5.0 GOVERNMENTAL CONSTRAINTS

The analysis of constraints on housing is an important part of the Housing Element. The Housing Element is required by state law to include an analysis of governmental and nongovernmental constraints upon the maintenance, improvement or development of housing for all income levels and for persons with disabilities, including the availability of financing, the price of land, the cost of construction and other nongovernmental constraints. The law also requires that the analysis demonstrate local efforts to remove governmental constraints that hinder the necessary level of housing development within the jurisdiction.

This section of the Housing Element looks at constraints to housing availability and affordability. The constraints on housing are divided into two parts: governmental and nongovernmental. The governmental constraints are policies, standards, requirements or actions imposed by the various levels of government upon land and housing ownership and development. The roles of federal and state agencies relative to governmental constraints are beyond the influence of local governments and are therefore not addressed in this document.

The analysis of governmental constraints in this document refers to the policies and regulations that the city applies to the approval of land use proposals. Growth management policies that may be constraints to housing, such as Measure J and the Phased Allocation Program, are discussed in detail. The governmental constraints analysis also looks at city regulations and development practices, such as permitted residential densities, the inclusionary ordinance, the building code, fees and exactions, development processing fees and development standards to determine their potential impacts on housing availability and affordability. While these regulations were adopted to protect community character, to ensure provision of affordable units, and to fund necessary community services, some may affect housing availability or affordability. Potential effects of local policies are examined further in this section. The analysis in this section includes:

5.0 Governmental Constraints

A. On Housing Production: Land Use Controls, Codes and Enforcement, On/Off-site Improvements, Fees and Exactions, Processing and Permit Procedures

B. On Persons with Disabilities: Reasonable Accommodation, Building Code, and Land Use Requirements

C. Efforts to Remove and Reduce Government and Non-governmental Constraints
5.1 Non-Governmental Constraints On Housing Production: Construction Financing, Price of Land, Cost of Construction

With the analysis of these governmental and non-governmental constraints, the City has determined that none of these constraints will have impact on the City’s ability to fulfill its Regional Housing Needs Allocation (RHNA) for the current planning period. All of the sites necessary to comply with the City’s RHNA are currently available for development. Therefore, while it is necessary for the City to assess and consider potential constraints on local housing production, these constraints will not interfere with Davis’s RHNA compliance. The City continues its efforts to balance the principles stated in Section 1 in the development of all new housing units with its intent to accommodate necessary housing production to meet local needs.

5.0 A. Governmental Constraints On Housing Production: Land Use Controls, Codes and Enforcement, On/Off-site Improvements, Fees and Exactions, Processing and Permit Procedures

Land Use Controls

The primary land use controls related to housing development in the City are discussed below. They include: General Plan, Specific Plan, Zoning Ordinance, parking standards, Planned Development zoning, Measure J, Phased Allocation, the City’s 1% Growth Policy, the Affordable Housing Ordinance, the Middle Income Ordinance, and the Visitability/Accessibility Policy.

General Plan and Density Bonus

General Plan Land Use Element policies set forth densities for a mix of all types of housing, including single-family, mobile homes, split-lots, and multifamily units. The General Plan establishes residential density ranges that, together with limits on land to be developed, define the number of housing units to be added. Projects gain credit for additional units, or density bonuses, when they either build affordable or elderly housing units or dedicate land as a provision of affordable housing units. Density bonuses are provided by allowing one additional market rate unit for each affordable or elderly unit provided on-site or through affordable land dedication by the project. With the City’s twenty-five to thirty-five percent affordable housing requirement, the permitted density of a project can increase substantially through the use of a project’s density bonus. An elderly housing project can gain even greater amounts of density bonus if the project is entirely dedicated to elderly housing. The city density bonus results in a higher possible density than the use of the state’s density bonus standards. The city’s program provides a one-to-one bonus, increasing the total allowed market-rate units and effectively lowering the required inclusionary units for that particular development. With the one-to-one density bonus, bonuses effectively go up to the thirty-five percent through the rental housing inclusionary requirement, consistent with state law. This is appropriate, as this is the type of housing that would provide the very low and extremely low income housing units that qualify for a thirty-five percent density bonus under state law. Table 46 shows the standard density ranges for low, medium and high density area.
### TABLE 46: 2001 GENERAL PLAN RESIDENTIAL DENSITIES WITH DENSITY BONUS

