July 16, 2020

Mayor and City Council
City of Davis
23 Russell Boulevard
Davis, California 95616

RE: University Commons Supplemental Comments

Dear Mayor Partida and City Council:

We would like to thank City Council for the opportunity to bring this project forward for your consideration. We would also like to thank City Leadership, City Staff, and the City Commissions for their efforts over the last two (2) plus years to shape this proposal into a project we are proud to present.

To date, the project has received substantial public review since the application was made in March 2018. The Public Scoping Meeting was held in December 2018, the Historical Resources Management Commission reviewed the project twice once in November 2018 and again in May 2019, the Bicycle Transportation Street Safety Commission reviewed the project in November 2019, the Planning Commission has reviewed the project twice, once in December 2019, again in May 2020 and finally the Finance and Budget Commission reviewed the project twice once in June 2020 and again in July 2020.

At each of these meetings Citizens of Davis and Commissioners provided valuable feedback. Throughout this process, we listened. Based on these comments, we offer the following modifications and commitments as further detailed below. It is our sincere desire that these commitments will assist in your deliberations and warrant your support for approval of the project.

UNIT MIX
The project proposed consists of 264 units and 894 beds. Consistent with many other larger scale residential projects within the immediate proximity to campus, the initial unit mix consisted of approximately seventy (70) percent of four (4) and five (5) bedrooms that typically cater to the student population. However, from the Planning Commission meetings (December 2019 and May 2020) and additional outreach, concerns were expressed about the project’s unconfirmed unit mix and a clear preference was stated that the project not strictly be a purpose-built student housing project.
From these project discussions, we have been sensitive to the unit mix with the intention of making the project available to a wide range of future residents to include both students and non-students. Based on this feedback, we will commit to reducing the four (4) and five (5) bedroom student focused units from approximately 70 percent down to 45 percent of total units and eliminate all 5-bedroom units. The remaining 55 percent of the units would consist of studios, one, two and three bedrooms with some of the units being available for rent by the unit. We will also commit to providing a portion of the project that will be limited the studio, one, two- and three-bedroom units.

**AFFORDABLE HOUSING**
As established in the Environmental Impact Review, the project qualifies for the Vertical Mixed-Use Exemption pursuant to the Municipal Code in effect for the project at the time of the application submittal. The City’s Affordable Housing Ordinance was amended in January 2019, at which time the exemption was removed from the ordinance and revised to state vertical mixed-use projects will provide a number equivalent to five (5) percent of the total units, bedrooms or beds being developed as affordable.

We believe strongly that a beneficial way to assist in creating more affordable housing is to expand the housing supply. The proposed project will draw residents from all over the City that will benefit from living next to the University which we believe will reduce pressure on the single-family neighborhoods and in turn, make them more affordable for young families.

That said, and in spite of the project exemption, we offered to participate in the City’s affordable housing goals and presented an in-lieu fee proposal. After the Planning Commission meeting and additional outreach, we clearly heard the preference that affordable beds be provided on site.

We are therefore prepared to meet the Vertical Mixed-Use Development code inclusion requirement for an affordable component and commit to an onsite affordable housing program comprised of 5% of onsite beds allocated at 80% of area median income (AMI). We make this commitment recognizing the need to contribute to the city’s efforts to produce more affordable housing while at the same time balancing the extraordinarily high costs of vertical mixed-use development.

**RESIDENTIAL HOUSING HEIGHT**
We will commit to limiting the residential housing to four (4) stories over a retail podium.

**SUMMARY**
The positive economic annual sales and property tax benefit, future potential job creation and inclusion of an affordable housing component provides the City of Davis the unique opportunity to revitalize a property that does not meet the needs of today’s rapidly evolving retail environment into a positive model of urban re-investment.
We trust that these modifications are a positive response to the primary issues identified by the Planning Commission and are seen as constructive additions to the University Commons project. We look forward our participation in the Council hearing.

Sincerely,

Andrew M. Gracey
Vice President Development