

18 HOUSING

18.05.060 Rental development affordable housing standards.

A developer of multifamily rental developments containing twenty or more units shall provide, to the maximum extent feasible, at least twenty-five percent of the units affordable by low income households and at least ten percent of the units affordable by very low income households. A developer of multifamily rental 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

All requirements listed under the respective category must be adhered to and included within the project's affordable housing plan.

1. Projects with fewer than five units for rent

a. No affordability requirements

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 Section (A), 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 Section (A) below or Land Dedication detailed in Section (B), as long as the minimum amount of land is provided to make the site economically feasible.

4.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 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 non-profits, 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 non-profits 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 18.05.010-18.05.070 of the City's 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/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 at either the Social Services Commission or the Planning Commission to direct the developer to do a land dedication to meet his/her affordability requirement, may be appealed to the City Council.

(A)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.

(a)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.

1.

(b)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.

1.

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

1.

(d)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 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.

1.

(e)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.

1.

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

section.

(B)Land Dedication. A developer may 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.

(a)Credit. The density of development for the purpose of calculating the acreage to be dedicated under this section shall be 20 units per net acre for multifamily residential use.

1.

(b)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.

1.

(c)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 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 one acre.

1.

(d)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.

1.

(e)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)(b) of this article.

(C)Options for Small Developments. Small developments of fifteen rental units or fewer, and totaling no greater than 38 bedrooms in the project, that are located within the Core Area 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:

(a)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 proforma (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.

(b)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. 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.

(c)In-lieu Fees. In the event that the developer cannot accommodate options (a) and (b) 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. No. 1567, § 1 (part); Ord. No. 1651, § 2; Ord. No. 1801, §; Ord. No. 2199)