



**CITY OF DAVIS
SOCIAL SERVICES COMMISSION
MEETING MINUTES**

Monday, May 19, 2014

6:30 pm

**New Harmony Mutual Housing Community
Community Room
3030 Cowell Blvd.
Davis, CA 95618**

Social Services Mindy Romero, Jenna Templeton (Vice Chairperson)
Commission Members Present: Bernita Toney, R. Matthew Wise

Commissioners Absent: Donald Kalman, Sarah Mungas, Amanda Steidlmayer, Judy Wolf (Chairperson)

Staff: Danielle Foster, Housing and Human Services Superintendent
Kelly Stachowicz, Deputy City Manager

Members of the Public Present: Rachel Iskow (Mutual Housing California),
Ben Pearl (Solar Community Housing Association),
Lisa Baker (Yolo County Housing),
Luke Watkins (Neighborhood Partners, LLC), Kira Dickson,
Miles Hadley, George Hague,
Michael Drane (Mutual Housing California),
Iliana Chavez (Mutual Housing California),
Alysa Meyer (Legal Services of Northern CA), Jason Taormino and
David Taormino (Taormino and Associates, LLC)

1. Called to Order:

The meeting was called to order at 6:35 p.m. by Vice Chairperson Templeton.

2. Approval of Agenda:

Commissioner Romero moved to approve the agenda, seconded by Commissioner Toney. The motion passed unanimously.

3. Approval of the Minutes:

Commissioner Toney moved to approve the minutes of April 21, 2014, seconded by Commissioner Wise. The motion passed unanimously.

4. Public Comment:

None.

5. Commissioner and Staff Communications:

Staffmember Foster provided the commission with informational sheets regarding Measures O and P, on the ballot for the June 3rd. As part of the city's outreach, each commission is receiving the city's summary of the measures and the impartial description of a yes or no outcome.

Staffmember Foster also presented information on a series of community workshops being held regarding the Nishi property development, specifically that there will be a "Housing" discussion on May 28th at the Veterans Memorial Center.

6. Business Items:

A. Paso Fino Affordable Housing Plan.

Staffmember Foster introduced the discussion on the changes made to the affordable housing plan for Paso Fino. Developers presented a new plan for the site which incorporated 4 accessory dwelling units (ADUs) into the design, converting some of the homes to an "L" shape to retain some old-growth trees on the site. The commission was presented with three options for consideration:

1. Recommend the developer to pay in-lieu fees for the entire affordable housing requirement of two units (\$100,000).
2. Recommend the developer to pay one in-lieu fee (\$50,000), and provide one ADU (with no deed restrictions)
OR
3. Recommend that no in-lieu fees be paid, and the affordable housing requirement be met by four ADUs with required deed restrictions to enforce affordability, if rented.

The commission was asked to review the current options for the affordable housing plan, and make one or more of the recommendations to the City Council on the plan, based on the City's affordable housing needs. Following Staffmember Foster's introduction, developer Jason Taormino spoke to the Commission about the changes in the design, and the introduction of the ADUs to the plan to address the affordable housing requirements.

Commissioner Templeton asked Mr. Taormino to expand upon the Universal design features of the homes, and of the ADUs. Mr. Taormino stated that all new properties built would have the required dimensions of a universally accessible home, and would have the structural requirements for further modifications, such as grab bar backing or stacked closets for an elevator, incorporated into the home, should the need arise. He also mentioned that the ADUs had been modified from their original design to allow for a single stairway to the second floor, in case a chairlift would need to be installed.

For clarification, Commissioner Wise asked if prior to the new design being presented, the affordable requirement was being met solely by in-lieu fees, and Mr. Taormino confirmed that was correct.

During public comment on the item, Dave Taormino spoke to the commission about the history of the development. He stated it was meant as an experiment for a larger planned development, emphasizing the need for single-story family homes; an asset he says that has been all but eliminated in Davis due to changing regulations regarding building codes and lot size. He wanted the design to show the benefits of a mixed neighborhood, with single and two-story homes, for persons of all ages. He stated his preference for the third of the Commission's presented recommendations, that of the four ADUs, but asked the deed restrictions not be placed on them, as the restrictions can cause complications for homeowners when looking for home loans.

Commissioner Wise asked both the Taorminos about the changes of the design, to retain the trees, and who had asked the trees be preserved. Jason Taormino replied that a few of the neighbors were interested in the trees, which had been in the project location for over 60 years, and had asked that the trees be preserved if a development was to be built.

Commissioner Romero asked Dave Taormino why he requested the deed restrictions to be removed from the four ADU recommendation, and Mr. Taormino reiterated his statement that the complications of the deed would be a deterrent for financing. Commissioner Romero asked Staffperson Foster to speak to her experience on the issue. Staffmember Foster replied that there are currently two properties in Davis with deed restricted ADUs, and she had not heard of any undue difficulty in financing for either.

