

MINUTES OF THE DAVIS CITY COUNCIL
Meeting of June 27, 2023

The City Council of the City of Davis met in regular meeting session beginning at 6:40 p.m. in the Community Chambers, 23 Russell Boulevard, Davis, California. The meeting was called to order by Mayor Will Arnold.

Roll Call: Councilmembers Present: Josh Chapman, Donna Neville, Gloria Partida, Babu Vaitla, Will Arnold

Councilmembers Absent: None

Other Officers Present: City Manager Michael Webb, City Attorney Inder Khalsa, City Clerk Zoe Mirabile

Approval of Agenda B. Vaitla moved, seconded by G. Partida, to approve the agenda. Motion passed unanimously.

Ceremonial Presentation Proclamation Recognizing National Gun Violence Awareness Month, presented by W. Arnold.

City Manager Announcements City Manager Mike Webb: Heat wave anticipated Thursday through Sunday this week, locations open to the public that can serve for cooling purposes: library, respite center, Davis Senior Center, public pools with limited number of free passes for those that need financial assistance.

City offices will be closed July 4. City celebration will be held in Community Park, 4-10pm.

City Council Announcements and Liaison Reports G. Partida: Request city check drinking water fountains. Make sure all are in good working order before heat wave.
M. Webb: Staff will check.

Public Comments

- Alan Hirsch: At June 6 meeting, people spoke against Caltrans I-80 freeway widening project. Council was told that changes could not be made to the project. However, the project is not yet fully funded. Council still has time to oppose.
- Dillan Horton: Half of Davis community are renters and should be given priority when developing public policy. Inclusionary Ordinance—need to require highest possible percentage of affordable housing in each development project. Support funding Housing Trust Fund.
- Connor Gorman: Need more student housing. Need to change assumption that single family homes are the only housing type that can

accommodate families with children. Should also not assume that families need vehicles and therefore parking.

Consent Calendar

Professional Services Agreement to Perform Whole Effluent Toxicity (WET) Testing in Compliance with the City's National Pollutant Discharge Elimination System (NPDES) Permit Monitoring Program
Approve Resolution No. 23-074 - Authorizing the City Manager to Execute an Agreement with Pacific Eco-Risk for Acute and Chronic WET Testing for the City's Wastewater Monitoring Program

Authorization to Issue Purchase Orders over \$50,000 for Chemicals Used at the Wastewater Treatment Plant
Approve Resolution No. 23-076 - Authorizing the City Manager to Purchase Chemicals for the Wastewater Treatment Plant

Replacement Servers and Storage Area Network (SAN) at the Police Department
Approve Resolution No. 23-077 - Authorizing the City Manager to Purchase Four Servers from Cisco Corporation/Immer1 Technology Group and a Replacement Storage Area Network from HPE/Immer1 Technology Group

Fiscal Year 2023/24 Mello-Roos Community Facilities Districts Tax Assessments

1. Approve Resolution Nos. 23-079 through 23-086 - Fixing Fiscal Year 2023/24 Tax Rates for the following:
 - A. Community Facilities District 1990-1 (East Davis)
 - B. Community Facilities District 1990-2 (East Davis/Mace)
 - C. Community Facilities District 1990-3 (North Central Davis)
 - D. Community Facilities District 1990-4 (South Davis)
 - E. Community Facilities District 1990-5 (West Davis)
 - F. Community Facilities District 1991-2 (East Davis/Mace)
 - G. Community Facilities District 2007-2 (East Davis/Mace Ranch II)
 - H. Community Facilities District 2015-1 (Cannery)
2. Approve Resolutions Nos. 23-087 through 23-090 - Requesting Collection of Charges on Tax Rolls for Fiscal Year 2023/24 for the following:
 - A. Community Facilities District 2009
 - B. Community Facilities District 1991-2 (East Davis-Mace Ranch Area)
 - C. Community Facilities District 2007-2 (East Davis Mace Ranch Area II)
 - D. Community Facilities District 2015-1 (Cannery)
3. Authorize Mayor to sign Certifications of Special Tax

City Council Meeting Schedule for Legislative Year 2023-2024
Approve Resolution No. 23-091 - Establishing Meeting Dates for Legislative Year 2023-2024

Commission Minutes:

1. Bicycling, Transportation, and Street Safety Commission Meeting of April 13, 2023
2. Historical Resources Management Commission Meeting of April 17, 2023

Informational

B. Vaitla moved, seconded by D. Neville, to approve the consent calendar. Motion passed unanimously.

Removed from
Consent Calendar:

Professional
Services
Agreement
Amendment
No. 1 for Financial Audit
and Compliance Reviews
of Cannabis
Businesses
Operations

Item removed by W. Arnold.

