

STAFF REPORT

DATE: February 1, 2022

TO: City Council

FROM: Sherri Metzker, Principal Planner

SUBJECT: DAVIS INNOVATION AND SUSTAINABILITY CAMPUS 2022 (DiSC 2022)
(Formerly called DISC, Aggie Research Campus (ARC) and Mace Ranch Innovation Center (MRIC)
Project Application #14-54
General Plan Amendment #6-14
Prezone #4-14
Development Agreement DA #2-14
Annexation / Sphere of Influence Amendment

** The applicant has changed the name of the project to the **Davis Innovation and Sustainability Campus 2022 (DiSC 2022)**. In this report, the project shall be referred to as DiSC 2022. The Addendum for the project uses the name DiSC 2022. The Subsequent Environmental Impact Report refers to the project as the Aggie Research Campus, as the name change from ARC to DISC occurred after the environmental documents were circulated for the DISC project.

Recommendation

Staff recommends that the City Council hold a public hearing and take the following actions:

1. Approve Resolution Adopting an Addendum, Adopting a Statement of Overriding Considerations, Adopting a Mitigation Monitoring and Reporting Program and Making Findings Pursuant to the California Environmental Quality Act for the Davis Innovation & Sustainability Campus DiSC 2022
2. Approve Resolution of the City of Davis Stating Its Intent to Amend the City of Davis General Plan Land Use Element to Add the Land Use Category "Innovation Center" and to Amend the City of Davis Land Use Map to Redesignate the Parcels Located on the Northeast Corner of Mace Boulevard and Interstate 80 (General Plan Amendment #6-14)
3. Introduce Ordinance Amending Section 40.01.090 of Chapter 40 of the City of Davis Municipal Code By Prezoning Approximately 118.5± Acres (Assessor's Parcel Numbers (APNs) 033-630-006, -009, -011, and -012;) Located Northeast of the Intersection of Mace Boulevard and Interstate 80, to

Planned Development (PD) # 4-14 Upon Annexation to the City of Davis as Outlined in Section 40.01.110 of Chapter 40 of the Davis Municipal Code (PD #4-14)

4. Introduce Ordinance of the City Council of the City of Davis Approving the Development Agreement for the Davis Innovation and Sustainability Campus 2022 Project (DA #2-14)
5. Approve Resolutions Relating to a Special Election on June 7, 2022:
 - Resolution Calling for the Holding of a Special Municipal Election to Be Held on Tuesday, June 7, 2022, for the Submission to the Voters a Measure to Modify the Land Use Designations of the Davis Innovation & Sustainability Campus DiSC 2022 and Mace Triangle Properties
 - Resolution Requesting the Board of Supervisors of the County of Yolo to Consolidate a Special Municipal Election to Be Held on June 7, 2022, With the Statewide Direct Primary Election to Be Held on That Date Pursuant to §10403 of the Elections Code

The Planning Commission staff report provides a very thorough description of the background associated with the City's history and interest in an innovation park, the project description, the requested land use entitlements, project analysis, advisory commissions review and comment, and the environmental review of the project. The Planning Commission was unanimous in their recommendation that the City Council approve of the DISC 2022 project entitlements and forward the project to the voters on the June 2022 ballot for a Measure J/R/D election. The approach to this staff report is to focus on addressing items that are of specific interest to the City Council, and to address any new items or changes that have occurred since the Planning Commission recommended approval of the project. The intent of this report is to supplement the January 12, 2022, Planning Commission staff report and the associated attachments which can be accessed at:

<https://www.cityofdavis.org/city-hall/commissions-and-committees/planning-commission/agendas>

Fiscal Impact

Economic and Planning Systems (EPS, the City's consultant) provided independent fiscal analysis (2022) of the proposed project that was reviewed by the Finance and Budget Commission. The fiscal impact analysis estimates the net impact to the City of Davis General Fund at project buildout. Annual gross general fund revenues at buildout are estimated to be \$5.3 million and non-general fund revenues are estimated to be \$26,000 for a total of approximately \$5.3 million. Forecasted expenditures are estimated at \$1.4 million, resulting in annual revenues net of cost to the City of approximately \$3.9 million.

million. Davis Joint Unified School District would collect \$1.37 million annually in school assessments and bond levies. Yolo County is forecasted to collect \$342,833 in annual property taxes at buildout.

The DISC 2022 project will also generate considerable fee and construction tax revenues over the life of the project. The City of Davis would collect onetime fees of \$45.4 million, including \$6.9 million in roadway impact fees and \$7.6 million in construction tax. Other agencies would collect onetime impact fees with Yolo County receiving \$2.3 million in Facilities Service Authorization fees and Davis Joint Unified School District receiving \$2.3 million in impact fees at buildout.

The EPS report also identified significant economic impact through business-to-business activity and employee spending, indirect and induced benefits, on the local Davis economy and Yolo County overall. The DISC 2022 project also presents an opportunity to diversify the local economic base and providing an opportunity for major employers that will need employees that fall into a key Davis demographic that has been on a steady decline over the last decade, the 25-55 demographic (as identified in the 2017 State of the City Report). This is an important demographic in communities as they are more likely to have school age children populating local schools, tend to have greater spending habits as they are have growing needs, translating to increased revenues for merchants, restaurants and local sales tax.

The City of Davis serves as the host for the UC Davis campus which is a large part of the community, offering many positive benefits, but the campus is actually located in Yolo County and the City does not receive the sales tax revenues for transactions on campus. The Development Agreement for the DISC 2022 project has language requiring all retail transactions on the site to record the place of sale as Davis versus another affiliated business location. Tax-exempt organizations that lease property in Davis do not pay property taxes. The DISC 2022 project has a provision that requires the developer/property owner to reimburse the City should space be leased to a tax-exempt tenant. The DISC 2022 project will also generate considerable fee and construction tax revenues over the life of the project. The Development Agreement contains a number of attractive provisions inclusive of a land-secured assessment on market rate, ownership housing to provide additional ongoing revenues for a variety of City services. The amount of the assessment will be no less than \$150,000 annually at buildout of the market rate ownership housing and is to be utilized to fund services that are directly supportive of transit services, roadway repair and maintenance, roadway, bicycle and pedestrian safety and other community amenities. This is in addition to the \$3.9 million in annual revenues that are net of the costs to serve the DISC 2022 project that have been projected at buildout.

The DISC 2022 project analysis has presented a compelling opportunity for the City to benefit from locating a research and development innovation campus within the City, contributing to the long-term fiscal health of the City. The spinoff potential of UC Davis is not being fully realized. The DISC 2022 project provides an opportunity for that to

occur in the City where the fiscal benefits can be realized, rather than having a similar proposal be located in another jurisdiction adjacent to the UC Davis campus where there could be potential impacts on the City without the fiscal and economic benefits coming back to the City of Davis.

The DISC 2022 project provides a fiscally positive land use proposal that can help further drive the Davis economy by providing needed, readily available, zoned lands that would allow for businesses to move quickly with certainty. Davis has great human capital but struggles with providing certainty and readily available, zoned land for growth of existing businesses and attracting new business. This land supply could provide for long-term economic growth in the City. The type of economic activity that is envisioned for DISC 2022 should also provide benefit to businesses in the Downtown and throughout the City. The project has the support of the Davis Chamber of Commerce accordingly.

The costs associated with the preparation of this staff report and the processing of the entitlement application are paid for through deposits funded by the project proponent.

Council Goals

The proposed DISC 2022 project implements several of the City Council Goals as illustrated below:

Ensure Fiscal and Economic Stability

At buildout, the proposed DISC 2022 project is expected to produce \$3.9 million in net positive fiscal benefits to the City of Davis on annual basis. These revenues will be available to help support community services and amenities for existing and future residents. In addition to the projected \$3.9 million in net positive fiscal benefits, a land-secured assessment on market rate, ownership housing will provide a minimum of \$150,000 annually at buildout of the market rate residential to fund services that are directly supportive of transit services, roadway repair and maintenance, roadway, bicycle and pedestrian safety and other community amenities.

UC Davis serves as the single largest employer for the City, however the University is not located within the city limits. The DISC 2022 project provides an opportunity to benefit from the intellectual capital of the community and that coming out of the University to further diversify the local economy and provide a greater range of career and business opportunities. At present, there is collaboration between the business community and the University, but having a world class research and development campus has the potential to serve as a much greater resource in helping Davis diversify the local economy. The proposed project will offer the opportunity to help facilitate greater collaboration between UC Davis and private industry. Research and development are the primary focus for DISC 2022 and the project has been planned to promote a campus type of environment with spaces for people to come together,

encouraging collaboration and idea sharing, which is highly sought after in the innovation parks of today. Certain sectors like research and development and technology-based businesses often congregate in areas where a critical mass of companies form providing an ecosystem where innovative ideas and concepts are discovered at a faster pace resulting in increased velocity of monetizing innovation in those environments. The DISC 2022 project has been purposely planned to support this type of environment. UC Davis is one of the few major universities in the country without a research and development park nearby. The proposed project has the potential to greatly impact the Davis economy and the greater Sacramento economy as well.

Pursue Environmental Sustainability

The DISC 2022 project is proposed to be one of the most sustainable projects in the city. The DISC 2022 project's electricity demand will be fueled by 100% clean energy either generated onsite or purchased from a 100% renewable program such as Valley Clean Energy's "UltraGreen" program. In furtherance of the commitment to utilize 100% renewable energy, the installation of photovoltaics or future renewable energy technology will be required on all new housing and commercial buildings with a few exceptions such as greenhouses, to the greatest extent practicable. Housing units will be all-electric, not include natural gas, and comply with the City's Residential Energy Efficiency "Reach" Green Building Code. The project shall meet and exceed Title 24, Cal Green Tier 1 and will utilize the City of Davis' Reach Code standards.

The Reach Codes aim to promote energy efficiency within the City of Davis through the use of energy-efficient building standards and is intended to ensure LEED Gold equivalency or better. The Reach Codes were adopted at the direction of the City Council and developed in consultation with and supported by the Natural Resources Commission in an effort to develop an appropriate standard that pushed right up to the limit of cost-effectiveness. The intent of this process and exercise was to provide certainty and have a standard for staff to apply to projects versus the past practice of applying a LEED equivalency that relied upon a third-party verification and also was felt to be inferior to the Reach Codes adopted by the City. The Reach Codes are more stringent than California Building Code requirements. It should also be noted that the project shall be constructed in accordance with the provisions of the California Building Code and City of Davis ordinances in effect at the time that building permits are granted, including those relating to energy efficiency requirements thereby ensuring that as Davis' building standards increase in sustainability features, so too will the project.

In addition to the energy procurement, efficiency and production measures, the project shall be designed and pre-wired for future microgrid capacity and energy storage. All commercial and residential parking areas shall be EV ready, equipped with infrastructure to allow for the installation of EV charging stations as demand grows. There will be incentives for a car-free lifestyle, where parking associated with multifamily rental housing will be unbundled. In other words, multifamily rental units will be charged

for parking separate from rent. The project includes housing that has a requirement that an allocation of one housing unit will be provided for every 2,000 square feet of commercial development to have housing on pace with the commercial development in effort to provide onsite opportunities for people to live near their workplace. There are numerous other sustainability commitments provided in the Baseline Project Features and in Exhibit F of the Development Agreement.

In addition to the sustainability commitments, there are a number of transit, transportation and circulation improvements that will promote the further development of public transit infrastructure, transit ridership, and nonvehicular means of transportation that also further sustainability efforts. Items of note are a transit plaza which will be constructed along Mace Boulevard in consultation with local transit agencies Unitrans and YoloBus. There is a reservation along Mace Boulevard frontage for future transportation needs which could include bus rapid transit. The project will also adopt and implement Transportation and Demand Management plans throughout the life of the project. The project parking needs have been purposely limited as maximums and required sharing among users. The developer will participate in and contribute toward an electric shuttle service running at peak hours from the project along Second Street, to the Amtrak station and the UC Davis campus. The project is also funding a study for a regional shuttle route that could connect the site to Woodland and UC Davis. There are numerous other transit commitments provided in the Baseline Project Features and in Exhibit G of the Development Agreement.

There also considerable habitat and agricultural conservation measures that further support this City Council goal. These are captured in the Baseline Project Features and in Exhibit H of the Development Agreement. These include commitments to preserve agricultural lands at a minimum ratio of 2:1, providing for a diversity of native habitats being disbursed and managed throughout the site, and providing for one artificial burrowing owl den complex to be installed in the agricultural buffer.

The sustainability features of the project span across multiple different facets and are captured in the Baseline Project Features and Exhibit F of the Development Agreement. The proposed DISC 2022 project furthers this City Council goal.

Fund, Maintain, and Improve Infrastructure

All infrastructure required to build the project will be funded by the developer and will meet the City of Davis specifications. As discussed under the Ensure Fiscal Resilience City Council Goal, the project will not only produce revenues that cover the cost for the City to serve and maintain project infrastructure but it is projected to generate \$3.9 million annually net of costs providing funds that can be deployed throughout the City to maintain and improve existing infrastructure. Additionally, the project will be constructing turnkey parks and maintaining all onsite parks and open space areas relieving the City of a considerable maintenance burden.

Enhance a Vibrant Downtown and Thriving Neighborhoods

The DISC 2022 project will contribute a long-term land supply of innovation center properties, zoned and ready for business and employment growth which would allow the City of Davis to expand its economic diversity. The campus environment planned for DISC 2022 has the potential to create an ecosystem that attracts companies that will value the strengths of the community. The DISC 2022 project provides an economic development opportunity that could provide greater high-paying employment opportunities for the 25-55 age demographic that has been on the decline in the City. By providing greater opportunities for this demographic, the schools would likely see increased enrollment as this demographic is more likely to have school age children. They also contribute greatly to purchasing goods and are involved in civic activities. Increasing the number of companies in Davis has the ability to expand those that may contribute to the arts, philanthropic causes, and other efforts to help promote a vibrant City.

Commission Input

During the 2020 DISC review process, the following advisory commissions provided recommendations to the Planning Commission and City Council as part of the general plan land use and pre-zoning entitlement application process.

<ul style="list-style-type: none">• Open Space and Habitat Commission• Social Services Commission• Recreation and Parks Commission• Natural Resources Commission	<ul style="list-style-type: none">• Bicycling, Transportation and Street Safety Commission• Tree Commission• Finance and Budget Commission
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In September 2021, staff sought direction from the City Council on how to solicit comments from those same advisory commissions that participated in the review of the original DISC project. It was felt that it would be helpful to return to the commissions that reviewed the prior proposal for the purpose of confirming whether or not their prior recommendations are still valid and to see if there are any modifications they feel should be made to address the scaled-down proposal. Therefore, the advisory input received from the commissions would be current.

Attachment 1 includes the various Commission recommendations in a narrative format (without any acknowledgments), for readers that wish to read the summary recommendations in a more narrative format. The Planning Commission staff report includes a table that shows each advisory commission’s comment from the original DISC review; their comments on DiSC 2022; and where in the approval documents

each suggestion can be found. The final decision as to which recommendations will be included in the project approvals will be made by the City Council.

The DiSC 2022 project requires future implementing entitlements including a Tentative Subdivision Map and a Final Planned Development/Design Review, at a minimum. The project could go back to those commissions with project components specific to individual commission purview as part of the implementing entitlements should the initial land use entitlements be approved. The Tentative Subdivision Map, Final Planned Development/Design Review and/or Design Guidelines are required to be heard by the Planning Commission.

Planning Commission Recommendation

The Planning Commission met on January 12, 2022, to consider the proposed DISC 2022 project. The culmination of that process was a unanimous, 7-0 vote, to recommend approval by the City Council of the DISC 2022 project entitlements and to forward the project to the voters on the June 2022 ballot. There were 11 items that the Planning Commission recommended that the City Council consider including in the approval documents. They are:

1. *That the bicycle undercrossing of Mace Boulevard, connecting the project site to the existing City of Davis, be included in the Baseline Project Features.*
2. *That the southbound bus stop, and its associated improvements, be relocated from along Mace Boulevard to a location that is internal to the project.*
3. *That the ability for using an on-going funding source for meeting affordable housing goals be eliminated from Development Agreement Exhibit E.*
4. *That the developer work with the city to create and contribute to an endowment for the purpose of securing open space property.*
5. *That a Class 1 bike path, to be built traversing due west from the project site and connecting Mace Boulevard with Del Valle Place, shall be included in the Baseline Project Features*
6. *That for-sale housing, meeting the income affordability requirements, shall be included in Phase 1.*
7. *That the Master Owner's Association shall include at least one city appointed voting member on its board.*
8. *That no turf shall be permitted in the landscaping except for in conjunction with a sports field in a park.*
9. *That Community Facilities Districts should be available for commercial uses as well as residential uses.*

10. That Multifamily rental housing, meeting the income affordability requirements, shall be included in Phase 1.

11. That all affordable for sale housing, shall be made available to persons with an income of 60% to 120% of Annual Median Income for Yolo County.

Background and Analysis

In addition to the extensive background covered in the Planning Commission staff report that summarized efforts to expand future opportunities for business growth since 2008, it important to recognize that this effort was in discussion well before 2008. Beginning as early as 2001 with the adoption of the current General Plan, the city of Davis has been studying and looking for an opportunity to create a research and innovation park. With regard to the need for an Innovation Center for Research and Technology uses, the current General Plan states the following:

In February 1996, the City of Davis retained Economics Research Associates to provide three economic analyses to inform land use decisions for the General Plan update: 1) industrial market; 2) retail acreage demand and downtown strategies; and 3) grocery store demand versus supply by subarea. The major findings and recommendations from these analyses are summarized below.

*Industrial market. The study concluded that there is existing unmet demand for new industrial space in Davis and that **Davis could accommodate 200 to 250 gross acres of industrial growth** through 2010. The major dilemma facing Davis regarding the industrial market is that much of the regional industrial market serves the warehouse and distribution sector, for which Davis does not offer any competitive advantage relative to other cities in the market area. In fact, Davis' industrial development price structure (due to Mello-Roos burdens, fees and land costs) essentially prohibits Davis from attracting a major share of this important regional sector.*

***The sector for which Davis offers advantages --high tech startups, R&D and manufacturing -- demand either more affordable space, larger lots than Davis in its inventory, or lots located away from residential uses.** Without resolving this dilemma, Davis is not in a position to absorb the amount of industrial development assumed in the Major Projects Financing Plan, creating public facility financing cash flow problems for the City.*

Recommendations for consideration included the following:

- *Develop a strategy that targets **higher value-added, technology oriented industrial uses** that are attracted to Davis' competitive advantages, **particularly its University linkages**, educated workforce and quality of life for employees;*

- Offer a variety of lot sizes for these industries, including affordable incubator facilities for start-ups, flexible R&D space, and large lots (20-50 acre lots that may be assembled) for manufacturing firms and build-to-suit developments;

As stated above, such a park has long been envisioned. The park would provide an economic opportunity to build off of a unique and valuable community asset, the University of California at Davis (UCD). The DISC 2022 project proposal has been evaluated for consistency with established City policies, inclusive of the City Council approved Guiding Principles for Davis Innovation Centers. Staff believes that the proposed DISC 2022 project meets the guiding principles as covered in the Planning Commission staff report. Staff also feels the DISC 2022 project presents a compelling opportunity to deliver on the vision that has been thoroughly discussed for many years.

Post Planning Commission Hearing Modifications

Based upon the comments that were provided from the Planning Commission, staff has continued to work with the applicant and the City Council Subcommittee to address the recommendations of the Planning Commission.

A redline version of the Development Agreement that shows the additional commitments and modifications that have been negotiated by the City Council Subcommittee is included as Attachment 2. A clean version of the Ordinance approving the Development Agreement with all of the redline edits incorporated is included as Attachment 6.

The commitments should be reviewed in totality as specified in the Baseline Project Features and Development Agreement exhibits. The following is a summary of the responsive, additional commitments and clarifications the City Council Subcommittee negotiated with the applicant to secure since the Planning Commission hearing:

Summary modifications to the DA include but are not limited to:

- Several commitments that had been relocated to other Exhibits in the Development Agreement have been moved to be Baseline Project Features.
- DiSC 2022 will construct a grade-separated bicycle and pedestrian crossing of Mace Boulevard connecting to local and regional trails. (*Planning Commission recommendation*)
- DiSC 2022 will construct a bicycle connection from the west side of Mace Boulevard, north of the Nugget Headquarters, westward to the City's existing trail system that runs between Lake Alhambra Estates and Harper Middle School. (*Planning Commission recommendation*)
- DiSC 2022 shall be responsible for planting or providing no less than 1500 trees. (*Tree Commission recommendation*)
- The ability for using an on-going funding source for meeting affordable housing goals be eliminated from Development Agreement Exhibit E. (*Planning Commission recommendation*)

- DiSC 2022 will achieve carbon neutrality by 2040.
- Multifamily rental housing, meeting the income affordability requirements, shall be included in Phase 1. (*Planning Commission recommendation*)
- Retail Demand Market demand study will be prepared prior occupancy of retail space.

Development Agreement Summary

As stated in the Planning Commission staff report, the Development Agreement (DA) is a voluntary contract between the City and a developer. It provides a vested right for development of the property, and establishes obligations of both parties. Generally, the City Council takes the lead regarding appropriate public benefits and other DA provisions. The City Council appointed an Ad Hoc Subcommittee of Mayor, Gloria Partida and Councilmember, Dan Carson who have provided guidance to staff in negotiating a Development Agreement for the DISC 2022 project.

The Development Agreement addresses a variety of project related issues and implementation of the Baseline Project Features. By including the implementation provisions in a Development Agreement, there is a greater understanding of the methodology under which the Baseline Project Features will be undertaken. The Development Agreement establishes applicable impact fees, connection fees, other commitments and requires approval by the City Council.

The Development Agreement has a term of 30 years from the effective date of approval. It is expected that the project will take 10 to 15 years to build out. Therefore, a term of 30 years should be adequate to comply with all of the provisions therein. Important exhibits of the DA are identified below along with a detailed explanation of what features are included in each exhibit.

Affordable Housing Plan – Development Agreement Exhibit E

Staff believes the affordable housing program is robust and supportable, providing affordable units in an amount that is in excess of City requirements, and unique affordable housing ownership opportunities in addition to onsite rental affordable housing.

Using the unit assumptions from the SEIR, the following affordable housing would be required for the project:

Medium Density Attached Residential Affordable Ordinance Requirement (10%)	Total Units 153 15 affordable units
Multifamily Residential Affordable Ordinance Requirement (15%)	Total Units 307 46 affordable units
Total Required Affordable Units	61 units
Total Affordable Units Proposed by DISC	85 units

Through the provisions of the Development Agreement, the developer has agreed to construct 85 affordable housing units, which equates to 18.5% of the overall housing units in the project. Of those 85 required units, 74 will be built on site. 60 will be affordable rental units and 14 will be affordable for sale units. Of the 60 affordable rental units, 60% will be affordable to low income individuals and 40% will be affordable to very low income individuals. The ownership housing will be made available to those in the moderate income category. Regardless of whether the 60 units are provided in one location or are dispersed in mixed-income apartments throughout the site, construction of all of the onsite multi-family affordable units shall commence prior to issuance of the 250th market rate residential building permit. The units affordable to the moderate income level shall commence construction in Phase 2. The remaining 11 required affordable housing units may be provided in a variety of ways provided they meet the provisions of the Affordable Housing Ordinance currently in effect. It should also be noted that unlike the market rate residential units, the construction of the affordable units is not tied to the development of the nonresidential portion of the project.

Sustainability Features – Development Agreement Exhibit F

The developer has agreed to include a number of sustainability features in the project. In order to provide ongoing measurement and verification of the various features and their ability to reduce environmental impacts. The entity charged with this responsibility will be a Master Owner’s association that will report to the city on the performance of the project.

All the buildings will meet the CalGreen Tier 1 and the Residential Energy REACH code standards. The developer also commits to the following:

1. Passive heating and cooling building design.
2. Project fueled by 100% clean energy.
3. The installation of photovoltaics or future renewable energy technology.
4. Project will sell and distribute all electricity generated on site with a first right of refusal being provided to Valley Clean Energy.
5. All residential units shall be all electric.

6. All outdoor lighting shall be net zero.
7. In anticipation of improved solar connected energy storage, the Project shall be designed and pre-wired for future microgrid capacity and energy storage.
8. Commercial buildings will be all electric for the building envelope. Natural gas may be available to meet the needs of individual tenants.
9. To provide an opportunity for a car-free lifestyle, parking associated with multifamily rental housing will be unbundled. Multifamily rental units will be charged for parking separate from rent.
10. To further minimize transportation emissions and enhance the active live-work-play environment of the Project, the applicant and the MOA shall ensure an introduction and establishment of a relationship between commercial tenants and the then active builders of on-site housing and/or leasing companies. Establishing a direct relationship between employers and purveyors of onsite housing will maximize the number of project housing units occupied by individuals working onsite. The applicant shall describe the specific actions taken to comply with this provision and report on the outcome of these efforts as part of the annual Development Agreement review.
11. All commercial and residential parking areas shall be EV ready, equipped with infrastructure to allow for the installation of EV charging stations as demand grows.

In addition to sustainable construction techniques, the developer will establish a site wide recycling program to be monitored by the Master Owners Association (MOA). The MOA is an association of property owners within the project, not unlike a Homeowner's Association in a residential subdivision. The MOA will also provide solid waste and recycling cans and compost bins in common areas.

All housing within the project will be built at 15 to 50 dwelling units per acre. No detached single family residential housing is permitted. Work force housing shall be the style of housing which will include a maximum of 3 bedrooms per unit or maximum of 2 bedrooms for rental units. The rate of housing construction shall be limited to one home per every 2000 square feet of residential space, except for projects that are 100% Affordable. All parking associated with the multifamily residential housing shall be unbundled, providing for an opportunity for a car free lifestyle.

Transit, Transportation and Circulation – Development Agreement Exhibit G

Exhibit G includes Transit Features and Enhancements. The project is required to implement a Transportation Demand Management plan (TDM plan). The plan requires the developer to appoint a TDM manager who reports directly to the city. At the beginning of each phase of construction, a traffic study shall be prepared that will identify the traffic mitigation measures that will be required to accommodate each phase of development. It will also inform the mode share and identify the need to increase transit services.

All projects are required to build their project frontage improvements. In the case of the DISC 2022, the DA also requires the developer to work with Unitrans and Yolobus to

maximize bus ridership. Additionally, the developer will continue to work with the bus service providers as the phases build out to either relocate and construct new stops or reconstruct existing bus stops along the Mace Boulevard frontage. The DISC 2022 project will be required to fund and build the new and improved stops.

The DA also requires the developer to set aside future right of way for future transportation needs, including a potential bus rapid transit lane. The developer is also required to build a transit plaza which will serve as a connection point between multiple modes of transportation. One of the new modes of transportation to the site will be an electric shuttle which will connect commuters from the DISC 2022, 2nd Street, UCD and the Amtrak station. The developer will assist with funding for this service.

The DA requires the developer to construct several new bike/pedestrian related improvements, including providing the land for a grade separated undercrossing of Mace Blvd. This will connect the 1.5 miles of publicly accessible bike/walking trails within the DISC 2022 project to a future trail along the inside of the Mace Blvd curve. The developer will also be responsible for the construction of the separated grade crossing across Mace Blvd and will construct a bicycle connection from the west side of Mace Boulevard, north of the Nugget Headquarters, westward to the City's existing trail system that runs between Lake Alhambra Estates and Harper Middle School.

Parking lots within the DISC 2022 project will utilize Low Impact Development features, such as bioswales to catch and clean runoff from the project. This includes in areas along streets and in place of storm drains. The City commits to considering those features in lieu of adopted street standards. And, in those areas where trees are meant to provide shading, those trees will be planted in structured soil or suspended substrate to allow for better root performance. Trees will be chosen to provide 80% shading of pedestrian walkways or Class 1 bike paths and 50% shading for parking lots. If those shade trees are later removed from a parking lot to put in photovoltaic arrays, no tree mitigation will be required.

Parking preferences will be designed to be given to high occupancy vehicles and electric vehicles after handicap parking. All commercial parking areas will be designed with infrastructure for EV charging stations. Parking in a multifamily project will be unbundled to incentivize a car free lifestyle. To the extent that the market will bear it, the developer has committed to charging for parking at the commercial uses.

Habitat and Agricultural Conservation – Development Agreement Exhibit H

The developer has agreed to preserve local agricultural lands to mitigate for the loss of the DISC 2022 site at a 2:1 ratio in a manner compliant with the City's Municipal Code. In addition, there will be a 150 foot wide Ag Buffer around the perimeter of the site, consistent with the City of Davis municipal code. A 2 acre portion of the Ag Buffer is proposed to be located on the adjoining property to the north.

The developer has also committed to restoring and enhancing the Mace Drainage Channel. The primary function of the channel will remain to provide drainage. However, the city will work with the developer to restore and enhance the channel using native riparian vegetation. An access easement will be provided along the channel, thereby connecting to the existing access easement located on the property immediately to the east of the DiSC 2022 site.

All detention will be provided on site. The developer commits to not constructing increased stormwater storage capacity on any City owned property or on other agricultural land within unincorporated Yolo County.

Recreation and Wellness – Development Agreement Exhibit I

Pursuant to the Quimby Act and the Davis Municipal Code, the developer is required to provide 6 acres of parkland and 4.6 acres of green belts, comprised of the inner fifty feet of the Agricultural Buffer area. Normally, the city is the owner and operator of public parks. In this case, the developer will retain ownership and will be responsible for construction and maintenance of the parks. A public access and recreation easement will be recorded over the park properties.

Programming of the parks will be a collaborative effort between the developer and the City. There will be sports fields that may be lit, to accommodate local and on site leagues. The project will also include a peripheral trail around the entire site. Additionally, there will be a class 1 bike trail along the Mace Drainage Channel connecting to the Dhillon property trails to the east.

Urban Forest and Landscape – Development Agreement Exhibit J

The developer has committed to reduce the project's demand for potable water by requiring the use of a native plant palette and strongly discouraging the use of turf except in areas specifically programmed for recreation. Management of the open space areas will occur through local experts such as Tree Davis or the Center for Land Based Learning. The developer plans to install "purple pipe" for use of non-potable water for irrigation.

The developer had indicated that it would plant between 600 and 1200 trees. The DA now includes a commitment to planting 1500 trees in association with the project; those not planted on the DiSC 2022 site may be planted elsewhere in Davis. Staff has analyzed the recommended number of trees against a brand new project in Davis. The new office park project across Mace Blvd from the DISC 2022 project site, is about 6 acres has about 22 trees per acre. It should be noted that the office park has a 19% structural lot coverage. Therefore, if that project site were expanded to 102 acres, there would be about 2200 trees.

The DISC 2022 site is more likely to have closer to a 35% lot coverage from structures, meaning there will be more building footprint than parking lot area. In addition, the developer has committed to 100% renewable energy and is required to maximize the clean energy usage on the site meaning there will be more photovoltaic arrays in the parking lots than trees. Therefore, it is unlikely that the future development will include as many as 2200 trees. However, landscaping is part of the entitlement process and will be evaluated for every proposed project. Shading requirements will also be evaluated as part of the entitlement process to ensure the correct number of trees is included in each project.

The City of Davis will monitor and verify tree growth. If after five years from the planting date, a tree is underperforming, the developer will be required to replace it.

Impact Fees, Credits, and Municipal Financing – Development Agreement Exhibit K

The provision of 6.1 acres of park land and 4.66 acres of greenbelt meet the developer's park and open space obligations. The DA further requires public access to the parklands, construction of the parks as Turn Key, and the on-going maintenance and upkeep of said parks.

The developer will be required to pay roadway impact fees to construct the project. The city, through the DA, agrees to prioritize the spending of those fees in the area of the project site. Furthermore, the city commits to working with the developer in good faith to provide fee credits where appropriate and pursue financing opportunities when available.

Uncategorized Additional Community Benefits – Development Agreement Exhibit L

The developer has agreed to require the project site be the Point of Sale for all retail sales and for sales tax obligations. The developer has also agreed to extend fiberoptic infrastructure to site and has agreed to allow other users to connect to the network under terms to be negotiated.

The developer has agreed to the participation in a land secured financing mechanism to provide an ongoing revenue source of no less than \$150,000 annually at buildout of the market rate ownership housing and be utilized to fund services that are directly supportive transit services, roadway repair and maintenance, roadway, bicycle and pedestrian safety and other community amenities.

The Developer will also provide \$50,000 to fund a study of a potential transit route and phased implementation plan to serve Davis, Woodland, UCD and other local areas.

Prior to approval of the hotel planned for the site, the developer must prepare a market demand and feasibility study for the conference center. This will ensure there is no oversaturation of market. Similarly, prior to occupancy of retail space, Developer will

demonstrate that the proposed ancillary retail will not exceed the anticipated demand increase generated by new project employees and residents.

Traffic Impacts

The traffic impacts associated with the proposed DISC 2022 project and the Mace Triangle were studied in the Subsequent EIR for the project. Although the project is anticipated to be built out over a 10-15 year span, the EIR analyzed the total project in the cumulative condition (the future) to determine what improvements would be necessary to mitigate caused by the project. The list of improvements contained in Mitigation Measure 3-70(a) are those improvements. However, one phase of the total project would not require the construction of all of the improvements listed. Therefore, prior to the approval of any entitlements for any phase of the project, the developer of that phase will have to prepare a focused traffic study to determine which of the listed improvements must be constructed based upon the traffic generated by the proposed phase.

If any of the necessary improvements are located in another jurisdiction (i.e. Caltrans or Yolo County), the developer is then required to make a good faith effort to work with said entity to identify and implement those improvements. It should be noted that under California court rulings, mitigation funding is not required where the City of Davis does not have full jurisdiction nor a plan in place to ensure implementation of those mitigation measures. However, the developer has agreed to contribute the funding as described in Mitigation Measure 3-70(a) and (c).

The traffic analysis also includes an in depth analysis of the improvements that are required for bicycle transportation. A Class 1 shared use path on the westerly side of Mace Blvd. will be constructed from approximately Alhambra Drive to the Harper Jr. High School. These improvements will greatly increase the safety and connectivity of the bike system in the DISC 2022 to the rest of the city.

Another significant traffic mitigation measure is the creation of a Transportation Demand Management (TDM) Plan. As each tenant in the campus is identified, a TDM plan will be written that is tailored to the travel patterns of the prospective tenant's employees. Mitigation Measures 3-72 (a) and (b) provide a list of possible measures to be included in the TDM plan. Annual reporting will verify the success of these measures.

In addition to the complete traffic analysis contained in the DiSC 2022 CEQA Addendum, staff requested the City's traffic consultant to prepare a memorandum summarizing the transportation mitigation measures identified in the DiSC 2022 CEQA Addendum which is included as Attachment 8.

Project Next Steps

If the City Council decides to approve the attached entitlements, the next step in the approval process would be to work with the Yolo County staff to ensure that this measure would appear on the June 2022 ballot. A Sphere of Influence amendment application is likely to be submitted to the Yolo County Local Agency Formation Commission (LAFCo) soon after City Council action, if approved. Assuming a positive vote by the electorate, the annexation application would then be forwarded to LAFCo, whose responsibility is to decide requests for approval of Sphere of Influence amendments or Annexation Requests. If LAFCo decides favorably, the property will then be formally annexed into the City of Davis.

Following annexation, the developer will likely begin to process various entitlements to actually begin construction of the proposed project. It would not be unusual for the first application to be a Tentative Subdivision Map. Such a map would divide the DISC 2022 property into smaller parcels, include grading and utility designs, set aside backbone or additional street right-of-way, and provide for easements and other necessary features to carry out the project. There would also be Final Planned Developments and Design Review applications to evaluate the proposed site designs, parking lot layouts, landscaping, and building architecture. It is expected that the City of Davis will review a number of different entitlement applications that implement the underlying approvals designed to be consistent with the Baseline Project Features and Development Agreement requirements over the course of the buildout.

Attachments

- 1) Advisory Commission Recommendations in Narrative Form
- 2) Redlined version of the Development Agreement that was presented to the Planning Commission on January 12, 2022
- 3) Approve Resolution Of The City Council Of The City Of Davis To Adopting An Addendum, Adopting A Statement Of Overriding Considerations, Adopting A Mitigation Monitoring And Reporting Program And Making Findings Pursuant To The California Environmental Quality Act For The Davis Innovation & Sustainability Campus DiSC 2022
- 4) Resolution Of The City Of Davis Stating Its Intent To Amend The City Of Davis General Plan Land Use Element To Add The Land Use Category "Innovation Center" And To Amend The City Of Davis Land Use Map To Redesignate The Parcels Located On The Northeast Corner Of Mace Boulevard And Interstate 80 (General Plan Amendment #6-14)
- 5) Ordinance Amending Section 40.01.090 Of Chapter 40 Of The City Of Davis Municipal Code By Prezoning Approximately 118.5± Acres (Assessor's Parcel Numbers

(APNs) 033-630-006, -009, -011, And -012;) Located Northeast Of The Intersection Of Mace Boulevard And Interstate 80, To Planned Development (PD) # 4-14 Upon Annexation To The City Of Davis As Outlined In Section 40.01.110 Of Chapter 40 Of The Davis Municipal Code (PD #4-14)

6) Ordinance Of The City Council Of The City Of Davis Approving The Development Agreement For The Davis Innovation And Sustainability Campus 2022 Project (DA #2-14)

7) Resolutions Relating To A Special Election On June 7, 2022

A. Resolution Of The City Council Of The City Of Davis Calling For The Holding Of A Special Municipal Election To Be Held On Tuesday, June 7, 2022, For The Submission To The Voters A Measure To Modify The Land Use Designations Of The Davis Innovation & Sustainability Campus DiSC 2022 And Mace Triangle Properties

B. Resolution Of The City Council Of The City Of Davis Requesting The Board Of Supervisors Of The County Of Yolo To Consolidate A Special Municipal Election To Be Held On June 7, 2022, With The Statewide Direct Primary Election To Be Held On That Date Pursuant To §10403 Of The Elections Code

8) DiSC 2022 CEQA Addendum Transportation Mitigation Measures Summary Memorandum dated January 24, 2022, prepared by Fehr & Peers

Resources

January 12, 2022 Planning Commission Staff Report - <https://www.cityofdavis.org/city-hall/commissions-and-committees/planning-commission/agendas>

Project webpage - <https://www.cityofdavis.org/city-hall/community-development-and-sustainability/disc-2022>

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Attachment 1
Advisory Commission Recommendations in Narrative Form

**Open Space and Habitat Commission Recommendations
Davis Innovation and Sustainability Campus 2022
October 4, 2022**

“The Open Space and Habitat Commission recommends that, if the City Council approves the Davis Innovation and Sustainability Campus 2022 project, the following project features should be included in the project’s “Baseline Project Features” and/or Development Agreement:

Baseline Project Features

1. The agricultural mitigation land should be located within the Davis Planning Area;
2. The 100-foot-wide portion of the agricultural buffer should be planted with 100% native species;
3. The 50-foot-wide portion of the agricultural buffer can temporarily use fast-growing non-native tree species (not invasive species) to achieve 80% shade cover within 15 years over the multi-use path but, at the end of their lives, they should be replaced with native trees with the goal of eventually having 100% native species;
4. A burrowing owl complex should be installed on the southeast segment of the agricultural buffer, in consultation with the City’s wildlife biologist;
5. Native trees and pollinator habitat should be dispersed throughout the site, including in parking areas, to ensure a majority of the plants planted in the ground are native species; and
6. The Mace Drainage Channel in the 100-foot-wide portion of the agricultural buffer should be re-contoured to a more natural gradient with terraces and planted with 100% native riparian vegetation.

Development Agreement

7. The burrowing owl habitat area should be distinct from the drainage swales in the agricultural buffer and the bike paths should be situated so that they are not negatively impacting the burrowing owl habitat; and

8. The burrowing owl complex and surroundings should be managed for burrowing owl habitat and should be monitored for owl use in consultation with the City's wildlife biologist. If owls don't use the complex for five years, the site can be considered abandoned and could be used for other habitat purposes."

End of Motion

The above motion was approved by the Commission on October 4, 2021 by a vote of 5-0-1-1 (Ayes – Cabanillas-Ledesma, Correa, Huber, Price, Shaw; Noes – None; Absent – Vayssieres; Abstentions – Torbert).

**Recreation and Parks Commission Recommendations
Davis Innovation and Sustainability Campus 2022
October 20, 2022**

“The Recreation and Parks Commission recommends that, if the City Council approves the Davis Innovation and Sustainability Campus 2022 project, the following project features should be included in the project’s “Baseline Project Features” and/or Development Agreement:

A. Proposed “Baseline Project Features”

1. Onsite Park Details – Developer will ensure public access through a recorded easement to a minimum of 6 acres of onsite parks. Of the minimum of 6 acres of onsite parks, a neighborhood park of a minimum of 5 net acres of contiguous park land will be established in accordance with the City of Davis Parks and Recreation Master Plan. The one acre park shall be a residential park.

2 The parks will be designed and maintained to meet the needs of the residents who reside at the project site, and will include children playgrounds and picnic facilities with adequate shading, public art, natural/landscaped areas, and multi-use open fields. This neighborhood park will include a softball / multi-use field that meets the field of play regulations appropriate for youth and adult organized softball for use by employees and residents of the project site, as well as Davis community sports programs, and will include permanent spectator seating, dugouts, fencing, and lights for use at night and in the evening.

3 The neighborhood park will be completed within 3 months from when the first person occupies a residential unit at the project site. All use of the onsite parks, including rental by Davis residents, will be managed by the City of Davis Parks and Community Services Department in accordance with City Council Policy for rental and use of city facilities with the option for preferential scheduling for teams associated with on-site businesses. The City of Davis shall be entitled to charge and collect a fee for the reserved use of the onsite parks.

4 Park Construction and Design – Developer will be responsible to construct all onsite parks and open space, and will consult with the City of Davis Recreation and Park Commission as well as City of Davis Parks and Community Services Department concerning all programming and equipment installed in the onsite parks.

5 The parks will be designed in accordance with best practices so as to provide a safe place for City residents to recreate, including, as necessary, appropriate measures to protect park visitors from nearby roadways. The Developer agrees to receive approval from the Parks and Community Services Department on all final park designs and programming.

6 Park Maintenance – Developer will ensure that all maintenance associated with onsite parks and open spaces will meet or exceed the standards expected as Class-A commercial facilities in perpetuity, and will further meet or exceed all operative City of Davis maintenance standards for parks, including but not limited to the City of Davis Integrated Pest Management Policies and Procedures, as those policies and procedures may be amended from time-to-time.

7 Developer agrees that all maintenance costs associated with meeting the foregoing standards will be assumed by Developer and/or by the DiSC 2022 Master Owners' Association, and to the extent that the City is required to expend its own resources to meet the standards agreed to herein that the City shall be entitled to compensation from Developer and/or DiSC Master Owners' Association for the value of City's resources so expended.

8 Developer will ensure public access through fee or easement to a 4.6-acre peripheral trail that will run along the perimeter of the Project site and which will include a walking path and a class 1 bike trail. At least a material portion of either the walking path or the class 1 bike trail must be completed within 3 months from when the first commercial tenant occupies the site so as to provide recreational opportunities for the employees who will work at the site. The trail will also be open to residents of the site and the public at large.

9 Turf Usage – Parks and recreational areas will minimize the use of natural grass turf while balancing the needs of certain sporting activities.

10 Comment omitted

B. Proposed Recommendations

11 Strain on City Facilities – The residents of the 460 residential units and the 2,800 employees will undoubtedly further the strain on existing City resources. The Commission recommends that City Council require, either as a Baseline Project Feature or as part of a Developer Agreement, that the Developer agrees to make a financial contribution to a parks development fund, in addition to park impact or construction tax fees, for the City to use on projects identified in the Masterplan Park Update, on infrastructure updates, or on other high-priority projects.

12 Comment omitted

13 Private Ownership – The Commission is concerned that the private ownership of land proposed to be used as a public park via easement presents potentially novel issues related civil liberties. For example, will private security or local police have jurisdiction to patrol the parks? Will citizens have a right to protest on this sort of privately owned public park lands in the same way as they would on traditional City-owned park land? The Commission encourages City Council to work with the City

Attorney to fully analyze these concerns so as to ensure the protection of residents' civil liberties.

14 Municipal Arts – The Commission encourages City Council to have a discussion with the Developer about an appropriate plan for creating spaces for public art within the Project.

Natural Resources Commission Recommendations

Davis Innovation and Sustainability Campus 2022 November 8, 2022

“The Natural Resources Commission recommends that, if the City Council approves the Davis Innovation and Sustainability Campus 2022 project, the following project features should be included in the project’s “Baseline Project Features” and/or Development Agreement:

The NRC acknowledges that the applicant has proposed many of the measures suggested herein. Recognizing that project features are still fluid, the Commission has chosen to retain its original comment list except when they conflict with clear changes in the project due to its new size and scope.

We have used 50% of the build out in our recommendations but our intent is to cover the approximate midpoint of development.

The NRC recommendations should be included in the Baseline Project Features.

These recommends shall serve as a floor and not a ceiling in meeting sustainability requirements.

When the city writes the development agreement, it shall include provisions to ensure that, to the extent possible, sustainability-related provisions in the project Baseline Features and Development Agreement do not override applicable city, state, and federal regulations in place at the time of project build-out that would impose more stringent sustainability-related provisions. For instance, the NRC recommends that the Baseline Features specify that at least 50 percent parking-lot shading shall be achieved through shade trees and/or PV arrays. If a City ordinance was passed between now and the time of DiSC project build-out that required at least 70 percent parking-lot shading achieved through shade trees and/or PV arrays, then the 50 percent figure specified in the Baseline Features should not exempt the developer from meeting the new 70 percent requirement.

The NRC has made recommendations for transportation demand management and traffic mitigation measures because transportation contributes over 70% of GHG emissions in Davis, based on the latest GHG Inventory. This is within the stated NRC function/purpose: ‘advise on environmental matters relating to global warming’. However, the NRC understands that Bicycle, Transportation, and Street Safety Commission will also be making recommendations for baseline features related to these topics. Both the NRC’s and BTSSC’s recommendations regarding transportation and traffic should be considered.

Proposed environmental sustainability features for the Davis Innovation Sustainability Campus Project

Recommended for inclusion in “Baseline Project Features” submitted for voter approval of the Project pursuant to a Measure R vote

Measurement and Verification

NRC1 To ensure accurate tracking and reporting of achievement of Project sustainability goals and obligations, the Developer will establish a Master Owners Association (MOA) for the Project that reports to the City and is responsible for measurement of, verification of, and assuring compliance with Project sustainability obligations and mitigation measures. The MOA will prepare and submit for City approval a Sustainability and Mitigation Monitoring Reporting Plan. Per the Plan, the MOA will prepare and submit to the City annual reports that describe progress towards meeting sustainability goals and obligations and implementing mitigation measures, including all relevant provisions in the Project’s baseline features. Annual reports will also indicate what actions will be taken in the following year to meet phased actions as part of the sustainability goals and obligations and mitigation measures.

Energy Efficiency and Usage

NRC2 The developer shall commit to minimizing carbon emissions by maximizing production of clean energy onsite and ensuring that all Project structures consume 100 percent clean energy. “Clean energy” is defined as energy derived from technologies eligible for California’s Renewables Portfolio Standard (RPS).

NRC3 In addition, the Developer shall commit to the following measures:

- The Project shall meet all CALGreen Tier 1 prerequisites for Residential and Non-Residential buildings in effect at the time of permitting of each phase of the Project.
- The Project shall meet all City of Davis Residential and Commercial Energy Reach Code Standards in effect at the time of permitting of each phase of the Project.

NRC4 The Developer shall enter into a purchase and sale agreement with Valley Clean Energy (and/or another electric utility company) for all power produced by the Project in excess of on-site demand. This agreement shall ensure that all power generated but not used onsite is used locally.

NRC5 If, after maximizing energy efficiency and on-site production of clean energy, the energy demand of Project structures exceeds the energy produced on-site, then the Developer shall purchase power from solely renewable sources such as Valley Clean Energy’s “UltraGreen” 100 percent renewable and 100 percent carbon-free service (or equivalent) to offset the deficit. This requirement will be continued for the lifetime of the Project by building owners.

NRC6 All onsite residential units shall be all-electric (i.e., shall not include natural-gas service).

NRC7 All onsite commercial buildings shall be all-electric, with the exception for fossil fuels (e.g., natural gas, propane) required for manufacturing processes as specified by a tenant. As mechanisms become available to reduce or offset carbon emissions from manufacturing processes fed by fossil fuels, the MOA shall require implementation of these mechanisms to reduce emissions in a timeline consistent with the City's Climate Action and Adaptation Plan (CAAP). Volumes and types of fossil fuels used onsite, as well as opportunities to reduce emissions, shall be included in each annual report prepared and submitted by the MOA.

NRC8 Prior to beginning construction on each phase of the Project, the Developer shall prepare a report describing plans to incorporate passive heating and cooling strategies into building design so as to reduce overall energy demand. Such strategies may include but are not limited to: requiring that a percentage of the development must meet standards established by the Passive House Institute, the Green Building Council (Platinum Level), or a similar institution; construction using thermally massive materials, incorporation of shading devices in the building envelope, strategic building orientation and window placement, and strategic planting of trees and other vegetation. This report shall be subject to review and approval by City staff.

NRC9 All onsite buildings (commercial and residential) shall achieve zero net carbon for the building envelope—including heating, ventilation and air conditioning (HVAC), and lighting—with onsite renewables and storage.

NRC10 Prior to beginning construction on each phase on the Project, the Developer (and MOA for Phases 2 and 3) shall engage an outside consultant to conduct a solar feasibility assessment for development planned in that phase. The assessment shall identify all appropriate locations for solar photovoltaics (PV) or other future comparable technology, taking into account factors such as structure orientation, grid design, installation cost, and site landscaping, including pollinator habitat. Locations may include but are not limited to rooftops, ground solar arrays, and constructed canopy structures. The Developer shall implement PV on all recommended locations, up to the extent that Project electricity demands are fully met. Note that this provision is not intended to and shall not substantially interfere with Project requirements for tree canopy.

NRC11 The Project shall achieve net-zero energy for outdoor lighting through the use of onsite PV or similar technology.

NRC12 In anticipation of improved solar-connected energy storage, the Project shall be designed and pre-wired for future microgrid capacity and energy storage.

Parking Lots and Internal Streets

The desired outcomes of design features for the Project's parking lots and internal streets shall be to: (1) encourage a mode shift from Single Occupancy Vehicles (SOVs) to walking, bicycling, public transit, private transit, ridesharing, carsharing, carpooling,

and/or micromobility; (2) encourage use of zero-emission vehicles (e.g., electric vehicles) where SOV use is necessary as well as in any alternative transportation service that relies on passenger vehicles; (3) reduce runoff and heat-island effects amplified by parking lots; and (4) reduce adverse visual, aesthetic, and quality-of-life impacts of working and living near parking lots. To further these desired outcomes, the developer shall implement the following features in its parking areas and/or along the Project's internal roadway system:

NRC13 Low-impact development (LID) features, such as bioswales and permeable pavement, shall be implemented in all streets and surface-level parking to capture and filter runoff and maximize groundwater recharge.

NRC 14 Omitted

NRC15 All parking surfaces or street-adjacent sidewalks that use or are conducive to tree shading shall incorporate structured soil or suspended substrate to allow successful tree-root development. The developer shall size the area of each pavement-treatment site to accommodate the maximum size of a tree that could reasonably be accommodated on that site.

NRC16 Landscaping shall provide at least 80 percent shading of pedestrian walkways and off-street bike paths. At least 50 percent parking-lot shading shall be achieved through shade trees and/or PV arrays. Compliance with these requirements shall be demonstrated at the time of building by securing permits for adequate PV arrays and/or by consulting with a certified arborist on a tree-planting and -maintenance strategy expected to achieve the desired shading area within 15 years of planting. Failure to meet shading requirements shall be considered a code violation and subject to penalty until remedied. Progress towards meeting the shading requirement shall be included in each Annual Report.

NRC17 Parking preference and priority shall be given to electric vehicles (EVs) and to vehicles participating in a carpool program. Only carpool and EV parking shall be allowed adjacent to buildings in spots not designated for disabled persons. Spots designated for disabled persons shall not be restricted to particular vehicle types.

NRC18 All stalls designated for EVs shall have charging stations pre-installed. Stations shall include a mix of free Level 1 charging and paid Level 2 charging.

NRC19 All commercial and residential parking areas shall be EV ready, equipped with infrastructure designed to facilitate installation of EV charging stations as demand grows. This infrastructure will include electrical panels, conduit/raceways, overprotection devices, wires, and pull boxes and will be designed to support vehicle-grid integration. On-site demand for EV charging shall be reported in each year's Annual Report.

NRC20 All housing shall include one Level 2 EV charger per unit or, if a multifamily building is provided parking at a ratio of less than 1:1, one Level 2 EV

charger per parking stall. Townhomes, if built to accommodate two vehicles, will be prewired to allow for the installation of a second charger.

NRC21 All commercial parking for non-electric SOVs shall be paid parking. To encourage occasional bus use, no discounts for monthly parking versus daily parking will be allowed.

NRC22 The Project shall be exempt from parking minimums otherwise required by the City for new development. Specifically, the minimum number of parking spots necessary for the Project shall be informed by the Project's TDM plan rather than general minimum parking requirements.

Landscaping and Water Conservation

To reduce Project demand on groundwater and potable water and to provide appropriate habitat for native species, the developer shall commit to the following measures:

NRC23 All Project landscaping shall be adapted for climate change, drought resistant, pollinator friendly, and maintained organically.

NRC24 Native and drought-tolerant plants shall predominate the plant palette. A diversity of native habitats— including but not limited to riparian and California oak savanna—shall be maintained throughout the Project site, primarily but not exclusively within the agricultural buffer and along the drainage channel.

NRC25 Turf shall be used only in areas (such as organized sports fields) programmed for activities that require turf.

NRC26 The Developer shall engage with the Center for Land Based Learning, the UC Davis Arboretum, or other local expert(s) to design and manage its open and landscaped buffer areas. Landscape plans shall be subject to City review, including review by the Open Space and Habitat Commission and the Tree Commission.

NRC27 Consistent with the City's stormwater permit and regulations, stormwater runoff shall be captured, conveyed, and detained onsite in a series of bioretention facilities and similar devices intended to filter the runoff, maximize groundwater recharge, and provide deep watering for onsite vegetation.

To prevent flooding of the channel, stormwater flows shall be retained onsite using swales, ponds, or other appropriate facilities, consistent with City stormwater regulations and system capacity. Stormwater facilities necessary to meet these regulations must be located on-site or on another privately-owned property incorporated within City boundaries. The stormwater facilities should be sized following a joint hydrological investigation with the City.

NRC28 The Developer shall install infrastructure suitable for conveying non-potable water to meet all landscape irrigation demands. The Developer shall convert this system to reclaimed/greywater water if and when such service is made available.

NRC29 All greywater shall be reused onsite where practical and permissible. The Developer shall install infrastructure (including two-way valves and piping) to support use of greywater from laundry facilities in all townhomes. The Developer shall also identify opportunities for using greywater in multi-family housing and commercial buildings, and shall install infrastructure needed to pursue such opportunities. The MOA shall review proposed uses of greywater to prevent pollution. The MOA may require owners to revisit/update proposed plans for greywater reuse in the future, and may require installation of additional infrastructure as appropriate.

Housing

Housing is included in the Project to maximize environmental benefits of mixed-use development. Specifically, including housing alongside commercial buildings and workplaces encourages walking and biking as commuting options, reduces air-quality impacts, and reduces the Project's overall carbon footprint. To further increase the sustainability benefits of onsite housing, the Developer shall commit to the following:

NRC30 All Project housing shall be medium- and high-density, incorporating 15–50 units per acre. No single-family detached housing shall be permitted.

NRC31 Housing shall be designed to meet the housing needs of the anticipated Project workforce and shall not resemble student-oriented housing found elsewhere in the City. No unit shall include more than three bedrooms. No rental apartment shall include more two bedrooms.

NRC32 Housing construction shall be directly linked to the development of commercial space at a ratio of no more than one dwelling unit per 3,000 square feet of nonresidential space¹. This linkage will correlate the availability of housing with the creation of jobs which will maximize DiSC 2022 employee occupancy of the housing.

NRC33 To provide an opportunity for a car-free lifestyle, parking associated with multifamily rental housing will be unbundled. Multifamily rental units will be charged for parking separate from rent.

1. The ratio of one dwelling unit per 3,000 square feet is different ratio than the Developer-proposed one dwelling unit per 2,000 square feet. This directly ties housing to the proposed square footage in each phase of the ARC development, to ensure that housing growth is better matched with job growth at the site.

NRC34 To minimize transportation emissions, the Developer shall strive to maximize the number of Project housing units occupied by individuals working onsite. To this end, the MOA shall require employer master leasing of 50% of all rental housing and ownership of a portion of the single-family housing units and require employment by a member of the household during the time of rental application for residency.

Recycling and Waste Disposal

NRC35 All buildings and facilities shall participate in a mandatory, site-wide recycling and organics program to be managed by the MOA. Building maintenance staff will be trained in best practices for maximizing recycling of commercial wastes.

NRC36 All common areas that include disposal options managed by the MOA shall include solid-waste disposal cans, recycling cans, and organics bins.

Transportation Demand Management

Since its earlier consideration of this project, the NRC has become more aware of (1) an increasing urgency to address GHG emissions, and (2) the dominant position that out-of-town commuting occupies in the city's GHG inventory. Although the DISC project is smaller, it has the potential to be the second largest single GHG contributor (after UCD). Accordingly, achieving an effective TDM program is essential. The goals of the TDM program is to prevent the project from becoming a carbon burden on the rest of the community. In other words, as Davis strives reach carbon neutrality, DISC should doing the same step-by-step with the larger community.

The Project will need to implement a comprehensive set of design features and Transportation Demand Management (TDM) strategies intended to reduce vehicle trips and vehicle miles traveled (and therefore greenhouse gas emissions), encourage the use of alternative transportation modes such as walking, bicycling, micromobility, public and private transit, and ridehailing/pooling, and provide safe infrastructure for bicyclists and pedestrians. The desired outcomes of a TDM Plan shall be to reduce greenhouse gas (GHG) emissions and transportation total carbon footprint through a reduction of the Project's vehicle miles traveled (VMT). A key strategy should be shifting away from single occupancy vehicle (SOV) use by incentivizing a mode shift to walking, bicycling, public transit, private transit, and/or 3+ carpool.

NRC36A A designated TDM manager shall be identified for the Project. The TDM manager shall represent the Developer, MOA, or other equivalent Project-related body, and shall report directly to the City.

NRC36B Prior to, or concurrent with, adoption of Final Development Agreement, the Developer shall create a TDM plan that includes quantitative goals and temporal benchmarks for shifting away from single-/low occupancy vehicle use. The TDM plan

shall also include metrics for assessing progress towards these goals and benchmarks. Responsibility for this task shall reside with the designated TDM manager.

NRC36C The TDM plan shall include actions that will result in a reduction of GHG emissions consistent with the City's then current Climate Action and Adaptation Plan (CAAP) and the goal of the City Council to achieve carbon neutrality by 2040. Following build out of 50% of the project square footage subsequent construction shall not be permitted unless the GHG-driven benchmarks demonstrating carbon-neutrality by 2040 for the previous phases of the Project are met. This requirement shall be verified through the use of California Energy Commission-approved modeling software or algorithms projecting carbon neutrality by 2040 of the entire project (including transportation-related emissions).

NRC36D The TDM manager shall coordinate implementation of the Project's TDM strategies with UC Davis to ensure that relevant efforts by both parties are aligned and allow for cooperative ventures where appropriate.

NRC36E An additional goal of the TDM program shall be mitigation of daily traffic congestion generated by the project by reducing daily SOV trips by at least 33% compared to the business-as-usual (unmitigated) scenario predictions in the SEIR scaled to the revised project size and scope. This reduction requirement is to be applied incrementally at each phase of the Project. If, following 50% buildout of the project square footage, daily SOV trips are not 33% lower than the business-as-usual (unmitigated) projections in the SEIR, then subsequent construction shall not be permitted.

NRC36F Prior to the commencement of construction of each phase of the Project, the Developer/MOA shall commission a traffic study which measures in- and out-flow from the Project and identifies traffic patterns. This analysis will be shared with the City to determine which traffic mitigation measures are necessary beyond those specified later in this document. This analysis will also inform the City on mode share and the potential need for increased public transit services.

NRC36G The Developer/MOA shall review and update the TDM Plan every 2 years. The TDM Plan update shall include results of a travel behaviors survey, to be completed annually by the Developer/MOA. The annual survey shall include the travel behaviors of Project residents and employees (e.g., where employees live and by what mode they get to and from work; where residents work and by what mode they get to and from home). The updated TDM Plan, including survey results, shall be made publicly available.

NRC36H Prior to Phase 1, the Developer and the City shall agree upon a process for monitoring and evaluating TDM goals on an annual basis, modeled on the process detailed in the Nishi Gateway Project Sustainability Implementation Plan (2015). This monitoring and evaluation process will include an Annual Report, to be transmitted to the City, which details progress towards the actions outlined in the TDM plan and

specification of actions required when TDM goals are not met. (It should be noted that vehicle trip monitoring in the Nishi SIP is a surrogate for transportation GHG emissions, while modeling to estimate actual GHG emissions is preferred for DISC.)

The Project shall include the following features, in addition to features identified by the TDM Plan, to encourage a shift to alternative transportation modes, such as walking, bicycling, micromobility, public and private transit, and ridehailing/pooling:

- The Project shall be designed to accommodate and incentivize private transit, local transit (Unitrans), and regional transit (Yolobus) through the following measures:
- The NRC recommends that the proposed transit center be redesigned so that both pick up and drop off locations are inside the project².

Even if the transit plaza is only a short distance into the project, say between Mace and the roundabout on the main east-west road, the added passenger convenience will be immense, which crucial to the success of encouraging transit use by project personnel. One idea might be to move the plaza a bit northward and design it with two access points -- one on Mace near the current proposed location (for northbound traffic) and the other on the east-west interior road. Buses would turn onto this road from Mace, pick up and discharge passengers at this site, and then return to Mace via the roundabout. In this arrangement only southbound transit would have to enter the project. Moving the plaza off Mace is, in the NRC's view, a reasonable and workable substitute for the lack of transit circulation inside the project.

The NRC urges the city to work with the transit agencies to address their concerns and encourage their participation. It is in the city's best interests to do this because increasing transit use will be an important tool for achieving the city's climate action goals.

NRC36l Omitted

2. The NRC recognizes that the central transit plaza is proposed to be dropped because of the smaller project footprint and reluctance of transit agencies to enter very far into the project. The proposed replacement plaza on Mace is not, however, an adequate alternative. At this location, it would serve only northbound traffic. Riders of southbound Yolobus routes and eastbound Unitrans routes on Alhambra would be discharged about halfway between Alhambra and Second St. These passengers would then have to walk back to Alhambra to cross Mace, which is a 4-lane arterial plus right-hand turn lanes. If they wanted to access amenities at the transit plaza (bike share, etc.), they would need to turn south again to reach the plaza. Even if they didn't want to visit the transit center, they face a journey of up to half a mile to get home from the Alhambra/Mace intersection. This is not a scenario that is going to attract transit ridership.

NRC36J Because the Project no longer includes interior transit stops, the NRC recommends providing bike and scooter share/rental, secured bike storage facilities, and other amenities to facilitate the “last mile” travel of workers and residents 3.

NRC36K The Developer shall petition YoloBus and Unitrans to increase the frequency and capacity of bus service to the transit plaza as the Project develops. The Developer shall provide funding, if necessary, to the transit services to implement the change.

NRC36L Following 50% of project build out, subsequent construction shall be contingent upon implementation of an on demand electric transit to and from UCD and scheduled electric transit to and from the Amtrak/Capital Corridor station running weekdays including the AM to PM peak commute periods.

NRC36M To promote transit use, the MOA shall provide upon request free passes for local and regional transit service (e.g., an unlimited access pass similar to YoloBus and Unitrans’ pass for UC Davis undergraduates) to the Project’s residents and employees.

NRC36N The Project shall include parking to accommodate single-occupancy vehicles (SOVs) and carpool vehicles while also incentivizing other modes of transportation.

NRC36O As part of the TDM plan, the Developer will determine the appropriate number of parking stalls, which may be fewer than City parking minimums. Commercial parking requirements shall be determined by the TDM plan. For residential development no more than one stall per residential unit shall be provided onsite.

NRC36P All employers shall create through the MOA or participate in a regional carpool program that is modeled after and functionally equivalent to the UC Davis goClub carpool program. The program shall be open to all Project residents and employees.

NRC36Q Carshare and preferential carpool spaces shall be provided, with the number of appropriate stalls to be specified in the TDM plan.

NRC36R Parking costs shall be unbundled from the cost of other goods and services. A separate fee shall be charged for all parking spaces (commercial and residential).

3. In addition, employers could provide bicycles for their employees to use in this trip. Easing the “last mile” is essential for encouraging transit use based out of the transit plaza, particularly since residences will be sited as much as a half-mile away. As the project builds out, the MOA should examine the feasibility/desirability of running an internal electric shuttle between employment sites and the transit plaza to accommodate morning and evening peaks.

NRC36S Parking cash-out programs shall be offered by any employer who provides a parking subsidy to employees, to give employees who do not drive a cash benefit equivalent to the value of the offered parking subsidy. The MOA shall be in charge of ensuring that employers comply with this program and shall record participation in the Annual Report.

The Developer shall provide bicycle facilities and infrastructure comparable to the City's Platinum-level Bicycle Friendly Community Certification to support bicycling within and to the site, including the following features:

NRC36T Provide short term bicycle parking, as required by Davis Municipal Code.

NRC36U Provide end-of-commute facilities (showers, lockers, changing rooms) and support electric bicycle charging in all commercial buildings.

NRC36V Provide covered and secured long-term bicycle parking at central locations within the site and at the central transit hub.

NRC36W Provide community bicycle repair facilities.

NRC36X The MOA shall implement a bicycle share program including electric-assist bicycles for employees and residents to use on and off the Project site.

NRC36Y A bicycle network of Class IV protected cycle tracks shall connect bicyclists to all areas of the site and all key connecting streets/facilities.

The Developer shall provide accessible sidewalks that facilitate pedestrian access within and to the site, including the following features:

NRC36Z All pedestrian access routes shall be readily accessible by all users, particularly individuals with disabilities. Street design should emphasize universal design through use of appropriate width, grade, surface material, tactile cues, audible cues, and push buttons. The Developer shall reference the United States Access Board Proposed Guidelines for Pedestrian Facilities in the Public Right-of-Way (PROWAG), or other appropriate reference.

Site Access and Traffic Mitigation Features

NRC36CC The follow measures are recommended to improve site access and mitigate traffic impacts of the Project. The Developer shall fund infrastructure to mitigate traffic problems attributable to the project either wholly, where the problem is mainly caused by the Project, or proportionately, for traffic improvement measures where the Project is a partial contributor to the problem. The intent is to avoid subsidization of the Project by the City providing funding for traffic mitigation measures.

As described below, City approvals will not be granted for different phases of the Project until public and private funding are budgeted and available, and regulatory approvals

have been granted. In other words, all obstacles to the start of construction have been removed.

In general, the base conditions will include at a minimum the construction or implementation of all the mitigation measures proposed in the Aggie Research Campus Subsequent EIR and Appendix F - Transportation Impact Analysis, including the "Potential Operational Enhancements" identified in the Traffic Study. Specific projects are highlighted below, but this should not be taken as a comprehensive list. The Developer may propose alternative projects to the City, but these will not be approved unless the Developer can demonstrate that the alternative achieves equal or better site access and/or traffic mitigation without causing other problems.

The desired outcomes of site-access measures are reduction of the Project's vehicle miles traveled (VMT) through improvements for bicycle, pedestrian, and transit access to the Project site.

