

Date: May 20, 2021

From: Doug Buzbee, City of Davis Housing Element Committee and Finance and Budget Commission Member

To: Chair Greg Rowe and Members of the Housing Element Committee

Subj: City of Davis Draft 2021 Housing Element

Dear Housing Element Committee Members:

Thank you for the opportunity to have served on this committee with you. I believe this is important work, very much respect the process, and appreciate the different viewpoints that members have brought forward.

The intent of the regional housing needs allocation and the housing element is to ensure that Davis provides its fair share of new housing development opportunities. For decades Davis has been a staunch no-growth city. The result is that although UC Davis is the largest employment center in the area, the City has grown at a fraction of the rate of surrounding communities. Consequently, housing costs in Davis are significantly higher - home prices are roughly 50% higher (see Figures 5 and 6 of the Draft Housing Element), and rents are between 25% and 40% higher. Stating the obvious, housing in Davis is significantly less attainable to younger and lower income families than in surrounding communities.

The draft 2021 Davis Housing Element does nothing to change the status quo and will certainly fail to broadly improve housing attainability for young and lower income families in Davis.

Projected Household and Employment Growth

The Draft Housing Element and the calculation of Davis' RHNA requirement of 2,075 new housing units are based on the assumption that Davis' population will grow at a rate of 0.5% per year (see the bottom of Page 57 of the Draft Housing Element). For the same period, SACOG projects regional population growth of 1.4% per year and Davis employment growth of 0.9% per year. This is a recipe for continued long-term housing cost escalation in Davis. Broad-based housing affordability in Davis cannot possibly improve while Davis' population growth rate is restricted to a fraction of those of the local economy and regional population.

I believe that the 0.5% Davis population growth assumption is deeply flawed and will directly lead to higher and higher housing costs in Davis. It is unfair to young and lower income families who desire housing opportunities in Davis. If Davis continues to fail to provide land for housing development as it has in the past, then housing costs will continue to broadly exclude younger and lower income families from living in our community.

We cannot accept a housing element that punts on Davis' responsibility to provide the housing that the City clearly needs. The City of Davis has an opportunity to change course and to provide more housing opportunities in Davis in the future. Unfortunately, the Draft Housing Element fails to meet this opportunity.

Date: May 20, 2021

Page 2

Ultimately, I believe that a much higher RHNA allocation is appropriate - one that reflects a Davis growth rate similar to the region and economy, and one which is likely multiples greater than the 2,075 unit target of the Draft Housing Element. Please read Adam Buchbinder's letter of May 13. It points out similar fundamental flaws of the Draft Housing Element.

Based on the above, I will not support a motion that City Council adopt or certify the Draft Housing Element as written.

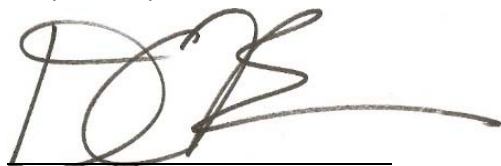
Social Services Housing Trust Fund Proposal

I agree with the Social Services Commission that a housing trust fund is an important part of the solution to the affordability crisis. A number of the fund sources presented seem viable and fair, including property tax surcharges and parcel taxes. I believe that in order to be fair and equitable, the wealthier residents of Davis, namely current homeowners, must contribute to funding a housing trust fund. It is unfair to propose that only new residents and out-of-towners fund this effort, for example through new residential development impact fees or transient occupancy taxes. If the wealthiest residents of Davis (homeowners) contribute a tiny fraction of their property wealth, Davis would have plenty of funds that could make a real difference to the affordability gap at the lowest income levels.

Resolutions that I would like the HEC to consider during tonight's meeting:

- a) ***To recommend that City Council reject the Draft Housing Element and direct staff to revise the RHNA allocation target based on a Davis annual population growth of between 0.9% and 1.4%, consistent with local economic and regional population growth projections.***
- b) In order to remove an artificial constraint to the production of new market rate housing in Davis, ***to formally recommend that the City Council remove the City's 1% growth cap;***
- c) In order to mitigate a choking self-inflicted constraint to new housing construction, ***to request that the City Council place a measure on the ballot exempting the Wildhorse Ranch and the Mace Curve parcels from the requirement of a Measure D vote, as these parcels are entirely within the city limits or completely surrounded by city infrastructure;***
- d) In order to provide a more effective and equitable method of providing resources to address homelessness and the most vulnerable in Davis, ***to endorse the Social Services Commission report on a housing trust fund, and a recommendation that fund sources include contributions from current Davis homeowners, for example, through the implementation of a real estate transfer tax or a city-wide parcel tax on existing residences.***

Respectfully Submitted,



Douglas Buzbee