

RESOLUTION NO. 05-312, SERIES 2005

RESOLUTION BY THE CITY COUNCIL OF THE CITY OF DAVIS TO AMEND THE GENERAL PLAN TEXT RELATED TO MIDDLE INCOME HOUSING AND AN INCENTIVE SYSTEM FOR THE LOCAL WORKFORCE

WHEREAS, the City Council is interested in basing future City residential growth on internal housing needs and in providing diverse housing opportunities including affordable housing; and

WHEREAS, the proposed general plan amendments include: a policy calling for affordable housing opportunities for the local workforce in the Davis area; a policy calling for a linkage between new ownership housing and the local workforce; a policy calling for housing units to be made affordable to middle income households in new ownership housing developments with 26 or more residential units; and an action calling for a lottery preference system as part of the city's buyer selection process for affordable ownership units and middle income affordable units, and to provide the highest number of lottery tickets to households with a member of the local workforce; and

WHEREAS, on March 12, 2003 the City Council reviewed an "Internal Housing Needs Analysis" report, on August 2, 2004 the Council reviewed a "Middle Income Housing Analysis - Needs and Impacts" report; and on February 8, 2005 the Council reviewed an "Implementation Program Options" section of the "Middle Income Housing Analysis" report; and

WHEREAS, on October 12, 2004 the City Council adopted a resolution which provided staff with direction on several key issues pertaining to a middle income inclusionary housing requirement and preferences in new ownership inclusionary housing including a percentage requirement for middle income housing, which units should be subject to a preference system, and which groups should be considered in a preference system; and on February 15, 2005 and March 8, 2005 the City Council addressed key remaining issues and directed staff to return with the subject amendments to the general plan and municipal code; and

WHEREAS, on November 30, 2005, the Planning Commission held a duly noticed public hearing and recommended approval to City Council of the amendments to the general plan text; and

WHEREAS, the City Council held a duly noticed public hearing on December 13, 2005, considered the amendments and the Planning Commission recommendations, approved Negative Declaration #03-05 finding that the project will not have a significant effect on the environment, and approved the amendments to the general plan text subject to the following findings:

1. The amendments are in the public interest of the city of Davis and its citizens. Providing housing opportunities for middle income households and the local workforce helps the city and school district better serve the public with vital services; helps businesses by facilitating greater employee productivity and morale; enhances recruitment and retention efforts; increases service levels; reduces traffic congestion and air pollution by people who otherwise would live outside Davis and commute longer distances to work; improves the quality of life for Davis employees by bringing them closer to their place of work.

2. The amendments are consistent with the intent and content of other policies in the general plan. The establishment of a middle income ordinance by the City of Davis is consistent with the city's general plan policies which call for: a mix of housing types that meet a variety of needs; a mix of housing types, densities, prices and rents, and designs in each new development area; and a variety of housing types that meet the housing needs of an economically and socially diverse Davis.
3. The establishment of a middle income housing ordinance by the City of Davis is consistent with the state legislature's housing goals and intent. The city of Davis is interested in providing housing which is affordable to its local workforce as well as other underserved households. A study of middle income housing needs, impacts, and options completed for the City of Davis found that the Davis housing market is not providing adequate ownership housing opportunities for middle income households. Middle income households cannot afford to purchase even the least expensive market rate housing being developed and cannot qualify for affordable housing units provided for low and moderate income households.

The city of Davis is using its vested powers to provide for the housing needs for all economic segments of the community and the local workforce in particular. Public funds for the construction of middle income affordable housing units are not available.

The City Council has considered the community goals set forth in the general plan and the economic factors related to a middle income housing requirement, including impact on development feasibility. The study of middle income housing needs, impacts and options found that the requirement for middle income units would involve reduced opportunity profits for the housing developer but would not require a construction subsidy.

The City Council has considered the potential environmental effects from the middle income ordinance project and finds that the project would not have a significant effect on the environment or a cumulatively considerable environmental effect in that the project. The project will not affect the amounts or allowable densities of residential development in the General Plan. The project would have cumulatively beneficial effect by providing housing opportunities for the local workforce. Workforce housing would reduce traffic congestion and air pollution by Davis workers who otherwise would live outside Davis and commute longer distances to work. City Council approves Negative Declaration #03-05 for this project.

The projects will not change the city's existing housing programs and requirements for very low, low and moderate income households. The project will provide greater housing opportunities for middle income households as the Davis housing market has not been providing adequate ownership housing opportunities for middle income households.

The city of Davis is attempting to provide middle income housing to support the community's growth in employment by providing employee housing, retain a balance of

jobs and housing, provide mobility, and preserve air quality. The city of Davis is attempting to avoid urban sprawl and excessive commuting.

The city of Davis is attempting to balance housing programs with agricultural land preservation programs which purchase conservation easements, including mitigation requirements for the conversion of agricultural land by urban development.

4. Upon City Council's adoption of this resolution, city staff will forward the adopted general plan amendment as information to the State Department of Housing and Community Development. City Council finds that the amendments do not necessitate the Housing Element sections to be re-certified by the State in that:
 - a. The City of Davis continues to submit its housing element for periodic review and certification by the State Department of Housing and Community Development, as required by Section 65588 of the State Government Code.
 - b. The amendments do not create a governmental constraint upon the production of housing as identified by Section 65853(a)(4) of the Government Code in that: the middle income housing requirement will provide housing opportunities for the local workforce and a greater mix of housing in general; the requirement will result in reduced opportunity profits for the housing developer but would not require a construction subsidy; the amendments will not affect the amounts or allowable densities of residential development in the city's general plan; and the middle income requirement will be imposed primarily on developments which propose a conversion from agricultural or other non-residential land in the general plan which would not affect the city's ability to meet its fair share requirements.
 - c. The City of Davis attempts to balance a wide variety of objectives related to urban growth, many of which are shared by departments of State government. These include providing a mixture of housing types and prices with sustained affordability through time and providing a link between jobs and housing to avoid over-dependence on the automobile with excessive air pollution and congested roadways.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF DAVIS DOES RESOLVE that the General Plan text be amended as shown in Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Davis this 13th day of December, 2005, by the following vote:

AYES: GREENWALD, PUNTILLO, SAYLOR, SOUZA, ASMUNDSON.

NOES: NONE.

RUTH UY ASMUNDSON, Mayor

ATTEST:

ZOE S. MIRABILE, Deputy City Clerk

Attachment: Exhibit A. Amendments to General Plan text.