

## **My Comments on Housing Element Review/Dan Carson**

**A Strategy to Move Us Forward on Housing.** I generally support the language of the draft Housing Element that is before us. It complies with the series of very specific mandates the state has set forth for cities like ours to document our past progress in zoning additional housing and the approach our city is taking to ensure that enough land within the city is zoned to allow for housing to meet our regional housing need allocation (or RHNA). This draft plan correctly points out that we have zoned more land than RHNA requires overall over the last eight years but have fallen short by roughly 300 units in zoning sufficient land for affordable housing. The plan proposes some specific locations that could be rezoned to make up that gap as state law requires, as well as back-up solutions like the major zoning changes are already up for adoption in the draft Downtown Specific Plan.

However, the Housing Element is more than a RHNA numbers game – it is an opportunity for us to adopt a set of effective and practical policies that will address a critical shortage of rental and for-sale housing that is of great concern to many now living in Davis. The draft Housing Element contains an extensive list of new and ongoing policy steps. My comments here are intended to add to the mix of ideas already in the Housing Element draft and highlight some ideas I believe deserve attention.

***Should We Ask the Voters to Help Move Us Forward?*** As the Social Services Commission has suggested, the City of Davis could follow the path of other cities and seek generate some additional financial resources to achieve progress. However, reliance on taxpayer money alone will not fix our affordable housing problems. That approach would almost certainly fail; our city simply cannot afford it. We will also need housing projects by private developers and nonprofit housing entities on both infill and annexed land to address our needs.

City government can help further affordable housing efforts by requiring private projects to include affordable housing in the mix, using zoning flexibility and density bonuses, and leveraging its own land resources for this purpose. The draft Housing Element already reflects a commitment to explore such approaches, but we could go further and explore putting an package of housing policy initiatives on the city ballot to:

- Enact a property transfer tax that could be used, in combination with other funding sources, to support programs to address housing and homelessness through our existing Housing Trust Fund. (This would require voter approval for a tax hike and voter approval for the City of Davis to become a charter city empowered to impose such a tax.)
- Amend the language already in Measure J/R/D that exempts from its public vote requirements projects that provide affordable housing or facilities needed for city services. The exemptions written by the original drafters of J/R/D were fine in concept, but have so many strings attached that they are unusable--and have never been used. We could fix this by removing the problematic language. (This option is discussed in more detail below.)

- Extend and expand, as long and as much as possible, the legal authority under Article 34 of the State Constitution for the city to develop public housing that would otherwise expire in 2025.

Some of these ideas, like the creation of a new funding source like a property transfer tax, require careful study and must comply with state constitutional restrictions. For example, a property transfer tax can only be adopted if city voters also opt into becoming a charter city. And such a tax can only be adopted as a general tax, meaning that city officials, by law, would retain future discretion in the use of such funds. However, other jurisdictions have navigated such challenges. For example, a companion advisory measure could be placed on the ballot seeking voter support to use the dollars generated from such a tax for our housing trust fund.

Accordingly, I propose we examine the idea of crafting a tightly-linked package of measures that, admittedly, will not solve all our housing problems, but move us forward with practical and achievable action steps.

***Keep Our 1% Annual Growth Cap.*** This is admittedly a symbolic action, but it is an important symbol to our community. The Legislature passed a 2019 measure, SB 330, that overrode this longstanding city policy until at least 2025. But the truth is, we’ve easily been able to abide by this policy. The City Council created a 1% growth limit that is flexible and permits exceptions for affordable housing and for projects that are exceptional. The draft Housing Element documents that the city has made significant progress in providing affordable units over the last eight years and provide housing for seniors, workers, families and students even with the 1 percent growth limit in place. So, I see no reason for us to repeal that policy, even if the state has temporarily overridden our choice, unless the state specifically directs us to do so.

