Dear Mayor Partida and members of the City Council:

Davis, as you all know, is one of the most desirable places to live in Greater Sacramento. It is safe, it has superb schools, and it has first-class bicycle infrastructure that is the envy of the nation. The trouble is, it's too expensive. The average sale price of a home in Davis is \$761,000, unaffordable to anyone making less than \$150,000 a year.<sup>1</sup> (For reference, salaries for lecturers at UCDavis start at \$66,000,<sup>2</sup> and teachers at Davis Joint Unified School District start at \$43,471 a year.<sup>3</sup>)

Due to the housing shortage, it is no longer feasible for the people who serve Davis students and residents to live within the community. Many students can't even afford to live in town, and the ones who do live in badly overcrowded conditions.<sup>4</sup> Gone are the days when professors, grad students, and DJUSD teachers could afford to put down roots in Davis. Instead, workers and students drive in from Woodland, Sacramento and Dixon. Davis merchants lose sales, the City loses tax dollars, and all of us suffer from the added pollution and traffic congestion.

The City's revision of its Housing Element is a golden opportunity to address these problems, because Davis has enormous capacity to grow. If you waved a magic wand and added 45,000 new residents to Davis, you wouldn't get Manhattan. You wouldn't even get San Francisco. You'd get a city as densely populated as Berkeley.<sup>5</sup> For reference, Davis is required to add only 2,100 units over the next eight years.

Unfortunately, the City's draft Housing Element doesn't address any of these problems.

#### The Draft Housing Element has the following five issues:

- 1. The City overestimates how much pending and approved housing will be built, in order to avoid rezoning.
- 2. The City's site survey ignores dozens of viable development sites within the City of Davis
- 3. The City doubles down on its failed affordable housing ordinance.
- 4. The City's estimates of ADU affordability do not track with the actual rental market.
- 5. The City does not propose meaningful reforms to build more housing in Davis.

<sup>2</sup> <a href="https://aadocs.ucdavis.edu/policies/step-plus/salary-scales/july-2019/stepplussystemsalaryscales-10ctober2019-table-1-l.pdf">https://aadocs.ucdavis.edu/policies/step-plus/salary-scales/july-2019/stepplussystemsalaryscales-10ctober2019-table-1-l.pdf</a>

https://djusd.net/UserFiles/Servers/Server 117089/File/Departments/Personnel Services/Salary%20Schedules/20-21/DTA%20Teacher%20Salary%20Schedules%2020-21.pdf

<sup>&</sup>lt;sup>1</sup> https://www.zillow.com/davis-ca/home-values/

<sup>&</sup>lt;sup>4</sup> ASUCD studies indicate that UCD students renting housing on the private market live 1.6 to a bedroom - qualifying as severely overcrowded under federal HUD guidelines. https://gsa.ucdavis.edu/sites/g/files/dgvnsk7966/files/inline-files/Saper\_SHAIS-FinalReport\_0.pdf

<sup>&</sup>lt;sup>5</sup> Per 2019 Census Bureau data, Davis has a population density of 7,013.5 per square mile, while Berkeley has a population density of 11,632.6 per square mile. As of 2019, Davis's population was 69,413 - at Berkeley's density, Davis would have a population of 115,156.

# Problem 1: Unrealistic assumptions about future development.

Just because the theoretical zoned capacity exists doesn't mean that new housing will get built.

To build enough housing, the housing element has to accurately estimate the targeted parcels' housing capacity. This estimate of capacity should take into account (i) the likelihood a site will be developed, and (ii) how many net new housing units are likely to be built if a site is developed. The state Department of Housing and Community Development (HCD) guidelines call these figures likelihood of development<sup>6</sup> and net new units if developed<sup>7</sup> in its guidelines. For RHNA purposes, Davis must calculate the realistic capacity for each site, using the following equation.

(likelihood of development) \* (net new units if developed) = realistic capacity.

Here, the City's map of best candidate sites includes many parcels where development is unlikely. The City's draft housing element has three major problems with the sites selected: (i) overestimated site capacity; (ii) overestimated likelihood of development, and (iii) new apartments proposed near major environmental hazards like I-80.

### First: Overestimated site capacity.

The City assumes that all of its candidate sites will be developed to maximum capacity, based on the assumption that a developer will choose to build as much as legally allowed. This assumption is unrealistic and does not track with past development history. Developers routinely build less than the legal maximum due to other constraints on new housing, as the Draft Housing Element makes clear.