In lieu of a grade separation, the NRC recommends that the city require the Developer to fully fund the construction of a new Class IV bicycle path and separated pedestrian path on the inside of the Mace Curve. This measure is seen to be an important means for linking the project to the city's bicycle network, thereby reducing GHG emissions.

NRC36GG The Developer shall contribute funding to construction of improved pedestrian and bicycle connections for both north-bound and south-bound pedestrian and bicycle traffic on the Mace Blvd/I-80 overpass and continuing to the Project site. Such funding shall be proportional to the use of this facility by Project residents and employees.

NRC36HH The Developer shall petition Unitrans and YoloBus to service the new transit plaza . If necessary, the Developer will provide funding to the transit services to implement this change.

NRC36II The desired outcomes of traffic-mitigation measures are to reduce the transportation total carbon footprint and adverse level of service (LOS) traffic impacts on roads in the Project vicinity, including Mace Boulevard, Covell Boulevard, and I-80. The NRC strongly urges the City to work with relevant advisory bodies and partners (e.g., City commissions, SACOG, UC Davis experts, etc.) to identify and pursue ambitious actions (e.g., establishing bidirectional HOV 3+ lanes across the length of the Yolo Causeway) to minimize traffic congestion resulting from and related to DiSC.

NRC36JJ Traffic Mitigation

- Construction shall not proceed until public and private funding are budgeted and available and regulatory approvals have been granted for construction or implementation of all other mitigation measures proposed in the Aggie Research Campus Subsequent EIR and Appendix F - Transportation Impact Analysis.

- The Developer shall contribute funding to the City to study and implement bus rapid (BRT) transit strategies, including a bus signal preemption system on Mace Boulevard and Covell Boulevard for freeway access or local traffic bypass.

Mitigation Measures

NRC37 The project shall comply with and ensure public or private funding and completion within a two-year period for all Mitigation Measures identified in the Approved Mitigation, Monitoring, and Reporting Plan.

Implementation

NRC38 Concurrent with the approval of a Final Planned Development and Site Plan and Architectural Review for any structure located at the DISC, a Sustainability Implementation Plan shall be developed and implemented to ensure compliance with the Environmental Sustainability Baseline Features to the satisfaction of the City.

Tree Commission Recommendations for DiSC 2022

Adopted 11/4/2021

Cramer, DeWit, Gill, Guenther, Reuter, Robinson, Walsh

The Tree Commission recommends that, the DiSC 2022 project should not be placed on the ballot by the Davis City Council without the following recommendations included in the project's "Baseline Project Features" and/or Development Agreement.

TC 1

No trees currently on site Shall be removed as part of the baseline features.

TC 2

Tree Quantity - The DiSC 2022 will have a minimum of 1500 trees, (as Tree is defined in the City of Davis Tree Ordinance 37.01). If the final site plan cannot accommodate 1,500 trees on site, up to 300 trees can be planted at another location in Davis. Any offsite trees will be subject to an annual maintenance fee. This shall be a baseline feature.

TC 3

All bike paths, bike parking areas or another amenity related to bicycle use shall have an 80% tree canopy coverage after 15 years. Bike parking shelters do not preclude the need for tree coverage. This shall be a baseline feature.

TC 4

Designated areas where people gather, public transit stops, common areas, or pedestrian walkways throughout the development: 80% TREE canopy coverage after 15 years. Transit shelters do not preclude the need for tree coverage. This shall be a baseline feature.

TC 5

Fifty percent of the paved parking lot shall be covered with tree canopies within fifteen years of securing building permit; development of such canopy shall be in accordance with master parking lot tree list guidelines according to 40.25.100 of the Davis Municipal Code. If solar arrays are a desired use in parking lots at the time of lot construction, final decisions should await final recommendations by TC and NRC as part of the 2x2 process. Regardless, all parking lot required shade requirements should not be supplied by PV structures. This shall be a baseline feature.

TC 6

Manufacturing area: 15% minimum Tree canopy coverage after 15 years in the landscape area. This shall be a baseline feature.

TC 7

Housing, mixed-use, office R&D and commercial areas, including hotels: 30% Tree canopy coverage of landscape areas after 15 years. A minimum of 1 tree per lot is required for residential areas with individual lots. This shall be a baseline feature.

TC 8

Parks: 30% minimum tree canopy coverage after 15 years. Park benches, picnic tables, grills or other (except athletic fields) park amenities where people gather shall have an 80% tree canopy cover. This shall be a baseline feature.

TC 9

All new bike path/greenbelt or pedestrian walkways that connect the DISC project to the rest of Davis (grocery stores, schools, churches) shall have an 80% Tree canopy cover. Cover for these paths West of Mace shall be in addition to the 1,500 tree requirement for the development in TC1. This shall be a baseline feature.

TC 10

The project will have a Tree Management Plan. The Tree Management Plan will allow for each tree to have an assigned number to easily locate and identify specified trees. This shall be a baseline feature.

TC 11

Tree planting practice and location, monitoring of individual tree health, inspection of project urban forest, and inspection of maintenance practices will be subject to inspection by an independent, third party, certified arborist hired by the City. This shall be a baseline feature.

TC 11.1

The maintenance, health and growth of all on-site trees will be monitored and evaluated by the arborist on an annual cycle for the first five years as the tree is established. Thereafter the inspection shall be on a biennial cycle until the tree's 10th year and then the tree shall be inspected every three years thereafter. The arborist will submit a written report to the City Arborist and the Developer for each inspection. This report should include, but is not limited to, condition and health of all individual trees, changes in tree condition over time, functioning of irrigation system, recommendations for maintenance such as pruning, mulching and pest control. This shall be included in the project development agreement.

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TC11.2

Every stage of the project development, related to trees, will be reviewed by the Tree Commission. This shall be included in the project development agreement.

TC11.3

Urban Forest Manager will work with the arborist to develop a set of properties related to tree growth, health, maintenance and management. This shall be included in the project development agreement.

TC11.4

Mandatory Compliance with the arborist tree recommendations is the responsibility of the property owner. Failure to comply shall be considered a violation of the project and subject to penalty as specified in Chapter 37 of the Davis Tree Ordinance. This shall be included in the project development agreement.

TC12

This shall be included in the project development agreement. On-site Tree Removal – In addition to standard city process, if, at any time during the five years after the original planting date, a tree is not growing at its anticipated rate or is otherwise showing signs of failure, that tree will be identified by the third-party arborist and presented to the Urban Forest Manager to evaluate for its replacement. All tree replacements will be done at the expense of the Developer.

TC12.1

If the arborist determines that a tree requires removal due to negligence, mismanagement or improper care on the part of the Developer or property manager, mitigation will include the replacement of the removed tree plus a required planting of three additional trees with the City. Fines shall also be levied as recommended by the Urban Forest Manager. This shall be included in the project development agreement.

TC13

All tree plantings throughout the project must be drought tolerant and/or climate-ready trees, with an emphasis on diversity. There will be a minimum of 200 locally native *Quercus* sp.

TC 14

AG Buffer requirements:

The AG buffer shall have tree diversity that provides habitat. Tree plantings throughout the ag buffer shall include Valley Oak trees, other locally native trees, and other drought tolerant and/or climate ready trees. Native species shall predominate the pallet. This shall be in the development agreement.

TC 14.1

Location of trees should resemble a native 'forest' tree habitat and not an "orchard-like" configuration with trees planted in rows. This shall be in the development agreement

TC14.2

There should be tree planting emphasis on the first 50 feet for shade on the bike path / green belt, as well as provide a hedgerow that will provide habitat and act as a windbreak, dust or other debris collector from agricultural land, and a trash collector from going onto farmland. This shall be in the development agreement.

TC 14.3 (Formerly 2020TC12)

There will be hedgerows planted with native species especially on the edge of the 50-foot portion of the AG buffer. Hedge rows should be designed and located to impede foot traffic into the portion of the Ag Buffer without public access. Hedgerows should also be designed to provide habitat and help prevent trash from blowing into agricultural areas. This shall be a baseline feature.

TC 15

In the riparian open space the project shall include at minimum 50% California Central Valley native riparian tree species. This shall be a baseline feature.

TC 16

Tree Planting Specifications and Irrigation

A. Suspended substrate pavement and reduced and limited amount of pavement shall be used in parking lots and other areas where a paved surface prevents sufficient water to percolate to the roots of nearby trees or other natural, unhindered plants and vegetation. This shall be a baseline feature.

B. Irrigation is required and must be indicated on the landscape plans. This shall be a baseline feature.

C. Developer shall engage with local experts to assist with design, selection of species and management of trees and all landscaped areas of the Project site. This shall be a baseline feature.

D. Developer will submit a formal landscape plan to the City for review and approval. The Tree Commission will review and advise on landscape plans. A version of

the landscape plans that are the property of the city of Davis and is available for distribution to the public shall be provided This shall be a baseline feature.

E. City will submit or distribute landscape plans for external review by experts in habitat, landscape architecture, and tree restoration ecology. This shall be included in the development agreement.

F. When planting in parking areas or along paved thoroughfares, Developer will size pavement and planting areas to accommodate the tree varietal intended size, including the root network. This shall be included in the development agreement.

G. Any removal of an established tree for the purpose of installing additional photovoltaic arrays will require tree replacement(s) that reflect the current environmental benefits provided by the tree to be removed. This shall be included in the development agreement.

H. Incorporate a preference for permeable paving blocks is highly recommended around trees, but so is limited ground coverage approach as long as areas do not produce mud or hinder water from absorbing into soil. This shall be included in the development agreement.

I. When planting in parking areas or along paved walkways, developer will size pavement treatment areas to adequately accommodate the tree roots of each varietal's intended size at full expected growth. This shall be included in the development agreement.

J. All tree plantings must comply with ANSI A300 Standards and be inspected by the third party arborist before backfilling. This shall be included in the development agreement.

K. Pruning will follow ANSI A300 Standards. This shall be included in the development agreement.

L. Irrigation and a plan for monitoring and maintaining a functioning irrigation infrastructure for efficient and maximum tree growth is required and must be indicated on the publicly available landscape plans, and approved by the Urban Forest Manager. This shall be included in the development agreement.

M. Irrigation system must be designed to provide adequate water during all phases of a tree's life. This shall be included in the development agreement.

N. Trees in or adjacent to areas that will contain impervious cover shall be identified prior to grading. Grading/compaction of soil in areas designated for trees should not interfere with the ability of the roots to grow to their full structural potential. This shall be included in the development agreement.

O. When practical, direct surface runoff for impervious cover to trees and other vegetation. This shall be included in the development agreement.

TC17

Phasing of Tree Planting

Trees on the peripheral bike path shall be planted during the first phase of the project. The hedgerow(s) TC13 shall also be planted on Phase 1 to ensure protections for adjacent farmers during construction. Trees help reduce freeway noise, dust and noise from agriculture, provide habitat for animals and offset the large amount of cement (pavement/buildings) reducing the heat island effect. This shall be part of the baseline features.

TC18

Follow-up Tree Care Guarantees for Success

- A. Developer or successor shall pay the City for arborist services to monitor all trees in the project. This will be done indefinitely into the future. This shall be part of the baseline features.
- B. Financial penalties to be specified in the development agreement. This shall be part of the baseline features.
- C. At the beginning of each planned phase of development there will be an assessment of compliance with tree policies. Any shortfalls will be fixed and penalties paid prior to advancing to the next phase of the development. This shall be part of the baseline features.
- D. The tree maintenance in the Ag buffer shall be funded by a special assessment district as is described under 40A.01.050e "The city reserves its right to form a special benefit assessment district, or other applicable district as is permitted under state law, and to maintain the agricultural buffer and transition area once the land is improved, dedicated, and annexed." The district will include the entirety of the DISC business park. This shall be part of the baseline features.

TC 19

Immediate financial consequences, shall be determined if the trees are not planted or trees are not being maintained Trees that die due to negligence on the part of the Developer, future property owners or property managers shall be subject to additional monetary fines until remedied and shall require that three times the number for each tree be planted and paid for at the expense of the Developer or current property owner. Consequences should incentivize initial compliance. This shall be part of the baseline features.

TC20

Reimbursement Protocol to City from Developer

A. Developer, future property owners or property managers will reimburse the city for the full cost of both initial plantings and the annual follow-up care. Shall be included in the development agreement.

B. City shall inspect the plantings, the irrigation system and any other feature of the project that affects tree health prior to accepting the project and shall require that the Developer, future property owners or property managers have an inspection of plantings and irrigation systems every year for the first five years and every other year thereafter. Shall be included in the development agreement.

C. The Full Cost of Care includes the third-party arborist and City Arborist's time to undertake the review of all tree reports and time needed to address significant issues raised in the reports. Shall be included in the baseline features.

D. Cost of any new trees and their proper follow-up for the next phase of tree life shall be borne by the property owner. Shall be included in the development agreement.

Burrowing Owls Statement - The City of Davis Tree Commission is sympathetic to burrowing owls but find it to be the Open Space and Habitat Commission and Natural Resource Commission purview to oversee burrowing owl protection and our tree recommendations and requirements should be understood and implemented to fit with those other commission recommendations for burrowing owl protections. We intend not to create any conflicts between burrowing owls and trees.

FROM DEC 9, 2021 BTSSC Meeting

BTSSC COMMENTS (NARRATIVE FORMAT)

City of Davis - Bicycling, Transportation and Street Safety Commission

Proposed Transportation Baseline Features for Davis Innovation Sustainability Campus:

Parking Lots and Internal Streets, Housing, Transportation Demand Management, Site Access and Traffic Mitigation Features and general Mitigation Features

Proposed environmental sustainability features for the Davis Innovation Sustainability Campus Project

Recommended for inclusion in "Baseline Project Features" submitted for voter approval of the Project pursuant to a Measure R vote

- B1** From a transportation perspective a successful development at this location will result in safe, equitable, sustainable access to the site and through nearby corridors. The developer and MOA will prioritize access and parking area by the safety, sustainability, and space-efficiency of travel modes. In descending order of priority, these are walking, bicycling, micromobility, mass transit, high occupancy vehicles, electric vehicles.

Measurement and Verification

- B2** To ensure accurate tracking and reporting of achievement of Project sustainability goals and obligations, the Developer will establish a Master Owners Association (MOA) for the Project that reports to the City and is responsible for measurement of, verification of, and assuring compliance with Project sustainability obligations and mitigation measures. The MOA will prepare and submit for City approval a Sustainability and Mitigation Reporting Plan. Per the Plan, the MOA will prepare and submit to the City annual reports that describe progress towards meeting sustainability goals and obligations and implementing mitigation measures, including all relevant provisions in the Project's baseline features. Annual reports will also indicate what actions will be taken in the following year to meet phased actions as part of the sustainability goals and obligations and mitigation measures.
- B3** The Sustainability and Mitigation Reporting Plan shall include measurement of the project's GHG emissions and VMT per service population, and plans to keep them below standards in the City of Davis Climate Action Plan.

Parking Lots and Internal Streets

The desired outcomes of design features for the Project's parking lots and internal streets shall be to (1) reduce runoff and heat-island effects amplified by parking lots;

and (2) reduce adverse visual, aesthetic, and quality-of-life impacts of working and living near parking lots. To further these desired outcomes, the developer shall implement the following features in its parking areas and/or along the Project's internal roadway system:

- B4** All parking shall be pre-wired for eventual specific assignment by the third phase of the project, with the exception of designated spots for disabled users.
- B5** All off-street parking shall be in below-grade structures, above-grade structures which are designed for conversion to other uses (commercial or residential) or in surface lots designed for possible replacement by commercial or residential buildings.
- B6** All general parking will be in off-street lots. On-street spaces for ADA parking, short-term passenger loading, and freight loading will be allowed.
- B7** Low-impact development (LID) features, such as bioswales and permeable pavement, shall be implemented in all streets and surface-level parking to capture and filter runoff and maximize groundwater recharge.
- B8** All parking surfaces or street-adjacent sidewalks that use or are conducive to tree shading shall incorporate structured soil or suspended substrate to allow successful tree-root development. The developer shall size the area of each pavement-treatment site to accommodate the maximum size of a tree that could reasonably be accommodated on that site.
- B9** Landscaping shall provide 80 percent shading of pedestrian walkways off-street bike paths, and bike lanes / bikeways on streets. At least 50 percent parking-lot shading shall be achieved through either shade trees or PV arrays. Compliance with these requirements shall be demonstrated at the time of building by securing permits for adequate PV arrays and/or by consulting with a certified arborist on a tree-planting and -maintenance strategy expected to achieve the desired shading area within 15 years of planting. Failure to meet shading requirements shall be considered a code violation and subject to penalty until remedied. Progress towards meeting the shading requirement shall be included in each Annual Report.
- B10** Parking preference and priority shall be given to electric vehicles (EVs) and to vehicles participating in carpool and car share programs. Only carpool, car share, and EV parking shall be allowed adjacent to buildings in spots not designated for disabled persons. Spots designated for disabled persons shall not be restricted to particular vehicle types.
- B11** All stalls designated for EVs shall have charging stations pre-installed. Stations shall include a mix of free Level 1 charging and paid Level 2 charging.
- B12** All commercial and residential parking areas shall be EV ready, equipped with infrastructure designed to facilitate installation of EV charging stations as demand grows. This infrastructure will include electrical panels, conduit/raceways, overprotection devices, wires, and pull boxes and will be

designed to support vehicle-grid integration. On-site demand for EV charging shall be reported in each year's Annual Report.

- B13** All commercial parking shall be paid parking.
- B14** The Project shall be exempt from parking minimums otherwise required by the City for new development.
- B15** Applicant will implement "complete streets" that meet City of Davis Street Standards for 20mph vehicle speeds.

Housing

Including housing alongside commercial buildings and workplaces encourages walking and biking as commuting options, reduces air-quality impacts, and reduces the Project's overall carbon footprint. To further increase the sustainability benefits of onsite housing, the Developer shall commit to the following:

- B16** All Project housing shall be medium- and high-density, incorporating 15–50 units per acre. No single-family detached housing shall be permitted.
- B17** Housing shall be designed to meet the housing needs of the anticipated Project workforce.
- B18** Housing construction shall be directly linked to the development of commercial space at a ratio of no less than one dwelling unit per onsite employee. This linkage will correlate the availability of housing with the creation of jobs which will maximize ARC employee occupancy of the housing.

Transportation Demand Management

The Project will need to implement a comprehensive set of design features and Transportation Demand Management (TDM) strategies intended to reduce vehicle trips and vehicle miles traveled (and therefore greenhouse gas emissions), encourage the use of safe, sustainable, space-efficient transportation modes such as walking, bicycling, micromobility, public and private transit, carshare, carpool, and provide safe infrastructure for bicyclists and pedestrians. The desired outcomes of a TDM Plan shall be to reduce greenhouse gas (GHG) emissions and transportation total carbon footprint through a reduction of the Project's vehicle miles traveled (VMT). A key strategy should be shifting away from single occupancy vehicle (SOV) use by incentivizing a mode shift to walking, bicycling, public transit, private transit, and/or 3+ carpool.

- B19** A designated TDM manager shall be identified for the Project. The TDM manager shall represent the Developer, MOA, or other equivalent Project-related body, and shall report directly to the City.

- B20** Prior to, or concurrent with, adoption of Final Development Agreement, the Developer shall create a TDM plan that includes quantitative goals and temporal benchmarks for shifting away from single-/low occupancy vehicle use. The TDM plan shall also include metrics for assessing progress towards these goals and benchmarks. Responsibility for this task shall reside with the designated TDM manager.
- B21** The TDM manager - or management entity - will include a representative from the Bicycling, Transportation and Street Safety Commission and a representative from the Natural Resources Commission.
- B22** The TDM plan shall include actions that will result in a reduction of GHG emissions consistent with the City's then current Climate Action and Adaptation Plan (CAAP) and the goal of the City Council to achieve carbon neutrality by 2040. Subsequent phases of the Project shall not be permitted for construction unless the GHG-driven benchmarks for the previous phase of the Project are met.
- B23** The developer/MOA shall coordinate implementation of the Project's TDM strategies with UC Davis to ensure that relevant efforts by both parties are aligned and allow for cooperative ventures where appropriate.
- B24** An additional goal of the TDM program shall be mitigation of daily traffic congestion generated by the project by reducing daily SOV trips by at least 33% compared to the business-as-usual (unmitigated) scenario predictions in the SEIR. In other words, at full buildout the project must generate fewer than 12,000 motor vehicle trips per day (compared to the 24,000 trips predicted in the SEIR). This reduction requirement is to be applied incrementally at each phase of the Project. If daily SOV trips for each phase are not 33% lower than the business-as-usual (unmitigated) projections in the SEIR, then construction of the next phase shall not be permitted.
- B25** Prior to the commencement of construction of each phase of the Project, the Developer/MOA shall commission a traffic study which measures in- and out-flow from the Project and identifies traffic patterns. This analysis will be shared with the City to determine which traffic mitigation measures are necessary beyond those specified later in this document. This analysis will also inform the City on mode share and the potential need for increased public transit services.
- B26** The Developer/MOA shall review and update the TDM Plan every 2 years. The TDM Plan update shall include results of a travel behaviors survey, to be completed annually by the Developer/MOA. The annual survey shall include the travel behaviors of Project residents and employees (e.g., where employees live and by what mode they get to and from work; where residents work and by what mode they get to and from home). The updated TDM Plan, including survey results, shall be made publicly available.
- B27** Prior to Phase 1, the Developer and the City shall agree upon a process for monitoring and evaluating TDM goals on an annual basis, modeled on the

process detailed in the Nishi Gateway Project Sustainability Implementation Plan (2015). This monitoring and evaluation process will include an Annual Report, to be transmitted to the City, which details progress towards the actions outlined in the TDM plan and specification of actions required when TDM goals are not met. *(It should be noted that vehicle trip monitoring in the Nishi SIP is a surrogate for transportation GHG emissions, while modeling to estimate actual GHG emissions is preferred for DISC.)*

The Project shall include the following features, in addition to features identified by the TDM Plan, to encourage a shift to safe, sustainable, space-efficient transportation modes, such as walking, bicycling, micromobility, public and private transit, and carpooling (in descending order of preference):

The Project shall be designed to accommodate and incentivize private transit, internal transit, local transit (Unitrans), and regional transit (Yolobus) through the following measures:

- B28** The Project shall include an internal transit service - e.g. a low-capacity automated shuttle on a fixed route - between all buildings and transit stops, both within and on the periphery of the project (i.e. both side of Mace Blvd.) Such a service will facilitate transit access for employees, residents, and visitors who may have limited mobility.
- B29** The Project shall include a centrally-located facility to serve as a mobility information center, bicycle workshop and repair facility and a stop for internal transit, shuttle and point-to-point transit services.
- B30** Bus stops with enough bus capacity to provide 30% of trips to the site will be constructed on Mace Blvd, south of Alhambra. This is an alternative to diverting YoloBus and/or Unitrans buses from Mace Blvd. into the transit plaza, which would add considerable time to the routes and likely reduce ridership.
- B31** The Project shall include transit stops for internal transit, shuttle and point-to-point transit services located throughout site to ease pedestrian access such that no transit stop is further than 400 meters from any occupied building.
- B32** All stops should include real-time displays of future departures of transit services.
- B33** The Developer shall petition Yolobus and Unitrans to increase the frequency and capacity of internal transit, shuttle and point-to-point service as the Project develops. The Developer shall provide funding, if necessary, to the transit services to implement the change.
- B34** The Developer shall establish a contract with a carshare service that exclusively uses EV's. The service shall include light trucks, small vans and with options replicating classic car rental (weekend use, etc.). Vehicles with adaptive controls and which allow pet dogs shall be included.
- B35** ~~Phase 2 cannot commence until after the implementation of an on-demand electric transit to and from multiple locations on UCD campus and scheduled electric transit to and from the Amtrak/Capitol Corridor station (Davis Depot, and~~

~~any future facilities serving commuter and regional rail at a replacement location), running seven days a week, including the AM to PM peak commute periods. The services to and from the nearest rail services node will be synchronized with arriving and departing trains, inclusive of delays and extraordinary circumstances, such as interruption of rail services, temporary closing of the station etc.~~

- B35** Developer shall participate in and contribute toward an electric shuttle service running weekdays from the AM to PM peaks, connecting commuters from DISC and 2nd Street to UC Davis and the Amtrak station.
- B36** To promote transit use, the MOA shall provide upon request free passes for local and regional transit service (e.g., an unlimited access pass similar to YoloBus and Unitrans' pass for UC Davis undergraduates) to the Project's residents, employees and commercial visitors.

Total motor vehicle parking spaces at the site will be limited by building use according to the following formula:

Use	Ratio	Unit
R&D/office/laboratory	1:800	Sq ft
Manufacturing	1:2,000	Sq ft
Hotel/Conference	1:2	units
Retail	1:600	Sq ft
Housing	1:2	unit

- B37** In order to facilitate fiscal unbundling of parking, no parking spaces within the project should be dedicated to a specific user, commercial or residential, with the exception of designated spots for disabled users. All parking will be managed by the TDM agency described below, including determination of parking fees, terms and allowed users.
- B38** All employers shall create through the MOA or participate in a regional carpool program that is modeled after and functionally equivalent to the UC Davis goClub carpool program. The program shall be open to all Project residents and employees.

- B39** Carshare and preferential carpool spaces shall be provided, with the number of appropriate stalls to be specified in the TDM plan.
- B40** Parking costs shall be unbundled from the cost of other goods and services. A separate fee shall be charged for all parking spaces (commercial and residential).
- B41** Parking cash-out programs shall be offered by any employer who provides a parking subsidy to employees, to give employees who do not drive a cash benefit equivalent to the value of the offered parking subsidy. The MOA shall be in charge of ensuring that employers comply with this program and shall record participation in the Annual Report.

The Developer shall provide bicycle facilities and infrastructure comparable to the City's Platinum-level Bicycle Friendly Community Certification to support bicycling within and to the site, including the following features:

- B42** Provide short term bicycle parking, as required by Davis Municipal Code, with the addition of protection from both precipitation and the sun.
- B43** Provide long-term bicycle parking inside all commercial buildings - including support for electric bicycle charging and over-sized bicycles - immediately adjacent to end-of-commute facilities (showers, lockers, changing rooms).
- B44** Provide community bicycle repair facilities.
- B45** The MOA shall implement a bicycle share program including Type 1 and Type 3 (28-mph) electric-assist bicycles - including cargo bicycles and bicycles with adaptive controls - for employees, residents and commercial/residential visitors to use on and off the Project site.
- B46** A bicycle network of Class IV protected cycle tracks shall connect bicyclists to all areas of the site and all key connecting off site streets/facilities.

The Developer shall provide accessible sidewalks that facilitate pedestrian access within and to the site, including the following features:

- B47** All pedestrian access routes shall be readily accessible by all users, particularly individuals with disabilities. Street design should emphasize universal design through use of appropriate width, grade, surface material, tactile cues, audible cues, and push buttons. The Developer shall reference the United States Access Board Proposed Guidelines for Pedestrian Facilities in the Public Right-of-Way (PROWAG), or other appropriate reference.

Site Access and Traffic Mitigation Features

The following measures are recommended to improve site access and mitigate traffic impacts of the Project. The Developer shall fund infrastructure to mitigate traffic problems attributable to the project either wholly, where the problem is mainly caused by the Project, or proportionately, for traffic improvement measures where the Project is a partial contributor to the problem. The intent is to avoid subsidization of the Project by the City providing funding for traffic mitigation measures.

- B48** As described below, City approvals will not be granted for different phases of the Project until public and private funding are budgeted and available, and regulatory approvals have been granted. In other words, all obstacles to the start of construction have been removed.
- B49** In general, the base conditions will include at a minimum the construction or implementation of all the mitigation measures proposed in the Aggie Research Campus Subsequent EIR and Appendix F - Transportation Impact Analysis, including the “Potential Operational Enhancements” identified in the Traffic Study. Specific projects are highlighted below, but this should not be taken as a comprehensive list. The Developer may propose alternative projects to the City, but these will not be approved unless the Developer can demonstrate that the alternative achieves equal or better site access and/or traffic mitigation without causing other problems.
- B50** The desired outcomes of site-access measures are reduction of the Project’s vehicle miles traveled (VMT) through improvements for bicycle, pedestrian, and transit access to the Project site.

Phase 1 Site Access

- B51** The Developer shall provide sites for bus stop relocation for Yolobus and Unitrans along the Project frontage on Mace Boulevard and to enhance the bus stops with benches and coverings, to the extent those features are allowed by the transit agencies.
- B52** Applicant will implement a bike/ped crossing under Mace Blvd. that is sufficiently wide to accommodate heavy bidirectional pedestrian and cyclist travel.
- B53** The Developer shall contribute funding to construction of a new Class IV bikeway and separated pedestrian path on the inside of the Mace Curve between the new grade-separated bicycle and pedestrian crossing (see previous bullet) and Harper Junior High School. Such funding shall be proportional to the use of this facility by Project residents, employees, and visitors.
- B54** The Developer shall contribute funding to construction of a new Class IV bikeway for both north-bound and south-bound bicycle traffic on and near Alhambra St. between the landing area of the Mace Blvd. overcrossing and the northeast corner of John Barovetto Park. Such funding shall be proportional to the use of this facility by Project residents, employees and visitors.
- B55** The Developer shall contribute funding to paving to Class I standards of the current gravel path starting on the east edge of John Barovetto Park to the existing Greenbelt path at the southwest corner of the Park. Such funding shall be proportional to the use of this facility by Project residents, employees and visitors.
- B56** The Developer shall contribute funding to construction of a new Class IV bikeway and separated pedestrian path for both north-bound and south-bound pedestrian and bicycle traffic on the Mace Blvd/I-80 overpass and continuing to the Project

site. Such funding shall be proportional to the use of this facility by Project residents, employees and visitors.

- B57** The Developer shall contribute funding to construction of a new Class IV bikeway for both west-bound and east-bound bicycle traffic on 2nd St between the area of Davis Depot / L St. and the Dave Pelz bridge (i.e. connecting to the Class I Greenbelt path to John Barovetto Park). Such funding shall be proportional to the use of this facility by Project residents, employees and visitors.
- B58** The Developer shall contribute funding to construction of a new Class IV bikeway for both west-bound and east-bound bicycle traffic on 32A between the WB I-80 off-ramp and current and future bike/fed facilities across the Yolo Bypass. This facility should have multiple egress points to the Project area. Such funding shall be proportional to the use of this facility by Project residents, employees and visitors.
- B59** The Developer shall contribute funding to re-construction of the intersection of East Covell Blvd and Pole Line Rd. Such funding shall be proportional to the use of this facility by Project residents, employees and visitors.
- B60** The Developer shall contribute funding to construction of the already-in-planning pedestrian and cycling corridor on the north side of East Covell between Pole Line Rd and J St. Such funding shall be proportional to the use of this facility by Project residents, employees and visitors.
- B61** The Developer shall not incentivize or contribute funding to the addition of general traffic lanes on Mace Blvd.
- B62** The desired outcomes of traffic-mitigation measures are to reduce the transportation total carbon footprint and adverse level of service (LOS) traffic impacts on roads in the Project vicinity, including Mace Boulevard, Covell Boulevard, and I-80.

Phase 1 Traffic Mitigation

- B63** Phase 1 shall not proceed until public and private funding are budgeted and available and regulatory approvals have been granted for construction or implementation of all other mitigation measures proposed in the Aggie Research Campus Subsequent EIR and Appendix F - Transportation Impact Analysis.
- B64** The Developer shall contribute funding to the City to study and implement bus rapid (BRT) transit strategies, including a bus signal preemption system on Mace Boulevard and Covell Boulevard for freeway access or local traffic bypass.

Phase 2 Traffic Mitigation

- B65** Phase 2 shall not proceed until public and private funding are budgeted and available and regulatory approvals have been granted for a rush-hour bus and 3+ high occupancy vehicle (HOV) lane and class IV bicycle path on the frontage road north of I-80 (county road 32) to allow traffic to bypass the Mace Blvd east bound on-ramps and west bound off-ramps to I-80.

B66 Phase 2 shall not proceed until public and private funding are budgeted and available and regulatory approvals have been granted for the construction of bus/3+ HOV lanes on I-80 west of causeway between Richards Blvd and the Yolo Causeway.

~~Phase 3 Traffic Mitigation~~

~~**B67** Phase 3 shall not proceed until public and private funding are budgeted and available and regulatory approvals have been granted for adding bus/3+ HOV lanes eastbound and westbound on the Yolo Causeway (I-80).~~

Mitigation Measures

B68 The project shall comply with and ensure public or private funding and completion within a two-year period for all Mitigation Measures identified in the Approved Mitigation, Monitoring, and Reporting Plan.

B69 Total motor vehicle parking spaces at the site will be limited by building use according to the following formula

Use	Square Footage	Parking Spaces	Parking Spaces per City reqs	% of Reduced Parking Spots
Office / R&D / Ancillary Retail	630,000	1,050	1,642	36%
Advanced Manufacturing	550,000	440	864	49%
Hotel	150 Rooms	100	100	0%
COMMERCIAL TOTAL		1,590	2,606	39%
Housing	460 Units	460	845	46%
DiSC 2022 TOTAL		2,050	3,451	41%

**Social Services Commission Recommendations
Davis Innovation and Sustainability Campus 2022
December 20, 2022**

“The Social Services Commission recommends that, if the City Council approves the Davis Innovation and Sustainability Campus 2022 project, the following project features should be included in the project’s “Baseline Project Features” and/or Development Agreement:

SSC1.

The City should require the builder to provide the following affordable housing:

Units affordable to persons with Extremely Low Incomes should be included among the onsite affordable rental units.

SSC2.

Prior to approval of any off site locations for affordable housing, the city should consider the overall city wide distribution of affordable units across the city and work toward an equitable distribution of extremely low units across the city.

SSC3

One for sale dwelling unit shall be made available to a person meeting the Low Income requirements.

SSC4

All affordable units should be mixed in with market rate units.

SSC 5

The city shall consider providing supplemental financing to achieve the inclusion of extremely low and very low affordable housing.

**Finance and Budget Commission Recommendations
Davis Innovation and Sustainability Campus 2022
December 20, 2022**

The commission then took up the item on the proposed DISC II project for consideration.

EPS provided a presentation, followed by brief comments from Mr. Ramos, the project developer. Commissioners then posed a series of clarifying questions and offered comments and suggestions including those listed below. Some of the concerns listed immediately below were stated later in the meeting, but for purposes of clarity are listed here as well:

Can the economic analysis be presented to show the worse and best-case scenarios for the fiscal viability of the project? (Jacobs)

To what extent is the economic analysis sensitive to those who are actually the recipient of city services; i.e. does it include university students? (Jacobs)

Are the cost assumptions used in the analysis appropriate given that they do not reflect the current cost of providing city services? (Beeman)

Is the assumption that only for-profit businesses will be located within the project reasonable given that many non-profit and governmental organizations are currently located along the Second St. corridor? (Sufi)

What conditions will be imposed in the development agreement regarding affordable housing and what impact will those conditions have on the project? More specifically, will the development agreement prohibit the use of in lieu fees. (Sandino)

Given the impact of COVID-19, is the phasing of the project, specifically the building of the proposed hotel, reasonable? (Axt and Harrington)

How likely is the potential property tax split between the city and the county to fall within the 50/50 or 60/40 ranges? (Neville)

What are the potential risks of the project and what actions are needed to mitigate those risks? (Neville)

Will the revenues generated by the project provide sufficient reserves for the replacement of infrastructure in the future? (Sufi)

What steps need to be taken to ensure that this project actually evolves as a true innovation park as opposed to a commercial park, and what will the city do to assist in that endeavor?

Will the project be 100% electric? If no, what steps can the city take to promote this goal?

The commission then took public comment from Matt Williams, who also provided written comments prior to the meeting.

Commissioners then continued their deliberations on the project. Chairperson Neville reminded the commissioners of the action they had taken previously when reviewing the original DISC project, which was to find that the project had a net positive fiscal impact.

Many of the same concerns stated earlier were stated again but they are listed here for the purpose of providing a clear record of the commissioner's deliberations.

Commissioner Jacobs suggested that it would be helpful to city council if the consultant were to run the analysis using a worst-case and best-case scenario, particularly with respect to the possible city county property tax splits.

Commissioner Buzbee indicated that he found the consultant's analysis to be very thorough and that, although this type of analysis is not an exact science, he agrees with the conclusion that the project is likely to have a fiscally positive impact on the city.

Commissioner Beeman expressed the concern that the analysis does not take into account the actual cost of providing city services.

Commissioners Harrington and Axt expressed concerns regarding the impact that COVID-19 may have on occupancy of the commercial space, including the proposed hotel, and suggested doing a worse-case scenario analysis that takes the impact of COVID-19 into account.

Commissioner Sandino asked what conditions would be put into the development agreement regarding affordable housing and how these might impact the economic analysis. He asked whether the development agreement would allow the developer to pay in-lieu fees as an alternative to providing affordable housing.

Assistant City Manager Feeney and Council Member Carson indicated that the development agreement is being negotiated and that the expectation at this point is that in-lieu fees would not be permitted.

Commissioner Beeman asked whether the project could be 100% electric and what steps had been taken toward that goal. Commissioner Sufi stated his concern that there are challenges to ensuring that this project ultimately becomes a true innovation park and not a commercial park and asked what steps the city would take to ensure that happens.

At the conclusion of the discussion Chairperson Neville suggested two possible actions by the commission: one was simply to vote on a motion that found the project to be fiscally positive; the other motion was to vote on motion that found the project to be fiscally positive and that respectfully requested that city council take the commission's concerns into consideration when taking further action on the proposed project.

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Chairperson Neville made the following motion:

The Finance and Budget Commission finds that the proposed DISC II project will have a positive revenue and fiscal impact on the City of Davis, and respectfully requests that the Davis City Council take the concerns described in the minutes of the December 13, 2021 Finance and Budget Commission meeting into consideration when taking further action on this proposed project.

Commissioner Sandino suggested adding the word “Likely” between will and have in the motion, and Chairperson Neville accepted this friendly amendment.

The motion was seconded by Commissioner Buzbee and the commission voted unanimously to approve the motion. There were no abstentions.

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAVIS APPROVING
THE DEVELOPMENT AGREEMENT FOR THE DAVIS INNOVATION AND
SUSTAINABILITY CAMPUS 2022 PROJECT**

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864 *et seq.* (the "Development Agreement Statute") which authorizes cities to enter into agreements for the development of real property with any person having a legal or equitable interest in such property in order to establish certain development rights in such property;

WHEREAS, in accordance with the Development Agreement Statute, the City of Davis (the "City") has enacted regulations (the "Development Agreement Regulations") to implement procedures for the processing and approval of development agreements in accordance with the Development Agreement Statute;

WHEREAS, the Developer of the site desires to carry out the development for the Davis Innovation and Sustainability Campus 2022 ("Project" or "DiSC 2022") of the approximately 102-acre property located at the northeast corner of Mace Boulevard and County Road 32 (APN 033-630-009) as described in the Development Agreement (the "Property") consistent with the General Plan, as amended, and the Development Agreement (the "Development Agreement"), and the vested entitlements referenced therein;

WHEREAS, the City Council of Davis adopted project entitlements for DiSC 2022, including the General Plan Amendment with Baseline Project Features, Rezoning and Preliminary Planned Development;

WHEREAS, the City Council certified the Subsequent Environmental Impact Report ("Subsequent EIR") (SCH. # 2014112012) and the Mitigation Monitoring and Reporting Program adopted therewith for the Aggie Research Campus ("ARC") on July 7, 2020 and adopted an Addendum to the ARC Subsequent EIR for DiSC 2022 on February 1, 2022;

WHEREAS, the Development Agreement will assure both the City and the Developer that the Project can proceed without disruption caused by a change in City planning and development policies and requirements, which assurance will thereby reduce the actual or perceived risk of planning, financing and proceeding with construction of the Project and promote the achievement of the private and public objectives of the Project;

WHEREAS, the Planning Commission held a duly noticed public hearing on January 12, 2022,

on the Project entitlements, including the Development Agreement, during which public hearing the Planning Commission received comments from the Developer, City staff, and members of the general public and made a recommendation to the City Council on the Project entitlements; and

WHEREAS, the City Council held a duly noticed public hearing on February ~~1~~¹, 2022 on the Project entitlements, including the Development Agreement, during which public hearing the City Council received comments from the Developer, City staff, and members of the general public.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1.

This Ordinance incorporates, and by this reference makes a part hereof, the Development Agreement attached hereto as Exhibit A, subject to the provisions of Section 5 hereof.

SECTION 2.

This Ordinance is adopted under the authority of Government Code Section 65864 et seq., and pursuant to “Development Agreement Regulations”.

SECTION 3.

In accordance with the Development Agreement Regulations, the City Council hereby finds and determines, as follows:

- A. The Development Agreement is consistent with the objectives, policies, general land uses and programs specified in the General Plan, in that it establishes certain development rights, obligations and conditions for the implementation of the Davis Innovation and Sustainability Campus 2022 Project;
- B. The Development Agreement is compatible with the uses authorized therein, and the regulations prescribed for, the ~~general plan~~General Plan designations which will apply to the Property;
- C. The Development Agreement is in conformity with public convenience, general welfare and good land use practice;
- D. The Development Agreement will not be detrimental to the public health, safety and general welfare;
- E. The Development Agreement will not adversely affect the orderly development of the Property or the preservation of property values; and

- F. The Development Agreement is consistent with the provisions of Government Code Sections 65864 through 65869.5.

SECTION 4.

The foregoing findings and determinations are based upon the following:

- A. The Recitals set forth in this Ordinance, which are deemed true and correct;
- B. The City's General Plan, as amended.
- C. Resolution No. 22- adopted by the City Council on February 1, 2022 ~~certifying~~adopting the Addendum to the Aggie Research Campus SEIR (SCH. #2014112012) and Mitigation Monitoring and Reporting Program, which Resolution and exhibits are incorporated herein by reference as if set forth in full;
- D. The City's General Plan, as amended by the General Plan Amendment adopted by the City Council by Resolution No. 22- prior to adoption of this Ordinance;
- E. All City staff reports (and all other public reports and documents) prepared for the Planning Commission and City Council, relating to the Development Agreement and other actions and entitlements relating to the Property, including all attachments hereto;
- F. All documentary and oral evidence received at public hearings or submitted to the City during the comment period relating to the Amendment to the Development Agreement, and other actions relating to the Property; and
- G. All other matters of common knowledge to the Planning Commission and City Council, including, but not limited to the City's fiscal and financial status; City policies and regulations; reports, projections and correspondence related to development within and surrounding the City; State laws and regulations and publications.

SECTION 5.

The City Council hereby approves the Development Agreement, attached hereto as Exhibit A, subject to the provisions of Section 6 hereof, and subject further to such minor, conforming and clarifying changes consistent with the terms thereof as may be approved by the City Manager, in consultation with the City Attorney prior to execution thereof, including completion of references and status of planning approvals, and completion and conformity of all exhibits thereto, as approved by the City Council.

SECTION 6.

The approval contained in Section 5 hereof is subject to and conditioned upon Resolution No. 22- , adopted by the City Council approving the General Plan amendment, becoming effective, including approval of the General Plan Amendment by the voters, as required by Chapter 41 of the Municipal Code, the "Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance."

SECTION 7.

Upon the effective date of this Ordinance, the Mayor and City Clerk are hereby authorized and directed to execute the Development Agreement on behalf of the City of Davis

SECTION 8.

The City Manager is hereby authorized and directed to perform all acts authorized to be performed by the City Manager in the administration of the Development Agreement pursuant to the terms of the Development Agreement.

SECTION 9.

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

SECTION 10.

This Ordinance shall be in full force and effect thirty (30) days after its passage and adoption; provided, however, that if the General Plan Amendment is approved at a later date, then the effective date of this Ordinance shall be the date on which the General Plan Amendment becomes effective.

INTRODUCED on the 1st day of February, 2022, and PASSED AND ADOPTED at a regular meeting of the City Council of the City of Davis this day of February, 2022 by the following vote:

AYES:

NOES:

Gloria J. Partida
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

AGREEMENT BY AND BETWEEN
THE CITY OF DAVIS, RAMCO ENTERPRISES, INC AND BUZZ OATES
Relating to the Development of the Property Commonly Known as the
Davis Innovation and Sustainability Campus Project 2022 (“DiSC 2022”)

THIS DEVELOPMENT AGREEMENT (“Agreement”) is entered into this day of February 2022, by and between the CITY OF DAVIS, a municipal corporation (herein the "City"), RAMCO ENTERPRISES, INC, a California Corporation, and BUZZ OATES, a California Corporation (individually “Landowner” and collectively “Landowners” and “Developer”). This Agreement is made pursuant to the authority of Section 65864 *et seq.* of the Government Code of the State of California. This agreement refers to the City and the Developer collectively as the “Parties” and singularly as the “Party.”

RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864, *et seq.* of the *Government Code* which authorizes any city, county or city and county to enter into a development agreement with an applicant for a development project, establishing certain development rights in the property which is the subject of the development project application.

B. The Landowners own in fee certain real property described in Exhibit A attached hereto and incorporated herein by this reference and located in unincorporated Yolo County (herein the "Property") which the Developer seeks to annex into the City of Davis and develop as the Project (the “Project”). The Project, as proposed, would be an innovation center and includes

development of: 550,000 square feet of office/R&D/laboratory space, 550,000 square feet of advanced manufacturing, up to 460 residential units, up to 80,000 square feet of support retail, and up to 160,000 square feet for a hotel and conference center. Hotel, conference center, and support retail square footage may flex among uses so long as the combined square footage does not exceed 240,000 square feet. Upon completion of the Project, the approximately 100.5-acre site would provide up to 1,340,000 square feet of commercial space, provide approximately 2,800 jobs, 23.2 acres of parks, greenways and agricultural transition area, and 1.5 miles of off-street biking and walking paths within the Project area. Developer has an equitable interest in the Property sufficient to be bound by this Development Agreement.

C. This Agreement is voluntarily entered into by Landowners in order to implement the General Plan and in consideration of the rights conferred and the procedures specified herein for the development of the Property. This Agreement is voluntarily entered into by the City in the exercise of its legislative discretion in order to implement the General Plan and in consideration of the agreements and undertakings of the Developer hereunder.

D. City has granted the Developer the following land use entitlement approvals for the Project (hereinafter “Project Approvals”) which are incorporated and made a part of this Agreement:

- (1) General Plan Amendment from Agriculture to Innovation Center # [REDACTED]
- (2) Rezoning and Preliminary Planned Development # [REDACTED]
- (3) Development Agreement # [REDACTED] by and between the City of Davis and Developer.

City has also determined the Project to have complied with the California Environmental Quality Act (“CEQA”) as it has certified the Project’s Environmental Impact Report (SCH. # 2014112012), approved by Resolution No. 17-125, certified the Subsequent Environmental Impact Report, approved by Resolution No. 20-109, ~~accepted~~adopted the Addendum to the SEIR, approved by Resolution No. 22-[REDACTED], and adopted the Mitigation Monitoring and Reporting Program combining relevant measures from all three documents.

E. This Agreement will eliminate uncertainty in planning for and securing orderly development of the Project, provide the certainty necessary for the Developer to make significant investments in public infrastructure and other improvements, assure the timely and progressive installation of necessary improvements and public services, establish the orderly and measured build-out of the Project consistent with the desires of the City to support the research occurring at the University of California, Davis, attract, grow and retain local businesses, and provide significant public benefits to the City that the City would not be entitled to receive without this Agreement.

F. In exchange for the benefits to the City, the Developer desires to receive the

assurance that it may proceed with the Project in accordance with the existing land use ordinances, subject to the terms and conditions contained in this Agreement and to secure the benefits afforded the Developer by *Government Code* §65864.

AGREEMENT

IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES OF THE PARTIES, THE CITY AND THE DEVELOPER HEREBY AGREE AS FOLLOWS:

ARTICLE 1. General Provisions.

A. [Sec. 100] Property Description and Binding Covenants. The Property is that property described in Exhibit A, which consists of a map showing its location and boundaries and a legal description. Developer represents that it has a legal or equitable interest in the Property and that all other persons holding legal or equitable interests in the Property (excepting owners or claimants in easements) agree to be bound by this Agreement. The Parties intend and determine that the provisions of this Agreement shall constitute covenants which shall run with said Property, and the burdens and benefits hereof shall bind all successors in interest to the Parties hereto.

B. [Sec. 101] Effective Date and Term. The effective date of this Agreement shall be the date the Ordinance adopting this Agreement is effective. Because the entitlements conferred upon Property are subject to a vote of the electorate pursuant to Chapter 41 of the Davis Municipal Code, the effective date shall be the date upon which the results of the election are certified and the Project is approved by the voters; said certification effectuates the Ordinance adopting the Agreement. The term of this Agreement (the "Term") shall commence upon the effective date and shall extend for a period of thirty (30) years thereafter, unless said Term is terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the Parties, subject to the provisions of Section 105 hereof. Following the expiration of said Term, this Agreement shall be deemed terminated and of no further force and effect, subject, however, to the provisions of Section 407 hereof.

If this Agreement is terminated by the City Council prior to the end of the Term, the City shall cause a written notice of termination to be recorded with the County Recorder within ten (10) days of final action by the City Council.

This Agreement shall be deemed terminated and of no further effect upon entry, after all appeals have been exhausted, of a final judgment or issuance of a final order directing the City to set aside, withdraw or abrogate the City Council's approval of this Agreement or any material part of the Project Approvals.

C. [Sec. 102] Equitable Servitudes and Covenants Running with the Land. Any successors in interest to the City and the Developer shall be subject to the provisions set forth in *Government Code* §§ 65865.4 and 65868.5. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do, or refrain from doing, some act with regard to the development of the Property: (a) is for the benefit of and is a burden upon the Property; (b) runs with the Property and each portion thereof; and (c)

is binding upon each Party and each successor in interest during ownership of the Property or any portion thereof, but a successor in interest shall be obligated and bound only with respect to the specific obligations assigned or transferred to it, as set forth in Section D.3 [Sec.103], below. Nothing herein shall waive or limit the provisions of Section D, and no successor owner of the Property, any portion of it, or any interest in it shall have any rights except those assigned to the successor by Developer in writing pursuant to Section D. In any event, no owner or tenant of an individual completed residential unit within Project shall have any rights under this Agreement and this Agreement may be amended without the agreement or consent of such homeowner or tenant.

D. [Sec. 103] Right to Assign; Non-Severable Obligations.

1. Assignment to Affiliates. The Landowners shall have the right to sell, encumber, convey, assign or otherwise transfer (collectively "assign"), in whole or in part, its respective rights, interests and obligations under this Agreement to an affiliate of the respective Landowner ("Affiliate") without the prior express written consent of the City. An assignment to an Affiliate shall not be effective until (i) Affiliate acquires the affected interest of Landowner under this Agreement and (ii) Landowner delivers to City a copy of the Assumption Agreement pursuant to Section D.4, below, by which Affiliate assumes the applicable rights, duties and obligations of Landowner under this Agreement.

2. Assignment to Non-Affiliates. The Developer shall have the right to assign, in whole or in part, its rights, interests and obligations under this Agreement to a third party which is not an Affiliate of Developer during the term of this Agreement only with the written approval of the City Manager. Approval shall not be unreasonably withheld, conditioned, or delayed provided:

- (a) The assignee (or the guarantor(s) of the assignee's performance) has the financial ability to meet the obligations proposed to be assigned and to undertake and complete the obligations of this Agreement affected by the assignment; and
- (b) The proposed assignee has adequate experience with developments of comparable scope and complexity to the portion of the Project that is the subject of the assignment.

Any request for City approval of an assignment shall be in writing and accompanied by a copy of the Assumption Agreement required by Section D.4 [Sec. 103], below. Such request shall also include certified financial statements of the proposed assignee and any additional information concerning the identity, financial condition and experience of the assignee as the City may reasonably request; provided that, any such request for additional information shall be made, if at all, not more than fifteen (15) business days after the City's receipt of the request for approval of the proposed assignment. All detailed financial information submitted to the City shall constitute confidential trade secret information if the information is maintained as a trade secret by the assignee and if such information is not available through other sources. The assignee shall mark any material claimed as trade secret at the time it is submitted to the City. If City receives a public

records request for any information designated a “trade secret” City shall notify the assignee of such request prior to releasing the material in question to the requesting party. If the assignee directs the City not to release the material in question, the assignee shall indemnify the City for any costs incurred by City, including but not limited to staff time and attorney’s fees, as a result of any action brought by the requesting party to obtain release of the information and/or to defend any lawsuit brought to obtain such information. If the City wishes to disapprove any proposed assignment, the City shall set forth in writing and in reasonable detail the grounds for such disapproval. The City may disapprove a request for assignment or ask for revisions to the Assumption Agreement if necessary to ensure the performance of the obligations described in this Agreement. The City shall act on a request for a proposed assignment by approving or disapproving such request within 30 days of receipt of such request.

3. Effect of Assignment. An assignee shall become a Party to this Agreement only with respect to the interest transferred to it pursuant to the assignment, and only to the extent set forth in the Assumption Agreement delivered to the City pursuant to Section D.1 or approved by the City pursuant to Section D.2, above. Upon an assignment, Developer shall only be released from the obligations and liabilities under this Agreement that are specifically assumed by the assignee via an Assumption Agreement with respect to the portion of the Property transferred, provided that Developer has provided the City with all information required pursuant to Sections D.1 and D.2, above, and, in the case of a non-Affiliate, the City has approved the assignment. Any obligations and liabilities of Developers under this Agreement, including, but not limited to, the Specific Development Obligations set forth in Article II, Section B [Sec. 201] of this Agreement, that are not expressly assumed by an assignee in an Assignment Agreement shall remain the responsibility of the Developer following assignment.

4. Assumption Agreement. In order for an assignment to be effective under this Agreement, Developer must provide to City, as specified in Sections D.1 and D.2 above, an executed and acknowledged assumption agreement (Assumption Agreement) in a form acceptable to the City. The Assumption Agreement shall include provisions regarding (i) the interest or portions of interest in one or more parcels associated with the Project proposed to be assigned by Developer (ii) the obligations of Developer under this Agreement that the assignee will assume, and (iii) the proposed assignee’s acknowledgement that such assignee has reviewed and agrees to be bound by all applicable provisions of this Agreement and all applicable City entitlements and approvals. The Assumption Agreement shall also include the name, form of entity and address of the proposed assignee. After being approved by the City, if required, the Assumption Agreement shall be recorded in the Official Records of the County of Yolo concurrently with the transfer of the affected interest of Developer under this Agreement, and a copy thereof shall be delivered to the City within three (3) days after consummation of the assignment.

5. Notwithstanding subsection 2 above, mortgages, deeds of trust, sales and lease- backs or any other form of conveyance required for any reasonable method of financing are permitted without the City’s consent, but only for the purpose of securing loans of funds to be used for

financing the acquisition of the Property, the development and construction of improvements on the Property and other necessary and related expenses. The holder of any mortgage, deed of trust or other security arrangement with respect to the Property (“Mortgagee”), or any portion thereof, shall not be considered an assignee of Developer under this Agreement unless said Mortgagee (i) acquires the affected interest of Developer encumbered by Mortgagee’s mortgage, deed of trust or other security arrangement, and (ii) delivers to City an Assumption Agreement assuming, from and after the date such Mortgagee acquires its interest, the applicable rights, duties and obligations of Developer under this Agreement.

6. Nothing in this Section shall be deemed to constitute or require City consent to the approval of any further subdivision or parcelization of the Property, in addition to the Parcel Map(s) identified in Recital D. The Parties recognize and acknowledge that any such actions must comply with applicable City laws and regulations and be consistent with the General Plan, the Project Approvals and this Agreement. Nothing in this Section shall be deemed to constitute or require City consent to an assignment that consists solely of a reorganization of the Developer’s business structure, such as (i) any sale, pledge, assignment or other transfer of all or a portion of the Project Site to an entity directly controlled by Developer or its affiliates and (ii) any change in Developer entity form, such as a transfer from a corporation to a limited liability company or partnership, that does not affect or change beneficial ownership of the Project Site; provided, however, in such event, Developer shall provide to City written notice, together with such backup materials or information reasonably requested by City, within thirty (30) days following the date of such reorganization or City’s request for backup information, as applicable.

E. [Sec. 104] Notices. Formal written notices, demands, correspondence and communications between the City and the Developer shall be sufficiently given if dispatched by certified mail, postage prepaid, to the principal offices of the City and the Developer, as set forth in Article 8 hereof. Such written notices, demands, correspondence and communications may be directed in the same manner to such other persons and addresses as either Party may from time to time designate. The Developer shall give written notice to the City, at least thirty (30) days prior to the close of escrow, of any sale or transfer of any portion of the Property and any assignment of this Agreement, specifying the name or names of the transferee, the transferee's mailing address, the amount and location of the land sold or transferred, and the name and address of a single person or entity to whom any notice relating to this Agreement shall be given, and any other information reasonably necessary for the City to consider approval of an assignment or any other action City is required to take under this Agreement.

F. [Sec. 105] Amendment of Agreement. This Agreement may be amended from time to time by mutual consent of the Parties, in accordance with the provisions of *Government Code* Sections 65867 and 65868.

G. [Sec. 106] Major Amendments and Minor Amendments.

1. Major Amendments. Any amendment to this Development Agreement which substantially affects or relates to (a) the term of this Development Agreement; (b) permitted uses of the Property; (c) provisions for the reservation or dedication of land; (d) conditions, terms, restrictions or requirements for subsequent discretionary actions; (e) the density or intensity of use of the Property or the maximum height or maximum gross square footage; or (f) monetary contributions by Developer, shall be deemed a “Major Amendment” and shall require giving of notice and a public hearing before the Planning Commission and City Council. Any amendment which is not a Major Amendment shall be deemed a Minor Amendment subject to Section 106(2) below. The City Manager or his or her delagee shall have the authority to determine if an amendment is a Major Amendment subject to this Section 106(1) or a Minor Amendment subject to Section 106(2) below. The City Manager’s determination may be appealed to the City Council.

2. Minor Amendments. The Parties acknowledge that refinement and further implementation of the Project may demonstrate that certain minor changes may be appropriate with respect to the details and performance of the Parties under this Agreement. The Parties desire to retain a certain degree of flexibility with respect to the details of the Project and with respect to those items covered in the general terms of this Agreement. If and when the Parties find that clarifications, minor changes, or minor adjustments are necessary or appropriate and do not constitute a Major Amendment under Section 106(1), they shall effectuate such clarifications, minor changes or minor adjustments through a written Minor Amendment approved in writing by the Developer and City Manager. Unless otherwise required by law, no such Minor Amendment shall require prior notice or hearing, nor shall it constitute an amendment to this Agreement.

ARTICLE 2. Development of the Property.

A. [Sec. 200] Permitted Uses and Development Standards. In accordance with and subject to the terms and conditions of this Agreement, the Developer shall have a vested right to develop the Property for the uses and in accordance with and subject to the terms and conditions of this Agreement and the Project Approvals attached hereto as Exhibit C and incorporated hereinby reference, and any amendments to the Project Approvals or Agreement as may, from time to time, be approved pursuant to this Agreement.

The Developer hereby agrees that development of the Project shall be in accordance with the Project Approvals, including the conditions of approval and the mitigation measures for the Project as adopted by the City, and any amendments to the Project Approvals or Agreement as

may, from time to time, be approved pursuant to this Agreement. Nothing in this section shall be construed to restrict the ability to make minor changes and adjustments in accordance with Section 106, *supra*. Nothing in this Agreement shall require Developer or Landowner to construct the Project or to pay fees for any portion of the Project that Developer or Landowner does not construct.

B. [Sec. 201] Specific Development Obligations. In addition to the conditions of approval contained in the Project Approvals, the Developer and the City have agreed that the development of the Property by the Developer is subject to certain specific development obligations, described herein and/or described and attached hereto as Exhibits E through L and incorporated herein by reference. These specific development obligations, together with the other terms and conditions of this Agreement, provide the incentive and consideration for the City entering into this Agreement. Whenever the phrase “Developer commits,” “Developer has committed,” “Developer agrees,” or equivalent is used in Exhibits E through L, it shall be interpreted to indicate a binding obligation with the same legal meaning as “Developer shall.”

(1) Affordable Housing. The Developer shall comply with the affordable housing requirements as set forth in Exhibit E which shall demonstrate compliance with the current City Ordinance which is incorporated herein and vests for the duration of this Agreement. Affordable housing units shall be property tax exempt to the greatest extent permitted under applicable State and Federal law (Assembly Bill 1193, 2017.).

(2) Environmental Sustainability. The City and the Developer have agreed that climate change and environmental sustainability are critical issues for new developments. Developer shall comply with the Environmental Sustainability commitments set forth in Exhibit F.

(3) Transit, Transportation and Circulation. The Developer shall comply with and implement the measures identified in Exhibit G including but not limited to the obligation to create and implement a Transportation Demand Management plan which shall track and report performance to the City.

(4) Habitat and Agricultural Conservation. The Developer shall comply with the requirements as set forth in Exhibit H to preserve and enhance a diversity of native habitats and local agriculture in a manner consistent with the City’s current Right to Farm Ordinance.

(5) Recreation and Wellness. The Developer shall comply with and implement the measures identified in Exhibit I to foster recreation and provide for the health and wellbeing of the community.

(6) Urban Forest and Landscape. The Developer shall comply with the requirements as set forth in Exhibit J to expand upon the urban forest, ensure the health and success of the onsite tree canopy, and to foster the use of native and drought tolerant species.

(7) Reimbursement for Property Taxes. Prior to issuance of building permit, Developer shall devise and implement a mechanism through which the City, Yolo County, and Davis Joint Unified School District will be assured compensation equivalent to their respective share of otherwise-required property taxes in the event that the Property is acquired or leased in whole or in part by an entity exempt from payment of property taxes. The mechanism for providing such assurance may be in the form of a covenant running with the land, establishment of an assessment district, or another approach subject to review and approval of the City Attorney.

C. [Sec. 202] Subsequent Discretionary Approvals. The Developers' vested right to develop pursuant to this Agreement may be subject to subsequent discretionary approvals for portions of the Project. In reviewing and acting upon these subsequent discretionary approvals, and except as set forth in this Agreement, the City shall not impose any conditions that preclude the development of the Project for the uses or the density and intensity of use set forth in this Agreement. Any subsequent discretionary approvals, except conditional use permits, shall become part of the Project Approvals once approved and after all appeal periods have expired or, if an appeal is filed, if the appeal is decided in favor of the approval. The known subsequent approvals are set forth in Exhibit D, attached hereto and incorporated herein.

D. [Sec. 203] Development Timing. The Developer shall be obligated to comply with the terms and conditions of the Project Approvals and this Development Agreement at those times specified in either the Project Approvals or this Development Agreement. The parties acknowledge that the Developer cannot at this time predict with certainty when or the rate at which the Property would be developed. Such decisions depend upon numerous factors which are not all within the control of the Developer, such as market conditions and demand, interest rates, competition and other factors. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development controlling the parties' agreement, it is the intent of City and the Developer to hereby acknowledge and provide for the right of the Developer to develop the Project in such order and at such rate and times as the Developer deems appropriate within the exercise of its sole and subjective business judgment, subject to the terms, requirements and conditions of the Project Approvals and this Development Agreement. City acknowledges that such a right is consistent with the intent, purpose and understanding of the parties to this Development Agreement, and that without such a right, the Developer's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Statute, (*Government Code § 65864 et seq.*), City Council Resolution 1986-77 and this Development Agreement. The Developer will use its best efforts, in accordance with their business judgment and taking into consideration market conditions and other economic factors influencing the Developer's business decision, to commence or to continue development, and to develop the Project in a regular, progressive and timely manner in accordance with the provisions and conditions of this Development Agreement and with the Project Approvals.

Subject to applicable law relating to the vesting provisions of development agreements, Developer and City intend that except as otherwise provided herein, this Agreement shall, upon its effectuation, vest the Project Approvals against subsequent City resolutions, ordinances, growth control measures and initiatives or referenda, other than a referendum that specifically overturns City's approval of the Project Approvals, that would directly or indirectly limit the rate, timing or sequencing of development, or would prevent or conflict with the land use designations, permitted or conditionally permitted uses on the Property, design requirements, density and intensity of uses as set forth in the Project Approvals, and that any such resolution, ordinance, initiative or referendum shall not apply to the Project Approvals and the Project. Developer and City acknowledge, however, that the General Plan Amendment #___ will not take effect until such time as there is an affirmative vote of the electorate pursuant to Chapter 41 of the Davis Municipal Code, the Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance. Notwithstanding any other provision of this Agreement, Developer shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted and applied on a uniform, city-wide basis and directly concerns an imminent public health or safety issue. In such case, City shall apply such ordinance, resolution, rule, regulation or policy uniformly, equitably and proportionately to Developer and the Property and to all other public or private owners and properties directly affected thereby.

E. [Sec. 204] Property Acquisition for Off-site Infrastructure. Developer shall, in a timely manner as determined by City and consistent with the requirements of the Project and the conditions of approval, acquire the property rights necessary to construct or otherwise provide the public improvements contemplated by this Agreement and the Project Approvals. In any instance where Developer is required to construct any public improvement, including but not limited to bike lanes, water or sewer infrastructure, to which neither Developer nor City has sufficient title or interest, including an easement or license determined necessary by the City, Developer shall at its sole cost and expense provide or cause to be provided, the real property interests necessary for the construction of such public improvements. In the event Developer is unable, after exercising all reasonable efforts as determined by the City, to acquire the real property interests necessary for the construction of such improvements by the time any final map is filed, and upon the Developer's provision of adequate security for costs the City may reasonably incur, City shall negotiate the purchase of the necessary real property interests to allow Developer to construct the public improvements as required by this Agreement and, if necessary, in accordance with the procedures established by law, use its power of eminent domain to acquire such required real property interests. For the purposes of this Section, "reasonable efforts" shall include proof that the Developer made a written offer to purchase the property interest at fair market value. The Developer shall pay all costs associated with such acquisition or condemnation proceedings including but not limited to attorneys' fees, expert witness fees, and jury awards of any kind. If and to the extent this section 204 conflicts with Section 66462.5 of the Subdivision Map Act, this section will control. Upon acquisition of the necessary interest in land, or upon obtaining a right of entry, either by agreement or court order, the Developer shall commence and complete the

public improvements. This requirement shall be included, and, if necessary, detailed, in any subdivision improvement agreement entered into between the Developer and the City.

F. [Sec. 205]. Credits and/or Reimbursement for Dedication of Property or Construction of Infrastructure for "Oversizing". To the extent the Developer dedicates, funds or constructs public facilities that exceed the size or capacity required to serve the Property for the benefit of other properties or the City, the City shall enter into an agreement to reimburse the Developer, along with reasonable interest, to the extent of such benefit as determined by the City. The Developer may be reimbursed for oversizing: (1) under a separate agreement between the City and the Developer which will provide that if and when a particular property benefiting from the oversizing is developed, the City will require the benefiting property to reimburse the Developer its pro rata share of the costs of the oversizing, as set forth in the agreement. A written agreement under this provision shall have a term of no longer than twenty-five (25) years; or (2) as credits against impact fees that the Developer or the Project would otherwise be required to pay for the type of infrastructure (e.g., sewers, roads) or payments from impact fees paid by other properties developed in the City for the type of infrastructure. If the mitigation fees paid by other persons or entities, or the credit available from the impact fees to be paid by the Developer in the particular category of infrastructure, are insufficient to repay the Developer in full for the cost of oversizing, the Developer shall have no recourse against the City. Similarly, if the benefiting property fails to reimburse the Developer for oversizing, the Developer shall have no recourse against the City; however, the Developer will retain all its rights against the benefiting property and its owners, if any. In no case shall the City reimburse the Developer from general funds of the City. Whenever in this Agreement or in future reimbursement agreements, the City is making reimbursements to the Developer and the reimbursements shall be made on a quarterly basis.