***Don’t Exempt Specific Projects from Measure J/R/D.*** I don’t support the proposal to “pre-approve” land inside the Mace Curve and Shriner’s and thus exempt them from Measure J/R/D. This approach probably would not work because any controversial proposal would still be subject to voter approval under state law via a referendum. T

The referendum process, which was used in Davis to defeat housing projects before Measure J/R/D came along, is inferior in several respects. The referendum process effectively allows project opponents to control the timing of that vote and make it easier to block new housing. Measure J/R/D, by contrast, allows City Hall to secure additional mitigation and community enhancements from developers, shape projects so that they best suit our community’s needs, and then bring them before voters in a timely way. Twice in recent years, voters have said yes to such projects.

I am not opposed to projects at the two proposed locations. Development of additional housing inside the Mace Curve and at Shriner’s should be considered along with other alternative sites that will undoubtedly be proposed soon, but through our current process and after detailed review of those projects by the City Council and voters. That process is most likely to achieve real enforceable commitments to help meet our needs for affordable housing.

***Study Where the City Should Grow in our Next General Plan.*** We shouldn't just react to applications from developers in deciding what locations are best for annexation to meet our long-term housing needs. Our next General Plan update should forthrightly tackle the issue of how much we should grow, how we should grow, and where we should grow to meet our community's long-term needs, including identification of the additional areas that are best suited for annexation to the city in the future via the Measure J/R/D process. Infill development downtown has a huge potential, but our Housing Element should recognize that this won't be enough to meet our long-term housing needs.

***Improve Existing Exceptions in Measure J/R/D for Affordable Housing and City Facilities.*** On paper, Measure J/R/D provides an exception for affordable housing projects of five acres or less as well as a separate exception for facilities to provide city services. In reality, there are so many strings attached in these supposed exceptions that they have never been used. For example, in order to use the affordable housing exception, an applicant would have to prove that no other site anywhere in the city is available for affordable housing – a daunting if not impossible barrier. And the city shouldn't have to go to the voters to build a new fire station or other city facilities on its own land at the city edge. We should consider submitting a ballot measure to the voters to amend Measure J/R/D to modify the existing exceptions to create meaningful opportunities to meet our needs for affordable housing and provide other city facilities that benefit our residents. This could even include affordable housing projects on city-owned land not needed for other city facilities.

***Continue to Enact Targeted Infill Zoning and Parking Changes.*** Our draft downtown specific plan includes important changes that will adopt a new form-based code that increases the heights and density of buildings, creates 1,000 more units with a mix of housing types for perhaps 3,000 more residents, and reduces parking requirements while creating a more pedestrian- and bike-friendly environment. In other locations within the city, such as University Mall, the Nishi site, Lincoln 40, and Davis Live, we have up-zoned property to accommodate the development of thousands of much-needed beds. We have also gone further than state law requires to waive parking requirements for new Accessory Dwelling Units within our neighborhoods.

Our forthcoming General Plan update, which will follow soon upon the adoption of this Housing Element, provides an opportunity to carefully examine which specific neighborhoods could handle increased density and what additional changes, such as improved availability of public transit, could help facilitate such changes. Maybe second floors make sense in one neighborhood. Perhaps four-plexes on corner lots fit well in another place. We could analyze and implement such zoning changes to foster additional infill as part of our General Plan update. The General Plan update process also gives us a chance to evaluate what help a community may need, in the form of new infrastructure or micro-transit service or city park improvements or retail, to handle the infill that neighborhood would absorb.

But, in my view, the “one size-fits all” zoning and parking rules that some have proposed be included in the Housing Element are an overreach. Blanket policies to allow four-plexes on every R-1 lot and eliminate parking requirements don’t make sense on every block. Blanket zoning runs counter to our General Plan goal and sound planning principles of creating stable and desirable neighborhoods. It makes every bit of sense to try some of these ideas like scaled-back parking requirements in our downtown, which is exactly the direction we are headed with our draft Downtown Specific Plan.

**Explore Mixed-Use Infill Options.** After the city has resolved how to meet its RHNA requirements, it should continue to explore its options for encouraging additional infill housing in various locations within the city. Some additional ideas on how to do so are now under debate. Some of them are intriguing but require fine-tuning. One of those is the idea to replace so-called “strip malls” with housing.

