

**CITY OF SACRAMENTO
DEVELOPMENT OVERSIGHT COMMISSION
SYNOPSIS**

Monday, March 6, 2006

Commissioners Present:	Holger Fuerst, James Gately, John Nunan, Michael Malinowski, Brian Holloway, Kristina McBurney, Bruce Starkweather
Commissioners Absent:	Mark Abrahams

AGENDA ITEM	DISCUSSION	ACTION
1. Call to Order	Chairman Nunan called the meeting to order at 5:37 PM.	Information Only
2. Approval of 2/06/06 Synopsis	Synopsis approved as submitted.	Information Only
3. Communications a. Comments from the Audience b. Written comments received	a. Ron Beehler from the Building Division gave the DOC an update on the Appeals Boards. He will be briefing the Law and Leg Committee tomorrow regarding the details. There will be three boards of appeals as proposed. The next steps include a report to Council. b. No written comments were received.	Information Only
4. ACM Updates	Marty Hanneman briefed the DOC on personnel updates, including the appointment of Ray Kerridge as the permanent City Manager. In addition, Wendy Saunders from the Economic Development Dept has tendered her resignation to accept a position in the private development sector. A search will be underway to backfill her position. He also updated the DOC regarding legislation regarding development. Marty added details regarding the strategic planning conference held with City Council held as a part of the budgeting process for the City. He stated that this process would now be year round, with planning commencing each August, bringing Council into the process early on to strategize on priorities. He also stated that the Director of Development, Bill Thomas, was tasked with locating funding for the proposed DOC budget of \$195K and for funding to take MATRIX citywide. One method to address the necessary funding to take MATRIX citywide would involve potential fee increases. In addition, the City is looking to create a parking development corporation to address parking issues, which would be flexible enough to create public/private partnerships. More details will be developed with participation from the City Treasurers Office. Two additional reports that will go to City Council on March 21 are the Downtown Urban Design Plan and the Form Based Codes Pilot Program. Commissioner Malinowski asked about the previous source for funding for the DOC (Fund 258). Bill Thomas answered that this funding was no longer available, and that there was a projected deficit. He added that the department was working with the Budget Manager, Russ Fehr, to address concerns. He cited the example of the monies loaned to the General Plan in the amount of approximately \$3M. Commissioner Malinowski discussed fund 258 and commented that historically the City had run a very lean Development Services Department, and that the monies necessary for citywide MATRIX would bring Sacramento in line with other jurisdictions staffing levels. Bill Thomas answered that last year an additional 36 positions were added based on that argument, which added to	Information Only

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	the creation of the deficit. He also pointed out that the MATRIX was a more labor-intensive process by design, and that taking it citywide would involve additional positions.	
5. Common Sense Resolution	Commissioner Nunan introduced the Common Sense Policy, reviewing the history and the intent behind the proposed policy. He added details regarding the original wording that were reviewed by the CAO and the changes that were recommended by that office. He asked DOC members for comment regarding whether or not they should pursue taking this to City Council. Commissioner Malinowski recommended going forward with the revised language as a public relations tool, but proposed taking a new initiative for an alternate means provision in application of Public Works, Utilities and Planning Codes. He added that there was already a provision for alternate means in the building code. Commissioner Starkweather added that the Council's commitment and endorsement was needed and that the policy would provide cover for the ability of staff to take risks and make decisions. Commissioner Nunan stated that the DOC would need to take this before Council members as an outreach item prior to bringing it to the full Council for approval.	Review and Comment
6. Housing Trust Fund Nexus Study	Desmond Parrington from Long Range Planning reviewed the purpose behind the Housing Trust Fund Nexus Study, and the history behind the original nexus studies and the two-tiered increase in the fee program in 2004 that included an automatic annual increase. He added that an additional study was pursued regarding alternate methods of structuring the fees, including use exemptions, small project exemptions. He will return to Council in late Spring with recommendations for technical fixes to the original plan. He asked for input from the DOC regarding alteration of the fees in infill areas or other changes to the way fees or charged, in addition to input regarding evaluating the housing trust fund in the larger context of the City's affordable housing program. Commissioner Nunan asked about the workshops that are being held regarding affordable housing and asked about alternate sources for funding affordable housing. Commissioner Starkweather agreed that the City should look at the fee issues as part of a bigger picture, and should include information where fees would operate as a restriction to development vs. an incentive for development. Commissioner Malinowski commented that the study was based on the presumption that there is always a connection between new building and new residents and that in a mature community like Sacramento that is not an accurate picture. He cited examples of blighted abandoned retail corridors and pointed out that nothing in the analysis took into account that in our city contraction has occurred which has created the blighted corridors at the same time as expansion in new development areas like Natomas. He asked for an analysis that considered both contraction and expansion so that it would reflect what has happened in the older commercial corridors that have an abundance of defunct retail buildings. Commissioner Nunan added that this focuses on the importance of considering infill. Commissioner Malinowski pointed out that page 7 of the consultant's report contained a faulty observation that construction and job growth are always connected. Cindy Cavanaugh, Program Manager from the	Review and Comment