W. Arnold: Interested in comprehensive update of cannabis businesses.

City Manager Mike Webb: If Council is interested, can consider audits every other year and revisit fees and number of dispensaries.

G. Partida moved, seconded by J. Chapman, to approve Resolution No. 23-075 - Authorizing the City Manager to Execute Amendment No. 1 with Hinderliter, De Llamas and Associates (HDL Companies) for Financial Audits and Compliance Reviews for Cannabis Businesses Operating in the City. Motion passed unanimously.

Encroachment
License
Agreement –
Outdoor Dining
Structure
at 403 Third
Street

Item removed by G. Partida.

Public Works Engineering & Transportation Director Dianna Jensen: Staff is working with property owner, difficult for property to obtain required bond.

D. Neville moved, seconded by G. Partida, to approve Resolution No. 23-078 - Authorizing the City Manager to Execute an Encroachment License Agreement for the Outdoor Dining Structure at 403 Third Street. Motion passed unanimously.

Inclusionary
Multifamily
Rental Housing
Ordinance

Community Development Director Sherri Metzker: Ordinance sets base requirements for inclusionary rental housing. Staff will return to Council

with Companion Guidelines to establish allowed alternatives in a resolution to allow Council to be nimbler to respond as market conditions change.

City Attorney Inder Khalsa: Cities are permitted to require a 15% inclusionary housing requirement without an economic demonstration of feasibility. Overview of need for objective requirements in Ordinances and Resolutions regulating non-discretionary projects, where a housing project meets current zoning/General Plan requirements. Proposed guidelines will be broken into two categories: discretionary vs. non-discretionary. Ordinance will set the default requirement for all rental projects: 15% of units must be affordable, 7.5% low income and 7.5% very low income and all units constructed on site. Guidelines will define alternatives and provide details on compliance.

Seeking direction from Council on alternatives offered to developer:

- Downtown Davis Specific Plan Vertical Mixed Use
- Land Dedication
- Offsite units
- Off site rehabilitation of existing units (such as 2:1)
- Social Service Provider
- In-Lieu Fees or Ongoing Revenue Stream
- Catch-all provision

Council Subcommittee—Vaitla & Partida: Purpose is to affirm commitment to 15% requirement, choose to require certain mix of units, acknowledge that housing legislation has changed, and be able to address market volatility.

Public comments:

- Alan Pryor, Sierra Club Yolano Group; Roberta Millstein; and Shoshanna Zatz: Oppose allowing ADUs to provide up to half of affordable housing requirements. Need to increase in lieu fees. For larger peripheral sites, 25% affordable minimum.
- Steve Wheeler and Alan Hirsch: Should require at least 15% for projects with 7 units or more. Need increased requirements for peripheral projects.
- Judy Ennis and John Lowrey, Davis Community Action Network; Allison Pedes; Gayna Lamb-bang: Should require 15% for all project types, including mixed use. Should prioritize land dedication and funding for Housing Trust Fund.
- Wesley Sagewalker: Ordinance needs to be based on economic realities. Cost of labor and materials are high and have price fluctuations. Cascadia Partners recommended 5% inclusionary for mixed use development; higher percentage is not economically feasible.

- Aaron Wedra: Support minimum project size of 7 dwelling units and exemptions to be determined on case by case basis.
- Connor Gorman: In lieu fees and required land dedication should be increased.
- Megan Murphy, Judy Wong-Chen, and Rachael Fulp-Cooke: Support minimum project size of 7 dwelling units. Should prioritize land dedication and funding Housing Trust Fund.
- Eileen Samitz: Vertical mixed use should be required to provide 10-15%, and even 20% for larger projects downtown.

J. Chapman moved, seconded by B. Vaitla, to adopt Urgency Ordinance No. 2644 - Amending Davis Municipal Code Article 18.05, Subsection 18.05.060(b) to Extend the Sunset Date for the Temporary Affordable Alternative Rental Housing Requirements Until the Adoption of a Permanent Replacement Ordinance. Motion passed unanimously.

Ordinance policy decisions:

By consensus, Council support for ordinance “default” of 15% requirement, split evenly half low income, half very low income, built on site. Minimum project size of 7 units. For alternative compliance, go to guidelines.

G. Partida moved, seconded by B. Vaitla, to introduce Ordinance Amending Davis Municipal Code Article 18.05 to Update Affordable Rental Housing Requirements. Motion passed unanimously.

Discussion of alternatives

“Show your work”: Should city require developer to demonstrate in writing why the proposed project cannot include inclusionary housing and an alternative compliance method be allowed?

By consensus, Council support to apply the “Show your work” requirement only to discretionary projects and not to non-discretionary projects due to inherent subjectivity.

