



**City of Davis**  
**Social Services Commission Minutes**  
**Community Chambers, 23 Russell Boulevard, Davis, CA 95616**  
**Monday, December 17, 2018 at 7:00 P.M.**

**Commission Members:** Claire Goldstene, Vice Chair; Donald Kalman; Ann Privateer; Tracy Tomasky, Chair; Bernita Toney; Georgina Valencia; R. Matthew Wise; and Alternate (Vacant)

**Council Liaison:** Brett Lee, Regular; Dan Carson, Alternate

**Staff:** Ginger Hashimoto, Management Analyst, City Manager's Office

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

*Members Present: Donald Kalman, Ann Privateer, Tracy Tomasky, Georgina Valencia, and R. Matthew Wise*

*Members Absent: Claire Goldstene*

*Also Present: Ginger Hashimoto, Management Analyst, City Manager's Office; and Kelly Stachowicz, Assistant City Manager, City Manager's Office*

*Tomasky called the meeting to order at 7 p.m.*

**2. Approval of Agenda**

*Wise moved to approve the agenda with a second by Valencia.*

*The motion passed by the following vote:*

*AYES: Kalman, Privateer, Tomasky, Valencia, and Wise*

*NOES: None*

*ABSTAIN: None*

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

*Hashimoto shared the following three announcements:*

- a. Bernita Toney submitted a letter of resignation on November 30, 2018.*
- b. Council appointed two new members to fill the Commission's vacancies—Kurt Snipes and Susan Perez.*
- c. The City Manager appointed Ash Feeney to become an Assistant City Manager. In his new role, Feeney will oversee the Community Development and Sustainability Department as well as the Economic Development Division. He replaced the City's interim Community Development and Sustainability Department and Deputy City Manager Heidi Tschudin.*

#### 4. Public Comment

*None.*

#### 5. Consent Items

##### A. Approval of Minutes

###### October 15, 2018

*Valencia moved to approve the amended October minutes as revised with a second by Wise.*

*The motion passed by the following vote:*

*AYES: Kalman, Privateer, Tomasky, Valencia, and Wise*

*NOES: None*

*ABSTAIN: None*

###### November 19, 2018

*Valencia requested that staff add names to identify who made what comment.*

*Valencia moved to approve the amended November minutes with a second by Kalman.*

*The motion passed by the following vote:*

*AYES: Kalman, Privateer, Tomasky, and Valencia*

*NOES: None*

*ABSTAIN: Wise*

#### 6. Regular Items

##### A. Affordable Rental Requirements Debrief Discussion

*Hashimoto started by providing a summary of the Commission's November meeting. She explained the Commission deliberated potential changes to the City's rental affordable housing requirements, as the alternative option of a 15% target of 5% extremely low, 5% very low, and 5% low was going to sunset on December 31, 2018. Hashimoto reminded Commissioners that in the end, the Commission issued two motions:*

- *Valencia moved to issue the following recommendation for City Council consideration with a second by Goldstene with a 4-0 vote:*
  - *Extend the interim ordinance by keeping the recommended 15% target affordability and the 5% extremely low/5% very low/5% low income target until the Housing Element update is complete, but consider the following provisos:*
    - *Remove the vertical mixed-use and stacked flat condominium exemptions*

- *Continue accepting land dedication and in-lieu fees, but develop parameters for when these options are appropriate*
- *Reexamine the current in-lieu fee amount as it seems too low*
- *Goldstene moved to further issue the following additional recommendation for City Council consideration with a second by Kalman by a 3-1 vote:*
  - *Remove the by-the-bed and by-the-bedroom affordability option*

*Hashimoto then summarized the City Council's discussion, noting that Council issued similar recommendations that were largely in alignment with the Commission's thinking. She explained Council's motion included the following:*

- *Extend the ordinance through June 30, 2019*
- *Change the affordable housing requirements for vertical mixed-use developments and stacked condominiums by replacing the current exemption with a flexible inclusionary requirement for projects located within the core area and a 5% low income target for projects located outside the core area*
- *Clarify the alternative affordable rental requirements by explicitly stating that the City Council may adjust the inclusionary percentage up or down based on project size and/or the income/rent levels provided*
- *Evaluate the current in-lieu fee amount*
- *Research how the City could consolidate its affordable rental housing waitlists*
- *Seek guidance from the Finance and Budget Commission on aspects related to the economic feasibility of potential inclusionary housing requirements*
- *Explore other tools to encourage the production of affordable housing*

*Hashimoto noted the only area where Council differed from the Commission was about removing the bed/bedroom affordability and therefore it remains at least through June 30, 2019. Hashimoto concluded by saying that staff is still establishing a game plan, but already staff presented the Finance and Budget Commission with an introduction to the item. Hashimoto stated other short-term actions include asking the economic analysis consultants to update their study based on 15% affordability, updating the City's last in-lieu fee study, and seeking Yolo County Housing's consultation on the waitlist item.*

**Public Comment:**

*None.*

**Commission Discussion:**

*Wise asked how staff plans to update the previous in-lieu fee study. Stachowicz answered the first step is to figure out how the City should define an in-lieu fee. She explained many believe it is supposed to constitute the cost of constructing a unit, but the current definition used is actually the subsidy delta between a market rate unit and an affordable unit. After staff decides upon a definition, Stachowicz explained the second step would be to determine an appropriate amount.*

*Wise asked how staff envisions using the Finance and Budget Commission to assist. Stachowicz responded that Council is interested in seeking the Commission's assistance with reverse engineering an appropriate affordability percentage. Valencia suggested that staff share the Terner Center dashboard with the Finance and Budget Commission, as they may find the tool helpful in their analysis*