Commissioner Toney asked the Taorminos if the homes offered with the ADUs would be a different price than those without, if that unit would create an additional financial burden during the purchase of the property. Dave Taormino responded that the homes with ADUs would not be a different cost than those with ADUs, and when asked why the unit would cause a burden on the homeowner if deeded as affordable, stated that since the project was so new, there were no exact answers to the issues at hand.

Commissioner Wise asked if the commission recommended the first option of in-lieu fees only, how that money would impact the existing affordable housing in Davis. Staffperson Foster replied that depending on the project, the income could help rehabilitate existing affordable housing, contribute to an energy retrofit, or potentially create an additional affordable housing unit if leveraged.

Commissioner Romero stated the situation looked like a recommendation of either option 1 or option 3, as the second option of one in-lieu fee and one non-restricted ADU would not be viable. Commissioner Templeton asked if there were any other options aside from the three presented, and Staffperson Foster replied affordable ownership units were the only other option to meet the requirement.

Following this discussion, Commissioner Wise made a motion to recommend a preference for Option 1, payment of in-lieu fees, as the first choice, and Option 3, the ADUs with deed restrictions, as the alternative option. Commissioner Romero seconded the motion. The motion passed unanimously.

B. Affordable Housing Workshop #1- *A Historical Look at the Davis Affordable Housing Program.* Staffmember Foster gave a short introduction to the City's affordable housing program, including historical review, and introduced the panel of speakers. Details of the panel discussion are saved as part of the workshop documents, included as Attachment A to these minutes. Highlights of the program discussion included: a summary of local needs, highlighting the areas of greatest demand, the evolution of the program, successes and challenges, and ideas for the future.

The Commission opened this item for public comment and allowed comment throughout the item. The following comments were provided at various points throughout the discussion:

George Hague: Spoke on the importance of universal design for seniors and persons with disabilities. He stated that demand for these types of projects is outstripping the need, and the incorporation of these universal design elements should be included in all new developments to aid in the integration of seniors and those with disabilities into the local communities.

Michael Drane: Asked if it was possible for local jurisdictions to work together to achieve mutual goals.

Alysa Meyer: from Legal Services of Northern California, stated that from her organization's perspective she reported the highest unmet need for housing is those living paycheck to paycheck or on SSI (extremely low income). These individuals need deeply subsidized housing, or permanent supportive housing. She stated that from her perspective, the ADUs meeting half the unit requirement are highly problematic for this group of individuals, because in her opinion these units will not serve low-income households.

Mindy Romero (Commissioner): Stated that there is a proposition (Prop 41) going to voters in June to reallocate existing bond money to house homeless veterans.

Michael Drane: Announced that New Harmony is hosting a Bike Tune-up event on June 7th, 2014 from 11:00-2:00pm. He stated that the event will include safety workshops and bike repairs, and that all are welcomed to attend.

C. Social Services Commission Work Plan 2014/Item 7. Adjournment.

Commissioner Templeton made a motion to table discussion of the work plan, move the item to the next commission meeting, and adjourn the meeting, seconded by Commissioner Romero. The motion passed unanimously. The meeting ended at 8:59 p.m.

Respectively Submitted by,

Danielle Foster
Housing and Human Services Superintendent

Attachment A: Workshop 1 Notes

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Affordable Housing Workshop #1 Notes:

Summary of Local Needs:

As of 2010, approximately 46% of all Davis households (7,779) experienced some level of excessive housing cost burden, though renter households experienced a disproportionate share of housing affordability problems.

Of this, 5,565 households (71.5%) were very-low income households.

In 2013, one- and two- bedroom apartment units averaged monthly rental rates between \$1,005 and \$1,275 and the overall vacancy rate was 1.9%. Affordable rents for these sized units that would serve low-income households would range from \$670 (\$355 less) to \$750 (\$525 less) per month.

Also, with a median home price of \$524,800, the Davis for-sale housing market is affordable only to households with above-moderate income levels. Very few for-sale housing options exist for households earning less than \$100,000 annually, outside of City inclusionary programs.

Currently, the affordable housing ordinance (as adopted in 1990 by the City of Davis) has 1800 affordable units, with 1100 of those units permanently affordable.

Panelists: Lisa Baker of Yolo County Housing
Rachel Iskow, Mutual Housing California
Ben Pearl, Solar Community Housing Association
Luke Watkins of Neighborhood Partners, LLC

Please discuss an affordable housing project that you have built in Davis, including the need(s) it addresses, funding sources used to develop the affordable housing, and whether the project would be built today (does the funding exist?)