G. [Sec. 206] Rules, Regulations and Official Policies.

1. For the term of this Agreement, the rules, regulations, ordinances and official policies governing the permitted uses of land, the density and intensity of use, design, improvement and construction standards and specifications applicable to the development of the Property, including the maximum height and size of proposed buildings, shall be those rules, regulations and official policies in force on the effective date of the ordinance enacted by the City Council approving this Agreement. Except as otherwise provided in this Agreement, to the extent any future changes in the General Plan, zoning codes or any future rules, ordinances, regulations or policies adopted by the City purport to be applicable to the Property but are inconsistent with the terms and conditions of this Agreement, the terms of this Agreement shall prevail, unless the Parties mutually agree to amend or modify this Agreement pursuant to Section 105 hereof. To the extent that any future changes in the General Plan, zoning codes or any future rules, ordinances, regulations or policies adopted by the City are applicable to the Property and are not inconsistent with the terms and conditions of this Agreement or are otherwise made applicable by other provisions of this Article 2, such future changes in the General Plan, zoning codes or such future rules, ordinances, regulations or policies shall be applicable to the Property.

(a) This section shall not preclude the application to development of the Property of changes in City laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in state or federal laws or regulations. In the event state or federal laws or regulations enacted after the date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the City, this Agreement shall be modified, extended or suspended as may be necessary to comply with such state or federal laws or regulations or the regulations of such other governmental jurisdiction.

To the extent that any actions of federal or state agencies (or actions of regional and local agencies, including the City, required by federal or state agencies) have the effect of preventing, delaying or modifying development of the Property, the City shall not in any manner be liable for any such prevention, delay or modification of said development. The Developer is required, at its cost and without cost to or obligation on the part of the City, to participate in such regional or local programs and to be subject to such development restrictions as may be necessary or appropriate by reason of such actions of federal or state agencies (or such actions of regional and local agencies, including the City, required by federal or state agencies).

(b) Nothing herein shall be construed to limit the authority of the City to adopt and apply codes, ordinances and regulations which have the legal effect of protecting persons or property from conditions which create a health, safety or physical risk.

2. All project construction, improvement plans and final maps for the Project shall comply with the pertinent rules, regulations and design guidelines in effect at the time the construction, improvements plan or final map is approved. Unless otherwise expressly provided in this Agreement, all city ordinances, resolutions, rules regulations and official policies governing the design and improvement and all construction standards and specifications applicable to the Project shall be those in force and effect at the time the applicable permit is granted. Ordinances, resolutions, rules, regulations and official policies governing the design, improvement and construction standards and specifications applicable to public improvements to be constructed by Developer shall be those in force and effect at the time the applicable permit approval for the construction of such improvements is granted. If no permit is required for the public improvements, the date of permit approval shall be the date the improvement plans are approved by the City or the date construction for the public improvements is commenced, whichever occurs first.

3. Uniform Codes Applicable. This Project shall be constructed in accordance with the provisions of the California Building Code, city standard construction specifications and details and Title 24 of the California *Code of Regulations*, relating to Building Standards, in effect at the time of submittal of the appropriate building, grading, encroachment or other construction permits for the Project. If no permits are required for the infrastructure improvements, such improvements will be

constructed in accordance with the provisions of the codes delineated herein in effect at the start of construction of such infrastructure.

4. The Parties intend that the provisions of this Agreement shall govern and control as to the procedures and the terms and conditions applicable to the development of the Property over any contrary or inconsistent provisions contained in Section 66498.1 *et seq.* of the *Government Code* or any other state law now or hereafter enacted purporting to grant or vest development rights based on land use entitlements (herein “Other Vesting Statute”). In furtherance of this intent, and as a material inducement to the City to enter into this Agreement, the Developer agrees that:

- (a) Notwithstanding any provisions to the contrary in any Other Vesting Statute, this Agreement and the conditions and requirements of land use entitlements for the Property obtained while this Agreement is in effect shall govern and control the Developer’s rights to develop the Property;
- (b) The Developer waives, for itself and its successors and assigns, the benefit of any Other Vesting Statute insofar as they may be inconsistent or in conflict with the terms and conditions of this Agreement and land use entitlements for the Property obtained while this Agreement is in effect; and
- (c) The Developer will not make application for a land use entitlement under any Other Vesting Statute insofar as said application or the granting of the land use entitlement pursuant to said application would be inconsistent or in conflict with the terms and conditions of this Agreement and prior land use entitlements obtained while this Agreement is in effect.

5. This section shall not be construed to limit the authority or obligation of the City to hold necessary public hearings, to limit discretion of the City or any of its officers or officials with regard to rules, regulations, ordinances, laws and entitlements of use which require the exercise of discretion by the City or any of its officers or officials, provided that subsequent discretionary actions shall not conflict with the terms and conditions of this Agreement.

H. [Sec. 207]. Fees, Exactions, Conditions and Dedications.

1. Except as provided herein, the Developer shall be obligated to pay only those fees, in the amounts and/or with increases as set forth below, and make those dedications and improvements prescribed in the Project Approvals and this Agreement and any Subsequent Approvals. Unless otherwise specified herein, City-imposed development impact fees and sewer and water connection fees shall be due and payable by the Developer prior to the issuance of a certificate of occupancy for the building in question. Certain impact fees and credits applicable to development of the Project shall be as set forth in Exhibit K, and paid in the manner specified.

2. Except as otherwise provided in this Agreement, as to the fees required to be paid, the Developer shall pay the amount in effect at the time the payment is made. The City retains discretion to revise such fees as the City deems appropriate, in accordance with applicable law. If the City revises such fees on a city-wide basis (as opposed to revising such fees on an *ad hoc* basis that applies solely to the Project), then the Developer shall thereafter pay the revised fee. The Developer may, at its sole discretion, participate in any hearings or proceedings regarding the adjustment of such fees. Nothing in this Agreement shall constitute a waiver by the Developer of its right to challenge such changes in fees in accordance with applicable law provided that the Developer hereby waives its right to challenge the increased fees solely on the basis of any vested rights that are granted under this Agreement and any tentative maps approved pursuant to this Agreement.

3. The City may charge and the Developer shall pay processing fees for land use approvals, building permits, and other similar permits and entitlements which are in force and effect on a citywide basis at the time the application is submitted for those permits, as permitted pursuant to California *Government Code* § 54990 or its successor sections(s).

4. Except as specifically permitted by this Agreement or mandated by state or federal law, the City shall not impose any additional capital facilities or development impact fees or charges or require any additional dedications or improvements through the exercise of the police power, with the following exception:

(a) The City may impose reasonable additional fees, charges, dedication requirements or improvement requirements as conditions of the City's approval of an amendment to the Project Approvals or this Agreement, which amendment is either requested by the Developer or agreed to by the Developer; and

(b) The City may apply subsequently adopted development exactions to the Project if the exaction is applied uniformly to development either throughout the city or with a defined area of benefit that includes the Property if the subsequently adopted development exaction does not physically prevent development of the Property for the uses and to the density and intensity of development set forth in this Agreement. In the event that the subsequently adopted development exaction fulfills the same purpose as an exaction or development impact fee required by this Agreement or by the Project Approvals, the Developer shall receive a credit against the subsequently adopted development exaction for fees already paid that fulfill the same purpose.

5. Compliance with *Government Code* § 66006. As required by *Government Code* § 65865(e) for development agreements adopted after January 1, 2004, the City shall comply with the requirements of *Government Code* § 66006 pertaining to the payment of fees for the development of the Property.

6. Wastewater Treatment Capacity. The City and the Developer agree that there is capacity in the wastewater treatment facility to serve (1) existing residents and businesses that are already hooked up to the facility, (2) anticipated residents and businesses through build-out of the City's existing General Plan, and (3) the Project. The City and the Developer acknowledge and agree that reserving this capacity for the Project, such that sewer hookups shall be available at such time as they are needed as the Project builds out, is a material element of the consideration provided by the City to the Developer in exchange for the benefits provided to the City under this Agreement. The Parties recognize the availability of sufficient sewer capacity may be affected by regulatory or operational constraints that are not within the City's discretion. To the extent the availability of sewer capacity is within the City's discretion (e.g., whether to extend sewer service to areas *not* currently within the City's service area), the City shall not approve providing such capacity to areas currently outside the City's service area if this approval would prevent or delay the ability of the City to provide sewer hookups to the Project as the Project requires hook-ups or connections. This provision shall not affect the City's ability to provide sewer service within its service boundaries or within the existing City boundaries as they exist on the effective date of this Agreement, and as to such connections, the Parties requesting sewer service shall be connected on a first come first served basis. The Developer shall pay the applicable connection charge pursuant to that specified in Exhibit K of this Agreement at the time of building permit issuance. The Developer acknowledges that connection charge may increase substantially over time and that the cost to comply with the City's new NPDES permit, as they may be approved from time to time during the term of this Agreement, may be substantial.

I. [Sec. 208] Completion of Improvements. City generally requires that all improvements necessary to service new development be completed prior to issuance of building permits (except model home permits as provided by the Municipal Code). However, given the size of the Project and anticipated duration of development, the parties hereto acknowledge that some of the backbone or in-tract improvements associated with development of the Property may not need to be completed to adequately service portions of the Property as such development occurs. Therefore, as and when portions of the Property are developed, all backbone or in-tract infrastructure improvements required to service such portion of the Property in accordance with the Project Approvals (e.g., pursuant to specific tentative map conditions or other land use approvals) shall be completed prior to issuance of any building permits within such portion of the Property. Provided, however, the Public Works Director may approve the issuance of building permits prior to completion of all such backbone or in-tract improvements if the improvements necessary to provide adequate service to the portion of the Property being developed are substantially complete to the satisfaction of the Public Works Director, or in certain cases at the discretion of the City, adequate security has been provided to assure the completion of the improvements in question.

ARTICLE 3. Obligations of the Developer.

A. [Sec. 300] Improvements. Developer shall develop the Property in accordance with and subject to the terms and conditions of this Agreement, Project Approvals and the subsequent discretionary approvals referred to in Section 202, if any, and any amendments to the Project Approvals or this Agreement as, from time to time, may be approved pursuant to this Agreement. The failure of Developer to comply with any term or condition of or fulfill any obligation of the Developer under this Agreement, the Project Approvals or the subsequent discretionary approvals or any amendments to the Project Approvals or this Agreement as may have been approved pursuant to this Agreement, shall constitute a default by the Developer under this Agreement. Any such default shall be subject to cure by the Developer as set forth in Article 4 hereof.

B. [Sec. 301] Developer's Obligations. Except as otherwise provided herein, the Developer shall be responsible, at its sole cost and expense, to make the contributions, improvements, dedications and conveyances set forth in this Agreement and the Project Approvals.

C. [Sec. 302] City's Good Faith in Processing. Subject to the reserved discretionary approvals set forth in Section 201 and the provisions of Section 207(3) hereof, the City agrees that it will accept, in good faith, for processing, review and action, all complete applications for zoning, special permits, development permits, tentative maps, subdivision maps or other entitlements for use of the Property in accordance with the General Plan and this Agreement.

The City shall inform the Developer, upon request, of the necessary submission requirements for each application for a permit or other entitlement for use in advance, and shall review said application and schedule the application for review by the appropriate authority.

ARTICLE 4. Default, Remedies, Termination.

A. [Sec. 400] General Provisions. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay by either Party to perform any term or provision of this Agreement shall constitute a default. In the event of default or breach of any terms or conditions of this Agreement, the Party alleging such default or breach shall give the other Party not less than thirty (30) days notice in writing specifying the nature of the alleged default and manner in which said default may be satisfactorily cured. During any such thirty (30) day period, the Party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

After notice and expiration of the thirty (30) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other Party to this Agreement may, at its option:

1. Terminate this Agreement, in which event neither Party shall have any further rights against or liability to the other with respect to this Agreement or the Property; or

2. Institute legal or equitable action to cure, correct or remedy any default, including but not limited to an action for specific performance of the terms of this Agreement;

In no event shall either Party be liable to the other for money damages for any default or breach of this Agreement.

B. [Sec. 401] Developer's Default; Enforcement. No building permit shall be issued or building permit application accepted for the building shell of any structure on the Property if the permit applicant owns or controls any property subject to this Agreement and if such applicant or any entity or person controlling such applicant is in default under the terms and conditions of this Agreement unless such default is cured or this Agreement is terminated.

C. [Sec. 402] Annual Review. The City Manager shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by the Developer with the terms and conditions of this Agreement. Such periodic review shall be limited in scope to compliance with the terms and conditions of this Agreement pursuant to California Government Code Section 65865.1.

The City Manager shall provide thirty (30) days prior written notice of such periodic review to the Developer. Such notice shall require the Developer to demonstrate good faith compliance with the terms and conditions of this Agreement and to provide such other information as may be reasonably requested by the City Manager and deemed by him or her to be required in order to ascertain compliance with this Agreement. Notice of such annual review shall include the statement that any review may result in amendment or termination of this Agreement. The costs of notice and related costs incurred by the City for the annual review conducted by the City pursuant to this Section shall be borne by the Developer.

If, following such review, City Manager is not satisfied that Developer has demonstrated good faith compliance with all the terms and conditions of this Agreement, or for any other reason, the City Manager may refer the matter along with his or her recommendations to the City Council.

Failure of the City to conduct an annual review shall not constitute a waiver by the City of its rights to otherwise enforce the provisions of this Agreement nor shall the Developer have or assert any defense to such enforcement by reason of any such failure to conduct an annual review.

D. [Sec. 403] Enforced Delay, Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, pandemics, acts of God, governmental entities, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation, moratoria or similar bases for excused performance. If written notice of such delay is given to the City within thirty (30) days of the commencement of such delay, an extension of time

for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

In the event litigation is initiated by any party other than Developer that challenges any of the approvals for the Project or the environmental document for those approvals and an injunction or temporary restraining order is not issued, Developer may elect to have the term of this Agreement tolled, i.e., suspended, during the pendency of said litigation, upon written notice to City from Developer. The tolling shall commence upon receipt by the City of written notice from Developer invoking this right to tolling. The tolling shall terminate upon the earliest date on which either a final order is issued upholding the challenged approvals or said litigation is dismissed with prejudice by all plaintiffs. In the event a court enjoins either the City or the Developer from taking actions with regard to the Project as a result of such litigation that would preclude any of them from enjoying the benefits bestowed by this Agreement, then the term of this Agreement shall be automatically tolled during the period of time such injunction or restraining order is in effect

E. [Sec. 404] Limitation of Legal Actions. In no event shall the City, or its officers, agents or employees, be liable in damages for any breach or violation of this Agreement, it being expressly understood and agreed that the Developer's sole legal remedy for a breach or violation of this Agreement by the City shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.

F. [Sec. 405] Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. The Developer acknowledges and agrees that the City has approved and entered into this Agreement in the sole exercise of its legislative discretion and that the standard of review of the validity or meaning of this Agreement shall be accorded legislative acts of the City. Should any legal action be brought by a Party for breach of this Agreement or to enforce any provision herein, the prevailing Party of such action shall be entitled to reasonable attorneys' fees, court costs and such other costs as may be fixed by the Court.

G. [Sec. 406] Invalidity of Agreement.

1. If this Agreement shall be determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment.

2. If any provision of this Agreement shall be determined by a court to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any law which becomes effective after the date of this Agreement and either Party in good faith determines that such provision is material to its entering into this Agreement, either Party may elect to terminate this Agreement as to all obligations then remaining unperformed in accordance with the procedures set forth in Section 400, subject, however, to the provisions of Section 407

hereof. If neither Party determines the provision to be material, that provision will be stricken and the remainder of the Agreement endure.

H. [Sec. 407] Effect of Termination on Developer Obligations. Termination of this Agreement shall not affect the Developer's obligations to comply with the General Plan and the terms and conditions of any and all Project Approvals and land use entitlements approved with respect to the Property, nor shall it affect any other covenants of the Developer specified in this Agreement to continue after the termination of this Agreement.

ARTICLE 5. Hold Harmless Agreement.

A. [Sec. 500] Hold Harmless Agreement. The Developer hereby agrees to and shall hold the City, its elective and appointive boards, commissions, officers, agents and employees harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for property damage, which may arise from the Developer's or the Developer's contractors, subcontractors, agents or employees operations under this Agreement, whether such operations be by the Developer, or by any of the Developer's contractors, subcontractors, or by any one or more persons directly or indirectly employed by or acting as agent for the Developer or any of the Developer's contractors or subcontractors.

In the event any claim, action, or proceeding is instituted against the City, and/or its officers, agents and employees, by any third party on account of the processing, approval, or implementation of the Project Approvals and/or this Agreement, Developer shall defend, indemnify and hold harmless the City, and/or its officers, agents and employees. This obligation includes, but is not limited to, the payment of all costs of defense, any amounts awarded by the Court by way of damages or otherwise, including any attorney fees and court costs. City may elect to participate in such litigation at its sole discretion and at its sole expense. As an alternative to defending any such action, Developer may request that the City rescind any approved land use entitlement. The City will promptly notify Developer of any claim, action, or proceeding, and will cooperate fully in the defense thereof.

B. Prevailing Wages. Without limiting the foregoing, Developer acknowledges the requirements of California *Labor Code* §1720, *et seq.*, and 1770 *et seq.*, as well as California *Code of Regulations*, Title 8, Section 1600 *et seq.* ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects, as defined. If work on off-site improvements pursuant to this Agreement is being performed by Developer as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation under the contract in question is \$1,000 or more, Developer agrees to fully comply with such Prevailing Wage Laws. Developer understands and agrees that it is Developer's obligation to determine if Prevailing Wages apply to work done on the Project or any portion of the Project. Upon Developer's request, the City shall provide a copy of the then current prevailing rates of per diem wages. Developer

shall make available to interested parties upon request, copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the work subject to Prevailing Wage Laws, and shall post copies at the Developer's principal place of business and at the Project site. Developer shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless pursuant to the indemnification provisions of this Agreement from any claim or liability arising out of any failure or alleged failure by Developer to comply with the Prevailing Wage Laws associated with any "public works" or "maintenance" projects associated with Project development.

ARTICLE 6. Project as a Private Undertaking.

A. [Sec. 600] Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that the development of the Property is a separately undertaken private development. No partnership, joint venture or other association of any kind between the Developer and the City is formed by this Agreement. The only relationship between the City and the Developer is that of a governmental entity regulating the development of private property and the owner of such private property.

ARTICLE 7. Consistency with General Plan.

A. [Sec. 700] Consistency with General Plan. The City hereby finds and determines that execution of this Agreement is in the best interest of the public health, safety and general welfare and is consistent with the General Plan, as amended by the General Plan Amendment approved as part of the Project Approvals.

ARTICLE 8. Notices.

A. [Sec. 800] Notices. All notices required by this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, to the addresses of the Parties as set forth below.

Notice required to be given to the City shall be addressed as follows:

City Manager
City of Davis
23 Russell Boulevard
Davis, CA 95616

Notice required to be given to the Developer shall be addressed as follows:

Ramco Enterprises, Inc.
1450 Harbor Boulevard, Suite B
West Sacramento, CA 95691
Attn: Dan Ramos

With a copy to:

Taylor & Wiley
500 Capitol Mall, Suite 1150
Sacramento, California 95814
Attn: Matthew S. Keasling

Any Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address.

ARTICLE 9. Recordation.

A. [Sec. 900] When fully executed, this Agreement will be recorded in the official records of Yolo County, California. Any amendments to this Agreement shall also be recorded in the official records of Yolo County.

ARTICLE 10. Estoppel Certificates.

A. [Sec. 1000] Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such party to certify in writing that, to the knowledge of the certifying Party, (a) this Development Agreement is in full force and effect and a binding obligation of the Parties, (b) this Development Agreement has not been amended or modified or, if so amended or modified, identifying the amendments or modifications, and (c) the requesting Party is not in default in the performance of its obligations under this Development Agreement, or if in default, to describe therein the nature and extent of any such defaults. The requesting Party may designate a reasonable form of certificate (including a lender's form) and the Party receiving a request hereunder shall execute and return such certificate or give a written, detailed response explaining why it will not do so within thirty (30) days following the receipt thereof. The City Manager shall be authorized to execute any certificate requested by Developer hereunder. Developer and City acknowledge that a certificate hereunder may be relied upon by tenants, transferees, investors, partners, bond counsel, underwriters, and other mortgages. The request shall clearly indicate that failure of the receiving Party to respond within the thirty (30) day period will lead to a second and final request and failure to respond to the second and final request within fifteen (15) days of receipt thereof shall be deemed approval of the estoppel certificate. Failure of Developer to execute an estoppel certificate shall not be deemed a default, provided that in the

event Developer does not respond within the required thirty (30) day period, City may send a second and final request to Developer and failure of Developer to respond within fifteen (15) days from receipt thereof (but only if City's request contains a clear statement that failure of Developer to respond within this fifteen (15) day period shall constitute an approval) shall be deemed approval by Developer of the estoppel certificate and may be relied upon as such by City, tenants, transferees, investors, bond counsel, underwriters and bond holders. Failure of City to execute an estoppel certificate shall not be deemed a default, provided that in the event City fails to respond within the required thirty (30) day period, Developer may send a second and final request to City, with a copy to the City Manager and City Attorney, and failure of City to respond within fifteen (15) days from receipt thereof (but only if Developer's request contains a clear statement that failure of City to respond within this fifteen (15) day period shall constitute an approval) shall be deemed approval by City of the estoppel certificate and may be relied upon as such by Developer, tenants, transferees, investors, partners, bond counsel, underwriters, bond holders and mortgagees.

ARTICLE 11. Provisions Relating to Lenders

A. [Sec. 1201] Lender Rights and Obligations.

1. Prior to Lender Possession. No Lender shall have any obligation or duty under this Agreement prior to the time the Lender obtains possession of all or any portion of the Property to construct or complete the construction of improvements, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of Developer or Developer's successors-in-interest, but such Lender shall otherwise be bound by all of the terms and conditions of this Agreement which pertain to the Property or such portion thereof in which Lender holds an interest. Nothing in this Section shall be construed to grant to a Lender rights beyond those of the Developer hereunder or to limit any remedy City has hereunder in the event of a breach by Developer, including termination or refusal to grant subsequent additional land use Approvals with respect to the Property.

2. Lender in Possession. A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of Developer and which remain unpaid as of the date such Lender takes possession of the Property or any portion thereof. Provided, however, that a Lender shall not be eligible to apply for or receive Approvals with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current and accruing in the future) and charges, and assumption of all obligations of Developer hereunder; provided, further, that no Lender, or successor thereof, shall be entitled to the rights and benefits of the Developer hereunder or entitled to enforce the provisions of this Agreement against City unless and until such Lender or successor in interest qualifies as a recognized assignee of this Agreement and makes payment of all delinquent and

current City fees and charges pertaining to the Property.

3. Notice of Developer's Breach Hereunder. If City receives notice from a Lender requesting a copy of any notice of breach given to Developer hereunder and specifying the address for notice thereof, then City shall deliver to such Lender, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by City that Developer has committed a breach, and if City makes a determination of non-compliance, City shall likewise serve notice of such non-compliance on such Lender concurrently with service thereof on Developer.

4. Lender's Right to Cure. Each Lender shall have the right, but not the obligation, for the same period of time given to Developer to cure or remedy, on behalf of Developer, the breach claimed or the areas of non-compliance set forth in City's notice. Such action shall not entitle a Lender to develop the Property or otherwise partake of any benefits of this Agreement unless such Lender shall assume and perform all obligations of Developer hereunder.

5. Other Notices by City. A copy of all other notices given by City to Developer pursuant to the terms of this Agreement shall also be sent to any Lender who has requested such notices at the address provided to City pursuant to Section 1201(4) above.

B. [Sec. 1202] Right to Encumber. City agrees and acknowledges that this Agreement shall not prevent or limit the owner of any interest in the Property, or any portion thereof, at any time or from time to time in any manner, at such owner's sole discretion, from encumbering the Property, the improvements thereon, or any portion thereof with any mortgage, deed of trust, sale and leaseback arrangement or other security device. City acknowledges that any Lender may require certain interpretations of the agreement and City agrees, upon request, to meet with the owner(s) of the property and representatives of any Lender to negotiate in good faith any such request for interpretation. City further agrees that it shall not unreasonably withhold its consent to any interpretation to the extent such interpretation is consistent with the intent and purpose of this Agreement.

ARTICLE 13. Entire Agreement.

A. [Sec. 1300] Entire Agreement. This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement consists of 114 pages and 13 Exhibits which constitute the entire understanding and agreement of the Parties. Unless specifically stated to the contrary, the reference to an exhibit by designated letter or number shall mean that the exhibit is made a part of this Agreement. Said exhibits are identified as follows:

- Exhibit A: Legal Description of the Property and Project Site
- Exhibit B: General Plan Amendment Resolution and Baseline Project Features
- Exhibit C: Project Discretionary Approvals
- Exhibit D: Subsequent Discretionary Entitlements
- Exhibit E: Affordable Housing Plan
- Exhibit F: Sustainability Features
- Exhibit G: Transit, Transportation and Circulation
- Exhibit H: Habitat and Agricultural Conservation
- Exhibit I: Recreation and Wellness
- Exhibit J: Urban Forest and Landscape
- Exhibit K: Impact Fees, Credits, and Municipal Financing
- Exhibit L: Uncategorized Additional Community Benefits
- Exhibit M: Applicable City Ordinances

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City and Developer and Landowner have executed this Agreement as of the date set forth above.

“CITY”

CITY OF DAVIS

By:

Gloria Partida
Mayor

Attest: _____
Zoe Mirabile
City Clerk

APPROVED AS TO FORM:

G. Inder Khalsa
City Attorney

“DEVELOPER”

RAMCO ENTERPRISES, INC. a California
limited liability company

By: _____
Daniel Ramos
Project Manager

BUZZ OATES, a California corporation

By: _____

Troy Estacio
Senior Vice President

EXHIBIT A
LEGAL DESCRIPTION AND PROJECT SITE MAP

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

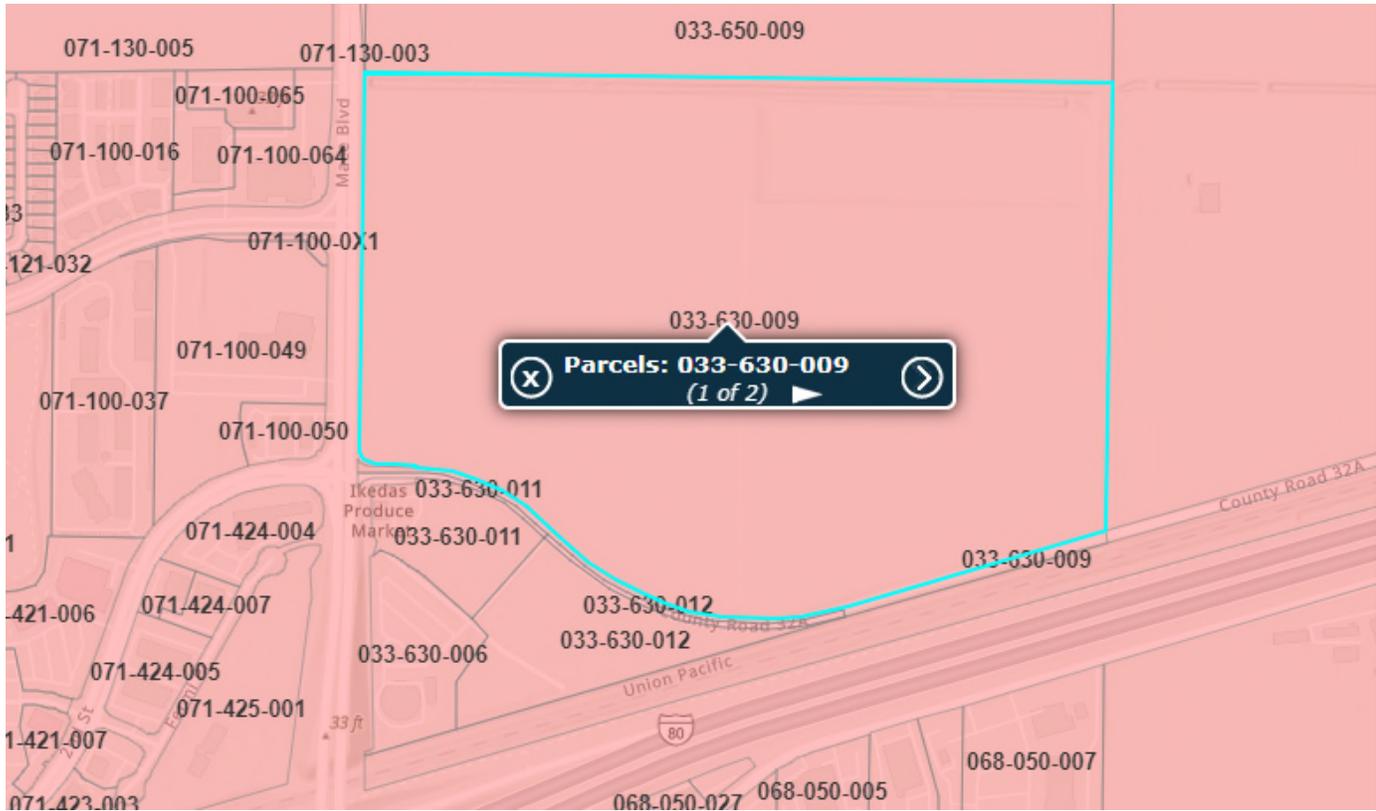
FRANK C. RAMOS AND JOANNE M. RAMOS TRUSTEES OF THE FRANK C. RAMOS AND JOANNE M. RAMOS FAMILY TRUST DATED SEPTEMBER 22, 2005, BUZZ OATES LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND OATES ASSOCIATES INVESTORS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF YOLO, STATE OF CALIFORNIA AND BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 7, OF TOWNSHIP 8 NORTH, RANGE 3 EAST, M.D.B. & M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 7; THENCE NORTH 89° 56'20" EAST 50.00 FEET TO A POINT ON THE EASTERLY LINE OF MACE BOULEVARD SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF MACE BOULEVARD, SOUTH 00° 20'30" EAST, 1,406.70 FEET TO A POINT ON THE CENTERLINE OF NEW COUNTY ROAD 32A; THENCE DEPARTING FROM SAID EASTERLY LINE OF MACE BOULEVARD, SOUTHEASTERLY ALONG THE CENTERLINE OF NEW COUNTY ROAD 32A, SOUTH 89° 39'30" EAST 196.92 FEET; THENCE THROUGH A CURVE CONCAVE TO THE SOUTH WITH AN ARC LENGTH OF 428.84 FEET, RADIUS OF 600.00 FEET, INCLUDED ANGLE OF 40° 57'05" AND CHORD OF SOUTH 69° 51'58" EAST 419.77 FEET; THENCE SOUTH 49° 23'25" EAST 167.44 FEET; THENCE THROUGH A TANGENT CURVE TO THE LEFT WITH AN ARC LENGTH OF 1,009.26 FEET, RADIUS OF 1,000.00 FEET AND INCLUDED ANGLE OF 57° 49'35"; THENCE DEPARTING FROM SAID CENTERLINE OF NEW COUNTY ROAD 32A, SOUTH 17° 13'00" EAST 30.00 FEET TO A POINT ON THE NORTHERLY LINE OF UNION PACIFIC RAILROAD; THENCE NORTHEASTERLY ALONG SAID NORTHERLY LINE OF UNION PACIFIC RAILROAD, NORTH 72° 47'00" EAST 975.77 FEET TO A POINT ON THE EASTERLY SIDE OF THE NORTHWEST QUARTER OF SAID SECTION 7; THENCE DEPARTING FROM SAID NORTHERLY LINE OF UNION PACIFIC RAILROAD, NORTH ALONG THE EASTERLY SIDE OF THE NORTHWEST QUARTER OF SAID SECTION 7, NORTH 00° 20'54" WEST, 1597.65 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 7; THENCE WEST ALONG THE NORTHERLY SIDE OF SAID SECTION 7, SOUTH 89° 56'20" WEST, 2,604.64 FEET TO THE TRUE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 033-630-009

Yolo County GIS Viewer



**EXHIBIT B
GENERAL PLAN AMENDMENT RESOLUTION AND BASELINE PROJECT
FEATURES**

UPDATED GENERAL PLAN RESO TO BE ADDED BY CITY ONCE FINALIZED.

**DAVIS INNOVATION AND SUSTAINABILITY CAMPUS 2022
BASELINE PROJECT FEATURES**

Project Goals

The purpose of the Davis Innovation and Sustainability Campus 2022 (DiSC 2022 or Project) is to bring the City’s vision for sustainable economic development to fruition. DiSC 2022 has been strategically located and designed to accommodate future growth of the science, technology and advanced manufacturing sectors within the City of Davis. Development of the DiSC 2022 will allow Davis to retain, grow and capitalize upon the cutting-edge research and intellectual capital being fostered at U.C. Davis at a site located in close proximity to the University and Downtown Davis, adjacent to Capital Corridor Rail and Interstate 80. The Project responds to a request that was issued by the City Council in 2014 and is the culmination of nearly two decades of City planning efforts. The City Council’s goals for the development include growing the knowledge economy, capturing business growth and the achieving fiscal and economic benefits for the City and the community.

Land Use Summary

The DiSC 2022 Project will provide a mix of land uses that work holistically to create a research and technology innovation campus. DiSC 2022 proposes a mix of office, laboratory, and research and development (R&D) space; advanced manufacturing to prototype and build products; rental and for-sale housing designed to accommodate the Project’s workforce; supportive retail space; a hotel and conference center; a transit plaza; and parks, greenbelts, habitat and open spaces. An illustrative draft land use and site plan depicting the location of the proposed land uses, along with proposed roadways and connections to adjacent areas, is included.

Land Use Type	Size
Office, Laboratory, R&D	550,000 square feet
Advanced Manufacturing	550,000 square feet
Residential	460 units
Ancillary Retail	80,000 square feet
Hotel and Conference Center	160,000 square feet
Parks, Plazas and Green Spaces	23 acres
Total Commercial Innovation	1,340,000 square feet
Total Acres	102 acres

A more detailed discussion of each land use type and sequencing of development with site features is included near the end of this document.

Key Project Commitments

The Project is subject to numerous commitments established in the Development Agreement between the City of Davis and the Developer as well as through mitigation measures as specified in the environmental review of the project. Specific components of the Development Agreement required by these Baseline Project Features are the following:

Housing

- Housing will be designed and construction timed to meet the housing needs of the workforce.
- Rental and for-sale housing shall be provided to accommodate a range of incomes and needs.
- [DiSC 2022 residences will not be dormitory-style housing.](#)
- All housing shall be medium- and high-density with a minimum median density of 30 units per acre.
- [Commercial development shall precede housing construction; there must be 200,000 square feet of job space before any homes are constructed. Housing construction will be contingent upon the construction of commercial space at a ratio of one home per 2,000 square feet of nonresidential space. Onsite affordable housing projects shall be exempted from this requirement.](#)
- Parking associated with multifamily housing will be unbundled, meaning that it is paid for separately from rent. Tenants will be able to avoid these parking costs, and reduce traffic impacts, if they choose a car-free lifestyle.

Affordable Housing

- [Project housing](#)[Housing](#) shall accommodate a diversity of incomes on-site.
- DiSC 2022 will provide for the construction of no less than 85 affordable housing units. Provision of 85 affordable units exceeds City requirements.
- At least 60 multi-family units of the Project’s affordable housing unit commitment will be constructed on-site in inclusive locations near parks and/or transit.
- At least 14 for-sale units located onsite will be designated for those buyers meeting Yolo County’s definition of moderate income.

Sustainability

- [DiSC 2022 will achieve carbon neutrality by 2040.](#)
- Project’s electricity demand shall be fueled by 100% clean energy either generated onsite or purchased from a 100% renewable program such as Valley Clean Energy’s “UltraGreen” program.
- In furtherance of the commitment to utilize 100% renewable energy, all conducive structures will maximize installation of solar or other renewable energy technology.
- [The project will be pre-wired for future microgrid capacity and designed to accommodate battery storage for energy generated onsite.](#)
- Housing units will be all-electric and not include natural gas.
- [DiSC 2022 will achieve net zero electricity for outdoor lighting.](#)

- Native and drought tolerant plants shall predominate the plant palette. Valley Oaks or other local native species will be significantly incorporated into the agricultural buffer area.
- Runoff shall be captured and conveyed onsite in a series of bioswales intended to filtrate and clean the run-off and maximize groundwater recharge.
- Planting and ongoing tree health at DiSC 2022 will be monitored by an arborist to assure creation of a healthy tree canopy.
- The Project will add ~~between 600 and 1,200~~ no less than 1,500 new trees to the City's urban forest to sequester carbon, improve mental health, deter the heat island effect, and provide shading. If less than 1,500 trees are planted onsite, Developer will ensure that the remainder will be planted elsewhere in Davis.
- Trees planted in parking ~~areas~~ or street-adjacent areas shall use structured soil or suspended substrate to allow successful tree root development. Developer shall size pavement treatment areas to accommodate the anticipated sizes of the various tree varieties that will be planted.

Transit

- In coordination with Unitrans, Sacramento Regional Transit and YoloBus, enhance and relocate the existing bus stops located on Mace Boulevard for improved use by DiSC 2022 employees and ~~residents~~ the broader community.
- A Transit Plaza located along Mace Boulevard will serve as a connection point for multi-modal transportation including shuttles with connections to Amtrak and UC Davis, on-site shuttles, paratransit and micromobility (e.g. bike, skateboard, and scooter share services). The Transit Plaza will be capable of stacking multiple buses. ~~The Transit Plaza~~
- Land will be reserved to widen the right-of-way on Mace Blvd. to accommodate a potential express bus lane and other future transportation needs.
- DiSC 2022 will establish and participate in a shuttle program with connections to the Amtrak train station, UC Davis, and other destinations.
- A Transportation Demand Management (TDM) Plan will be adopted and implemented requiring specific targeted reductions in vehicle use. A designated TDM manager will report directly to the Master Owners Association and to the City to track progress on actions to improve mobility and reduce traffic impacts.

Roadways

- DiSC 2022 will construct and/or contribute funding to improve the capacity, functionality, and safety of Mace Blvd. and, in particular, at the intersections of Mace and Alhambra Dr. and at Mace and 2nd Street ~~if studies show such improvements are needed to address traffic generated by the Project.~~

- DiSC 2022 will fund the creation of a comprehensive Mace Boulevard Corridor Plan to improve bicycle and pedestrian travel and transit in the vicinity of the Project.
- DiSC will fund the development of a “traffic calming” plan for local streets identified in the environmental analysis.
- DiSC 2022 will participate in the construction of safety improvements at County Roads 32A and 105 and at the crossing of the UPRR tracks ~~as determined by Yolo County.~~

Bicycle and Pedestrian

- DiSC 2022 will construct a grade-separated bicycle and pedestrian crossing of Mace Boulevard connecting to local and regional trails.
- A minimum of 1.5 miles of publicly accessible bike lanes and walking paths will be provided on-site at DiSC 2022.
- DiSC 2022 will construct an off-street bike trail connection between Mace Blvd and Harper Junior High School along the inside of the Mace Curve, thereby ~~making~~providing a greatly needed connection, filling a gap in the system and improving bicycle safety.
- DiSC 2022 will provide ample bicycle connections to local and regional routes, convenient and abundant bicycle parking, storage lockers, shower facilities and a maintenance and repair kiosks to encourage cycling.

Agricultural Land and Wildlife Conservation

- By the full build-out of DiSC 2022, the developer will have purchased conservation easements protecting local agricultural lands amounting to twice the acres converted to urbanized uses, thereby ensuring their preservation as farmland.
- The portion of the Mace Drainage Channel within the DiSC 2022 site will be restored and enhanced utilizing native riparian vegetation while maintaining its drainage conveyance function.
- A diversity of native habitats shall be disbursed and managed throughout the site, primarily within the agricultural buffer and along the channel, including but not limited to riparian, California oak savanna, and native prairie grasslands. The agricultural buffer shall include areas densely vegetated and sparsely vegetated to accommodate nesting and foraging opportunities for a variety of species.
- An artificial burrowing owl den complex will be installed in the agricultural buffer in consultation with a qualified biologist.

Fiber Optic Broadband Internet

- DiSC 2022 will obtain the rights and extend fiberoptic or comparable internet

infrastructure to the site that is critically needed to attract and support research and technology endeavors.

- To the extent feasible, other users, including the City of Davis, UC Davis, DJUSD and Yolo County, will be allowed to connect to the internet network and extend service into other areas of the City, such as downtown, under terms to be negotiated.

Financing

- DiSC 2022 will form an owners' association and/or financing district to pay for the maintenance and upkeep of all publicly accessible park, greenbelt and open spaces.
- DiSC 2022 will ~~commit to participation~~participate in financing mechanisms, including but not limited to, a community facilities district, that could help pay for roadway improvements on and near Mace Boulevard, in East Davis and in other locations deemed appropriate by the City. DiSC 2022 agrees to negotiate the terms of such financing to the City's satisfaction prior to issuance of building permits for any residential units. In addition, the DiSC 2022 project will contribute Roadway Impact Fees and construction taxes for such purposes.

Measurement and Verification

- The DiSC 2022 developer will establish a Master Owners Association which reports to the City biennially and is responsible for measurement, verification and assuring compliance with Project baseline features, sustainability obligations and mitigation measures. Said reports shall be made publicly available with links to the materials provided through a portal on City Council agenda.

Land Uses – Explained

Principal Innovation Uses:

Office, Laboratory and Research & Development

Office, Laboratory and Research and Development (R&D) uses will occur in a series of clustered commercial buildings. These innovation uses will predominantly occur on the west near the transit plaza, and be clustered around shared courtyards. This land use type is intended to allow for a variety of uses including, but not limited to, corporate headquarters, biological research, collaborative think tanks, laboratories, software design, and other office-based innovation uses.

Advanced Manufacturing

Research, Prototyping and Manufacturing uses in individual or clustered buildings shall occur predominantly along the eastern edge of the Project near neighboring agricultural. These innovation uses will typically be surrounded by areas identified as flex zone which may accommodate parking and photovoltaics but will also allow for an outdoor area that may be needed as an extension of the underlying research, prototyping and manufacturing uses. This area is intended to allow for a variety of uses including, but not limited to: large-scale research; light manufacturing; crop sciences; assembly of products, including but not limited to electrical, pharmaceutical, biomed, food products and devices; and associated warehousing and distribution.

Innovation Support Uses:

Housing

A maximum of 460 units of housing designed to accommodate the needs of the DiSC 2022 worker shall be permitted onsite. The housing will be a mix of rental and for-sale with a density range of 15 to 50 units per acre. Residential units will range from studio to three-bedroom. Product types will be multi-family, condominiums or townhomes. The construction of housing will be contingent upon and slightly trail the construction of commercial space and units should become available as jobs are created.

Support Retail

Support retail uses, up to a maximum of 80,000 square feet, shall be permitted within the core area of the Project site. Support retail will predominantly, but not exclusively, occur on the ground floor of office or multi-family residential buildings. A variety of onsite retail uses including, but not limited to, a coffee shop, restaurant, fitness center, childcare center, electronics store, or maintenance and repair shops would be intended for the convenience of DiSC 2022 residents and workers and to reduce off-site vehicle trips.

Open Space and Parks

Open space, greenbelts, courtyards and parks, including the agricultural buffer area, will comprise approximately 23 acres or one-fourth of the DiSC 2022 site. The open space and park areas will include programmed and passive gathering spaces, miles of new pedestrian and bicycle trails and facilities, sports fields, and native

landscape buffers.

Roadways and Circulation

The proposed circulation system for the DiSC 2022 site consists of new local streets, a robust transit plaza, and a system of pedestrian and bicycle paths that will connect the site to the surrounding neighborhoods, Downtown Davis, UC Davis and regional connections. This system will provide enhanced connectivity for pedestrians, bicyclists, transit riders, and automobiles via new multi-modal roadway connections and linkages to existing greenways and bike paths. The circulation framework at DiSC 2022 is a modified grid network of streets, which will, at a minimum, connect with Mace Boulevard and County Road 32A at two new primary intersections. The gateway into the Project is along an extension of Alhambra; this entryway is separated from heavy truck traffic which will primarily enter from 32A.

Sequencing Development of the Project Site

Buildout of DiSC 2022 will occur in two phases and is anticipated to be constructed gradually over the course of approximately 10 to 15 years. The initial development would likely occur along the western edge at Mace Boulevard, from which infrastructure could be easily extended into the Project site. Phases are as follows:

- Phase 1 will consist of approximately 50 acres and would include 550,000 square feet of innovation building space, up to 50,000 square feet of supportive retail, and up to 275 residential units. Construction of the residential units would be timed to slightly trail the businesses, so that jobs are created on-site prior to offering housing thereby maximizing the likelihood that employees will occupy the housing. The sports park will be constructed in Phase 1.
- A sub-area of Phase 1 (Phase 1A), located at the northeast corner of the intersection of Mace Boulevard and Alhambra Drive, would likely develop first. The area is approximately 3.3 acres and could include 60,000 to 100,000 square feet of office/R&D/laboratory uses.
- Phase 2 consists of approximately 50 acres and will include the remaining 550,000 square feet of innovation uses, 30,000 square feet of supportive retail and the hotel and conference center. Phase 2 also includes the remaining 185 housing units, continuing the direct linkage between the creation of jobs prior to the construction of homes.

Baseline Project Features: Implementation

The DiSC 2022 must be developed consistent with these Baseline Project Features, which may not be substantially changed without approval by the voters of the City. The Planning Commission and/or Zoning Administrator will review compliance with these Baseline Project Features as they consider applications for Final Planned Development, Tentative Subdivision Map, approval of Design Guidelines, implementation of sustainability plans, and the required annual Development Agreement implementation review. Additional DiSC 2022 project requirements, including but not limited to, the imposed mitigation measures set forth in the Mitigation Monitoring and Reporting Plan and commitments in the Development Agreement, are not Baseline Project Features and may be modified by the City Council. In addition, minor changes to the Project can be anticipated during the course of this multiple year build out. Such changes, often the result of detailed engineering, sustainability obligations, or changes in surrounding conditions, may be implemented without voter approval if they are substantially consistent with the Baseline Project Features and they do not materially alter the character of the Project (See, Resolution 06-40 Establishing Criteria to Determine What Constitutes a Significant Project Modification or Change Requiring a Subsequent Measure J Vote).

EXHIBIT C
PROJECT DISCRETIONARY APPROVALS

- (1) General Plan Amendment # GPA 6-14
- (2) Rezoning and Preliminary Planned Development # PD 4-14
- (3) Development Agreement #DA 2-14 by and between the City of Davis and Developer
- (4) Annexation/Sphere of Influence Amendment

EXHIBIT D
SUBSEQUENT DISCRETIONARY ENTITLEMENTS

Following City Council approval of the Project and a successful ballot initiative, the following discretionary approvals and actions by the City are also required to implement the Project:

- Tax-share Agreement and Annexation;
- Tentative Subdivision Map(s);
- Final Planned Development;
- Site Plan and Architectural Review;
- Conditional Use Permits, where applicable;
- Design Review, where applicable; and
- Complete other processing as required.

EXHIBIT E
AFFORDABLE HOUSING PLAN

To fulfill its obligation to provide affordable housing as a condition of developing any housing within the Davis Innovation and Sustainability Campus 2022 (DiSC 2022), Developer shall comply with the City of Davis's affordable housing ordinance, as currently contained in Davis Municipal Code Article 18.05, which is attached to this exhibit and incorporated by reference and which will remain applicable to the Project for the term of this Agreement.

Compliance with City Ordinance

Pursuant to this agreement, as market rate residential development is proposed, the Project will be obligated to provide for affordable housing units in a manner consistent with the current City ordinance (Davis Municipal Code Article 18.05) which will vest for the project for the term of this Agreement. Any residential development onsite thereafter will be subject to the then current ~~affordable~~ ordinance. The number of affordable units and affordability mix required will be determined based upon 18.05.050(a) for ownership units, and 18.05.060(a) or (b) for rental units.

Assurance of 85 Affordable Units

Though, pursuant to City Ordinance, the number of required affordable units is determined based upon a percentage of the units with those percentages varying depending on the type of market rate housing proposed, Developer is committed to providing, through those means afforded in the Ordinance, for 85 affordable housing units, more than eighteen percent (18%) of the overall housing units. The commitment to 85 units exceeds the Project's obligation under the Ordinance.

Commitment to Onsite Affordable Housing

To ensure a diversity of housing affordability within the Project, Developer commits to constructing at least 74 of its affordable units onsite. The onsite affordable housing units will include 60 affordable rental units and 14 for-sale housing units. The 60 multifamily units will provide an affordability mix of 60% low and 40% very low income. The ownership housing will be affordable to moderate income households.

The 60 affordable rental units may be located in one, all-affordable project or distributed throughout mixed-income buildings. If an exclusively affordable building accommodates all 60 units, that building shall be located in a manner inclusive to the site and proximate to community amenities such as parks, transit connections and/or regional ~~bicycle~~ pathways. Developer may work with an affordable housing developer of its choosing subject to City review to confirm that the selected affordable housing developer has demonstrated a track record of successful project delivery and management. Regardless of whether the 60 units are provided in one location or are

dispersed in mixed-income apartments throughout the site, construction ~~on~~ all ~~of the~~ onsite multi-family affordable units shall commence prior to issuance of the 250th market rate residential building permit.

The ownership affordable housing opportunity shall be affordable to moderate income households as defined in the Ordinance. These units will provide a limited equity opportunity while retaining their affordability upon resale. The 14 units may be built in one project or be constructed as the housing associated with each phase builds out. The for-sale affordable units shall commence construction no later than Phase 2.

Manner of Fulfilling the Obligation

The precise affordable housing obligation will be determined as specific housing projects are proposed at the DiSC 2022 site. The type of structure and/or residential units proposed will dictate the percentage of affordable units that must be provided. It is anticipated that the calculation will be made each time a housing project is proposed onsite, which may be one or more applications per Project phase. As such, the affordable housing obligation may be fulfilled over time by numerous entities as each segment of DiSC 2022 housing is proposed. Developer may, alternatively, elect to fulfill the Project's cumulative affordable housing obligation (or a portion thereof) and allow subsequent home builders to avail themselves of credits. For instance, if Developer elects to construct 60 affordable housing units onsite in Phase 1, those units could fulfill the affordable housing obligation of subsequent market rate projects located on-site.

To expedite development of affordable housing, if a housing project is proposed onsite that is exclusively affordable, that project is not subject to the requirement to develop commercial prior to housing or in any way tied to the development of commercial square footage as a condition precedent.

Developer's affordable housing contribution shall not be less than 85 units and at least 74 units must be constructed onsite. For the 11 affordable housing units that may not be constructed onsite, Developer and its successors-in-interest may elect to fulfill the affordable housing obligations through, but not limited to, any of the following methods which excludes the payment of in-lieu fees:

- Onsite construction;
- Acquisition and recordation of permanent affordability restrictions on existing housing units within the City,
- Provision of a land dedication site, and/or
- Project individualized program, and/or.
- ~~Alternative manner such as a pledge to the City of a continuing revenue source for achieving affordable housing goals.~~

Affordable Housing Ordinance Applicable to the Project Site

For Davis Municipal Code, Article 18.05, see Exhibit M.

EXHIBIT F

SUSTAINABILITY COMMITMENTS

In recognition of the City's declaration of a climate emergency (RESOLUTION 19-023), the Developer and the City have agreed to the following Sustainability Commitments. These commitments are a means for mandating, implementing and maintaining Project features that are designed to address and mitigate identified environmental concerns, including but not limited to impacts to global climate change, and to ensure sustainability for the life of the Project. Future development at DiSC 2022 will demonstrate compliance with these commitments through sustainability implementation plans.

Measurement and Verification

Critical to the success of the Davis Innovation and Sustainability Campus 2022 is its ability to demonstrate continuous advancements in site sustainability during buildout and into campus operations. Many of the Sustainability Commitments are designed to gradually increase site sustainability and further reduce Project impacts over time, such as improved air quality, reduced carbon emissions, greater electrical efficiency and reduced single-occupancy vehicle travel. These Sustainability Commitments will work in tandem with Project mitigation measures to reduce Project-related environmental impacts. To ensure accurate tracking and reporting, Developer will establish a Master Owners Association which reports to City and is responsible for measurement, verification and compliance with sustainability obligations and mitigation measures.

Energy Efficiency and Usage

Developer is committed to minimizing carbon emissions by maximizing clean energy production onsite and to implementing a program within the Project to ensure that all structures consume one-hundred percent renewable electricity. In furtherance of this pledge, the Developer commits as follows:

- DiSC 2022 will achieve carbon neutrality by 2040. To achieve this goal each individual development must, prior to the issuance of building permits, demonstrate consistency with the City's Climate Action and Adaptation Plan by demonstrating a fair-share reduction of GHG emissions. Examples of measures that may be used by future development projects include, but are not limited to: VMT reduction through TDM programs, electrifying project components, inclusion of on-site renewable energy, institution of composting and recycling programs, implementation of an Urban Forestry Management Plan, use of energy efficient fixtures, and finally, purchasing off-site mitigation credits if necessary.
- The Project shall meet or exceed Title 24, Cal Green Tier 1 and will utilize the City of Davis' Residential Energy Reach Code standards. The Reach Code ~~to promote~~ promotes energy efficiency within the City of Davis through the use of energy-efficient building standards and is intended to ensure LEED Gold Equivalent or better.
- ~~Buildings shall be designed to incorporate passive heating and cooling so as to~~

~~reduce overall energy demands.~~

- To achieve a Project that is fueled by 100% clean energy, Developer commits all structures, residential and non-residential, to purchase power from solely renewable sources such as Valley Clean Energy’s “UltraGreen” 100% renewable program, or its equivalent, to offset any electric deficit.
- In furtherance of the commitment to utilize 100% renewable energy, the installation of photovoltaics or future renewable energy technology will be required, to the greatest extent practicable, on every conductive structure; e.g. greenhouses would not be conducive. City and Developer agree that if, during the term of this Agreement, technological advancement or shifts in renewable energy generation render the commitment to install PV on all structures superfluous, the obligation will be waived.
- Project will enter into a power purchase agreement with Valley Clean Energy (or another electric utility company under reasonable economic terms) to which it will sell and distribute all electricity generated onsite. This arrangement will ensure that all power generated onsite which is not used onsite is utilized locally. Valley Clean Energy shall have a right of first refusal for the power purchase agreement which they shall exercise within 45 calendar days.
- Buildings shall be designed to incorporate passive heating and cooling so as to reduce overall energy demands.
- All onsite residential units will be all-electric and not include natural gas.
- Achieve net zero for outdoor lighting through the use of onsite photovoltaics or similar technology.
- In anticipation of improved solar connected energy storage, the Project shall be designed and pre-wired for future microgrid capacity and energy storage.
- Commercial buildings shall be all-electric for the building envelope, i.e. those functions servicing the common areas such as HVAC systems and water heaters. Natural gas may be provided to the building and made available to meet the needs of individual tenants.

Recycling and Waste Disposal

- All buildings and facilities will participate in a mandatory, site-wide, recycling program that will be managed by the Master Owners Association. Building maintenance staff will be trained in best practices for maximizing commercial recycling and will emphasize paper and cardboard recycling.
- All common areas that include disposal options managed by the Master Owners Association will include solid waste disposal cans, recycling cans, and compost bins.

Housing

Housing at DiSC 2022 is included to maximize the environmental benefits of mixed-use development. The inclusion of housing and an overall complementary mix of uses reduces the number and distance of Project-related vehicular trips, encourages walking and bicycle trips, reduces air quality impacts and reduces the overall carbon footprint of the Project. To further increase the sustainability benefits of onsite housing, the Developer commits as follows:

- Housing will be medium- and high-density with a range of 15-50 units per acre. No traditional single-family detached housing will be permitted. Detached row homes that meet the density requirement will be permitted.
- Housing will be designed to meet the housing needs of the workforce and will not resemble student-oriented housing found elsewhere in the city. No unit will be greater than three bedrooms.
- Housing construction will be directly linked to the development of commercial space at a ratio of one home per 2,000 square feet of nonresidential space. This linkage will correlate the availability of housing with the creation of jobs which will maximize DiSC 2022 employee occupancy of the housing. This correlation between commercial and housing units shall not apply to affordable housing units developed onsite.
- To further minimize transportation emissions and enhance the active live-work-play environment of the Project, the applicant and the MOA shall ensure an introduction and establishment of a relationship between commercial tenants and the then active builders of on-site housing and/or leasing companies. Establishing a direct relationship between employers and purveyors of onsite housing will maximize the number of project housing units occupied by individuals working onsite. Applicant will further encourage the occupancy of onsite housing by DiSC 2022 employees by providing incentives to commercial users such as offering a reduction in the annual MOA fee based upon the number of employees living onsite. The applicant shall describe the specific actions taken to comply with this provision and report on the outcome of these efforts as part of the annual Development Agreement review.
- Housing will be all-electric and utilize the Residential Energy Reach Code.
- To provide an opportunity for a car-free lifestyle, parking associated with multifamily rental housing will be unbundled. Multifamily rental units will be charged for parking separate from rent.

Transportation and Transit

- See commitments in Exhibit G.

Mitigation Measures

The Project shall comply with Mitigation Measures identified in the Approved Mitigation Monitoring Reporting Plan.

Implementation

Concurrent with the approval of a Final Planned Development and Site Plan and Architectural Review for any structure located at DiSC 2022, a Sustainability Implementation Plan shall ensure compliance with these Sustainability Guiding Principles to the satisfaction of the City.

EXHIBIT G
TRANSIT, TRANSPORTATION AND CIRCULATION

Transit Features and Enhancements

The Project shall implement a Transportation Demand Management Plan (TDM plan) with measurable results to promote a shift away from single occupancy vehicle (SOV) use and incentivize a mode shift to bicycling, public transit, private transit, or carpool and to determine which traffic mitigations are needed at each phase of Project development. As discussed in the Subsequent EIR and imposed through mitigation measures 3-72(a)&(b), prior to, or concurrent with, adoption of the Final Planned Development, Developer shall finalize a TDM plan acceptable to the City which shall include, in part, the following:

- Developer will adopt and implement a Transportation Demand Management (TDM) Plan with a designated TDM manager that reports directly to the City.
- Prior to the commencement of construction of each phase, a traffic study shall be prepared which measures in- and out-flow from the Project and identifies traffic patterns. This analysis will be shared with the City to determine which traffic mitigation measures are necessary to accommodate each phase of development. This will also serve to inform the City on mode share and to trigger the need for increased transit services.
- The Developer shall review and update the TDM Plan every two (2) years. The review will include a survey of the travel behaviors of Project residents and employees (e.g., where employees live and by what mode they get to and from work; where residents work and by what mode they get to and from home). The updated Plan, including survey results, shall be submitted to the City and made publicly available. However, the biennial review and update may be bypassed when no new development or any other substantial changes have occurred onsite since the completion of the previous surveys.
- Developer commits to reserve land along its Mace Boulevard frontage for expansion of the right-of-way to accommodate future transportation needs, which may include bus rapid transit, as determined by the City.
- Developer will work with Yolo County Transportation District, which operates Yolobus, Sacramento Regional Transit and Unitrans to maximize transit ridership with an objective to increase the frequency and capacity of bus service as the Project develops.
- Developer shall construct a transit plaza on Mace Blvd. south of Alhambra Dr. to service local and regional bus and shuttle service to and from the Project site. Developer shall collaborate and coordinate with Yolobus and Unitrans on the design and preferred location of the transit plaza.
- DiSC 2022 will relocate, fund and/or build new and improved bus stops with lighting, passenger shelters, and ~~real-time~~real-time transit information signage on both sides of Mace Boulevard.
- The Project's transit plaza will be designed to include a multi-use pedestrian plaza, which will serve as a designated connection point for multi-modal transportation including corporate shuttles with connection to Amtrak and UC Davis, future on-site shuttles,

micromobility alternatives (e.g. bike-, skateboard-, and scooter-share services), and pedestrian amenities such as public art and retail kiosks. The plaza will be a minimum of 0.6-acres and may increase in response to needs expressed by local transit agencies.

- [Developer will contract with a carshare service provider to ensure availability of shared vehicles onsite.](#)
- Developer will participate in and contribute toward an electric (or other sustainable) shuttle service running weekdays from the AM to PM peaks, connecting commuters from DiSC 2022 and 2nd Street to UC Davis and the Amtrak station. Developer will work in good faith with City to develop a permanent funding mechanism for said shuttle through which DiSC 2022 shall contribute its fair share obligation. If the City pursues formation of a Property Based Improvement District (PBID) to, in part, fund the ongoing shuttle service, Developer will work collaboratively with the City in furtherance of the effort. Said PBID shall, in conjunction with the City, establish the appropriate shuttle route and pursue improved direct access from the Amtrak station to 2nd Street.
- DiSC 2022 will contribute funding for improved I-80 on- and off-ramps at the ramp intersections with Mace Blvd.
- [Within six months of certificate of occupancy, employers shall create or participate in a regional carpool program that is modeled after the UC Davis goClub carpool program. The program shall be open to all Project residents and employees, as well as the public at large.](#)

Bicycle and Pedestrian Connectivity

- [Within Phase 1 and prior to commencement of Phase 2, DiSC 2022 will construct a grade-separated bicycle and pedestrian crossing of Mace Boulevard that connects to local and regional trails at a location agreed upon by the Parties. The Developer may be reimbursed for construction of the crossing under a separate agreement between the City and the Developer which will provide that if and when a particular property benefiting from the grade-separated crossing is developed, the City will require the benefiting property to reimburse the Developer its pro rata share of the costs of the crossing, as determined by future studies and set forth in the agreement. City and Developer will utilize best efforts to identify and pursue state and federal grant opportunities for such bicycle and regional trail infrastructure projects.](#)
- DiSC 2022 shall fund a Mace Boulevard Corridor Plan that will redesign the portion of Mace Boulevard located proximate to the Project site. The Project's roadway mitigations will be consistent with ~~that~~[the](#) adopted ~~corridor plan~~[Corridor Plan](#). One aspect of the Corridor Plan will be to redesign the intersections of Mace and 2nd Street and Mace and Alhambra Drive to be less auto-centric and to equally accommodate safe passage for pedestrians, bicyclists and vehicles.
- ~~DiSC 2022 shall acquire and dedicate land to accommodate a future grade-separated bike/ped crossing of Mace Blvd to be located north of the Mace Drainage Channel prior to issuance of building permit for any structure in Phase 1B. The land dedication would align to the existing City easement located at the south end of Frances Harper Junior High School and connecting to Mace Blvd.~~

- Develop a minimum of 1.5 miles of publicly accessible bike lanes and walking paths that will circle the perimeter of the Project site. A portion of this trail will be constructed with the internal fifty feet of the agricultural buffer and an approximately 0.5-mile portion is aligned with the Mace Drainage Channel; these portions will provide connections to the broader regional trails system. City will work cooperatively with Developer to expand the easement area to accommodate public access and recreation.
- Build the connection of the existing bike trail on Mace Blvd to East Covell Boulevard along the inside of the “Covell Curve” connecting the two roadways, thereby improving bicycle safety to schools and the Project site.
- [In collaboration with City and DJUSD, construct a bicycle connection from the west side of Mace Boulevard, north of the Nugget Headquarters, westward to the City’s existing trail system that runs between Lake Alhambra Estates and Harper Middle School.](#)
- For off-site bicycle improvements, Developer shall be responsible for construction of the bike trail or lane. [Additional Complementary](#) components of bicycle and walking [trails connections](#) such as [shading landscaping](#) or lighting shall be the responsibility of the City.
- Developer will provide for robust bicycle parking spots, which shall meet or exceed that required by Davis Municipal Code 40.25A for each onsite use. Developer estimates that the total bicycle parking spots within the Project will range from 1,000-1,200 stalls.
- The Project will include on-site amenities that promote cycling, including: racks designed to accommodate bicycles of varied styles and sizes, storage lockers at all buildings, showers available in all building complexes, and a repair kiosk provided within the sports park to enable bike repairs.

Parking Lots and Internal Streets

To further incentivize a mode shift towards bicycling, public transit, private transit, or carpool, to reduce the heat island effect, and to reduce visual and aesthetic impacts, Developer shall implement the following features in its parking areas and/or along the Project’s internal roadway system:

- All streets and surface-level parking shall utilize low-impact development (LID) features, such as bioswales, to capture and filter runoff and to maximize groundwater recharge. Piping of runoff will be discouraged and only utilized when necessary.
- All parking surfaces or street-adjacent sidewalks utilizing tree shading shall use structured soil or suspended substrate to allow successful tree root development. Developer shall size pavement treatment to accommodate the tree varietal’s intended tree size.
- Landscaping shall provide 80% [shading shading](#) of pedestrian walkways and off-street Class I bike paths. 50% parking lot shading shall be achieved through either shade trees or photovoltaic arrays. These requirements shall be demonstrated at building permit for PV or shall be achieved within 15 years of planting for areas shaded by trees. Failure to meet shading requirements shall be considered a code violation and subject to penalty until remedied.
- Parking preference and priority will be given to high occupancy vehicles (HOV) and

electric vehicles (EV). Aside from handicap parking, only HOV and EV parking shall be allowed adjacent to buildings. All stalls designated for EV will have charging stations pre-installed. Installation of Level 2 stations is preferred unless specified reasons are provided to the City to justify the use of Level 1 charging stations. This Project shall be constructed in accordance with the provision of the California Building Code and City of Davis ordinances in effect at the time that building permits are granted, including those relating to EV charging requirements.

- All housing shall include one Level 2 EV charger per unit or, if a multifamily building is parked at a ratio of less than 1:1, one Level 2 EV charger per parking stall. Townhomes, if built to accommodate two vehicles, will be prewired to allow for the installation of a second charger.
- All commercial and residential parking areas shall be EV ready, equipped with infrastructure to allow for easy and economical installation of additional EV charging stations as demand grows.
- Parking for multi-family housing will be unbundled to incentivize a car-free lifestyle.
- To the extent that, and at such time as, the market will bear charges for parking associated with commercial uses at the Project Site, Developer commits to implement a paid parking program and utilize at least 50% of parking revenue to implement and enhance project-related TDM measures after retiring all costs associated with construction of the garage.

In furtherance of sustainability goals, City commits to work with Developer in good faith to accommodate site drainage and roadway design in a manner emphasizing open air conveyance and groundwater recharge. In this context good faith means not rejecting proposals outright due to noncompliance with traditional City roadway or other infrastructure standards. The City ~~does have~~ has ultimate, decision making and approval authority relative to the proposed designs and standards. This language is intended to recognize that proposals ~~shall be considered~~ that may deviate from standards, ~~while furthering sustainability goals but does not compel~~ shall be considered, but in no way compels the City to approve ~~but rather consider in good faith~~ the design.

EXHIBIT H HABITAT AND AGRICULTURAL CONSERVATION

1. **Right to Farm and Farmland Preservation.** The Project shall be subject to the City's Right to Farm and Farmland Preservation Ordinance (Municipal Code 40A.) which will vest for the term of this Agreement and which commits Developer to the following:

- A. Agricultural Mitigation Requirements.** Developer shall preserve agricultural land at minimum ration of 2:1. At full build-out, Developer shall have purchased agricultural conservation easements in a manner compliant with City Ordinance and subject to City approval. Compliance with agricultural mitigation may be achieved in phases as the project develops over time and portions are developed.