<table>
<thead>
<tr>
<th>Density</th>
<th>Unit</th>
<th>General Plan Densities</th>
<th>General Plan Densities with Bonus (a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Density</td>
<td>Units per Gross Acre</td>
<td>2.40-4.79</td>
<td>3.00-5.99</td>
</tr>
<tr>
<td></td>
<td>Unit per Net Acre (b)</td>
<td>2.88-5.75</td>
<td>3.60-7.19</td>
</tr>
<tr>
<td>Medium Density</td>
<td>Units per Gross Acre</td>
<td>4.80-11.20</td>
<td>6.00-13.99</td>
</tr>
<tr>
<td></td>
<td>Unit per Net Acre (b)</td>
<td>5.76-13.44</td>
<td>7.20-16.79</td>
</tr>
<tr>
<td>High Density</td>
<td>Units per Gross Acre</td>
<td>11.21-20.00</td>
<td>14.00-25.00</td>
</tr>
<tr>
<td></td>
<td>Unit per Net Acre (b)</td>
<td>13.45-24.00</td>
<td>16.80-30.00</td>
</tr>
</tbody>
</table>

**Notes:**
(a) Assumed to be 125% of normal general plan density
(b) Assumed to be 120% of gross density

The highest density permitted by the General Plan is 30 units per net acre with density bonus. Even with the 30 units per net acre density, the city encourages high quality residential construction throughout, including in the Core Area. The City’s Affordable Housing Ordinance (Municipal Code Article 18.05) specifies requirements for inclusionary housing in ownership and rental developments including density bonuses for provision of very low and low-income units. The City proposes Program Action 72, Objective a. to update the density bonus ordinance to comply with Government Code Section 65915.

In keeping with General Plan policies regarding the protection of open spaces, particularly agricultural properties, and in accordance with smart growth principles used for the region’s Blueprint project through SACOG, the City continues to promote appropriate densities that maximize opportunity for unit development and utilization of properties within the City while accounting for surrounding neighborhood character and sensitivity. During the previous planning period of 2006 to 2013 and so far in the current planning period, the City has seen increased project densities in both single family and multi-family types of development. Nearly all approved or under construction single family developments consist of medium densities in the range of 6 to 13 units per net acre (examples are Verona, Willowbank Park, and Chiles Ranch) compared to the low densities of 5 to 6 units per net acre in earlier planning periods. Approved or under construction multi-family developments are all at the upper end of the higher density range, that is 30 units per net acre (examples are Parkview at 444 Fourth Street, The Cannery, and Mission Residences).

With the trends toward increased efficiency of land and energy, the City expects that it will continue to receive and to support applications for projects at these increased densities. The City finds that these land use and density policies do not hinder the production of housing.
Specific Plan

The Specific Plan is used to further define the parameters of development within an area. The plan is always consistent with the General Plan. There are three Specific Plans in the city. They are South Davis Specific Plan, Gateway/Olive Drive Specific Plan and Core Area Specific Plan. These plans establish standards for development within the plan areas. The plans allow residential densities consistent with the General Plan, therefore, are not an impediment to availability and affordability of housing.

Zoning Ordinance

Zoning regulations control development by establishing requirements related to height, density, lot area, yard setbacks and minimum parking spaces. Site development standards are comparable to other community requirements and are necessary to ensure a quality living environment for all households and to protect the City’s historic and natural resources. The residential districts in Davis are:

- Residential One-Family District (R-1) – principally permitting single-family dwellings among others. The minimum lot area ranges from 6,000 to 15,000 square feet.
- Residential One and Two Family District (R-2) – principally permitting up to two single-family dwellings per lot, or a duplex. The minimum lot area is 6,000 square feet. The maximum height is two stories or thirty feet, and maximum lot coverage is forty percent.
- Residential One and Two Family Conservation District (R2-CD) – principally permitting up to two single-family dwellings per lot, or a duplex. The minimum lot area ranges from 5,250 to 5,625 square feet, based on the historical characteristics of the neighborhood. This zoning is used in both the Old North and Old East traditional neighborhoods in Davis.
- Core Area Residential Infill District (C-I) – principally permitting single-family dwellings, a duplex, or two-family dwellings. The minimum lot area is 5,500 square feet.
- Residential Restricted District (R-R) -- principally permitting single-family. The minimum lot area is 8,800 square feet.
- Residential One and Two-family and Mobile Home District (R2-MH) - principally permitting single-family dwellings, a duplex, or two-family dwellings. No minimum lot area is prescribed.
- Single family zoning in the City typically allows for a maximum of thirty feet or two stories in height for the primary structure, limits lot coverage to forty percent, and has minimum setbacks of 20 feet for the front yard, 20 feet for the rear yard (25 feet for second story portions), and varying side setbacks that total 12 feet with minimum side setbacks of 3 to 5
feet (10 feet per side for second story portions). Street side yards require a fifteen foot setback. Adjustments are made in zoning based on the character of varying residential neighborhoods, including historic neighborhoods or those with larger lots. Based on the history of development of single family housing types affordable to low- and moderate-income households as demonstrated in Section 4, these standards do not have a negative impact on the development of housing for lower-income households. Examples of projects that developed without the City providing flexibility in development standards are the Cesar Chavez and Cantrill Dr. Senior Housing Projects. Both of these are affordable multi-family projects; Cesar Chavez had a maximum density of 20 units per acre prior to the application of the density bonus, which allowed it to develop at a density of 24.66 dwelling units per acre and Cantrill Senior Housing was designated at 24 dwelling units per acres but developed at 25.97 dwelling units per acre. Each were developed within the City’s established development standards and without any waivers or exceptions to achieves these densities. Residential Garden Apartment District (R-3) -- principally permitting single-family dwellings, duplexes, or multiple dwellings. The minimum lot area is 7,500 square feet.

- Residential High Density Apartment District (R-HD) -- principally permitting single-family dwellings, duplexes, or multiple dwellings. The minimum lot area is 7,500 square feet.

- Residential Transitional (R-T)- The purpose of a residential transitional (R-T) district is to provide areas which will tend to separate intense commercial development from residential development. These areas are intended to contain uses which are not detrimental to other uses in the district nor to the uses in areas they separate.

- Interim Residential Conversion (R-C) - To implement policies of core area plan; to preserve and enhance the tree-shaded ambience, and older architectural styles found in the near downtown; to provide for use and retention of existing residences as dwellings or commercial ventures, or both combined; to encourage intermingling or combining of residential and commercial activities; to insure that new construction or substantial remodeling be in harmony with surrounding structures and streetscape character; to provide sufficient flexibility to encourage creative solutions in the reuse of older structures and the utilization of contemporary design in a setting of older structures.

- Central Commercial (C-C)-The purposes of the central commercial district are as follows: To implement the core area plan; to provide for an increased variety and density of commercial activities; to preserve older architectural styles where feasible, and to encourage a harmonious intermingling of other structures; to permit residential uses where feasible; to promote pedestrian use and enjoyment of the core; to provide an area of intensive commercial activity.

- Mixed Use (M-U)- The purposes of the mixed use (M-U) district are as follows: To implement the policies of the core area plan; to preserve the older architectural styles, and to
encourage a harmonious intermingling of other structures; to provide for an increased variety and intermixture of residential and commercial activities; to enhance the tree-shaded ambience, the pedestrian usage and character of the district.

Multi-family zoning in the City typically allows for a maximum of three stories or thirty-eight feet, limits lot coverage to forty percent, and has minimum setbacks of twenty to twenty-five feet for the front, twenty to twenty-five in the rear, and six to twelve minimum side yards with a total of eighteen to thirty feet. The variations in setback are based on whether the building is two or three stories. Street side yards require a fifteen foot setback. These setback requirements and height and lot coverage restrictions are significantly reduced in the High Density District, but that zoning only exists in one neighborhood of the City and is not treated as standard multi-family zoning. Standards can be modified with planned development zoning, often used in the City. Examples of projects that developed without the City providing flexibility in development standards are the Cesar Chavez and Cantrill Dr. Senior Housing Projects. Both of these are affordable multi-family projects; Cesar Chavez had a maximum density of 20 units per acre prior to the application of the density bonus, which allowed it to develop at a density of 24.66 dwelling units per acre and Cantrill Senior Housing was designated at 24 dwelling units per acres but developed at 25.97 dwelling units per acre. Each were developed within the City’s established development standards and without any waivers or exceptions to achieve these densities.

