



City of Davis
Social Services Commission Minutes
Community Chambers, 23 Russell Boulevard, Davis, CA 95616
Monday, July 15, 2019 at 7:00 P.M.

Commission Members: Anna Ioakimedes; Donald Kalman; Susan Perez; Kurt Snipes; Bapu Vaitla; Georgina Valencia, Interim Chair; Matthew Wise; and Judith Ennis, Alternate

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

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

1. Call to Order

Members Present: Donald Kalman; Susan Perez; Kurt Snipes; Bapu Vaitla; Georgina Valencia, Interim Chair; and Matthew Wise

Members Absent: Anna Ioakimedes and Judith Ennis, Alternate

Also Present: Ginger Hashimoto, Management Analyst, City Manager's Office, City of Davis; Brett Lee, Mayor and Council Liaison, City of Davis; and Kelly Stachowicz, Assistant City Manager, City of Davis

Valencia called the meeting to order at 7:00 p.m.

2. Approval of Agenda

Wise moved to approve the agenda with a second by Snipes.

The motion passed by the following 6-0-0 vote:

AYES: Kalman, Perez, Snipes, Vaitla, Valencia, and Wise

NOES: None

ABSTAIN: None

3. Brief Announcements from Staff, Commissioners, and Liaisons

Hashimoto announced that the City Council appointed three new Commissioners to assume the seats vacated by termed out members:

- *Bapu Vaitla*
- *Anna Ioakimedes*
- *Judith Ennis*

As the only new member able to attend, Vaitla introduced himself.

Hashimoto shared that on July 9, 2019, the City Council received a presentation from Davis Opportunity Village (DOVe) about their homeless summit work and the resulting community action plan. Hashimoto summarized that Council agreed to:

- Consider the plan as context when taking action on homeless issues
- Receive and review a semi-annual written report and an annual presentation

Hashimoto further explained that DOVe also shared their vision for how to implement the plan, which includes a Steering Committee comprised of two co-chairs—one from the public sector and one from the private sector; five subcommittee chairs—each leading efforts on one of the established goals; and two to four community members including those with lived experience. Hashimoto encouraged any Commissioners interested in serving on the steering committee or subcommittee to contact DOVe.

Snipes added that he watched DOVe’s presentation and expressed how heartened he was with the emphasis on coordination.

Vaitla announced that he is set to teach a graduate level seminar at UC Davis focused on the local social safety net. He explained that a key assignment would be for students to research a local social services problem and identify best practices. Vaitla asked Commissioners to think about potential projects and share ideas at a future meeting.

4. Public Comment

None

5. Consent Items

A. Approval of June 17, 2019 Minutes

Snipes requested that staff add reference to New Pathways under the Public Facilities and Architectural Barrier” section of the CDBG item to clarify that the New Pathways house is the site of the proposed rehabilitation.

Kalman moved to approve the amended minutes with a second by Perez.

The motion passed by the following 6-0-0 vote:

AYES: Kalman, Perez, Snipes, Vaitla, Valencia, and Wise

NOES: None

ABSTAIN: None

6. Regular Items

A. Affordable Ownership Follow Up

Hashimoto provided a brief staff presentation outlining the Commission’s previous exploration for how to improve the City’s affordable ownership program and introduced the City Council’s request for the Commission to

examine alternative methods to appreciation caps for affordable ownership units.