B. Agricultural Buffer Requirements. Developer shall provide a minimum one-hundred-fifty-foot agricultural buffer separating urbanized uses from adjacent agricultural operations in compliance with City Ordinance. At full buildout, Developer will establish an approximately 14-acre agricultural buffer separating the DiSC 2022 from active agricultural operations depending on its final location and configuration. The agricultural buffer shall comply with dedication requirements outlined in the City Ordinance.

i. **Habitat in the Agricultural Buffer.** The agricultural buffer will incorporate predominately native species. The 100-foot-wide portion will be planted with 100% native and/or climate ready species. The 50-foot-wide portion may temporarily use fast growing non-native tree species to achieve 80% shade cover within 15 years over the multi-use path but, at the end of the natural lives of non-native trees, those species will be replaced with native and/or climate-ready trees.

ii. **Burrowing Owl Complex.** The agricultural buffer shall include one burrowing owl den complex.

- The burrowing owl den complex will not be located within the drainage swale or any area that may be subject to flooding, nor shall it be located in an area that would be negatively impacted by bike path users.
- The burrowing owl complex will be managed and monitored for owl use in consultation with a third-party wildlife biologist. If the biologist determines that owls are not adequately utilizing the complex for five years, the site will be considered abandoned and the area will be utilized for other habitat.

2. Mace Drainage Channel. Developer has committed to restore and enhance the portion of the Mace Drainage Channel (“MDC”) onsite utilizing native riparian vegetation while maintaining its drainage conveyance function. Developer commits to provide an access easement across and along the MDC, extending from Mace Boulevard to the eastern edge of the Project site, thereby ensuring a connection from Mace Boulevard to the existing access easement on the adjacent property located east of the Project site. The MDC’s primary function is to convey stormwater runoff from east Davis; maintenance of this function has been and will remain with the City of Davis. City will work cooperatively with Developer to enhance the MDC while protecting its drainage function; such enhancement may include conversion to a more native state with a bench for riparian vegetation and/or realignment resulting in meandering.

3. Clayton Ranch Detention Capacity. Stormwater for much of east Davis flows through the MDC and eventually into the Causeway north of the railroad tracks. During prolonged 100-year storm events, the water in the Causeway can rise above the flap gate that releases MDC flows, thereby temporarily preventing the MDC from discharging into the Causeway. Due to this infrequent occurrence, the City has a flood easement over a portion of the adjacent agricultural property.

The Environmental Impact Report (EIR) and Subsequent EIR identify a potential for the Project to produce an increase in the volume of water that backs up at this location during large storm events. The addendum for DiSC 2022 identifies a considerable reduction in increased stormwater volume associated with DiSC 2022. To mitigate for any additional volume during flood events, the EIR analyzed installation of a pump or increasing water detention capacity on an adjacent property identified as the Clayton Ranch, which is where flooding associated with such an event already occurs. The EIR indicates that increasing detention capacity is the preferred option for mitigating any increased volume. Increasing capacity had been proposed and analyzed in a manner that would not degrade the agricultural value of the property nor prohibit its ongoing use for the production of feed for cattle or any other form of dry farming consistent with the current use. Furthermore, if Developer were to export the fill material from the proposed detention area to the Project site and receive a benefit from that material, City would assess fair market value for the import material.

Nevertheless, in response to concerns raised by the County of Yolo and members of the community, City and Developer agree that increasing storage capacity through excavation is no longer the preferred means for addressing increased volumes associated with the Project, nor does the volume of water associated with DiSC 2022 any longer warrant mitigation of that extent. Therefore, Developer commits to not pursuing increasing drainage storage capacity through excavation of Clayton Ranch ~~or~~, other City property, or on any agricultural lands located in unincorporated Yolo County.

EXHIBIT I
RECREATION AND WELLNESS

To establish a diversity of publicly accessible areas in which to enjoy nature, recreate and gather with neighbors and coworkers, Developer makes the following recreational commitments:

- Developer will construct no less than 6 acres of parks and 4.6 acres of green belts comprised of the inner fifty feet of the Agricultural Buffer area, in a manner substantially consistent with City Park and Greenbelt requirements and in locations corresponding with the Open Space Plan (Subsequent EIR, Figure 3-5).
- Developer shall commence construction of the central park prior to occupancy of the 231st residential unit. The green belt trail improvements along the Mace Drainage Channel and eastern boundary will be constructed as adjacent land uses are developed.
- Developer will retain ownership of park and greenbelt spaces and, accordingly, shall be responsible to construct and maintain all onsite parks and open spaces, relieving the City of a considerable financial burden. [Maintenance associated with onsite parks and open spaces will meet or exceed the standards expected from Class-A commercial facilities in perpetuity and will meet or exceed all operative City of Davis maintenance standards for parks, including the City of Davis Integrated Management Policies and Procedures.](#)
- Developer will grant and record a public access and recreation easement to City ~~for these spaces~~ to ensure public use of the park and greenbelt spaces in a manner ~~equivalent with~~ [similar to](#) public use of City parks.
- Programming of the parks will be determined collaboratively by Developer and City recognizing the unique nature of the Project site to ensure it meets the needs of residents and onsite workers. This may include a playground, picnic facilities with adequate shading, public art, and appropriate measures to protect park users from nearby roadways. Sports fields, including but not limited to softball, will be included to accommodate both local youth athletic leagues and onsite leagues and may include such features as spectator seating, dugouts, and fencing. If so desired by the City during the programming of onsite parks, lighting for the sports field shall be included, installed and paid for by Developer. All programming which may result in impacts not previously contemplated shall be subject to appropriate environmental review prior to action and implementation.
- Developer shall install art in publicly accessible communal spaces including but not limited to the centralized Sports Park and Transit Plaza.
- The Project will include a peripheral trail that fully encircles the site which will predominately accommodate the daily recreational needs of DiSC 2022 residents and employees, and which will also be open to use by the public at large.
- A Class 1 bike trail will parallel the Mace Drainage Channel and connect with the City's exiting trail infrastructure located to the west and with an easement located east of the

Project site, thereby enhancing regional bicycling connections-

EXHIBIT J URBAN FOREST AND LANDSCAPE

Landscaping, Water Conservation

To reduce Project demand on groundwater and potable water the Developer commits to the following measures:

- Native and drought tolerant plants shall predominate the plant palette. A diversity of native habitats shall be disbursed and managed throughout the site, primarily within the agricultural buffer and along the channel, including but not limited to riparian, California oak savanna, and native prairie grasslands.
- Turf will be ~~strongly discouraged and~~ utilized only in areas programmed for activities typically associated with turf such as the centralized sports park.
- Developer shall engage with Tree Davis, the Center for Land Based Learning, the Davis Arboretum, or other local expert(s) to design and manage its open and landscaped buffer areas. The adoption of design guidelines and landscape plans for buffer areas will be subject to City review and approval.
- Developer will install recycled “purple pipe” infrastructure which will convey non-potable water for use in all landscaping. Developer will convert this system to reclaimed water if and when such service is made available.
- Developer shall permit and allow for the reuse of residential greywater.
- All runoff will be captured, conveyed and detained onsite in a series of bioswales intended to filtrate and clean the run-off and maximize groundwater recharge before discharging into regional drainage facilities.

Tree Commitments:

- The project will include native, drought-tolerant and climate-ready trees.
- The Project ~~site is anticipated to add between 600 and 1,200~~ will add no less than 1,500 new trees to the City’s urban forest— to sequester carbon, improve mental health, deter the heat island effect, and provide shading. If less than 1,500 trees are planted onsite, Developer will ensure that the remainder will be planted elsewhere in Davis.
- There will be a minimum of 200 oak trees planted onsite.
- Tree plantings within the interior 50-foot portion of the agricultural buffer will emphasize the creation of shade for the bicycle and pedestrian path; hedgerows shall be incorporated where necessary to serve as a windbreak, protect agriculture from urban uses, and provide

habitat. Trees planted in the agricultural buffer area will be planted in a manner reflected of a natural landscape and will not be in an “orchard-like” configuration.

- The Project will, in consultation with the City’s Urban Forest Manager, implement a tree planting plan that includes the appropriate trees to achieve the identified shade coverage, provide a rich tree canopy, and ensure ongoing tree health.
- Planting and ongoing tree health at DiSC 2022 will be monitored by an arborist to assure creation of a healthy tree canopy.
- Developer shall engage with Tree Davis, the Center for Land Based Learning, the UC Davis Arboretum, or other local expert to assist with design, selection of species, and management of trees and all landscaped areas of the Project site.
- Prior to construction of landscape areas, Developer will submit formal landscape plans for City review and approval. City shall take action on the submittal within 30 days of acceptance.

• An approved landscape plan diagram will be made publicly available in hard copy so that members of the public may review project consistency with tree commitments. Landscaping shall provide 80% shading of pedestrian walkways and off-street Class I bikepaths that are not otherwise shaded by photovoltaics or other renewable energy generation.

- Developer will utilize best practices for tree planting and root establishment. Specifically, Developer commits to the use of structured soils or suspended substrate to allow successful tree root development, to the satisfaction of the City’s Urban Forest Manager.
- When planting in parking areas or along paved walkways, Developer will size pavement treatment area to adequately accommodate the tree varietal’s intended size.
- Planting practice and ongoing tree health shall be subject to verification by the City’s Urban Forest Manager or a mutually agreed upon arborist that submits written reports to the City. The maintenance and growth of all onsite trees will be inspected annually for the first three years and biennially for the next seven years by a third-party arborist who will provide recommendations to improve tree health such as pruning, mulch and irrigation practices. Once a tree reaches ten-year maturity, inspections shall occur every five years. Inspection, maintenance and replacement costs shall be borne by the Developer or services district. Compliance with arborist recommendations is mandatory and failure to comply shall be considered a violation of project entitlements and subject to penalty. If, five years from the original date of planting, a tree is not growing at its anticipated rate or is otherwise showing signs of failure, that tree will be identified by the Urban Forest Manger or arborist who, at his or her discretion, may require tree replacement at Developer’s expense.
- Attainment of shading requirements shall be demonstrated within 15 years of planting. Failure to meet shading requirements shall be considered a code violation and subject to penalty unless said failure was the result of an act of God or unforeseeable cause which is no fault of Developer. Any violation shall be remedied through additional plantings of PV.

• Any removal of an established tree will be authorized in accordance with the then current Tree Planting,

Preservation and Protection Ordinance. Any proposed tree removal wherein the desired removal is to accommodate the installation of photovoltaic solar array or other comparable renewable energy technology shall not be subject to a tree mitigation fee or other payment to the tree preservation fund. Nevertheless, any tree removed must be replaced on or offsite within the City of Davis.

EXHIBIT K IMPACT FEES, CREDITS, AND MUNICIPAL FINANCING MECHANISMS

Notwithstanding the general provisions of Section 207 of this Agreement and the Municipal Code, the specific impact fees and connection fees shall be paid by the Project as modified in this Exhibit K. All other fees, connection fees, and payments shall be subject to the general provisions of Section 207 and the Municipal Code.

1. Quimby Act Obligation and Park Impact Fees

Developers' Quimby Act and park impact fee obligations shall be deemed satisfied through the following commitments:

Developer shall provide no less than 6.1 acres of land on-site meeting the City's definition of park space and 4.66 acres of greenbelt which is comprised of the internal 50-foot of the agricultural buffer. Developer shall grant the City a public access and recreation easement on the entire acreage intended to fulfill the Project's park and greenbelt obligation. The Project's Quimby Act obligation is for 6.03 acres. Developer's land commitment along with the irrevocable public access and recreation easements shall be deemed to fulfill the Quimby Act obligation and the City's greenbelt requirements.

Developer shall construct the publicly accessible parks and greenbelts at locations substantially consistent with the Open Space Plan (SEIR, Figure 3-5) to standards equal to or exceeding City standards for public recreational spaces. Developer and City will collaboratively determine the appropriate programming for all park areas. Design and landscaping plans shall be reviewed by City for consistency with City standards. Developer will be required to construct and fully program parks within the timeframes identified in the Baseline Project Features and provide what is commonly known as 'turn key' parks; having paid for and installed all components of the park space. Furthermore, Developer, through the ~~master owners' association~~ Master Owners' Association, shall be responsible for the ongoing upkeep and maintenance of the on-site parks and greenbelts. Based upon these commitments, City shall deem developers park fees fulfilled.

2. Roadway Impact Fees

Over the course of Project buildout, Developer will be required to pay considerable Roadway Impact Fees. The City retains the discretion to apply the Roadway Impact Fees contributed by Developer to specific public roadway improvements, as the City may determine appropriate. Recognizing the geographic location of the Project and the need to address existing

and potential future traffic problems in the area, the City commits to make Mace Boulevard improvements and other roadways proximate to the Project Site a priority for expenditure of Roadway Impact Fees generated by Developer. This agreement will complement actions and funding commitments by the Developer, such as the implementation of a Transportation Demand Management Plan, to mitigate the potential impacts on vehicle miles traveled, bicycle and pedestrian facilities, and transit operations identified in the SEIR for the project.

3. Commitment to Pursue Financing Opportunities in Good Faith

City and Developer agree that the Project will require considerable initial costs associated with the provision of infrastructure, which will also include enhancing or expanding many existing off-site facilities. In recognition of these Project-borne costs and the financial and economic benefits of the Project that extend beyond the boundary of the Project site, City commits to work with Developer in good faith to provide fee credits where appropriate and will pursue financing opportunities and/or utilize public financing mechanisms which are or may become available. Such mechanisms may include, but shall not be limited to, the following:

- a. State and Federal Grant Opportunities;
- b. Establishment of Mello-Roos/Community Facilities District(s) which shall include:
 - i. A perpetual services tax on developed properties for municipal services;
 - ii. An infrastructure facilities CFD for facilities which are required to be constructed as a condition of approval of the project,
- c. Imposition of Transfer Fees; and/or
- d. Pursuit of other Municipal Financing Tools such as:
 - i. Bond Opportunities for Land Development (BOLD); and/or
 - ii. Statewide Community Infrastructure Program (SCIP).

EXHIBIT L
UNCATEGORIZED ADDITIONAL COMMUNITY BENEFITS

1. Sales Tax Place of Sale

To the extent permitted by federal, state, and local law and upon approval of the Project, Developer shall designate the Project Site as the “Place of Sale” for the purposes of designating the retail sales location and calculating the sales tax obligations. A covenant or other instrument acceptable to the City Manager and City Attorney shall be recorded recognizing this commitment.

2. Fiberoptic Broadband Internet

Developer shall obtain the rights and extend fiberoptic or comparable internet infrastructure to the Project Site. Developer shall size and construct conduit to accommodate future expansion of fiberoptic broadband services to locations that extend beyond the boundary of the Project Site. Location and size of the conduit shall be subject to approval of the City as part of improvement plans. Developer will allow other users, including the City, to connect to the internet network and extend service into the City under terms to be negotiated. There shall be no cost to the City for extending service for municipal purposes or for a municipal network managed by the City.

3. Land-Secured Financing District for Public Services.

Developer agrees to participate in a land-secured financing district such as a Community Facilities District for the market rate ownership housing, to provide an ongoing revenue source to the City for municipal services. Developer and City commit that revenue generated by said assessment or tax be no less than \$150,000 annually at buildout of the market rate ownership housing and be utilized to fund services that are directly supportive of transit services, roadway repair and maintenance, roadway, bicycle and pedestrian safety and other community amenities. The district shall be established by the City Council prior to issuance of first building permit for for-sale housing.

4. Shuttle Route Study

Developer agrees to contribute \$50,000 to fund a study of a potential transit route and phased implementation plan that could serve to connect Davis, Woodland, UC Davis, and other local areas. The scope of the study will be coordinated with the City of Davis, YoloBus and Unitrans.

5. Retail Demand Market Study

Prior to occupancy of retail space, Developer will demonstrate that the proposed ancillary retail will not exceed the anticipated demand increase generated by new project employees and residents. If the analysis demonstrates that the proposed amount of ancillary retail space is outpacing employee- and resident-generated demand, then the ancillary retail uses shall be scaled back to be commensurate with the projected demand or omitted.

6. ~~5.~~ Hotel Conference Center Market Study

At such time market demand supports construction of a hotel on the site, Developer shall fund a

conference center market demand and feasibility study. The scope of the study shall be coordinated with the City Manager and completed prior to the hotel being approved for construction.

EXHIBIT M
APPLICABLE CITY ORDINANCES

Article 18.05 AFFORDABLE HOUSING

18.05.010 Purposes of article—Findings.

The city council finds and determines:

- (a) The city has a goal to provide a range of housing for its local workers and has chosen to take action to ensure that affordable housing is constructed and maintained within the City of Davis.
- (b) Housing purchase prices in Davis are generally higher than the rest of the region, particularly Woodland and West Sacramento.
- (c) Rents in Davis have been rising and the majority of new apartments are four-bedroom units which are not suitable for most families. Small, very low income households have trouble finding affordable unassisted housing, and larger households of any income level have difficulty finding affordable units.
- (d) Federal and state funds for the construction of new affordable housing are limited.
- (e) In order to meet the city's fair share of the regional housing need for very low, low and moderate income households, the city included implementing policies within the housing element of the general plan to provide for such housing.
- (f) General plan implementing policies require that, to the extent feasible, for sale residential developments should provide for housing units that are affordable to very low income households, low income households and moderate income households as part of the development, with tiered requirements that are reduced or eliminated for housing products that are more affordable by design. General plan policies also require that affordable ownership units include a means for sustained affordability, maintaining them as affordable units into the unforeseeable future.
- (g) General plan implementing policies also require that, to the extent feasible and subject to existing law, rental housing developments with five to nineteen units shall provide fifteen percent of the units to low income households and ten percent to very low income households; and in rental housing developments with twenty or more units that twenty-five percent of the units be affordable to low income households and ten percent of the units be affordable to very low income households. General plan policies also require that affordable rental units remain affordable in perpetuity. (Ord. 2418 § 1, 2013)

18.05.020 Definitions.

For the purposes of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Affordable housing means affordable ownership housing or affordable rental housing.

Affordable ownership housing is housing affordable, based upon mortgage payments or carrying charges paid by a member of a limited equity housing cooperative, to low, very low or moderate income households. No more than thirty-five percent of the targeted household income shall be applied to housing expenses, which shall include mortgage principal and interest, taxes, insurance, assessments, and homeowner fees, as applicable and adjusted for household size. In the case of the

limited equity cooperative, the total monthly carrying charges for its members shall not exceed thirty-five percent, and the carrying charges shall include all monthly housing costs minus utilities.

Affordable rental housing is housing affordable, based upon monthly rent, to low, very low or moderate income households, adjusted for household size. Affordable rental housing payments are approximately thirty percent of gross monthly target income less utilities.

Community based mutual housing association means a nonprofit tax exempt corporation that may

develop, own or manage housing units. Association membership includes nonresident and community members. Resident members shall constitute a majority of the shareholders of the corporation. Each member has one shareholder vote. The corporation is governed by an elected volunteer board of directors representative of the association membership. Members shall have no equity interest in the project. Residents pay a one-time membership fee to be used to defray the cost of constructing the housing units. This fee is refundable with nominal interest when residents leave the association. Residents must be members of the association, pay the membership fee and meet resident selection criteria established by the association.

Community based nonprofit-controlled rental housing means rental housing owned and operated by an organization with 501(c)(3) status, that is either based in Yolo County, or has a board of directors that includes a minimum of thirty percent representation of Yolo County residents.

Complete environmental review means that the land has had all environmental reviews completed on the site to satisfy local requirements, state CEQA requirements, and the national NEPA requirements; resulting in no significant findings that could inhibit development on the site. Any reported findings on the site must be cleared prior to deeding the site for land dedication to the city.

Density bonus means entitlement to build additional residential units above the maximum number of units permitted pursuant to existing general plan, applicable specific plan and zoning designations. Density bonus units may be constructed only in the development where the units of affordable housing are located. “City density bonus” means a bonus of units awarded to a developer pursuant to this article. “State density bonus” means a bonus of units awarded to a developer pursuant to Government Code Section 65915 et seq.

Developer means the owner of record and his or her successors in interest.

Development means one or more projects or groups of projects of residential units constructed in a contiguous area. A development need not be limited to an area within an individual parcel, or subdivision plat.

Exempt condominiums are residential ownership units in a condominium development that is predominantly composed of stacked air space units not having separate ownership parcels. Townhouse or single-family developments are not considered “exempt condominiums” under this definition, even if they are subdivided as condominium units.

Family means an individual or group of two or more persons occupying a dwelling unit and living together as a single housekeeping unit in which each resident has access to all parts of the dwelling and where the adult residents share expenses for food or rent.

Feasible means capable of being financed, demonstrating the required financing (if any) meets lenders investment standards with respect to the project’s loan to value (LTV), debt coverage ratio (DCR), and return on asset (ROA), based on the prevailing interest and discount rates supported in the required appraisal for a like property. Feasible projects should be sustainable projects, taking into account the cost of construction and ongoing maintenance of the project, in addition to the site’s essential services.

Household means “family” as defined in this section. This article shall not apply to households in which any member is claimed as a dependent for federal income tax purposes by a person or persons residing outside of the household unit unless such person or persons who reside outside the household qualify as very low, low or moderate income persons or families.

Limited equity housing cooperative means a housing cooperative organized pursuant to California Health and Safety Code Section 33007.6 and Business and Professional Code Section 11003.4. A limited equity housing cooperative is owned by a nonprofit corporation or nonprofit housing sponsor. Resident-owners own the cooperative as an undivided whole, rather than individual units, but each has the exclusive right to occupy a specific unit within the cooperative.

Low income means a household earning a gross income of no greater than eighty percent of the median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing

and Urban Development and affirmed by the Davis city council annually.

Low target income means that the average income of residents of low income units will be sixty-five percent of median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Moderate income means a household earning a gross income of no greater than one hundred twenty percent of the median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Moderate target income means that the average income of residents of moderate income units will be one hundred percent of median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Ownership units means housing units which provide an ownership opportunity including, but not limited to, single-family units, condominiums, land trusts, and cooperatives, except in circumstances where the unit is converted to rental use.

Permanently affordable means affordable in perpetuity and subject to an agreement between the developer and the city to maintain affordability. Such agreement shall be recorded to the property.

Rental units means housing units which provide a rental opportunity including, but not limited to, multifamily units (excluding condominiums and cooperatives), duplexes (two units on one lot), triplexes, or four-plexes on single-family residential zoned property. Single-family units may be converted to rental units for the purposes of this article.

Resident controlled nonprofit housing corporation means a housing corporation established to manage for-sale or rental housing projects designated for very low, low or moderate income households in which the majority of households have formed a nonprofit housing corporation. Residents need not have equity interest in such projects.

Self-help housing means mutual self-help housing constructed for very low, low, and moderate income families in which a group of prospective homebuyers shall provide labor to assist in the construction of their units. The intent of this program is to transform the hours of labor into equity (“sweat equity”) to reduce the purchase price of the unit.

Stacked condominiums are residential ownership units in a condominium development that is predominantly composed of stacked air space units not having separate ownership parcels. Townhouse or single-family developments are not considered “stacked condominiums” under this definition, even if they are subdivided as condominium units.

Student housing cooperative means a nonprofit housing organization owned and/or controlled by students.

Sustained affordability means that the affordable housing obligation being produced to meet the requirements of this ordinance is done so in a manner that maintains the affordability provided into the unforeseeable future, with minimal loss in affordability.

Vertical mixed use development means mixed-use structures that vertically integrate residential dwelling units above the ground floor with unrelated non-residential uses on the ground floor, including office, restaurant, retail, and other nonresidential uses. For purposes of this article, vertical mixed use does not include structures that vertically integrate uses ancillary to residential units, such as resident parking, laundry rooms, community rooms, or common space on the ground floor with the residential units above.

Very low income means a household earning a gross income of no greater than fifty percent of the median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Very low target income means that the average income for residents of very low income units will be forty percent of median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually. (Ord.

2418 § 1, 2013; Ord. 2443 § 1, 2015; Ord. 2545 § 2, 2019)

18.05.030 Applicability of article.

This article is enacted pursuant to the general police power of the city and is for the purpose of providing affordable housing in Davis consistent with the general plan. (Ord. 2418 § 1, 2013)

18.05.040 Provision of affordable housing.

(a) **Affordable housing plan.** The developer shall submit, concurrently with or prior to the submission of an application for the first discretionary approval for a development, an application as provided by the city describing a proposed affordable housing plan, which shall provide a program to provide affordable housing in accordance with this article and the intended method for implementing such a program. The developer may submit an application under this article at any time subject to staff's, the planning commission's, or the city council's discretion to deny the application on the sole basis of lack of timeliness. Any application resubmitted by a developer to amend an affordable housing plan after it has been approved by the city shall be deemed a new application for the development. Before any agreements between parties or transfer of land is made, all agreements, the affordable housing plan and budget for the provision of affordable housing pursuant to this article shall be approved by the city, in order to ensure that the affordable housing to be developed pursuant to the affordable housing plan will be economically sustainable over time, in accordance with the required duration of affordability for the affordable housing. Projects not requesting financial assistance from the city are not subject to a budget review. This review will allow for updated construction cost changes at the time of construction, which will again require

review and approval by staff. These reviews also provide the city opportunity to act as an active partner to projects where local funds are requested.

(b) **Approval process of affordable housing plans.** The approval process for affordable housing plans will include the following steps:

(1) Submission of the affordable housing plan as part of the project application submitted to the community development and sustainability department. Staff shall then refer the affordable housing plan to the social services commission. All plans, including proposals for payment of in-lieu fees, will be heard before the commission. Substantial amendments to affordable housing plans should also be considered by the commission.

(2) The social services commission will hold a duly noticed public hearing, where the plan shall be considered, if the application for the development is not going to be scheduled for a public hearing at the planning commission and/or city council. If the application for the development will be scheduled for a public hearing at the planning commission and/or city council, the social services commission will consider the affordable housing plan at a regular or special meeting of the commission. The commission will review the plan for compatibility with this article, adopted city affordable housing goals, and currently identified city housing needs.

(3) After motion for approval or denial is given by the social services commission regarding the proposed affordable housing plan, it is then heard publicly before the planning commission and reviewed for their motion on the plan, if the planning entitlements requested by the project require this step. If the planning entitlements being requested do not require this step, then the social services commission's decision on the affordable housing plan is final, but, as is true with decisions of the planning commission, can be appealed to the city council through the city's appeal process as outlined in Article 40.35 of the Davis Municipal Code.

(4) If the project is requesting planning approvals that require a city council hearing, the recommendations of both the social services commission, as well as the planning commission shall be included in the report to the city council.

(c) **Building permit issuance.** No building permit shall be issued for any new residential unit unless

the development containing such unit has received all approvals required with the standards and procedures provided for by this article. The location and type of proposed affordable housing in a development shall be disclosed in writing by each seller to each subsequent purchaser of lots or units within the development, until all the affordable housing units are completed.

(d) **Competitive contracting.** In circumstances where local, state, or federal funds are being used to assist in the development of the project, an open bidding process shall be carried out that adequately addresses the requirements of all funding sources involved. In agreement with this requirement, the developer shall be aware of regulations accompanying all funding sources used for the development, and shall comply with the regulations from pre-construction and throughout the life of the development. Copies of all contracts that are requested for viewing by the city shall be submitted in a timely manner. The city may request evidence of open procurement and compliance with any and all government funding regulations on a project at any time. If the city believes the project to be out of compliance with the intent of this article and/or the regulations of the project's funding sources, the city has the ability to sanction the project developers for their conduct, including fining the project or withdrawing funding.

(e) **Development agreement.** The city shall use the development agreement of the development to ensure that the developer adheres to the requirements and intent of this article by detailing within the agreement the sanctions involved if the developer does not comply with the requirements of this article during the construction process.

(f) **Rounding provisions.** Where the total affordable units required by this article call for a one-half affordable unit or greater portion, it shall require the provision of one full affordable unit (for example, a requirement of one and one-half shall actually require two units). The results of such rounding shall also be used in the calculation for in-lieu fee payments, where provided as an option.

(g) **Buyer/tenant selection and screening.** Buyer/tenant selection and screening shall be carried out by the developer, owner, city, or by the designated responsible party, at the sole expense of the developer. Included in the affordable housing plan submitted by the developer, shall be a proposed marketing plan with an estimated timeline of events, which must be approved by the city and shall adhere to the city's buyer/tenant selection and screening guidelines.

The City of Davis will monitor the buyer selection and screening process through required monthly reports, and through the ability to review any and all files regarding the process at any time that city staff requests to do so. The City of Davis will possess the ability to halt any sale or break any lease of an affordable unit at its discretion, for reasons to include, but not restricted to, the following: if the buyer selection and screening process was not strictly adhered to, or if the buying household is found not to meet the guidelines of qualification, as specified in the guidelines. (Ord. 2418 § 1, 2013)

18.05.050 Ownership development affordable housing standards.

A developer of residential ownership developments consisting of five or more units shall provide in each development, to the extent feasible, affordable housing for very low, low and moderate income households, as set forth in an affordable housing plan approved by the city, in accordance with the requirements of this section. The approval process for affordable housing plans will adhere to that which is required by Section 18.05.040(b).

The price of all affordable ownership housing units will be calculated based on payments to be made by the buyer that make up no more than thirty-five percent of the gross monthly target income level designated for a specific unit and shall include mortgage principal and interest, taxes, insurance, assessments, and homeowner fees, as applicable and adjusted for household size. Percentages allowed for the qualifying of the mortgage loan shall be determined by the lender or lenders involved with the income-qualified household.

A developer may, at his or her option, provide affordable rental units to meet the requirements of this section, pursuant to state law, provided that such rental units must comply with the affordable housing standards for rental units in Section 18.05.060 of this article, and as adopted by the city.

To the maximum extent feasible, each developer must meet the ownership affordable unit requirement as it pertains to the project, as set forth below:

(a) **Standard ownership affordable housing requirements.** Any development that is comprised in whole or in part of ownership units shall comply with the following requirements, which shall be included in the development's affordable housing plan.

(1) Affordable Housing Requirements, by Residential Product Type.

(A) For projects comprised of market rate single-family detached ownership units on lots larger than five thousand square feet in area, the developer must provide for a number of affordable housing units equivalent to twenty-five percent of the total units being developed, including the affordable units, by means of one of the methods set forth in this section.

(B) For projects comprised of market rate single-family detached ownership units on lots smaller than five thousand square feet in area, the developer must provide for a number of affordable housing units equivalent to fifteen percent of the total units being developed, including the affordable units, by means of one of the methods set forth in this section.

(C) For projects comprised of market rate single-family attached ownership units, the developer must provide for a number of affordable housing units equivalent to ten percent of the total units being developed including the affordable units, by means of one of the methods set forth in this section.

(D) For projects comprised of market rate stacked condominiums or ownership units within vertical mixed-use development, the developer must provide for a number of affordable housing units equivalent to five percent of the total units being developed including the affordable units, by means of one of the methods set forth in this section.

(E) Exempt projects as identified in Section 18.05.080 have no affordability requirements except as provided therein.

(F) For developments that are comprised of more than one residential product type, the affordable housing obligation shall be calculated for each product type separately and then aggregated, before rounding, provided, however, if a development is comprised of ownership and rental product types, the affordable housing obligations for the ownership and rental units shall be calculated and applied separately.

(2) Affordable Housing Requirements, by Project Size.

(A) Exempt projects pursuant to Section 18.05.080.

(B) Projects Totaling Five or Greater Units for Purchase.

(i) The required affordable units must be provided through: on-site construction of affordable ownership or rental units, acquisition and recordation of permanent affordability restrictions on existing housing units within the city, provision of a land dedication site, and/or through payment of in-lieu fees, as further defined in subsections (b) through (f).

(ii) The on-site construction of affordable ownership or rental units may be fulfilled through the on-site development of affordable units for purchase or rental, in conformance with all that is stated in subsection (b).

(iii) The land dedication option shall be fulfilled by the developer by making an irrevocable offer to the city of sufficient land, without abnormalities (shape and terrain) and with complete environmental review that can accommodate the affordable housing requirement for the project. The land dedication shall be in conformance with all that is stated in subsection (c), entitled land dedication.

(iv) The option of purchase and placement of permanent affordability restrictions on existing housing units within the city is only available when determined to be appropriate by the city council in its sole discretion, and must be in conformance with

all that is stated in subsection (e).

(v) The payment of in-lieu fees to fulfill part or a project's entire affordable housing requirement is subject to city council review and must be in conformance with all that is stated in subsection (f), entitled in-lieu fees.

(C) Projects Totaling Two Hundred One Ownership Units or More. The required affordable units shall be provided through the following methods, as more specifically described in subsections (b) through (f):

(i) On-site construction of affordable ownership units;

(ii) On-site construction of accessory dwelling units for rental to fulfill up to half of the requirement;

(iii) Through payment of in-lieu fees for no more than fifty percent of the affordable housing obligation of the project, if approved by the city council;

(iv) Provision of a land dedication site; and/or

(v) On-site construction of affordable rental units, if the developer voluntarily requests to satisfy its requirements through this alternative.

(3) Project Individualized Program.

(A) The developer may meet the city's affordable housing requirement with a project individualized program that is determined to generate an amount of affordability equal to or greater than the amount that would be generated under the standard affordability requirements. The affordable units must, at a minimum, meet the same income targets specified in the standard ownership affordable housing provisions.

(i) A project individualized program shall be developed by the developer and city staff, taken action on by the social services commission, and if the main project application requires, heard before the planning commission for decision.

(ii) If the main project is requesting planning entitlements that require city council approval, it shall then be heard before the city council for final decision.

(iii) If the main project does not require a city council hearing, the planning commission's or the social services commission's determination may be appealed to the city council by any member of the public.

(B) The project individualized program is not intended to allow exception to a public input and review process. The project individualized program is intended to be viewed thoroughly and scrutinized in public forums, allowing for input and competition from the public, other community-based nonprofits, staff, and at a minimum, the social services commission. The public hearing at the social services commission shall be noticed to all community-based housing nonprofits in the area, to the greatest extent possible, regardless of their involvement in the project. This public hearing shall scrutinize the project based on the following criteria:

(i) Need for government subsidy;

(ii) Sustainability of the project and its services;

(iii) Community need of the project type based on recent needs assessments and recent projects completed;

(iv) Uniqueness/innovation of the proposed project;

(v) Overall benefits and drawbacks of the project;

(vi) Project's compliance with the standards as outlined within the affordable housing Sections 18.05.010 through 18.05.070 of the Davis Municipal Code.

These meetings shall be carried out without any finite contracts in place between the parties involved, allowing for the potential direction to the developer to change the

project. If the social services commission finds that the proposed project does not satisfy one or all of the criteria listed above, it may choose to direct the developer to fulfill his or her affordable housing requirement through a land dedication process. This decision may be altered at either the planning commission or city council public hearing, if the project requires review by either of these deciding bodies.

Decision of either the social services commission or the planning commission to direct the developer to do a land dedication to meet his or her affordability requirement, may be appealed to the city council.

(b) On-site construction of affordable units for ownership developments. When a developer constructs on-site affordable ownership or rental units to satisfy its obligations under this article, the units shall be constructed in conformance with the requirements of this subsection (b).

(1) **Density Bonus.** A one-for-one city density bonus shall be awarded for construction of on-site affordable units meeting the requirements for a state density bonus.

(2) **Housing Mix.** The developer must provide a mix of two- and three-bedroom units, with a minimum of fifty percent of the units as three-bedroom units and in a combination of unit types as approved within the affordable housing plan through the appropriate review process. Smaller and larger unit sizes shall be provided as an option, based on local housing needs and project character, as approved during the affordable housing plan review process.

(3) **Price of Affordable Ownership Units.** The affordable ownership units will be affordable to moderate income households, households with incomes ranging from eighty percent of area median income to one hundred twenty percent of area median income, with the average affordability targeted at households with incomes at one hundred percent of area median income, the moderate target income.

The community development and sustainability director shall determine the maximum sales price for these units on an annual basis. The community development and sustainability director shall propose annual adjustments to the maximum purchase prices based on changes in the area median income, as determined by the U.S. Department of Housing and Urban Development. This price shall be reviewed annually for adoption by the city council.

(4) **Rent for Affordable Rental Units.** The affordable rental units will be leased at an affordable rent to low and very low income households. The average affordable price for each size category of affordable rental units, based on number of bedrooms, shall not exceed the low target income, sixty-five percent of median income. The maximum income level served shall not be greater than eighty percent of area median income. The developer shall offer affordable rental units in each size categories to multiple income levels to ensure that the rental units achieve the required average target income. For example, if three-bedroom units are offered to

families at eighty percent of median income, the same number of three-bedroom units must be offered to households at fifty percent of area median income, making the average rent for the unit type sixty-five percent of area median income. Lower rents or an average that meets the same affordability target can be approved through the affordable housing plan review process.

(5) **Buyer/Tenant Selection and Screening.** Please refer to Section 18.05.040(g) for the selection and screening requirements applicable to affordable units.

(6) **Owner-Occupancy Restrictions.** Any person who purchases a designated ownership affordable unit pursuant to this article shall occupy that unit as his or her principal personal residence for as long as he or she owns the affordable unit. Such occupancy shall commence within six months following completion of the purchase. The purchases shall comply with the provisions of Sections 18.04.020 through 18.04.060, inclusive, of this Code.

(7) **Sustained Affordability.** Restrictions shall be placed on the affordable housing units produced, in order to ensure a measure of sustained affordability. In an effort to maintain the greatest number of units as affordable for the greatest period of time, one of the following restrictions shall be adhered to:

(A) Appreciation Capped at Three Percent per Year plus a Three-Quarters of a Percent Maintenance Credit for Necessary Maintenance Costs of the Unit. The unit appreciates based on the average annual increase in Yolo County Area Median Income—Three percent, plus an additional three-quarters percent as a credit for maintenance costs of the unit. This restricts the total appreciation of an ownership unit to a maximum of three and three-quarters percent, compounded annually.

(B) Affordability Covenant. In order to qualify as affordable rental units pursuant to this subsection, such units shall be maintained in perpetuity as affordable units. The owner of the rental units shall enter into an agreement with the city to ensure the continued affordability of these affordable rental housing units in perpetuity. This agreement shall be recorded.

(C) Alternative Proposal. Any other program that proves its ability to provide for sustainable affordability, as approved by staff, the social services commission, and other public governing bodies as required by the individual project. Proposing an alternative method for sustained affordability must be justified based on current market trends and/or other prevailing circumstances.

(8) Right of First Refusal. All affordable ownership units constructed after January 1, 2005, shall deed to the City of Davis a permanent right of first refusal on the property, allowing the city the ability to either purchase the unit, or designate an appropriate buyer for the unit at its resale. The deed restriction shall allow the city to designate a third party to carry out its right of first refusal, and shall also allow for a one percent fee to be taken from the real estate transaction in order to pay for the costs of carrying out the right of first refusal.

(9) Resale Report. The owners of all affordable for-sale units that include a resale restriction or were constructed after January 1, 2005, shall be required to clear all resale reports completed on these units prior to the close of escrow on the resale of each unit. The findings of the resale inspection that are required to be addressed cannot be transferred to the household purchasing the affordable unit.

(c) **Land dedication.** When a developer makes a land dedication in order to satisfy the requirements of this article, it shall comply with the following requirements:

The developer shall make an irrevocable offer to the city of sufficient land, without abnormalities (shape and terrain) and with complete environmental review, which can accommodate the land dedication requirement for the project in its entirety. The land dedicated shall be of sufficient size to make the development of the required affordable units economically feasible, no less than two acres. The density of development for the purpose of calculating the acreage to be dedicated under this section shall be fifteen units per acre. The proposed use of such land must be consistent with the general plan. The city may approve, conditionally approve, or reject such an offer of dedication. If the city rejects such an offer of dedication, the developer shall be required to meet the affordable housing obligation by other means set forth in this article and approved by the city.

The dedicated site shall be economically feasible to develop, of sufficient size to build the required number of affordable units, and physically suitable for development of the required affordable units prior to dedication of the land. The dedicated site shall also have appropriate general plan designation and zoning to accommodate the required units, be fully improved with infrastructure, frontage improvements (i.e., curb, gutter, walk), paved street access, utility (i.e., water, gas, sewer, and electric) service connections stubbed to the property lines, and other such off-site improvements as may be necessary for development of the required affordable units or required by the city.

The developer must identify the land to be dedicated at the time the developer applies for a pre-zoning or zoning amendment, but in no event later than the application for the tentative subdivision map. Building permits shall not be issued prior to identification of land to be dedicated under this section.

(1) Density Bonus. A one-for-one city density bonus shall be awarded for land dedication on the basis of fifteen units per net acre.

(2) Housing Types on Dedicated Land. Housing built on land provided by dedication for

affordable housing shall be permanently affordable. The city shall adopt a resolution establishing a process whereby property dedicated to the city pursuant to this section may be conveyed to third parties who shall enter into an agreement with the city to produce affordable housing within a specified period of time. The city shall consult with the social services commission, nonprofit corporations, affordable housing organizations, and developers in designing this process. Housing on land dedicated pursuant to this section may consist of any of the following:

- (A) Resident controlled nonprofit housing corporation;
- (B) Community based mutual housing association;
- (C) Community based nonprofit controlled rental housing;
- (D) Student housing cooperative;
- (E) Limited equity housing cooperative;
- (F) Public housing;
- (G) Land trust;
- (H) Self-help housing;
- (I) Other forms of nonprofit housing containing a permanent affordability provision.

(3) **Price of Units.** The average affordable price for each size category of units on land dedication sites shall not exceed the low target income, sixty-five percent of median income. The maximum income level served by any of the units located on a land dedication site shall not be greater than eighty percent of area median income. The developer shall offer affordable rental units in each size categories to multiple income levels to ensure that the rental units achieve the required average target income. For example, if three-bedroom units are offered to families at eighty percent of median income, the same number of three-bedroom units must be offered to households at fifty percent of area median income, making the average rent for the unit type sixty-five percent of area median income. Lower rents or an average that meets the same affordability target can be approved through the plan review process.

(4) **Buyer/Tenant Selection and Screening.** Please refer to Section 18.05.040(g) for the selection and screening requirements applicable to affordable units.

(5) **Owner-Occupancy Restrictions.** Any person who purchases a designated affordable unit pursuant to this article shall occupy that unit as his or her principal personal residence for as long as he or she owns the affordable unit. Such occupancy shall commence within six months following completion of the purchase. The purchases shall comply with the provisions of Sections 18.04.020 through 18.04.060, inclusive, of this Code.

(d) **Options for small developments.** Small developments of fifteen ownership units or fewer, and totaling no greater than thirty-eight bedrooms in the development, that are not otherwise exempt pursuant to Section 18.05.080, that are located within the core area and are found to meet a specified community goal, can request to fulfill the affordable housing requirement through one of the following options, which shall be considered during the review process of the development's affordable housing plan:

(1) **Construction Subsidy.** City staff will work with the developer to provide financial assistance to be used in the construction of the affordable unit(s) required on-site, in order to assist in ensuring the project's feasibility. The developer shall present a pro forma (for the affordable units) to staff showing the necessary amount of construction assistance needed through supplemental city funds, in order to make the project economically feasible. The project will require the standard review process, and the necessary funding approval from the city council.

(2) **Combination of On-Site Construction and In-Lieu Fees.** The affordability requirement may be fulfilled through a combination that includes the on-site development of a portion of the required affordable units, with the remaining amount of the affordability requirement fulfilled through in-lieu fees paid in accordance with subsection (f) of this section. The exact split of the combination shall be determined during the review of the project's affordable housing plan, based on the

developer's stated ability to provide affordable units on-site.

(e) Acquisition and recordation of permanent affordability restrictions on existing housing units.

As an alternative to constructing affordable housing within a development project or providing for affordable housing through the payment of in-lieu fees, the affordability requirement may be fulfilled through the provision of off-site units being purchased/acquired and placed permanently into the city's affordable housing program through the recordation of affordability deed restrictions, subject to discretionary approval by the city council following review of the project's affordable housing plan. The city council may determine in its sole discretion whether this alternative is appropriate on a case-by-case basis. These units are required to have recorded

permanent affordability deed restrictions recorded against them, in a form consistent with the affordability restrictions that are recorded against on-site affordable units constructed pursuant to the requirements of this affordable housing ordinance. In its review of an affordable housing plan that provides affordable housing pursuant to this option, the city council will consider the following:

- (1) The condition and usable life of the units;
- (2) Potential displacement of existing residents;
- (3) The location and size of the proposed affordable units relative to disbursement of units throughout the city and local housing needs;
- (4) Long-term ownership and maintenance of the units; and
- (5) The level of affordability offered by the proposed alternative.

Any units provided under this option must ensure a unit life of no less than thirty years and may require rehabilitation prior to qualifying. Sale or long-term rental of these units would be at the sole expense and responsibility of the project developer, unless otherwise approved by the city council.

(f) In-lieu fees. As an alternative to constructing on-site affordable housing within a development as required by this article, the affordability requirement may be fulfilled through the payment of in-lieu fees pursuant to an adopted fee schedule to be revised on an annual basis, provided that the payment of in-lieu fees has been approved by the city council following review of the project's affordable housing plan. The city council will review a request for payment of in-lieu fees taking into consideration the following:

- (1) Project gross and net density;
- (2) Project size;
- (3) Economic or planning feasibility of affordable unit provision by another means within the development;
- (4) Projected housing costs of the project's market rate housing/overall housing affordability of the project; and
- (5) Accomplishment and tradeoffs of other local policy objectives, including smart growth principles, accessibility, energy efficiency, etc.

A payment plan may be approved by the city council in the event that the developer does not have the necessary funds available for payment; however, the majority of in-lieu fees shall be paid prior to the issuance of the certificate of occupancy on any of the market rate units. In addition to the standard in-lieu fee, the city maintains the right to adopt an in-lieu fee for use in future resource-pooled projects. This special in-lieu fee would apply to projects within a specific project area where the fee is intended to be used towards a planned resource-pooled project. (Ord. 2418 § 1, 2013; Ord. 2443 §§ 2, 3, 2015; Ord. 2545 § 3, 2019)

18.05.060 Rental development affordable housing standards.

A developer of rental housing developments containing twenty or more units shall provide, to the maximum extent feasible, at least twenty-five percent of the units as affordable housing for low income households and

at least ten percent of the units as affordable housing for very low income households. A developer of rental housing developments containing between five and nineteen units, inclusive, shall provide, to the maximum extent feasible, fifteen percent of the units to low income households and ten percent to very low income households. Residential projects consisting of fewer than five market rate

units will not be required to produce affordable units. Such housing shall be provided either by the construction of units on-site or by land dedication.

The approval process for affordable housing plans will adhere to that which is required by Section 18.05.040(b). Affordable rental units shall rent to low income households at not more than thirty percent of eighty percent (thirty percent of eighty percent is twenty-four percent) of area median income, and to very low income households at not more than thirty percent of fifty percent of area median income, adjusted for family size.

To the maximum extent feasible, each developer must meet the affordability requirement as it pertains to the project, as set forth below:

(a) **Standard rental affordable housing requirements.** Except as set forth in subsection (b) of this section, all requirements listed under the respective category must be adhered to and included within the project's affordable housing plan.

(1) Exempt Projects Pursuant to Section 18.05.080. No affordability requirements except as provided therein.

(2) Projects Totaling Five to Nineteen Units for Rent.

(A) A number equivalent to fifteen percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to low income households, households with gross incomes at or below eighty percent of area median income for Yolo County.

(B) A number equivalent to ten percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to very low income households, households with gross incomes at or below fifty percent of area median income for Yolo County.

(C) The complete number of required affordable units must be constructed on-site.

(D) The on-site construction shall be in conformance with all that is stated in subsection (c), entitled on-site construction of affordable units for rent.

(3) Projects Totaling Twenty or Greater Units for Rent.

(A) A number equivalent to twenty-five percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to low income households, households with gross incomes at or below eighty percent of area median income for Yolo County.

(B) A number equivalent to ten percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to very low income households, households with gross incomes at or below fifty percent of area median income for Yolo County.

(C) This requirement may be fulfilled through either on-site construction as stated in subsection (c) of this section or land dedication detailed in subsection (d), as long as the minimum amount of land is provided to make the site economically feasible.

(4) Vertical Mixed-Use Development. Unless exempt under Section 18.05.080, in projects comprised of vertical mixed-use units, a number equivalent to five percent of the total units, bedrooms, or beds being developed including the affordable units, bedrooms, or beds, shall be developed and made affordable to low income households, households with gross incomes at or below eighty percent of area median income for Yolo County.

(5) Project Individualized Programs for Rental Housing.

(A) The developer may meet the city's affordable housing requirement with a project individualized program that is determined to generate an amount of affordability equal to or greater than the amount that would be generated under the standard affordability requirements. The affordable units must, at a minimum, meet the same income targets specified in the standard rental affordable housing requirements as set forth in subsection (a)(2) and (3).

(i) A project individualized program shall be developed by the developer and city staff, taken action on by the social services commission, and, if the main project application requires, heard before the planning commission for decision.

(ii) If the main project is requesting planning entitlements that require city council approval, the project individualized program shall then be heard before the city council for final decision.

(iii) If the main project does not require a city council hearing, the planning commission's or the social services commission's determination may be appealed to the city council by any member of the public.

(B) The project individualized program is not intended to allow exception to a public input and review process. The project individualized program is intended to be viewed thoroughly and scrutinized in public forums, allowing for input and competition from the public, other community-based nonprofits, staff, and, at a minimum, the social services commission. The public hearing at the social services commission shall be noticed to all community-based housing nonprofits in the area, to the greatest extent possible, regardless of their involvement in the project. This public hearing shall scrutinize the project based on the following criteria:

(i) Need for government subsidy; and

(ii) Sustainability of the development and its services; and

(iii) Community need of the project type based on recent needs assessments and recent projects completed; and

(iv) Uniqueness/innovation of the proposed project; and

(v) Overall benefits and drawbacks of the project; and

(vi) Development's compliance with the standards as outlined within this article.

These meetings shall be carried out without any finite contracts in place between the parties involved, allowing for the potential direction to the developer to change the project. If the social services commission finds that the proposed project does not satisfy one or all of the criteria listed above, it may choose to direct the developer to fulfill his or her affordable housing requirement through a land dedication process. This decision may be altered at either the planning commission or city council public hearing, if the project requires review by either of these deciding bodies.

Decision of either the social services commission or the planning commission to

direct the developer to do a land dedication to meet his or her affordability requirement, may be appealed to the city council.

(b) **Alternative rental affordable housing requirements.** Until May 31, 2020, the city council may, at its discretion, approve alternative affordable housing requirements on a project specific basis that provide for a lesser percentage of the total units to be provided as affordable housing, or provide for affordable housing in an alternative manner, including, but not limited to, providing affordable housing by bedroom or individual bed, or pledging to the city a continuing payment of funds to be submitted to the city at least annually for the purpose of furthering the city's affordable housing goals and objectives, in an amount as deemed appropriate by the city council. Except as provided below, if the affordable housing is provided by generating units, bedrooms or beds, there shall be a requirement of fifteen

percent affordable units, bedrooms or beds. The affordability mix shall have a target of five percent low, five percent very low and five percent extremely low recognizing that the number of units, bedrooms, or beds may be adjusted up or down based on the income and rent levels proposed. In considering whether to approve alternative affordable housing requirements pursuant to this subsection (b), the city council will consider the following factors in determining whether to approve such alternative requirements:

- (1) Whether the market rate component and/or the affordable component of the proposed development is anticipated to meet a specific housing need as identified in the city's housing element or general plan policies; and
- (2) Whether the market rate units are anticipated to provide housing to low or moderate- income households through the incorporation of design components that will encourage greater affordability including reduced units sizes and reduced utility costs; and
- (3) The extent to which the proposed development furthers other land use goals of the city, including, but not limited to, reductions in the need for private vehicles and the encouragement of development consistent with the Metropolitan Transportation Plan/Sustainable Communities Strategy adopted for the Sacramento Region by the Sacramento Area Council of Governments; and
- (4) Whether the proposed market rate development includes unusually high infrastructure costs or other cost burdens as conditions to the development of the project; and
- (5) Whether the proposed affordable housing component may be partially funded by public subsidy or other public financing from a source other than the city; and
- (6) Whether the affordable component is provided on a bed or bedroom basis, that encourages greater integration of the affordable and market rate components of the project; and
- (7) Whether any or all of the affordable housing is provided at a deeper level of affordability (such as extremely low income housing, as defined in California Health and Safety Code Section 50106); and
- (8) Whether the application for the proposed development was submitted to the city for consideration prior to the adoption of AB 1505; and
- (9) Whether the developer is proposing to pledge to the city a continuing revenue source that will assist the city in satisfying one or more specific affordable housing goals of the city, in an amount that the city council deems is sufficient to provide a significant benefit in furtherance of the city's affordable housing goals; and
- (10) The total percentage of affordable units provided under these alternative rental-housing requirements may be adjusted up or down based on the income and rent levels provided or the size of the overall project. The council therefore may, at its discretion, approve alternative affordable housing requirements under this subsection that provides less than fifteen percent affordable units if the project provides a higher percentage of units to the lowest income levels (extremely low and very low). Further, the council may, at its discretion, require a higher total percentage for larger market rate projects that have greater economies of scale, or require a lesser percentage for smaller projects that have lesser economies of scale.

(c) **On-site construction of affordable units for rent.** A developer of a development containing twenty or more units may meet the rental affordable housing requirement by constructing twenty- five percent of the total number of units on-site to be permanently affordable to low income households and ten percent of the total number of units on-site to be permanently affordable to very low income households. A developer of a development containing between five and nineteen units, inclusive, may meet the rental affordable housing requirement by constructing fifteen percent of the total number of units on-site to be permanently affordable to low income households and ten percent of the total number of units on-site to be permanently affordable to very low income households.

- (1) **Criteria for On-Site Construction.** Affordable housing units constructed on-site shall include

a mix of unit sizes, dispersed throughout the entire development, as approved by the director of the department of community development, based on the local housing needs of unit sizes. Affordable housing units shall not be clustered together in any building, complex or area of the development. Affordable housing units constructed on-site shall be constructed using the same building materials and including equivalent amenities as the market rate units.

(2) **Affordability Agreement.** In order to qualify as affordable units pursuant to this section, such units shall be maintained in perpetuity as affordable units. The developer shall enter into an agreement with the city to ensure the continued affordability of all affordable rental housing units in perpetuity. This agreement shall be recorded.

(3) **Density Bonus.** A one-for-one city density bonus shall be awarded for the construction of on-site affordable units.

(4) **Annual Monitoring.** Affordable units must be managed by the developer or his or her agent. Each developer shall submit an annual report to the city identifying which units are affordable units, the monthly rent, vacancy information for each affordable unit for the prior year, gross annual incomes for the households of each affordable unit during the prior year, and other information as required by city staff. This annual monitoring shall include the inspection of ten percent of the on-site affordable units. Inspection reports created by an acceptable third party and completed within the same city fiscal year will be accepted in lieu of city staff performing the on-site inspection, for that given monitoring year.

(5) **Affordable Rents.** Affordable rents shall be determined annually on a city-wide basis by city staff based upon the area median income and utility allowances for Yolo County, as determined by the Federal Department of Housing and Urban Development, the State Department of Housing and Community Development, and the Yolo County housing authority. If these agencies do not provide the information, the City of Davis will determine monthly rent amounts based on thirty percent of the targeted household's gross monthly income.

(6) **Tenant Selection and Screening.** Please refer to Section 18.05.040(g) for the guidelines of this section.

(d) **Land dedication.** A developer may, as an alternative to constructing the affordable rental units on-site, make an irrevocable offer of dedication to the city of sufficient land to meet the total affordable rental housing units required pursuant to this section.

(1) **Credit.** The density of development for the purpose of calculating the acreage to be dedicated under this section shall be twenty units per net acre for multifamily residential use.

(2) **Procedure—General Plan Consistency.** The developer shall identify the land to be dedicated at the time the developer applies for a pre-zone or zoning amendment, but in no event later than the application for tentative subdivision map. Building permits shall not be issued prior to identification of land to be dedicated under this section. The proposed land use of such land must be consistent with the general plan. The city may approve, conditionally approve or reject such offer of dedication. If the city rejects such offer of dedication, the developer shall be required to meet the affordable housing obligation by other means set forth in this section and identified by the city.

(3) **Characteristics and Minimum Size.** The developer shall make an irrevocable offer to the city of sufficient land, without abnormalities (shape and terrain) and with complete environmental review, which can accommodate the land dedication requirement for the development in its entirety. The land dedicated shall be of sufficient size to make the development of the required affordable units economically feasible, no less than two acres.

(4) **Density Bonus.** A one-for-one city density bonus shall be awarded for dedication under this section on the basis of twenty units per net acre.

(5) **Housing on Dedicated Land.** Housing built on land dedicated for affordable housing shall be permanently affordable. The city shall adopt a resolution establishing a process whereby property dedicated to the city pursuant to this section may be conveyed to third parties who shall enter into

an agreement with the city to produce affordable housing within a specified period of time. The city shall consult with the social services commission, nonprofit corporations, affordable housing organizations and developers in designing this process. Housing on land dedicated pursuant to this section may consist of any of the housing types listed in Section 18.05.050(b)(2) of this article.

(e) **Options for small developments.** Small developments of fifteen rental units or fewer, and totaling no greater than thirty-eight bedrooms in the project, that are located within the core area, that are not otherwise exempt pursuant to Section 18.05.050, and are found to meet a specified community goal, can request to fulfill the twenty-five percent affordable housing requirement through one of the following options, as approved during the review process of the project's affordable housing plan.

(1) **Construction Subsidy.** City staff will work with the developer to provide financial assistance to be used in the construction of the affordable unit(s) required on-site, in order to assist in ensuring the project's feasibility. The developer shall present a pro forma (for the affordable units) to staff showing the necessary amount of construction assistance needed through supplemental city funds, in order to make the project economically feasible. The project will require the standard review process, and the necessary funding approval from the city council.

(2) **Combination of On-Site Construction and In-Lieu Fees.** The affordability requirement may be fulfilled through a combination that includes the on-site development of a portion of the required affordable units, with the remaining amount of the affordability requirement fulfilled through in-lieu fees pursuant to an adopted fee schedule to be revised on an annual basis. The exact split of the combination shall be determined during the review process for the project's affordable housing plan, based on the developer's stated ability to provide affordable units on-site.

(3) **In-Lieu Fees.** In the event that the developer cannot accommodate options (1) and (2) within the proposed project, the affordability requirement may be fulfilled through the payment of in-lieu fees pursuant to an adopted fee schedule to be revised on an annual basis. A payment plan may be approved by the social services commission in the event that the developer does not have the necessary funds available for payment; however, the majority of in-lieu fees shall be paid prior to the issuance of the certificate of occupancy on any of the market rate units. In addition to the standard in-lieu fee, the city maintains the right to adopt an in-lieu fee for use in future resource-pooled projects. This special in-lieu fee would apply to projects within a specific project area where the fee is intended to be used towards a planned resource-pooled project. (Ord. 2418 § 1, 2013; Ord. 2525 § 2, 2018; Ord. 2544 § 2, 2018; Ord. 2545 §§ 4, 5, 2019; Ord. 2550 § 2, 2019; Ord. 2561 § 2, 2019)

18.05.070 Fees.

The city council may, by resolution, establish fees and deposits for processing of applications as required by this article. (Ord. 2418 § 1, 2013)

18.05.080 Exemptions from affordable housing requirements.

(a) Residential developments consisting of fewer than five units are exempt from the requirements of this article.

(b) The city council may, at its discretion, exempt residential developments that are located within the boundaries of the city's Core Area Specific Plan and constructed as stacked condominium or as part of a vertical mixed-use development from the requirements of this article, provided that in order to receive such exemption the developer shall submit to the city an individualized affordable housing plan that provides a commitment to the creation of affordable housing in the city, either through development of on-site affordable units, payment of in-lieu fees, or another mechanism deemed appropriate by the city council. The individualized affordable housing plan that may be approved under this subsection is not required to provide affordable housing at a specific percentage or level, but shall provide affordable housing at a level as deemed appropriate by the city council, taking into account the desire to ensure that all residential development contribute to the creation of affordable housing as well as the desire to encourage and help to ensure the feasibility of vertical mixed-use and stacked condominium

development within the boundaries of the city's Core Area Specific Plan.

(c) The requirements of this article may be adjusted or waived if the developer demonstrates to the satisfaction of the city council that there is not a reasonable relationship between the impact of a proposed residential project and the requirements of this article, or that applying the requirement of this article would take property in violation of the United States or California Constitutions.

To receive an adjustment or waiver, the developer must request it when applying for first approval of the residential development, or through submittal of a draft affordable housing plan to the city. The matter shall be considered before the city council within thirty days. In making the finding or determination, the city council may assume the following: (1) the developer is subject to the inclusionary housing requirements in this article; (2) availability of any incentives, affordable financing, or subsidies; and (3) the most economical affordable housing product in terms of construction, design, location, and tenure. For purposes of a taking determination, the developer has the burden of providing economic and financial documentation and other evidence necessary to establish that application of this article would constitute a taking of the property without just compensation.

If it is determined that the application of the provisions in this article would constitute a taking, the inclusionary requirements for the residential development shall be modified to reduce the inclusionary housing obligations to the extent and only to the extent necessary to avoid a taking. If it is determined that no taking would occur by application of this article, the requirements of the article remain applicable and no approvals for the residential project shall be issued unless the developer has executed an affordable housing plan pursuant to the requirements of this article. (Ord. 2418 § 1, 2013; Ord. 2545 § 6, 2019)

40A.01.050 Agricultural buffer requirement.

(a) In addition to the right to farm deed restriction and notice requirement, the city has determined that the use of property for agricultural operations is a high priority. To minimize future potential conflicts between agricultural and nonagricultural land uses and to protect the public health, all new developments adjacent to designated agricultural, agricultural reserve, agricultural open space, greenbelt/agricultural buffer, Davis greenbelt or environmentally sensitive habitat areas according to the land use and open space element maps shall be required to provide an agricultural buffer/agricultural transition area. In addition, development limits or restricts opportunities to view farmlands. Public access to a portion of the agricultural buffer will permit public views of farmland. Use of nonpolluting transportation methods (i.e., bikes), and use of the land to fulfill multiple policies including, but not limited to, agricultural mitigation and alternative transportation measures meets the policy objectives of the Davis general plan. The agricultural buffer/agricultural transition area shall be a minimum of one hundred fifty feet measured from the edge of the agricultural, greenbelt, or habitat area. Optimally, to achieve a maximum separation and to comply with the five-hundred-foot aerial spray setback established by the counties of Yolo and Solano, a buffer wider than one hundred fifty feet is encouraged.

(b) The minimum one-hundred-fifty-foot agricultural buffer/agricultural transition area shall be comprised of two components: a fifty-foot-wide agricultural transition area located contiguous to a one-hundred-foot-wide agricultural buffer located contiguous to the agricultural, greenbelt, or habitat area. The one-hundred-fifty-foot agricultural buffer/transition area shall not qualify as farmland mitigation pursuant to Article 40A.03 of this chapter.

(c) The following uses shall be permitted in the one-hundred-foot agricultural buffer: native plants, tree or hedge rows, drainage channels, storm retention ponds, natural areas such as creeks or drainage swales, railroad tracks or other utility corridors and any other use, including agricultural uses, determined by the planning commission to be consistent with the use of the property as an agricultural buffer. There shall be no public access to the one-hundred-foot agricultural buffer unless otherwise permitted due to the nature of the area (e.g., railroad tracks). The one-hundred-foot agricultural buffers shall be developed by the developer pursuant to a plan approved by the community services director or designee. The plan shall include provision for the establishment, management and maintenance of the area. The plan shall incorporate adaptive management concepts and include the use of integrated pest management techniques. The property shall be dedicated to the city in fee title, or, at the

discretion of the city, an easement in favor of the city shall be recorded against the property, which shall include the requirements of this article.

(d) The following uses shall be permitted in the fifty foot agricultural transition area: bike paths, community gardens, organic agriculture, native plants, tree and hedge rows, benches, lights, trash enclosures, fencing, and any other use determined by the planning commission to be of the same general character as the foregoing enumerated uses. There shall be public access to the fifty-foot agricultural transition area. The fifty-foot agricultural transition area shall be developed by the developer pursuant to a plan approved by the community services director or designee. Once the areas improved, approved, and accepted by the community services department, the land shall be dedicated to the city.

(e) The city reserves its right to form a special benefit assessment district, or other applicable district as is permitted under state law, and to maintain the agricultural buffer and transition area once the land is improved, dedicated, and annexed. (Ord. 1823 § 1; Ord. 2300 § 2, 2007; Ord. 2390 § 3, 2012)

Article 40A.03 FARMLAND PRESERVATION

40A.03.010 Purpose and findings.

(a) The purpose of this chapter and this article is to implement the agricultural land conservation policies contained in the Davis general plan with a program designed to permanently protect agricultural land located within the Davis planning area for agricultural uses.

(b) Since 1995 the city has required agricultural mitigation for development projects that would change the general plan designation or zoning from agricultural land to nonagricultural land and for discretionary land use approvals that would change an agricultural use to a nonagricultural use, and the city council finds that this chapter and this article are necessary for the following reasons: California is losing farmland at a rapid rate; Yolo and Solano County farmland is of exceptional productive quality; loss of agricultural land is consistently a significant impact under CEQA in development projects; the Davis general plan has policies to preserve farmland; the city is surrounded by farmland; the Yolo and Solano County general plans clearly include policies to preserve farmland; the continuation of agricultural operations preserves the landscape and environmental resources; loss of farmland to development is irreparable and agriculture is an important component of the city's economy; and losing agricultural land will have a cumulatively negative impact on the economy of the city and the counties of Yolo and Solano.

(c) It is the policy of the city to work cooperatively with Yolo and Solano counties to preserve agricultural land within the Davis planning area, as shown in the "planning area" map found in the Davis general plan, beyond that deemed necessary for development. It is further the policy of the city to protect and conserve agricultural land, especially in areas presently farmed or having Class 1, 2, 3, or 4 soils.

(d) The city council finds that some urban uses when contiguous to farmland can affect how an agricultural use can be operated, which can lead to the conversion of agricultural land to urban use.

(e) The city council further finds that by requiring adjacent mitigation for land being converted from an agricultural use and by requiring a one hundred fifty foot buffer, the city shall be helping to ensure prime farmland remains in agricultural use. (Ord. 2300 § 1, 2007)

40A.03.020 Definitions.

Adjacent mitigation. Agricultural mitigation land that is required to be located at the non-urbanized perimeter of a project.

Advisory committee. The City of Davis open space and habitat commission shall serve as the advisory committee.

Agricultural land or farmland. Those land areas of the county and/or city specifically designated and zoned as agricultural preserve (A-P), agricultural exclusive (A-E), or agricultural general (A-I), as those zones are defined in the Yolo County zoning ordinance; those land areas designated and zoned exclusive agriculture (A-40), as defined in the Solano County zoning ordinance; those lands in agricultural use; those lands designated in the city's general plan as agricultural (A); and those land areas of the City of Davis specifically designated

and zoned as agricultural (A), agricultural planned development, or urban reserve where the soil of the land contains Class 1, 2, 3, or 4 soils, as defined by the Soil Conservation Service.

Agricultural mitigation land. Agricultural land encumbered by a farmland deed restriction, a farmland conservation easement, or such other farmland conservation mechanism acceptable to the city.

Agricultural use. Use of land for the purpose of producing food, fiber, or livestock for commercial purposes.

Easement stacking. Placing a conservation easement on land previously encumbered by a conservation easement of any nature or kind.

Farmland conservation easement. The granting of an easement over agricultural land for the purpose of restricting its use to agricultural land. The interest granted pursuant to a farmland conservation easement is an interest in land which is less than fee simple.

Farmland deed restriction. The creation of a deed restriction, covenant or condition which precludes the use of the agricultural land subject to the restriction for any nonagricultural purposes, use, operation or activity. The deed restriction shall provide that the land subject to the restriction will permanently remain agricultural land.

Non-urbanized perimeter. The agricultural land that borders the edge(s) of land that is, or is proposed to be, designated or zoned as non-agricultural land.

Priority open space acquisition areas. Areas designated by the city council by resolution as priorities for acquisition as open space.