- Residential Planned Development Districts -- the city has a significant portion of its residential districts zoned as planned developments. This allows for deviations from the standards of conventional residential districts listed above. In planned development (P-D) districts, the minimum lot areas are often reduced from the minimum of the conventional district. In some city subdivisions with P-D zoning, lot sizes range from 3,500 to 15,000 square feet. Also, other zoning standards, such as building height, yard setbacks, lot width, open space, and parking requirements are reduced. The P-D district promotes and encourages innovative design, variety and flexibility in housing types that would not otherwise be allowed in conventional districts. It ensures the provision of open space as part of an overall development and provides a greater diversity in housing choices and standards based on the actual context of a project. The densities of P-D districts are required to be consistent with the General Plan.

**Parking Standards**

Parking standards vary by the number of bedrooms in the unit for both single-family and multifamily developments. The city has historically used planned development zoning to reduce the required parking for some projects or allow parking to be provided for within landscape reserves. The parking requirements of the city do not hinder the availability and affordability of housing. Often affordable multifamily projects have received parking requirement reductions. Examples of affordable housing multifamily projects with parking reductions or modified requirements include Homestead (2610 Grambling Court), Twin Pines (3333 F Street), Owendale (3023 Albany...
Avenue), Pacifico (1752 Drew Circle), Windmere I/II (3030-3100 Fifth Street), Moore Village (2444 Moore Boulevard), Cesar Chavez (1220 Olive Drive) and Tremont Green (5663 Marden Street) developments.

The multifamily conventional parking standards are as follows:

- **Studio Unit**: 1.00 space per unit
- **One Bedroom Unit**: 1.00 space per unit
- **Two-Bedroom Unit**: 1.75 space per unit
- **Three Bedroom or more Unit**: 2.00 space per unit

In general, the parking requirements under this standard do not provide adequate parking to meet current vehicle ownership standards. Instead of a typical vehicle ownership of one to two cars per household, there tend to be one vehicle per tenant in the many all-student households that occupy a majority of market rate rental housing units in Davis. The City has required alternative transportation plans in order to address this need. Additional planning has included increased bike parking and shared bicycles, proximity to and promotion of bus options, and apartment parking permit requirements.

**Provision for a Variety of Housing Types**

The City of Davis Zoning Ordinance, consistent with the General Plan, has provisions for a variety of residential use types by zoning districts. On June 25, 2013, the City of Davis City Council adopted Ordinance 2413, which defined emergency shelter, single-room occupancy (SRO) units, transitional and supportive housing, and allowed these uses in the applicable zoning districts. The adopted ordinance: 1) recognizes “transitional housing” and “supportive housing” as “residential uses” and treats them the same as other similar residential uses of the same type within the same zone; 2) identifies a zone or zones that allows emergency shelter as a permitted use and SROs as either as a permitted use or conditionally permitted use; and 3) defines emergency shelter, single-room occupancy (SRO) units, transitional and supportive housing. The purpose of the ordinance is to comply with California Senate Bill 2 that became effective January 1, 2008 and Assembly Bill 2634, effective January 1, 2007 which were addressed in the City’s 2006-2013 Housing Element Implementation Program. The uses addressed by the adopted ordinance are shown in Tables 49A and 49B below.
### TABLE 47A: PROVISIONS FOR A VARIETY OF RESIDENTIAL USE TYPES BY ZONES

