

**CITY OF SACRAMENTO
DEVELOPMENT OVERSIGHT COMMISSION
SYNOPSIS**

Monday, September 13, 2004

Commissioners Present:	Mark Abrahams, James Gately, Brian Holloway, Michael Malinowski, John Nunan, Bruce Starkweather
Commissioners Absent:	Daniel Larkin, Johan Otto, Alberto Esquivel (resigned)

AGENDA ITEM	DISCUSSION	ACTION
1. Call to order and roll call.	Chairman Holloway called the meeting to order at 5:40 PM	
2. Approval of 08/02/04 Synopsis	Synopsis was approved as submitted.	Motion passed. Unanimous
3. Communications a. Comments from the Audience. b. Written Comments Received.	1) Comments from the Audience a) No comments were noted at this time. 2) Written Comments a) No written comments were noted at this time.	Information Only
4. Presentation of Special Recognition	Presentation of special recognition to Gary Stonehouse, Planning Director, made for his contributions to the Development Oversight Commission initiatives, and the Development Services Department. Gary accepted the recognition, stating that he is very pleased with the progress that the DOC has made, particularly in the area of streamlining initiatives. Bruce Starkweather added his compliments and recognition of Gary's efforts.	Information Only
5. Housing Trust Fund Fee Increase Follow-Up	Desmond Parrington and Cindy Cavanaugh reported back regarding questions and issues raised regarding the one time 44% increase of the Housing Trust Fund increase proposal. The last increase of this fee was twelve years ago. Future increases will be yearly, based on the construction index. Desmond briefly reviewed the history of the proposal, including an overview of the economic situation supporting the need for the Trust Fund. He also reviewed the outreach measures that were completed since the last presentation to the DOC. Those outreach meetings included the Sacramento Housing and Redevelopment Commission, the North Natomas Working Group, and the Commercial Building Industry Association. Commissioners asked about a phased approach to the increase, rather than the one time 44% increase, due to the significant financial impact to the industry. Desmond agreed to bring that to the City Council's attention, but reported their concern regarding insufficient funds to provide funds at the current level without the one time increase. Additional questions from Commissioner Malinowski included how mixed-use increases would be treated with this fee increase. He would like for there to be an incentive to mixed use projects. Cindy Cavanaugh indicated that if affordable housing were developed, the development would not be subject to this fee. There is also a credit given for any housing, not just affordable housing. Lucinda Willcox added that the housing credit would be partial, not full. Commissioner Starkweather added that there should be the ability for the marketplace to take that impact of the increase over time. He added that this was another example of fees that are not kept current, and as a result the increase is substantial. Commissioner Holloway	Review and Comment

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6. Process Management and Process Improvement Follow-Up	<p>complimented the thoroughness of the report.</p> <p>Mike Medema stated that the City Manager’s Office has approved the creation of a new organization to include the Process Management Group, the Infill Coordinator, the Ombudsman, and the DOC/DPT staff. Art Gee reviewed the history behind the different components of the group, and added that the purpose of this reorganization is to enhance the effectiveness of all components. He added that the consolidation of these positions into a team approach, reporting to the Office of the Director, was similar to the concept developed by the City of Roseville. Three primary responsibilities include improvements to customer service, support of the DOC and continuation of the process management work. Working day to day in a collaborative format should improve productivity, and increase staff support and redundancy. Art briefly described the organizational chart, attached to the staff report in the agenda packet. Commissioner Holloway indicated his support of this initiative, stating that there were clearly benefits to the reorg. Commissioner Starkweather stated that he is interested in the development of an ongoing internal assessment, to constantly monitor what is working and what is not. Art Gee indicated that he has discussed that with staff, and would adapt the assessment to additional streamlining initiatives and best practices.</p>	Review and Comment
7. Alley Improvements	<p>Jesse Gothan, from Development Engineering and Finance, spoke regarding alley improvement improvements, responding to a request from Councilmember Cohn. The request included flexibility in materials to lessen the financial burden to infill projects. Jesse stated that the initial cost for alternate (asphalt) rather than concrete would result in half the cost. He also indicated that there was no cure time for asphalt, in contrast to concrete, in addition to more seamless repair capabilities. Disadvantages include 30-year maintenance cost to maintain an asphalt alley would be \$29K, versus concrete that have virtually no maintenance cost. Street maintenance does not receive any federal monies for maintaining alleys. Drainage does not work as well with asphalt as it does with concrete. He added that attached to the staff report is a draft flow chart to demonstrate the decision to use asphalt vs. concrete. Commissioner Malinowski indicated that there could be additional legs to the flow chart to have the City pay for 50% of the concrete vs the use of asphalt to offset the need for maintenance costs. Commissioner Starkweather asked about how this decision would be made (to use asphalt vs. concrete) He asked what the ratio was that created the disproportion. He saw the intent, but voiced concern about the financing of the maintenance of the asphalt alleys. Jesse answered that the proposal included the provision that if costs of alley improvement was more than 10% of the construction cost of the project itself, then it could qualify as an alternative. Commissioner Abrahams added that the costs of concrete vs. asphalt may be worth it due to the maintenance costs. Commissioner Nunan added that most alleys do not involve only one property owner, which would complicate the problem, and would recommend one standard only (concrete). Commissioner Gately reviewed his experiences with concrete, and problems with the subgrade</p>	Review and Comment