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	<p>Sacramento Housing and Redevelopment Area pointed out that the report included a discussion on overall growth on the consultant’s page 24. Commissioner Malinowski answered that he was discussing the geographic placement of the jobs and that some of the “new” jobs were merely replacing those lost in the past in the now blighted commercial corridor areas. Desmond Parrington answered that the assumption that the consultant used was that those people found new jobs elsewhere and that they may be commuting outside of the area. Commissioner Malinowski pointed out that the data shows a large disparity in the percentage of jobs held by residents in the City vs. the County which indicates that perhaps that people who lost work in the city due to economic contraction went to the county to work. He added that if the study looked at the real and full picture, infill development would be automatically considered as having a lower impact and thus may not require a new study or approach. Desmond Parrington stated that we could discuss this issue with the consultant, although he was unsure whether this would fall within the scope of the original study. He added that Staff could certainly review the issue in the context of the General Plan and a more global approach to revitalizing the infill areas. Commissioner Gately commented regarding a disproportionate share of new and prior use development and suggested that one approach to address the disparity cited by Commissioner Malinowski would be to allow a credit for previous use against proposed new development impacts. Commissioner Starkweather stated that the report speaks to where we have come from and where we are today. He suggested that Staff review with the consultant regarding the holistic view, which would assist with the broader issue of fees, and be more forward thinking issues that would address more infill development rather than greenfields development, including density issues.</p>	
<p>7. Residential Minor Label Program (Alternative Inspection Program)</p>	<p>Mary Elms from the Customer Service Division of the Development Services Department presented a report on a conceptual program called Residential Minor Label. This program would incentivize greater use of permits. She added details regarding a media campaign entitled “Permits Protect” that would inform the public about safety and resale values regarding the use of licensed contractors who develop quality projects that pass inspections. She cited examples of repair and replacement of water heaters and the replacement of like for like where, based on a life expectancy of 10 years, the city should see 15,000 permits for water heaters where the actual number was approx 1300. She added that random inspections should improve the quality of work from contractors, and that an allowance of an appeal process was included. Training was proposed regarding the inspection process to educate the contractors on inspection processes. She stated that Staff had met with NECA and the International Brotherhood of Electrical Workers, and that plans were in place to meet with additional unions and associations. A target date is set for the end of August to begin the residential portion of the program. Commissioner Nunan asked about the organizations that represent trades people and licensed contractors vs. how much of the problem was a result of contractors that were not part of the trade organizations or unlicensed contractors. Mary answered that</p>	<p>Review and Comment</p>