One person’s “strip mall” to me is actually something quite valuable -- a neighborhood shopping center that can provide community vitality and identity, revenues our city needs to be sustainable, and easy access through walking or bicycling instead of driving that can reduce our greenhouse gas emissions.

We should explore the use of our city’s new “Mixed Use” zone, like we did in approving plans to revitalize University Mall, that doesn’t displace shopping but instead creates a mix of commercial and residential uses. Adding more housing on empty parking lots, and reconfiguring old-style malls to create a denser mix of commercial and housing space, might be a win-win for Davis. Adding on-site customers could help keep our aging commercial centers from someday resembling the deteriorating County Fair Mall in Woodland. Proximity to shops and restaurants could be attractive to potential renters or homebuyers.

Someone has suggested Target’s empty parking spaces as a housing site. Let’s explore that location and others. But I would be clear in our Housing Element that our policy would not be to displace neighborhood commercial with housing, but instead look for opportunities for mixed-use of sites that would enhance both features.

**Let’s Talk to DJUSD About Housing for Teachers and Other School Workers.** Our Housing Element policies could also be used to start a conversation with our local school district about the creation of housing on their school grounds for teachers and school staff.

Some Davis middle school sites (I don’t include here any schools that share in the use of city parks) appear to exceed the state’s guidelines for school sizes and have areas that appear to get little use. Some California school districts are partnering with private builders to use such spaces to create rental or for-sale housing for young families of teachers who could otherwise never afford to live in the community they serve. DJUSD might gain a stream of lease revenue from builders, additional ADA funding as teachers and staff bring their own children to town to attend their schools; and a new tool for staff recruitment and retention. Our city would make

progress toward providing workforce housing in a community with a lot of education-related jobs and help meet our RHNA goals.

In such discussions, the city could explore what steps it could take to help facilitate such an approach, better understand the implications of such a land-use change for school neighbors, and avoid conflicts with any long-term DJUSD plans for those sites.

***Collaborate with UC Davis to Create Affordable Housing for Students.*** In my view, UC Davis is living up to the commitments it made to the city in a 2018 memorandum of understanding (Yolo County is also a signatory) to provide additional on-campus housing for its students. It built about 400 more student beds at Webster Hall, is nearing completion of about 3,200 beds at West Village, and is starting construction of as many as 1,400 more beds at Orchard Park. Additional large projects like a renovation of Solano Park are on the drawing board.

But on-campus housing is not an affordable option for some students. Before the Covid pandemic hit, the campus convened an on-campus task force to improve affordable housing options at UC Davis. The city should employ its “2 by 2 by 2” process and staff-to-staff contacts to engage the campus and county housing officials in further discussion of what steps could be taken next by the campus and our community to address the problem. With Covid restrictions endings, many students will soon returning to our community for normal in-person classroom instruction, so the time is ripe for this matter to be considered again.

***Consider Whether Affordable ADUs Are a Solution.*** A series of state laws have mandated that cities allow the development of accessory dwelling units (or ADUs) by right in city neighborhoods. City staff is already examining how the city could encourage ADUs as a relatively low-cost option for new housing. For example it is currently using state grant funds to develop “off-the-shelf” ADU designs that could be provided at little or no cost to applicants and be quickly and easily processed by the planning department.

I am proposing that the city go still further and explore the use of federal or state housing funds – and perhaps, someday, also monies from an expanded city housing trust fund -- to incentivize the construction of new affordable ADUs. Under this approach, financial contributions would be offered to developers of ADUs who make a legal commitment (such as through voluntary deed restrictions on their ADU property) to renting the units at rents that qualify them as affordable housing. In effect, a public subsidy provided to reduce the cost of building an ADU would be passed along to the persons living in the units in the form of lower rental costs. Other cities are pursuing this approach, but it would be important to determine whether such a program is practical for our city government to administer and that it would actually result in additional affordable ADUs.