Discussion of Downtown Davis Specific Plan Vertical Mixed Use

By consensus, Council directed staff to return to Council with information and options related to mixed use projects including incentives and possible zoning amendments to mandate percentage of ground floor commercial in certain areas of town.

Land dedication

By consensus, Council support to equalize value of land to cost of building affordable units, cost should be more than just a bridge to market rate.

Off site development

By consensus, Council directed staff to include language that if developer provides affordable housing off site, can do so as long as it does not result in a concentration of affordable housing in one area of town.

I. Khalsa clarification: Can include for discretionary projects, but will need to analyze and determine if it can be applied to non-discretionary projects.

Off-site rehabilitation of existing units

By consensus, Council opposes including as an option.

Social Service Provider

City has obligation to provide sites for emergency shelters, transitional housing, etc. Provision would allow developer to dedicate land for a non-profit, social service provider, or shelter use.

Individual Council comments included:

- If include, need to be specific.
- Oppose including.
- Consider including in catch all provision.
- Need more information. Consult with Social Services and Housing Director. Would have to identify “need” and be able to equate value of providing service.
- Interested in specific provision relating to shelter. Need to define what is allowed, where it can be located, minimum size, etc.

I. Khalsa: Staff can come back with more specifics regarding emergency shelters and transitional housing.

Financial Contributions

By consensus, Council supports staff returning with increased in lieu fee. After increase in lieu fee, may need to revisit revenue stream—should be more than what would be paid by in lieu payment up front.

Catch All – Customized Program, Discretionary Only

Individual Council comments included:

- Oppose.
- Framework to lay out how developer could get to this option, must exhaust all other options, or provide exceptional product.
- Support flexibility. Allow Council to determine that something is so compelling that it warrants consideration.

City Council recessed at 9:57 p.m. and reconvened at 10:06 p.m.

Adoption of Fiscal Years 2023/24 and 2024/25 Budget

City Council also acting in its role as the Redevelopment Successor Agency Board

Adoption of Fiscal Year 2023/24 Appropriations Limit

Revised 2023 Council Liaison Assignments

AB 1234 Reporting

Long Range Calendar

Finance Director Elena Adair: Summarized citywide budget revenues and expenditures, General Fund summary and long-range financial forecast, and capital improvement program. Appropriations limit calculated at \$111,348,703, which is 58% of taxes and revenues received.

City Manager Mike Webb: Increasing costs for supplies and materials, insurance premiums, employment benefits, and market costs to remain competitive in employment environment. Rate of increased costs is outstripping rate of revenues. Stable sales and property taxes, and cannabis revenue streams. In 2008, 25% reduction in staffing level. Council will need to look at additional revenue streams over the next year. Additional staffing in this budget represents priority for bare minimum staffing, focused on public safety concerns.

Public comment:

- Connor Gorman: Social Services and Housing (SSH) department should be expanded. Add community navigators and increase mental health clinicians. Should reduce Police funding and redirect it to SSH.

D. Neville moved, seconded by B. Vaitla, as follows:

1. Approve Resolution No. 23-092 - Adopting the FY 2023/24 and 2024/25 Operating and Capital Improvement Program Budget
2. Approve RDA Resolution No. 1279 - Adopting the Davis Redevelopment Successor Agency Board Budget for FY 2023/24 and 2024/25
3. Approve Resolution No. 23-093 - Establishing Appropriations Limit for Fiscal Year 2023/24

Motion passed unanimously.

B. Vaitla moved, seconded by J. Chapman, to approve proposed liaison assignments to redistribute some assignments to accommodate a five member Council body after the vacancy was filled by special election. Motion passed unanimously.

None

City Manager Mike Webb: Next meeting is July 11, rescheduled from July 18. Staff is actively tracking the Caltrans I-80 Managed Lanes Project. In the event that the EIR is released and the public comment period is closed during summer recess, will come to Council on July 11 to form a Council Subcommittee to work with staff to draft a comment letter to submit to Caltrans.

B. Vaitla: Any Council interest in agendizing vertical mixed use discussion?

G. Partida: Believe that would be included in the inclusionary guidelines.

W. Arnold: Will let staff confer on best way to hold this discussion.

M. Webb: May approach as A and B on the same agenda, inter-related but discuss separately.

B. Vaitla: Will be absent July 11.

M. Webb: Can move meeting back to July 18.

W. Arnold: Ask staff to poll Council availability.

J. Chapman: Interested in exploring options regarding vacancy tax, possibly for downtown properties.

D. Neville: Old North Neighborhood Association in interested in revising their parking district.

W. Arnold: Request a check-in/discussion related to Cannabis.

Adjournment Meeting was adjourned at 10:52 p.m.

Zoe Mirabile
City Clerk