Davis Recent Residential Housing Development <sup>9</sup>						
Land use	Max density (units/acre)	Total Acreage	Total units	Density Built (units/acre)	Difference (units/acre)	Difference (percent)
Residential Low Density	4.79	9.9	47	4.75	+0.01	+0.01%
Res., Medium Density	11.2	14.5	119	8.21	-2.99	-26.70%
Res., Med-High Density	19.99	51.6	792	15.35	-4.64	-23.20%

<sup>&</sup>lt;sup>6</sup> HCD Site Inventory Guidebook, 20

<sup>&</sup>lt;sup>7</sup> HCD Site Inventory Guidebook, 21

<sup>&</sup>lt;sup>8</sup> Draft Housing Element, 158.

<sup>&</sup>lt;sup>9</sup> Draft Housing Element, 150.

Res., High	39.99	16.1	513	31.86	-8.13	-20.33%
Density						

Developers routinely underbuild the legal maximum by more than 20%, and this adjustment should be reflected in the City's Housing Element calculations. This means reducing the amount of developable potential on each site to reflect the amount that developers have actually *used* in Davis within the last RHNA cycle.

### Second: Unrealistic probability of development.

The City's list of planned and approved projects counts 2409 units of planned and approved projects toward their RHNA-mandated housing target. Per HCD guidelines, if a jurisdiction assigns more than 50% of its lower-income RHNA to nonvacant sites the jurisdiction must make findings supported by "substantial evidence" that the sites' existing uses are "likely to be discontinued during the planning period." Under this guidance, the City is not allowed to count all pending and entitled projects as certain to be built without historical data supporting that conclusion. Nor can the City simply assume that existing non-vacant buildings will be reused for housing. Rather, the City should adjust its calculations based on historical rates of pending and entitled projects ultimately being built.

This is because not all housing gets built in Davis, even if the City has approved it. At 2411 E. 8th St. there is Chiles Ranch, approved during Barack Obama's first term. Zelkova Court, at 1021 5th St., was approved in *George W. Bush's* first term. The City wrongly counts both as certain to be developed. Nishi, at 1501 Arboretum Terrace, has been approved for 3 years, but it still hasn't broken ground. These zombie projects shouldn't be counted at all, absent additional evidence that the developers intend to build.

And these are just the *approved* projects. Davis's recent history is full of large-scale pending developments which have never materialized: Wildhorse. Covell Village. DISC.<sup>13</sup>

The City's list of vacant and underused sites has similar problems. 407 G Street is a viable, busy strip mall, with a barbershop, a pet store, and a restaurant, and there is no indication the owners intend to replace it. Similarly, 802 2nd Street is a fully occupied commercial site, with local institutions like Village Bakery and 3rd Street Jewelers. The City assumes that the maximum legal amount of affordable housing will be built on both sites. But there is no indication whatsoever in the Housing Element that the developers want to build *any* affordable housing, never mind the maximum amount of affordable housing allowed by law. These sites' capacity should be discounted to reflect the likelihood of development using the development figures from the previous RHNA cycle.

<sup>&</sup>lt;sup>10</sup> Draft Housing Element, 153-8.

<sup>&</sup>lt;sup>11</sup> Gov't Code 65583,2(g)(2), also HCD Site Inventory Guidebook, pg. 26-28

<sup>&</sup>lt;sup>12</sup> HCD Site Inventory Guidebook, 5-6.

<sup>&</sup>lt;sup>13</sup> Draft Housing Element, 177

# Third: Apartments near freeways.

State law requires the City of Davis to affirmatively further fair housing, i.e., "taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics."<sup>14</sup> One such common barrier is proximity to environmental hazards.<sup>15</sup>

Here, the City's draft site includes multiple environmentally sensitive sites within ¼ mile of Interstate 80. As is well known, the air pollution associated with living close to a busy freeway is not just a noisy nuisance, but also a hazard to one's health. Asthma, diabetes, chronic obstructive pulmonary disease, and dementia (in older adults) are all associated with living in close proximity to freeways. As such, these sites - 3820 Chiles, 1031-1047 Olive, 1800 Research Park, and 2600 Research Park, should all be excluded from consideration. The City does *not* affirmatively further fair housing by putting affordable housing next to the noise and pollution of I-80.

