



**City of Davis  
Social Services Commission Minutes  
Monday, July 17, 2017**

*Introduction/Installation of Kurt Wendlenner*

**1. Call to Order & Roll Call**

*Chairman Wise called the meeting to order at 7:05pm.*

*Members present: Claire Goldstene, Don Kalman, Ann Privateer (arr. 7:40), Bernita Toney, Georgina Valencia, Kurt Wendlenner, Matthew Wise (Chair)*

*Members absent: Tracy Tomasky*

*Others present: Mayor Robb Davis, Assistant City Manager Kelly Stachowicz*

**2. Approval of Agenda**

*Valencia moved, with a second by Toney, approval of the agenda.*

*Motion passed by the following vote:*

*AYES: Goldstene, Kalman, Toney, Valencia, Wendlenner, Wise*

*NOES: None*

*ABSENT: Privateer, Tomasky*

**3. Brief Announcements from Staff, Commissioners, and Liaisons**

**A. Staff Announcements to include:**

- Update on Social Services Strategy Process and Timeline – Joan Planell will be going back to talk with a group interested in adult day care. Valencia believes Commission may want to reconsider the support of the initial plan, which did not include adult day care as one of the priorities of the Social Services Strategic Plan.*
- Staff provided brief update on proposed affordable housing bills – SB 2 and SB 3, both of which could provide funding to the community for affordable housing.*
- Mobile Home Park Conversions Update is on the Council agenda for Tuesday to direct staff to come back with an ordinance to address conversions of mobile home parks. Only applies to Davis Creek (formerly Royal Oaks) if annexed into City.*

*Don Kalman: Interfaith Rotating Winter Shelter needing a new place to do intake for the 2017-18 season. Told that City couldn't do it. Robb Davis: City working on solution.*

*Staff clarified that the Council's Affordable Housing Workshop was planned for September 19.*

**4. Public Comment**

*Bernita Toney, resident of CHOC Tuscan Villas, expressed concern about the property owner's (CHOC's) treatment of her as a resident. She is under threat of eviction for reasons she does not feel are appropriate.*

**5. Consent Calendar**

**A. Approval of Minutes – June 19, 2017**

*Valencia moved, with second by Kalman, approval of the minutes.*

*Motion passed by the following vote:*

*AYES: Goldstene, Kalman, Valencia, Wendlenner, Wise*

*NOES: None*

*ABSTAIN: Toney*

*ABSENT: Privateer, Tomasky*

## **6. Regular Items**

### **a. Affordable Housing Workshop –**

*Commission held workshop to discuss several issues related to affordable housing.*

#### **i. New Funding for Affordable Housing -**

*Staff explained is no longer a consistent stream of affordable housing since dissolution of RDA. Commission discussed other possible means of funding.*

*Linkage fees (impact fees). Commercial development causes impact to community, can cause need for affordable housing, and City should look into it. Questions about flexibility of such fees (are they geographically restricted?) and how to establish them.*

*Mello Roos fees. Staff explained these are used for infrastructure so not really appropriate for affordable housing.*

*Real Estate Transfer Tax. Not currently an option because Davis is a General Law city and only Charter cities can change this tax amount. Davis currently collects the maximum amount possible for a General Law city.*

*Luxury tax on properties over a certain amount. Staff will need to look into whether this is allowable.*

*Parcel tax. Some commissioners interested in this funding mechanism, such as a social infrastructure tax. Robb Davis explained that for a Social infrastructure tax, \$75 would be about \$2.1M, the amount that we used to receive for Housing Set-Aside.*

#### **ii. Housing In-lieu fees.**

*Should the fee be set at the cost to build a new unit or at the cost difference between a market unit and an affordable unit? Current fee is not enough to build a new unit. Old study set number at \$35,000. City set at \$50,000. Then increased to \$75,000.*

*Robb Davis noted City was getting numerous requests for in-lieu fees and City needs cash for developments/repairs/maintenance. Hoping that hiring of Yolo County Housing will help vet proposals.*

*Kalman: Developers seem to want to do in-lieu fees. Trakside building stacked-flat condos so they got exemption.*

