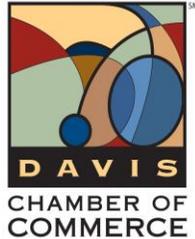


POSITION STATEMENT



City of Davis Affordable Housing Ordinance

May 22, 2013

*Unanimously adopted by the DCOC Government Relations Committee
Submitted to the City of Davis Planning Commission*

Housing Supply Position Statement

The Chamber believes it is important for city government and our community to have a robust conversation regarding housing types that are market-rate affordable and tax-payer-subsidized affordable, in the context of our new fiscal reality of smaller government and more demands on taxpayers. Additionally, it is apparent to many that we do not currently understand the real internal need for affordable housing and how it should be prioritized with other needs.

The Davis Chamber of Commerce generally supports those goals and policies of the Davis General Plan's Housing Element which promote an adequate supply of affordable ownership and rental housing for local employees, students, low income and disabled persons, and seniors (2001 General Plan Goals 6.1 and 6.2).

Specifically, the chamber supports those city standards and actions which implement these goals and policies, including:

1. Providing a range of unit sizes and a mix of housing types, densities, designs, prices and rents (General Plan Policy 1.1);
2. Creating incentive to provide local housing opportunities for local employees (General Plan Policies 1.7 and 4.2);
3. Providing a buyer's selection process for low, moderate, and middle income ownership units which gives the highest priority to households with a member of the local workforce (General Plan Policy 4.3); and
4. Encouraging a variety of housing types [including age restricted] and care choices for seniors of all income levels (General Plan Policy 1.8).

Second Units, a.k.a. accessory dwelling units and granny flats, are a valuable source of affordable housing with potential to meet a variety of housing needs.

Recommendations

1. Maintain Mix of Affordable Housing Types:

Policy decisions should be data-driven. In the absence of current data, the Chamber recommends maintaining a mixed inventory of affordable housing types, not simply “very low income”. Further, there should be diversity in the types of affordable housing available. For example, there is a large amount of apartment communities available, which should be considered market-rate affordable.

2. Data-Driven Process for Setting the Level and Use for In-Lieu Fees:

The Chamber recommends a data-driven assessment on the use of in-lieu fees be completed. In 2012, the City Council requested local developers commission an Affordable Housing Study. This study was completed by Keyser Marsten, and recommended a \$27,500 in-lieu fee, by right, for all developers. Instead of following professional advice, City staff has recommended a \$55,000 in-lieu fee and has discussed the possibility of building rental housing on City-owned parcels.

The data needed to complete an accurate assessment of how any tax dollars should be dedicated to affordable housing includes:

- Information on Davis resident and worker housing needs
- Comparison of Davis’ use of in-lieu fees to that of other communities

3. “Lockbox” for In-Lieu Fees:

The Chamber feels all in-lieu fees should be sequestered in a “lockbox” until a modern, robust, and long-term strategy for affordable housing in our community is created.

4. Counting Second Units Toward the Regional Housing Need:

Second units are a valuable source of affordable housing with potential to meet a variety of housing needs. The Chamber recommends the City consider the possibility of a “cap and trade” model. The option to buy, sell and/or trade second units to meet the affordable housing need presents some innovative possibilities for Davis to achieve greater densification while providing affordable housing opportunities.

5. Task Force:

In 2012, City Council directed staff to set up a task force to provide recommendations on the best course forward. The Chamber still believes that this is a prudent course and recommends including representatives from local businesses, builders, schools, social services and the planning commission in the development of this strategy.