# **Recommendations**

- 1(a). Release and explain the data on which the City relied on to estimate parcels' development probabilities.
- 1(b). Adjust the likelihood and capacity of particular sites being developed based on historical permitting data, capacity usage, and permit status.
- 1(c). Commit to a mid-cycle review to verify the City's assumptions about development probabilities. If it turns out that sites within a category were developed at a lower-than-expected rate during the first half of the cycle, then the city should rezone for additional capacity or make other appropriate adjustments for the second half of the planning period.<sup>16</sup>
- 1(d). Eliminate sites from consideration which are near freeways, especially I-80.
- 1(e). Designate more sites for redevelopment and rezone appropriately.

### Problem 2: Failure to consider enough viable development sites.

Davis is full of underused land, and the City's draft housing element does not consider any of this underused land to be suitable for development. This represents a failure of imagination.

Davis is not built out. It is full of vacant, underused, and unused land, but this is not reflected in the draft Housing Element. There are five types of places that the City failed to consider: (i) commercial surface parking, (ii) church-owned land, (iii) oddball vacant parcels, (iv) overbuilt roads; and (v) government-owned land. For this section, I assume that all parcels are built out

<sup>15</sup> 85 FR 2041 (2020).

<sup>&</sup>lt;sup>14</sup> AB 686 (2018).

<sup>&</sup>lt;sup>16</sup> HCD Site Inventory Guidebook, p. 31.

at a rowhouse density of 50 units per acre, like what one sees in Berkeley, Midtown Sacramento, and in Eastern college towns like Princeton, New Haven, and Cambridge.

### First: Commercial surface parking lots.

Davis, like most places built after the Second World War, has enormous amounts of surface parking which sits empty most of the time. The Westlake Shopping Center on Lake and Arlington has about 110,000 square feet of parking lot (2.5 acres) for 70,000 square feet of commercial space. The Marketplace on Covell has 170,000 square feet of parking (3.9 acres) for 110,000 square feet of commercial space. Davis Manor on E. 8th has 129,000 square feet (2.9 acres) of parking for 25,000 square feet of commercial space. The Target shopping center on 2nd St has 309,000 square feet (7.1 acres) of parking, for 183,381 square feet of commercial space.



The Westlake shopping center, with 2.5 acres of surface parking.



The Marketplace shopping center, with 3.9 acres of surface parking.

<sup>&</sup>lt;sup>17</sup> https://www.commercialcafe.com/commercial-property/us/ca/davis/westlake-plaza-shopping-center/

<sup>&</sup>lt;sup>18</sup> https://www.regencycenters.com/property/detail/80099/The-Marketplace

<sup>19</sup> https://www.bizjournals.com/sacramento/news/2012/02/14/davis-grocery-outlet-center-read-investm.html

<sup>&</sup>lt;sup>20</sup> https://www.loopnet.com/Listing/2nd-St-Davis-CA/11943244/



The Davis Manor shopping center, with 2.9 acres of surface parking.



The South Davis Target, with 7.1 acres of surface parking.

None of these sites were considered during the site selection process. This is especially egregious for Davis Manor and Westlake, which have struggled mightily to attract high-quality tenants. Their huge parking lots are desolate even at peak hours. While these units were including in the housing inventory, they were omitted from the draft Housing Element. Built out at rowhouse densities of 50 units per acre, these four parcels' parking lots could handle 820 new homes without touching a single square inch of store.

### Second: Land held by religious institutions.

Many congregations have large parking lots which sit empty six days a week. St. James Catholic Church on 14th and B has 2 acres of parking lots, even though St. James is across the street from the Veterans Memorial lot. United Methodist and Congregation Bet Haverim on Anderson Road are 500 feet apart, and each has 1 acre of parking. St. Martin's Episcopal on Hawthorne has 0.83 acres of little-used parking, even though their parking lot is physically connected to the Anderson Road medical offices - which sit empty on weekends.



Congregation Bet Haverim, with 1 acre of parking, 500' from United Methodist and the Anderson Plaza shopping center.



St. Martin's Episcopal, with .83 acres of parking, directly next to the Anderson Road medical offices.

All of this lightly-used land could be used for affordable housing. Everybody wins. Religious institutions get to do good deeds; land-rich, cash-poor congregations get to stabilize their finances; and the poor get new homes. This is not a new concept: San Diego has passed the "Yes in God's Back Yard" ordinance, which explicitly allows religious institutions to build housing on their parking lots.<sup>21</sup> At rowhouse density (50 units/acre), St. James could handle 100 homes; United Methodist and Bet Haverim could handle 50 each; St. Martin's could handle 41- all told, space for 241 new houses.