*Goldstene: Revisit the in-lieu fee amount. Then have to decide whether to get units or to take in-lieu fees. If a different consistent revenue stream available, then maybe won't be such a need for in-lieu fees?*

*Davis: Experience has been that existing developments don't generate sufficient funds to maintain properties. Hoping Yolo County Housing can help to do that.*

*Discussion about how City could recalculate in-lieu fees. Also discussion about still wanting affordable units built, even if in-lieu fee amount raised. Finally, there were questions about how City would determine which projects were appropriate for in-lieu fees.*

*Public Comment:*

*Chuck Cunningham: 3820 Chiles proposing 200 market rate units not targeted for students. No longer have land dedication sites, so what are options? Difficult for developer to figure out what to do...don't know where non-profit will get funding to build units. Some Bay Area locations will be able to build units into the development but can't always find lender who will fund the lower income units.*

*Davis: encouraged developers to "buy a door" in an existing market rate unit to make it affordable, but no one has taken City up on it*

*Don Fouts: One challenge is that calculations are based on Yolo median income, rather than Davis median income. If same cost for multi bedroom units as for 2 bedroom apartments, then incentivizing student dorm type projects. Might consider looking at fees for different sized houses. If costs go too high then won't be able to have smaller local developers. Measure J/R has closed the door on development and caused prices to rise. Doesn't think parcel tax for social infrastructure will pass. Increasing the affordable requirements makes it difficult to build anything. Entitlement process is excessively long. No consistency to plan check process. Increasing burden of development process pushes developers away from Davis. City needs to get out of the way so good development can happen.*

*Paul Gratiff, Lincoln40: Proposing 130 units. Wouldn't have started project if he didn't think they could pay in-lieu fees. Project wouldn't work if they had to provide 30% of units as affordable. Students can't qualify for an affordable program.*

*Vanessa Erichardy (sp?): Used to sit on commission. Recognize that we have a housing crisis and that we need to be creative in solving it.*

b. Affordable Housing Codes – Review, Questions, Concerns (Chapters, 18.04, 18.05 and 18.07 of the Davis Municipal Code)

*Interest from commissioners in looking at the following:*

- *mixed-use exemption and stacked flat condos*

- *selection process for ownership projects (qualifications of applicants and buyer education)*
- *buyer and tenant selection process*
- *mini dorms*

**c. Brief Overview of Proposed Housing Projects**

*Commission members provided the following range of comments regarding the housing projects currently proposed in the community:*

- *Valencia: look at range of income levels in a project and look at current requirements for affordable housing in a development (ie 35%, etc.)*
- *Goldstene: concerned about reducing percentage of affordable housing requirements. Haven't heard from any affordable housing advocates. Look at square footage of units for requirements or something else to determine requirements. Requirements may need to be on project by project basis based on city's needs at the time. Likes idea that different projects are proposing different solutions. In lieu fees when smaller units may be appropriate.*
- *Wise: Would be nice to identify priorities when in lieu fees are more appropriate (i.e. Size? Location? Targeted audience? Etc.) Don't want to disincentivize certain types of units that city might need.*
- *Wendlenner: Consider a Davis v. Yolo County median income. Need to remember economic viability.*
- *Goldstene: Why use Yolo AMI rather than Davis AMI?*
- *Privateer: Incomes for many are flat.*
- *Goldstene: UC Davis has not built housing to house their students. Revisit the mixed use exemption. Make sure Council clear that city currently doesn't have revenue stream and large commitments tie up housing funds for several years. Make sure priorities are clear.*
- *Toney: Talk to Lisa Baker re: Yolo County AMI and vouchers...Davis households couldn't afford rent even with vouchers.*
- *Kalman: Lincoln40 said that without in lieu fees, they couldn't build project. What does that say about our process/requirements? World has changed post RDA and city hasn't. Need to be more pragmatic.*

**7. Commission and Staff Communications**

**A. Social Services Commission Workplan.**

*No August meeting.*

*Valencia would like to add something re: buyer/tenant education and selection to future meeting agenda.*

**8. Adjourn**

*Privateer moved, with a second by Toney, to adjourn the meeting. Motion passed unanimously. Meeting adjourned at 9:22pm.*