Qualified conservation easement appraiser. A state certified appraiser who: (1) has conducted and prepared written appraisals on at least three agricultural conservation easement projects in the Central Valley in the past five years following the Uniform Standards of Professional Appraisal Practice and (2) has completed at least one course on the appraisal of conservation easements offered by a member organization of the appraisal foundation.

Qualifying entity. A nonprofit public benefit 501(c)(3) corporation operating in Yolo County or Solano County for the purpose of conserving and protecting land in its natural, rural, or agricultural condition. The following entities are qualifying entities: Yolo Land Conservation Trust and Solano Farm and Open Space Trust. Other entities may be approved by the city council from time to time.

Remainder mitigation. Required agricultural mitigation land that is not required to be located at the non-urbanized perimeter of a project.

Small project. A development project that is less than forty acres in size. A small project does not include one phase or portion of a larger project greater than forty acres that is subject to a master, specific, or overall development plan. (Ord. 2300 § 1, 2007)

40A.03.025 Agricultural land mitigation requirements.

(a) The city shall require agricultural mitigation as a condition of approval for any development project that would change the general plan designation or zoning from agricultural land to nonagricultural land and for discretionary land use approvals that would change an agricultural use to a nonagricultural use.

(b) The city has determined that effectively locating mitigation lands provides increased protection of agricultural lands threatened with conversion to non-agricultural uses. Requirements and incentives are established in this article to direct mitigation to areas that are under threat of conversion. In recognizing the importance of the location of mitigation, the city has identified two general categories of agricultural mitigation; and (2) remainder mitigation. For every applicable development project, the determination as to whether a combination of adjacent and remainder mitigation shall be required or whether only remainder mitigation shall be required shall be based on site specific factors, as specified in this article. Adjacent mitigation is addressed in Section 40A.03.030; remainder mitigation is addressed in Section 40A.03.035.

(c) Total mitigation for a development project shall not be less than a ratio of two acres of protected agricultural land for each acre converted from agricultural land to nonagricultural land. Location based factors (credits) for remainder mitigation contained in Section 40A.03.035 may result in ratios greater than 2:1. (Ord. 2300 § 1, 2007)

40A.03.030 Requirements for adjacent land mitigation.

(a) **Mitigation along the non-urbanized perimeter.** All new development projects adjacent to agricultural land that are subject to mitigation under this article shall be required to provide agricultural mitigation along the entire non-urbanized perimeter of the project. The required adjacent mitigation land shall be a minimum of one-quarter mile in width, as measured from the outer edge of the agricultural buffer required in Section 40A.01.050. Certain land uses listed in Section 40A.03.030(e) are exempt from the adjacency requirement.

(b) **Satisfaction of adjacent agricultural mitigation.** Adjacent agricultural mitigation shall be satisfied by:

(1) Granting a farmland conservation easement, a farmland deed restriction, or other farmland conservation mechanism to or for the benefit of the city and/or a qualifying entity approved by the city. Mitigation shall only be required for that portion of the land which no longer will be designated agricultural land, including any portion of the land used for park and recreation purposes.

(2) Mitigation credit for required adjacent mitigation is shown in the table below.

Required Adjacent Mitigation

Location of mitigation land	Credit factor
Required minimum adjacent mitigation	1 times the number of acres protected

(3) If more than the required 2:1 mitigation acreage is required to create the adjacent mitigation land, no more than twice the project acreage shall be required to satisfy the mitigation requirements of this chapter. If more than twice the project acreage is required to satisfy the minimum one-quarter mile requirement, the configuration of the mitigation land shall be determined by the city council. In determining the configuration of the mitigation land, the city council shall consider factors such as, but not limited to, the following: (A) the shape of the mitigation land; (B) the quality of the soil in the mitigation land; (C) contamination of the mitigation land; (D) whether the mitigation land is in common ownership or owned by multiple owners; (E) fragmentation from other agricultural lands or connectivity to agricultural land; and (F) the existing use of the mitigation land.

(4) The Davis planning area includes clusters of rural residential parcels that, due to their size and spacing, preclude commercial farming operations. For purposes of this article, a “cluster of rural residential parcels” shall mean a group of parcels where the majority of parcels have an existing residential structure and an average size of less than ten acres. If the required adjacent mitigation land includes a cluster of existing rural residential parcels, the city council may treat the cluster of rural residential parcels as part of the development project and allow the required adjacent mitigation land to be located on the outside edge of the cluster of rural residential parcels. If the city council chooses to do so, that decision shall not increase the total amount of adjacent mitigation required by the development project.

(c) **Exclusion of agricultural buffer from adjacent mitigation.** The land included within the agricultural buffer required by Section 40A.01.050(c) shall not be included in the calculation for the purposes of determining the amount of land that is required for mitigation.

(d) **Alternative mitigation proposals.** The city council may approve mitigation that does not meet the adjacency requirement if an alternative mitigation proposal meets the intent of this chapter and would have extraordinary community benefits. Alternative mitigation proposals may be approved if the following three factors are present, and the city council makes appropriate findings:

(1) The alternative mitigation is threatened by demonstrated growth pressure equal to or greater than that faced by areas adjacent to the project site. Demonstrated growth pressure shall be established by a comparison of current land value of the alternative site and the adjacent site. Valuation analysis shall be prepared by an independent certified appraiser; and

(2) The alternative mitigation is strategically located and provides one or more of the following: (A) protects a locally unique resource, (B) provides connectivity between existing protected or agricultural lands, (C) due to its location provides protection of other lands and resources in the Davis planning area and/or (D) located within a city-identified priority open space acquisition area; and

(3) The alternative mitigation is of a size that facilitates protection of the targeted resource and its long term management.

(e) **Exemptions.** The following land uses are exempt from the adjacent mitigation requirements of this article, but not the remaining provisions:

(1) The following projects, so long as they are not a part of a larger development project: permanently affordable housing, public schools, and public parks.

(2) That portion of a development project abutting land already protected by permanent conservation easements or by some other form of public ownership that guarantees adjacent lands will not be developed for urban uses.

(3) That portion of a development project abutting a limited access public road such as Interstate 80 or State Highway 113.

(4) Small projects, as defined in Section 40A.03.020. (Ord. 2300 § 1, 2007)

40A.03.035 Requirements for remainder land mitigation.

(a) **General.** Remainder mitigation is mitigation land that is not required to be located at the non-urbanized perimeter of a project. Remainder mitigation may be located anywhere within the Davis planning area, subject to approval by the city council, in accordance with Section 40A.03.050.

Incentives shall be provided for locating the remainder mitigation in areas targeted for protection by the city as shown in the table below.

(b) **Satisfaction of remainder mitigation.** Remainder mitigation shall be satisfied by:

Remainder Mitigation	
Location of mitigation land	Credit factors
Adjacent to city limits and within ¼ mile of the city limits, excluding any land required as adjacent mitigation land.	2 times the number of acres protected
Adjacent to the required minimum adjacent mitigation land, if applicable	1 times the number of acres protected
Within city designated priority open space acquisition areas.	1 times the number of acres protected
Elsewhere in the Davis planning area	0.2 times the number of acres protected

<p>Total</p>	<p>Mitigation acreage, as adjusted by the credit factors for adjacent mitigation (see Section 40a.03.030) and remainder mitigation (above), must total two times the acreage changed to nonagricultural. If the calculation of credit factors results in actual mitigation that is less than 2:1, additional acreage within the Davis planning area shall be secured to satisfy the total mitigation ratio requirement.</p>
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(1) Granting a farmland conservation easement, a farmland deed restriction, or other farmland conservation mechanism to or for the benefit of the city and/or a qualifying entity approved by the city. Mitigation shall only be required for that portion of the land which no longer will be designated agricultural land, including any portion of the land used for park and recreation purposes.

(2) The following credits shall be applied to remainder mitigation land: Location and configuration of the mitigation land must be approved by the city council, in accordance with the factors specified in Section 40A.03.035(a).

(3) In lieu of conserving land as provided above, up to fifty percent of the remainder mitigation requirement may be satisfied by the payment of a fee based upon the fair market value of acquiring a farmland conservation easement or farmland deed restriction located adjacent to the city limits, subject to the following:

(A) For the purpose of establishing the in lieu fee, a qualified conservation easement appraiser shall establish the fair market value by conducting an appraisal of the required minimum adjacent mitigation land for the project. If no adjacent mitigation land is

required for a project, the in-lieu fee shall be based on recent land transactions for properties located on and/or near the city limits. Appraisal costs shall be paid for by the developer or project applicant, and the qualified conservation easement appraiser shall be under contract with the city.

(B) The in lieu fee shall include a ten percent administrative fee to cover the city's costs to implement mitigation.

(C) The in lieu fee shall include an inflator that takes into account the inflation of property values and shall include a standard assumption for the time it takes the city to acquire property for agricultural mitigation. The inflator shall be calculated based on a three-year average of the House Price Index (HPI) for the Sacramento Metropolitan Statistical Area compiled by the Office of Federal Housing Enterprise Oversight. The inflator shall be based on the three most recent years for which HPI data are available and shall be based on an assumption that the city will spend the in lieu fee within three years from the payment date.

(D) The in lieu fee option must be approved by the city council.

(E) The in lieu fee, paid to the city, shall be used for farmland mitigation purposes, with priority given to strategically located lands with prime agricultural soils and high habitat value.

(c) **Exclusion of agricultural buffer from mitigation land.** The land included within the agricultural buffer required by Section 40A.01.050(c) shall not be included in the calculation for the purposes of determining the amount of land that is required for mitigation.

(d) It is the intent of this article that the city shall work in a coordinated fashion with the habitat conservation objectives of the Yolo County Natural Heritage (NCCP/HCP) program. It is the intent of this article to not allow stacking of easements, except easements covering riparian corridors that may be subject to agricultural and habitat easements and that do not generally exceed five percent of the total area on any particular easement of agricultural mitigation land shall be permitted. (Ord. 2300 § 1, 2007)

40A.03.040 Comparable soils and water supply.

- (a) The remainder agricultural mitigation land shall be comparable in soil quality with the agricultural land whose use is being changed to nonagricultural use.
- (b) The agricultural mitigation land shall have adequate water supply to support the historic agricultural use on the land to be converted to nonagricultural use and the water supply on the agricultural mitigation land shall be protected in the farmland conservation easement, the farmland deed restriction or other document evidencing the agricultural mitigation. (Ord. 2300 § 1, 2007)

40A.03.045 Home sites.

Agricultural mitigation lands shall not be permitted to have a new home site. (Ord. 2300 § 1, 2007)

40A.03.050 Lands eligible for remainder mitigation.

This section shall only apply to remainder mitigation.

- (a) The agricultural mitigation land shall be located within the Davis planning area as shown in the Davis general plan. In making their determination to accept or reject proposed mitigation land, the following factors shall be considered by the city council:
 - (1) The lands shall be compatible with the Davis general plan and the general plans of Yolo and Solano counties.
 - (2) The lands shall include agricultural land similar to the acreage, soil capability and water use sought to be changed to nonagricultural use.
 - (3) The lands shall include comparable soil types to that most likely to be lost due to proposed development.
 - (4) The property is not subject to any easements, contamination, or physical conditions that would legally or practicably preclude modification of the property's land use to a nonagricultural use.
 - (5) The easement configuration(s) would be grossly irregular such that it precludes efficient agricultural operation or bisects existing farm irrigation systems and does not protect other natural resources, such as stream corridors.
- (b) The advisory committee shall recommend to the city council acceptance of agricultural mitigation land of twenty acres or more by a qualifying entity and/or the city, except that it may consider accepting smaller parcels if the entire mitigation required for a project is less, or when the agricultural mitigation land is adjacent to larger parcels of agricultural mitigation land already protected. Contiguous parcels shall be preferred.
- (c) Land previously encumbered by a conservation easement of any nature or kind is not eligible to qualify as agricultural mitigation land. (Ord. 2300 § 1, 2007)

40A.03.060 Requirements of instruments—Duration.

- (a) To qualify as an instrument encumbering agricultural mitigation land, all owners of the agricultural mitigation land shall execute the instrument.
- (b) The instrument shall be in recordable form and contain an accurate legal description setting forth the description of the agricultural mitigation land.
- (c) The instrument shall prohibit any activity which substantially impairs or diminishes the agricultural productivity of the land, as determined by the advisory committee.
- (d) The instrument shall protect the existing water rights and retain them with the agricultural mitigation land.
- (e) The applicant shall pay an agricultural mitigation fee equal to cover the costs of administering, monitoring and enforcing (including legal defense costs) the instrument in an amount determined by city council. The fee shall include development of a property baseline report and monitoring plan.
- (f) The city shall be named a beneficiary under any instrument conveying the interest in the agricultural mitigation land to a qualifying entity.

- (g) Interests in agricultural mitigation land shall be held in trust by a qualifying entity and/or the city in perpetuity. Except as provided in subsection (h) of this section, the qualifying entity or the city shall not sell, lease, or convey any interest in agricultural mitigation land which it shall acquire.
- (h) If judicial proceedings find that the public interests described in Section 40A.03.010 of this chapter can no longer reasonably be fulfilled as to an interest acquired, the interest in the agricultural mitigation land may be extinguished through sale and the proceeds shall be used to acquire interests in other agricultural mitigation land in Yolo and Solano counties, as approved by the city and provided in this chapter.
- (i) If any qualifying entity owning an interest in agricultural mitigation land ceases to exist, the duty to hold, administer, monitor and enforce the interest shall pass to the city.
- (j) The instrument conveying the interest in the agricultural mitigation land shall be recorded at the same time as any final map for the development project is recorded or at such other time as required as a condition of approval. (Ord. 2300 § 1, 2007)

40A.03.070 City of Davis farmland conservation program advisory committee.

- (a) The Davis open space and habitat commission shall serve as the Davis farmland conservation advisory committee.
- (b) It shall be the duty and responsibility of the open space and habitat commission to exercise the following powers:
 - (1) To recommend the areas where mitigation zones would be preferred in the Davis planning area;
 - (2) To promote conservation of agricultural land in Yolo and Solano counties by offering information and assistance to landowners and others;
 - (3) To recommend tentative approval of mitigation proposals to city council;
 - (4) To certify that the agricultural mitigation land meets the requirements of this chapter;
 - (5) Any denial from the advisory committee may be appealed to city council.
- (c) The open space and habitat commission shall ensure all lands and easements acquired under this article are properly monitored and shall review and monitor the implementation of management and maintenance plans for these lands and easement areas.
- (d) All actions of the open space and habitat commission shall be subject to the approval of the Davis city council. (Ord. 2300 § 1, 2007)

40A.03.080 Reporting.

Periodically, community services department staff shall provide to the advisory committee reports delineating the activities undertaken pursuant to the requirements of this chapter and an assessment of these activities. The report shall list and report on the status of all lands and easements acquired under this chapter. (Ord. 2300 § 1, 2007; Ord. 2390 § 3, 2012)

Summary report:	
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Intelligent Table Comparison: Active	
Original filename: DISC 2022 DA Planning Commission.DOCX	
Modified filename: DISC 2022 DA Council Agenda Packet.DOCX	
Changes:	
<u>Add</u>	115
Delete	110
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	225

RESOLUTION NO. 22- , SERIES 2022

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS ADOPTING AN ADDENDUM, ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS, ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM, AND MAKING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE DAVIS INNOVATION & SUSTAINABILITY CAMPUS DiSC 2022

WHEREAS, an Environmental Impact Report (“EIR”) was prepared by the City of Davis in connection with the formerly proposed Mace Ranch Innovation Center (MRIC) Project, which proposed the annexation of approximately 229 acres, comprised of the 212-acre MRIC site (including a 25-acre City-owned property) and 16.5-acre Mace Triangle site, both located immediately east of the City of Davis city limits, near the “Mace Curve,” in unincorporated Yolo County, approximately 2.5 miles east of Downtown Davis. The MRIC Project included the build-out of up to 2,654,000 square feet of innovation center uses and dedication of 64.6 acres of green space on the 212-acre site. The City included the Mace Triangle Site within the project boundaries and evaluated development of up to 71,056 square feet of general commercial uses. The MRIC EIR also analyzed with equal weight a Mixed-Use Alternative, which provided the same non-residential square footage and land uses but included up to 850 workforce housing units; and

WHEREAS, at the applicant’s request, on September 19, 2017, the MRIC Project was brought before the City Council for consideration and certification of the EIR without concurrent consideration to approve a project, and the City Council adopted Resolution 17-125, certifying the Final MRIC EIR (State Clearinghouse # 2014112012); and

WHEREAS, in situations where a lead agency has certified an EIR for a project, and then the project is modified, the lead agency may prepare an addendum, a supplement to an EIR, or a subsequent EIR, depending on the nature of the modifications; and

WHEREAS, in 2019, the applicant proposed a revised project, referred to as “Aggie Research Campus” (subsequently renamed as “Davis Innovation and Sustainability Campus”) that was substantially similar to the Mixed-Used Alternative analyzed in the MRIC EIR. The proposed Aggie Research Campus/Davis Innovation and Sustainability Campus (“ARC/DISC”) Project involved the same 229-acre annexation area as the MRIC Project, located immediately east of the City of Davis city limits, near the “Mace Curve,” in unincorporated Yolo County, approximately 2.5 miles east of Downtown Davis. The Project would include development of the 194-acre ARC site with approximately 2,654,000 square feet of innovation center/business uses, up to 260,000 square feet of which may be developed with supportive commercial uses, and 850 workforce housing units; and

WHEREAS, the ARC/DISC Project required the following approvals from the City of Davis: General Plan Amendment, prezone, development agreement, and action by the City Council to set the baseline features of the project and call for an election. In addition, the Project required Yolo County Local Agency Formation Commission (LAFCO) review

and approval of a Combined Municipal Service Review (MSR) and Sphere of Influence (SOI) Amendment in order to bring the 229-acre project site within the City of Davis's SOI; annexation of the entire 229-acre project site into the City of Davis; and detachment of the entire 229-acre project site from the East Davis County Fire Protection District; and

WHEREAS, because substantial changes occurred with respect to circumstances under which the ARC/DISC Project would be undertaken, thus requiring major revisions of the MRIC EIR in select sections due to the involvement of new significant effects of substantial increase in the severity of previously identified significant effects, the City, as lead agency, decided to prepare a Subsequent Environmental Impact Report ("SEIR") for the ARC/DISC Project; and

WHEREAS, on December 2, 2019, the City conducted a public comment meeting to provide information on the ARC/DISC Project and to receive comments on the range of issues to be addressed in the SEIR. The City also accepted written comments from public agencies and the general public from December 2, 2019, to December 16, 2019; and

WHEREAS, the City subsequently contracted for the independent preparation of a Draft Subsequent Environmental Impact Report (the "Draft SEIR") (SCH #2014112012) for the ARC Project, including all necessary technical studies and reports in support of the Draft SEIR. In addition to the ARC/DISC Project, the SEIR evaluated the future development of up to 71,056 square feet of general commercial uses on the 16.5-acre Mace Triangle site; and

WHEREAS, at public hearings on June 30, 2020 and July 7, 2020, the ARC/DISC Project was brought before the City Council for consideration and certification of the SEIR, and the City Council adopted Resolution 20-109, certifying the Final Subsequent Environmental Impact Report for the Aggie Research Campus Project (State Clearinghouse # 2014112012), adopting findings pursuant to CEQA, adopting a Statement of Overriding Considerations, and adopting the Mitigation Monitoring and Reporting Program; and

WHEREAS, the ARC/DISC Project was approved by City Council and placed on the November 2020 Yolo County ballot under Measure J/R/D; however, the Project did not obtain majority support from the City's electorate; and

WHEREAS, in 2021, the applicant proposed a revised project, referred to as "Davis Innovation & Sustainability Campus 2022 / DiSC 2022" that is similar to the project analyzed in the ARC/DISC SEIR, but substantially reduced in scale. In general, the proposed project reduces the formerly approved ARC/DISC Project by approximately 50 percent in both land area and development intensity -- the project footprint is reduced from 194 acres to 102 acres; development intensity is reduced from 2.4 million sf to 1.1 million sf of office, laboratory, and advanced manufacturing space; and the number of residential units is reduced from 850 to 460 units. The proposed DiSC 2022 Project involves approximately half (102 acres) of the same 212-acre annexation area as the ARC/DISC and MRIC Projects, located immediately east of the City of Davis city limits,

near the “Mace Curve,” in unincorporated Yolo County, approximately 2.5 miles east of Downtown Davis. The DiSC 2022 Project would include development of the 102-acre site with approximately 1,100,000 square feet of innovation center/business uses, up to 260,000 square feet of which may be developed with supportive commercial uses, and 460 workforce housing units. Similar to the ARC/DISC Project, the DiSC 2022 Project also includes the annexation of the 16.5-acre Mace Triangle site and considers the potential for future development with up to 71,056 square feet of general commercial uses.¹ The DiSC 2022 Project requires the following approvals from the City of Davis: General Plan Amendment, prezone, development agreement, and action by the City Council to set the baseline features of the project and call for an election. In addition, the Project requires the Yolo County Local Agency Formation Commission (LAFCO) to review and approve of a Combined Municipal Service Review (MSR) and Sphere of Influence (SOI) Amendment in order to bring the 118.5-acre project site within the City of Davis’s SOI; annexation of the 118.5-acre project site into the City of Davis; and detachment of the entire 118.5-acre project site from the East Davis County Fire Protection District. The City will need to issue additional discretionary approvals for the DiSC 2022 Project prior to any on-site development being allowed; and

WHEREAS, an environmental analysis of the proposed DiSC 2022 Project was conducted and the City, as lead agency, concluded that the preparation of an Addendum to the ARC/DISC SEIR is appropriate pursuant to Public Resources Code Section 21166 and CEQA Guidelines Sections 15162, 15163, 15164 and 15168; and

WHEREAS, necessary revisions and updates were also made to the ARC Mitigation Monitoring and Reporting Program; and

WHEREAS, an addendum to a previously certified final EIR need not be circulated for public review, but may be attached to a final EIR in accordance with CEQA Guidelines Section 15164; and

WHEREAS, on November 29, 2021, the Addendum for the DiSC 2022 project was posted to the City’s website; and

WHEREAS, on January 12, 2022, the Davis Planning Commission (“Planning Commission”) held a duly noticed public hearing to consider the Addendum and the DiSC 2022 Project, and

WHEREAS, on January 12, 2022, the Planning Commission made written recommendations to the Davis City Council to adopt the Addendum and approve the DiSC 2022 Project, and

WHEREAS, on February 1, 2022, the City Council held a duly noticed public hearing to consider the recommendations of the Planning Commission, staff’s presentation, the

¹ Total annexation acreage for ARC and MRIC projects, including the Mace Triangle Site, equals approximately 229 acres; total annexation area for DiSC 2022 project equals approximately 118.5 acres.

report and all supporting studies and documents, including written and oral testimony, related to the proposed Addendum and the DiSC 2022 Project, and

WHEREAS, the City Council has duly considered the Addendum, the comments of the public, both oral and written, and all written materials in the record connected therewith, and finds that, pursuant to CEQA Guidelines Section 15164, an Addendum is appropriate because the DiSC 2022 Project does not trigger the criteria for the preparation of a Subsequent EIR, pursuant to CEQA Guidelines section 15162, as follows:

1. The proposed DiSC 2022 Project will not result in substantial changes to the ARC/DISC Project that would lead to the identification of new significant impacts or a substantial increase in the severity of previously identified significant environmental effects that would require major revisions of the previously certified Final SEIR for the ARC Project. The analysis in the Addendum and the supporting technical analyses conclude that the impacts are similar to or reduced from the ARC/DISC Project.
2. Substantial changes have not occurred with respect to the circumstances under which the project is undertaken that would lead to the identification of new significant impacts or a substantial increase in the severity of previously identified significant environmental effects that would require major revisions of the previously certified Final SEIR for the ARC/DISC Project.
3. No new information of substantial importance which was not known, and could not have been known with the exercise of reasonable diligence at the time the Final SEIR for the ARC/DISC Project was certified, has been discovered which would require major revisions of the previously certified SEIR.
4. There is no substantial evidence in the record as a whole that the proposed DiSC 2022 Project may have a significant effect on the environment or result in any new or additional significant adverse impacts, beyond that which was previously analyzed, disclosed, and mitigated as set forth in the ARC/DISC SEIR.

WHEREAS, as explained in *Save Our Heritage Organisation v. City of San Diego*, 28 Cal.App.5th 656 (4th Dist. 2018), new findings of fact pursuant to Public Resources Code Section 20181 and CEQA Guidelines Section 15091 are not required in connection with the approval of an addendum to an EIR; and

WHEREAS, the City Council finds that the Addendum has been prepared as required by law and in accordance with all requirements of CEQA and the CEQA Guidelines, and that the document as adopted reflects the independent judgment and analysis of the City of Davis, which has exercised overall control and direction of the preparation of the Addendum. The City Council has reviewed the Addendum, and bases its findings on such review and other substantial evidence in the record.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Davis does hereby finds as follows:

Section 1. The City Council hereby finds that the above recitals are true and correct, and hereby incorporates them herein as though set forth in full by this reference.

Section 2. The City Council has reviewed the findings made in this Resolution and finds that they are based upon the information and evidence set forth in the Addendum, Final SEIR and upon other substantial evidence that has been presented at the hearings and in the record of the proceedings. The Addendum, Final SEIR, staff reports, technical studies, appendices, plans, specifications, and other documents and materials that constitute the record of proceedings on which this Resolution is based are on file for public examination during normal business hours at the Department of Community Development and Sustainability, City of Davis, 23 Russell Boulevard, Suite 2, Davis, California, 95616. The custodian of records is the City of Davis Department of Community Development and Sustainability. Each of these documents is incorporated herein by reference.

Section 3. Prior to taking action, the City Council has heard, been presented with, reviewed, and considered the information and data in the record, including oral and written testimony presented to it for and during public hearings. The City's independent environmental consultants and City staff reviewed and analyzed the comments received on the DiSC 2022 Project's environmental review. No comments or any additional information submitted to the City have produced any substantial new information requiring additional environmental review because no new significant environmental impacts were identified, nor was any substantial increase in the severity of any previously disclosed significant environmental impacts identified.

Section 4. The City Council hereby adopts the DiSC 2022 Addendum to the Certified Final SEIR for the ARC/DISC Project.

Section 5. CEQA Guidelines Section 15093 requires that if a project will cause significant and unavoidable impacts, the City must adopt a Statement of Overriding Considerations prior to approving the project. The Statement of Overriding Considerations is attached hereto as Exhibit A. For project-level and cumulative significant and unavoidable impacts to aesthetics and visual resources, agricultural resources, air quality, greenhouse gas emissions, and transportation and circulation; and cumulative significant and unavoidable impacts to fire protection services, the City Council hereby adopts the Statement of Overriding Considerations. The City Council finds that each of the overriding benefits by itself would justify proceeding with the Project despite any significant and unavoidable impacts identified in the Final SEIR and Addendum.

Section 6. Pursuant to Public Resources Code Section 21081.6, the City Council hereby adopts the DiSC 2022 Mitigation Monitoring and Reporting Program to replace the Mitigation Monitoring and Reporting Program adopted by Resolution No. 2020-109,

and adopts each mitigation measure set forth therein, and imposes each mitigation measure as a condition of the proposed Project's approval.

Section 7. The City Clerk shall certify to the passage, approval, and adoption of this Resolution, and shall cause this Resolution and its certification to be entered into the administrative record.

PASSED AND ADOPTED by the City Council of the City of Davis on this day of , 2022, by the following vote:

AYES:

NOES:

Gloria J. Partida
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

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Exhibit A
DiSC 2022
Statement of Overriding Considerations

X. STATEMENT OF OVERRIDING CONSIDERATIONS RELATED TO THE DISC 2022 PROJECT FINDINGS

As described in Section III of these Findings, the following significant and unavoidable impacts could occur with implementation of the project:

- Project implementation may substantially degrade the existing visual character or quality of the project site and its surroundings (SEIR Impact 3-2; Addendum, Section I, Question 'd').
- Project implementation may result in a significant impact related to the conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Important Farmlands) to non-agricultural use, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency (SEIR Impact 3-5; Addendum, Section II, Question 'a').
- Project implementation may result in a significant impact related to the loss of forest or agricultural land or conversion of forest or agricultural land to non-forest or non-agricultural use (SEIR Impact 3-7; Addendum, Section II, Question 'd').
- Project implementation may violate an air quality standard or contribute substantially to an existing or projected air quality violation during operations, and a conflict with or obstruction of implementation of applicable air quality plans (SEIR Impact 3-11; Addendum, Section III, Question 'a').
- Project implementation may generate GHG emissions, either directly or indirectly, that may have a significant impact on the environment (SEIR Impact 3-37; Addendum, Section VIII, Question 'a').
- Project implementation may conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of GHGs (SEIR Impact 3-38; Addendum, Section VIII, Question 'b').
- Project implementation may conflict with a program, plan ordinance, or policy addressing the circulation system under Existing Plus Project conditions (SEIR Impact 3-70; Addendum, Section XVII, Question 'a').
- Project implementation may result in a significant increase in Vehicle Miles Traveled (SEIR Impact 3-72; Addendum, Section XVII, Question 'b').
- Project implementation may result in significant impacts to Pedestrian and Bicycle Facilities (SEIR Impact 3-75; Addendum, Section XVII, Question "a").
- Project implementation may result in significant impacts to Transit Services (SEIR Impact 3-76; Addendum, Section XVII, Question 'a').
- Project implementation may result in significant cumulative impacts related to long-term changes in visual character of the region (SEIR Impact 3-85; Addendum, Section XXI, Question 'b').

- Project implementation may result in significant impacts related to cumulative loss of agricultural land (SEIR Impact 3-87; Addendum, Section XXI, Question 'b').
- Project implementation may result in a cumulatively considerable net increase of any criteria pollutant (SEIR Impact 3-88; Addendum, Section XXI, Question 'b').
- Project implementation may result in significant cumulative impacts related to greenhouse gas (GHG) emissions and global climate change (SEIR Impact 3-93; Addendum, Section XXI, Question 'b').
- Project implementation may result in significant cumulative impacts to fire protection services from the proposed project in combination with future developments in the City of Davis (SEIR Impact 3-102; Addendum, Section XXI, Question 'b').
- Project implementation may conflict with a program, plan, ordinance or policy addressing the circulation system under Cumulative Plus Project conditions (SEIR Impact 3-104; Addendum, Section XXI, Question 'b').
- Project implementation may result in a significant cumulative Increase in Vehicle Miles Traveled (SEIR Impact 3-105; Addendum, Section XXI, Question 'b').
- Project implementation may result in significant cumulative impacts to pedestrian, bicycle, and transit facilities (SEIR Impact 3-106; Addendum, Section XXI, Question 'b').

The following reasons demonstrate that the benefits of the project outweigh its unavoidable adverse environmental effect, thereby justifying approval of the proposed project. There is substantial evidence that these public benefits outweigh the significant impacts of the project, and therefore, the above-identified impacts are acceptable to the City of Davis. The project will provide for the following benefits:

1. Economic benefits through tax revenues and project fees;
2. Create jobs through construction of the proposed project;
3. Provide additional housing in the City of Davis;
4. Increase the economic potential of the University of California and create long-term jobs;
5. Fulfill a vision that has been identified and studied by the City for over two decades, and that has been embraced by the City Council for at least 10 years;
6. Create a space to retain and grow Davis-based businesses and start-ups;
7. Position the City of Davis for post-COVID economic recovery, stressing the importance of providing shovel-ready sites;
8. Assist the City of Davis in its goal of reaching fiscal sustainability;
9. Provide a revenue source that will be used to maintain and enhance community amenities; and
10. Exceed the City of Davis's affordable housing requirements and sustainability requirements, and set a precedent regionally with respect to sustainability.

With respect to Item 1, the DiSC 2022 Economic Analysis compared the estimated tax revenue to be generated by the proposed project to the estimated cost of providing public services to the project. The

proposed project would generate tax revenues through property tax, transfer tax, sales and use tax, transient occupancy tax, and public safety tax. Other revenue sources would be generated through City permitting, construction tax, and development impact fees, as well as the School Impact Fee and County Facilities and Services Authorization Fee. According to the DiSC 2022 Economic Analysis, the proposed project would have a net fiscal surplus to the City's General Fund at buildout of approximately \$3.88 million annually.

It is noted that while several of the above-identified significant and unavoidable impacts are related to traffic, due primarily to the fact that they are extrajurisdictional impacts (i.e., outside of the City's jurisdiction), the Addendum requires the applicant to provide fair share contributions to the prospective improvements (e.g., see Mitigation Measure 3-70(a)), which would result in a substantial infusion of monies towards the needed improvements. In addition, the project includes construction of transportation improvements, such as a transit plaza on Mace Boulevard, south of Alhambra Drive, to service local and regional bus and shuttle service to and from the project site. The project will also fund and build new and improved bus stops with lighting, passenger shelters, and real time transit information signage on both sides of Mace Boulevard. Regarding bicycle facilities, the project would build the connection of the existing bike trail on Mace Boulevard to East Covell Boulevard, along the inside of the "Covell Curve" connecting the two roadways, thereby improving bicycle safety to schools and the project site.

With regard to Item 2, the proposed project would create construction jobs. Considering the nature and size of the proposed project, a significant amount of construction workers would be needed in construction of the proposed project. Annual average direct construction-related employment during development of the proposed project is estimated to be approximately 195 jobs. Similar to the economic benefits discussed above, the annual average total direct, indirect, and induced employment due to construction of the project is estimated at more than 250 jobs. Total one-time earnings from direct, indirect, and induced effects of construction employment as a result of DiSC 2022 is approximately \$200 million at full buildout. Additionally, if building materials are purchased in the area, additional stimulation of the local economy and businesses would occur.

Regarding Item 3, the demand for housing in Davis is well documented. Buildout of the residences would be tied to completion of the commercial space, assumed to be 2,000 sf of commercial space per residential unit. The proposed residences would have a strong impact on the overall feasibility of the proposed project. The proposed project would contribute an additional 460 residential units to increase the supply and variety of housing options available for students, employees, and university-related personnel.

With respect to Item 4, the overall development of the project would increase the economic potential of the University of California. A technical memorandum that analyzed the economic benefits of the proposed project was prepared by Economic & Planning Solutions, Inc.¹ The DiSC 2022 Economic Analysis measured the overall effect that an initial activity, such as spending in one industry, has on a region as the

¹ Economic & Planning Solutions, Inc. Subject: Davis Innovation and Sustainability Campus (DiSC) Economic Analysis – Pro Forma (Feasibility), Fiscal Impacts, and Economic Impacts; EPS #212099. December 6, 2021.

spending recirculates through other sectors of the local economy through additional business and household spending. Economic impacts can be measured in terms of overall output, employment, or the earning from employment. According to the DiSC 2022 Economic Analysis, the proposed project would generate nearly 2,400 jobs, with employee compensation of over \$200 million. The City would experience some economic spinoff of that direct employment, but a much greater spinoff and associated economic benefits would occur in other parts of Yolo County. Total County employment, including on-site employment and indirect and induced employment, would be approximately 4,000 jobs annually at buildout, with compensation of approximately \$300 million.

With respect to Items 5 and 6, the City began studying and looking for an opportunity to create a research and innovation park beginning as early as 2001, with the adoption of the current General Plan. In 2008, the City prepared the Business Park Land Strategy to determine whether the long-term supply of business park land was sufficient. Upon finding it was not, in 2010 the City Council established the Innovation Park Task Force to explore, with the help of UC Davis's Studio 30, how, where, and whether to pursue construction of a future business/innovation park within or peripheral to City boundaries, for the purpose of retaining growing businesses and attracting emerging entrepreneurs to the City. The City Council unanimously accepted the Studio 30 Final Report and adopted its recommendations in November 2012. In 2014, the Council Innovation Center subcommittee developed a set of eight "Guiding Principles" to evaluate and guide refinement of proposed innovation centers, which were subsequently adopted by the City Council.

As illustrated by the above actions, an innovation park has long been envisioned by the City as a way to build off a unique and valuable community asset, the University of California at Davis, to facilitate a diversified local economy and enable collaboration between the university and private industry. The proposed project would be consistent with these established City policies, including the Guiding Principles for Davis Innovation Centers. The project would provide readily available, zoned lands that would allow for businesses to move quickly and with certainty, thereby enabling for retention and growth of existing local businesses and attracting new businesses.

With regard to Item 7, the COVID-19 pandemic has had a significant financial impact on the City of Davis, the extent of which is still unclear. The City has experienced a loss of projected revenue and an increase in public health-related costs, which in turn necessitated budget reductions for Fiscal Year 2020-21. As noted for Items 1, 2, and 4 above, the DiSC 2022 project would generate revenue for the City and County through the collection of impact fees and taxes. It is also estimated to create nearly 2,400 jobs at build out, which in turn would help generate business, employee, and household spending elsewhere in the City and County. The revenue and jobs generated by project construction and at build out will assist in the City's economic recovery from COVID-19.

Regarding Items 8 and 9, the City Council adopted eight Council Goals in 2018, including to "Ensure Fiscal Resilience." As described in the technical memorandum prepared by Economic & Planning Solutions, Inc., the proposed DiSC 2022 project would be expected to produce \$3.88 million in net positive fiscal benefits to the City of Davis on annual basis at buildout. These revenues would be available to help support community services and amenities for existing and future residents. In addition to the projected \$3.88

million in net positive fiscal benefits, a land-secured assessment on market rate, ownership housing would provide a minimum of \$150,000 annually at buildout of the market rate residential to fund services that are directly supportive of transit services, roadway repair and maintenance, roadway, bicycle and pedestrian safety and other community amenities. Additionally, the project would construct turnkey parks and maintaining all onsite parks and open space areas, relieving the City of a considerable maintenance burden.

Finally, with regard to item 10, the proposed project would be required to provide 69 affordable units under the City's affordable housing ordinance. The developer has committed to exceeding the requirements by providing 85 affordable housing units, which equates to 18.5% of the overall housing units in the project. Both rental and for sale units will be provided, and 74 of the 85 affordable units will be constructed on-site.

The proposed project would also be one of the most sustainable projects in the City of Davis. The sustainability features include energy procurement and energy efficiency measures; housing near commercial development to minimize transportation emissions; transit, transportation, and circulation improvements to promote nonvehicular means of transportation; and habitat and agricultural conservation measures. More specifically, with respect to the project's energy footprint, electricity demand would be met by 100% clean energy that is generated onsite or purchased from a 100% renewable program. All project buildings would meet and exceed Title 24, Cal Green Tier 1 and utilize the City's Residential Energy REACH Code standards, and all commercial buildings would be all-electric for the building envelope. Utilizing these measures and more, the project will achieve carbon neutrality. These project features would set a precedent in the greater Sacramento region for sustainability.

Substantial evidence supporting the benefits described in this Statement of Overriding Considerations can be found above and in the documents found in the record of proceedings. Any one of the reasons provided above is sufficient to demonstrate that the benefits of the project outweigh its unavoidable adverse environmental impacts, thereby each separately and individually justifying approval of the project. Based on the above, in consideration of the above-noted project benefits, despite the significant environmental effects, the City Council, in accordance with Public Resources Code Sections 21001, 21002.1(c), 21081(b) and CEQA Guidelines Section 15093, chooses to approve the project because, in its judgment, the economic, social, and other benefits that the project will produce will render the significant effects acceptable.

XI. CONCLUSION

After balancing the specific economic, legal, social, technological, and other benefits of the proposed project, the Council finds that the unavoidable adverse environmental impacts identified may be considered "acceptable" due to the specific considerations listed above, which outweigh the unavoidable, adverse impacts of the proposed project.

The Davis City Council has considered information contained in the Addendum prepared for the proposed DiSC 2022 Project, as well as the public testimony and record of proceedings in which the project was considered. Recognizing that significant and unavoidable impacts may result from implementation of the proposed project, the Council finds that the benefits of the project and overriding considerations

outweigh the adverse effects of the project. Having included all feasible mitigation measures in the Mitigation Monitoring and Reporting Program, and recognized all unavoidable significant impacts, the Council hereby finds that each of the separate benefits of the proposed DiSC 2022 Project, as stated herein, is determined to be unto itself an overriding consideration, independent of other benefits, that warrants adoption of the proposed project and outweighs and overrides its unavoidable significant effects, and thereby justifies the adoption of the proposed DiSC 2022 Project.

Based on the foregoing findings and the information contained in the record, the Council hereby determines that:

1. All significant effects on the environment due to implementation of the proposed DiSC 2022 Project have been eliminated or substantially lessened where feasible;
2. There are no feasible alternatives to the proposed DiSC 2022 Project which would mitigate or substantially lessen the impacts; and
3. Any remaining significant effects on the environment found to be unavoidable are acceptable due to the factors described in the Statement of Overriding Considerations above.

RESOLUTION NO. 22-, 2022 SERIES

RESOLUTION OF THE CITY OF DAVIS STATING ITS INTENT TO AMEND THE CITY OF DAVIS GENERAL PLAN LAND USE ELEMENT TO ADD THE LAND USE CATEGORY “INNOVATION CENTER” AND TO AMEND THE CITY OF DAVIS LAND USE MAP TO REDESIGNATE THE PARCELS LOCATED ON THE NORTHEAST CORNER OF MACE BOULEVARD AND INTERSTATE 80 (GENERAL PLAN AMENDMENT #6-14)

WHEREAS, the City of Davis General Plan establishes parameters for consideration of a General Plan Amendment to change the land use designation from agricultural to an urban land use category; and

WHEREAS, the City of Davis has been studying and planning for a business/innovation park from 2008 to the present in the year, 2022; and

WHEREAS, the Davis General Plan contains the following policy, “LU-H1 University-Related Research Parks should include sophisticated land use planning, high quality architectural and landscape design, building flexibility, a variety of amenities and environmental controls”; and

WHEREAS, amending the General Plan Land Use Element to create a new land use designation of “Innovation Center” that provides for a combination of residential and specific non-residential uses in the same zone will foster the vision of an innovation center in the City of Davis; and

WHEREAS, the Innovation Center designation will provide the City with another tool to encourage economic development and the creation of jobs within the City of Davis in the areas deemed suitable; and

WHEREAS, Measure J/R/D, the “Citizens Right to Vote on Future Use of Open Space and Agricultural Lands,” affords residents an opportunity to participate in decisions affecting compact growth, agricultural preservation and provision of an adequate supply of housing to meet the internal needs of the community; and

WHEREAS, the General Plan Amendment is appropriate in that it is compatible and consistent with existing General Plan policies; and

WHEREAS, the General Plan Amendment will not adversely impact the health, safety or general welfare of the city of Davis; and

WHEREAS, the properties affected by the General Plan Amendment are located at the northeast corner of Mace Boulevard and Interstate 80 (Assessor’s Parcel Numbers (APNs) 033-630-006, -009, -011, and -012), and are herein designated as “affected properties”; and

WHEREAS, the Planning Commission held a public hearing on January 12, 2022 to receive comments and consider the proposed General Plan Amendment; and

WHEREAS, the City Council held a public hearing on February ____, 2022 to receive comments and consider the proposed General Plan Amendment; and

WHEREAS, Environmental Impact Report SCH #2014112012, dated June, 2020, together with the Addendum dated December, 2021, adequately assesses the impacts of this General Plan Amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DAVIS:

Section 1 – Land Use Text Changes. The land use category “Innovation Center” is hereby added to the City of Davis General Plan Land Use Element as shown on Exhibit A, to this resolution.

Section 2 – Land Use Map. The City of Davis General Plan Land Use Plan is hereby amended by changing the affected properties from a designation of “Agriculture” to those land uses shown on the map, attached as Exhibit B to this Resolution.

Section 3 – Baseline Project Features. The Baseline Project Features for the applications, as established pursuant to Chapter 41 of the City of Davis Municipal Code, are included as Exhibit C to this Resolution.

BE IT FURTHER RESOLVED by the City Council of the City of Davis that the General Plan Land Use Element shall be amended as shown on Exhibit A, and the General Plan Land Use Map shall be amended as shown on the map attached as Exhibit B of this Resolution, upon the conclusion of a successful vote pursuant to Davis Municipal Code Article 41.41.

PASSED AND ADOPTED by the City Council of the City of Davis on this ____ day of February ____, 2022 by the following vote:

AYES:

NOES:

Gloria J. Partida
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

EXHIBIT A

DiSC 2022 – Proposed General Plan Land Use Designation

V. Innovation Center

Intent: To provide sites for an array of technology companies conducting research and development activities, such as product development, engineering, sales and administration, as well as ancillary light manufacturing and wholesale uses, and to provide adjacent housing and supportive uses to serve the housing needs of center employees. It is the desire of the City of Davis to advance technology sector employment activities, and provide adequate space in which to allow for the growth and evolution of such companies so as to respond to advancements in technology, changing market demands and to capitalize on new opportunities. It is the intent to holistically design these innovation center spaces to encourage interaction and crosspollination between individuals and companies, emphasizing the concept of “live, work, play.” It is also the intent of the City of Davis to foster collaboration and the transfer of technology between University of California, Davis and the Innovation Centers.

The Innovation Center shall be of adequate size to accommodate numerous users and be designed so as to create a campus-like environment. The research park shall be characterized by superior site planning, architectural and landscape architectural design, traffic management, and environmental controls. In order to achieve this goal, planned development zoning and design guidelines shall be utilized. It is the intent that an Innovation Center will maximize the internalization of trips by incorporating a mix of uses, developing many of its own support services and featuring proximate freeway access to minimize impacts on the local roadway system.

Allowable Uses:

Offices (including, but not limited to, headquarters, business, professional, financial and medical), light industrial, research and development, light manufacturing, laboratory, and warehousing (as an ancillary use), provided they meet City standards regarding pollution, health and safety factors.

Residential – 15 to 50 dwelling units per acre, including a variety of housing types, unit sizes, prices and rents, designs, and architecture diversity. Onsite housing is intended to serve the needs of a diverse Innovation Center workforce.

Retail uses shall be limited to support (to the innovation center) commercial uses, which may include lodging, conference space, restaurant, fitness and other convenience services. Said uses should not compete with the downtown and neighborhood shopping centers and shall be appropriately limited in size to achieve the objective of serving the Innovation Center and reducing the need for offsite vehicular trips. Related amenities and green spaces serving the research park are encouraged.

Prohibited Uses: Major retail or highway commercial; heavy manufacturing; exclusive distribution and exclusive warehousing.

Floor Area Ratio: Innovation Center development should achieve a fifty percent floor area ratio (0.5 FAR) taking into consideration the unique needs of a diversity of industry types.

Size: A single Innovation Center shall not exceed 250 acres.

Policies:

Policy LU S.1 Innovation Center should include sophisticated land use planning, a complementary mix of uses to foster innovation, high quality architectural and landscape design, building flexibility, a variety of amenities and environmental controls.

Policy LU S.2 An Innovation Center should include residential units to, in collaboration with existing housing supply, accommodate sufficient employees so as not to negatively impact the jobs/housing balance of the City. All housing should be designed and priced to accommodate the diverse needs of an Innovation Center workforce.

Policy LU S.3 A maximum of ten percent of the nonresidential square footage may be retail use provided that the retail is supportive of the Innovation Center businesses and residents, and that it does not cause significant negative impacts or disturbance of the overall business environment

EXHIBIT B LAND USE MAP

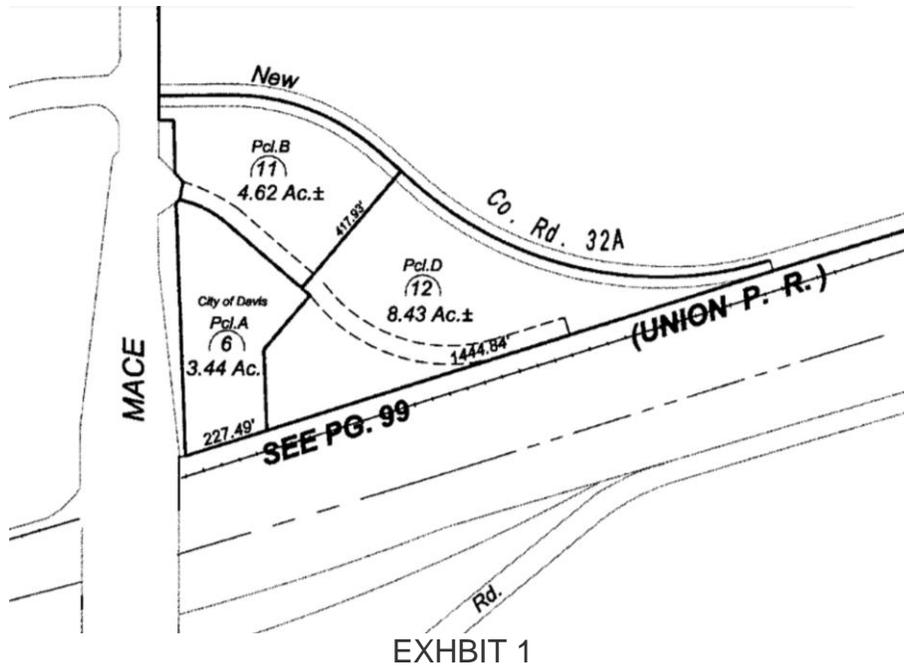


EXHIBIT C

BASELINE PROJECT FEATURES

Mace Triangle – Baseline Project Features

Exhibit 1 (shown below) is a depiction of the properties that make up the Mace Triangle.



Purpose

The purpose of annexation of the Mace Triangle properties is to prevent the creation of a county island, should the Davis Innovation & Sustainability Campus (DISC) be annexed to the city of Davis. Development of the Mace Triangle will support the development of the DISC properties.

Land Use Summary

The Mace Triangle property will have 2 land uses assigned to it. The City of Davis Water Tank property and the Caltrans park and ride lot (Parcel 6) will be designated Public Semi Public as both of those uses are infrastructure in nature and the property is publicly owned. The Ikeda's Fruit Market property (Parcel 11) and the vacant property (Parcel 12) will have a land use of use designation of General Commercial, consistent with the City of Davis General Plan. General Commercial provides for a wide array of commercial service uses, such as, automotive sales and repair, building materials, office, and similar service oriented commercial uses as well as retail stores. Conditionally allowable uses include service stations, motels, restaurants, commercial recreation, limited convenience retail uses, public storage, moderate size community retail stores, warehouses and similar uses.

DAVIS INNOVATION AND SUSTAINABILITY CAMPUS

BASELINE PROJECT FEATURES

Project Goals

The purpose of the Davis Innovation and Sustainability Campus 2022 (DiSC 2022 or Project) is to bring the City's vision for sustainable economic development to fruition. DiSC 2022 has been strategically located and designed to accommodate future growth of the science, technology and advanced manufacturing sectors within the City of Davis. Development of the DiSC 2022 will allow Davis to retain, grow and capitalize upon the cutting-edge research and intellectual capital being fostered at U.C. Davis at a site located in close proximity to the University and Downtown Davis, adjacent to Capital Corridor Rail and Interstate 80. The Project responds to a request that was issued by the City Council in 2014 and is the culmination of nearly two decades of City planning efforts. The City Council's goals for the development include growing the knowledge economy, capturing business growth and the achieving fiscal and economic benefits for the City and the community.

Land Use Summary

The DiSC 2022 Project will provide a mix of land uses that work holistically to create a research and technology innovation campus. DiSC 2022 proposes a mix of office, laboratory, and research and development (R&D) space; advanced manufacturing to prototype and build products; rental and for-sale housing designed to accommodate the Project's workforce; supportive retail space; a hotel and conference center; a transit plaza; and parks, greenbelts, habitat and open spaces. An illustrative draft land use and site plan depicting the location of the proposed land uses, along with proposed roadways and connections to adjacent areas, is included.

Land-Use-Type	Size
Office, Laboratory, R&D	550,000-square-feet
Advanced Manufacturing	550,000-square-feet
Residential	460-units
Ancillary Retail	80,000-square-feet
Hotel and Conference Center	160,000-square-feet
Parks, Plazas and Green Spaces	23-acres
Total Commercial Innovation	1,340,000-square-feet
Total Acres	102-acres

A more detailed discussion of each land use type and sequencing of development with site features is included near the end of this document.

Key Project Commitments

The Project is subject to numerous commitments established in the Development Agreement between the City of Davis and the Developer as well as through mitigation measures as specified in the environmental review of the project. Specific components of the Development Agreement required by these Baseline Project Features are the following:

Housing

- Housing will be designed and construction timed to meet the housing needs of the workforce.
- Rental and for-sale housing shall be provided to accommodate a range of incomes and needs.
- DiSC 2022 residences will not be dormitory-style housing.
- All housing shall be medium- and high-density with a minimum median density of 30 units per acre.
- Commercial development shall precede housing construction; there must be 200,000 square feet of job space before any homes are constructed. Housing construction will be contingent upon the construction of commercial space at a ratio of one home per 2,000 square feet of nonresidential space. Onsite affordable housing projects shall be exempted from this requirement.
- Parking associated with multifamily housing will be unbundled, meaning that it is paid for separately from rent. Tenants will be able to avoid these parking costs, and reduce traffic impacts, if they choose a car-free lifestyle.

Affordable Housing

- Housing shall accommodate a diversity of incomes on-site.
- DiSC 2022 will provide for the construction of no less than 85 affordable housing units. Provision of 85 affordable units exceeds City requirements.
- At least 60 multi-family units of the Project's affordable housing unit commitment will be constructed on-site in inclusive locations near parks and/or transit.
- At least 14 for-sale units located onsite will be designated for those buyers meeting Yolo County's definition of moderate income.

Sustainability

- DiSC 2022 will achieve carbon neutrality by 2040.
- Project's electricity demand shall be fueled by 100% clean energy either generated onsite or purchased from a 100% renewable program such as Valley Clean Energy's "UltraGreen" program.
- In furtherance of the commitment to utilize 100% renewable energy, all conducive structures will maximize installation of solar or other renewable energy technology.
- The project will be pre-wired for future microgrid capacity and designed to accommodate battery storage for energy generated onsite.

- Housing units will be all-electric and not include natural gas.
- DiSC 2022 will achieve net zero electricity for outdoor lighting.
- Native and drought tolerant plants shall predominate the plant palette. Valley Oaks or other local native species will be significantly incorporated into the agricultural buffer area.
- Runoff shall be captured and conveyed onsite in a series of bioswales intended to filtrate and clean the run-off and maximize groundwater recharge.
- Planting and ongoing tree health at DiSC 2022 will be monitored by an arborist to assure creation of a healthy tree canopy.
- The Project will add no less than 1,500 new trees to the City's urban forest to sequester carbon, improve mental health, deter the heat island effect, and provide shading. If less than 1,500 trees are planted onsite, Developer will ensure that the remainder will be planted elsewhere in Davis.
- Trees planted in parking or street-adjacent areas shall use structured soil or suspended substrate to allow successful tree root development. Developer shall size pavement treatment areas to accommodate the anticipated sizes of the various tree varieties that will be planted.

Transit

- In coordination with Unitrans, Sacramento Regional Transit, and Yolobus, enhance and relocate the existing bus stops located on Mace Boulevard for improved use by DiSC 2022 employees and the broader community.
- A Transit Plaza located along Mace Boulevard will serve as a connection point for multi-modal transportation including shuttles with connections to Amtrak and UC Davis, on-site shuttles, paratransit and micromobility (e.g. bike, skateboard, and scooter share services). The Transit Plaza will be capable of stacking multiple buses.
- Land will be reserved to widen the right-of-way on Mace Blvd. to accommodate a potential express bus lane and other future transportation needs.
- DiSC 2022 will establish and participate in a shuttle program with connections to the Amtrak train station, UC Davis, and other destinations.
- A Transportation Demand Management (TDM) Plan will be adopted and implemented requiring specific targeted reductions in vehicle use. A designated TDM manager will report directly to the Master Owners Association and to the City to track progress on actions to improve mobility and reduce traffic impacts.

Roadways

- DiSC 2022 will construct and/or contribute funding to improve the capacity, functionality, and safety of Mace Blvd. and, in particular, at the intersections of Mace and Alhambra Dr. and at Mace and 2nd Street.
- DiSC 2022 will fund the creation of a comprehensive Mace Boulevard Corridor Plan to improve bicycle and pedestrian travel and transit in the vicinity of the Project.
- DiSC 2022 will fund the development of a "traffic calming" plan for local streets identified in the environmental analysis.
- DiSC 2022 will participate in the construction of safety improvements at County Roads 32A and 105 and at the crossing of the UPRR tracks.

Bicycle and Pedestrian

- DiSC 2022 will construct a grade-separated bicycle and pedestrian crossing of Mace Boulevard connecting to local and regional trails.
- A minimum of 1.5 miles of publicly accessible bike lanes and walking paths will be provided on-site at DiSC 2022.
- DiSC 2022 will construct an off-street bike trail connection between Mace Blvd and Harper Junior High School along the inside of the Mace Curve, thereby making a greatly needed connection, filling a gap in the system and improving bicycle safety.
- DiSC 2022 will provide ample bicycle connections to local and regional routes, convenient and abundant bicycle parking, storage lockers, shower facilities and a maintenance and repair kiosks to encourage cycling.

Agricultural Land and Wildlife Conservation

- By the full build-out of DiSC 2022 the developer will have purchased conservation easements protecting local agricultural lands amounting to twice the acres converted to urbanized uses, thereby ensuring their preservation as farmland.
- The portion of the Mace Drainage Channel within the DiSC 2022 site will be restored and enhanced utilizing native riparian vegetation while maintaining its drainage conveyance function.
- A diversity of native habitats shall be disbursed and managed throughout the site, primarily within the agricultural buffer and along the channel, including but not limited to riparian, California oak savanna, and native prairie grasslands. The agricultural buffer shall include areas densely vegetated and sparsely vegetated to accommodate nesting and foraging opportunities for a variety of species.
- An artificial burrowing owl den complex will be installed in the agricultural buffer in consultation with a qualified biologist.

Fiber Optic Broadband Internet

- DiSC 2022 will obtain the rights and extend fiberoptic or comparable internet infrastructure to the site that is critically needed to attract and support research and technology endeavors.
- To the extent feasible, other users, including the City of Davis, UC Davis, DJUSD and Yolo County, will be allowed to connect to the internet network and extend service into other areas of the City, such as downtown, under terms to be negotiated.

Financing

- DiSC 2022 will form an owners' association and/or financing district to pay for the maintenance and upkeep of all publicly accessible park, greenbelt and open spaces.
- DiSC 2022 will participate in financing mechanisms, including but not limited to, a community facilities district, that could help pay for roadway improvements on and near Mace Boulevard, in East Davis and in other locations deemed

appropriate by the City. DiSC 2022 agrees to negotiate the terms of such financing to the City's satisfaction prior to issuance of building permits for any residential units. In addition, the DiSC 2022 project will contribute Roadway Impact Fees and construction taxes for such purposes.

Measurement and Verification

- The DiSC 2022 developer will establish a Master Owners Association which reports to the City biennially and is responsible for measurement, verification and assuring compliance with Project baseline features, sustainability obligations and mitigation measures. Said reports shall be made publicly available with links to the materials provided through a portal on City Council agenda.

Land Uses – Explained

Principal Innovation Uses:

Office, Laboratory and Research & Development

Office, Laboratory and Research and Development (R&D) uses will occur in a series of clustered commercial buildings. These innovation uses will predominantly occur on the west near the transit plaza, and be clustered around shared courtyards. This land use type is intended to allow for a variety of uses including, but not limited to, corporate headquarters, biological research, collaborative think tanks, laboratories, software design, and other office-based innovation uses.

Advanced Manufacturing

Research, Prototyping and Manufacturing uses in individual or clustered buildings shall occur predominantly along the eastern edge of the Project near neighboring agricultural. These innovation uses will typically be surrounded by areas identified as flex zone which may accommodate parking and photovoltaics but will also allow for an outdoor area that may be needed as an extension of the underlying research, prototyping and manufacturing uses. This area is intended to allow for a variety of uses including, but not limited to: large-scale research; light manufacturing; crop sciences; assembly of products, including but not limited to electrical, pharmaceutical, biomed, food products and devices; and associated warehousing and distribution.

Innovation Support Uses:

Housing

A maximum of 460 units of housing designed to accommodate the needs of the DiSC 2022 worker shall be permitted onsite. The housing will be a mix of rental and for-sale with a density range of 15 to 50 units per acre. Residential units will range from studio to three-bedroom. Product types will be multi-family, condominiums or townhomes. The construction of housing will be contingent upon and slightly trail the construction of commercial space and units should become available as jobs are created.

Support Retail

Support retail uses, up to a maximum of 80,000 square feet, shall be permitted within the core area of the Project site. Support retail will predominantly, but not exclusively, occur on the ground floor of office or multi-family residential buildings. A variety of onsite retail uses including, but not limited to, a coffee shop, restaurant, fitness center, childcare center, electronics store, or maintenance and repair shops would be intended for the convenience of DiSC 2022 residents and workers and to reduce off-site vehicle trips.

Open Space and Parks

Open space, greenbelts, courtyards and parks, including the agricultural buffer area, will comprise approximately 23 acres or one-fourth of the DiSC 2022 site. The open space and park areas will include programmed and passive gathering spaces, miles of new pedestrian and bicycle trails and facilities, sports fields, and native landscape buffers.

Roadways and Circulation

The proposed circulation system for the DiSC 2022 site consists of new local streets, a robust transit plaza, and a system of pedestrian and bicycle paths that will connect the site to the surrounding neighborhoods, Downtown Davis, UC Davis and regional connections. This system will provide enhanced connectivity for pedestrians, bicyclists, transit riders, and automobiles via new multi-modal roadway connections and linkages to existing greenways and bike paths. The circulation framework at DiSC 2022 is a modified grid network of streets, which will, at a minimum, connect with Mace Boulevard and County Road 32A at two new primary intersections. The gateway into the Project is along an extension of Alhambra; this entryway is separated from heavy truck traffic which will primarily enter from 32A.

Sequencing Development of the Project Site

Buildout of DiSC 2022 will occur in two phases and is anticipated to be constructed gradually over the course of approximately 10 to 15 years. The initial development would likely occur along the western edge at Mace Boulevard, from which infrastructure could be easily extended into the Project site. Phases are as follows:

- Phase 1 will consist of approximately 50 acres and would include 550,000 square feet of innovation building space, up to 50,000 square feet of supportive retail, and up to 275 residential units. Construction of the residential units would be timed to slightly trail the businesses, so that jobs are created on-site prior to offering housing thereby maximizing the likelihood that employees will occupy the housing. The sports park will be constructed in Phase 1.
- A sub-area of Phase 1 (Phase 1A), located at the northeast corner of the intersection of Mace Boulevard and Alhambra Drive, would likely develop first.

The area is approximately 3.3 acres and could include 60,000 to 100,000 square feet of office/R&D/laboratory uses.

- Phase 2 consists of approximately 50 acres and will include the remaining 550,000 square feet of innovation uses, 30,000 square feet of supportive retail and the hotel and conference center. Phase 2 also includes the remaining 185 housing units, continuing the direct linkage between the creation of jobs prior to the construction of homes.

Baseline Project Features: Implementation

The DiSC 2022 must be developed consistent with these Baseline Project Features, which may not be substantially changed without approval by the voters of the City. The Planning Commission and/or Zoning Administrator will review compliance with these Baseline Project Features as they consider applications for Final Planned Development, Tentative Subdivision Map, approval of Design Guidelines, implementation of sustainability plans, and the required annual Development Agreement implementation review. Additional DiSC 2022 project requirements, including but not limited to, the imposed mitigation measures set forth in the Mitigation Monitoring and Reporting Plan and commitments in the Development Agreement, are not Baseline Project Features and may be modified by the City Council. In addition, minor changes to the Project can be anticipated during the course of this multiple year build out. Such changes, often the result of detailed engineering, sustainability obligations, or changes in surrounding conditions, may be implemented without voter approval if they are substantially consistent with the Baseline Project Features and they do not materially alter the character of the Project (See, Resolution 06-40 Establishing Criteria to Determine What Constitutes a Significant Project Modification or Change Requiring a Subsequent Measure J Vote).

ORDINANCE NO.

ORDINANCE AMENDING SECTION 40.01.090 OF CHAPTER 40 OF THE CITY OF DAVIS MUNICIPAL CODE BY PREZONING APPROXIMATELY 118.5± ACRES (ASSESSOR'S PARCEL NUMBERS (APNS) 033-630-006, -009, -011, AND -012;) LOCATED NORTHEAST OF THE INTERSECTION OF MACE BOULEVARD AND INTERSTATE 80, TO PLANNED DEVELOPMENT (PD) # 4-14 UPON ANNEXATION TO THE CITY OF DAVIS AS OUTLINED IN SECTION 40.01.110 OF CHAPTER 40 OF THE DAVIS MUNICIPAL CODE (PD #4-14)

THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. PROPERTY AREA.

The Property, consists of 4 parcels, generally located northeast of the intersection of Mace Boulevard and Interstate-80, totaling approximately ±118.5 acres generally described and referenced to as Assessor's Parcel Numbers (APNs) 033-630-006, -009, -011, and -012 which are shown on Exhibit A and described in Exhibit B.

SECTION 2. ZONING MAP CHANGE.

Section 40.01.090 (Zoning Map) of Chapter 40 of the City of Davis Municipal Code, as amended, is hereby amended by changing the land use designation of the 4 parcels containing approximately 118.5± acres, from Agricultural to Planned Development #4-14 (PD #4-14), as shown on Exhibit C.

SECTION 3. PURPOSE OF PRELIMINARY PLANNED DEVELOPMENT AREA.

The purpose of this preliminary planned development is to:

- A. Focus on the maximization of density to accommodate long-term business growth while taking into account the specific needs of potential tenants within the specific project where applicable.
- B. Make concerted efforts to integrate sustainability principles into the project design, with the intent of creating new and adaptive models and integrating these principles throughout all components of the project. These include the concepts of incorporating storm water drainage swale systems and to integrate "smart street" designs into the project to minimize paved surfacing/street sections.
- C. Provide bicycle/pedestrian/transit connections that must be made in order to integrate this site as a truly multi-modal project.
- D. Include project elements of "work, live, play" that encourage an engaged and inviting workplace.
- E. Reflect a project character that is uniquely "Davis" while achieving very high aesthetic standards.
- F. Facilitate technology and business development in a new innovation center.

SECTION 4. USES.

The planned development area is comprised of three distinct Sub Areas. Each of the three districts in the Planned Development substantially corresponds with a district in the Davis Zoning Ordinance (Davis Municipal Code, Chapter 40). The principal permitted, accessory, and conditional uses of each district shall be consistent with the identified comparable Zoning District, as amended from time to time, except as provided herein. Specified uses for each Sub Area within PD #4-14, as depicted on Exhibit C, are provided in this section.

Sub Area 1 – Davis Innovation & Sustainability Campus 2022 (DiSC 2022) District (DiSC District)

The property assigned APN **033-630-009** shall be zoned as follows:

Purpose.

The purpose of Sub Area 1 DiSC District) is to provide an environment where leading-edge institutions and local, regional and international companies can cluster and connect with start-ups, businesses incubators, and accelerators as well as the University of California. The DiSC District can foster a creative and productive research and development center where innovators live, work and play.

Permitted uses.

The principal permitted uses of land in sub area 1 of the DISC District are as follows:

- (a) Offices: including but not limited to administrative, executive, headquarters, medical, coworking and incubator space.
- (b) Laboratories: including but not limited to research, design, analysis, development and/or testing of a product.
- (c) Light manufacturing, assembly or packaging of products, including but not limited to electrical, pharmaceutical, biomed and food products and devices, and associated warehousing and distribution.
- (d) Any other technical, research, development or light manufacturing use determined by the Planning Director to be of the same general character as the permitted uses.
- (e) Residential: workforce housing with an average density at or above 30 dwelling units per acre The total maximum number of residential units within the zone shall be 460. Single family detached housing is prohibited.
- (f) Photovoltaic Energy facilities and energy storage facilities.
- (g) Support Retail, single users at or less than 25,000 square feet, including but not limited to food and beverage, restaurant, dry cleaners, fitness center or gym.
- (h) Lodging or Hotel.
- (i) Conference center Space.
- (j) Agriculture, in combination with a research facility, including open air or greenhouse cultivation of crops and the tasting and/or sale of any products cultivated or produced on the premises, but excepting the raising of fowls or animals for commercial purposes.
- (k) Higher Education: extensions or graduate programs; public, semipublic or private.