### Third: Vacant land.

The City is full of awkward-shaped pieces of land which were not considered for construction, because the City's rigid zoning laws make them impossible to build on. Take, for instance, a small part of West Davis near Emerson Junior High. 2209/2301 Russell, 2300/2304 Evenstar, and 601/701 Arlington are all totally vacant, unused, City-owned, and impossible to build on. This is because the City's zoning laws make it uneconomical to build there, and the City's setback, density, height and parking requirements make it infeasible to build there. But these

<sup>&</sup>lt;sup>21</sup> https://www.sandiego.gov/planning/programs/housing/newsrelease191217

are regulatory problems, not technological ones. A thirty-foot-wide lot like 601 Arlington is absolutely enough land to build homes on - after all, many San Francisco lots are 25 feet wide.<sup>22</sup> Today, this land does nothing for anyone. It's too small to use as parkland and the traffic levels on Arlington will never justify the additional money needed to expand the road.

This represents a failure of imagination. Collectively, these five parcels represent 1.6 acres of land - space for 80 homes - and all of it has sat empty for decades.

#### Fourth: Excess road space.

Davis is mostly postwar suburbia, and its road system uses land inefficiently. This means that large amounts of City-owned land really is available for immediate construction, if city law allowed it.

For example, Russell Boulevard west of Arlington is a country road, with the bike path to Winters on the south side. Originally laid out as part of the Lincoln Highway, Russell was designed to be expanded into a major intercity route, but with the construction of I-80 the road has never needed the extra capacity. Today, Russell is a popular route for cyclists to bike to Winters, because drivers mostly take Covell.



The 60' shoulder of Russell Boulevard.

But because of this history, Russell Blvd. in West Davis has a 60-foot-wide strip between the roadway and the property line which is reserved for future road expansion. Thus, there's 1.72 acres of unused land between Lake and the city limit, 1.88 acres between Lake and Portage Bay, and 1 acre of unused land between Portage Bay and Arlington. All told, it's 4.6 acres ripe for development, on a major bike route across the street from UC Davis. Like the strips of land along Arlington, this land does nothing for anyone, and still has to be maintained at taxpayer expense. At rowhouse density, there is space for 230 units.

<sup>&</sup>lt;sup>22</sup>For example, this duplex sits on a 25' x 100' lot. <a href="https://www.zillow.com/homedetails/885-Rhode-Island-st-San-Francisco-CA-94107/2107734788">https://www.zillow.com/homedetails/885-Rhode-Island-st-San-Francisco-CA-94107/2107734788</a> zpid/

Russell isn't the only road which should be rethought. For example, Drummond Ave in South Davis is a 60' wide side street - the same width as Anderson Road. But Drummond is extremely lightly used, and no businesses or homes face Drummond on the stretch between Lillard and Albany.

Drummond is a perfect example of where a road diet would be useful for opening up new land for housing. Closing the southbound lanes, removing the street parking and converting the northbound lanes to two-way would open up 0.8 acres for 40 new units, and reduce the City's road maintenance obligations.



Drummond Ave, South Davis. 60' wide and vastly overbuilt.

# Fifth: Government-owned land.

The City ought to properly survey what land it and other government agencies own, and how this land might be used to ease the housing crisis. Even on the most cursory analysis, there is a surprising amount of lightly-used land available.<sup>23</sup> To illustrate, I will use the cluster of government buildings around City Hall.



Davis's Civic Center.

<sup>&</sup>lt;sup>23</sup> AB 1486 (2019).

The following land is underused at Davis's Civic Center:

Parcel	Occupant	Acres of parking	Number of units (at 50 units per acre, i.e., rowhouse density)
600 A St	Yolo County	0.5	25
646 A St/635 B St (shared parking lot)	Davis Senior Center, MLK High School	1	50
23 Russell Blvd	City Hall	2.3	115
526 B St	Davis Joint Unified School District	0.66	33
Total		4.46	223

The City considered none of these sites feasible, even though they're just lightly used parking lots owned by the City, Yolo County and DJUSD. The City could add hundreds of apartments without touching an inch of parkland or any government buildings, but none of this appears to have been considered.

### Recommendations

- 2(a). Conduct a full review of all commercially-zoned land, and reform the zoning law to permit the construction of housing on commercial plots at Mullin density or higher.
- 2(b). Reform the zoning law to allow apartment buildings at the Mullin density or higher on any land owned by religious institutions, the City, Yolo County, or the Davis Joint Unified School District.
- 2(c). Conduct a full review of government-owned parcels and excess right of way to determine what land is suitable for homebuilding.

