

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



April 3, 2023

Michael Webb, City Manager
City of Davis,
23 Russell Blvd., Suite 1
Davis, CA 95616

Dear Michael Webb:

RE: City of Davis's 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Davis's (City) housing element adopted January 31, 2023, and received for review on February 2, 2023. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Legal Services of Northern California and an anonymous resident, pursuant to Government Code Section 65585, subdivision (c).

The adopted element with revisions addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code), as follows:

1. *Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)*

Public participation must engage all economic segments of the community, including organizations which represent lower-income and special needs groups. As mentioned in HCD's December 8, 2021 letter, the incorporation of public input must be an ongoing effort through every stage of the housing element update. This involves providing a transparent public engagement process that responds to public input through revisions of the City's housing document. For example, the element must address public concern noted below on pending projects, and or site-specific programmatic actions to facilitate affordable housing. Prior to any future submission, the City will need to address and incorporate public comment, including those referenced above, and make corresponding revisions.

- 2. An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory... (Gov. Code, § 65583, subd. (c)(1).)

Nishi Student Housing: The element is unclear as to whether the existing development agreement for Nishi Student Housing was revised to comply with all applicable fair housing laws. As stated on HCD's December 8, 2021 letter, the element was required to analyze the existing development agreement to ensure restricted leases were not exclusive to students. In addition, significant time has passed since HCD's initial review of the City's draft element, therefore the element should be revised to include expected timing and steps for annexation including pending site access for this project.

Pending/Approved Projects: In accordance with public comment received by HCD, it appears University Commons, a project set to develop 264 units of mixed-income housing will no longer have a residential component. The absence of residential units from this project would require the City to identify additional sites to accommodate a revised shortfall of 485 units of lower-income housing and 227 units of above-moderate housing. The element must be revised to address this shortfall.

Electronic Sites Inventory: Pursuant to Government Code section 65583.3, subdivision (b), the City must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/planning-and-community-development/housing-elements> for a copy of the form and instructions. The City can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance. Please note, upon adoption of the housing element, the City must submit an electronic version of the sites inventory with its adopted housing element to sitesinventory@hcd.ca.gov.

Programs: As noted above, the element does not include a complete site analysis. Depending upon the results of that analysis, the City may need to add or revise programs.

3. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element... (Gov. Code, § 65583, subd. (c).)*

As mentioned, the City is two years into the planning cycle. Currently, the housing element has several programs with completion set for 2023. The element should be revised to include alternative timing as applicable. In addition, the element must revise programs targeted towards providing affordable housing opportunities for lower-income households. Program goals and objectives should facilitate and incentivize site development in accordance with the elements site strategy.

The element will meet the statutory requirements of State Housing Element Law once it has been revised and adopted to comply with the above requirements.

Pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), a jurisdiction that failed to adopt a compliant housing element within one year from the statutory deadline cannot be found in compliance until rezones to accommodate a shortfall of sites pursuant to Government Code section 65583, subdivision (c), paragraph (1), subparagraph (A) and Government Code section 65583.2, subdivision (c) are completed. As this year has passed and Program 1.2 (Rezone Program) has not been completed, the housing element is out of compliance and will remain out of compliance until the rezoning have been completed.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the responsiveness and dedication the City's housing element team provided during the review. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Irvin Saldana, of our staff, at Irvin.Saldana@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Melinda Coy", with a long, sweeping horizontal stroke extending to the right.

Melinda Coy
Proactive Housing Accountability Chief