Hashimoto reminded Commissioners of their previous direction and recommendations, which included the following:

- **Step 1:** Draft informational guides to be posted on the City's website to assist prospective affordable ownership buyers and return to the Commission for feedback within the next few months
 - **Commission Recommendation(s):**
 - Appoint Commissioner Valencia to work with staff on finalizing the documents for publishing as there are numerous areas that needed further elaboration and/or improvement
 - Note, staff is still working with Commissioner Valencia to finalize the documents, but will inform the Commission when they become live.
- **Step 2:** Explore establishing a city-managed database so the City can serve as the first point of contact for affordable housing selection processes/interest lists
 - **Commission Recommendation(s):**
 - Consider establishing one interest list, managed by the City, so the City will serve as the first point-of-contact as opposed to individual developers
- **Step 3:** Explore instituting regulations to require participants to complete a homebuyer education course prior to qualifying for selection processes/waitlists, which may require a change in the City's current ordinance
 - **Commission Recommendation(s):**
 - Require completion of a homebuyer education course prior to the close of escrow
 - Apply the requirement to both new and resale
- **Step 4:** Limit affordable ownership opportunities to first-time homebuyers
 - **Commission Recommendation(s):**
 - Institute a requirement that all prospective affordable ownership buyers are "first-time" homebuyers
 - Define "first-time" as an individual or household who has not owned a home within the last three years and include other reasonable exceptions
 - Consider using a different term besides "first-time" because it is somewhat misleading if the definition is an individual or household who has not owned a home within the last three years

Public Comment

Cory Gold, NextHome Cornerstone Real Estate—Gold voiced his support for limiting affordable ownership opportunities to first-time homebuyers. In terms of appreciation caps, he shared that the average annual appreciation for homes without equity caps was two percent within the last five years and four percent within the last ten years. Gold also emphasized the need for the City to post a list of all the homes with affordable deed restrictions.

Bob Fung, CivEnergy—Fung explained that CivEnergy is an organization meant to facilitate community conversation. Given the results of the City's recent resident satisfaction survey where affordable housing was the community's highest concern, Fung emphasized the need for continued community conversation about local housing policy and acknowledged the Vanguard's forum on affordable housing.

David Sandino—Sandino thanked the Commission for teeing up the discussion. He expressed the importance of establishing a database for both rental and ownership. He underscored limiting the opportunity for an affordable ownership home to first-time homebuyers makes sense because current owners are already enjoying the benefits of homeownership. Lastly, Sandino emphasized the major policy decision posed by considering alternatives to equity caps. Sandino explained equity caps favor the buyer in terms of helping more buyers enter into homeownership, while second silent mortgages and alternatives favor the seller.

Shelly, Loan Officer—Shelly explained she possesses experience lending on affordable homes in Davis. She expressed her support for using a definition of first-time homebuyer that meets industry standards, which means the buyer has not owned a home in the last three years. She also urged the Commission to consider aligning the City's homebuyer education requirement with the homebuyer education requirement for lenders.

Lynn Gavin—Gavin encouraged the Commission to review the City of Roseville's affordable housing program.

Commission Discussion

The Commission agreed to discuss each step to determine if it still agrees with the original recommendation and/or if it has additional thoughts.

Step 1: Draft informational guides to be posted on the City's website to assist prospective affordable ownership buyers

Motion: *As the guides near completion, Perez moved that staff seek an independent review of the guides to ensure they meet accessibility and understandability standards for a layperson with a second by Snipes. Kalman moved to make a friendly amendment that staff also translate the guides into*

Spanish. Perez, as the original motion maker and Snipes as the seconder, accepted Kalman's friendly amendment.

The amended motion passed by the following 6-0-0 vote:

AYES: Kalman, Perez, Snipes, Vaitla, Valencia, and Wise

NOES: None

ABSTAIN: None

Step 2: Explore establishing a city-managed database so the City can serve as the first point of contact for affordable housing selection processes/interest lists

The Commission discussed the current process with NeighborWorks and whether the City possessed the capacity to not only establish a database, but also create a robust program with sufficient staffing. The Commission agreed on the importance of coordination and establishing one clear point of contact. The Commission also agreed that it would be helpful for staff to post a list of all known affordable ownership properties on its website.

Motion: *Perez moved that the City consider capacity and scaling up opportunities for establishing a program, which includes a city-managed database, so the City can serve as the first point of contact for any affordable ownership opportunities instead of the developer with a second by Snipes.*

Valencia issued a friendly amendment requesting to add a proviso that the City work to consolidate any existing developer interest lists into the City's greater interest list. Perez, the original motion maker, declined the friendly amendment, and instead encouraged Valencia to make a separate motion.