<table>
<thead>
<tr>
<th>Residential Use Types</th>
<th>Zoning District</th>
<th>A</th>
<th>I</th>
<th>R-1</th>
<th>R-2</th>
<th>R2-CD</th>
<th>C-I</th>
<th>R-R</th>
<th>R-2-MH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranch/Farm dwellings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single family dwelling</td>
<td></td>
<td></td>
<td></td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
</tr>
<tr>
<td>Group care home (&lt;6 persons)</td>
<td></td>
<td></td>
<td></td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
</tr>
<tr>
<td>Group care home (&gt;6 persons)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CU</td>
<td>CU</td>
<td>CU</td>
<td>CU</td>
</tr>
<tr>
<td>Secondary dwelling units</td>
<td></td>
<td></td>
<td></td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
</tr>
<tr>
<td>Two single family dwellings ¹</td>
<td></td>
<td></td>
<td></td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td></td>
<td>PU</td>
<td></td>
</tr>
<tr>
<td>Duplex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CU</td>
<td></td>
<td></td>
<td>PU</td>
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<tr>
<td>Multiple dwellings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CU</td>
<td>CU</td>
<td>CU</td>
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</tr>
<tr>
<td>Cooperative housing*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CU</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Mobilehome park</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CU</td>
</tr>
<tr>
<td>Boarding house</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emergency Shelter</td>
<td>PU/CU³</td>
<td></td>
<td></td>
<td>CU</td>
<td>CU</td>
<td>CU</td>
<td>PU²/CU³</td>
<td>CU</td>
<td>CU</td>
</tr>
<tr>
<td>Transitional Housing</td>
<td>PU</td>
<td></td>
<td></td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
</tr>
<tr>
<td>Supportive Housing*</td>
<td>PU</td>
<td></td>
<td></td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
</tr>
<tr>
<td>Single room occupancy*</td>
<td>CU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>CU</td>
<td>CU</td>
<td></td>
</tr>
<tr>
<td>Factory-Built Housing/Mobile home*</td>
<td>PU</td>
<td></td>
<td></td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
</tr>
<tr>
<td>Farmworker housing*</td>
<td>PU</td>
<td></td>
<td></td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
<td>PU</td>
</tr>
</tbody>
</table>

¹ Refers to lots which allow two detached single family homes
² 35 or fewer beds
³ More than 35 beds
"PU" refers to Permitted Uses and “CU” refers to Conditional Uses
*These categories of housing are processed based on the type of units being proposed (single-family, multi-family, etc.). The unit type is what determines zoning that these categories could be provided within.
### TABLE 47B: PROVISIONS FOR A VARIETY OF RESIDENTIAL USE TYPES BY ZONES

<table>
<thead>
<tr>
<th>Residential Use Type</th>
<th>Zoning District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R-3</td>
</tr>
<tr>
<td>Ranch/Farm dwellings</td>
<td></td>
</tr>
<tr>
<td>Single family dwelling</td>
<td>PU</td>
</tr>
<tr>
<td>Group care home (&lt;6 persons)</td>
<td>PU</td>
</tr>
<tr>
<td>Group care home (&gt;6 persons)</td>
<td>CU</td>
</tr>
<tr>
<td>Secondary dwelling units</td>
<td>PU</td>
</tr>
<tr>
<td>Two single family dwellings 1</td>
<td></td>
</tr>
<tr>
<td>Duplex</td>
<td>PU</td>
</tr>
<tr>
<td>Multiple dwellings</td>
<td>PU</td>
</tr>
<tr>
<td>Cooperative housing*</td>
<td>PU</td>
</tr>
<tr>
<td>Mobilehome park</td>
<td></td>
</tr>
<tr>
<td>Boarding house</td>
<td>CU</td>
</tr>
<tr>
<td>Emergency Shelter</td>
<td>CU</td>
</tr>
<tr>
<td>Transitional Housing</td>
<td>PU</td>
</tr>
<tr>
<td>Supportive Housing*</td>
<td>PU</td>
</tr>
<tr>
<td>Single room occupancy*</td>
<td>CU</td>
</tr>
<tr>
<td>Factory-Built Housing/Mobile home*</td>
<td></td>
</tr>
<tr>
<td>Farmworker housing*</td>
<td></td>
</tr>
</tbody>
</table>

1. Refers to lots which allow two detached single family homes
2. "PU" refers to Permitted Uses and "CU" refers to Conditional Uses
3. These categories of housing are processed based on the type of units being proposed (single-family, multi-family, etc.). The unit type is what determines zoning that these categories could be provided within.
Emergency Shelters. As discussed in Section 3, the homeless count method includes persons in transitional housing and shelters at the time of the survey so the actual count of unsheltered homeless persons was 33 persons. The existing Fifth Street shelter has capacity for 10 persons and a local interfaith rotating shelter has capacity for 25 persons or greater at some shelter locations. The City also contributes to a Countywide Homeless Coordination contract that includes a subcontract for cold weather shelter at Third and Hope (formerly the Yolo Wayfarer Center). Third and Hope provides an additional 73 beds to homeless individuals throughout the county.

