 units. **The Planning Officer score is 154.5.**

3. **RDCS2016-0013 Cochrane-Cal Atlantic:** The project originated as two separate RDCS projects, "Roland" and "Lantana". Both projects have competed in multiple years and have received building allotments as demonstrated in the following table:

Project	Competition Year	Fiscal Year	Allotment Award
Roland	2013	FY 2015/16	28
Roland	2014	FY 2016/17	16
Lantana	2013	FY 2015/16	13
Lantana	2014	FY 2016/17	14
Standard Pacific (merged)	2015	FY 2017/18	12
Total Allotments			83

The applicant is requesting 52 building allotments for FY 2018/19 to complete the project. The applicant has obtained 33 residential building permits for the project site. The project at build-out would be 135 units. **The Planning Officer score is 177.5.**

4. **RDCS2016-0014 Laurel-DeRose:** The project has competed in multiple years and has received building allotments as demonstrated in the following table:

Competition Year	Fiscal Year	Allotment Award
2014	FY 2016/17	5
2015	FY 2017/18	15
Total Allotments		20

The applicant is requesting 45 building allotments for FY 2018/19 to complete the project. The project at build-out would include 15 single family units and 55 condominiums. The project has received Tentative Map, Planned Development

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and Development Agreement Approval. The Site Review application is in process. **The Planning Officer score is 176.5.**

5. **RDCS2016-0015 Cochrane-Borello:** The project previously competed and received the following allotments:

Competition Year	Fiscal Year	Allotment Award
2008	FY 2010/11	23 (Expired)
2009	FY 2011/12	37 (Expired)
2011	FY 2013/14	15
2012	FY 2014/15	20 (Expired)
2013	FY 2015/16	25
2014	FY 2016/17	15
Total Active Allotments		55

The 2008, 2009 and 2012 building allotments have expired. The applicant is requesting 30 building allotments for FY 2018/19. The project at build-out would be 244 single family units. The Tentative Map, Precise Development Plan and Development Agreement have been approved for the project. **The Planning Officer score is 175.5.**

6. **RDCS2016-0017 Murphy-Presidio Evergreen:** Through the 2015 RDCS competition, the project received 30 FY 2017/18 building allotments. The applicant is requesting 44 building allotments for FY 2018/2019 to complete the project. The proposed development would be 74 condominium units at full build-out. **The Planning Officer score is 180.**

B. Small Projects

To be eligible to compete within this category, a small project would need to be 7 to 15 units, and must represent the ultimate development potential of no more than 15 dwelling units on a site.

7. **RDCS2016-0012 Walnut Grove-Newland:** Through the 2015 RDCS competition, the project received 5 building allotments for FY 2017/18. The applicant is requesting 4 building allotments for FY 2018/19 to complete the project. The proposed development consists of nine single-family units. **The Planning Officer score is 163.**

C. Large Multi-Family

To be eligible to compete within this category, a large multi-family rental project would need to consist of more than 150 units, providing market rate rental housing, typically apartments.

8. **RDCS2016-0016 Jarvis-MWest:** The applicant is requesting 10 residential building allotments for FY 2018/19. Applicant's optimal request would be for up

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to 100 units. For this reason, the applicant is requesting that any additional allotments that become available in any other categories where applications were not submitted (e.g.; affordable housing, the small multi-family rental category, etc.) be made available to Multi-Family Rental projects greater than 150 units. The proposed development at full build-out is a 383 unit multi-family rental project. **The Planning Officer score is 181.**

9. **RDCS2016-0018 San Pedro-Presidio:** Through the 2015 RDCS competition, this project received 80 residential building allotments for FY 2017/18 and 85 residential allotments for FY 2018/19. The applicant is requesting an additional 17 building allotments for FY 2018/19. The proposed development at full build-out is a 182 unit multi-family rental project. **The Planning Officer score is 178.**

D. Micro Projects

To be eligible to compete within this category, a micro project would need to consist of a maximum of six dwelling units, and must represent the ultimate development potential of no more than six dwelling units on a site.

10. **RDCS2016-0008 Old Monterey-Vo:** The applicant is requesting six building allotments for FY 2018/19. The proposed development is six single-family units. **The Planning Officer score is 153.5.**
11. **RDCS2016-0011 Llagas-Silvas:** The applicant is requesting three allotments for FY 2018/19. The proposed development is three single-family units. **The Planning Officer score is 150.5.**

RDCS EVALUATIONS

RDCS scoring is divided into two parts. Part 1 analyzes whether the City can provide services for new residential projects without creating a significant impact. A proposed project must obtain the minimum required points in Part 1 (seven and a half points) to proceed to the evaluation in Part 2.

Part 2 analyzes the quality of project design and how it contributes to the community. The intent of the criteria is to encourage and promote competition based upon specific scoring criteria organized into specific categories. In order to proceed in the competition, projects must also achieve a minimum overall score in Part 2 and a minimum score in three of the Part 2 categories. Project developers may attempt to maximize the score of their project in order to improve the likelihood that the project will receive allotments through the RDCS competition.

