

COMMUNITY DEVELOPMENT DEPARTMENT

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HOUSING POLICY
DEVELOPMENT, HCD

OCT 09 2007

September 27, 2007

State Clearinghouse
P.O. Box 3044
Sacramento, CA 95812-3044

Subject: City of Davis General Plan Annual Report, Fiscal Year 2006 - 2007

State Clearinghouse:

This is to submit the City of Davis General Plan Annual Report pursuant to Government Code Section 65400. This report covers fiscal year 2006-2007 from July 1, 2006 through June 30, 2007.

The City of Davis City Council reviewed and accepted the progress report on September 26, 2007.

Should you have any questions, please contact Bob Wolcott in my office or me at (530) 757-5610.

Sincerely,

Katherine Hess, AICP
Community Development Director

Copy to:

Housing and Community Development Department, Housing Policy Department, 1800 Third Street, Sacramento, CA 95811-6942

Last Updates of General Plan and Housing Element
The last comprehensive update to the General Plan was adopted by City Council in May, 2001.

1. Last Updates of General Plan and Housing Element.
2. Current Housing Element Update.
3. Housing Element Reporting Requirements.
4. Amendments to the General Plan.
5. Construction Activity.
6. Other Implementation Activities.

Contents of This Annual Report
This report is prepared for the fiscal year from July 1, 2006 through June 30, 2007, and contains the following sections:

Purpose of Annual Report
Section 65400 of the State of California Government Code requires the planning agency of cities to provide an annual report to their legislative body, OPR, and HCD on the status of the plan and progress in its implementation. The intent of the annual report is to provide the local legislative body (that is, City Council) information regarding the implementation of the General Plan. The annual report is intended to provide enough information to identify "course adjustments" or modifications to the General Plan, if necessary.

- Recommendation
1. Accept this annual progress report required by State of California.
 2. Direct staff to forward the report to the Governor's Office of Planning and Research (OPR) and the State Department of Housing and Community Development (HCD).

SUBJECT: General Plan Annual Progress Report For Fiscal Year 2006 – 2007

FROM: Katherine Hess, Community Development Director
Bob Wolcott, Principal Planner
Danielle Foster, Housing Programs Manager

TO: City Council

September 14, 2007

Staff Report

Meeting Date:
September 25, 2007



On July 20, 2004, the City Council of the City of Davis adopted the Draft Housing Element for the period of 2000 – 2007. The Element was certified as adequate by HCD.

Current Housing Element Update

In December 2006, the Davis City Council initiated a Housing Element update. The update is to focus on the city's next Regional Housing Needs Allocation (RHNA). Preliminary numbers have been received from the Sacramento Area Council of Governments (SACOG). The allocation is for the 7 ½ year period from January 2006 through June 2013. General Plan elements to be updated include Housing, Land Use and perhaps other elements.

The update is making every attempt to comply with the required schedule for Housing Element updates in the SACOG region. By March 2008, the Housing Element is expected to be submitted to the State Housing and Community Development Department (HCD) to allow for certification within 90 days, or June 30, 2008. The Housing Element shall contain the information and analyses required under State law.

The City Council established the following mission, policy direction and assumptions for the update. The mission of the Steering Committee is to guide the development of a 2013 General Plan / Housing Element update and make recommendations to Planning Commission and City Council. The initial policy direction and assumptions included:

- The update shall not be a major overhaul or new plan. Focus on Housing Element update.
- Accommodate the City's new Regional Housing Needs Allocation (RHNA) from SACOG for the period of January 2006 through June 2013. Make every reasonable attempt to comply with the required schedule for Housing Element updates in the region, to allow for certification by June 30, 2008.
- Consider both infill and targeted peripheral development to accommodate the future housing need and RHNA allocation. Consider SACOG Blueprint project "smart growth" principles in developing, evaluating and recommending alternatives.
- Maintain the City's housing and growth related programs and policies, including affordable housing requirements and the one percent growth guideline resolution adopted by Council.

In February 2007, City Council appointed a 15-member steering body to carry out the update process. The overall process leads to certification of the Housing Element by the State in June 2008 but the Steering Committee's work may be completed by February – March 2008.

Through October 2007, the Steering Committee has evaluated the housing potential of both infill and peripheral sites in terms of criteria identified by the Committee and the community. In November, 2007, the Steering Committee expects to obtain community feedback on a preliminary "package" of sites to accommodate the RHNA allocation as well as the one percent growth guideline resolution.

Housing Element Reporting Requirements

Government Code Section 65400 mandates that cities include in their annual report the progress in meeting its share of regional housing needs and local efforts to remove governmental constraints to the development of housing (as defined in Government Code Sections 65583 (c)(3) and 66584). The City of Davis has submitted consistent reports to the State's Housing and

Community Development Department regarding its annual construction of housing to meets regional housing needs. The City of Davis has local inclusionary housing requirements in new housing developments, but does provide the projects with density bonuses and other incentives to offset the inclusion of affordable units. Additionally, the City provides land and financing to local non-profit housing developers who produce wholly-affordable housing projects. Local funding sources available for affordable housing production include a local Housing Trust Fund, and a Redevelopment Housing Set-Aside Fund. The City of Davis is also an entitlement community for HOME and CDBG funds that are provided directly to affordable housing projects as well.