Accessory uses.

The following accessory uses are permitted in the DiSC District:

- (a) Home occupations subject to the provisions of Sections 40.01.010 and 40.26.150;
- (b) Antenna and telecommunications;
- (c) Child care/day care facility;
- (d) Parking garage; and
- (e) Stand-alone corporate signage.

Conditional uses.

The following conditional uses may be permitted in the DiSC District:

- (a) Support Retail, single users larger than 25,000 square feet.
- (b) Public and semipublic, including public utility uses necessary and appropriate to the DiSC District.

Prohibited uses.

The following uses are prohibited in the DiSC District:

- (a) Surface mining operations and mineral extraction, including but not limited to natural gas extraction. This prohibition does not apply to the importation or exportation of overburden and fill material used in grading and/or site preparation for construction.

Parking Requirements

Use	Size	Ratio
Office/R&D/Ancillary Retail	630,000 sf	1/600
Advanced Manufacturing	550,000 sf	1/1250
Hotel	150 rooms	1/1.5 rooms
Commercial Total		
Housing	460 units	1/1 units

All uses located within DiSC District shall construct onsite parking that will contribute toward the creation of a parking reservoir that will maximize at 1590 nonresidential parking stalls to be distributed throughout the DISC 2022 project site. All individual uses shall provide the number of parking spaces at the ratio shown in the table above. If it can be demonstrated that any use requires more than the resultant number of parking spaces based upon the ratio contained herein, the proposed project may increase that particular use’s proposed number of parking stalls. However, in no case shall the 1590-stall maximum number of nonresidential parking stalls allowed on the DiSC 2022 site be allowed to increase.

Reciprocal Parking and Access Agreements

All future parcels created from the parcel assigned APN 033-630-009, the DiSC District, shall be required to provide reciprocal parking and access agreements over all other newly created

nonresidential and multifamily designated parcels, as deemed necessary by the City of Davis.

Floor Area Ratio

The total minimum FAR of all projects constructed within the DiSC District shall be 0.7. A lesser FAR, but not less than 0.4, shall be permitted for the first project(s) built within the DiSC District, provided it can be demonstrated to the City of Davis that the entirety of the DiSC District is on track to meet a minimum FAR of 0.7

Sub Area 2—Mace Triangle -- The property assigned APN 033-630-006 shall be zoned consistent with Davis Municipal Code Section 40.20A., as amended from time to time

Permitted uses.

The principal permitted uses of land in Sub Area 2—Mace Triangle zone are as follows:

1. Municipal utility infrastructure, including a water tank.
2. Park and Ride parking lot.

Sub Area 3—Mace Triangle --

The property assigned APN 033-630-011 and 033-630-012 shall be zoned consistent with Davis Municipal Code Section 40.18A., as amended from time to time.

Permitted uses.

The principal permitted uses of land in Sub Area 3—Mace Triangle zone are as follows:

- (a) Food or grocery store, as defined in Section 40.01.010, up to a maximum of twenty-five thousand square feet.
- (b) Apparel, shoes and accessory sales between eight thousand and twenty-five thousand square feet per individual use.
- (c) Houseware, hobby, and gift stores between eight thousand and twenty-five thousand square feet per individual use.
- (d) Other community retail stores, such as appliances, department stores, general merchandise, furniture, linens, electronics, hardware, building supplies, sporting goods, or specialty food stores, up to a maximum of twenty-five thousand square feet per individual use.
- (e) Neighborhood retail and personal services, such as video rental, restaurants, dry cleaning, beauty supplies and services, up to an aggregate maximum of twenty thousand square feet for any specific center.
- (f) Financial institutions, professional and administrative offices, up to an aggregate maximum of ten percent of the square footage for any specific subdivision or center.
- (g) Pharmacy, up to a maximum of twenty-five thousand square feet.

Conditional Uses

The following conditional uses may be permitted:

- (a) Food stores over twenty-five thousand square feet, up to a maximum of forty thousand square feet.
- (b) Uses listed in Section 40.18.010(b) through (g) over twenty-five thousand square feet, up to a maximum of fifty thousand square feet.
- (c) Commercial recreation.
- (d) Automobile service stations, with or without car wash or convenience market, subject to the provisions of Section 40.26.130.
- (e) Drive-through facilities, subject to the provisions of Section 40.26.420.
- (f) Public and semipublic uses of a recreational, educational, religious, cultural or public service type, but not including corporation yards, storage or repair yards, warehouses and similar uses.
- (g) Freestanding signs exceeding eight feet in height, subject to the provisions of Section 40.26.020(e)(5).

SECTION 5. FINAL PLANNED DEVELOPMENT (FPD)

A Final Planned Development (FPD) approval shall be required prior to the development of the Property. The FPD shall be consistent with the provisions of PD#4-14.

The development standards and design guidelines for development within PD 4-14, including setbacks, building dimensions and sign regulations, shall be contained in the Final Planned Development (FPD). The Final Planned Development shall include typical development standards for each Sub Area. Parking standards are anticipated to be significantly lower than those in the City of Davis Municipal Code, consistent with the provisions of this Planned Development.

SECTION 6. CONFLICTS

For provisions not covered by this Ordinance, the provisions of Chapter 40 of the Davis Municipal Code, as amended, shall apply. Where there is a conflict between the provisions of Chapter 40 and this Ordinance, the provisions of this Ordinance shall apply.

SECTION 7. ENVIRONMENTAL IMPACT REPORT MITIGATION MEASURES.

This amendment to the Zoning Chapter of the Municipal Code to the Planned Development District shall be subject to the mitigation measures in Aggie Research Campus Subsequent Environmental Impact Report (EIR)(SCH#2014112012)

SECTION 8. SPECIAL CONDITIONS

This preliminary planned development is subject to the following development obligations:

1. Compliance with the Baseline Project Features established in Resolution No. _____ approved by the Davis City Council on February 1, 2021.
2. Approval of this Rezoning and Preliminary Planned Development is contingent upon voter approval of the General Plan Amendment #6-14 pursuant to Chapter 41 of the Davis Municipal Code, the Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance.

SECTION 9. FINDINGS.

- A) The City Council of the City of Davis hereby finds that the criteria for the approval of the preliminary planned development have been fulfilled:

1. The planned development is in conformity with the General Plan.
 2. The Davis Innovation and Sustainability Campus 2022 Project Planned Development is in conformity with the intent of the Planned Development District of the Zoning Chapter (Article 40.22).
 3. The Davis Innovation and Sustainability Campus 2022 Project Planned Development is consistent with the Zoning Ordinance, as the purpose of the Planned Development District is to allow for diversification in the relationship of various buildings and structures and provide relief from the rigid standards of conventional zoning. The proposed Planned Development is intended to provide an integrated and sustainable neighborhood.
 4. The property is suitable for the proposed development.
- B) The City Council further finds that the public necessity and convenience and general welfare requires the adoption of pre-zoning set forth in Section 1.
- C) Environmental Impact Report SCH #2014112012, dated June, 2020, together with the Addendum dated December, 2021 adequately assesses the impacts of this Ordinance.

SECTION 10. CONTINGENCIES AND EFFECTIVE DATE.

The ordinance shall become effective only upon approval of General Plan Amendment #6-14 and ratification by the voters pursuant to Chapter 41 of the Davis Municipal Code, the Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance.

INTRODUCED on the day , 2022, and PASSED AND ADOPTED by the City Council of the City of Davis on this day of , 2022, by the following vote:

AYES:
NOES:

Gloria J. Partida
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

**Exhibit B
Prezoning and Preliminary Planned Development for
Davis Innovation and Sustainability Campus
Legal Description**

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

FRANK C. RAMOS AND JOANNE M. RAMOS TRUSTEES OF THE FRANK C. RAMOS AND JOANNE M. RAMOS FAMILY TRUST DATED SEPTEMBER 22, 2005, BUZZ OATES LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND OATES ASSOCIATES INVESTORS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF YOLO, STATE OF CALIFORNIA AND BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 7, OF TOWNSHIP 8 NORTH, RANGE 3 EAST, M.D.B. & M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 7; THENCE NORTH 89° 56'20" EAST 50.00 FEET TO A POINT ON THE EASTERLY LINE OF MACE BOULEVARD SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF MACE BOULEVARD, SOUTH 00° 20'30" EAST, 1,406.70 FEET TO A POINT ON THE CENTERLINE OF NEW COUNTY ROAD 32A; THENCE DEPARTING FROM SAID EASTERLY LINE OF MACE BOULEVARD, SOUTHEASTERLY ALONG THE CENTERLINE OF NEW COUNTY ROAD 32A, SOUTH 89° 39'30" EAST 196.92 FEET; THENCE THROUGH A CURVE CONCAVE TO THE SOUTH WITH AN ARC LENGTH OF 428.84 FEET, RADIUS OF 600.00 FEET, INCLUDED ANGLE OF 40° 57'05" AND CHORD OF SOUTH 69° 51'58" EAST 419.77 FEET; THENCE SOUTH 49° 23'25" EAST 167.44 FEET; THENCE THROUGH A TANGENT CURVE TO THE LEFT WITH AN ARC LENGTH OF 1,009.26 FEET, RADIUS OF 1,000.00 FEET AND INCLUDED ANGLE OF 57° 49'35"; THENCE DEPARTING FROM SAID CENTERLINE OF NEW COUNTY ROAD 32A, SOUTH 17° 13' 00" EAST 30.00 FEET TO A POINT ON THE NORTHERLY LINE OF UNION PACIFIC RAILROAD; THENCE NORTHEASTERLY ALONG SAID NORTHERLY LINE OF UNION PACIFIC RAILROAD, NORTH 72° 47'00" EAST 975.77 FEET TO A POINT ON THE EASTERLY SIDE OF THE NORTHWEST QUARTER OF SAID SECTION 7; THENCE DEPARTING FROM SAID NORTHERLY LINE OF UNION PACIFIC RAILROAD, NORTH ALONG THE EASTERLY SIDE OF THE NORTHWEST QUARTER OF SAID SECTION 7, NORTH 00° 20'54" WEST, 1597.65 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 7; THENCE WEST ALONG THE NORTHERLY SIDE OF SAID SECTION 7, SOUTH 89° 56'20" WEST, 2,604.64 FEET TO THE TRUE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 033-630-009

Exhibit C Prezoning and Preliminary Planned Development for Davis Innovation and Sustainability Campus and related Property Zoning Map



ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DAVIS APPROVING
THE DEVELOPMENT AGREEMENT FOR THE DAVIS INNOVATION AND
SUSTAINABILITY CAMPUS 2022 PROJECT**

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864 *et seq.* (the "Development Agreement Statute") which authorizes cities to enter into agreements for the development of real property with any person having a legal or equitable interest in such property in order to establish certain development rights in such property;

WHEREAS, in accordance with the Development Agreement Statute, the City of Davis (the "City") has enacted regulations (the "Development Agreement Regulations") to implement procedures for the processing and approval of development agreements in accordance with the Development Agreement Statute;

WHEREAS, the Developer of the site desires to carry out the development for the Davis Innovation and Sustainability Campus 2022 ("Project" or "DiSC 2022") of the approximately 102-acre property located at the northeast corner of Mace Boulevard and County Road 32 (APN 033-630-009) as described in the Development Agreement (the "Property") consistent with the General Plan, as amended, and the Development Agreement (the "Development Agreement"), and the vested entitlements referenced therein;

WHEREAS, the City Council of Davis adopted project entitlements for DiSC 2022, including the General Plan Amendment with Baseline Project Features, Rezoning and Preliminary Planned Development;

WHEREAS, the City Council certified the Subsequent Environmental Impact Report ("Subsequent EIR") (SCH. # 2014112012) and the Mitigation Monitoring and Reporting Program adopted therewith for the Aggie Research Campus ("ARC") on July 7, 2020 and adopted an Addendum to the ARC Subsequent EIR for DiSC 2022 on February 1, 2022;

WHEREAS, the Development Agreement will assure both the City and the Developer that the Project can proceed without disruption caused by a change in City planning and development policies and requirements, which assurance will thereby reduce the actual or perceived risk of planning, financing and proceeding with construction of the Project and promote the achievement of the private and public objectives of the Project;

WHEREAS, the Planning Commission held a duly noticed public hearing on January 12, 2022, on the Project entitlements, including the Development Agreement, during which public hearing the Planning Commission received comments from the Developer, City staff, and members of the general public and made a recommendation to the City Council on the Project entitlements; and

WHEREAS, the City Council held a duly noticed public hearing on February 1, 2022 on the Project entitlements, including the Development Agreement, during which public hearing the City Council received comments from the Developer, City staff, and members of the general public.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF DAVIS DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1.

This Ordinance incorporates, and by this reference makes a part hereof, the Development Agreement attached hereto as Exhibit A, subject to the provisions of Section 5 hereof.

SECTION 2.

This Ordinance is adopted under the authority of Government Code Section 65864 et seq., and pursuant to "Development Agreement Regulations".

SECTION 3.

In accordance with the Development Agreement Regulations, the City Council hereby finds and determines, as follows:

- A. The Development Agreement is consistent with the objectives, policies, general land uses and programs specified in the General Plan, in that it establishes certain development rights, obligations and conditions for the implementation of the Davis Innovation and Sustainability Campus 2022 Project;
- B. The Development Agreement is compatible with the uses authorized therein, and the regulations prescribed for, the General Plan designations which will apply to the Property;
- C. The Development Agreement is in conformity with public convenience, general welfare and good land use practice;
- D. The Development Agreement will not be detrimental to the public health, safety and general welfare;
- E. The Development Agreement will not adversely affect the orderly development of the Property or the preservation of property values; and
- F. The Development Agreement is consistent with the provisions of Government Code Sections 65864 through 65869.5.

SECTION 4.

The foregoing findings and determinations are based upon the following:

- A. The Recitals set forth in this Ordinance, which are deemed true and correct;

- B. The City's General Plan, as amended.
- C. Resolution No. 22- [REDACTED] adopted by the City Council on February 1, 2022 adopting the Addendum to the Aggie Research Campus SEIR (SCH. #2014112012) and Mitigation Monitoring and Reporting Program, which Resolution and exhibits are incorporated herein by reference as if set forth in full;
- D. The City's General Plan, as amended by the General Plan Amendment adopted by the City Council by Resolution No. 22- [REDACTED] prior to adoption of this Ordinance;
- E. All City staff reports (and all other public reports and documents) prepared for the Planning Commission and City Council, relating to the Development Agreement and other actions and entitlements relating to the Property, including all attachments hereto;
- F. All documentary and oral evidence received at public hearings or submitted to the City during the comment period relating to the Amendment to the Development Agreement, and other actions relating to the Property; and
- G. All other matters of common knowledge to the Planning Commission and City Council, including, but not limited to the City's fiscal and financial status; City policies and regulations; reports, projections and correspondence related to development within and surrounding the City; State laws and regulations and publications.

SECTION 5.

The City Council hereby approves the Development Agreement, attached hereto as Exhibit A, subject to the provisions of Section 6 hereof, and subject further to such minor, conforming and clarifying changes consistent with the terms thereof as may be approved by the City Manager, in consultation with the City Attorney prior to execution thereof, including completion of references and status of planning approvals, and completion and conformity of all exhibits thereto, as approved by the City Council.

SECTION 6.

The approval contained in Section 5 hereof is subject to and conditioned upon Resolution No. 22- [REDACTED], adopted by the City Council approving the General Plan amendment, becoming effective, including approval of the General Plan Amendment by the voters, as required by Chapter 41 of the Municipal Code, the "Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance."

SECTION 7.

Upon the effective date of this Ordinance, the Mayor and City Clerk are hereby authorized and directed to execute the Development Agreement on behalf of the City of Davis

SECTION 8.

The City Manager is hereby authorized and directed to perform all acts authorized to be performed by the City Manager in the administration of the Development Agreement

pursuant to the terms of the Development Agreement.

SECTION 9.

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

SECTION 10.

This Ordinance shall be in full force and effect thirty (30) days after its passage and adoption; provided, however, that if the General Plan Amendment is approved at a later date, then the effective date of this Ordinance shall be the date on which the General Plan Amendment becomes effective.

INTRODUCED on the 1st day of February, 2022, and PASSED AND ADOPTED at a regular meeting of the City Council of the City of Davis this day of February, 2022 by the following vote:

AYES:

NOES:

Gloria J. Partida
Mayor

ATTEST:

Zoe S. Mirabile,
CMCCity Clerk

AGREEMENT BY AND BETWEEN
THE CITY OF DAVIS, RAMCO ENTERPRISES, INC AND BUZZ OATES
Relating to the Development of the Property Commonly Known as the
Davis Innovation and Sustainability Campus Project 2022 (“DiSC 2022”)

THIS DEVELOPMENT AGREEMENT (“Agreement”) is entered into this [REDACTED] day of February 2022, by and between the CITY OF DAVIS, a municipal corporation (herein the "City"), RAMCO ENTERPRISES, INC, a California Corporation, and BUZZ OATES, a California Corporation (individually “Landowner” and collectively “Landowners” and “Developer”). This Agreement is made pursuant to the authority of Section 65864 *et seq.* of the Government Code of the State of California. This agreement refers to the City and the Developer collectively as the “Parties” and singularly as the “Party.”

RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864, *et seq.* of the *Government Code* which authorizes any city, county or city and county to enter into a development agreement with an applicant for a development project, establishing certain development rights in the property which is the subject of the development project application.

B. The Landowners own in fee certain real property described in Exhibit A attached hereto and incorporated herein by this reference and located in unincorporated Yolo County (herein the "Property") which the Developer seeks to annex into the City of Davis and develop as the Project (the “Project”). The Project, as proposed, would be an innovation center and includes development of: 550,000 square feet of office/R&D/laboratory space, 550,000 square feet of advanced manufacturing, up to 460 residential units, up to 80,000 square feet of support retail, and up to 160,000 square feet for a hotel and conference center. Hotel, conference center, and support retail square footage may flex among uses so long as the combined square footage does not exceed 240,000 square feet. Upon completion of the Project, the approximately 100.5-acre site would provide up to 1,340,000 square feet of commercial space, provide approximately 2,800 jobs, 23.2 acres of parks, greenways and agricultural transition area, and 1.5 miles of off-street biking and walking paths within the Project area. Developer has an equitable interest in the Property sufficient to be bound by this Development Agreement.

C. This Agreement is voluntarily entered into by Landowners in order to implement the General Plan and in consideration of the rights conferred and the procedures specified herein for the development of the Property. This Agreement is voluntarily entered into by the City in the exercise of its legislative discretion in order to implement the General Plan and in consideration of the agreements and undertakings of the Developer hereunder.

D. City has granted the Developer the following land use entitlement approvals for the Project (hereinafter “Project Approvals”) which are incorporated and made a part of this Agreement:

- (1) General Plan Amendment from Agriculture to Innovation Center #_____
- (2) Rezoning and Preliminary Planned Development #_____
- (3) Development Agreement #_____ by and between the City of Davis and Developer.

City has also determined the Project to have complied with the California Environmental Quality Act (“CEQA”) as it has certified the Project’s Environmental Impact Report (SCH. # 2014112012), approved by Resolution No. 17-125, certified the Subsequent Environmental Impact Report, approved by Resolution No. 20-109, adopted the Addendum to the SEIR, approved by Resolution No. 22-_____, and adopted the Mitigation Monitoring and Reporting Program combining relevant measures from all three documents.

E. This Agreement will eliminate uncertainty in planning for and securing orderly development of the Project, provide the certainty necessary for the Developer to make significant investments in public infrastructure and other improvements, assure the timely and progressive installation of necessary improvements and public services, establish the orderly and measured build-out of the Project consistent with the desires of the City to support the research occurring at the University of California, Davis, attract, grow and retain local businesses, and provide significant public benefits to the City that the City would not be entitled to receive without this Agreement.

F. In exchange for the benefits to the City, the Developer desires to receive the assurance that it may proceed with the Project in accordance with the existing land use ordinances, subject to the terms and conditions contained in this Agreement and to secure the benefits afforded the Developer by *Government Code* §65864.

AGREEMENT

IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES OF THE PARTIES, THE CITY AND THE DEVELOPER HEREBY AGREE AS FOLLOWS:

ARTICLE 1. General Provisions.

A. [Sec. 100] Property Description and Binding Covenants. The Property is that property described in Exhibit A, which consists of a map showing its location and boundaries and a legal description. Developer represents that it has a legal or equitable interest in the Property and that all other persons holding legal or equitable interests in the Property (excepting owners or claimants in easements) agree to be bound by this Agreement. The Parties intend and determine that the provisions of this Agreement shall constitute covenants which shall run with said Property, and the burdens and benefits hereof shall bind all successors in interest to the Parties hereto.

B. [Sec. 101] Effective Date and Term. The effective date of this Agreement shall be the date the Ordinance adopting this Agreement is effective. Because the entitlements conferred upon Property are subject to a vote of the electorate pursuant to Chapter 41 of the Davis Municipal Code, the effective date shall be the date upon which the results of the election are certified and the Project is approved by the voters; said certification effectuates the Ordinance adopting the Agreement. The term of this Agreement (the "Term") shall commence upon the effective date and shall extend for a period of thirty (30) years thereafter, unless said Term is terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the Parties, subject to the provisions of Section 105 hereof. Following the expiration of said Term, this Agreement shall be deemed terminated and of no further force and effect, subject, however, to the provisions of Section 407 hereof.

If this Agreement is terminated by the City Council prior to the end of the Term, the City shall cause a written notice of termination to be recorded with the County Recorder within ten (10) days of final action by the City Council.

This Agreement shall be deemed terminated and of no further effect upon entry, after all appeals have been exhausted, of a final judgment or issuance of a final order directing the City to set aside, withdraw or abrogate the City Council's approval of this Agreement or any material part of the Project Approvals.

C. [Sec. 102] Equitable Servitudes and Covenants Running with the Land. Any successors in interest to the City and the Developer shall be subject to the provisions set forth in *Government Code* §§ 65865.4 and 65868.5. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do, or refrain from doing, some act with regard to the development of the Property: (a) is for the benefit of and is a burden upon the Property; (b) runs with the Property and each portion thereof; and (c)

is binding upon each Party and each successor in interest during ownership of the Property or any portion thereof, but a successor in interest shall be obligated and bound only with respect to the specific obligations assigned or transferred to it, as set forth in Section D.3 [Sec.103], below. Nothing herein shall waive or limit the provisions of Section D, and no successor owner of the Property, any portion of it, or any interest in it shall have any rights except those assigned to the successor by Developer in writing pursuant to Section D. In any event, no owner or tenant of an individual completed residential unit within Project shall have any rights under this Agreement and this Agreement may be amended without the agreement or consent of such homeowner or tenant.

D. [Sec. 103] Right to Assign; Non-Severable Obligations.

1. Assignment to Affiliates. The Landowners shall have the right to sell, encumber, convey, assign or otherwise transfer (collectively "assign"), in whole or in part, its respective rights, interests and obligations under this Agreement to an affiliate of the respective Landowner ("Affiliate") without the prior express written consent of the City. An assignment to an Affiliate shall not be effective until (i) Affiliate acquires the affected interest of Landowner under this Agreement and (ii) Landowner delivers to City a copy of the Assumption Agreement pursuant to Section D.4, below, by which Affiliate assumes the applicable rights, duties and obligations of Landowner under this Agreement.

2. Assignment to Non-Affiliates. The Developer shall have the right to assign, in whole or in part, its rights, interests and obligations under this Agreement to a third party which is not an Affiliate of Developer during the term of this Agreement only with the written approval of the City Manager. Approval shall not be unreasonably withheld, conditioned, or delayed provided:

- (a) The assignee (or the guarantor(s) of the assignee's performance) has the financial ability to meet the obligations proposed to be assigned and to undertake and complete the obligations of this Agreement affected by the assignment; and
- (b) The proposed assignee has adequate experience with developments of comparable scope and complexity to the portion of the Project that is the subject of the assignment.

Any request for City approval of an assignment shall be in writing and accompanied by a copy of the Assumption Agreement required by Section D.4 [Sec. 103], below. Such request shall also include certified financial statements of the proposed assignee and any additional information concerning the identity, financial condition and experience of the assignee as the City may reasonably request; provided that, any such request for additional information shall be made, if at all, not more than fifteen (15) business days after the City's receipt of the request for approval of the proposed assignment. All detailed financial information submitted to the City shall constitute confidential trade secret information if the information is maintained as a trade secret by the assignee and if such information is not available through other sources. The assignee shall mark any material claimed as trade secret at the time it is submitted to the City. If City receives a public

records request for any information designated a “trade secret” City shall notify the assignee of such request prior to releasing the material in question to the requesting party. If the assignee directs the City not to release the material in question, the assignee shall indemnify the City for any costs incurred by City, including but not limited to staff time and attorney’s fees, as a result of any action brought by the requesting party to obtain release of the information and/or to defend any lawsuit brought to obtain such information. If the City wishes to disapprove any proposed assignment, the City shall set forth in writing and in reasonable detail the grounds for such disapproval. The City may disapprove a request for assignment or ask for revisions to the Assumption Agreement if necessary to ensure the performance of the obligations described in this Agreement. The City shall act on a request for a proposed assignment by approving or disapproving such request within 30 days of receipt of such request.

3. Effect of Assignment. An assignee shall become a Party to this Agreement only with respect to the interest transferred to it pursuant to the assignment, and only to the extent set forth in the Assumption Agreement delivered to the City pursuant to Section D.1 or approved by the City pursuant to Section D.2, above. Upon an assignment, Developer shall only be released from the obligations and liabilities under this Agreement that are specifically assumed by the assignee via an Assumption Agreement with respect to the portion of the Property transferred, provided that Developer has provided the City with all information required pursuant to Sections D.1 and D.2, above, and, in the case of a non-Affiliate, the City has approved the assignment. Any obligations and liabilities of Developers under this Agreement, including, but not limited to, the Specific Development Obligations set forth in Article II, Section B [Sec. 201] of this Agreement, that are not expressly assumed by an assignee in an Assignment Agreement shall remain the responsibility of the Developer following assignment.

4. Assumption Agreement. In order for an assignment to be effective under this Agreement, Developer must provide to City, as specified in Sections D.1 and D.2 above, an executed and acknowledged assumption agreement (Assumption Agreement) in a form acceptable to the City. The Assumption Agreement shall include provisions regarding (i) the interest or portions of interest in one or more parcels associated with the Project proposed to be assigned by Developer (ii) the obligations of Developer under this Agreement that the assignee will assume, and (iii) the proposed assignee’s acknowledgement that such assignee has reviewed and agrees to be bound by all applicable provisions of this Agreement and all applicable City entitlements and approvals. The Assumption Agreement shall also include the name, form of entity and address of the proposed assignee. After being approved by the City, if required, the Assumption Agreement shall be recorded in the Official Records of the County of Yolo concurrently with the transfer of the affected interest of Developer under this Agreement, and a copy thereof shall be delivered to the City within three (3) days after consummation of the assignment.

5. Notwithstanding subsection 2 above, mortgages, deeds of trust, sales and lease-backs or any other form of conveyance required for any reasonable method of financing are permitted without the City’s consent, but only for the purpose of securing loans of funds to be used for

financing the acquisition of the Property, the development and construction of improvements on the Property and other necessary and related expenses. The holder of any mortgage, deed of trust or other security arrangement with respect to the Property (“Mortgagee”), or any portion thereof, shall not be considered an assignee of Developer under this Agreement unless said Mortgagee (i) acquires the affected interest of Developer encumbered by Mortgagee’s mortgage, deed of trust or other security arrangement, and (ii) delivers to City an Assumption Agreement assuming, from and after the date such Mortgagee acquires its interest, the applicable rights, duties and obligations of Developer under this Agreement.

6. Nothing in this Section shall be deemed to constitute or require City consent to the approval of any further subdivision or parcelization of the Property, in addition to the Parcel Map(s) identified in Recital D. The Parties recognize and acknowledge that any such actions must comply with applicable City laws and regulations and be consistent with the General Plan, the Project Approvals and this Agreement. Nothing in this Section shall be deemed to constitute or require City consent to an assignment that consists solely of a reorganization of the Developer’s business structure, such as (i) any sale, pledge, assignment or other transfer of all or a portion of the Project Site to an entity directly controlled by Developer or its affiliates and (ii) any change in Developer entity form, such as a transfer from a corporation to a limited liability company or partnership, that does not affect or change beneficial ownership of the Project Site; provided, however, in such event, Developer shall provide to City written notice, together with such backup materials or information reasonably requested by City, within thirty (30) days following the date of such reorganization or City’s request for backup information, as applicable.

E. [Sec. 104] Notices. Formal written notices, demands, correspondence and communications between the City and the Developer shall be sufficiently given if dispatched by certified mail, postage prepaid, to the principal offices of the City and the Developer, as set forth in Article 8 hereof. Such written notices, demands, correspondence and communications may be directed in the same manner to such other persons and addresses as either Party may from time to time designate. The Developer shall give written notice to the City, at least thirty (30) days prior to the close of escrow, of any sale or transfer of any portion of the Property and any assignment of this Agreement, specifying the name or names of the transferee, the transferee's mailing address, the amount and location of the land sold or transferred, and the name and address of a single person or entity to whom any notice relating to this Agreement shall be given, and any other information reasonably necessary for the City to consider approval of an assignment or any other action City is required to take under this Agreement.

F. [Sec. 105] Amendment of Agreement. This Agreement may be amended from time to time by mutual consent of the Parties, in accordance with the provisions of *Government Code* Sections 65867 and 65868.

G. [Sec. 106] Major Amendments and Minor Amendments.

1. Major Amendments. Any amendment to this Development Agreement which substantially affects or relates to (a) the term of this Development Agreement; (b) permitted uses of the Property; (c) provisions for the reservation or dedication of land; (d) conditions, terms, restrictions or requirements for subsequent discretionary actions; (e) the density or intensity of use of the Property or the maximum height or maximum gross square footage; or (f) monetary contributions by Developer, shall be deemed a “Major Amendment” and shall require giving of notice and a public hearing before the Planning Commission and City Council. Any amendment which is not a Major Amendment shall be deemed a Minor Amendment subject to Section 106(2) below. The City Manager or his or her delagee shall have the authority to determine if an amendment is a Major Amendment subject to this Section 106(1) or a Minor Amendment subject to Section 106(2) below. The City Manager’s determination may be appealed to the City Council.

2. Minor Amendments. The Parties acknowledge that refinement and further implementation of the Project may demonstrate that certain minor changes may be appropriate with respect to the details and performance of the Parties under this Agreement. The Parties desire to retain a certain degree of flexibility with respect to the details of the Project and with respect to those items covered in the general terms of this Agreement. If and when the Parties find that clarifications, minor changes, or minor adjustments are necessary or appropriate and do not constitute a Major Amendment under Section 106(1), they shall effectuate such clarifications, minor changes or minor adjustments through a written Minor Amendment approved in writing by the Developer and City Manager. Unless otherwise required by law, no such Minor Amendment shall require prior notice or hearing, nor shall it constitute an amendment to this Agreement.

ARTICLE 2. Development of the Property.

A. [Sec. 200] Permitted Uses and Development Standards. In accordance with and subject to the terms and conditions of this Agreement, the Developer shall have a vested right to develop the Property for the uses and in accordance with and subject to the terms and conditions of this Agreement and the Project Approvals attached hereto as Exhibit C and incorporated hereinby reference, and any amendments to the Project Approvals or Agreement as may, from time to time, be approved pursuant to this Agreement.

The Developer hereby agrees that development of the Project shall be in accordance with the Project Approvals, including the conditions of approval and the mitigation measures for the Project as adopted by the City, and any amendments to the Project Approvals or Agreement as

may, from time to time, be approved pursuant to this Agreement. Nothing in this section shall be construed to restrict the ability to make minor changes and adjustments in accordance with Section 106, *supra*. Nothing in this Agreement shall require Developer or Landowner to construct the Project or to pay fees for any portion of the Project that Developer or Landowner does not construct.

B. [Sec. 201] Specific Development Obligations. In addition to the conditions of approval contained in the Project Approvals, the Developer and the City have agreed that the development of the Property by the Developer is subject to certain specific development obligations, described herein and/or described and attached hereto as Exhibits E through L and incorporated herein by reference. These specific development obligations, together with the other terms and conditions of this Agreement, provide the incentive and consideration for the City entering into this Agreement. Whenever the phrase “Developer commits,” “Developer has committed,” “Developer agrees,” or equivalent is used in Exhibits E through L, it shall be interpreted to indicate a binding obligation with the same legal meaning as “Developer shall.”

(1) Affordable Housing. The Developer shall comply with the affordable housing requirements as set forth in Exhibit E which shall demonstrate compliance with the current City Ordinance which is incorporated herein and vests for the duration of this Agreement. Affordable housing units shall be property tax exempt to the greatest extent permitted under applicable State and Federal law (Assembly Bill 1193, 2017.).

(2) Environmental Sustainability. The City and the Developer have agreed that climate change and environmental sustainability are critical issues for new developments. Developer shall comply with the Environmental Sustainability commitments set forth in Exhibit F.

(3) Transit, Transportation and Circulation. The Developer shall comply with and implement the measures identified in Exhibit G including but not limited to the obligation to create and implement a Transportation Demand Management plan which shall track and report performance to the City.

(4) Habitat and Agricultural Conservation. The Developer shall comply with the requirements as set forth in Exhibit H to preserve and enhance a diversity of native habitats and local agriculture in a manner consistent with the City’s current Right to Farm Ordinance.

(5) Recreation and Wellness. The Developer shall comply with and implement the measures identified in Exhibit I to foster recreation and provide for the health and wellbeing of the community.

(6) Urban Forest and Landscape. The Developer shall comply with the requirements as set forth in Exhibit J to expand upon the urban forest, ensure the health and success of the onsite tree canopy, and to foster the use of native and drought tolerant species.

(7) Reimbursement for Property Taxes. Prior to issuance of building permit, Developer shall devise and implement a mechanism through which the City, Yolo County, and Davis Joint Unified School District will be assured compensation equivalent to their respective share of otherwise-required property taxes in the event that the Property is acquired or leased in whole or in part by an entity exempt from payment of property taxes. The mechanism for providing such assurance may be in the form of a covenant running with the land, establishment of an assessment district, or another approach subject to review and approval of the City Attorney.

C. [Sec. 202] Subsequent Discretionary Approvals. The Developers' vested right to develop pursuant to this Agreement may be subject to subsequent discretionary approvals for portions of the Project. In reviewing and acting upon these subsequent discretionary approvals, and except as set forth in this Agreement, the City shall not impose any conditions that preclude the development of the Project for the uses or the density and intensity of use set forth in this Agreement. Any subsequent discretionary approvals, except conditional use permits, shall become part of the Project Approvals once approved and after all appeal periods have expired or, if an appeal is filed, if the appeal is decided in favor of the approval. The known subsequent approvals are set forth in Exhibit D, attached hereto and incorporated herein.

D. [Sec. 203] Development Timing. The Developer shall be obligated to comply with the terms and conditions of the Project Approvals and this Development Agreement at those times specified in either the Project Approvals or this Development Agreement. The parties acknowledge that the Developer cannot at this time predict with certainty when or the rate at which the Property would be developed. Such decisions depend upon numerous factors which are not all within the control of the Developer, such as market conditions and demand, interest rates, competition and other factors. Because the California Supreme Court held in *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development controlling the parties' agreement, it is the intent of City and the Developer to hereby acknowledge and provide for the right of the Developer to develop the Project in such order and at such rate and times as the Developer deems appropriate within the exercise of its sole and subjective business judgment, subject to the terms, requirements and conditions of the Project Approvals and this Development Agreement. City acknowledges that such a right is consistent with the intent, purpose and understanding of the parties to this Development Agreement, and that without such a right, the Developer's development of the Project would be subject to the uncertainties sought to be avoided by the Development Agreement Statute, (*Government Code § 65864 et seq.*), City Council Resolution 1986-77 and this Development Agreement. The Developer will use its best efforts, in accordance with their business judgment and taking into consideration market conditions and other economic factors influencing the Developer's business decision, to commence or to continue development, and to develop the Project in a regular, progressive and timely manner in accordance with the provisions and conditions of this Development Agreement and with the Project Approvals.

Subject to applicable law relating to the vesting provisions of development agreements, Developer and City intend that except as otherwise provided herein, this Agreement shall, upon its effectuation, vest the Project Approvals against subsequent City resolutions, ordinances, growth control measures and initiatives or referenda, other than a referendum that specifically overturns City's approval of the Project Approvals, that would directly or indirectly limit the rate, timing or sequencing of development, or would prevent or conflict with the land use designations, permitted or conditionally permitted uses on the Property, design requirements, density and intensity of uses as set forth in the Project Approvals, and that any such resolution, ordinance, initiative or referendum shall not apply to the Project Approvals and the Project. Developer and City acknowledge, however, that the General Plan Amendment # [REDACTED] will not take effect until such time as there is an affirmative vote of the electorate pursuant to Chapter 41 of the Davis Municipal Code, the Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance. Notwithstanding any other provision of this Agreement, Developer shall, to the extent allowed by the laws pertaining to development agreements, be subject to any growth limitation ordinance, resolution, rule, regulation or policy which is adopted and applied on a uniform, city-wide basis and directly concerns an imminent public health or safety issue. In such case, City shall apply such ordinance, resolution, rule, regulation or policy uniformly, equitably and proportionately to Developer and the Property and to all other public or private owners and properties directly affected thereby.

E. [Sec. 204] Property Acquisition for Off-site Infrastructure. Developer shall, in a timely manner as determined by City and consistent with the requirements of the Project and the conditions of approval, acquire the property rights necessary to construct or otherwise provide the public improvements contemplated by this Agreement and the Project Approvals. In any instance where Developer is required to construct any public improvement, including but not limited to bike lanes, water or sewer infrastructure, to which neither Developer nor City has sufficient title or interest, including an easement or license determined necessary by the City, Developer shall at its sole cost and expense provide or cause to be provided, the real property interests necessary for the construction of such public improvements. In the event Developer is unable, after exercising all reasonable efforts as determined by the City, to acquire the real property interests necessary for the construction of such improvements by the time any final map is filed, and upon the Developer's provision of adequate security for costs the City may reasonably incur, City shall negotiate the purchase of the necessary real property interests to allow Developer to construct the public improvements as required by this Agreement and, if necessary, in accordance with the procedures established by law, use its power of eminent domain to acquire such required real property interests. For the purposes of this Section, "reasonable efforts" shall include proof that the Developer made a written offer to purchase the property interest at fair market value. The Developer shall pay all costs associated with such acquisition or condemnation proceedings including but not limited to attorneys' fees, expert witness fees, and jury awards of any kind. If and to the extent this section 204 conflicts with Section 66462.5 of the Subdivision Map Act, this section will control. Upon acquisition of the necessary interest in land, or upon obtaining a right of entry, either by agreement or court order, the Developer shall commence and complete the

public improvements. This requirement shall be included, and, if necessary, detailed, in any subdivision improvement agreement entered into between the Developer and the City.

F. [Sec. 205]. Credits and/or Reimbursement for Dedication of Property or Construction of Infrastructure for "Oversizing". To the extent the Developer dedicates, funds or constructs public facilities that exceed the size or capacity required to serve the Property for the benefit of other properties or the City, the City shall enter into an agreement to reimburse the Developer, along with reasonable interest, to the extent of such benefit as determined by the City. The Developer may be reimbursed for oversizing: (1) under a separate agreement between the City and the Developer which will provide that if and when a particular property benefiting from the oversizing is developed, the City will require the benefiting property to reimburse the Developer its pro rata share of the costs of the oversizing, as set forth in the agreement. A written agreement under this provision shall have a term of no longer than twenty-five (25) years; or (2) as credits against impact fees that the Developer or the Project would otherwise be required to pay for the type of infrastructure (e.g., sewers, roads) or payments from impact fees paid by other properties developed in the City for the type of infrastructure. If the mitigation fees paid by other persons or entities, or the credit available from the impact fees to be paid by the Developer in the particular category of infrastructure, are insufficient to repay the Developer in full for the cost of oversizing, the Developer shall have no recourse against the City. Similarly, if the benefiting property fails to reimburse the Developer for oversizing, the Developer shall have no recourse against the City; however, the Developer will retain all its rights against the benefiting property and its owners, if any. In no case shall the City reimburse the Developer from general funds of the City. Whenever in this Agreement or in future reimbursement agreements, the City is making reimbursements to the Developer and the reimbursements shall be made on a quarterly basis.

G. [Sec. 206] Rules, Regulations and Official Policies.

1. For the term of this Agreement, the rules, regulations, ordinances and official policies governing the permitted uses of land, the density and intensity of use, design, improvement and construction standards and specifications applicable to the development of the Property, including the maximum height and size of proposed buildings, shall be those rules, regulations and official policies in force on the effective date of the ordinance enacted by the City Council approving this Agreement. Except as otherwise provided in this Agreement, to the extent any future changes in the General Plan, zoning codes or any future rules, ordinances, regulations or policies adopted by the City purport to be applicable to the Property but are inconsistent with the terms and conditions of this Agreement, the terms of this Agreement shall prevail, unless the Parties mutually agree to amend or modify this Agreement pursuant to Section 105 hereof. To the extent that any future changes in the General Plan, zoning codes or any future rules, ordinances, regulations or policies adopted by the City are applicable to the Property and are not inconsistent with the terms and conditions of this Agreement or are otherwise made applicable by other provisions of this Article 2, such future changes in the General Plan, zoning codes or such future rules, ordinances, regulations or policies shall be applicable to the Property.

(a) This section shall not preclude the application to development of the Property of changes in City laws, regulations, plans or policies, the terms of which are specifically mandated and required by changes in state or federal laws or regulations. In the event state or federal laws or regulations enacted after the date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by the City, this Agreement shall be modified, extended or suspended as may be necessary to comply with such state or federal laws or regulations or the regulations of such other governmental jurisdiction.

To the extent that any actions of federal or state agencies (or actions of regional and local agencies, including the City, required by federal or state agencies) have the effect of preventing, delaying or modifying development of the Property, the City shall not in any manner be liable for any such prevention, delay or modification of said development. The Developer is required, at its cost and without cost to or obligation on the part of the City, to participate in such regional or local programs and to be subject to such development restrictions as may be necessary or appropriate by reason of such actions of federal or state agencies (or such actions of regional and local agencies, including the City, required by federal or state agencies).

(b) Nothing herein shall be construed to limit the authority of the City to adopt and apply codes, ordinances and regulations which have the legal effect of protecting persons or property from conditions which create a health, safety or physical risk.

2. All project construction, improvement plans and final maps for the Project shall comply with the pertinent rules, regulations and design guidelines in effect at the time the construction, improvements plan or final map is approved. Unless otherwise expressly provided in this Agreement, all city ordinances, resolutions, rules regulations and official policies governing the design and improvement and all construction standards and specifications applicable to the Project shall be those in force and effect at the time the applicable permit is granted. Ordinances, resolutions, rules, regulations and official policies governing the design, improvement and construction standards and specifications applicable to public improvements to be constructed by Developer shall be those in force and effect at the time the applicable permit approval for the construction of such improvements is granted. If no permit is required for the public improvements, the date of permit approval shall be the date the improvement plans are approved by the City or the date construction for the public improvements is commenced, whichever occurs first.

3. Uniform Codes Applicable. This Project shall be constructed in accordance with the provisions of the California Building Code, city standard construction specifications and details and Title 24 of the California *Code of Regulations*, relating to Building Standards, in effect at the time of submittal of the appropriate building, grading, encroachment or other construction permits for the Project. If no permits are required for the infrastructure improvements, such improvements will be

constructed in accordance with the provisions of the codes delineated herein in effect at the start of construction of such infrastructure.

4. The Parties intend that the provisions of this Agreement shall govern and control as to the procedures and the terms and conditions applicable to the development of the Property over any contrary or inconsistent provisions contained in Section 66498.1 *et seq.* of the *Government Code* or any other state law now or hereafter enacted purporting to grant or vest development rights based on land use entitlements (herein “Other Vesting Statute”). In furtherance of this intent, and as a material inducement to the City to enter into this Agreement, the Developer agrees that:

- (a) Notwithstanding any provisions to the contrary in any Other Vesting Statute, this Agreement and the conditions and requirements of land use entitlements for the Property obtained while this Agreement is in effect shall govern and control the Developer’s rights to develop the Property;
- (b) The Developer waives, for itself and its successors and assigns, the benefit of any Other Vesting Statute insofar as they may be inconsistent or in conflict with the terms and conditions of this Agreement and land use entitlements for the Property obtained while this Agreement is in effect; and
- (c) The Developer will not make application for a land use entitlement under any Other Vesting Statute insofar as said application or the granting of the land use entitlement pursuant to said application would be inconsistent or in conflict with the terms and conditions of this Agreement and prior land use entitlements obtained while this Agreement is in effect.

5. This section shall not be construed to limit the authority or obligation of the City to hold necessary public hearings, to limit discretion of the City or any of its officers or officials with regard to rules, regulations, ordinances, laws and entitlements of use which require the exercise of discretion by the City or any of its officers or officials, provided that subsequent discretionary actions shall not conflict with the terms and conditions of this Agreement.

H. [Sec. 207]. Fees, Exactions, Conditions and Dedications.

1. Except as provided herein, the Developer shall be obligated to pay only those fees, in the amounts and/or with increases as set forth below, and make those dedications and improvements prescribed in the Project Approvals and this Agreement and any Subsequent Approvals. Unless otherwise specified herein, City-imposed development impact fees and sewer and water connection fees shall be due and payable by the Developer prior to the issuance of a certificate of occupancy for the building in question. Certain impact fees and credits applicable to development of the Project shall be as set forth in Exhibit K, and paid in the manner specified.

2. Except as otherwise provided in this Agreement, as to the fees required to be paid, the Developer shall pay the amount in effect at the time the payment is made. The City retains discretion to revise such fees as the City deems appropriate, in accordance with applicable law. If the City revises such fees on a city-wide basis (as opposed to revising such fees on an *ad hoc* basis that applies solely to the Project), then the Developer shall thereafter pay the revised fee. The Developer may, at its sole discretion, participate in any hearings or proceedings regarding the adjustment of such fees. Nothing in this Agreement shall constitute a waiver by the Developer of its right to challenge such changes in fees in accordance with applicable law provided that the Developer hereby waives its right to challenge the increased fees solely on the basis of any vested rights that are granted under this Agreement and any tentative maps approved pursuant to this Agreement.

3. The City may charge and the Developer shall pay processing fees for land use approvals, building permits, and other similar permits and entitlements which are in force and effect on a citywide basis at the time the application is submitted for those permits, as permitted pursuant to California *Government Code* § 54990 or its successor sections(s).

4. Except as specifically permitted by this Agreement or mandated by state or federal law, the City shall not impose any additional capital facilities or development impact fees or charges or require any additional dedications or improvements through the exercise of the police power, with the following exception:

(a) The City may impose reasonable additional fees, charges, dedication requirements or improvement requirements as conditions of the City's approval of an amendment to the Project Approvals or this Agreement, which amendment is either requested by the Developer or agreed to by the Developer; and

(b) The City may apply subsequently adopted development exactions to the Project if the exaction is applied uniformly to development either throughout the city or with a defined area of benefit that includes the Property if the subsequently adopted development exaction does not physically prevent development of the Property for the uses and to the density and intensity of development set forth in this Agreement. In the event that the subsequently adopted development exaction fulfills the same purpose as an exaction or development impact fee required by this Agreement or by the Project Approvals, the Developer shall receive a credit against the subsequently adopted development exaction for fees already paid that fulfill the same purpose.

5. Compliance with *Government Code* § 66006. As required by *Government Code* § 65865(e) for development agreements adopted after January 1, 2004, the City shall comply with the requirements of *Government Code* § 66006 pertaining to the payment of fees for the development of the Property.

6. Wastewater Treatment Capacity. The City and the Developer agree that there is capacity in the wastewater treatment facility to serve (1) existing residents and businesses that are already hooked up to the facility, (2) anticipated residents and businesses through build-out of the City's existing General Plan, and (3) the Project. The City and the Developer acknowledge and agree that reserving this capacity for the Project, such that sewer hookups shall be available at such time as they are needed as the Project builds out, is a material element of the consideration provided by the City to the Developer in exchange for the benefits provided to the City under this Agreement. The Parties recognize the availability of sufficient sewer capacity may be affected by regulatory or operational constraints that are not within the City's discretion. To the extent the availability of sewer capacity is within the City's discretion (e.g., whether to extend sewer service to areas *not* currently within the City's service area), the City shall not approve providing such capacity to areas currently outside the City's service area if this approval would prevent or delay the ability of the City to provide sewer hookups to the Project as the Project requires hook-ups or connections. This provision shall not affect the City's ability to provide sewer service within its service boundaries or within the existing City boundaries as they exist on the effective date of this Agreement, and as to such connections, the Parties requesting sewer service shall be connected on a first come first served basis. The Developer shall pay the applicable connection charge pursuant to that specified in Exhibit K of this Agreement at the time of building permit issuance. The Developer acknowledges that connection charge may increase substantially over time and that the cost to comply with the City's new NPDES permit, as they may be approved from time to time during the term of this Agreement, may be substantial.

I. [Sec. 208] Completion of Improvements. City generally requires that all improvements necessary to service new development be completed prior to issuance of building permits (except model home permits as provided by the Municipal Code). However, given the size of the Project and anticipated duration of development, the parties hereto acknowledge that some of the backbone or in-tract improvements associated with development of the Property may not need to be completed to adequately service portions of the Property as such development occurs. Therefore, as and when portions of the Property are developed, all backbone or in-tract infrastructure improvements required to service such portion of the Property in accordance with the Project Approvals (e.g., pursuant to specific tentative map conditions or other land use approvals) shall be completed prior to issuance of any building permits within such portion of the Property. Provided, however, the Public Works Director may approve the issuance of building permits prior to completion of all such backbone or in-tract improvements if the improvements necessary to provide adequate service to the portion of the Property being developed are substantially complete to the satisfaction of the Public Works Director, or in certain cases at the discretion of the City, adequate security has been provided to assure the completion of the improvements in question.

ARTICLE 3. Obligations of the Developer.

A. [Sec. 300] Improvements. Developer shall develop the Property in accordance with and subject to the terms and conditions of this Agreement, Project Approvals and the subsequent discretionary approvals referred to in Section 202, if any, and any amendments to the Project Approvals or this Agreement as, from time to time, may be approved pursuant to this Agreement. The failure of Developer to comply with any term or condition of or fulfill any obligation of the Developer under this Agreement, the Project Approvals or the subsequent discretionary approvals or any amendments to the Project Approvals or this Agreement as may have been approved pursuant to this Agreement, shall constitute a default by the Developer under this Agreement. Any such default shall be subject to cure by the Developer as set forth in Article 4 hereof.

B. [Sec. 301] Developer's Obligations. Except as otherwise provided herein, the Developer shall be responsible, at its sole cost and expense, to make the contributions, improvements, dedications and conveyances set forth in this Agreement and the Project Approvals.

C. [Sec. 302] City's Good Faith in Processing. Subject to the reserved discretionary approvals set forth in Section 201 and the provisions of Section 207(3) hereof, the City agrees that it will accept, in good faith, for processing, review and action, all complete applications for zoning, special permits, development permits, tentative maps, subdivision maps or other entitlements for use of the Property in accordance with the General Plan and this Agreement.

The City shall inform the Developer, upon request, of the necessary submission requirements for each application for a permit or other entitlement for use in advance, and shall review said application and schedule the application for review by the appropriate authority.

ARTICLE 4. Default, Remedies, Termination.

A. [Sec. 400] General Provisions. Subject to extensions of time by mutual consent in writing, failure or unreasonable delay by either Party to perform any term or provision of this Agreement shall constitute a default. In the event of default or breach of any terms or conditions of this Agreement, the Party alleging such default or breach shall give the other Party not less than thirty (30) days notice in writing specifying the nature of the alleged default and manner in which said default may be satisfactorily cured. During any such thirty (30) day period, the Party charged shall not be considered in default for purposes of termination or institution of legal proceedings.

After notice and expiration of the thirty (30) day period, if such default has not been cured or is not being diligently cured in the manner set forth in the notice, the other Party to this Agreement may, at its option:

1. Terminate this Agreement, in which event neither Party shall have any further rights against or liability to the other with respect to this Agreement or the Property; or

2. Institute legal or equitable action to cure, correct or remedy any default, including but not limited to an action for specific performance of the terms of this Agreement;

In no event shall either Party be liable to the other for money damages for any default or breach of this Agreement.

B. [Sec. 401] Developer's Default; Enforcement. No building permit shall be issued or building permit application accepted for the building shell of any structure on the Property if the permit applicant owns or controls any property subject to this Agreement and if such applicant or any entity or person controlling such applicant is in default under the terms and conditions of this Agreement unless such default is cured or this Agreement is terminated.

C. [Sec. 402] Annual Review. The City Manager shall, at least every twelve (12) months during the term of this Agreement, review the extent of good faith substantial compliance by the Developer with the terms and conditions of this Agreement. Such periodic review shall be limited in scope to compliance with the terms and conditions of this Agreement pursuant to California Government Code Section 65865.1.

The City Manager shall provide thirty (30) days prior written notice of such periodic review to the Developer. Such notice shall require the Developer to demonstrate good faith compliance with the terms and conditions of this Agreement and to provide such other information as may be reasonably requested by the City Manager and deemed by him or her to be required in order to ascertain compliance with this Agreement. Notice of such annual review shall include the statement that any review may result in amendment or termination of this Agreement. The costs of notice and related costs incurred by the City for the annual review conducted by the City pursuant to this Section shall be borne by the Developer.

If, following such review, City Manager is not satisfied that Developer has demonstrated good faith compliance with all the terms and conditions of this Agreement, or for any other reason, the City Manager may refer the matter along with his or her recommendations to the City Council.

Failure of the City to conduct an annual review shall not constitute a waiver by the City of its rights to otherwise enforce the provisions of this Agreement nor shall the Developer have or assert any defense to such enforcement by reason of any such failure to conduct an annual review.

D. [Sec. 403] Enforced Delay, Extension of Times of Performance. In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, pandemics, acts of God, governmental entities, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation, moratoria or similar bases for excused performance. If written notice of such delay is given to the City within thirty (30) days of the commencement of such delay, an extension of time

for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

In the event litigation is initiated by any party other than Developer that challenges any of the approvals for the Project or the environmental document for those approvals and an injunction or temporary restraining order is not issued, Developer may elect to have the term of this Agreement tolled, i.e., suspended, during the pendency of said litigation, upon written notice to City from Developer. The tolling shall commence upon receipt by the City of written notice from Developer invoking this right to tolling. The tolling shall terminate upon the earliest date on which either a final order is issued upholding the challenged approvals or said litigation is dismissed with prejudice by all plaintiffs. In the event a court enjoins either the City or the Developer from taking actions with regard to the Project as a result of such litigation that would preclude any of them from enjoying the benefits bestowed by this Agreement, then the term of this Agreement shall be automatically tolled during the period of time such injunction or restraining order is in effect

E. [Sec. 404] Limitation of Legal Actions. In no event shall the City, or its officers, agents or employees, be liable in damages for any breach or violation of this Agreement, it being expressly understood and agreed that the Developer's sole legal remedy for a breach or violation of this Agreement by the City shall be a legal action in mandamus, specific performance or other injunctive or declaratory relief to enforce the provisions of this Agreement.

F. [Sec. 405] Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. The Developer acknowledges and agrees that the City has approved and entered into this Agreement in the sole exercise of its legislative discretion and that the standard of review of the validity or meaning of this Agreement shall be accorded legislative acts of the City. Should any legal action be brought by a Party for breach of this Agreement or to enforce any provision herein, the prevailing Party of such action shall be entitled to reasonable attorneys' fees, court costs and such other costs as may be fixed by the Court.

G. [Sec. 406] Invalidity of Agreement.

1. If this Agreement shall be determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment.

2. If any provision of this Agreement shall be determined by a court to be invalid or unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any law which becomes effective after the date of this Agreement and either Party in good faith determines that such provision is material to its entering into this Agreement, either Party may elect to terminate this Agreement as to all obligations then remaining unperformed in accordance with the procedures set forth in Section 400, subject, however, to the provisions of Section 407

hereof. If neither Party determines the provision to be material, that provision will be stricken and the remainder of the Agreement endure.

H. [Sec. 407] Effect of Termination on Developer Obligations. Termination of this Agreement shall not affect the Developer's obligations to comply with the General Plan and the terms and conditions of any and all Project Approvals and land use entitlements approved with respect to the Property, nor shall it affect any other covenants of the Developer specified in this Agreement to continue after the termination of this Agreement.

ARTICLE 5. Hold Harmless Agreement.

A. [Sec. 500] Hold Harmless Agreement. The Developer hereby agrees to and shall hold the City, its elective and appointive boards, commissions, officers, agents and employees harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for property damage, which may arise from the Developer's or the Developer's contractors, subcontractors, agents or employees operations under this Agreement, whether such operations be by the Developer, or by any of the Developer's contractors, subcontractors, or by any one or more persons directly or indirectly employed by or acting as agent for the Developer or any of the Developer's contractors or subcontractors.

In the event any claim, action, or proceeding is instituted against the City, and/or its officers, agents and employees, by any third party on account of the processing, approval, or implementation of the Project Approvals and/or this Agreement, Developer shall defend, indemnify and hold harmless the City, and/or its officers, agents and employees. This obligation includes, but is not limited to, the payment of all costs of defense, any amounts awarded by the Court by way of damages or otherwise, including any attorney fees and court costs. City may elect to participate in such litigation at its sole discretion and at its sole expense. As an alternative to defending any such action, Developer may request that the City rescind any approved land use entitlement. The City will promptly notify Developer of any claim, action, or proceeding, and will cooperate fully in the defense thereof.

B. Prevailing Wages. Without limiting the foregoing, Developer acknowledges the requirements of California *Labor Code* §1720, *et seq.*, and 1770 *et seq.*, as well as California *Code of Regulations*, Title 8, Section 1600 *et seq.* ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects, as defined. If work on off-site improvements pursuant to this Agreement is being performed by Developer as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation under the contract in question is \$1,000 or more, Developer agrees to fully comply with such Prevailing Wage Laws. Developer understands and agrees that it is Developer's obligation to determine if Prevailing Wages apply to work done on the Project or any portion of the Project. Upon Developer's request, the City shall provide a copy of the then current prevailing rates of per diem wages. Developer

shall make available to interested parties upon request, copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the work subject to Prevailing Wage Laws, and shall post copies at the Developer's principal place of business and at the Project site. Developer shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless pursuant to the indemnification provisions of this Agreement from any claim or liability arising out of any failure or alleged failure by Developer to comply with the Prevailing Wage Laws associated with any "public works" or "maintenance" projects associated with Project development.

ARTICLE 6. Project as a Private Undertaking.

A. [Sec. 600] Project as a Private Undertaking. It is specifically understood and agreed by and between the Parties hereto that the development of the Property is a separately undertaken private development. No partnership, joint venture or other association of any kind between the Developer and the City is formed by this Agreement. The only relationship between the City and the Developer is that of a governmental entity regulating the development of private property and the owner of such private property.

ARTICLE 7. Consistency with General Plan.

A. [Sec. 700] Consistency with General Plan. The City hereby finds and determines that execution of this Agreement is in the best interest of the public health, safety and general welfare and is consistent with the General Plan, as amended by the General Plan Amendment approved as part of the Project Approvals.

ARTICLE 8. Notices.

A. [Sec. 800] Notices. All notices required by this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, to the addresses of the Parties as set forth below.

Notice required to be given to the City shall be addressed as follows:

City Manager
City of Davis
23 Russell Boulevard
Davis, CA 95616

Notice required to be given to the Developer shall be addressed as follows:

Ramco Enterprises, Inc.
1450 Harbor Boulevard, Suite B
West Sacramento, CA 95691
Attn: Dan Ramos

With a copy to:

Taylor & Wiley
500 Capitol Mall, Suite 1150
Sacramento, California 95814
Attn: Matthew S. Keasling

Any Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address.

ARTICLE 9. Recordation.

A. [Sec. 900] When fully executed, this Agreement will be recorded in the official records of Yolo County, California. Any amendments to this Agreement shall also be recorded in the official records of Yolo County.

ARTICLE 10. Estoppel Certificates.

A. [Sec. 1000] Either Party may, at any time, and from time to time, deliver written notice to the other Party requesting such party to certify in writing that, to the knowledge of the certifying Party, (a) this Development Agreement is in full force and effect and a binding obligation of the Parties, (b) this Development Agreement has not been amended or modified or, if so amended or modified, identifying the amendments or modifications, and (c) the requesting Party is not in default in the performance of its obligations under this Development Agreement, or if in default, to describe therein the nature and extent of any such defaults. The requesting Party may designate a reasonable form of certificate (including a lender's form) and the Party receiving a request hereunder shall execute and return such certificate or give a written, detailed response explaining why it will not do so within thirty (30) days following the receipt thereof. The City Manager shall be authorized to execute any certificate requested by Developer hereunder. Developer and City acknowledge that a certificate hereunder may be relied upon by tenants, transferees, investors, partners, bond counsel, underwriters, and other mortgages. The request shall clearly indicate that failure of the receiving Party to respond within the thirty (30) day period will lead to a second and final request and failure to respond to the second and final request within fifteen (15) days of receipt thereof shall be deemed approval of the estoppel certificate. Failure of Developer to execute an estoppel certificate shall not be deemed a default, provided that in the

event Developer does not respond within the required thirty (30) day period, City may send a second and final request to Developer and failure of Developer to respond within fifteen (15) days from receipt thereof (but only if City's request contains a clear statement that failure of Developer to respond within this fifteen (15) day period shall constitute an approval) shall be deemed approval by Developer of the estoppel certificate and may be relied upon as such by City, tenants, transferees, investors, bond counsel, underwriters and bond holders. Failure of City to execute an estoppel certificate shall not be deemed a default, provided that in the event City fails to respond within the required thirty (30) day period, Developer may send a second and final request to City, with a copy to the City Manager and City Attorney, and failure of City to respond within fifteen (15) days from receipt thereof (but only if Developer's request contains a clear statement that failure of City to respond within this fifteen (15) day period shall constitute an approval) shall be deemed approval by City of the estoppel certificate and may be relied upon as such by Developer, tenants, transferees, investors, partners, bond counsel, underwriters, bond holders and mortgagees.

ARTICLE 11. Provisions Relating to Lenders

A. [Sec. 1201] Lender Rights and Obligations.

1. Prior to Lender Possession. No Lender shall have any obligation or duty under this Agreement prior to the time the Lender obtains possession of all or any portion of the Property to construct or complete the construction of improvements, or to guarantee such construction or completion, and shall not be obligated to pay any fees or charges which are liabilities of Developer or Developer's successors-in-interest, but such Lender shall otherwise be bound by all of the terms and conditions of this Agreement which pertain to the Property or such portion thereof in which Lender holds an interest. Nothing in this Section shall be construed to grant to a Lender rights beyond those of the Developer hereunder or to limit any remedy City has hereunder in the event of a breach by Developer, including termination or refusal to grant subsequent additional land use Approvals with respect to the Property.

2. Lender in Possession. A Lender who comes into possession of the Property, or any portion thereof, pursuant to foreclosure of a mortgage or deed of trust, or a deed in lieu of foreclosure, shall not be obligated to pay any fees or charges which are obligations of Developer and which remain unpaid as of the date such Lender takes possession of the Property or any portion thereof. Provided, however, that a Lender shall not be eligible to apply for or receive Approvals with respect to the Property, or otherwise be entitled to develop the Property or devote the Property to any uses or to construct any improvements thereon other than the development contemplated or authorized by this Agreement and subject to all of the terms and conditions hereof, including payment of all fees (delinquent, current and accruing in the future) and charges, and assumption of all obligations of Developer hereunder; provided, further, that no Lender, or successor thereof, shall be entitled to the rights and benefits of the Developer hereunder or entitled to enforce the provisions of this Agreement against City unless and until such Lender or successor in interest qualifies as a recognized assignee of this Agreement and makes payment of all delinquent and

current City fees and charges pertaining to the Property.

3. Notice of Developer's Breach Hereunder. If City receives notice from a Lender requesting a copy of any notice of breach given to Developer hereunder and specifying the address for notice thereof, then City shall deliver to such Lender, concurrently with service thereon to Developer, any notice given to Developer with respect to any claim by City that Developer has committed a breach, and if City makes a determination of non-compliance, City shall likewise serve notice of such non-compliance on such Lender concurrently with service thereof on Developer.

4. Lender's Right to Cure. Each Lender shall have the right, but not the obligation, for the same period of time given to Developer to cure or remedy, on behalf of Developer, the breach claimed or the areas of non-compliance set forth in City's notice. Such action shall not entitle a Lender to develop the Property or otherwise partake of any benefits of this Agreement unless such Lender shall assume and perform all obligations of Developer hereunder.

5. Other Notices by City. A copy of all other notices given by City to Developer pursuant to the terms of this Agreement shall also be sent to any Lender who has requested such notices at the address provided to City pursuant to Section 1201(4) above.

B. [Sec. 1202] Right to Encumber. City agrees and acknowledges that this Agreement shall not prevent or limit the owner of any interest in the Property, or any portion thereof, at any time or from time to time in any manner, at such owner's sole discretion, from encumbering the Property, the improvements thereon, or any portion thereof with any mortgage, deed of trust, sale and leaseback arrangement or other security device. City acknowledges that any Lender may require certain interpretations of the agreement and City agrees, upon request, to meet with the owner(s) of the property and representatives of any Lender to negotiate in good faith any such request for interpretation. City further agrees that it shall not unreasonably withhold its consent to any interpretation to the extent such interpretation is consistent with the intent and purpose of this Agreement.

ARTICLE 13. Entire Agreement.

A. [Sec. 1300] Entire Agreement. This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement consists of 114 pages and 13 Exhibits which constitute the entire understanding and agreement of the Parties. Unless specifically stated to the contrary, the reference to an exhibit by designated letter or number shall mean that the exhibit is made a part of this Agreement. Said exhibits are identified as follows:

- Exhibit A: Legal Description of the Property and Project Site
- Exhibit B: General Plan Amendment Resolution and Baseline Project Features
- Exhibit C: Project Discretionary Approvals
- Exhibit D: Subsequent Discretionary Entitlements
- Exhibit E: Affordable Housing Plan
- Exhibit F: Sustainability Features
- Exhibit G: Transit, Transportation and Circulation
- Exhibit H: Habitat and Agricultural Conservation
- Exhibit I: Recreation and Wellness
- Exhibit J: Urban Forest and Landscape
- Exhibit K: Impact Fees, Credits, and Municipal Financing
- Exhibit L: Uncategorized Additional Community Benefits
- Exhibit M: Applicable City Ordinances

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City and Developer and Landowner have executed this Agreement as of the date set forth above.