The original motion passed unamended by the following 6-0-0 vote:

AYES: Kalman, Perez, Snipes, Vaitla, Valencia, and Wise

NOES: None

ABSTAIN: None

Motion: *Valencia moved that for any future affordable ownership units, if the developer already has an established interest list with people who do not receive a unit that those people be added to the City's greater interest list, currently maintained by NeighborWorks with a second by Perez.*

The motion passed by the following 6-0-0 vote:

AYES: Kalman, Perez, Snipes, Vaitla, Valencia, and Wise

NOES: None

ABSTAIN: None

Step 3: Explore instituting regulations to require participants to complete a homebuyer education course prior to qualifying for selection processes/waitlists, which may require a change in the City's current ordinance

The Commission discussed aligning the City's education requirement with lender education requirements. Some Commissioners expressed concerns about the requirement serving as a barrier. The Commission also discussed the optimal point in the home buying process when prospective buyers should complete the course and whether the requirement should include both new and resale.

Motion: *Snipes moved that the City require the completion of a homebuyer education course in alignment with lender requirements, prior to the close of escrow or as early as possible in the purchasing process that is legally allowable and include both new as well as resale with a second by Perez.*

The motion passed by the following 6-0-0 vote:

AYES: Kalman, Perez, Snipes, Vaitla, Valencia, and Wise

NOES: None

ABSTAIN: None

Step 4: Limit affordable ownership opportunities to first-time homebuyers

The Commission concurred with its previous recommendation to limit affordable ownership opportunities to first-time homebuyers. The Commission generally supported the example definitions from other jurisdictions that define a first-time homebuyer as someone who has not owned a home within the last three years, which is also consistent with industry standards.

Motion: *Wise moved to reaffirm the Commission's previous recommendation to limit affordable ownership opportunities to first-time homebuyers and define a first-time homebuyer as someone who has not owned a home within the last three years with some reasonable exceptions, with a second by Snipes.*

The motion passed by the following 6-0-0 vote:

AYES: Kalman, Perez, Snipes, Vaitla, Valencia, and Wise

NOES: None

ABSTAIN: None

Step 5: Examine alternative methods to appreciation caps

The Commission discussed the policy issue of whether the City's affordable ownership opportunities should favor the buyer or the seller:

- *If maintain appreciation caps then the City would continue to favor the buyer by allowing buyers to obtain a below market rate*
- *If pursue appreciation cap alternatives such as a silent second mortgage then the City would favor the seller in that there is a possibility for a greater payment to the homeowner, but the challenge is the large investment necessary to assist one household, tying up capital for a potentially long period of time*

The Commission also discussed whether the policy should target certain groups such as the workforce or veterans. Ultimately, the Commission requested that staff conduct additional research including outreaching to other jurisdictions and return at a future meeting. The Commission directed staff to focus on equity-oriented policies that favor the buyer including example policies, scenarios within the context of Davis, consider identifying priority groups, and evaluation methods.

Motion: *Perez moved that Valencia with support from Snipes and Perez present the Commission's unanimous recommendations at an upcoming City Council meeting.*

The motion passed by the following 6-0-0 vote:

AYES: Kalman, Perez, Snipes, Vaitla, Valencia, and Wise

NOES: None

ABSTAIN: None

B. Housing Trust Fund

The Commission agreed to delay this item until its September meeting.

7. Commission and Staff Communications

A. Development Project Update.

None.

B. Social Services Commission Long Range Calendar

Hashimoto previewed the items tentatively scheduled for September including approving of the 2018 CDBG Consolidated Annual Performance and Evaluation Report and brainstorming for the Commission's 2020 work plan.

8. Adjourn

Valencia adjourned the meeting at 9:50 p.m.