## **Problem 3: The City's affordable housing ordinance.**

In theory, Davis's affordable housing ordinance is meant to produce more housing by requiring a percentage of rental units in new developments to be income-restricted affordable. Under the interim housing ordinance, it's 15%; after the interim ordinance expires in November, the minimum is 25% for small developments and 35% for large ones. This ordinance has totally failed at its goal, and should be reformed.

During the 2013-2021 RHNA cycle, Davis was assigned 422 very-low- and low-income units, and it missed its quota by 38%. During the 2021-2029 cycle, Davis has to build 930 units of low-income housing - over twice as much as before - but there is no discussion of reforming the affordable housing ordinance. Instead, the City is doubling down on its approach, and doing an

economic feasibility analysis to justify its policy rather than reconsidering the policy.<sup>24</sup> Many recent developments can't even meet the reduced 15% threshold. Plaza 2555 provided 5% affordable units; University Commons, 10%; and the Research Park apartments paid a fee instead of providing affordable housing.

The City's approach should be reformed, because the current policy discourages new development. The contrasting examples of Santa Monica and Los Angeles are illustrative. In the 2010s, Santa Monica instituted mandatory affordability requirements similar to Davis's for downtown apartment buildings. Apartment buildings taller than 39 feet were required to provide a minimum of 20%, and up to 35% deed-restricted affordable housing, depending on building size.<sup>25</sup> Apartment buildings 39 feet or less were only required to provide 5%.

In practice, these high affordability requirements deterred developers from building large buildings. Many developers chose not to build to the legal maximum. After the reforms, only 6% of proposed new units were affordable. As *Santa Monica Next* put it, the high affordability rules were "based on wishful thinking." And Santa Monica's own hired consultants warned, even a minimal mandatory affordable requirement makes most development financially impossible. <sup>26</sup> Instead of lots of new affordable units, Santa Monica learned the hard way that 35% of zero is still zero.

In contrast, the City of Los Angeles's Transit Oriented Communities program approved five years ago combines generous density incentives for new apartment buildings near transit with fast approvals.<sup>27</sup> Transit Oriented Communities is entirely voluntary, and has led to an explosion of new affordable housing being built at no cost to the taxpayer.<sup>28</sup> A program like Transit Oriented Communities would be a good fit for Davis, due to the huge concentration of jobs at the University.

In addition to a density bonus program, the City should adopt a 100% affordable housing overlay for the whole city, to allow fully affordable apartment buildings anywhere zoned residential, including R1 parcels. This approach was pioneered by Cambridge, MA, and is currently under consideration in Berkeley and Santa Monica.

### Recommendations

3(a). Reform the city's affordable housing program as a generous municipal density bonus for new apartments built near the University, and all areas within a 10-minute bike ride of the train station. This would put more housing where it belongs: near jobs and transit.

<sup>&</sup>lt;sup>24</sup> Draft Housing Element, 197.

<sup>&</sup>lt;sup>25</sup> https://www.santamonicanext.org/2019/05/whack-a-mole-housing-policy/

<sup>&</sup>lt;sup>26</sup> City of Santa Monica, Discussion of Concepts and Policy Options for the Housing Element Update, Santa Monica Planning Commission Meeting Agenda No. 10-A, March 16, 2021, 22-23.

<sup>&</sup>lt;sup>27</sup> https://planning.lacity.org/plans-policies/transit-oriented-communities-incentive-program

https://la.streetsblog.org/2020/02/28/l-a-citys-transit-oriented-community-affordable-housing-incentives-are-working/

3(b). Adopt a 100% affordable housing overlay, like Cambridge, Mass., to allow the construction of new 100% affordable buildings anywhere in the City of Davis, including in R1 zones.

### Problem 4: Unaffordable ADUs.

The City wrongly claims that new ADUs built in the City will be affordable to lower-income renters.

HCD requires cities to estimate the affordability of forecasted ADUs<sup>29</sup> and provides the following examples for methodologies:

- Surveying existing ADUs and JADUs for their current market rents, considering factors like square footage, number of bedrooms, amenities, age of the structure and general location, including proximity to public transportation.
- Examining current market rents for comparable rental properties to determine an average
  price per square foot in the community. This price can be applied to anticipated sizes of
  these units to estimate the anticipated affordability of ADUs and JADUs.
- Available regional studies and methodology on ADU affordability can also be a resource to determine the likely affordability mix for ADUs and JADUs.

