STAFF REPORT

DATE: December 16, 2019

TO: Social Services Commission

FROM: Sherri Metzker, Principal Planner

SUBJECT: Aggie Research Campus: Affordable Housing Proposal

Recommendation
That the Social Services Commission recommend that the Aggie Research Campus project, which includes 850 units of housing, provide the number of affordable units and affordability mix required by Municipal Code Article 40.05.050 (a) for ownership units and 18.05.060(a) or (b) for rental units, regardless of whether subsection (b) is extended in ordinance past May 31, 2020.

Background
The proposed Aggie Research Campus (hereinafter “Project,” “ARC,” or “Campus”) is located on a 187-acre project site, immediately east of the City of Davis city limits, near the “Mace Curve”, in unincorporated Yolo County. The Project site is approximately 2.5 miles east of downtown Davis, 3 miles from UC Davis, and 10 miles west of downtown Sacramento and the State Capitol. The project is easily accessible from existing roadway infrastructure, adjacent to the developed community on two sides (the south and west), and is bounded by lands protected by agricultural conservation easements on the other two sides (northeast and east), and the Mace 25 parcel owned by the city to the northwest. The Project site is adjacent to Interstate 80, public transportation and rail, is proximate to the University of California, Davis, and sits strategically between the Bay Area and the State Capital of California.

At build-out, the ARC would include up to 2,654,000 square feet of innovation center/business uses and 850 residential units of varied sizes and affordability. More specifically, the Project would include space for office, research & development, laboratory, advance manufacturing, prototyping, limited supportive retail, a hotel and a conference center, and include 850 residential units to provide a jobs/housing balance.

The applicant is seeking approval of a General Plan designation, Pre-Zoning/Preliminary Planned Development and a Development Agreement all of which would become effective upon annexation. This property is subject to the Measure R process, which requires approval by the voters of Davis to convert agricultural lands to urban uses. If approved, the Project will need future discretionary entitlements prior to construction including but not limited to a Final Planned Development, Design Review, and Tentative Subdivision Maps.

Affordable Housing Ordinance Requirements
Chapter 18.05 includes the requirements for the provision of affordable housing in the city. It dictates the number of affordable units that must be built based upon the type and number of market rate units approved for construction. At this point, the applicant is seeking only the land use entitlements specified above that would provide land use designations and zoning. Although
the developer has a gross total number of housing units (850), general unit types, and density range for which they are seeking approval and they do not know the specific numbers of each housing type that will ultimately be built. Therefore, it would be speculative to conclude that any particular combination of affordable units would be required.

The 850 housing units being requested as part of the Project will likely be comprised of a blend of multifamily rental and for-sale single family. The units will be built at an average density of 30 units to the acre and with a density range of 15 to 50 units per acre. The single-family for-sale housing products are anticipated to be attached medium-density housing types which are typically offered at a more affordable price point for the market rate housing than detached low-density residential homes. The multi-family will be designed for ARC employees and are anticipated to be predominantly 1-bedroom and studios. Future residential project proposals at ARC will be required to apply to the City for entitlements. Housing will be constructed in phases over the course of several years concurrent with the development of commercial.

To account for the variability in timing and precise unit types, the applicant’s plan puts the requirement for determining what type, where and when each affordable unit will be provided on the future residential builders within the Project. Under the plan, compliance may be achieved cumulatively or on a project-by-project basis. As each phase of residential construction occurs, the builder then seeking entitlements will have to show compliance with the affordable housing plan and its alternatives consistent with the options provided for under the existing Affordable Housing Ordinance.

It should be noted that the applicant proposes to comply with the Affordable Housing Ordinance as it is adopted today. Should the city make modifications to the existing provisions, those would not apply to the Aggie Research Campus. Staff recommends adoption of this proposal to give some certainty to the applicant as well as the city. Considering the project will be built-out over the course of many years, the applicant desires certainty relative to the affordable housing requirements and provisions. In this way, the city will also be guaranteed a level of affordable housing that is consistent with the existing Affordable Housing Ordinance. The Project’s Affordable Housing commitments will be a baseline project condition that would not be subject to amendment without going back to the voters.

Attachments to the staff report include the applicant’s preliminary renderings, Affordable Housing Plan, Project Description, and the applicable portion of the Municipal Code.

**Attachments:**

1. Preliminary Renderings
2. Affordable Housing Plan
3. Project Description
4. Municipal Code Article 18.05