

Plaza 2555 Affordable Housing Plan

Updated: June 28, 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

After the Plaza 2555 application was submitted, state law regarding affordable housing changed. Last November the City Council held a workshop regarding affordable housing. The City Council sought flexible proposals for affordable housing that integrate affordable units and beds. The City Council subsequently revised its inclusionary housing ordinance to increase the flexibility around affordable housing plans for projects like Plaza 2555 that were proposed prior to January 1, 2018.

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 beds that are deeply affordable to low-income individuals. The following Affordable Housing Plan incorporates the feedback that we have received and is estimated to provide new affordable housing for approximately 98 people.

Affordable Housing Plan

Affordable Housing Component	Quantity and type	Expected monthly rent
Units for Very Low Income Households	5% of total units; Approximately 10 micro-units; Approximately 10 individuals	\$672
Individual leases for Very Low Income Individuals (shared room)	5% of total beds; Approximately 44 individuals;	\$672
Individual leases for Extremely Low Income Individuals (shared room)	5% of total beds; Approximately 44 individuals	\$404

1.) Affordable Rental Units for Very Low Income Households (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 up to about \$672, which is 30% of the income for a household earning 50% of the AMI. Based on expected occupancy levels, these units would provide affordable housing for about 10 people.

2.) Affordable Housing for Individuals.

In addition, Plaza 2555 also proposes to provide deeply affordable housing for individuals whose income is at the “very low” and “extremely low income” levels. This housing would be provided through individual leases in shared bedrooms. 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 beds be rented at very affordable levels.

With the proposed project of 200 units, the project estimates a total of about 885 beds (based on recent experience). Plaza 2555 proposes to offer 10% of the beds, or 88 individual leases in shared bedrooms, at very affordable levels.

a. Housing for Very Low Income Individuals.

Half of the individual leases (approximately 44) would be for individuals at “very low” income levels, up to 50% of AMI. At current standards, the monthly rent for such “very low” income individual leases would be up to about \$672, which is 30% of the income for a household earning 50% of the AMI. This would provide affordable housing for 44 people.

b. Housing for Extremely Low Income Individuals.

The other half of the individual leases (approximately 44) would be even more deeply affordable for individuals at “extremely low” income levels, up to 30% of AMI. At current standards, the monthly rent for such “extremely low” income individual leases would be up to about \$404, which is 30% of the income for a household earning 30% of the AMI. This would provide affordable housing for 44 people.