The City uses overly optimistic estimates of future production of ADUs that are affordable to lower-income households to avoid rezoning parcels to the Mullin density (i.e. the density at which a parcel is presumed to be suitable for multifamily housing that is affordable to lower-income households). The City assumes 69% of ADUs will be affordable to very low or low incomes, 30% to moderate incomes, and 1% will be market rate.<sup>30</sup> This is based on the Sacramento Area Council of Governments (SACOG) methodology of surveying the entirety of Yolo County. But this data is inappropriate to use here. SACOG's data is countywide and includes much poorer communities like Winters, Woodland and Esparto in its calculations. Davis is more expensive and the City's ADU assumptions should reflect that.

A random sample of single-family homes for rent on Zillow shows why this is so. Prices in Davis range from \$1.79 to \$3.10 per square foot, with an average of \$2.24 per square foot.

Sample of Davis Single-Family Homes for Rent, May 2021					
Address	Price	Size (Square feet)	Rent per square foot		
3022 Woods Cir	\$2000	1120	\$ 1.79		
394 E 8th St	\$2250	725	\$ 3.10		
2745 Hatteras PI	\$2975	1428	\$ 2.08		

<sup>&</sup>lt;sup>29</sup> HCD Site Inventory Guidebook, p. 30

<sup>&</sup>lt;sup>30</sup> Draft Housing Inventory, 160.

815 Douglass Ave	\$2800	1352	\$ 2.07
741 N St	\$2360	925	\$ 2.55
915 Sycamore Ln	\$4400	1480	\$ 2.97
203 4th St	\$2195	900	\$ 2.44
2715 Ottowa Ave	\$2995	1100	\$ 2.72
2735 Seine Ave	\$4495	1700	\$ 2.64
Average			\$ 2.24

At \$2.24 per square foot, that gives us projected rates of \$1120/month for a 500 sq. ft. studio, \$1680/month for a 750 sq. ft. 1-bedroom, and \$2240/month for a 1000 sq. ft. 2-bedroom. SACOG's analysis says that an affordable rent for a low-income Yolo County family of two is \$1,406.31 At these prices, even a modest one-bedroom for a family of two is too expensive.32

# **Recommendations**

- 4(a). Use city-specific data to forecast ADU affordability, as preferred by HCD's guidance. Davis is more expensive than West Sac, Woodland and Winters, and should adjust its estimates accordingly. We recommend a survey of owners of recently built ADUs, to determine whether these units are rented (as some ADUs go to family members) and, if so, at what rate.
- 4(b). Track ADU and Junior ADU creation and affordability levels, and commit to reviewing these estimates at the mid-point of the current RHNA cycle to determine whether the City's estimates have panned out.<sup>33</sup>

### Problem 5: No meaningful reforms.

Davis's revision of its housing element is a chance for the City to reform its housing bureaucracy, and the City shows no interest in doing so.

Davis is a difficult, expensive city to build in, and new developments rarely pencil out due to the city's byzantine planning process and rigid zoning code. The draft housing element's list of planned and approved projects reads like a list of Davis's local political squabbles over the last few decades. The Cannery project *still* isn't done, two decades after the old Hunt-Wesson plant

<sup>&</sup>lt;sup>31</sup> <a href="https://www.sacog.org/sites/main/files/file-attachments/adu\_affordability\_analysis\_methodology\_2020-3-31.pdf?1587493624">https://www.sacog.org/sites/main/files/file-attachments/adu\_affordability\_analysis\_methodology\_2020-3-31.pdf?1587493624</a>

<sup>&</sup>lt;sup>32</sup> If anything, this is an underestimate of likely rents, as new construction commands a premium.

<sup>&</sup>lt;sup>33</sup> HCD Site Inventory Guidebook, pg. 31

closed in 1999.<sup>34</sup> Chiles Ranch has been approved, but 12 years later nothing has been built. The University Mall redevelopment took two full years of political trench warfare to get City approval, and construction won't be complete until the mid-2020s.<sup>35</sup> Nishi still hasn't broken ground, three years after its approval.

This reflects a planning process which is painful, arbitrary and politicized. The three municipal policies Davis must reform are: (i) its politicized planning process, (ii) the City's restrictive zoning laws, and (iii) the City's minimum parking law.