Production of affordable housing. Included below is a summary of the total number of building permits issued during this past fiscal year. Of the 102 residential units that were issued permits, the affordability and size information breakdown as follows:

Affordability	Number of Units	Assistance provided	Deed-restricted Affordable Housing?
Very-Low	32 units (including 19 extremely low)	City provided the land for the project, and funding assistance.	Yes, these units are required to be affordable in perpetuity.
Low	21 units	City provided the land for the project, and funding assistance.	Yes, these units are required to be affordable in perpetuity. Includes manager's unit for project.
Moderate	3 units	2 accessory units received expedited review. 1 ownership unit was offset by a density bonus.	One unit has deed restrictions recorded for ongoing affordability.
Above Moderate	46 units	Not applicable.	Not applicable.
Total	102 units		

Special needs populations. Many of the City's recent affordable housing projects have focused on providing housing for identified special needs groups. One-hundred and thirty-four new housing units for elderly households and people with disabilities have opened or are currently under construction.

Elderly households. Eleanor Roosevelt Circle, a 60-unit senior community, opened in January 2007. All of the apartments were built to be completely visitable and approximately twenty-percent were built with full accessibility. This apartment complex includes community gardens, a small library, an industrial-grade kitchen for community meals, and an on-site service coordinator. The housing serves seniors with incomes from extremely low levels up to moderate income. Twenty-one of the units are set-aside for seniors with physical or mental disabilities that need supportive housing that is provided by the on-site services coordinator.

People with disabilities. In addition to the twenty-one units at Eleanor Roosevelt Circle, there are forty additional units that are opening for persons with physical or mental disabilities in other affordable housing projects. The first twenty-one are being provided through a newly renovated affordable housing project called Homestead. This renovation was completed through the partnership of a local housing non-profit and a local mental health services non-profit that plan to own and manage this 21-unit property together. The housing non-profit will manage the project and oversee maintenance and asset management, with the services non-profit providing supportive services to the special needs residents.

Additionally, a 53-unit affordable housing project currently being completed near downtown Davis will also include nineteen one-bedroom units for persons with physical or mental disabilities. Cesar Chavez Plaza's location near the downtown provides housing close to transit opportunities and the many employers that make-up the downtown businesses. This site will also have an on-site supportive services coordinator that is provided by a part-owner of the project who has had over a decade of experience in serving members of the local homeless and extremely low-income community.

Farmworkers. A few fiscal years prior, the City assisted the Yolo County Housing Authority with the renovation of migrant farmworker housing that exists on the southern edge of the city limits. Since the completion of that renovation, the housing authority has regularly seen high vacancies at this and other migrant farmworker centers within the county. Local cities and county officials agree that most of the farmworkers in this area have become year-round residents that are looking for permanent affordable housing opportunities. Associated with this change, the City of Davis has identified a pent-up demand for very-low income family housing units. The City is working with a local non-profit in planning a sixty to seventy unit affordable housing complex for families that will likely start construction within this fiscal year. Staff believes that this project will assist both farmworker households and other workforce families alike.

Emergency housing. The City of Davis continues to provide annual assistance to Davis Community Meals, a local non-profit agency that oversees a cold weather shelter during the months of November through April. The shelter, with a 10-person capacity, is often near full capacity but only has five to seven nights each year when potential clients are turned away due to a lack of space. The City plans to continue these efforts to maintain a local cold weather shelter, supplemented by its long-standing commitment and annual contributions to the countywide homeless coordination project that also provides countywide shelter housing for all Yolo County residents.

Accessibility and visitability. During Fiscal Year 2006-07, the City continued its public outreach and education regarding visitability and accessibility. In September 2006 the City Council adopted a local policy goal of providing all new single-family units at above moderate costs with features of visitability and ensuring that all new single-family low and moderate income units be first-floor accessible. Council has implemented this policy over the last fiscal year. Upcoming subdivisions including Cassel Lane, Willowbank 10, Willowcreek Commons, and the completely-affordable Fifth Street Land Trust project will include these features of visitability and accessibility. In this upcoming fiscal year the City will put into place a local

ordinance to enforce recent state bills, requiring a checklist of accessible features be offered to prospective homebuyers—at cost. Also related, the City is currently working on an update to its local Accessibility Plan, a five year plan that will identify city facilities, programs, and information that needs to be made more accessible to the entire community.

Housing needs analysis update. With the current update of the Housing Element, the City has contracted with a local firm, Bay Area Economics, to complete an updated Housing Needs Analysis for Davis. This will assist the City in the planning for future housing types needed by the community during this seven-year term.