“CITY”

CITY OF DAVIS

By: _____

Gloria Partida
Mayor

Attest: _____

Zoe Mirabile
City Clerk

APPROVED AS TO FORM:

G. Inder Khalsa
City Attorney

“DEVELOPER”

RAMCO ENTERPRISES, INC. a California
limited liability company

By: _____

Daniel Ramos
Project Manager

BUZZ OATES, a California corporation

By: _____

Troy Estacio
Senior Vice President

EXHIBIT A
LEGAL DESCRIPTION AND PROJECT SITE MAP

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

FRANK C. RAMOS AND JOANNE M. RAMOS TRUSTEES OF THE FRANK C. RAMOS AND JOANNE M. RAMOS FAMILY TRUST DATED SEPTEMBER 22, 2005, BUZZ OATES LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, AND OATES ASSOCIATES INVESTORS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF YOLO, STATE OF CALIFORNIA AND BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 7, OF TOWNSHIP 8 NORTH, RANGE 3 EAST, M.D.B. & M., MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 7; THENCE NORTH 89° 56'20" EAST 50.00 FEET TO A POINT ON THE EASTERLY LINE OF MACE BOULEVARD SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF MACE BOULEVARD, SOUTH 00° 20'30" EAST, 1,406.70 FEET TO A POINT ON THE CENTERLINE OF NEW COUNTY ROAD 32A; THENCE DEPARTING FROM SAID EASTERLY LINE OF MACE BOULEVARD, SOUTHEASTERLY ALONG THE CENTERLINE OF NEW COUNTY ROAD 32A, SOUTH 89° 39'30" EAST 196.92 FEET; THENCE THROUGH A CURVE CONCAVE TO THE SOUTH WITH AN ARC LENGTH OF 428.84 FEET, RADIUS OF 600.00 FEET, INCLUDED ANGLE OF 40° 57'05" AND CHORD OF SOUTH 69° 51'58" EAST 419.77 FEET; THENCE SOUTH 49° 23'25" EAST 167.44 FEET; THENCE THROUGH A TANGENT CURVE TO THE LEFT WITH AN ARC LENGTH OF 1,009.26 FEET, RADIUS OF 1,000.00 FEET AND INCLUDED ANGLE OF 57° 49'35"; THENCE DEPARTING FROM SAID CENTERLINE OF NEW COUNTY ROAD 32A, SOUTH 17° 13'00" EAST 30.00 FEET TO A POINT ON THE NORTHERLY LINE OF UNION PACIFIC RAILROAD; THENCE NORTHEASTERLY ALONG SAID NORTHERLY LINE OF UNION PACIFIC RAILROAD, NORTH 72° 47'00" EAST 975.77 FEET TO A POINT ON THE EASTERLY SIDE OF THE NORTHWEST QUARTER OF SAID SECTION 7; THENCE DEPARTING FROM SAID NORTHERLY LINE OF UNION PACIFIC RAILROAD, NORTH ALONG THE EASTERLY SIDE OF THE NORTHWEST QUARTER OF SAID SECTION 7, NORTH 00° 20'54" WEST, 1597.65 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 7; THENCE WEST ALONG THE NORTHERLY SIDE OF SAID SECTION 7, SOUTH 89° 56'20" WEST, 2,604.64 FEET TO THE TRUE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 033-630-009

Yolo County GIS Viewer

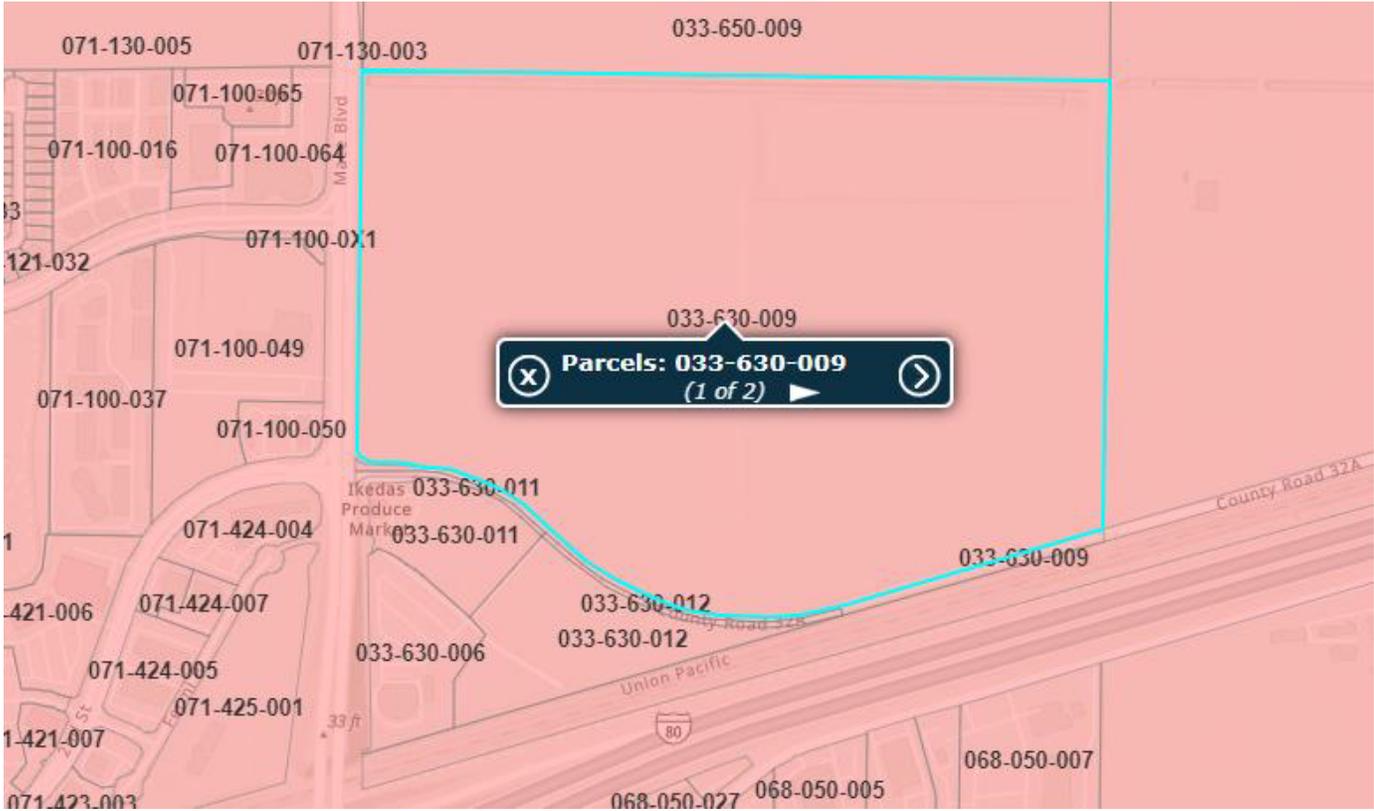


EXHIBIT B
GENERAL PLAN AMENDMENT RESOLUTION AND BASELINE PROJECT
FEATURES

UPDATED GENERAL PLAN RESO TO BE ADDED BY CITY ONCE FINALIZED.

DAVIS INNOVATION AND SUSTAINABILITY CAMPUS 2022
BASELINE PROJECT FEATURES

Project Goals

The purpose of the Davis Innovation and Sustainability Campus 2022 (DiSC 2022 or Project) is to bring the City's vision for sustainable economic development to fruition. DiSC 2022 has been strategically located and designed to accommodate future growth of the science, technology and advanced manufacturing sectors within the City of Davis. Development of the DiSC 2022 will allow Davis to retain, grow and capitalize upon the cutting-edge research and intellectual capital being fostered at U.C. Davis at a site located in close proximity to the University and Downtown Davis, adjacent to Capital Corridor Rail and Interstate 80. The Project responds to a request that was issued by the City Council in 2014 and is the culmination of nearly two decades of City planning efforts. The City Council's goals for the development include growing the knowledge economy, capturing business growth and the achieving fiscal and economic benefits for the City and the community.

Land Use Summary

The DiSC 2022 Project will provide a mix of land uses that work holistically to create a research and technology innovation campus. DiSC 2022 proposes a mix of office, laboratory, and research and development (R&D) space; advanced manufacturing to prototype and build products; rental and for-sale housing designed to accommodate the Project's workforce; supportive retail space; a hotel and conference center; a transit plaza; and parks, greenbelts, habitat and open spaces. An illustrative draft land use and site plan depicting the location of the proposed land uses, along with proposed roadways and connections to adjacent areas, is included.

Land Use Type	Size
Office, Laboratory, R&D	550,000 square feet
Advanced Manufacturing	550,000 square feet
Residential	460 units
Ancillary Retail	80,000 square feet
Hotel and Conference Center	160,000 square feet
Parks, Plazas and Green Spaces	23 acres
Total Commercial Innovation	1,340,000 square feet
Total Acres	102 acres

A more detailed discussion of each land use type and sequencing of development with site features is included near the end of this document.

Key Project Commitments

The Project is subject to numerous commitments established in the Development Agreement between the City of Davis and the Developer as well as through mitigation measures as specified in the environmental review of the project. Specific components of the Development Agreement required by these Baseline Project Features are the following:

Housing

- Housing will be designed and construction timed to meet the housing needs of the workforce.
- Rental and for-sale housing shall be provided to accommodate a range of incomes and needs.
- DiSC 2022 residences will not be dormitory-style housing.
- All housing shall be medium- and high-density with a minimum median density of 30 units per acre.
- Commercial development shall precede housing construction; there must be 200,000 square feet of job space before any homes are constructed. Housing construction will be contingent upon the construction of commercial space at a ratio of one home per 2,000 square feet of nonresidential space. Onsite affordable housing projects shall be exempted from this requirement.
- Parking associated with multifamily housing will be unbundled, meaning that it is paid for separately from rent. Tenants will be able to avoid these parking costs, and reduce traffic impacts, if they choose a car-free lifestyle.

Affordable Housing

- Housing shall accommodate a diversity of incomes on-site.
- DiSC 2022 will provide for the construction of no less than 85 affordable housing units. Provision of 85 affordable units exceeds City requirements.
- At least 60 multi-family units of the Project's affordable housing unit commitment will be constructed on-site in inclusive locations near parks and/or transit.
- At least 14 for-sale units located onsite will be designated for those buyers meeting Yolo County's definition of moderate income.

Sustainability

- DiSC 2022 will achieve carbon neutrality by 2040.
- Project's electricity demand shall be fueled by 100% clean energy either generated onsite or purchased from a 100% renewable program such as Valley Clean Energy's "UltraGreen" program.
- In furtherance of the commitment to utilize 100% renewable energy, all conducive structures will maximize installation of solar or other renewable energy technology.
- The project will be pre-wired for future microgrid capacity and designed to accommodate battery storage for energy generated onsite.
- Housing units will be all-electric and not include natural gas.
- DiSC 2022 will achieve net zero electricity for outdoor lighting.
- Native and drought tolerant plants shall predominate the plant palette. Valley Oaks or other local native species will be significantly incorporated into the

agricultural buffer area.

- Runoff shall be captured and conveyed onsite in a series of bioswales intended to filtrate and clean the run-off and maximize groundwater recharge.
- Planting and ongoing tree health at DiSC 2022 will be monitored by an arborist to assure creation of a healthy tree canopy.
- The Project will add no less than 1,500 new trees to the City's urban forest to sequester carbon, improve mental health, deter the heat island effect, and provide shading. If less than 1,500 trees are planted onsite, Developer will ensure that the remainder will be planted elsewhere in Davis.
- Trees planted in parking or street-adjacent areas shall use structured soil or suspended substrate to allow successful tree root development. Developer shall size pavement treatment areas to accommodate the anticipated sizes of the various tree varieties that will be planted.

Transit

- In coordination with Unitrans, Sacramento Regional Transit and Yolobus, enhance and relocate the existing bus stops located on Mace Boulevard for improved use by DiSC 2022 employees and the broader community.
- A Transit Plaza located along Mace Boulevard will serve as a connection point for multi-modal transportation including shuttles with connections to Amtrak and UC Davis, on-site shuttles, paratransit and micromobility (e.g. bike, skateboard, and scooter share services). The Transit Plaza will be capable of stacking multiple buses.
- Land will be reserved to widen the right-of-way on Mace Blvd. to accommodate a potential express bus lane and other future transportation needs.
- DiSC 2022 will establish and participate in a shuttle program with connections to the Amtrak train station, UC Davis, and other destinations.
- A Transportation Demand Management (TDM) Plan will be adopted and implemented requiring specific targeted reductions in vehicle use. A designated TDM manager will report directly to the Master Owners Association and to the City to track progress on actions to improve mobility and reduce traffic impacts.

Roadways

- DiSC 2022 will construct and/or contribute funding to improve the capacity, functionality, and safety of Mace Blvd. and, in particular, at the intersections of Mace and Alhambra Dr. and at Mace and 2nd Street.
- DiSC 2022 will fund the creation of a comprehensive Mace Boulevard Corridor Plan to improve bicycle and pedestrian travel and transit in the vicinity of the Project.

- DiSC will fund the development of a “traffic calming” plan for local streets identified in the environmental analysis.
- DiSC 2022 will participate in the construction of safety improvements at County Roads 32A and 105 and at the crossing of the UPRR tracks.

Bicycle and Pedestrian

- DiSC 2022 will construct a grade-separated bicycle and pedestrian crossing of Mace Boulevard connecting to local and regional trails.
- A minimum of 1.5 miles of publicly accessible bike lanes and walking paths will be provided on-site at DiSC 2022.
- DiSC 2022 will construct an off-street bike trail connection between Mace Blvd and Harper Junior High School along the inside of the Mace Curve, thereby providing a greatly needed connection, filling a gap in the system and improving bicycle safety.
- DiSC 2022 will provide ample bicycle connections to local and regional routes, convenient and abundant bicycle parking, storage lockers, shower facilities and a maintenance and repair kiosks to encourage cycling.

Agricultural Land and Wildlife Conservation

- By the full build-out of DiSC 2022, the developer will have purchased conservation easements protecting local agricultural lands amounting to twice the acres converted to urbanized uses, thereby ensuring their preservation as farmland.
- The portion of the Mace Drainage Channel within the DiSC 2022 site will be restored and enhanced utilizing native riparian vegetation while maintaining its drainage conveyance function.
- A diversity of native habitats shall be disbursed and managed throughout the site, primarily within the agricultural buffer and along the channel, including but not limited to riparian, California oak savanna, and native prairie grasslands. The agricultural buffer shall include areas densely vegetated and sparsely vegetated to accommodate nesting and foraging opportunities for a variety of species.
- An artificial burrowing owl den complex will be installed in the agricultural buffer in consultation with a qualified biologist.

Fiber Optic Broadband Internet

- DiSC 2022 will obtain the rights and extend fiberoptic or comparable internet infrastructure to the site that is critically needed to attract and support research and technology endeavors.
- To the extent feasible, other users, including the City of Davis, UC Davis, DJUSD and Yolo County, will be allowed to connect to the internet network and extend

service into other areas of the City, such as downtown, under terms to be negotiated.

Financing

- DiSC 2022 will form an owners' association and/or financing district to pay for the maintenance and upkeep of all publicly accessible park, greenbelt and open spaces.
- DiSC 2022 will participate in financing mechanisms, including but not limited to, a community facilities district, that could help pay for roadway improvements on and near Mace Boulevard, in East Davis and in other locations deemed appropriate by the City. DiSC 2022 agrees to negotiate the terms of such financing to the City's satisfaction prior to issuance of building permits for any residential units. In addition, the DiSC 2022 project will contribute Roadway Impact Fees and construction taxes for such purposes.

Measurement and Verification

- The DiSC 2022 developer will establish a Master Owners Association which reports to the City biennially and is responsible for measurement, verification and assuring compliance with Project baseline features, sustainability obligations and mitigation measures. Said reports shall be made publicly available with links to the materials provided through a portal on City Council agenda.

Land Uses – Explained

Principal Innovation Uses:

Office, Laboratory and Research & Development

Office, Laboratory and Research and Development (R&D) uses will occur in a series of clustered commercial buildings. These innovation uses will predominantly occur on the west near the transit plaza, and be clustered around shared courtyards. This land use type is intended to allow for a variety of uses including, but not limited to, corporate headquarters, biological research, collaborative think tanks, laboratories, software design, and other office-based innovation uses.

Advanced Manufacturing

Research, Prototyping and Manufacturing uses in individual or clustered buildings shall occur predominantly along the eastern edge of the Project near

neighboring agricultural. These innovation uses will typically be surrounded by areas identified as flex zone which may accommodate parking and photovoltaics but will also allow for an outdoor area that may be needed as an extension of the underlying research, prototyping and manufacturing uses. This area is intended to allow for a variety of uses including, but not limited to: large-scale research; light manufacturing; crop sciences; assembly of products, including but not limited to electrical, pharmaceutical, biomed, food products and devices; and associated warehousing and distribution.

Innovation Support Uses:

Housing

A maximum of 460 units of housing designed to accommodate the needs of the DiSC 2022 worker shall be permitted onsite. The housing will be a mix of rental and for-sale with a density range of 15 to 50 units per acre. Residential units will range from studio to three-bedroom. Product types will be multi-family, condominiums or townhomes. The construction of housing will be contingent upon and slightly trail the construction of commercial space and units should become available as jobs are created.

Support Retail

Support retail uses, up to a maximum of 80,000 square feet, shall be permitted within the core area of the Project site. Support retail will predominantly, but not exclusively, occur on the ground floor of office or multi-family residential buildings. A variety of onsite retail uses including, but not limited to, a coffee shop, restaurant, fitness center, childcare center, electronics store, or maintenance and repair shops would be intended for the convenience of DiSC 2022 residents and workers and to reduce off-site vehicle trips.

Open Space and Parks

Open space, greenbelts, courtyards and parks, including the agricultural buffer area, will comprise approximately 23 acres or one-fourth of the DiSC 2022 site. The open space and park areas will include programmed and passive gathering spaces, miles of new pedestrian and bicycle trails and facilities, sports fields, and native landscape buffers.

Roadways and Circulation

The proposed circulation system for the DiSC 2022 site consists of new local streets, a robust transit plaza, and a system of pedestrian and bicycle paths that will connect the site to the surrounding neighborhoods, Downtown Davis, UC Davis and regional connections. This system will provide enhanced connectivity for pedestrians, bicyclists, transit riders, and automobiles via new multi-modal roadway connections and linkages to existing greenways and bike paths. The circulation framework at DiSC 2022 is a modified grid network of streets, which will, at a minimum, connect with Mace Boulevard and County Road 32A at two new primary intersections. The gateway into the Project is along an extension of Alhambra; this entryway is separated from heavy truck traffic which will primarily enter from 32A.

Sequencing Development of the Project Site

Buildout of DiSC 2022 will occur in two phases and is anticipated to be constructed gradually over the course of approximately 10 to 15 years. The initial development would likely occur along the western edge at Mace Boulevard, from which infrastructure could be easily extended into the Project site. Phases are as follows:

- Phase 1 will consist of approximately 50 acres and would include 550,000 square feet of innovation building space, up to 50,000 square feet of supportive retail, and up to 275 residential units. Construction of the residential units would be timed to slightly trail the businesses, so that jobs are created on-site prior to offering housing thereby maximizing the likelihood that employees will occupy the housing. The sports park will be constructed in Phase 1.
- A sub-area of Phase 1 (Phase 1A), located at the northeast corner of the intersection of Mace Boulevard and Alhambra Drive, would likely develop first. The area is approximately 3.3 acres and could include 60,000 to 100,000 square feet of office/R&D/laboratory uses.
- Phase 2 consists of approximately 50 acres and will include the remaining 550,000 square feet of innovation uses, 30,000 square feet of supportive retail and the hotel and conference center. Phase 2 also includes the remaining 185 housing units, continuing the direct linkage between the creation of jobs prior to the construction of homes.

Baseline Project Features: Implementation

The DiSC 2022 must be developed consistent with these Baseline Project Features, which may not be substantially changed without approval by the voters of the City. The Planning Commission and/or Zoning Administrator will review

compliance with these Baseline Project Features as they consider applications for Final Planned Development, Tentative Subdivision Map, approval of Design Guidelines, implementation of sustainability plans, and the required annual Development Agreement implementation review. Additional DISC 2022 project requirements, including but not limited to, the imposed mitigation measures set forth in the Mitigation Monitoring and Reporting Plan and commitments in the Development Agreement, are not Baseline Project Features and may be modified by the City Council. In addition, minor changes to the Project can be anticipated during the course of this multiple year build out. Such changes, often the result of detailed engineering, sustainability obligations, or changes in surrounding conditions, may be implemented without voter approval if they are substantially consistent with the Baseline Project Features and they do not materially alter the character of the Project (See, Resolution 06-40 Establishing Criteria to Determine What Constitutes a Significant Project Modification or Change Requiring a Subsequent Measure J Vote).

EXHIBIT C
PROJECT DISCRETIONARY APPROVALS

- (1) General Plan Amendment # GPA 6-14
- (2) Rezoning and Preliminary Planned Development # PD 4-14
- (3) Development Agreement #DA 2-14 by and between the City of Davis and Developer
- (4) Annexation/Sphere of Influence Amendment

EXHIBIT D
SUBSEQUENT DISCRETIONARY ENTITLEMENTS

Following City Council approval of the Project and a successful ballot initiative, the following discretionary approvals and actions by the City are also required to implement the Project:

- Tax-share Agreement and Annexation;
- Tentative Subdivision Map(s);
- Final Planned Development;
- Site Plan and Architectural Review;
- Conditional Use Permits, where applicable;
- Design Review, where applicable; and
- Complete other processing as required.

EXHIBIT E

AFFORDABLE HOUSING PLAN

To fulfill its obligation to provide affordable housing as a condition of developing any housing within the Davis Innovation and Sustainability Campus 2022 (DiSC 2022), Developer shall comply with the City of Davis's affordable housing ordinance, as currently contained in Davis Municipal Code Article 18.05, which is attached to this exhibit and incorporated by reference and which will remain applicable to the Project for the term of this Agreement.

Compliance with City Ordinance

Pursuant to this agreement, as market rate residential development is proposed, the Project will be obligated to provide for affordable housing units in a manner consistent with the current City ordinance (Davis Municipal Code Article 18.05) which will vest for the project for the term of this Agreement. Any residential development onsite thereafter will be subject to the then current ordinance. The number of affordable units and affordability mix required will be determined based upon 18.05.050(a) for ownership units, and 18.05.060(a) or (b) for rental units.

Assurance of 85 Affordable Units

Though, pursuant to City Ordinance, the number of required affordable units is determined based upon a percentage of the units with those percentages varying depending on the type of market rate housing proposed, Developer is committed to providing, through those means afforded in the Ordinance, for 85 affordable housing units, more than eighteen percent (18%) of the overall housing units. The commitment to 85 units exceeds the Project's obligation under the Ordinance.

Commitment to Onsite Affordable Housing

To ensure a diversity of housing affordability within the Project, Developer commits to constructing at least 74 of its affordable units onsite. The onsite affordable housing units will include 60 affordable rental units and 14 for-sale housing units. The 60 multifamily units will provide an affordability mix of 60% low and 40% very low income. The ownership housing will be affordable to moderate income households.

The 60 affordable rental units may be located in one, all-affordable project or distributed throughout mixed-income buildings. If an exclusively affordable building accommodates all 60 units, that building shall be located in a manner inclusive to the site and proximate to community amenities such as parks, transit connections and/or regional pathways. Developer may work with an affordable housing developer of its choosing subject to City review to confirm that the selected affordable housing developer has demonstrated a track record of successful project delivery and management. Regardless of whether the 60 units are provided in one location or are dispersed in mixed-income apartments throughout the site, construction of all onsite multi-family affordable

units shall commence prior to issuance of the 250th market rate residential building permit.

The ownership affordable housing opportunity shall be affordable to moderate income households as defined in the Ordinance. These units will provide a limited equity opportunity while retaining their affordability upon resale. The 14 units may be built in one project or be constructed as the housing associated with each phase builds out. The for-sale affordable units shall commence construction no later than Phase 2.

Manner of Fulfilling the Obligation

The precise affordable housing obligation will be determined as specific housing projects are proposed at the DiSC 2022 site. The type of structure and/or residential units proposed will dictate the percentage of affordable units that must be provided. It is anticipated that the calculation will be made each time a housing project is proposed onsite, which may be one or more applications per Project phase. As such, the affordable housing obligation may be fulfilled over time by numerous entities as each segment of DiSC 2022 housing is proposed. Developer may, alternatively, elect to fulfill the Project's cumulative affordable housing obligation (or a portion thereof) and allow subsequent home builders to avail themselves of credits. For instance, if Developer elects to construct 60 affordable housing units onsite in Phase 1, those units could fulfill the affordable housing obligation of subsequent market rate projects located on-site.

To expedite development of affordable housing, if a housing project is proposed onsite that is exclusively affordable, that project is not subject to the requirement to develop commercial prior to housing or in any way tied to the development of commercial square footage as a condition precedent.

Developer's affordable housing contribution shall not be less than 85 units and at least 74 units must be constructed onsite. For the 11 affordable housing units that may not be constructed onsite, Developer and its successors-in-interest may elect to fulfill the affordable housing obligations through, but not limited to, any of the following methods which excludes the payment of in-lieu fees:

- Onsite construction;
- Acquisition and recordation of permanent affordability restrictions on existing housing units within the City,
- Provision of a land dedication site, and/or
- Project individualized program.

Affordable Housing Ordinance Applicable to the Project Site

For Davis Municipal Code, Article 18.05, see Exhibit M.

EXHIBIT F

SUSTAINABILITY COMMITMENTS

In recognition of the City's declaration of a climate emergency (RESOLUTION 19-023), the Developer and the City have agreed to the following Sustainability Commitments. These commitments are a means for mandating, implementing and maintaining Project features that are designed to address and mitigate identified environmental concerns, including but not limited to impacts to global climate change, and to ensure sustainability for the life of the Project. Future development at DiSC 2022 will demonstrate compliance with these commitments through sustainability implementation plans.

Measurement and Verification

Critical to the success of the Davis Innovation and Sustainability Campus 2022 is its ability to demonstrate continuous advancements in site sustainability during buildout and into campus operations. Many of the Sustainability Commitments are designed to gradually increase site sustainability and further reduce Project impacts over time, such as improved air quality, reduced carbon emissions, greater electrical efficiency and reduced single-occupancy vehicle travel. These Sustainability Commitments will work in tandem with Project mitigation measures to reduce Project-related environmental impacts. To ensure accurate tracking and reporting, Developer will establish a Master Owners Association which reports to City and is responsible for measurement, verification and compliance with sustainability obligations and mitigation measures.

Energy Efficiency and Usage

Developer is committed to minimizing carbon emissions by maximizing clean energy production onsite and to implementing a program within the Project to ensure that all structures consume one-hundred percent renewable electricity. In furtherance of this pledge, the Developer commits as follows:

- DiSC 2022 will achieve carbon neutrality by 2040. To achieve this goal each individual development must, prior to the issuance of building permits, demonstrate consistency with the City's Climate Action and Adaptation Plan by demonstrating a fair-share reduction of GHG emissions. Examples of measures that may be used by future development projects include, but are not limited to: VMT reduction through TDM programs, electrifying project components, inclusion of on-site renewable energy, institution of composting and recycling programs, implementation of an Urban Forestry Management Plan, use of energy efficient fixtures, and finally, purchasing off-site mitigation credits if necessary.
- The Project shall meet or exceed Title 24, Cal Green Tier 1 and will utilize the City of Davis' Residential Energy Reach Code standards. The Reach Code promotes energy efficiency within the City of Davis through the use of energy-efficient building standards and is intended to ensure LEED Gold Equivalent or better.
- To achieve a Project that is fueled by 100% clean energy, Developer commits all structures, residential and non-residential, to purchase power from solely renewable sources such as Valley Clean Energy's "UltraGreen" 100% renewable program, or its equivalent, to offset

any electric deficit.

- In furtherance of the commitment to utilize 100% renewable energy, the installation of photovoltaics or future renewable energy technology will be required, to the greatest extent practicable, on every conducive structure; e.g. greenhouses would not be conducive. City and Developer agree that if, during the term of this Agreement, technological advancement or shifts in renewable energy generation render the commitment to install PV on all structures superfluous, the obligation will be waived.
- Project will enter into a power purchase agreement with Valley Clean Energy (or another electric utility company under reasonable economic terms) to which it will sell and distribute all electricity generated onsite. This arrangement will ensure that all power generated onsite which is not used onsite is utilized locally. Valley Clean Energy shall have a right of first refusal for the power purchase agreement which they shall exercise within 45 calendar days.
- Buildings shall be designed to incorporate passive heating and cooling so as to reduce overall energy demands.
- All onsite residential units will be all-electric and not include natural gas.
- Achieve net zero for outdoor lighting through the use of onsite photovoltaics or similar technology.
- In anticipation of improved solar connected energy storage, the Project shall be designed and pre-wired for future microgrid capacity and energy storage.
- Commercial buildings shall be all-electric for the building envelope, i.e. those functions servicing the common areas such as HVAC systems and water heaters. Natural gas may be provided to the building and made available to meet the needs of individual tenants.

Recycling and Waste Disposal

- All buildings and facilities will participate in a mandatory, site-wide, recycling program that will be managed by the Master Owners Association. Building maintenance staff will be trained in best practices for maximizing commercial recycling and will emphasize paper and cardboard recycling.
- All common areas that include disposal options managed by the Master Owners Association will include solid waste disposal cans, recycling cans, and compost bins.

Housing

Housing at DiSC 2022 is included to maximize the environmental benefits of mixed-use development. The inclusion of housing and an overall complementary mix of uses reduces the number and distance of Project-related vehicular trips, encourages walking and bicycle trips, reduces air quality impacts and reduces the overall carbon footprint of the Project. To further increase the sustainability benefits of onsite housing, the Developer commits as follows:

- Housing will be medium- and high-density with a range of 15-50 units per acre. No traditional single-family detached housing will be permitted. Detached row homes that meet the density requirement will be permitted.
- Housing will be designed to meet the housing needs of the workforce and will not resemble

student-oriented housing found elsewhere in the city. No unit will be greater than three bedrooms.

- Housing construction will be directly linked to the development of commercial space at a ratio of one home per 2,000 square feet of nonresidential space. This linkage will correlate the availability of housing with the creation of jobs which will maximize DiSC 2022 employee occupancy of the housing. This correlation between commercial and housing units shall not apply to affordable housing units developed onsite.
- To further minimize transportation emissions and enhance the active live-work-play environment of the Project, the applicant and the MOA shall ensure an introduction and establishment of a relationship between commercial tenants and the then active builders of on-site housing and/or leasing companies. Establishing a direct relationship between employers and purveyors of onsite housing will maximize the number of project housing units occupied by individuals working onsite. Applicant will further encourage the occupancy of onsite housing by DiSC 2022 employees by providing incentives to commercial users such as offering a reduction in the annual MOA fee based upon the number of employees living onsite. The applicant shall describe the specific actions taken to comply with this provision and report on the outcome of these efforts as part of the annual Development Agreement review.
- Housing will be all-electric and utilize the Residential Energy Reach Code.
- To provide an opportunity for a car-free lifestyle, parking associated with multifamily rental housing will be unbundled. Multifamily rental units will be charged for parking separate from rent.

Transportation and Transit

- See commitments in Exhibit G.

Mitigation Measures

The Project shall comply with Mitigation Measures identified in the Approved Mitigation Monitoring Reporting Plan.

Implementation

Concurrent with the approval of a Final Planned Development and Site Plan and Architectural Review for any structure located at DiSC 2022, a Sustainability Implementation Plan shall ensure compliance with these Sustainability Guiding Principles to the satisfaction of the City.

EXHIBIT G

TRANSIT, TRANSPORTATION AND CIRCULATION

Transit Features and Enhancements

The Project shall implement a Transportation Demand Management Plan (TDM plan) with measurable results to promote a shift away from single occupancy vehicle (SOV) use and incentivize a mode shift to bicycling, public transit, private transit, or carpool and to determine which traffic mitigations are needed at each phase of Project development. As discussed in the Subsequent EIR and imposed through mitigation measures 3-72(a)&(b), prior to, or concurrent with, adoption of the Final Planned Development, Developer shall finalize a TDM plan acceptable to the City which shall include, in part, the following:

- Developer will adopt and implement a Transportation Demand Management (TDM) Plan with a designated TDM manager that reports directly to the City.
- Prior to the commencement of construction of each phase, a traffic study shall be prepared which measures in- and out-flow from the Project and identifies traffic patterns. This analysis will be shared with the City to determine which traffic mitigation measures are necessary to accommodate each phase of development. This will also serve to inform the City on mode share and to trigger the need for increased transit services.
- The Developer shall review and update the TDM Plan every two (2) years. The review will include a survey of the travel behaviors of Project residents and employees (e.g., where employees live and by what mode they get to and from work; where residents work and by what mode they get to and from home). The updated Plan, including survey results, shall be submitted to the City and made publicly available. However, the biennial review and update may be bypassed when no new development or any other substantial changes have occurred onsite since the completion of the previous surveys.
- Developer commits to reserve land along its Mace Boulevard frontage for expansion of the right-of-way to accommodate future transportation needs, which may include bus rapid transit, as determined by the City.
- Developer will work with Yolo County Transportation District, which operates Yolobus, Sacramento Regional Transit and Unitrans to maximize transit ridership with an objective to increase the frequency and capacity of bus service as the Project develops.
- Developer shall construct a transit plaza on Mace Blvd. south of Alhambra Dr. to service local and regional bus and shuttle service to and from the Project site. Developer shall collaborate and coordinate with Yolobus and Unitrans on the design and preferred location of the transit plaza.
- DiSC 2022 will relocate, fund and/or build new and improved bus stops with lighting, passenger shelters, and real-time transit information signage on both sides of Mace Boulevard.
- The Project's transit plaza will be designed to include a multi-use pedestrian plaza, which will serve as a designated connection point for multi-modal transportation including corporate shuttles with connection to Amtrak and UC Davis, future on-site shuttles,

micromobility alternatives (e.g. bike-, skateboard-, and scooter-share services), and pedestrian amenities such as public art and retail kiosks. The plaza will be a minimum of 0.6-acres and may increase in response to needs expressed by local transit agencies.

- Developer will contract with a carshare service provider to ensure availability of shared vehicles onsite.
- Developer will participate in and contribute toward an electric (or other sustainable) shuttle service running weekdays from the AM to PM peaks, connecting commuters from DiSC 2022 and 2nd Street to UC Davis and the Amtrak station. Developer will work in good faith with City to develop a permanent funding mechanism for said shuttle through which DiSC 2022 shall contribute its fair share obligation. If the City pursues formation of a Property Based Improvement District (PBID) to, in part, fund the ongoing shuttle service, Developer will work collaboratively with the City in furtherance of the effort. Said PBID shall, in conjunction with the City, establish the appropriate shuttle route and pursue improved direct access from the Amtrak station to 2nd Street.
- DiSC 2022 will contribute funding for improved I-80 on- and off-ramps at the ramp intersections with Mace Blvd.
- Within six months of certificate of occupancy, employers shall create or participate in a regional carpool program that is modeled after the UC Davis goClub carpool program. The program shall be open to all Project residents and employees, as well as the public at large.

Bicycle and Pedestrian Connectivity

- Within Phase 1 and prior to commencement of Phase 2, DiSC 2022 will construct a grade-separated bicycle and pedestrian crossing of Mace Boulevard that connects to local and regional trails at a location agreed upon by the Parties. The Developer may be reimbursed for construction of the crossing under a separate agreement between the City and the Developer which will provide that if and when a particular property benefiting from the grade-separated crossing is developed, the City will require the benefiting property to reimburse the Developer its pro rata share of the costs of the crossing, as determined by future studies and set forth in the agreement. City and Developer will utilize best efforts to identify and pursue state and federal grant opportunities for such bicycle and regional trail infrastructure projects.
- DiSC 2022 shall fund a Mace Boulevard Corridor Plan that will redesign the portion of Mace Boulevard located proximate to the Project site. The Project's roadway mitigations will be consistent with the adopted Corridor Plan. One aspect of the Corridor Plan will be to redesign the intersections of Mace and 2nd Street and Mace and Alhambra Drive to be less auto-centric and to equally accommodate safe passage for pedestrians, bicyclists and vehicles.
- Develop a minimum of 1.5 miles of publicly accessible bike lanes and walking paths that will circle the perimeter of the Project site. A portion of this trail will be constructed with the internal fifty feet of the agricultural buffer and an approximately 0.5-mile portion is aligned with the Mace Drainage Channel; these portions will provide connections to the broader regional trails system. City will work cooperatively with Developer to expand the

easement area to accommodate public access and recreation.

- Build the connection of the existing bike trail on Mace Blvd to East Covell Boulevard along the inside of the “Covell Curve” connecting the two roadways, thereby improving bicycle safety to schools and the Project site.
- In collaboration with City and DJUSD, construct a bicycle connection from the west side of Mace Boulevard, north of the Nugget Headquarters, westward to the City’s existing trail system that runs between Lake Alhambra Estates and Harper Middle School.
- For off-site bicycle improvements, Developer shall be responsible for construction of the bike trail or lane. Complementary components of bicycle and walking connections such as landscaping or lighting shall be the responsibility of the City.
- Developer will provide for robust bicycle parking spots, which shall meet or exceed that required by Davis Municipal Code 40.25A for each onsite use. Developer estimates that the total bicycle parking spots within the Project will range from 1,000-1,200 stalls.
- The Project will include on-site amenities that promote cycling, including: racks designed to accommodate bicycles of varied styles and sizes, storage lockers at all buildings, showers available in all building complexes, and a repair kiosk provided within the sports park to enable bike repairs.

Parking Lots and Internal Streets

To further incentivize a mode shift towards bicycling, public transit, private transit, or carpool, to reduce the heat island effect, and to reduce visual and aesthetic impacts, Developer shall implement the following features in its parking areas and/or along the Project’s internal roadway system:

- All streets and surface-level parking shall utilize low-impact development (LID) features, such as bioswales, to capture and filter runoff and to maximize groundwater recharge. Piping of runoff will be discouraged and only utilized when necessary.
- All parking surfaces or street-adjacent sidewalks utilizing tree shading shall use structured soil or suspended substrate to allow successful tree root development. Developer shall size pavement treatment to accommodate the tree varietal’s intended tree size.
- Landscaping shall provide 80% shading of pedestrian walkways and off-street Class I bike paths. 50% parking lot shading shall be achieved through either shade trees or photovoltaic arrays. These requirements shall be demonstrated at building permit for PV or shall be achieved within 15 years of planting for areas shaded by trees. Failure to meet shading requirements shall be considered a code violation and subject to penalty until remedied.
- Parking preference and priority will be given to high occupancy vehicles (HOV) and electric vehicles (EV). Aside from handicap parking, only HOV and EV parking shall be allowed adjacent to buildings. All stalls designated for EV will have charging stations pre-installed. Installation of Level 2 stations is preferred unless specified reasons are provided to the City to justify the use of Level 1 charging stations. This Project shall be constructed in accordance with the provision of the California Building Code and City of Davis ordinances in effect at the time that building permits are granted, including those relating to EV charging requirements.

- All housing shall include one Level 2 EV charger per unit or, if a multifamily building is parked at a ratio of less than 1:1, one Level 2 EV charger per parking stall. Townhomes, if built to accommodate two vehicles, will be prewired to allow for the installation of a second charger.
- All commercial and residential parking areas shall be EV ready, equipped with infrastructure to allow for easy and economical installation of additional EV charging stations as demand grows.
- Parking for multi-family housing will be unbundled to incentivize a car-free lifestyle.
- To the extent that, and at such time as, the market will bear charges for parking associated with commercial uses at the Project Site, Developer commits to implement a paid parking program and utilize at least 50% of parking revenue to implement and enhance project-related TDM measures after retiring all costs associated with construction of the garage.

In furtherance of sustainability goals, City commits to work with Developer in good faith to accommodate site drainage and roadway design in a manner emphasizing open air conveyance and groundwater recharge. In this context good faith means not rejecting proposals outright due to noncompliance with traditional City roadway or other infrastructure standards. The City has ultimate, decision making and approval authority relative to the proposed designs and standards. This language is intended to recognize that proposals that may deviate from standards shall be considered, but in no way compels the City to approve the design.

EXHIBIT H
HABITAT AND AGRICULTURAL CONSERVATION

1. **Right to Farm and Farmland Preservation.** The Project shall be subject to the City's Right to Farm and Farmland Preservation Ordinance (Municipal Code 40A.) which will vest for the term of this Agreement and which commits Developer to the following:

A. Agricultural Mitigation Requirements. Developer shall preserve agricultural land at minimum ration of 2:1. At full build-out, Developer shall have purchased agricultural conservation easements in a manner compliant with City Ordinance and subject to City approval. Compliance with agricultural mitigation may be achieved in phases as the project develops over time and portions are developed.

B. Agricultural Buffer Requirements. Developer shall provide a minimum one-hundred-fifty-foot agricultural buffer separating urbanized uses from adjacent agricultural operations in compliance with City Ordinance. At full buildout, Developer will establish an approximately 14-acre agricultural buffer separating the DiSC 2022 from active agricultural operations depending on its final location and configuration. The agricultural buffer shall comply with dedication requirements outlined in the City Ordinance.

i. **Habitat in the Agricultural Buffer.** The agricultural buffer will incorporate predominately native species. The 100-foot-wide portion will be planted with 100% native and/or climate ready species. The 50-foot-wide portion may temporarily use fast growing non-native tree species to achieve 80% shade cover within 15 years over the multi-use path but, at the end of the natural lives of non-native trees, those species will be replaced with native and/or climate-ready trees.

ii. **Burrowing Owl Complex.** The agricultural buffer shall include one burrowing owl den complex.

- The burrowing owl den complex will not be located within the drainage swale or any area that may be subject to flooding, nor shall it be located in an area that would be negatively impacted by bike path users.
- The burrowing owl complex will be managed and monitored for owl use in consultation with a third-party wildlife biologist. If the biologist determines that owls are not adequately utilizing the complex for five years, the site will be considered abandoned and the area will be utilized for other habitat.

2. **Mace Drainage Channel.** Developer has committed to restore and enhance the portion of the Mace Drainage Channel ("MDC") onsite utilizing native riparian vegetation while maintaining its drainage conveyance function. Developer commits to provide an access easement across and along the MDC, extending from Mace Boulevard to the eastern edge of the Project site, thereby ensuring a connection from Mace Boulevard to the existing access easement on the adjacent

property located east of the Project site. The MDC's primary function is to convey stormwater runoff from east Davis; maintenance of this function has been and will remain with the City of Davis. City will work cooperatively with Developer to enhance the MDC while protecting its drainage function; such enhancement may include conversion to a more native state with a bench for riparian vegetation and/or realignment resulting in meandering.

3. Clayton Ranch Detention Capacity. Stormwater for much of east Davis flows through the MDC and eventually into the Causeway north of the railroad tracks. During prolonged 100-year storm events, the water in the Causeway can rise above the flap gate that releases MDC flows, thereby temporarily preventing the MDC from discharging into the Causeway. Due to this infrequent occurrence, the City has a flood easement over a portion of the adjacent agricultural property.

The Environmental Impact Report (EIR) and Subsequent EIR identify a potential for the Project to produce an increase in the volume of water that backs up at this location during large storm events. The addendum for DiSC 2022 identifies a considerable reduction in increased stormwater volume associated with DiSC 2022. To mitigate for any additional volume during flood events, the EIR analyzed installation of a pump or increasing water detention capacity on an adjacent property identified as the Clayton Ranch, which is where flooding associated with such an event already occurs. The EIR indicates that increasing detention capacity is the preferred option for mitigating any increased volume. Increasing capacity had been proposed and analyzed in a manner that would not degrade the agricultural value of the property nor prohibit its ongoing use for the production of feed for cattle or any other form of dry farming consistent with the current use. Furthermore, if Developer were to export the fill material from the proposed detention area to the Project site and receive a benefit from that material, City would assess fair market value for the import material.

Nevertheless, in response to concerns raised by the County of Yolo and members of the community, City and Developer agree that increasing storage capacity through excavation is no longer the preferred means for addressing increased volumes associated with the Project, nor does the volume of water associated with DiSC 2022 any longer warrant mitigation of that extent. Therefore, Developer commits to not increasing drainage storage capacity through excavation of Clayton Ranch, other City property, or on any agricultural lands located in unincorporated Yolo County.

EXHIBIT I RECREATION AND WELLNESS

To establish a diversity of publicly accessible areas in which to enjoy nature, recreate and gather with neighbors and coworkers, Developer makes the following recreational commitments:

- Developer will construct no less than 6 acres of parks and 4.6 acres of green belts comprised of the inner fifty feet of the Agricultural Buffer area, in a manner substantially consistent with City Park and Greenbelt requirements and in locations corresponding with the Open Space Plan (Subsequent EIR, Figure 3-5).
- Developer shall commence construction of the central park prior to occupancy of the 231st residential unit. The green belt trail improvements along the Mace Drainage Channel and eastern boundary will be constructed as adjacent land uses are developed.
- Developer will retain ownership of park and greenbelt spaces and, accordingly, shall be responsible to construct and maintain all onsite parks and open spaces, relieving the City of a considerable financial burden. Maintenance associated with onsite parks and open spaces will meet or exceed the standards expected from Class-A commercial facilities in perpetuity and will meet or exceed all operative City of Davis maintenance standards for parks, including the City of Davis Integrated Management Policies and Procedures.
- Developer will grant and record a public access and recreation easement to City to ensure public use of the park and greenbelt spaces in a manner similar to public use of City parks.
- Programming of the parks will be determined collaboratively by Developer and City recognizing the unique nature of the Project site to ensure it meets the needs of residents and onsite workers. This may include a playground, picnic facilities with adequate shading, public art, and appropriate measures to protect park users from nearby roadways. Sports fields, including but not limited to softball, will be included to accommodate both local youth athletic leagues and onsite leagues and may include such features as spectator seating, dugouts, and fencing. If so desired by the City during the programming of onsite parks, lighting for the sports field shall be included, installed and paid for by Developer. All programming which may result in impacts not previously contemplated shall be subject to appropriate environmental review prior to action and implementation.
- Developer shall install art in publicly accessible communal spaces including but not limited to the centralized Sports Park and Transit Plaza.
- The Project will include a peripheral trail that fully encircles the site which will predominately accommodate the daily recreational needs of DiSC 2022 residents and employees, and which will also be open to use by the public at large.
- A Class 1 bike trail will parallel the Mace Drainage Channel and connect with the City's exiting trail infrastructure located to the west and with an easement located east of the Project site, thereby enhancing regional bicycling connections

EXHIBIT J URBAN FOREST AND LANDSCAPE

Landscaping, Water Conservation

To reduce Project demand on groundwater and potable water the Developer commits to the following measures:

- Native and drought tolerant plants shall predominate the plant palette. A diversity of native habitats shall be disbursed and managed throughout the site, primarily within the agricultural buffer and along the channel, including but not limited to riparian, California oak savanna, and native prairie grasslands.
- Turf will be utilized only in areas programmed for activities typically associated with turf such as the centralized sports park.
- Developer shall engage with Tree Davis, the Center for Land Based Learning, the Davis Arboretum, or other local expert(s) to design and manage its open and landscaped buffer areas. The adoption of design guidelines and landscape plans for buffer areas will be subject to City review and approval.
- Developer will install recycled “purple pipe” infrastructure which will convey non-potable water for use in all landscaping. Developer will convert this system to reclaimed water if and when such service is made available.
- Developer shall permit and allow for the reuse of residential greywater.
- All runoff will be captured, conveyed and detained onsite in a series of bioswales intended to filtrate and clean the run-off and maximize groundwater recharge before discharging into regional drainage facilities.

Tree Commitments:

- The project will include native, drought-tolerant and climate-ready trees.
- The Project will add no less than 1,500 new trees to the City’s urban forest to sequester carbon, improve mental health, deter the heat island effect, and provide shading. If less than 1,500 trees are planted onsite, Developer will ensure that the remainder will be planted elsewhere in Davis.
- There will be a minimum of 200 oak trees planted onsite.
- Tree plantings within the interior 50-foot portion of the agricultural buffer will emphasize the creation of shade for the bicycle and pedestrian path; hedgerows shall be incorporated where necessary to serve as a windbreak, protect agriculture from urban uses, and provide habitat. Trees planted in the agricultural buffer area will be planted in a manner reflected of a natural landscape and will not be in an “orchard-like” configuration.
- The Project will, in consultation with the City’s Urban Forest Manager, implement a tree

planting plan that includes the appropriate trees to achieve the identified shade coverage, provide a rich tree canopy, and ensure ongoing tree health.

- Planting and ongoing tree health at DiSC 2022 will be monitored by an arborist to assure creation of a healthy tree canopy.
- Developer shall engage with Tree Davis, the Center for Land Based Learning, the UC Davis Arboretum, or other local expert to assist with design, selection of species, and management of trees and all landscaped areas of the Project site.
- Prior to construction of landscape areas, Developer will submit formal landscape plans for City review and approval. City shall take action on the submittal within 30 days of acceptance. An approved landscape plan diagram will be made publicly available in hard copy so that members of the public may review project consistency with tree commitments. Landscaping shall provide 80% shading of pedestrian walkways and off-street Class I bikepaths that are not otherwise shaded by photovoltaics or other renewable energy generation.
- Developer will utilize best practices for tree planting and root establishment. Specifically, Developer commits to the use of structured soils or suspended substrate to allow successful tree root development, to the satisfaction of the City's Urban Forest Manager.
- When planting in parking areas or along paved walkways, Developer will size pavement treatment area to adequately accommodate the tree varietal's intended size.
- Planting practice and ongoing tree health shall be subject to verification by the City's Urban Forest Manager or a mutually agreed upon arborist that submits written reports to the City. The maintenance and growth of all onsite trees will be inspected annually for the first three years and biennially for the next seven years by a third-party arborist who will provide recommendations to improve tree health such as pruning, mulch and irrigation practices. Once a tree reaches ten-year maturity, inspections shall occur every five years. Inspection, maintenance and replacement costs shall be borne by the Developer or services district. Compliance with arborist recommendations is mandatory and failure to comply shall be considered a violation of project entitlements and subject to penalty. If, five years from the original date of planting, a tree is not growing at its anticipated rate or is otherwise showing signs of failure, that tree will be identified by the Urban Forest Manager or arborist who, at his or her discretion, may require tree replacement at Developer's expense.
- Attainment of shading requirements shall be demonstrated within 15 years of planting. Failure to meet shading requirements shall be considered a code violation and subject to penalty unless said failure was the result of an act of God or unforeseeable cause which is no fault of Developer. Any violation shall be remedied through additional plantings of PV.

Any removal of an established tree will be authorized in accordance with the then current Tree Planting, Preservation and Protection Ordinance. Any proposed tree removal wherein the desired removal is to accommodate the installation of photovoltaic solar array or other comparable renewable energy technology shall not be subject to a tree mitigation fee or other payment to the tree preservation fund. Nevertheless,

any tree removed must be replaced on or offsite within the City of Davis.

EXHIBIT K
IMPACT FEES, CREDITS, AND MUNICIPAL FINANCING MECHANISMS

Notwithstanding the general provisions of Section 207 of this Agreement and the Municipal Code, the specific impact fees and connection fees shall be paid by the Project as modified in this Exhibit K. All other fees, connection fees, and payments shall be subject to the general provisions of Section 207 and the Municipal Code.

1. Quimby Act Obligation and Park Impact Fees

Developers' Quimby Act and park impact fee obligations shall be deemed satisfied through the following commitments:

Developer shall provide no less than 6.1 acres of land on-site meeting the City's definition of park space and 4.66 acres of greenbelt which is comprised of the internal 50-feet of the agricultural buffer. Developer shall grant the City a public access and recreation easement on the entire acreage intended to fulfill the Project's park and greenbelt obligation. The Project's Quimby Act obligation is for 6.03 acres. Developer's land commitment along with the irrevocable public access and recreation easements shall be deemed to fulfill the Quimby Act obligation and the City's greenbelt requirements.

Developer shall construct the publicly accessible parks and greenbelts at locations substantially consistent with the Open Space Plan (SEIR, Figure 3-5) to standards equal to or exceeding City standards for public recreational spaces. Developer and City will collaboratively determine the appropriate programming for all park areas. Design and landscaping plans shall be reviewed by City for consistency with City standards. Developer will be required to construct and fully program parks within the timeframes identified in the Baseline Project Features and provide what is commonly known as 'turn key' parks; having paid for and installed all components of the park space. Furthermore, Developer, through the Master Owners' Association, shall be responsible for the ongoing upkeep and maintenance of the on-site parks and greenbelts. Based upon these commitments, City shall deem developers park fees fulfilled.

2. Roadway Impact Fees

Over the course of Project buildout, Developer will be required to pay considerable Roadway Impact Fees. The City retains the discretion to apply the Roadway Impact Fees contributed by Developer to specific public roadway improvements, as the City may determine appropriate. Recognizing the geographic location of the Project and the need to address existing and potential future traffic problems in the area, the City commits to make Mace Boulevard improvements and other roadways proximate to the Project Site a priority for expenditure of Roadway Impact Fees generated by Developer. This agreement will complement actions and funding commitments by the Developer, such as the implementation of a Transportation Demand Management Plan, to mitigate the potential impacts on vehicle miles traveled, bicycle and

pedestrian facilities, and transit operations identified in the SEIR for the project.

3. Commitment to Pursue Financing Opportunities in Good Faith

City and Developer agree that the Project will require considerable initial costs associated with the provision of infrastructure, which will also include enhancing or expanding many existing off-site facilities. In recognition of these Project-borne costs and the financial and economic benefits of the Project that extend beyond the boundary of the Project site, City commits to work with Developer in good faith to provide fee credits where appropriate and will pursue financing opportunities and/or utilize public financing mechanisms which are or may become available. Such mechanisms may include, but shall not be limited to, the following:

- a. State and Federal Grant Opportunities;
- b. Establishment of Mello-Roos/Community Facilities District(s) which shall include:
 - i. A perpetual services tax on developed properties for municipal services;
 - ii. An infrastructure facilities CFD for facilities which are required to be constructed as a condition of approval of the project,
- c. Imposition of Transfer Fees; and/or
- d. Pursuit of other Municipal Financing Tools such as:
 - i. Bond Opportunities for Land Development (BOLD); and/or
 - ii. Statewide Community Infrastructure Program (SCIP).

EXHIBIT L
UNCATEGORIZED ADDITIONAL COMMUNITY BENEFITS

1. Sales Tax Place of Sale

To the extent permitted by federal, state, and local law and upon approval of the Project, Developer shall designate the Project Site as the “Place of Sale” for the purposes of designating the retail sales location and calculating the sales tax obligations. A covenant or other instrument acceptable to the City Manager and City Attorney shall be recorded recognizing this commitment.

2. Fiberoptic Broadband Internet

Developer shall obtain the rights and extend fiberoptic or comparable internet infrastructure to the Project Site. Developer shall size and construct conduit to accommodate future expansion of fiberoptic broadband services to locations that extend beyond the boundary of the Project Site. Location and size of the conduit shall be subject to approval of the City as part of improvement plans. Developer will allow other users, including the City, to connect to the internet network and extend service into the City under terms to be negotiated. There shall be no cost to the City for extending service for municipal purposes or for a municipal network managed by the City.

3. Land-Secured Financing District for Public Services.

Developer agrees to participate in a land-secured financing district such as a Community Facilities District for the market rate ownership housing, to provide an ongoing revenue source to the City for municipal services. Developer and City commit that revenue generated by said assessment or tax be no less than \$150,000 annually at buildout of the market rate ownership housing and be utilized to fund services that are directly supportive of transit services, roadway repair and maintenance, roadway, bicycle and pedestrian safety and other community amenities. The district shall be established by the City Council prior to issuance of first building permit for for-sale housing.

4. Shuttle Route Study

Developer agrees to contribute \$50,000 to fund a study of a potential transit route and phased implementation plan that could serve to connect Davis, Woodland, UC Davis, and other local areas. The scope of the study will be coordinated with the City of Davis, YoloBus and Unitrans.

5. Retail Demand Market Study

Prior to occupancy of retail space, Developer will demonstrate that the proposed ancillary retail will not exceed the anticipated demand increase generated by new project employees and residents. If the analysis demonstrates that the proposed amount of ancillary retail space is outpacing employee- and resident-generated demand, then the ancillary retail uses shall be scaled back to be commensurate with the projected demand or omitted.

6. Hotel Conference Center Market Study

At such time market demand supports construction of a hotel on the site, Developer shall fund a

conference center market demand and feasibility study. The scope of the study shall be coordinated with the City Manager and completed prior to the hotel being approved for construction.

EXHIBIT M
APPLICABLE CITY ORDINANCES

Article 18.05 AFFORDABLE HOUSING

18.05.010 Purposes of article—Findings.

The city council finds and determines:

- (a) The city has a goal to provide a range of housing for its local workers and has chosen to take action to ensure that affordable housing is constructed and maintained within the City of Davis.
- (b) Housing purchase prices in Davis are generally higher than the rest of the region, particularly Woodland and West Sacramento.
- (c) Rents in Davis have been rising and the majority of new apartments are four-bedroom units which are not suitable for most families. Small, very low income households have trouble finding affordable unassisted housing, and larger households of any income level have difficulty finding affordable units.
- (d) Federal and state funds for the construction of new affordable housing are limited.
- (e) In order to meet the city's fair share of the regional housing need for very low, low and moderate income households, the city included implementing policies within the housing element of the general plan to provide for such housing.
- (f) General plan implementing policies require that, to the extent feasible, for sale residential developments should provide for housing units that are affordable to very low income households, low income households and moderate income households as part of the development, with tiered requirements that are reduced or eliminated for housing products that are more affordable by design. General plan policies also require that affordable ownership units include a means for sustained affordability, maintaining them as affordable units into the unforeseeable future.
- (g) General plan implementing policies also require that, to the extent feasible and subject to existing law, rental housing developments with five to nineteen units shall provide fifteen percent of the units to low income households and ten percent to very low income households; and in rental housing developments with twenty or more units that twenty-five percent of the units be affordable to low income households and ten percent of the units be affordable to very low income households. General plan policies also require that affordable rental units remain affordable in perpetuity. (Ord. 2418 § 1, 2013)

18.05.020 Definitions.

For the purposes of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Affordable housing means affordable ownership housing or affordable rental housing.

Affordable ownership housing is housing affordable, based upon mortgage payments or carrying charges paid by a member of a limited equity housing cooperative, to low, very low or moderate income households. No more than thirty-five percent of the targeted household income shall be applied to housing expenses, which shall include mortgage principal and interest, taxes, insurance, assessments, and homeowner fees, as applicable and adjusted for household size. In the case of the

limited equity cooperative, the total monthly carrying charges for its members shall not exceed thirty-five percent, and the carrying charges shall include all monthly housing costs minus utilities.

Affordable rental housing is housing affordable, based upon monthly rent, to low, very low or moderate income households, adjusted for household size. Affordable rental housing payments are approximately thirty percent of gross monthly target income less utilities.

Community based mutual housing association means a nonprofit tax exempt corporation that may

develop, own or manage housing units. Association membership includes nonresident and community members. Resident members shall constitute a majority of the shareholders of the corporation. Each member has one shareholder vote. The corporation is governed by an elected volunteer board of directors representative of the association membership. Members shall have no equity interest in the project. Residents pay a one-time membership fee to be used to defray the cost of constructing the housing units. This fee is refundable with nominal interest when residents leave the association. Residents must be members of the association, pay the membership fee and meet resident selection criteria established by the association.

Community based nonprofit-controlled rental housing means rental housing owned and operated by an organization with 501(c)(3) status, that is either based in Yolo County, or has a board of directors that includes a minimum of thirty percent representation of Yolo County residents.

Complete environmental review means that the land has had all environmental reviews completed on the site to satisfy local requirements, state CEQA requirements, and the national NEPA requirements; resulting in no significant findings that could inhibit development on the site. Any reported findings on the site must be cleared prior to deeding the site for land dedication to the city.

Density bonus means entitlement to build additional residential units above the maximum number of units permitted pursuant to existing general plan, applicable specific plan and zoning designations. Density bonus units may be constructed only in the development where the units of affordable housing are located. “City density bonus” means a bonus of units awarded to a developer pursuant to this article. “State density bonus” means a bonus of units awarded to a developer pursuant to [Government Code](#) Section 65915 et seq.

Developer means the owner of record and his or her successors in interest.

Development means one or more projects or groups of projects of residential units constructed in a contiguous area. A development need not be limited to an area within an individual parcel, or subdivision plat.

Exempt condominiums are residential ownership units in a condominium development that is predominantly composed of stacked air space units not having separate ownership parcels. Townhouse or single-family developments are not considered “exempt condominiums” under this definition, even if they are subdivided as condominium units.

Family means an individual or group of two or more persons occupying a dwelling unit and living together as a single housekeeping unit in which each resident has access to all parts of the dwelling and where the adult residents share expenses for food or rent.

Feasible means capable of being financed, demonstrating the required financing (if any) meets lenders investment standards with respect to the project’s loan to value (LTV), debt coverage ratio (DCR), and return on asset (ROA), based on the prevailing interest and discount rates supported in the required appraisal for a like property. Feasible projects should be sustainable projects, taking into account the cost of construction and ongoing maintenance of the project, in addition to the site’s essential services.

Household means “family” as defined in this section. This article shall not apply to households in which any member is claimed as a dependent for federal income tax purposes by a person or persons residing outside of the household unit unless such person or persons who reside outside the household qualify as very low, low or moderate income persons or families.

Limited equity housing cooperative means a housing cooperative organized pursuant to California [Health and Safety Code](#) Section 33007.6 and Business and Professional Code Section 11003.4. A limited equity housing cooperative is owned by a nonprofit corporation or nonprofit housing sponsor. Resident-owners own the cooperative as an undivided whole, rather than individual units, but each has the exclusive right to occupy a specific unit within the cooperative.

Low income means a household earning a gross income of no greater than eighty percent of the median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing

and Urban Development and affirmed by the Davis city council annually.

Low target income means that the average income of residents of low income units will be sixty-five percent of median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Moderate income means a household earning a gross income of no greater than one hundred twenty percent of the median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Moderate target income means that the average income of residents of moderate income units will be one hundred percent of median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Ownership units means housing units which provide an ownership opportunity including, but not limited to, single-family units, condominiums, land trusts, and cooperatives, except in circumstances where the unit is converted to rental use.

Permanently affordable means affordable in perpetuity and subject to an agreement between the developer and the city to maintain affordability. Such agreement shall be recorded to the property.

Rental units means housing units which provide a rental opportunity including, but not limited to, multifamily units (excluding condominiums and cooperatives), duplexes (two units on one lot), triplexes, or four-plexes on single-family residential zoned property. Single-family units may be converted to rental units for the purposes of this article.

Resident controlled nonprofit housing corporation means a housing corporation established to manage for-sale or rental housing projects designated for very low, low or moderate income households in which the majority of households have formed a nonprofit housing corporation. Residents need not have equity interest in such projects.

Self-help housing means mutual self-help housing constructed for very low, low, and moderate income families in which a group of prospective homebuyers shall provide labor to assist in the construction of their units. The intent of this program is to transform the hours of labor into equity (“sweat equity”) to reduce the purchase price of the unit.

Stacked condominiums are residential ownership units in a condominium development that is predominantly composed of stacked air space units not having separate ownership parcels. Townhouse or single-family developments are not considered “stacked condominiums” under this definition, even if they are subdivided as condominium units.

Student housing cooperative means a nonprofit housing organization owned and/or controlled by students.

Sustained affordability means that the affordable housing obligation being produced to meet the requirements of this ordinance is done so in a manner that maintains the affordability provided into the unforeseeable future, with minimal loss in affordability.

Vertical mixed use development means mixed-use structures that vertically integrate residential dwelling units above the ground floor with unrelated non-residential uses on the ground floor, including office, restaurant, retail, and other nonresidential uses. For purposes of this article, vertical mixed use does not include structures that vertically integrate uses ancillary to residential units, such as resident parking, laundry rooms, community rooms, or common space on the ground floor with the residential units above.

Very low income means a household earning a gross income of no greater than fifty percent of the median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually.

Very low target income means that the average income for residents of very low income units will be forty percent of median income for Yolo County, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development and affirmed by the Davis city council annually. (Ord.

2418 § 1, 2013; Ord. 2443 § 1, 2015; Ord. 2545 § 2, 2019)

18.05.030 Applicability of article.

This article is enacted pursuant to the general police power of the city and is for the purpose of providing affordable housing in Davis consistent with the general plan. (Ord. 2418 § 1, 2013)

18.05.040 Provision of affordable housing.

(a) **Affordable housing plan.** The developer shall submit, concurrently with or prior to the submission of an application for the first discretionary approval for a development, an application as provided by the city describing a proposed affordable housing plan, which shall provide a program to provide affordable housing in accordance with this article and the intended method for implementing such a program. The developer may submit an application under this article at any time subject to staff's, the planning commission's, or the city council's discretion to deny the application on the sole basis of lack of timeliness. Any application resubmitted by a developer to amend an affordable housing plan after it has been approved by the city shall be deemed a new application for the development. Before any agreements between parties or transfer of land is made, all agreements, the affordable housing plan and budget for the provision of affordable housing pursuant to this article shall be approved by the city, in order to ensure that the affordable housing to be developed pursuant to the affordable housing plan will be economically sustainable over time, in accordance with the required duration of affordability for the affordable housing. Projects not requesting financial assistance from the city are not subject to a budget review. This review will allow for updated construction cost changes at the time of construction, which will again require

review and approval by staff. These reviews also provide the city opportunity to act as an active partner to projects where local funds are requested.

(b) **Approval process of affordable housing plans.** The approval process for affordable housing plans will include the following steps:

(1) Submission of the affordable housing plan as part of the project application submitted to the community development and sustainability department. Staff shall then refer the affordable housing plan to the social services commission. All plans, including proposals for payment of in-lieu fees, will be heard before the commission. Substantial amendments to affordable housing plans should also be considered by the commission.

(2) The social services commission will hold a duly noticed public hearing, where the plan shall be considered, if the application for the development is not going to be scheduled for a public hearing at the planning commission and/or city council. If the application for the development will be scheduled for a public hearing at the planning commission and/or city council, the social services commission will consider the affordable housing plan at a regular or special meeting of the commission. The commission will review the plan for compatibility with this article, adopted city affordable housing goals, and currently identified city housing needs.

(3) After motion for approval or denial is given by the social services commission regarding the proposed affordable housing plan, it is then heard publicly before the planning commission and reviewed for their motion on the plan, if the planning entitlements requested by the project require this step. If the planning entitlements being requested do not require this step, then the social services commission's decision on the affordable housing plan is final, but, as is true with decisions of the planning commission, can be appealed to the city council through the city's appeal process as outlined in Article 40.35 of the Davis Municipal Code.

(4) If the project is requesting planning approvals that require a city council hearing, the recommendations of both the social services commission, as well as the planning commission shall be included in the report to the city council.

(c) **Building permit issuance.** No building permit shall be issued for any new residential unit unless

the development containing such unit has received all approvals required with the standards and procedures provided for by this article. The location and type of proposed affordable housing in a development shall be disclosed in writing by each seller to each subsequent purchaser of lots or units within the development, until all the affordable housing units are completed.

(d) **Competitive contracting.** In circumstances where local, state, or federal funds are being used to assist in the development of the project, an open bidding process shall be carried out that adequately addresses the requirements of all funding sources involved. In agreement with this requirement, the developer shall be aware of regulations accompanying all funding sources used for the development, and shall comply with the regulations from pre-construction and throughout the life of the development. Copies of all contracts that are requested for viewing by the city shall be submitted in a timely manner. The city may request evidence of open procurement and compliance with any and all government funding regulations on a project at any time. If the city believes the project to be out of compliance with the intent of this article and/or the regulations of the project's funding sources, the city has the ability to sanction the project developers for their conduct, including fining the project or withdrawing funding.

(e) **Development agreement.** The city shall use the development agreement of the development to ensure that the developer adheres to the requirements and intent of this article by detailing within the agreement the sanctions involved if the developer does not comply with the requirements of this article during the construction process.

(f) **Rounding provisions.** Where the total affordable units required by this article call for a one-half affordable unit or greater portion, it shall require the provision of one full affordable unit (for example, a requirement of one and one-half shall actually require two units). The results of such rounding shall also be used in the calculation for in-lieu fee payments, where provided as an option.