### First: Politicized planning.

Little can be built in Davis without a City Council vote. This, in turn, invites political meddling from all sides: the Council, activist groups, and developers alike. This can be eliminated with one simple rule, applied citywide: if the City's zoning allows it, the City will issue permits. Sacramento is a good model to follow. Sacramento has adopted an ordinance which provides ministerial approval for 2-150 unit multifamily projects which meet the zoning law within 60 days, and 151-200 unit multifamily projects within 90 days.<sup>36</sup> This would mean that all new housing development in the city of Davis would get streamlined ministerial approval.

As part of this streamlining, Davis should also abolish the "planned development" zone and rezone all "Planned Development" areas to reflect their actual intended uses in the General Plan. The arcane complexity of the "planned development" system makes it virtually impossible to determine what is legal and what is not legal to build in large swaths of the City. The specific restrictions on PD zones aren't listed publicly in the Davis Municipal Code, and there are no objective standards in PD zones that are established *ex ante*.

<sup>&</sup>lt;sup>34</sup> In 1999, Bill Clinton was President, you used a dial-up modem to get online, and the Twin Towers still existed.

<sup>&</sup>lt;sup>35</sup> <a href="https://www.bizjournals.com/sacramento/news/2018/05/04/redevelopment-would-add-housing-to-university-mall.html">https://www.bizjournals.com/sacramento/news/2018/05/04/redevelopment-would-add-housing-to-university-mall.html</a>

<sup>&</sup>lt;sup>36</sup> https://www.cityofsacramento.org/Community-Development/Planning/Major-Projects/Ministerial-Housing



North Davis is almost all PD-zoned, which makes it extremely difficult to determine what is legal to build.

To illustrate how this system is ripe for abuse, I will use North Davis as an example, which is almost all PD-zoned. From the City's zoning map, one might think that North Davis has a massive variety of buildings and complex land use concerns to deal with, and that just isn't the case. There's a shopping center near the 113 freeway, apartments on Sycamore and Alvarado, and nearly all the rest is suburban tract homes of various vintages. The over-complex zoning scheme makes a rezone mandatory for nearly any type of new construction.

# Second: The City's unnecessarily restrictive zoning law.

In most of Davis, suburban-style single-family homes are required by law. This means that most land on a plot is wasted. A typical single-family residential zone (R-1-6) requires at least 6000 square feet, with 20' of mandatory front yard, 25' of mandatory backyard, and only one family can live there, subject to the state ADU rules. On a typical 7000 square foot lot, it's legal to build a 2800-square-foot mansion with a 500-square-foot garage, but it's not legal to build four modest apartments of 825 square feet each.<sup>37</sup> (Other types of single-family residential zone - R-1-8 and R-1-15 - are even more wasteful.) Two parking spaces are required by law, even though Davis has magnificent bicycle infrastructure and many people don't drive.

This zoning is so restrictive that Davis largely bans the kind of charming neighborhoods that you see in Midtown Sacramento, or other college towns, like Cambridge and Princeton.

<sup>&</sup>lt;sup>37</sup> Municipal Code, s. 40.03.060.



Midtown Sacramento - illegal to build in most of Davis.

Sacramento is a convenient local example. In Midtown, lot sizes are often less than 2500 square feet, Midtown allows small 2- and 3-story apartment buildings, many buildings have no parking, and buildings are often built right up to the property line on the street side. All of these things are banned in Davis's single-family residential zones.



East Coast-style rowhouses - illegal to build in most of Davis.

Similarly, the classic rowhouses of East Coast college towns are also illegal to build in Davis, even though such housing is a hallmark of Cambridge, MA, Princeton, NJ, and New Haven, CT. Typically, rowhouses like the ones depicted above have three units, with zero side setback and zero front setback on a 2500 square foot lot. Parking is optional. Densities are 45-60 units per acre, equivalent to Davis's Residential - Very High Density classification, but due to the City's setback, density and parking requirements they are banned.

### Third: the minimum parking law.

Davis has magnificent bicycle infrastructure which is the envy of the nation. But even so, the City zoning code still rigidly requires car parking spaces for every single home.