Amendments to the General Plan During Annual Report Period

From July 1, 2006 through June 30, 2007, the City Council adopted the following amendments to the General Plan text and map:

1. Visitability and Accessibility policy. This is a text amendment to the City's Housing Element which establishes a policy for implementing visitability and accessibility standards for residential development
2. B/Third Streets visioning. This is a text and land use amendment to the City's Core Area Specific Plan which establishes the regulatory framework to guide development within the project area.

Construction Activity During Annual Report Period

In fiscal year 2006-2007, building permits were issued for 41 single family / duplex units and 61 multi-family units for a total of 102 residential units.

Building permits were issued for new commercial and industrial construction with a valuation of \$5,768,419.

Other Implementation Activities

The following other activities have been completed or initiated implement the General Plan goals and policies.

City Council two-year strategic goals for 2007-2008. City Council has focused on eight strategic goals. Specific implementation strategies for the two-year period have been developed under each of the goals.

- Maintain and improve the infrastructure.
- Achieve long-term financial stability.
- Enhance the vitality of downtown.
- Provide a mix of high-quality housing to meet community needs.
- Conserve natural resources and protect the environment.
- Ensure top quality fire, police and emergency services.
- Ensure organizational strength.
- Promote economic development.

Retail development. City Council approved a 183,000 square foot community retail project, anchored by a Target store in Mace Ranch. The City Council placed this item on the November

2006 ballot. Measure K was passed by the voters. The Council also approved a 70,000 square foot neighborhood retail project in Mace Ranch.

Downtown mixed use development. City Council approved:

- A vision plan and rezoning for the B Street and Third Street corridors for housing, office and retail uses. The plan calls for striking a balance between permitting a general increase in the intensity and flexibility of development while guiding development to be sensitive to existing context within the plan area.
- A mixed use (residential and retail/restaurant) project at the corner of Fifth and G Streets.

Other infill development. Other infill developments approved include:

- Willowbank 10, a 31 dwelling unit subdivision.
- Willowcreek Commons, a 21 dwelling unit subdivision.
- Shepherds Close, a six unit project near the downtown.
- Balboa Place, a four dwelling unit addition to an existing office building.
- A 33,500 square foot office building in South Davis.

Amendments to zoning ordinance. The City Council has adopted the following amendments to the zoning ordinance to improve implementation of goals and policies:

- Ordinance 2276 implementing a requirement for a Conditional Use Permit for additions, remodels, and new homes resulting in six or more bedrooms.
- Rezoning of the Target, Verona, and Alhambra Center sites.

UCD “West Village” neighborhood. The City continues to work with UC Davis on the development of the proposed “West Village” neighborhood to provide new housing opportunities for university students, faculty and staff. Study of the feasibility of annexation to the city is underway.

Community engagement in neighborhood plans. The City has initiated a “tools of engagement” program using funds from the Sacramento Area Council of Governments (SACOG). Citizens are being pro-actively engaged in the development of concept plans for two infill sites. Design charrettes are to be staged in Fall 2007.

Neighborhood meetings for development projects. City staff continues to conduct neighborhood meetings for development projects prior to public hearings.

Assistance to neighborhood associations. The City’s Community Partnership Coordinator continues to provide assistance to neighborhood associations in solving neighborhood problems.

Reduction of building plans review time. The Community Development Department continues to utilize third-party project reviewers and plan checkers to reduce permit processing time.

Public information. The City continues to expand the information provided on the City’s web site and local cable television channel. The Building inspection staff has recently expanded its public outreach to include extensive information on “green buildings”.

Sustainability initiative. Multiple city departments have initiated a process that involves using city staff experience and expertise to recommend actions to the City Council that will reduce the City's green house gas emissions and promote sustainability within the organization and the community.

Financial implementation. The public projects in the General Plan are financed through the City's annual budget and multi-year capital financing plan.

- Budget. The budget serves as the city's primary financial document to guide the City Council and staff through the coming fiscal year. It outlines the major priorities and projects that the city will undertake. It reflects staff time for city programs and services, contracts for maintenance and major construction projects, as well as needed materials and supplies. The final budget for the 2006-2007 fiscal year was \$116,297,113 million including all expenditures planned by the City, including those of the Redevelopment Agency and all internal service charges.
- Capital financing plan. Together, the Development Impact Fees Study and the Capital Improvement Projects Master Plan are the vehicle by which the City implements the vision, programs and projects in the General Plan.
 - The Development Impact Fees Study is the financial analysis of the cost of infrastructure requirements of new development envisioned by the City's General Plan. The study translates the costs allocable to new development into a series of fees that each unit must pay as its contribution toward meeting the additional infrastructure requirements. The study is updated annually to reflect changes in actual and projected development and infrastructure costs.
 - The Capital Improvement Projects Master Plan shows a five-year cash flow derived from the financial analysis and establishes construction priorities based on the timing of available funds. Funding for the capital financing plan derives from a number of sources including: development impact fees; Mello Roos special tax assessments; redevelopment; construction tax revenues; state and UC Davis contributions; enterprise funds; and other. Infrastructure projects include street and other transportation facilities, core area, park and recreation, public safety and open space. The City updates the five year plan annually to reflect changes in cash flow, project costs and timing.

CC: Planning Commission