Luke Watkins (Neighborhood Partners LLP): Eleanor Roosevelt Circle (ERC) - Opened in 2007, ERC addresses the need for seniors to have an opportunity to age in place, thus decreasing the amount of time spent in a nursing home. Seniors are provided with fully accessible units and the services of a coordinator on-site to assist them with issues relating to SSI, Medicare, and other needs that arise. The complex is for very-low, low- and moderate-income seniors, and is the only senior-specific development in Davis with units for seniors with low-income. The project was paid for with RDA funding and partnerships with other local non-profit organizations, on a land dedication site. The project could be built today, but it would be necessary to have the land dedication site to leverage for the funding (most areas of the city would not allow land to be purchased for the development of low-income housing at all).

Lisa Baker (Yolo County Housing Authority): The Yolo County Housing Authority (YCHA) has a wide reach across all affordable housing in Yolo County. The units rented by YCHA and the vouchers through

the Housing Choice program subsidize 602 families in Davis. Of those families, 49% are children under the age of 18, 33% are seniors or disabled, and the rest are workers, students and the self-employed.

Ben Pearl (Solar Community Housing Association): Solar Community Housing Association (SCHA) hosts 50 residents across 4 properties, serving the low-income college age population in Davis. SCHA has grown slowly compared to the other organizations represented.

Rachel Iskow (Mutual Housing California): New Harmony Apartments, host for this first workshop, was built in 2012 using RDA funds and tax credits. The complex is mixed, with units for 35%-60% of area median income. According to Rachel, two-thirds of the residents are in the 35% range, with the rest in 50%. There is not a high demand for the 60% units.

What tools/resources (old and new) are available for affordable housing development?

Available tools (existing and upcoming) include AHP, Enterprise funds, land dedication sites, HOME funds, tax credits, Cap and Trade funding, and funds returned to affordable housing projects through the budget surplus. In addition, short-term funding for affordable housing for veterans could come through passage of Prop 41 (June 3, 2014 ballot measure), reallocating voter-approved bonds to pay for housing for homeless veterans.

Of the tools and resources available, the most critical according to Luke Watkins is the land dedication sites, without which non-profit groups would not have an opportunity to develop housing for the very-low and low-income households in neighborhoods around town.

What types of housing have you noticed to be of greatest demand in Davis?

The greatest demand for affordable housing comes from several different avenues: students (the "student rule" prevents unmarried students over the age of 27 from receiving housing assistance), seniors, persons with disabilities, and families, especially those from minority racial and ethnic groups. Families headed by students are hit especially hard, and with the changes to the Russell and Orchard Park housing complexes on campus looming, it is unclear as to whether the new owners of the housing will accept housing choice vouchers or offer rents affordable to the majority of these students.

80% of the waitlists at affordable housing complexes (such as those operated by Mutual Housing California) are individuals and families making 35% of AMI or below. In Yolo County, 20% of the population makes 30-35% AMI.

What do you see as the greatest accomplishments and challenges of the Davis Affordable Housing Program?

The transition to ADUs for meeting affordable housing requirements causes concern, and will be a future challenge to the Davis Affordable Housing Program. The ADUs do not address the greatest housing needs - homes for those who are homeless or mentally ill. To house these populations, land dedication sites are important, and some argue critical. In addition, the ADUs do not have affirmative marketing requirements ensuring equal access to available housing.

Rachel Iskow: Accomplishments of the program include the number of affordable housing units, the varied locations the units are in, and the progressive policy adopted by the city towards needed affordable housing. Challenges to the current program include the scarcity of land, and the city budget issues that prevent further subsidies towards building affordable units. Housing funds from the federal government are also shrinking.

Ben Pearl: The diversity of the locations of affordable housing across Davis has been an important accomplishment of the program, and the mosaic of the types of housing offered; from co-ops to homes to apartments, there is housing to suit all groups and needs.

Lisa Baker: The challenges to the program are not always those of internal city policy. With the economy and market rebounding from several very tough years, housing is viewed through the lens of profit and loss, which does not look favorably on projects that would support affordable housing. In addition, more systemic challenges of wages and availability of job training in our society contribute to the continuing issues.

The general approach to housing needs to change to support affordable units. Housing needs to be the result of steady planning, rather than brokered. Housing needs to be more adaptable and smaller.

Luke Watkins: It is important both to the local economy and the environment that the local workforce can afford to live in the community. Because of this, local businesses should be assisting with housing the workforce. A challenge to the affordable housing program is those entities with resources are not focusing them where needed. For example, the school district has a number of properties in the town that could be used for dense affordable housing (including infill projects, for example at the school district main offices at 3rd and B Streets).