The City asserts that "parking requirements do not hinder the availability and affordability

of housing," without citing any evidence in support.<sup>38</sup> This is simply not true. Parking is expensive to build, and it significantly drives up the costs of building affordable housing providing one parking space per unit drives up the cost of a new home by 12.5%, and providing two parking spaces can increase costs by up to 25%. 39 In dollars and cents, each above-ground garage space costs \$24,000 to build, and each underground space, \$34,000.40 To be legal, the developer of a 400 square foot studio apartment has to build 400 square feet of parking. Making matters worse, much of this off-street parking goes unused. In the sprawl of Santa Clara County, almost 30% of off-street residential parking is vacant.<sup>41</sup>

Real estate developers are perfectly capable of figuring out how much parking to build, as is the law in Sacramento, Berkeley and San Francisco. Davis should follow their lead and repeal the mandatory minimum parking law.<sup>42</sup>

### <u>Recommendations</u>

- 5(a). Adopt a ministerial review ordinance modeled on Sacramento's Ministerial Housing Ordinance and streamline the housing approval bureaucracy.<sup>43</sup>
- 5(b). Liberalize the City's zoning code by reducing or abolishing setbacks, open space requirements, minimum lot sizes and density limitations, while increasing available FAR. Ideally, this type of reform would legalize East Coast-style rowhouses as well as the small apartment buildings one sees in places like Berkeley and Sacramento.
- 5(c). Abolish "Planned Development" zoning, and rezone to one of the City's standard designations.
- 5(d). Allow small apartment buildings in R1 zones. Berkeley, Sacramento, Minneapolis, and the state of Oregon have all reversed their apartment bans, to nationwide praise. Davis should also adopt an ordinance for apartment zones modeled on Los Angeles's small lot subdivision ordinance, to permit East Coast-style row houses if traditional apartment development doesn't pencil out.
  - 5(e). Abolish the mandatory minimum parking law. Other cities in Northern California -Berkeley, San Francisco, and Sacramento - have all abolished their mandatory minimum parking law, and all of them have less investment in bicycle infrastructure than Davis. Davis, with its uniquely strong cycling culture, should not have a mandatory car parking law.

The City of Davis has a legal obligation to sufficiently plan to meet current and future residents' housing needs, in a way that guarantees access to opportunity for all Californians. The five issues highlighted above suggest that the City is not on a path to fulfilling this legal obligation. I urge you

<sup>&</sup>lt;sup>38</sup> Draft Housing Element, 193.

<sup>39</sup> https://www.vtpi.org/park-hou.pdf

<sup>40</sup> http://shoup.bol.ucla.edu/HighCost.pdf

<sup>41</sup> http://database.greentrip.org/

<sup>&</sup>lt;sup>42</sup> See, for example, this house in Houston. https://www.zillow.com/homedetails/2413-Pease-St-Houston-TX-77003/2077367138 zpid/

43 Sacramento City Code Section 17.860 et seq.

to change course and embrace this opportunity to provide more housing options for all who live, work and study in Davis.

After all, building more homes is a good thing for city merchants, city residents, and city finances. All the commuters from Woodland dine at Woodland restaurants, shop at Woodland stores, and pay Woodland taxes. This means fewer customers for Davis merchants, higher housing costs for Davis residents, and less tax money for the City of Davis.

But if Davis workers and UCDavis students can afford to live in town, that money stays in town. This is supported by other cities' experience: Redwood City's staff analyzed the impact of new housing construction on its General Fund, and found that each new multifamily unit brought in an additional \$254 per year in revenue.<sup>44</sup> More housing is good for the environment, too. After all, students who bike to class, and staff who bike to work, aren't burning gasoline or stuck on I-80.

Finally, state law imposes penalties on jurisdictions that fail to adopt a compliant 6th cycle housing element update by October 15, 2021. If Davis remains noncompliant, *all* of Davis's discretionary land use and zoning regulations are suspended until the City adopts a compliant housing element. If those regulations are suspended, any new housing of any size that includes 20% low-income housing, or 100% moderate-income housing, can be built by right. Thus, if there's a noncompliant housing element, developers can put skyscrapers downtown, and the City won't be able to do anything about it.<sup>45</sup> Therefore, to maintain local control over new development, Davis must adopt a compliant housing element on time.

I respectfully request the opportunity to meet with your housing element team to address the concerns raised in this letter. Thank you for your consideration.

Sincerely,

Gwen Chodur Davis resident

<sup>&</sup>lt;sup>44</sup> Existing single-family homes are a drain on city finances, due to the cost of providing services and artificially low valuations due to Proposition 13.

 $<sup>\</sup>underline{\text{https://meetings.redwoodcity.org/AgendaOnline/Meetings/ViewMeeting?id=2245\&doctype=1}$ 

<sup>&</sup>lt;sup>45</sup> California Government Code 65589.5.