The following table summarizes the minimum passing scores required in each category to proceed in the competition:

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RDCS MINIMUM SCORING REQUIREMENTS					
Application	Part 1 Score	Part 2 Score	Public Facilities	Circulation Efficiency	Safety and Security
Non Micro	7.5 points	160 points	5 points	7 points	5 points
Micro	7.5 points	150 points	5 points	8 (automatic)	5 points
Affordable	7.5 Points	150 points	5 points	7 points	5 points
Downtown	7.5 Points	160 points	5 points	5 points	5 points

Projects that receive a minimum passing score will be eligible for allotments and subsequent building permits, subject to Section 18.78.120 (Evaluation Procedures) of the Municipal Code. Those that may not receive any allotment this year will have an opportunity to improve their designs and reapply during the next competition.

The projects narratives were provided to the Planning Commission and the applicants on October 14, 2016.

The preliminary scores indicate that two projects have not received a minimum passing score to be eligible for allotments. These projects have been identified as follows:

- a. **RDCS2016-0010 Monterey-Dynasty:** The project requested 2 building allotments, which would allow for the conversion of daycare and community rooms into two units. Currently, approvals allow for the development of 128 units. The project received 8.5 points in Part 1. However, the project did not receive the minimum 160 points for Part 2. A self-score of 169 points was submitted. The project has competed in several RDCS years, in 2008 scoring 181.5, 2009 scoring 172.1 and 2010 scoring 171. Since 2010, there have been revisions to the RDCS scoring criteria, impacting the way the project has scored. In addition, the project voluntary commitments have changed. The applicant did not participate in the preliminary review process.
- b. **RDCS2016-0011 Llagas-Silvas:** The project received 7 points in Part 1, which is not a qualifying score. Part 1 scores are weighted heavily when determining whether the City can provide major public facilities and services to new residential projects for each of the following:
 1. The ability and capacity of the water system to provide for the needs of the proposed development without system extensions beyond those which the developer will consent to provide;
 2. The ability and capacity of the sanitary sewer distribution and treatment plant facilities to dispose of the waste of the proposed development without system extensions beyond those which the developer will consent to provide;

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3. The ability and capacity of the drainage facilities to adequately dispose of the surface runoff of the proposed development without system extensions beyond those which the developer will consent to provide;
4. The ability of the City-designated Fire Department to provide fire protection according to the established response standards of the City without the necessity of establishing a new station or requiring addition of major equipment to an existing station, and the ability of the Police Department to provide adequate patrols for residential and traffic safety without the necessity of acquiring new equipment or personnel; and
5. The ability and capacity of major street linkage to provide for the needs of the proposed development without substantially altering the existing street system (the desired target traffic level of service being no worse than "D+" level of service as defined in the 1985 Transportation Research Board Report # 209), except as otherwise allowed in the General Plan, and the availability of other public facilities (such as parks, playgrounds, etc.) to meet the additional demands for vital public services without extension of services beyond those provided by the developer.

In this particular project, the Part 1 scores were determined as follows:

Evaluation Criteria					
Water	Sewer	Drainage	Police/Fire	Streets & Parks	Total
1.5	2	1.5	1	1	7

The Fire Department determined that the project qualified for 1 point, as fire protection response times are within the established response standards of at least one fire station. The project received 0 points for police patrol access.

The Public Works Department determined that the project only proposes the possibility of future water gridding. A total of 2.0 points for water can only be awarded if the project will actually grid water with the project. They also determined that the project would require substantial improvements to the street system to meet the additional demands beyond those provided by the developer. Sabini Drive is a private street that is not fully improved to meet City Standards. In order to meet City Standards, major street improvements and street right of way dedication of approximately 980 feet of Sabini Drive along the frontages of the neighboring lots to Llagas Road would be required. Total street right of way dedication needed would be 34 feet wide for a 2/3 street improvement. Sabini Drive would need to be widened to 28 feet in width with existing and new pavement sections to meet City Standards. Should the existing pavement sections not meet City Standards the entire pavement section would need to be reconstructed (i.e. the entire reconstruction of Sabini Drive). The project was awarded 1.0 point for streets, as major street improvements and street dedication would be required for Sabini Drive.

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The applicant has discussed the Part 1 score at length with both the Fire and Public Works Departments and due to the location of the property and limited infrastructure additional points are not available to the project.

The project did receive 150.5 points for Part 2, which is a qualifying score for a Micro project.

Summaries of the Part 1 and Part 2 scores for all the projects have been provided (Attachments 3 and 4).

CONCLUSION

The Planning Commission is scheduled to evaluate the RDCS applications on October 25, 2016 and to continue that evaluation on October 27, 2016, if additional time is required. Final adjusted scores will be prepared and presented to the Planning Commission on November 8, 2016. The Planning Commission will award allotments on January 10, 2017.

At the time this staff report was prepared staff received three comment letters regarding the narratives prepared. These letters have been attached (Attachments 7 through 9). The RDCS scoring team will prepare responses to these letters for the October 25, 2016 Planning Commission evaluation meeting.

Attachments:

1. Resolution 16-080
2. Ongoing Request-Presidio Evergreen, LLC (Multi-Family)
3. Ongoing Request-Presidio Evergreen, LLC (For Sale)
4. Ongoing Request-Estates of San Sebastian
5. Ongoing Request-CalAtlantic Group, Inc
6. Ongoing Request-Tri Pointe Homes
7. Presidio-Evergreen Point Justification
8. Llagas-Silvas Point Justification
9. Toll Brothers Point Justification
10. Part 1 Point Score Summary
11. Part 2-Point Score Summary