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	<p>base. Commissioner Holloway stated that this proposal might be appropriate for small projects, and thinks that this type of flexibility could be appropriate in a limited amount of projects. He summarized that the concerns could arise if everyone chose to use asphalt rather than concrete. Commissioner Nunan disagreed, and stated that this is not the right area for developers to have a choice. Commissioner Abrahams agreed with Commissioner Nunan. Commissioner Starkweather proposed that we subsidize projects that could not afford the cost of concrete in order to maintain the quality. Commissioners debated the use of asphalt vs. concrete, including cost and ease of repair. Commissioner Malinowski asked that Jesse Gothan report back regarding the alternative approach and Commissioner Gately requested traffic indices.</p>	
8. Infill Update	<p>Lucinda Willcox reported back regarding on issues regarding fee increases relative to infill development, including the Park Impact Fee. She reviewed the history regarding the fee increases relative to infill development, and stated that Council had requested a report back within 60 days regarding the issue, including not just the park impact fees, but rather all development impact fees. She stated that there were 5-6 impact fees that the City pays, and exemptions that apply to each of them, if any. She stated that the City is investigating whether they could legally structure a two-tier fee structure, which may require a new nexus study. Commissioner Holloway asked about the use of credits, rather than a two tiered system. Lucinda stated that she would pose that to the City Attorney's office for investigation. She also pointed out a correction on attachment A. Commissioner Malinowski stated that there should be a pool of resources that could be used for infill projects that need help. This would be an infill trust fund that would be funded by the street excise tax. Lucinda will review with the City Attorney's office. Commissioner Holloway asked Lucinda to present the option of a complete waiver of park impact fees for infill development, or a consideration based on square feet.</p>	Review and Comment
9. Senior Development Services Position Recruitment Updates	<p>Mike Medema reviewed progress to date regarding the ACM/ DSD recruitment, indicating that 12-18 of 87 applications were considered to be qualified for the position. A panel is scheduled for 10/21, including reps from DOC, CPC, DRPB, SHRA, Neighborhood Svcs, and ECOS. A recommendation of 3-4 names will be made to the City Manager on 11/5. A replacement should be named by 11/04, and should be on board by 1/05. Other key openings include Chief Building Official and Development Engineering and Finance Manager. The interim managers will remain until the new Director is hired, and are considered to be strong internal candidates for the positions.</p>	Information Only
10. Update on Streamlining Workshops	<p>Brian Holloway reviewed the various subcommittees that are working on DOC initiatives (see list). He stated that volunteers from the business, and public were solicited for participation in this process. The early notification initiative is the only one that has gone to the public to date. He described the process and steps for initiative development and initiation. He added that the Executive Steering Committee would meet tomorrow, 9/14/04, and the Expanded Core Group meeting on 9/27/04. Commissioner</p>	Information Only

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	Nunan added that the reason we are here is to make Sacramento more development friendly, so the participation of the applicant community is critical.	
11. Communications a. Comments from the Audience.	1) Wendy Saunders, Economic Development Manager, invited the DOC and public to attend a public workshop on 9/23/04 at the Renaissance Tower Building at 801 K Street from 9:00 AM to 2:00 PM. regarding the J-K-L Street Corridor Charrette. She indicated that Mayor Fargo wanted to ask the community regarding their input to future redevelopment of that area including housing, historic preservation, etc. The firm SMWM will facilitate this meeting. She distributed postcards with meeting details to the DOC and audience. Commissioner Starkweather added that the study mission to Salt Lake City would parallel this workshop.	Information only
12. Miscellaneous Reports	Commissioner Malinowski reviewed the upcoming co-sponsored event, "Code Conversation", co-sponsored by the DOC and AIA. This event will be held on 10/5/04 at the Blue Diamond Auditorium starting at 5:30 PM. This is intended to set up an ongoing dialog between the code officials and the development community. For information, contact Michael Malinowski at mfm@appliedarchitecture.net . Art Gee asked for a DOC representative to sit on the panel for the Design Review Manager. He indicated that this would be a one-day interview, and prescreening of the resumes. Commissioner Malinowski volunteered to participate.	Information only
13. Adjournment	Chairman Holloway moved for the adjournment of the meeting at 6:55 PM.	Motion passed. Unanimous