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	<p>the City was also looking at code compliance and generating additional public awareness of licenses vs. unlicensed workers and the need for permits and inspections. Staff recommended outreach in the Utility billing statements. Commissioner Gately commented that he liked to hear that the City was opening it up to all licensed contractors. He recommended eliminating unlicensed contractors from the program. Commissioner McBurney commented on permitted vs. unpermitted work challenges in home inspections. Mary answered that they were working with code enforcement to identify work performed by unlicensed contractors or unpermitted work. Commissioner McBurney asked about the consequences to the City for an uninspected job where the work was not done correctly. Mary answered that in meeting with the City Attorney's office, it was concluded that since the work was on private property that the City would have no liability. She added that the homeowner would always have the ability to call for a final inspection despite the program. Commissioner McBurney commented that she would always advise her clients to obtain final inspections. Commissioner Holloway commented that the ease of the process of obtaining permits sends the right message to the public, consumers and contractors made it easy to do the right thing. Commissioner Fuerst agreed that although the carrot was more powerful than the stick but asked about the number of non-finaled permits that were in existence in the City. Mary answered that over the past 10 years there were 17,000 outstanding permits, and a new program was developed to address these permits. Staff will present details regarding this program to the DOC in the future. Commissioner Malinowski commented on ceiling fan installations and suggested distributing a checklist to home improvement stores to encourage compliance. Commissioner Holloway commented on the possibility of offering building permits inside the home improvement stores. Mary answered that they were investigating kiosks in these stores.</p>	
8. Traffic Input Analysis Threshold (LOS C Policy)	Item has been continued to a future meeting.	Review and Comment
9. DOC Annual Report	<p>Commissioner Nunan discussed scheduling requirements for the DOC Annual report, and distributed tasks and due dates to the Commission. He stated that tomorrow Commissioner Starkweather and Nunan would meet to create the structure and direction of the report. The first target date for drafts is March 16. Additional input was solicited from DOC members regarding the theme, including goals and priorities for 2006. Commissioner Fuerst stated that he would be out of the country for two weeks, and that this could impact his input. Commissioner McBurney commented on the need for other departments to comment on reports brought before the DOC to create a greater forum for Staff to communicate with each other. Commissioner Nunan commented that he observed many representatives from other departments at the DOC meeting. Commissioner McBurney asked about Staff comment on reports that were presented before the DOC or other hearing bodies. Marty Hanneman answered that Staff did discuss reports and initiatives prior to presenting to the DOC. Commissioner Malinowski commented that a possible first step would be to have the department give a</p>	Discussion

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	<p>review of accomplishments (lists) vs. goals. Commissioner Starkweather answered that they would distribute that information up front, and that information had been gathered. He added that Commissioners should think about what the Commission had accomplished in the past year, with a few good examples in the four focus areas. Commissioner Nunan stated that he wanted the report to reflect more of what the DOC was doing vs. what Staff was doing. Commissioner Malinowski suggested that another approach to the whole structure was a report on progress by the staff with review and comment by the DOC to follow. Commissioner Nunan agreed on the approach of blending City Staff and DOC members, including agency partners such as SMUD in the presentation. Commissioner Malinowski expressed concern over the compartmentalizing of the report into focus areas. Commissioner Nunan stated that the structure would be reviewed in the meeting tomorrow. Commissioner Starkweather commented on the date constrictions and cautioned against starting over.</p>	
10. Miscellaneous Reports	<p>Commissioner Nunan commented on the creation of a working group that would involve some CPC, DOC, DRPB and City Staff members. He solicited representatives from each body, and stated that we are ready to start these working group meetings after the Annual Report to Council in late April. Commissioner Starkweather stated than an organizing meeting would take place in late March to develop the project plan. He added that he and Bill Thomas gave a presentation to the ULI breakfast regarding the MATRIX program. He commented that three substantive developers praised the Staff on the organizational and cultural changes that had occurred. Commissioner Nunan spoke regarding the upcoming lunch and learn session that will be held on March 23 at the North Permit Center. He added that the session would be recorded and available via streaming video on the web site.</p>	
11. Adjournment	Chairman Nunan adjourned the meeting at 7:10 PM.	