*Valencia asked if there was any discussion about workforce and middle income housing. Mayor Lee expressed his openness to reviewing data documenting the need, but answered Council did not specifically task staff with researching that topic at this time.*

*Valencia asked for clarification regarding the consolidation of rental waitlists. Mayor Lee explained that currently each affordable rental project manages their own waitlist, but Council is interested in creating one consolidated list to make it easier for renters to find affordable housing units—similar to how Yolo County Housing manages one list for the housing it owns. Stachowicz clarified the challenge, however, is compelling private owners to use the City's consolidated list as opposed to selecting their own tenants.*

*Kalman asked what development projects are currently under review and whether the amendment will apply to them. Stachowicz listed University Mall, Plaza 2555, 3820 Chiles Road, and University Research Project as projects currently under review. Mayor Lee clarified that even though the amendment will not statutorily apply, the Council will consider affordability as part of its legislative review of applications and through Development Agreements.*

*Kalman asked if the City can impose quality standards on affordable housing construction. Stachowicz answered that affordable housing construction is subject to the same local and state building standards as market rate housing. She continued the only differences are likely to be lower end finishes.*

*Valencia asked what the by-right process. Stachowicz answered it is when a developer proposes a project that does not require a zoning change or General Plan update. Therefore, the process does not include a Development Agreement or a negotiation process. Nonetheless, Stachowicz confirmed City requirements still apply.*

## **B. Affordable Ownership Follow Up Discussion**

*Hashimoto explained this item is a follow up to the Commission's previous discussions in February and June 2018. Hashimoto elaborated that per the staff report, she would like the Commission to discuss the following four topics and provide input:*

- ***Generating website content to better communicate the City's process for how interested residents can apply for affordable ownership opportunities***

### ***Commission Discussion:***

*While the Commission appreciated the work staff invested thus far, the Commission decided to appoint Valencia to work with staff to finalize the documents for publishing, as there were numerous areas that needed further elaboration and/or improvement.*

- ***Establishing a city managed database so the City can serve as the first point of contact for residents interested in purchasing an affordable ownership unit***
  - *Hashimoto explained that at present for resale ownership the City contracts with NeighborWorks to maintain an interest list, while for new ownership the project-specific developer maintains their own interest list, but the City will collect names and provide them to the developer.*
  - *Hashimoto further elaborated that in her research of comparable cities, there was not a discernable pattern among interest lists besides that in-house management required a dedicated housing division with staff to oversee it.*

### ***Commission Discussion:***

*Kalman asked if the City managed an in-house interest list when the City's housing division had a larger staff. Stachowicz answered no, but explained that in order to institute this recommendation staff would likely need to request additional resources during the budgeting process.*

*Valencia advocated that the City should institute this change because the City would benefit from the information collected, particularly knowing who is seeking housing. Valencia added that it would be helpful to the community members seeking housing to know where to go as opposed to approaching individual developers. Valencia underscored that the City would also benefit from having oversight to ensure no one takes advantage of the process.*

- ***Requiring the completion of a homebuyer education course***
  - *Hashimoto explained that at present the City does not require the completion of a homebuyer education course.*

- Hashimoto further detailed that based on research from comparable cities it is not common for cities to incorporate this into their Municipal Code, but rather encourage course completion via publishing links and resources on their city website.

**Commission Discussion:**

Wise asked staff to clarify what a homebuyer education course entails. Stachowicz explained the one-day course walks participants through the home buying financing process and teaches them some basics about what to expect. Stachowicz elaborated the course is generally offered in a classroom or online setting and includes a nominal fee.

Valencia advocated that the City require the completion of a course, as long as the City Attorney approves it from a legal standpoint. Valencia also suggested that the City could use Housing Trust Fund money to pay for individuals to complete the course.

Kalman stated that he does not see a downside for the City to incorporate this requirement. He also noted the course is helpful not just for prospective affordable ownership buyers, but also for market rate buyers.

Hashimoto clarified at what point in the process would this requirement kick in, who would monitor, and would it be for new or existing. The Commission answered that they envision that proof of the course certificate could be required in order to close and the requirement should apply to both new and resale.

- **Limiting affordable ownership opportunities to first-time homebuyers**
  - Hashimoto explained that at present the City does not limit affordable ownership opportunities to first-time homebuyers; however, the City does possess a provision prohibiting a buyer from owning a home upon close—meaning the prospective homebuyer must sell their current home prior to close
  - Hashimoto elaborated that in her research of comparable cities, the first-time homebuyer requirement is common

**Commission Discussion:**

Stachowicz further explained that the current City provisions make for a precarious situation if a prospective homebuyer decides to sell their home, but if the sale proceeds are too high, it could disqualify them.

Valencia explained she likes the idea of instituting this requirement because it better defines who the City is trying to serve with its affordable ownership housing stock.

*Kalman pointed out that using the term first-time homebuyer with all the caveats is somewhat misleading. He suggested that the City do not use the term to avoid confusion.*

*The Commission generally agreed that they liked the example definitions included in the staff report because they accounted for reasonable exceptions.*

**7. Commission and Staff Communications**

**A. Development Project Update.**

*None.*

**B. Social Services Commission Work Plan.**

*Staff reviewed the tentative agenda items for January including welcoming the Commission's two new members and reviewing the Commission charge and work plan as well as Brown Act, Rosenburg's Rules of Order, and AB 1234 requirements.*

**8. Adjourn**

*Tomasky adjourned the meeting at 8:53 p.m.*