

Plaza 2555
Affordable Housing Plan
Updated: August 1, 2018

The Plaza 2555 project proposes a mix of affordable housing elements that address particular unmet housing needs within the City of Davis (“City”); meet the affordability requirements for a Sustainable Communities Project (“SCP”) under Public Resources Code section 21155.1(c); and respect the neighborhood context. Because this project would be entirely privately funded, the components of the affordable housing plan can be both straightforward and flexible.

Background

We have met with community members, activists, and decision-makers and refined the proposed affordable housing plan to best align with the community’s current needs. We have repeatedly heard that the City has an unmet need for small units and for bedrooms that are deeply affordable to low-income residents. The following Affordable Housing Plan incorporates the feedback that we have received.

Affordable Housing Plan

Target Income	Quantity and Type	Type of Lease	Rent as % of AMI
Low	5% of total bedrooms	bedroom	30% of 80%
Very low	5% of total units	unit	30% of 50%
Extremely Low	5% of total bedrooms	bedroom	30% of 30%

1.) Affordable Rental Units for Very Low Income (Sustainable Communities Project).

Consistent with Public Resources Code Chapter 4.2, 21155.1, Section (c)(1), Plaza 2555 will include 5% of the rental units to be rented at an affordable rent to very low income households, which is defined by the statute as those households with a gross income of no more than 50% of the Area Median Income (“AMI”). We plan to use Yolo County as the “area” for calculation of applicable AMI.

With the proposed project of 200 units, Plaza 2555 would provide 10 micro units that are affordable to very low income households. At current standards, the rent for such units would be 30% of the income for a household earning 50% of the AMI.

2.) Affordable Housing for Individuals.

In addition, Plaza 2555 also proposes to provide deeply affordable housing for residents whose income is at the “low” and “extremely low income” levels. This housing would be provided through individual bedroom leases.

Individual bedroom leases, which are targeted to specific individuals at specific incomes, provide two significant benefits: (1) they efficiently assure that the rent reduction will benefit the targeted and qualified individuals; and (2) the targeted and qualified individuals can choose which apartment they want and with whom they wish to live, just like everyone else. The result is an efficient affordable housing subsidy to those who need it most, in a manner that is non-intrusive into their private lives.

The result will be a mixed-income rental community in which people of all income levels can live in close proximity to one another. To assure a mixed-income community, Plaza 2555 proposes that 10% of the project's bedrooms be rented at very affordable levels.

In the proposed project of 200 units, the maximum number of bedrooms would be 646. Plaza 2555 proposes to offer 10% of the bedrooms (64 bedrooms at the maximum unit mix), as affordable.

a. Housing for Low Income Individuals.

Half of the individual bedroom leases (approximately 32) would be for individuals at "low" income levels, up to 80% of AMI. The monthly rent for such "low" income bedroom leases would be up to 30% of the income for a household earning 50% of the AMI.

b. Housing for Extremely Low Income Individuals.

The other half of the individual bedroom leases (approximately 32) would be even more deeply affordable for individuals at "extremely low" income levels, up to 30% of AMI. The monthly rent for such "extremely low" income bedroom leases would be up to 30% of the income for a household earning 30% of the AMI.

3.) Qualifying Criteria

Plaza 2555's affordable housing program will be open to residents who qualify for conventional affordable housing, as well as residents who may not qualify for such housing due to student status. Such residents may be either financially dependent or independent. All affordable housing residents must demonstrate low-income status at the appropriate level for the housing they seek.

Plaza 2555 may also implement additional selection criteria subject to all applicable laws, including but not limited to the Federal Fair Housing Act, the California Fair Employment and Housing Act, and the California Unruh Act.

Further, low income individuals who are also students may qualify based on their FSFA if the financial aid office of the school in which they are enrolled will provide affirmation of income qualification.

4.) Affordable Rent Rate Determination

For each type of affordable housing, the annual rent will equal: thirty percent (30%) of thirty percent (30%) of Yolo County AMI for an Extremely Low Income household, thirty percent (30%) of fifty percent (50%) of Yolo County AMI for a Very Low Income household, and thirty percent (30%) of eighty percent (80%) of Yolo County AMI for a Low Income household. The income thresholds are adjusted for household size.

Utilities will be included in the rental rate, however costs for excessive utility use will be passed through to residents as they are to market rate tenants in order to discourage waste, enforce the project's strong water conservation efforts, and encourage the sustainable environment and reduced carbon-footprint promoted by Davis Live.

Administration of Program

Current residents who can demonstrate their qualification will be offered first priority for the next lease year. To the extent that there are available units or bedrooms in the affordable housing program for the next lease year, the program will be offered to new prospective residents as part of the normal leasing process. If units or bedrooms in the program be available as of March 15 of any year, management will advertise locally, contact community groups, and notify local college and university financial aid offices of availability.

Reporting

Plaza 2555 management will provide an annual report no later than November 1st of each year to the City of Davis showing the number of units and bedrooms participating in the Program for the lease year that commenced that fall, as well as compliance with qualification criteria of the program.