(g) **Buyer/tenant selection and screening.** Buyer/tenant selection and screening shall be carried out by the developer, owner, city, or by the designated responsible party, at the sole expense of the developer. Included in the affordable housing plan submitted by the developer, shall be a proposed marketing plan with an estimated timeline of events, which must be approved by the city and shall adhere to the city's buyer/tenant selection and screening guidelines.

The City of Davis will monitor the buyer selection and screening process through required monthly reports, and through the ability to review any and all files regarding the process at any time that city staff requests to do so. The City of Davis will possess the ability to halt any sale or break any lease of an affordable unit at its discretion, for reasons to include, but not restricted to, the following: if the buyer selection and screening process was not strictly adhered to, or if the buying household is found not to meet the guidelines of qualification, as specified in the guidelines. (Ord. 2418 § 1, 2013)

18.05.050 Ownership development affordable housing standards.

A developer of residential ownership developments consisting of five or more units shall provide in each development, to the extent feasible, affordable housing for very low, low and moderate income households, as set forth in an affordable housing plan approved by the city, in accordance with the requirements of this section. The approval process for affordable housing plans will adhere to that which is required by Section [18.05.040\(b\)](#).

The price of all affordable ownership housing units will be calculated based on payments to be made by the buyer that make up no more than thirty-five percent of the gross monthly target income level designated for a specific unit and shall include mortgage principal and interest, taxes, insurance, assessments, and homeowner fees, as applicable and adjusted for household size. Percentages allowed for the qualifying of the mortgage loan shall be determined by the lender or lenders involved with the income-qualified household.

A developer may, at his or her option, provide affordable rental units to meet the requirements of this section, pursuant to state law, provided that such rental units must comply with the affordable housing standards for rental units in Section [18.05.060](#) of this article, and as adopted by the city.

To the maximum extent feasible, each developer must meet the ownership affordable unit requirement as it pertains to the project, as set forth below:

(a) **Standard ownership affordable housing requirements.** Any development that is comprised in whole or in part of ownership units shall comply with the following requirements, which shall be included in the development's affordable housing plan.

(1) Affordable Housing Requirements, by Residential Product Type.

(A) For projects comprised of market rate single-family detached ownership units on lots larger than five thousand square feet in area, the developer must provide for a number of affordable housing units equivalent to twenty-five percent of the total units being developed, including the affordable units, by means of one of the methods set forth in this section.

(B) For projects comprised of market rate single-family detached ownership units on lots smaller than five thousand square feet in area, the developer must provide for a number of affordable housing units equivalent to fifteen percent of the total units being developed, including the affordable units, by means of one of the methods set forth in this section.

(C) For projects comprised of market rate single-family attached ownership units, the developer must provide for a number of affordable housing units equivalent to ten percent of the total units being developed including the affordable units, by means of one of the methods set forth in this section.

(D) For projects comprised of market rate stacked condominiums or ownership units within vertical mixed-use development, the developer must provide for a number of affordable housing units equivalent to five percent of the total units being developed including the affordable units, by means of one of the methods set forth in this section.

(E) Exempt projects as identified in Section [18.05.080](#) have no affordability requirements except as provided therein.

(F) For developments that are comprised of more than one residential product type, the affordable housing obligation shall be calculated for each product type separately and then aggregated, before rounding, provided, however, if a development is comprised of ownership and rental product types, the affordable housing obligations for the ownership and rental units shall be calculated and applied separately.

(2) Affordable Housing Requirements, by Project Size.

(A) Exempt projects pursuant to Section [18.05.080](#).

(B) Projects Totaling Five or Greater Units for Purchase.

(i) The required affordable units must be provided through: on-site construction of affordable ownership or rental units, acquisition and recordation of permanent affordability restrictions on existing housing units within the city, provision of a land dedication site, and/or through payment of in-lieu fees, as further defined in subsections (b) through (f).

(ii) The on-site construction of affordable ownership or rental units may be fulfilled through the on-site development of affordable units for purchase or rental, in conformance with all that is stated in subsection (b).

(iii) The land dedication option shall be fulfilled by the developer by making an irrevocable offer to the city of sufficient land, without abnormalities (shape and terrain) and with complete environmental review that can accommodate the affordable housing requirement for the project. The land dedication shall be in conformance with all that is stated in subsection (c), entitled land dedication.

(iv) The option of purchase and placement of permanent affordability restrictions on existing housing units within the city is only available when determined to be appropriate by the city council in its sole discretion, and must be in conformance with

all that is stated in subsection (e).

(v) The payment of in-lieu fees to fulfill part or a project's entire affordable housing requirement is subject to city council review and must be in conformance with all that is stated in subsection (f), entitled in-lieu fees.

(C) Projects Totaling Two Hundred One Ownership Units or More. The required affordable units shall be provided through the following methods, as more specifically described in subsections (b) through (f):

(i) On-site construction of affordable ownership units;

(ii) On-site construction of accessory dwelling units for rental to fulfill up to half of the requirement;

(iii) Through payment of in-lieu fees for no more than fifty percent of the affordable housing obligation of the project, if approved by the city council;

(iv) Provision of a land dedication site; and/or

(v) On-site construction of affordable rental units, if the developer voluntarily requests to satisfy its requirements through this alternative.

(3) Project Individualized Program.

(A) The developer may meet the city's affordable housing requirement with a project individualized program that is determined to generate an amount of affordability equal to or greater than the amount that would be generated under the standard affordability requirements. The affordable units must, at a minimum, meet the same income targets specified in the standard ownership affordable housing provisions.

(i) A project individualized program shall be developed by the developer and city staff, taken action on by the social services commission, and if the main project application requires, heard before the planning commission for decision.

(ii) If the main project is requesting planning entitlements that require city council approval, it shall then be heard before the city council for final decision.

(iii) If the main project does not require a city council hearing, the planning commission's or the social services commission's determination may be appealed to the city council by any member of the public.

(B) The project individualized program is not intended to allow exception to a public input and review process. The project individualized program is intended to be viewed thoroughly and scrutinized in public forums, allowing for input and competition from the public, other community-based nonprofits, staff, and at a minimum, the social services commission. The public hearing at the social services commission shall be noticed to all community-based housing nonprofits in the area, to the greatest extent possible, regardless of their involvement in the project. This public hearing shall scrutinize the project based on the following criteria:

(i) Need for government subsidy;

(ii) Sustainability of the project and its services;

(iii) Community need of the project type based on recent needs assessments and recent projects completed;

(iv) Uniqueness/innovation of the proposed project;

(v) Overall benefits and drawbacks of the project;

(vi) Project's compliance with the standards as outlined within the affordable housing Sections [18.05.010](#) through [18.05.070](#) of the Davis Municipal Code.

These meetings shall be carried out without any finite contracts in place between the parties involved, allowing for the potential direction to the developer to change the

project. If the social services commission finds that the proposed project does not satisfy one or all of the criteria listed above, it may choose to direct the developer to fulfill his or her affordable housing requirement through a land dedication process. This decision may be altered at either the planning commission or city council public hearing, if the project requires review by either of these deciding bodies.

Decision of either the social services commission or the planning commission to direct the developer to do a land dedication to meet his or her affordability requirement, may be appealed to the city council.

(b) On-site construction of affordable units for ownership developments. When a developer constructs on-site affordable ownership or rental units to satisfy its obligations under this article, the units shall be constructed in conformance with the requirements of this subsection (b).

(1) **Density Bonus.** A one-for-one city density bonus shall be awarded for construction of on-site affordable units meeting the requirements for a state density bonus.

(2) **Housing Mix.** The developer must provide a mix of two- and three-bedroom units, with a minimum of fifty percent of the units as three-bedroom units and in a combination of unit types as approved within the affordable housing plan through the appropriate review process. Smaller and larger unit sizes shall be provided as an option, based on local housing needs and project character, as approved during the affordable housing plan review process.

(3) **Price of Affordable Ownership Units.** The affordable ownership units will be affordable to moderate income households, households with incomes ranging from eighty percent of area median income to one hundred twenty percent of area median income, with the average affordability targeted at households with incomes at one hundred percent of area median income, the moderate target income.

The community development and sustainability director shall determine the maximum sales price for these units on an annual basis. The community development and sustainability director shall propose annual adjustments to the maximum purchase prices based on changes in the area median income, as determined by the U.S. Department of Housing and Urban Development. This price shall be reviewed annually for adoption by the city council.

(4) **Rent for Affordable Rental Units.** The affordable rental units will be leased at an affordable rent to low and very low income households. The average affordable price for each size category of affordable rental units, based on number of bedrooms, shall not exceed the low target income, sixty-five percent of median income. The maximum income level served shall not be greater than eighty percent of area median income. The developer shall offer affordable rental units in each size categories to multiple income levels to ensure that the rental units achieve the required average target income. For example, if three-bedroom units are offered to

families at eighty percent of median income, the same number of three-bedroom units must be offered to households at fifty percent of area median income, making the average rent for the unit type sixty-five percent of area median income. Lower rents or an average that meets the same affordability target can be approved through the affordable housing plan review process.

(5) **Buyer/Tenant Selection and Screening.** Please refer to Section [18.05.040](#)(g) for theselection and screening requirements applicable to affordable units.

(6) **Owner-Occupancy Restrictions.** Any person who purchases a designated ownership affordable unit pursuant to this article shall occupy that unit as his or her principal personal residence for as long as he or she owns the affordable unit. Such occupancy shall commence within six months following completion of the purchase. The purchases shall comply with the provisions of Sections [18.04.020](#) through [18.04.060](#), inclusive, of this Code.

(7) **Sustained Affordability.** Restrictions shall be placed on the affordable housing units produced, in order to ensure a measure of sustained affordability. In an effort to maintain the greatest number of units as affordable for the greatest period of time, one of the following restrictions shall be adhered to:

(A) Appreciation Capped at Three Percent per Year plus a Three-Quarters of a Percent Maintenance Credit for Necessary Maintenance Costs of the Unit. The unit appreciates based on the average annual increase in Yolo County Area Median Income—Three percent, plus an additional three-quarters percent as a credit for maintenance costs of the unit. This restricts the total appreciation of an ownership unit to a maximum of three and three-quarters percent, compounded annually.

(B) Affordability Covenant. In order to qualify as affordable rental units pursuant to this subsection, such units shall be maintained in perpetuity as affordable units. The owner of the rental units shall enter into an agreement with the city to ensure the continued affordability of these affordable rental housing units in perpetuity. This agreement shall be recorded.

(C) Alternative Proposal. Any other program that proves its ability to provide for sustainable affordability, as approved by staff, the social services commission, and other public governing bodies as required by the individual project. Proposing an alternative method for sustained affordability must be justified based on current market trends and/or other prevailing circumstances.

(8) Right of First Refusal. All affordable ownership units constructed after January 1, 2005, shall deed to the City of Davis a permanent right of first refusal on the property, allowing the city the ability to either purchase the unit, or designate an appropriate buyer for the unit at its resale. The deed restriction shall allow the city to designate a third party to carry out its right of first refusal, and shall also allow for a one percent fee to be taken from the real estate transaction in order to pay for the costs of carrying out the right of first refusal.

(9) Resale Report. The owners of all affordable for-sale units that include a resale restriction or were constructed after January 1, 2005, shall be required to clear all resale reports completed on these units prior to the close of escrow on the resale of each unit. The findings of the resale inspection that are required to be addressed cannot be transferred to the household purchasing the affordable unit.

(c) **Land dedication.** When a developer makes a land dedication in order to satisfy the requirements of this article, it shall comply with the following requirements:

The developer shall make an irrevocable offer to the city of sufficient land, without abnormalities (shape and terrain) and with complete environmental review, which can accommodate the land dedication requirement for the project in its entirety. The land dedicated shall be of sufficient size to make the development of the required affordable units economically feasible, no less than two acres. The density of development for the purpose of calculating the acreage to be dedicated under this section shall be fifteen units per acre. The proposed use of such land must be consistent with the general plan. The city may approve, conditionally approve, or reject such an offer of dedication. If the city rejects such an offer of dedication, the developer shall be required to meet the affordable housing obligation by other means set forth in this article and approved by the city.

The dedicated site shall be economically feasible to develop, of sufficient size to build the required number of affordable units, and physically suitable for development of the required affordable units prior to dedication of the land. The dedicated site shall also have appropriate general plan designation and zoning to accommodate the required units, be fully improved with infrastructure, frontage improvements (i.e., curb, gutter, walk), paved street access, utility (i.e., water, gas, sewer, and electric) service connections stubbed to the property lines, and other such off-site improvements as may be necessary for development of the required affordable units or required by the city.

The developer must identify the land to be dedicated at the time the developer applies for a pre-zoning or zoning amendment, but in no event later than the application for the tentative subdivision map. Building permits shall not be issued prior to identification of land to be dedicated under this section.

(1) Density Bonus. A one-for-one city density bonus shall be awarded for land dedication on the basis of fifteen units per net acre.

(2) Housing Types on Dedicated Land. Housing built on land provided by dedication for

affordable housing shall be permanently affordable. The city shall adopt a resolution establishing a process whereby property dedicated to the city pursuant to this section may be conveyed to third parties who shall enter into an agreement with the city to produce affordable housing within a specified period of time. The city shall consult with the social services commission, nonprofit corporations, affordable housing organizations, and developers in designing this process. Housing on land dedicated pursuant to this section may consist of any of the following:

- (A) Resident controlled nonprofit housing corporation;
- (B) Community based mutual housing association;
- (C) Community based nonprofit controlled rental housing;
- (D) Student housing cooperative;
- (E) Limited equity housing cooperative;
- (F) Public housing;
- (G) Land trust;
- (H) Self-help housing;
- (I) Other forms of nonprofit housing containing a permanent affordability provision.

(3) **Price of Units.** The average affordable price for each size category of units on land dedication sites shall not exceed the low target income, sixty-five percent of median income. The maximum income level served by any of the units located on a land dedication site shall not be greater than eighty percent of area median income. The developer shall offer affordable rental units in each size categories to multiple income levels to ensure that the rental units achieve the required average target income. For example, if three-bedroom units are offered to families at eighty percent of median income, the same number of three-bedroom units must be offered to households at fifty percent of area median income, making the average rent for the unit type sixty-five percent of area median income. Lower rents or an average that meets the same affordability target can be approved through the plan review process.

(4) **Buyer/Tenant Selection and Screening.** Please refer to Section [18.05.040\(g\)](#) for the selection and screening requirements applicable to affordable units.

(5) **Owner-Occupancy Restrictions.** Any person who purchases a designated affordable unit pursuant to this article shall occupy that unit as his or her principal personal residence for as long as he or she owns the affordable unit. Such occupancy shall commence within six months following completion of the purchase. The purchases shall comply with the provisions of Sections [18.04.020](#) through [18.04.060](#), inclusive, of this Code.

(d) **Options for small developments.** Small developments of fifteen ownership units or fewer, and totaling no greater than thirty-eight bedrooms in the development, that are not otherwise exempt pursuant to Section [18.05.080](#), that are located within the core area and are found to meet a specified community goal, can request to fulfill the affordable housing requirement through one of the following options, which shall be considered during the review process of the development's affordable housing plan:

(1) **Construction Subsidy.** City staff will work with the developer to provide financial assistance to be used in the construction of the affordable unit(s) required on-site, in order to assist in ensuring the project's feasibility. The developer shall present a pro forma (for the affordable units) to staff showing the necessary amount of construction assistance needed through supplemental city funds, in order to make the project economically feasible. The project will require the standard review process, and the necessary funding approval from the city council.

(2) **Combination of On-Site Construction and In-Lieu Fees.** The affordability requirement may be fulfilled through a combination that includes the on-site development of a portion of the required affordable units, with the remaining amount of the affordability requirement fulfilled through in-lieu fees paid in accordance with subsection (f) of this section. The exact split of the combination shall be determined during the review of the project's affordable housing plan, based on the

developer's stated ability to provide affordable units on-site.

(e) Acquisition and recordation of permanent affordability restrictions on existing housing units.

As an alternative to constructing affordable housing within a development project or providing for affordable housing through the payment of in-lieu fees, the affordability requirement may be fulfilled through the provision of off-site units being purchased/acquired and placed permanently into the city's affordable housing program through the recordation of affordability deed restrictions, subject to discretionary approval by the city council following review of the project's affordable housing plan. The city council may determine in its sole discretion whether this alternative is appropriate on a case-by-case basis. These units are required to have recorded

permanent affordability deed restrictions recorded against them, in a form consistent with the affordability restrictions that are recorded against on-site affordable units constructed pursuant to the requirements of this affordable housing ordinance. In its review of an affordable housing plan that provides affordable housing pursuant to this option, the city council will consider the following:

- (1) The condition and usable life of the units;
- (2) Potential displacement of existing residents;
- (3) The location and size of the proposed affordable units relative to disbursement of units throughout the city and local housing needs;
- (4) Long-term ownership and maintenance of the units; and
- (5) The level of affordability offered by the proposed alternative.

Any units provided under this option must ensure a unit life of no less than thirty years and may require rehabilitation prior to qualifying. Sale or long-term rental of these units would be at the sole expense and responsibility of the project developer, unless otherwise approved by the city council.

(f) In-lieu fees. As an alternative to constructing on-site affordable housing within a development as required by this article, the affordability requirement may be fulfilled through the payment of in-lieu fees pursuant to an adopted fee schedule to be revised on an annual basis, provided that the payment of in-lieu fees has been approved by the city council following review of the project's affordable housing plan. The city council will review a request for payment of in-lieu fees taking into consideration the following:

- (1) Project gross and net density;
- (2) Project size;
- (3) Economic or planning feasibility of affordable unit provision by another means within the development;
- (4) Projected housing costs of the project's market rate housing/overall housing affordability of the project; and
- (5) Accomplishment and tradeoffs of other local policy objectives, including smart growth principles, accessibility, energy efficiency, etc.

A payment plan may be approved by the city council in the event that the developer does not have the necessary funds available for payment; however, the majority of in-lieu fees shall be paid prior to the issuance of the certificate of occupancy on any of the market rate units. In addition to the standard in-lieu fee, the city maintains the right to adopt an in-lieu fee for use in future resource-pooled projects. This special in-lieu fee would apply to projects within a specific project area where the fee is intended to be used towards a planned resource-pooled project. (Ord. 2418 § 1, 2013; Ord. 2443 §§ 2, 3, 2015; Ord. 2545 § 3, 2019)

18.05.060 Rental development affordable housing standards.

A developer of rental housing developments containing twenty or more units shall provide, to the maximum extent feasible, at least twenty-five percent of the units as affordable housing for low income households and

at least ten percent of the units as affordable housing for very low income households. A developer of rental housing developments containing between five and nineteen units, inclusive, shall provide, to the maximum extent feasible, fifteen percent of the units to low income households and ten percent to very low income households. Residential projects consisting of fewer than five market rate

units will not be required to produce affordable units. Such housing shall be provided either by the construction of units on-site or by land dedication.

The approval process for affordable housing plans will adhere to that which is required by Section [18.05.040](#)(b). Affordable rental units shall rent to low income households at not more than thirty percent of eighty percent (thirty percent of eighty percent is twenty-four percent) of area median income, and to very low income households at not more than thirty percent of fifty percent of area median income, adjusted for family size.

To the maximum extent feasible, each developer must meet the affordability requirement as it pertains to the project, as set forth below:

(a) **Standard rental affordable housing requirements.** Except as set forth in subsection (b) of this section, all requirements listed under the respective category must be adhered to and included within the project's affordable housing plan.

(1) Exempt Projects Pursuant to Section [18.05.080](#). No affordability requirements except as provided therein.

(2) Projects Totalling Five to Nineteen Units for Rent.

(A) A number equivalent to fifteen percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to low income households, households with gross incomes at or below eighty percent of area median income for Yolo County.

(B) A number equivalent to ten percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to very low income households, households with gross incomes at or below fifty percent of area median income for Yolo County.

(C) The complete number of required affordable units must be constructed on-site.

(D) The on-site construction shall be in conformance with all that is stated in subsection (c), entitled on-site construction of affordable units for rent.

(3) Projects Totalling Twenty or Greater Units for Rent.

(A) A number equivalent to twenty-five percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to low income households, households with gross incomes at or below eighty percent of area median income for Yolo County.

(B) A number equivalent to ten percent of the total units being developed, after the inclusion of the density bonus for the project, shall be developed and made affordable to very low income households, households with gross incomes at or below fifty percent of area median income for Yolo County.

(C) This requirement may be fulfilled through either on-site construction as stated in subsection (c) of this section or land dedication detailed in subsection (d), as long as the minimum amount of land is provided to make the site economically feasible.

(4) Vertical Mixed-Use Development. Unless exempt under Section [18.05.080](#), in projects comprised of vertical mixed-use units, a number equivalent to five percent of the total units, bedrooms, or beds being developed including the affordable units, bedrooms, or beds, shall be developed and made affordable to low income households, households with gross incomes at or below eighty percent of area median income for Yolo County.

(5) Project Individualized Programs for Rental Housing.

(A) The developer may meet the city's affordable housing requirement with a project individualized program that is determined to generate an amount of affordability equal to or greater than the amount that would be generated under the standard affordability requirements. The affordable units must, at a minimum, meet the same income targets specified in the standard rental affordable housing requirements as set forth in subsection (a)(2) and (3).

(i) A project individualized program shall be developed by the developer and city staff, taken action on by the social services commission, and, if the main project application requires, heard before the planning commission for decision.

(ii) If the main project is requesting planning entitlements that require city council approval, the project individualized program shall then be heard before the city council for final decision.

(iii) If the main project does not require a city council hearing, the planning commission's or the social services commission's determination may be appealed to the city council by any member of the public.

(B) The project individualized program is not intended to allow exception to a public input and review process. The project individualized program is intended to be viewed thoroughly and scrutinized in public forums, allowing for input and competition from the public, other community-based nonprofits, staff, and, at a minimum, the social services commission. The public hearing at the social services commission shall be noticed to all community-based housing nonprofits in the area, to the greatest extent possible, regardless of their involvement in the project. This public hearing shall scrutinize the project based on the following criteria:

(i) Need for government subsidy; and

(ii) Sustainability of the development and its services; and

(iii) Community need of the project type based on recent needs assessments and recent projects completed; and

(iv) Uniqueness/innovation of the proposed project; and

(v) Overall benefits and drawbacks of the project; and

(vi) Development's compliance with the standards as outlined within this article.

These meetings shall be carried out without any finite contracts in place between the parties involved, allowing for the potential direction to the developer to change the project. If the social services commission finds that the proposed project does not satisfy one or all of the criteria listed above, it may choose to direct the developer to fulfill his or her affordable housing requirement through a land dedication process. This decision may be altered at either the planning commission or city council public hearing, if the project requires review by either of these deciding bodies.

Decision of either the social services commission or the planning commission to

direct the developer to do a land dedication to meet his or her affordability requirement, may be appealed to the city council.

(b) **Alternative rental affordable housing requirements.** Until May 31, 2020, the city council may, at its discretion, approve alternative affordable housing requirements on a project specific basis that provide for a lesser percentage of the total units to be provided as affordable housing, or provide for affordable housing in an alternative manner, including, but not limited to, providing affordable housing by bedroom or individual bed, or pledging to the city a continuing payment of funds to be submitted to the city at least annually for the purpose of furthering the city's affordable housing goals and objectives, in an amount as deemed appropriate by the city council. Except as provided below, if the affordable housing is provided by generating units, bedrooms or beds, there shall be a requirement of fifteen

percent affordable units, bedrooms or beds. The affordability mix shall have a target of five percent low, five percent very low and five percent extremely low recognizing that the number of units, bedrooms, or beds may be adjusted up or down based on the income and rent levels proposed. In considering whether to approve alternative affordable housing requirements pursuant to this subsection (b), the city council will consider the following factors in determining whether to approve such alternative requirements:

- (1) Whether the market rate component and/or the affordable component of the proposed development is anticipated to meet a specific housing need as identified in the city's housing element or general plan policies; and
- (2) Whether the market rate units are anticipated to provide housing to low or moderate- income households through the incorporation of design components that will encourage greater affordability including reduced units sizes and reduced utility costs; and
- (3) The extent to which the proposed development furthers other land use goals of the city, including, but not limited to, reductions in the need for private vehicles and the encouragement of development consistent with the Metropolitan Transportation Plan/Sustainable Communities Strategy adopted for the Sacramento Region by the Sacramento Area Council of Governments; and
- (4) Whether the proposed market rate development includes unusually high infrastructure costs or other cost burdens as conditions to the development of the project; and
- (5) Whether the proposed affordable housing component may be partially funded by public subsidy or other public financing from a source other than the city; and
- (6) Whether the affordable component is provided on a bed or bedroom basis, that encourages greater integration of the affordable and market rate components of the project; and
- (7) Whether any or all of the affordable housing is provided at a deeper level of affordability (such as extremely low income housing, as defined in California [Health and Safety Code](#) Section 50106); and
- (8) Whether the application for the proposed development was submitted to the city for consideration prior to the adoption of AB 1505; and
- (9) Whether the developer is proposing to pledge to the city a continuing revenue source that will assist the city in satisfying one or more specific affordable housing goals of the city, in an amount that the city council deems is sufficient to provide a significant benefit in furtherance of the city's affordable housing goals; and
- (10) The total percentage of affordable units provided under these alternative rental-housing requirements may be adjusted up or down based on the income and rent levels provided or the size of the overall project. The council therefore may, at its discretion, approve alternative affordable housing requirements under this subsection that provides less than fifteen percent affordable units if the project provides a higher percentage of units to the lowest income levels (extremely low and very low). Further, the council may, at its discretion, require a higher total percentage for larger market rate projects that have greater economies of scale, or require a lesser percentage for smaller projects that have lesser economies of scale.

(c) **On-site construction of affordable units for rent.** A developer of a development containing twenty or more units may meet the rental affordable housing requirement by constructing twenty- five percent of the total number of units on-site to be permanently affordable to low income households and ten percent of the total number of units on-site to be permanently affordable to very low income households. A developer of a development containing between five and nineteen units, inclusive, may meet the rental affordable housing requirement by constructing fifteen percent of the total number of units on-site to be permanently affordable to low income households and ten percent of the total number of units on-site to be permanently affordable to very low income households.

- (1) **Criteria for On-Site Construction.** Affordable housing units constructed on-site shall include

a mix of unit sizes, dispersed throughout the entire development, as approved by the director of the department of community development, based on the local housing needs of unit sizes. Affordable housing units shall not be clustered together in any building, complex or area of the development. Affordable housing units constructed on-site shall be constructed using the same building materials and including equivalent amenities as the market rate units.

(2) **Affordability Agreement.** In order to qualify as affordable units pursuant to this section, such units shall be maintained in perpetuity as affordable units. The developer shall enter into an agreement with the city to ensure the continued affordability of all affordable rental housing units in perpetuity. This agreement shall be recorded.

(3) **Density Bonus.** A one-for-one city density bonus shall be awarded for the construction of on-site affordable units.

(4) **Annual Monitoring.** Affordable units must be managed by the developer or his or her agent. Each developer shall submit an annual report to the city identifying which units are affordable units, the monthly rent, vacancy information for each affordable unit for the prior year, gross annual incomes for the households of each affordable unit during the prior year, and other information as required by city staff. This annual monitoring shall include the inspection of ten percent of the on-site affordable units. Inspection reports created by an acceptable third party and completed within the same city fiscal year will be accepted in-lieu of city staff performing the on-site inspection, for that given monitoring year.

(5) **Affordable Rents.** Affordable rents shall be determined annually on a city-wide basis by city staff based upon the area median income and utility allowances for Yolo County, as determined by the Federal Department of Housing and Urban Development, the State Department of Housing and Community Development, and the Yolo County housing authority. If these agencies do not provide the information, the City of Davis will determine monthly rent amounts based on thirty percent of the targeted household's gross monthly income.

(6) **Tenant Selection and Screening.** Please refer to Section [18.05.040\(g\)](#) for the guidelines of this section.

(d) **Land dedication.** A developer may, as an alternative to constructing the affordable rental units on-site, make an irrevocable offer of dedication to the city of sufficient land to meet the total affordable rental housing units required pursuant to this section.

(1) **Credit.** The density of development for the purpose of calculating the acreage to be dedicated under this section shall be twenty units per net acre for multifamily residential use.

(2) **Procedure—General Plan Consistency.** The developer shall identify the land to be dedicated at the time the developer applies for a pre-zone or zoning amendment, but in no event later than the application for tentative subdivision map. Building permits shall not be issued prior to identification of land to be dedicated under this section. The proposed land use of such land must be consistent with the general plan. The city may approve, conditionally approve or reject such offer of dedication. If the city rejects such offer of dedication, the developer shall be required to meet the affordable housing obligation by other means set forth in this section and identified by the city.

(3) **Characteristics and Minimum Size.** The developer shall make an irrevocable offer to the city of sufficient land, without abnormalities (shape and terrain) and with complete environmental review, which can accommodate the land dedication requirement for the development in its entirety. The land dedicated shall be of sufficient size to make the development of the required affordable units economically feasible, no less than two acres.

(4) **Density Bonus.** A one-for-one city density bonus shall be awarded for dedication under this section on the basis of twenty units per net acre.

(5) **Housing on Dedicated Land.** Housing built on land dedicated for affordable housing shall be permanently affordable. The city shall adopt a resolution establishing a process whereby property dedicated to the city pursuant to this section may be conveyed to third parties who shall enter into

an agreement with the city to produce affordable housing within a specified period of time. The city shall consult with the social services commission, nonprofit corporations, affordable housing organizations and developers in designing this process. Housing on land dedicated pursuant to this section may consist of any of the housing types listed in Section [18.05.050\(b\)\(2\)](#) of this article.

(e) **Options for small developments.** Small developments of fifteen rental units or fewer, and totaling no greater than thirty-eight bedrooms in the project, that are located within the core area, that are not otherwise exempt pursuant to Section [18.05.050](#), and are found to meet a specified community goal, can request to fulfill the twenty-five percent affordable housing requirement through one of the following options, as approved during the review process of the project's affordable housing plan.

(1) **Construction Subsidy.** City staff will work with the developer to provide financial assistance to be used in the construction of the affordable unit(s) required on-site, in order to assist in ensuring the project's feasibility. The developer shall present a pro forma (for the affordable units) to staff showing the necessary amount of construction assistance needed through supplemental city funds, in order to make the project economically feasible. The project will require the standard review process, and the necessary funding approval from the city council.

(2) **Combination of On-Site Construction and In-Lieu Fees.** The affordability requirement may be fulfilled through a combination that includes the on-site development of a portion of the required affordable units, with the remaining amount of the affordability requirement fulfilled through in-lieu fees pursuant to an adopted fee schedule to be revised on an annual basis. The exact split of the combination shall be determined during the review process for the project's affordable housing plan, based on the developer's stated ability to provide affordable units on-site.

(3) **In-Lieu Fees.** In the event that the developer cannot accommodate options (1) and (2) within the proposed project, the affordability requirement may be fulfilled through the payment of in-lieu fees pursuant to an adopted fee schedule to be revised on an annual basis. A payment plan may be approved by the social services commission in the event that the developer does not have the necessary funds available for payment; however, the majority of in-lieu fees shall be paid prior to the issuance of the certificate of occupancy on any of the market rate units. In addition to the standard in-lieu fee, the city maintains the right to adopt an in-lieu fee for use in future resource-pooled projects. This special in-lieu fee would apply to projects within a specific project area where the fee is intended to be used towards a planned resource-pooled project. (Ord. 2418 § 1, 2013; Ord. 2525 § 2, 2018; Ord. 2544 § 2, 2018; Ord. 2545 §§ 4, 5, 2019; Ord. 2550 § 2, 2019; Ord. 2561 § 2, 2019)

18.05.070 Fees.

The city council may, by resolution, establish fees and deposits for processing of applications as required by this article. (Ord. 2418 § 1, 2013)

18.05.080 Exemptions from affordable housing requirements.

(a) Residential developments consisting of fewer than five units are exempt from the requirements of this article.

(b) The city council may, at its discretion, exempt residential developments that are located within the boundaries of the city's Core Area Specific Plan and constructed as stacked condominium or as part of a vertical mixed-use development from the requirements of this article, provided that in order to receive such exemption the developer shall submit to the city an individualized affordable housing plan that provides a commitment to the creation of affordable housing in the city, either through development of on-site affordable units, payment of in-lieu fees, or another mechanism deemed appropriate by the city council. The individualized affordable housing plan that may be approved under this subsection is not required to provide affordable housing at a specific percentage or level, but shall provide affordable housing at a level as deemed appropriate by the city council, taking into account the desire to ensure that all residential development contribute to the creation of affordable housing as well as the desire to encourage and help to ensure the feasibility of vertical mixed-use and stacked condominium

development within the boundaries of the city's Core Area Specific Plan.

(c) The requirements of this article may be adjusted or waived if the developer demonstrates to the satisfaction of the city council that there is not a reasonable relationship between the impact of a proposed residential project and the requirements of this article, or that applying the requirement of this article would take property in violation of the United States or California Constitutions.

To receive an adjustment or waiver, the developer must request it when applying for first approval of the residential development, or through submittal of a draft affordable housing plan to the city. The matter shall be considered before the city council within thirty days. In making the finding or determination, the city council may assume the following: (1) the developer is subject to the inclusionary housing requirements in this article; (2) availability of any incentives, affordable financing, or subsidies; and (3) the most economical affordable housing product in terms of construction, design, location, and tenure. For purposes of a taking determination, the developer has the burden of providing economic and financial documentation and other evidence necessary to establish that application of this article would constitute a taking of the property without just compensation.

If it is determined that the application of the provisions in this article would constitute a taking, the inclusionary requirements for the residential development shall be modified to reduce the inclusionary housing obligations to the extent and only to the extent necessary to avoid a taking. If it is determined that no taking would occur by application of this article, the requirements of the article remain applicable and no approvals for the residential project shall be issued unless the developer has executed an affordable housing plan pursuant to the requirements of this article. (Ord. 2418 § 1, 2013; Ord. 2545 § 6, 2019)

40A.01.050 Agricultural buffer requirement.

(a) In addition to the right to farm deed restriction and notice requirement, the city has determined that the use of property for agricultural operations is a high priority. To minimize future potential conflicts between agricultural and nonagricultural land uses and to protect the public health, all new developments adjacent to designated agricultural, agricultural reserve, agricultural open space, greenbelt/agricultural buffer, Davis greenbelt or environmentally sensitive habitat areas according to the land use and open space element maps shall be required to provide an agricultural buffer/agricultural transition area. In addition, development limits or restricts opportunities to view farmlands. Public access to a portion of the agricultural buffer will permit public views of farmland. Use of nonpolluting transportation methods (i.e., bikes), and use of the land to fulfill multiple policies including, but not limited to, agricultural mitigation and alternative transportation measures meets the policy objectives of the Davis general plan. The agricultural buffer/agricultural transition area shall be a minimum of one hundred fifty feet measured from the edge of the agricultural, greenbelt, or habitat area. Optimally, to achieve a maximum separation and to comply with the five-hundred-foot aerial spray setback established by the counties of Yolo and Solano, a buffer wider than one hundred fifty feet is encouraged.

(b) The minimum one-hundred-fifty-foot agricultural buffer/agricultural transition area shall be comprised of two components: a fifty-foot-wide agricultural transition area located contiguous to a one-hundred-foot-wide agricultural buffer located contiguous to the agricultural, greenbelt, or habitat area. The one-hundred-fifty-foot agricultural buffer/transition area shall not qualify as farmland mitigation pursuant to Article 40A.03 of this chapter.

(c) The following uses shall be permitted in the one-hundred-foot agricultural buffer: native plants, tree or hedge rows, drainage channels, storm retention ponds, natural areas such as creeks or drainage swales, railroad tracks or other utility corridors and any other use, including agricultural uses, determined by the planning commission to be consistent with the use of the property as an agricultural buffer. There shall be no public access to the one-hundred-foot agricultural buffer unless otherwise permitted due to the nature of the area (e.g., railroad tracks). The one-hundred-foot agricultural buffer shall be developed by the developer pursuant to a plan approved by the community services director or designee. The plan shall include provision for the establishment, management and maintenance of the area. The plan shall incorporate adaptive management concepts and include the use of integrated pest management techniques. The property shall be dedicated to the city in fee title, or, at the

discretion of the city, an easement in favor of the city shall be recorded against the property, which shall include the requirements of this article.

(d) The following uses shall be permitted in the fifty foot agricultural transition area: bike paths, community gardens, organic agriculture, native plants, tree and hedge rows, benches, lights, trash enclosures, fencing, and any other use determined by the planning commission to be of the same general character as the foregoing enumerated uses. There shall be public access to the fifty-foot agricultural transition area. The fifty-foot agricultural transition area shall be developed by the developer pursuant to a plan approved by the community services director or designee. Once the areas improved, approved, and accepted by the community services department, the land shall be dedicated to the city.

(e) The city reserves its right to form a special benefit assessment district, or other applicable district as is permitted under state law, and to maintain the agricultural buffer and transition area once the land is improved, dedicated, and annexed. (Ord. 1823 § 1; Ord. 2300 § 2, 2007; Ord. 2390 § 3, 2012)

Article 40A.03 FARMLAND PRESERVATION

40A.03.010 Purpose and findings.

(a) The purpose of this chapter and this article is to implement the agricultural land conservation policies contained in the Davis general plan with a program designed to permanently protect agricultural land located within the Davis planning area for agricultural uses.

(b) Since 1995 the city has required agricultural mitigation for development projects that would change the general plan designation or zoning from agricultural land to nonagricultural land and for discretionary land use approvals that would change an agricultural use to a nonagricultural use, and the city council finds that this chapter and this article are necessary for the following reasons: California is losing farmland at a rapid rate; Yolo and Solano County farmland is of exceptional productive quality; loss of agricultural land is consistently a significant impact under CEQA in development projects; the Davis general plan has policies to preserve farmland; the city is surrounded by farmland; the Yolo and Solano County general plans clearly include policies to preserve farmland; the continuation of agricultural operations preserves the landscape and environmental resources; loss of farmland to development is irreparable and agriculture is an important component of the city's economy; and losing agricultural land will have a cumulatively negative impact on the economy of the city and the counties of Yolo and Solano.

(c) It is the policy of the city to work cooperatively with Yolo and Solano counties to preserve agricultural land within the Davis planning area, as shown in the "planning area" map found in the Davis general plan, beyond that deemed necessary for development. It is further the policy of the city to protect and conserve agricultural land, especially in areas presently farmed or having Class 1, 2, 3, or 4 soils.

(d) The city council finds that some urban uses when contiguous to farmland can affect how an agricultural use can be operated, which can lead to the conversion of agricultural land to urban use.

(e) The city council further finds that by requiring adjacent mitigation for land being converted from an agricultural use and by requiring a one hundred fifty foot buffer, the city shall be helping to ensure prime farmland remains in agricultural use. (Ord. 2300 § 1, 2007)

40A.03.020 Definitions.

Adjacent mitigation. Agricultural mitigation land that is required to be located at the non-urbanized perimeter of a project.

Advisory committee. The City of Davis open space and habitat commission shall serve as the advisory committee.

Agricultural land or farmland. Those land areas of the county and/or city specifically designated and zoned as agricultural preserve (A-P), agricultural exclusive (A-E), or agricultural general (A-I), as those zones are defined in the Yolo County zoning ordinance; those land areas designated and zoned exclusive agriculture (A-40), as defined in the Solano County zoning ordinance; those lands in agricultural use; those lands designated in the city's general plan as agricultural (A); and those land areas of the City of Davis specifically designated

and zoned as agricultural (A), agricultural planned development, or urban reserve where the soil of the land contains Class 1, 2, 3, or 4 soils, as defined by the Soil Conservation Service.

Agricultural mitigation land. Agricultural land encumbered by a farmland deed restriction, a farmland conservation easement, or such other farmland conservation mechanism acceptable to the city.

Agricultural use. Use of land for the purpose of producing food, fiber, or livestock for commercial purposes.

Easement stacking. Placing a conservation easement on land previously encumbered by a conservation easement of any nature or kind.

Farmland conservation easement. The granting of an easement over agricultural land for the purpose of restricting its use to agricultural land. The interest granted pursuant to a farmland conservation easement is an interest in land which is less than fee simple.

Farmland deed restriction. The creation of a deed restriction, covenant or condition which precludes the use of the agricultural land subject to the restriction for any nonagricultural purposes, use, operation or activity. The deed restriction shall provide that the land subject to the restriction will permanently remain agricultural land.

Non-urbanized perimeter. The agricultural land that borders the edge(s) of land that is, or is proposed to be, designated or zoned as non-agricultural land.

Priority open space acquisition areas. Areas designated by the city council by resolution as priorities for acquisition as open space.

Qualified conservation easement appraiser. A state certified appraiser who: (1) has conducted and prepared written appraisals on at least three agricultural conservation easement projects in the Central Valley in the past five years following the Uniform Standards of Professional Appraisal Practice and (2) has completed at least one course on the appraisal of conservation easements offered by a member organization of the appraisal foundation.

Qualifying entity. A nonprofit public benefit 501(c)(3) corporation operating in Yolo County or Solano County for the purpose of conserving and protecting land in its natural, rural, or agricultural condition. The following entities are qualifying entities: Yolo Land Conservation Trust and Solano Farm and Open Space Trust. Other entities may be approved by the city council from time to time.

Remainder mitigation. Required agricultural mitigation land that is not required to be located at the non-urbanized perimeter of a project.

Small project. A development project that is less than forty acres in size. A small project does not include one phase or portion of a larger project greater than forty acres that is subject to a master, specific, or overall development plan. (Ord. 2300 § 1, 2007)

40A.03.025 Agricultural land mitigation requirements.

(a) The city shall require agricultural mitigation as a condition of approval for any development project that would change the general plan designation or zoning from agricultural land to nonagricultural land and for discretionary land use approvals that would change an agricultural use to a nonagricultural use.

(b) The city has determined that effectively locating mitigation lands provides increased protection of agricultural lands threatened with conversion to non-agricultural uses. Requirements and incentives are established in this article to direct mitigation to areas that are under threat of conversion. In recognizing the importance of the location of mitigation, the city has identified two general categories of agricultural mitigation; and (2) remainder mitigation. For every applicable development project, the determination as to whether a combination of adjacent and remainder mitigation shall be required or whether only remainder mitigation shall be required shall be based on site specific factors, as specified in this article. Adjacent mitigation is addressed in Section 40A.03.030; remainder mitigation is addressed in Section 40A.03.035.

(c) Total mitigation for a development project shall not be less than a ratio of two acres of protected agricultural land for each acre converted from agricultural land to nonagricultural land. Location based factors (credits) for remainder mitigation contained in Section 40A.03.035 may result in ratios greater than 2:1. (Ord. 2300 § 1, 2007)

40A.03.030 Requirements for adjacent land mitigation.

(a) **Mitigation along the non-urbanized perimeter.** All new development projects adjacent to agricultural land that are subject to mitigation under this article shall be required to provide agricultural mitigation along the entire non-urbanized perimeter of the project. The required adjacent mitigation land shall be a minimum of one-quarter mile in width, as measured from the outer edge of the agricultural buffer required in Section 40A.01.050. Certain land uses listed in Section 40A.03.030(e) are exempt from the adjacency requirement.

- (b) **Satisfaction of adjacent agricultural mitigation.** Adjacent agricultural mitigation shall be satisfied by:
 - (1) Granting a farmland conservation easement, a farmland deed restriction, or other farmland conservation mechanism to or for the benefit of the city and/or a qualifying entity approved by the city. Mitigation shall only be required for that portion of the land which no longer will be designated agricultural land, including any portion of the land used for park and recreation purposes.
 - (2) Mitigation credit for required adjacent mitigation is shown in the table below.

Required Adjacent Mitigation

Location of mitigation land	Credit factor
Required minimum adjacent mitigation	1 times the number of acres protected

(3) If more than the required 2:1 mitigation acreage is required to create the adjacent mitigation land, no more than twice the project acreage shall be required to satisfy the mitigation requirements of this chapter. If more than twice the project acreage is required to satisfy the minimum one-quarter mile requirement, the configuration of the mitigation land shall be determined by the city council. In determining the configuration of the mitigation land, the city council shall consider factors such as, but not limited to, the following: (A) the shape of the mitigation land; (B) the quality of the soil in the mitigation land; (C) contamination of the mitigation land; (D) whether the mitigation land is in common ownership or owned by multiple owners; (E) fragmentation from other agricultural lands or connectivity to agricultural land; and (F) the existing use of the mitigation land.

(4) The Davis planning area includes clusters of rural residential parcels that, due to their size and spacing, preclude commercial farming operations. For purposes of this article, a “cluster of rural residential parcels” shall mean a group of parcels where the majority of parcels have an existing residential structure and an average size of less than ten acres. If the required adjacent mitigation land includes a cluster of existing rural residential parcels, the city council may treat the cluster of rural residential parcels as part of the development project and allow the required adjacent mitigation land to be located on the outside edge of the cluster of rural residential parcels. If the city council chooses to do so, that decision shall not increase the total amount of adjacent mitigation required by the development project.

(c) **Exclusion of agricultural buffer from adjacent mitigation.** The land included within the agricultural buffer required by Section 40A.01.050(c) shall not be included in the calculation for the purposes of determining the amount of land that is required for mitigation.

(d) **Alternative mitigation proposals.** The city council may approve mitigation that does not meet the adjacency requirement if an alternative mitigation proposal meets the intent of this chapter and would have extraordinary community benefits. Alternative mitigation proposals may be approved if the following three factors are present, and the city council makes appropriate findings:

- (1) The alternative mitigation is threatened by demonstrated growth pressure equal to or greater than that faced by areas adjacent to the project site. Demonstrated growth pressure shall be established by a comparison of current land value of the alternative site and the adjacent site. Valuation analysis shall be prepared by an independent certified appraiser; and

(2) The alternative mitigation is strategically located and provides one or more of the following: (A) protects a locally unique resource, (B) provides connectivity between existing protected or agricultural lands, (C) due to its location provides protection of other lands and resources in the Davis planning area and/or (D) located within a city-identified priority open space acquisition area; and

(3) The alternative mitigation is of a size that facilitates protection of the targeted resource and its long term management.

(e) **Exemptions.** The following land uses are exempt from the adjacent mitigation requirements of this article, but not the remaining provisions:

(1) The following projects, so long as they are not a part of a larger development project: permanently affordable housing, public schools, and public parks.

(2) That portion of a development project abutting land already protected by permanent conservation easements or by some other form of public ownership that guarantees adjacent lands will not be developed for urban uses.

(3) That portion of a development project abutting a limited access public road such as Interstate 80 or State Highway 113.

(4) Small projects, as defined in Section 40A.03.020. (Ord. 2300 § 1, 2007)

40A.03.035 Requirements for remainder land mitigation.

(a) **General.** Remainder mitigation is mitigation land that is not required to be located at the non-urbanized perimeter of a project. Remainder mitigation may be located anywhere within the Davis planning area, subject to approval by the city council, in accordance with Section 40A.03.050.

Incentives shall be provided for locating the remainder mitigation in areas targeted for protection by the city as shown in the table below.

(b) **Satisfaction of remainder mitigation.** Remainder mitigation shall be satisfied by:

Remainder Mitigation	
Location of mitigation land	Credit factors
Adjacent to city limits and within ¼ mile of the city limits, excluding any land required as adjacent mitigation land.	2 times the number of acres protected
Adjacent to the required minimum adjacent mitigation land, if applicable	1 times the number of acres protected
Within city designated priority open space acquisition areas.	1 times the number of acres protected
Elsewhere in the Davis planning area	0.2 times the number of acres protected

<p>Total</p>	<p>Mitigation acreage, as adjusted by the credit factors for adjacent mitigation (see Section 40a.03.030) and remainder mitigation (above), must total two times the acreage changed to nonagricultural. If the calculation of credit factors results in actual mitigation that is less than 2:1, additional acreage within the Davis planning area shall be secured to satisfy the total mitigation ratio requirement.</p>
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(1) Granting a farmland conservation easement, a farmland deed restriction, or other farmland conservation mechanism to or for the benefit of the city and/or a qualifying entity approved by the city. Mitigation shall only be required for that portion of the land which no longer will be designated agricultural land, including any portion of the land used for park and recreation purposes.

(2) The following credits shall be applied to remainder mitigation land: Location and configuration of the mitigation land must be approved by the city council, in accordance with the factors specified in Section 40A.03.035(a).

(3) In lieu of conserving land as provided above, up to fifty percent of the remainder mitigation requirement may be satisfied by the payment of a fee based upon the fair market value of acquiring a farmland conservation easement or farmland deed restriction located adjacent to the city limits, subject to the following:

(A) For the purpose of establishing the in lieu fee, a qualified conservation easement appraiser shall establish the fair market value by conducting an appraisal of the required minimum adjacent mitigation land for the project. If no adjacent mitigation land is

required for a project, the in-lieu fee shall be based on recent land transactions for properties located on and/or near the city limits. Appraisal costs shall be paid for by the developer or project applicant, and the qualified conservation easement appraiser shall be under contract with the city.

(B) The in lieu fee shall include a ten percent administrative fee to cover the city's costs to implement mitigation.

(C) The in lieu fee shall include an inflator that takes into account the inflation of property values and shall include a standard assumption for the time it takes the city to acquire property for agricultural mitigation. The inflator shall be calculated based on a three-year average of the House Price Index (HPI) for the Sacramento Metropolitan Statistical Area compiled by the Office of Federal Housing Enterprise Oversight. The inflator shall be based on the three most recent years for which HPI data are available and shall be based on an assumption that the city will spend the in lieu fee within three years from the payment date.

(D) The in lieu fee option must be approved by the city council.

(E) The in lieu fee, paid to the city, shall be used for farmland mitigation purposes, with priority given to strategically located lands with prime agricultural soils and high habitat value.

(c) **Exclusion of agricultural buffer from mitigation land.** The land included within the agricultural buffer required by Section 40A.01.050(c) shall not be included in the calculation for the purposes of determining the amount of land that is required for mitigation.

(d) It is the intent of this article that the city shall work in a coordinated fashion with the habitat conservation objectives of the Yolo County Natural Heritage (NCCP/HCP) program. It is the intent of this article to not allow stacking of easements, except easements covering riparian corridors that may be subject to agricultural and habitat easements and that do not generally exceed five percent of the total area on any particular easement of agricultural mitigation land shall be permitted. (Ord. 2300 § 1, 2007)

40A.03.040 Comparable soils and water supply.

- (a) The remainder agricultural mitigation land shall be comparable in soil quality with the agricultural land whose use is being changed to nonagricultural use.
- (b) The agricultural mitigation land shall have adequate water supply to support the historic agricultural use on the land to be converted to nonagricultural use and the water supply on the agricultural mitigation land shall be protected in the farmland conservation easement, the farmland deed restriction or other document evidencing the agricultural mitigation. (Ord. 2300 § 1, 2007)

40A.03.045 Home sites.

Agricultural mitigation lands shall not be permitted to have a new home site. (Ord. 2300 § 1, 2007)

40A.03.050 Lands eligible for remainder mitigation.

This section shall only apply to remainder mitigation.

- (a) The agricultural mitigation land shall be located within the Davis planning area as shown in the Davis general plan. In making their determination to accept or reject proposed mitigation land, the following factors shall be considered by the city council:
 - (1) The lands shall be compatible with the Davis general plan and the general plans of Yolo and Solano counties.
 - (2) The lands shall include agricultural land similar to the acreage, soil capability and water use sought to be changed to nonagricultural use.
 - (3) The lands shall include comparable soil types to that most likely to be lost due to proposed development.
 - (4) The property is not subject to any easements, contamination, or physical conditions that would legally or practicably preclude modification of the property's land use to a nonagricultural use.
 - (5) The easement configuration(s) would be grossly irregular such that it precludes efficient agricultural operation or bisects existing farm irrigation systems and does not protect other natural resources, such as stream corridors.
- (b) The advisory committee shall recommend to the city council acceptance of agricultural mitigation land of twenty acres or more by a qualifying entity and/or the city, except that it may consider accepting smaller parcels if the entire mitigation required for a project is less, or when the agricultural mitigation land is adjacent to larger parcels of agricultural mitigation land already protected. Contiguous parcels shall be preferred.
- (c) Land previously encumbered by a conservation easement of any nature or kind is not eligible to qualify as agricultural mitigation land. (Ord. 2300 § 1, 2007)

40A.03.060 Requirements of instruments—Duration.

- (a) To qualify as an instrument encumbering agricultural mitigation land, all owners of the agricultural mitigation land shall execute the instrument.
- (b) The instrument shall be in recordable form and contain an accurate legal description setting forth the description of the agricultural mitigation land.
- (c) The instrument shall prohibit any activity which substantially impairs or diminishes the agricultural productivity of the land, as determined by the advisory committee.
- (d) The instrument shall protect the existing water rights and retain them with the agricultural mitigation land.
- (e) The applicant shall pay an agricultural mitigation fee equal to cover the costs of administering, monitoring and enforcing (including legal defense costs) the instrument in an amount determined by city council. The fee shall include development of a property baseline report and monitoring plan.
- (f) The city shall be named a beneficiary under any instrument conveying the interest in the agricultural mitigation land to a qualifying entity.

- (g) Interests in agricultural mitigation land shall be held in trust by a qualifying entity and/or the city in perpetuity. Except as provided in subsection (h) of this section, the qualifying entity or the city shall not sell, lease, or convey any interest in agricultural mitigation land which it shall acquire.
- (h) If judicial proceedings find that the public interests described in Section 40A.03.010 of this chapter can no longer reasonably be fulfilled as to an interest acquired, the interest in the agricultural mitigation land may be extinguished through sale and the proceeds shall be used to acquire interests in other agricultural mitigation land in Yolo and Solano counties, as approved by the city and provided in this chapter.
- (i) If any qualifying entity owning an interest in agricultural mitigation land ceases to exist, the duty to hold, administer, monitor and enforce the interest shall pass to the city.
- (j) The instrument conveying the interest in the agricultural mitigation land shall be recorded at the same time as any final map for the development project is recorded or at such other time as required as a condition of approval. (Ord. 2300 § 1, 2007)

40A.03.070 City of Davis farmland conservation program advisory committee.

- (a) The Davis open space and habitat commission shall serve as the Davis farmland conservation advisory committee.
- (b) It shall be the duty and responsibility of the open space and habitat commission to exercise the following powers:
 - (1) To recommend the areas where mitigation zones would be preferred in the Davis planning area;
 - (2) To promote conservation of agricultural land in Yolo and Solano counties by offering information and assistance to landowners and others;
 - (3) To recommend tentative approval of mitigation proposals to city council;
 - (4) To certify that the agricultural mitigation land meets the requirements of this chapter;
 - (5) Any denial from the advisory committee may be appealed to city council.
- (c) The open space and habitat commission shall ensure all lands and easements acquired under this article are properly monitored and shall review and monitor the implementation of management and maintenance plans for these lands and easement areas.
- (d) All actions of the open space and habitat commission shall be subject to the approval of the Davis city council. (Ord. 2300 § 1, 2007)

40A.03.080 Reporting.

Periodically, community services department staff shall provide to the advisory committee reports delineating the activities undertaken pursuant to the requirements of this chapter and an assessment of these activities. The report shall list and report on the status of all lands and easements acquired under this chapter. (Ord. 2300 § 1, 2007; Ord. 2390 § 3, 2012)

RESOLUTION NO. 22-XXX, SERIES 2022

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS CALLING FOR THE HOLDING OF A SPECIAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, JUNE 7, 2022, FOR THE SUBMISSION TO THE VOTERS A MEASURE TO MODIFY THE LAND USE DESIGNATIONS OF THE DAVIS INNOVATION & SUSTAINABILITY CAMPUS DISC 2022 AND MACE TRIANGLE PROPERTIES

WHEREAS, under the provisions of the laws relating to general law cities in the State of California, a Special Municipal Election shall be held on June 7, 2022, to submit to the voters a question relating to development of the Davis Innovation & Sustainability Campus DiSC 2022 project; and

WHEREAS, the “Citizens Right to Vote on Future Use of Open Space and Agricultural Lands,” codified in Article 41.01 of the Davis Municipal Code, establishes a mechanism for direct citizen participation in land use decisions affecting city policies for compact urban form, agricultural land preservation, and an adequate housing supply to meet the needs of the community.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Davis does hereby approve as follows:

SECTION 1. Pursuant to the requirements of the laws of the State of California relating to General Law Cities, there is called and ordered to be held in the City of Davis, California, on Tuesday, June 7, 2022, a Special Municipal Election for the purpose of submitting to the voters the following measure:

MEASURE “(letter to be assigned)”

Shall Resolution 22-___ be adopted to approve a mixed-use innovation center with lab and research facilities, offices, market-rate and affordable housing, hotel/conference center, parks, and community sports fields, by amending the City of Davis General Plan to change land use designations for the Davis Innovation & Sustainability Campus 2022 (DiSC 2022) and Mace Triangle properties from Agriculture and Public/Quasi-Public to Innovation Center, Urban Agriculture Transition Area, General Commercial and Public/Semi-Public, and establishing Baseline Project Features?	YES	
	NO	

SECTION 2. The complete text of the proposed measure to be submitted to the voters is attached hereto as Exhibit A.

SECTION 3. The vote requirement for the measure to pass is a majority (50% + 1) of the votes cast.

SECTION 4. In all particulars not specifically recited in this Resolution, the election shall be conducted as provided by law for the holding of municipal elections and the consolidation of municipal elections with other elections.

SECTION 5. The City Clerk is authorized, instructed and directed to coordinate with the Yolo County Clerk/Recorder/Assessor to procure and furnish any and all official ballots, notices, printed matter and all supplies, equipment and paraphernalia that may be necessary in order to properly and lawfully conduct the election.

SECTION 6. Notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 7. The City Council hereby directs the City Attorney to prepare an impartial analysis of the measure in accordance with section 9280 of the California Elections Code, showing the effect of the measure on existing law and the operation of the measure.

SECTION 8. Written arguments for or against the measure may be filed with the City Clerk pursuant to section 9282 of the California Elections Code. Rebuttal arguments may be submitted as provided for in section 9285 of the California Elections Code.

SECTION 8. As the City of Davis requests the consolidation of election services from Yolo County, the dates for submittal of impartial analysis, written arguments and rebuttals have been determined by the Yolo County Elections Department as follows:

1. City Attorney Impartial Analysis Due February 24, 2022
2. Arguments for or against the measure Due March 11, 2022
3. Rebuttal Arguments..... Due March 21, 2022

SECTION 9. Pursuant to the provisions set forth in Section 41.01.050 of the Davis Municipal Code, any direct or indirect costs to the City of Davis caused by the election mandated by the “Citizens’ Right to Vote on Future Use of Open Space and Agricultural Lands” shall be borne by the Davis Innovation & Sustainability Campus applicant.

PASSED AND ADOPTED by the City Council of the City of Davis on this 1st day of February, 2022, by the following vote:

AYES:

NOES:

Gloria J. Partida
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk

RESOLUTION NO. 22-xxx, SERIES 2022

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DAVIS REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF YOLO TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION TO BE HELD ON JUNE 7, 2022, WITH THE STATEWIDE DIRECT PRIMARY ELECTION TO BE HELD ON THAT DATE PURSUANT TO §10403 OF THE ELECTIONS CODE

WHEREAS, the City Council of the City of Davis called a Special Municipal Election to be held on June 7, 2022, for the purpose of submitting a ballot measure for consideration by the voters; and

WHEREAS, it is desirable that the Special Municipal Election be consolidated with the Statewide Direct Primary Election to be held on the same date and that within the city the polling places and election officers of the two elections be the same, and that the Election Department of the County of Yolo canvass the returns of the Special Municipal Election and that the election be held in all respects as if there were only one election; and

WHEREAS, Elections Code section 10002 authorizes the City Council to request by resolution that the Board of Supervisors approve the election consolidation and authorize the County Elections Official to conduct specified election services.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Davis does hereby approve as follows:

SECTION 1. Pursuant to the requirements of §10403 of the California Elections Code, the Board of Supervisors of the County of Yolo is hereby requested to consent and agree to the consolidation of a Special Municipal Election with the Statewide Direct Primary Election on Tuesday, June 7, 2022, for the purpose of submitting the following question to the voters:

Shall Resolution 22-___ be adopted to approve a mixed-use innovation center with lab and research facilities, offices, market-rate and affordable housing, hotel/conference center, parks, and community sports fields, by amending the City of Davis General Plan to change land use designations for the Davis Innovation & Sustainability Campus 2022 (DiSC 2022) and Mace Triangle properties from Agriculture and Public/Quasi-Public to Innovation Center, Urban Agriculture Transition Area, General Commercial and Public/Semi-Public, and establishing Baseline Project Features?	YES	
	NO	

SECTION 2. The County Election Department is authorized to take all necessary steps to hold a consolidated election and canvass the returns of the Special Municipal Election. The election shall be held in all respects as if there were only one election, and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide election.

SECTION 6. The City of Davis shall reimburse the County of Yolo for all costs and expenses incurred by the County in conducting said election upon presentation of a bill to the City.

PASSED AND ADOPTED by the City Council of the City of Davis on this 1st day of February, 2022, by the following vote:

AYES:

NOES:

ATTEST:

Gloria J. Partida
Mayor

Zoe S. Mirabile, CMC
City Clerk

MEMORANDUM

Date: January 24, 2022
To: Sherri Metzker and Ash Feeney, City of Davis
From: Greg Behrens, AICP, Fehr & Peers
Subject: *DiSC 2022 CEQA Addendum Transportation Mitigation Measures*

This memorandum summarizes the transportation mitigation measures identified in the DiSC 2022 CEQA Addendum (City of Davis, December 2021). This memorandum does not address transportation-related elements of the project description, the project baseline features, or the development agreement.

The DiSC 2022 CEQA Addendum (and the preceding Aggie Research Campus SEIR) describes the transportation impacts that would result from the implementation of the project. Mitigation measures were identified in instances where impacts were found to be significant. Mitigation measures would range from the construction of physical improvements to the surrounding transportation system to the implementation of strategies that would reduce vehicle travel to and from the project site.

Figure 1 illustrates the location of the physical improvements to the surrounding transportation system that would be implemented by the project, pursuant to the transportation mitigation measures identified in the CEQA Addendum. Mitigation measures that involve physical improvements would be implemented in one of three ways:

1. The project would construct improvements prior to the issuance of the first certificate of occupancy for the project;
2. The project would contribute fair share funding towards improvements prior to the issuance of the first certificate of occupancy for the project; or
3. The project would either construct or contribute fair share funding towards improvements prior to the issuance of the first certificate of occupancy for each project phase, as determined by a focused transportation study prepared by the project prior to each project phase (including the first phase). The study would evaluate the anticipated transportation system effects associated with the phase under review and the necessary transportation system improvements to ameliorate those effects in accordance with the methods and significance thresholds used in the CEQA Addendum. The improvements would be required to satisfy specific performance measures identified in the CEQA Addendum related to multi-modal traffic operations and safety. It is important to note that the improvements in this category are presented in the CEQA Addendum as potential improvements that would satisfy the multi-modal traffic operations and safety performance measures (refer to Mitigation Measures 3-70(a) and 3-75(c) in the CEQA Addendum for additional details). Thus, these improvements are subject to change based on the outcome of each focused transportation study and the transportation circumstances/needs at the time of each project phase. Additionally, these improvements are subject to review and approval by the City of Davis and other relevant transportation system owner/operators (e.g., Yolo County, Caltrans, etc.).

The CEQA Addendum identifies multiple transportation mitigation measures beyond those related to physical improvements, including the following:

- Mitigation Measure 3-72(a) requires the project to prepare and implement a Transportation Demand Management (TDM) Plan to reduce vehicle travel to and from the project site in accordance with specific vehicle miles traveled (VMT) and average vehicle ridership (AVR) targets identified in the CEQA Addendum. This mitigation measure includes annual monitoring and reporting requirements. If the project fails to meet the VMT and AVR targets, the project would first be required to implement additional actions ranging from the implementation of more aggressive TDM strategies to the payment of a penalty fee to the City of Davis to fund multi-modal traffic operations and safety improvements within the project site vicinity.
- Mitigation Measure 3-74 requires the project to prepare and implement a Construction Traffic Control Plan to address adverse transportation effects associated with project construction activities.
- Mitigation Measure 3-75(c) requires the project to fund and complete a Mace Boulevard Corridor Plan prior to the approval of the first tentative subdivision map. This plan would identify multi-modal traffic operations and safety improvements along the Mace Boulevard corridor between Harper Junior High School and Cowell Boulevard. The recommendations in this plan would inform the improvements implemented as part of item #3 described above.



Note: This figure only includes mitigation measures that would entail physical modifications to the transportation system.

- 1 Add a second northbound lane on Mace Boulevard between Second Street and Harper Junior High School (MM 3-70(a))
- 2 Improve bicycle facilities on Mace Boulevard (MM 3-75(c))
- 3 Add a second southbound lane on Mace Boulevard between Alhambra Drive and Harper Junior High School (MM 3-70(a))
- 4 Construct a Class I shared-use path on the inside of the Mace Curve (MM 3-75(a))
- 5 Construct a grade-separated bicycle/pedestrian crossing of Mace Boulevard (MM 3-75(c))
- 6 Improve bicycle facilities on Alhambra Drive (MM 3-75(c))
- 7 Improve bicycle/pedestrian crossings at Mace Boulevard/Alhambra Drive (MM 3-75(c))
- 8 Enhance northbound and southbound bus stops on Mace Boulevard (MM 3-76(a))
- 9 Improve bicycle facilities on Second Street and County Road 32A (MM 3-75(c))
- 10 Improve bicycle/pedestrian crossings and modify intersection approaches at Mace Boulevard/Second Street/County Road 32A (MMs 3-70(a) 3-75(c))
- 11 Install traffic signal and modify intersection approaches at County Road 32A/Mace Park-and-Ride/West DiSC 2022 Driveway (MM 3-70(a))
- 12 Improve pedestrian facilities and landscaping on Mace Park-and-Ride access road (MM 3-75(a))
- 13 Add a third southbound lane on Mace Boulevard from Second Street to the I-80 WB on-ramp (MM 3-70(a))
- 14 Extend the third northbound lane on Mace Boulevard from the I-80 WB off-ramp to Second Street (MM 3-70(a))
- 15 Improve bicycle/pedestrian crossings and modify intersection approaches at Mace Boulevard/I-80 WB ramps (MMs 3-70(a) 3-75(c))
- 16 Improve bicycle/pedestrian crossings at Mace Boulevard/I-80 EB ramps (MM 3-75(c))
- 17 Improve bicycle facilities on Chiles Road (MM 3-75(c))
- 18 Modify traffic signal operations at Chiles Road/I-80 EB off-ramp (MM 3-70(a))
- 19 Improve bicycle/pedestrian crossings and modify traffic signal operations at Mace Boulevard/Chiles Road (MMs 3-70(a) 3-75(c))
- 20 Improve UPRR crossing of County Road 32A (MMs 3-70(a) 3-75(b))
- 21 Widen County Road 32A between County Road 105 and the causeway shared-use path and install Class II bike lanes (MM 3-75(b))
- 22 Increase capacity at I-80/County Road 32A/Chiles Road interchange (MM 3-70(a))
- 23 Improve eastbound bicycle crossing between County Road 32A and the causeway shared-use path (MM 3-75(b))

Implementation Process

- Improvements would be constructed by the DiSC 2022 project
- Improvements would receive a fair share funding contribution from the DiSC 2022 project
- Improvements would either be constructed by or receive fair share funding from the DiSC 2022 project. The precise nature, timing, and implementing/funding responsibility of these improvements would be subject to change based on the needs identified in transportation studies prepared prior to each DiSC 2022 project development phase.

Figure 1

DiSC 2022 CEQA Addendum Transportation Mitigation Measures

