

Subject: Davis's Draft Sixth Cycle Housing Element
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May 13, 2021

To whom it may concern:

The Campaign for Fair Housing Elements is a coalition dedicated to assuring that every city in California produces a legally compliant Housing Element accepted by the California Department of Housing and Community Development. In our review of Davis's Housing Element process, and reviewing the Draft Housing Element posted on May 3¹, we have two primary concerns: (1) the city has not identified sufficient sites for low-income housing, and (2) the city is not taking into consideration the realistic capacity of the sites it identifies.

First, Davis's Draft Housing Element is incomplete; the list of candidate sites for rezoning (PDF page 262) simply reads "To be completed prior to completion of Housing Element document". The city "is considering various strategies to meet the rezone obligation" (PDF page 171), but these are not specified. According to HCD guidance, "The housing element should include an inventory of potential sites for rezoning."² The public cannot provide feedback on sites chosen at the last minute; the city must identify sites immediately.

Second, Davis is assuming that every site listed in its Site Inventory will be developed (even as it counts as "planned or approved" projects that were approved back in 2004 and 2009 yet still haven't been developed). HCD requires cities to account for the difference between a site's *nominal capacity* (the number of units it can theoretically support) and its *realistic capacity* (the number of units likely to be developed there over the next RHNA cycle).³ The Draft Housing Element assumes that realistic and nominal capacity are equal--an unwarranted and unsupportable assumption.

Results from the last RHNA cycle shed light on the sites' and projects' realistic capacity. An acceptable Site Inventory would take into account Davis' historic rate of development of sites: about half of planned or approved projects, and about one sixth of other available sites, were

¹http://documents.cityofdavis.org/Media/Default/Documents/PDF/CDD/Advance-Planning/Housing%20Element%20Update%202021%20-%202029/DRAFT_City_of_Davis_Housing_Element_05032021.pdf

²Housing Element Site Inventory Guidebook, p. 33,
https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf

³Housing Element Site Inventory Guidebook, pp. 20-21, "Local or regional track records, past production trends, or net unit increases/yields for redeveloping sites or site intensification. This estimate may be based on the rate at which similar parcels were developed during the previous planning period, with adjustments as appropriate to reflect new market conditions or changes in the regulatory environment. **If no information about the rate of development of similar parcels is available, report the proportion of parcels in the previous housing element's site inventory that were developed during the previous planning period.**" [Emphasis mine.]

being built during the previous cycle. As a result, Davis' Housing Element Site Inventory has a shortfall that requires **nominal zoned capacity** for at least **2,244** Very Low Income units and **1,110** Low Income units in order to produce a valid Housing Element, that is, a housing element with **sufficient realistic capacity** to accommodate the city's shortfall of 374 Very Low Income and 185 Low Income units.

Specifically, as the table below shows, of the sites listed in the City's Site Inventory in the Fifth Housing Element⁴, only about 56% of the planned or approved sites have been developed, and only about 17% of the underutilized sites have been developed.⁵

The Draft Housing Element should, but does not, include this information and use it to adjust its Sixth Cycle estimates of realistic capacity.

Fifth Cycle Development History			
	Sites listed in Fifth HE	Sites developed during Fifth Cycle	Percentage
Planned/Approved	25	14	56%
Underutilized	12	2	17%

The City is *required* to use these percentages (in the absence of better information about sites' likelihood of development) to compute the realistic capacity for new housing during the planning period of the sites identified in the Draft Housing Element.⁶ As seen in the "New Capacity Needed to Accommodate RHNA" table below, the Site Inventory has a shortfall of 559 units. The same probability of development must be used on the additional sites identified in order to convert nominal to realistic capacity. This calculation shows that a total of 3,354 additional units must be identified in the Site Inventory, in order that 559 of them will realistically be developed, to achieve the full RHNA.

⁴http://documents.cityofdavis.org/Media/Default/Documents/PDF/CDD/Advance-Planning/2013-Housing-Update/Adopted%20February%202014/06_Davis-HE-Section-04-Site-Inventory-and-Local-Resources_2-25-14.pdf

⁵Detailed analysis here:

<https://docs.google.com/spreadsheets/d/1vluexKT4eK8rrjsVRttBmBGVShKD4rKcOZw5g2pPTMc/preview>

. Note that the R2-zoned sites from the Fifth Housing Element were already occupied by houses, duplexes, churches, etc.; the idea that any of these were likely to (or could) accommodate another unit was an error, so they're not being considered here. If they were, the development percentage would be significantly lower.

⁶ See note 3, above.

New Capacity Needed to Accommodate RHNA					
	VLI	LI	MI	AMI	Total
RHNA floor	580	350	340	805	2075
Nominal Planned/Approved Capacity	263	37	1368	744	2412
Realistic Planned/Approved (Adjusted to 1/2)	132	18	682	372	1204
Nominal Underutilized-Site Capacity	0	103	75	57	235
Realistic Underutilized-Site Capacity (Adjusted to 1/6)	0	17	12	10	39
ADUs	74	130	89	3	296
RHNA floor - Realistic Planned/Approved - Realistic Underutilized - ADUs = Shortfall	-374	-185	+443	-420	-536
Shortfall (Adjusted) ⁷	-374	-185	+0	+0	-559
Nominal Capacity on Underutilized Sites Required To Eliminate Shortfall	2244	1110	0	0	3354

Alternatively, the City could identify the factors that made development so unlikely over the last eight years and change them in a way that warrants more favorable assumptions about sites' likelihood of development. Unless that happens, the Draft Housing Element is not in compliance with HCD's guidance and should be rejected.

Please identify sufficient sites and commit to an appropriate program of rezoning and constraint removal such that the "realistic capacity" of the housing element over the next eight years meets or exceeds the RHNA floor.

The housing crisis is a giant regional problem, and it will take all of our cities working together to begin to solve it. Thank you for your time and consideration,

Adam Buchbinder
Campaign for Fair Housing Elements

⁷Because MI units are affordable to AMI households, the excess MI units can be applied to the AMI allocation.