Emergency shelters with 35 beds or fewer are allowed by right in the Core Area Infill (C-I) and Industrial (I) districts. Emergency shelters with more than 35 beds are conditionally allowed in the C-I and I districts. All emergency shelters are required to comply with the performance standards found in Zoning Ordinance Article 40.24. The review and approval of a conditional use permit (CUP) takes from four to eight weeks. Requests for CUPs by shelters are not treated any differently from other CUP applications processed. The process involves the filing of a complete application, the staff review and report writing for the Planning Commission review, and determination on the application. Decisions of the Planning Commission may be appealed to the City Council. Thus far, CUPs for current and former locations of the Davis Community Meals shelter were approved in the Core Residential Infill, Mixed Use, and Residential Garden Apartments zoning districts.

Additionally, the City processed temporary use permits the past five cold weather seasons for a cold weather shelter that rotates amongst local churches located within a variety of zoning districts. And in 2012, the City processed a conditional use permit for the rotating shelter that allows for shelter of 25 to 50 persons, depending on location, during cold weather months. Approval of this conditional use permit results in the Interfaith Rotating Winter Shelter no longer needing annual city planning approval prior to opening.

Lastly, the City has existing conditional use permits on two shelters within residential districts that have been in place for more than fifteen years. CUPs within the City are valid for as long as the use is in place and for up to six months after it vacates a site, if assumed by another user.

The city has approved all of the conditional use permit applications submitted for emergency shelters. Conditions of approval placed on the use permits have required neighborhood notice of changes in operations and policies to reduce loitering and inappropriate behavior within the neighborhood, and measures to ensure that the premises are well maintained.

The typical conditions of approval that the City places on most CUP applications include the following:

- Obtaining building permit prior to occupancy.
- Ensuring that the developed project is in substantial compliance with the approved plans.
- Determining the use will not constitute a nuisance and be detrimental to adjacent properties.
• Other site/project-specific conditions may apply to address issues raised due to the project, such as adequate on-site parking, open space, and landscaping being provided.

All CUP applications are reviewed subject to the standard of the city Zoning Ordinance, which states:

40.30.030 Considerations in issuing. In considering an application for a conditional use or nonconforming use, the planning commission or city council shall give due regard to the nature and condition of the proposed or existing use and all adjacent uses and structures. The planning commission or city council may deny an application for a conditional use. In authorizing a conditional use, the planning commission or city council may impose such requirements and conditions with respect to location, construction, maintenance and operation, in addition to those expressly stipulated in this chapter for the particular use, as the planning commission or city council may deem necessary for the protection of adjacent properties and the public interest.

40.30.080 Issuance.

(a) The planning commission or city council shall issue a conditional use permit provided the planning commission or city council is satisfied that the proposed structure or use conforms to the requirements and intent of this chapter and the city master plan, that any additional conditions and requirements stipulated by the planning commission or city council have been or will be met, and that such use will not, under the circumstances of the particular case, constitute a nuisance or be detrimental to the public welfare of the community.

(b) The planning and building director shall ensure that the development and use is undertaken and completed in compliance with such permit.

Vacant and Underutilized Industrial Properties. There is over 75 acres of vacant and underutilized space that could be utilized through the Industrial zoning change to permit emergency shelter. Most likely, a smaller parcel could accommodate emergency shelter needs. With smaller parcels ranging from 0.80 acres to 1.02 acres, buildable space would result in being about 0.60 to 0.82 acres or approximately 26,000 to 35,000 building square feet that could be developed. The buildable square footage could be doubled or tripled by adding a second and/or third story.

According to a local shelter provider, Davis Community Meals, four beds are typically provided within approximately 120 square feet of bedroom space. Based on this information, staff has determined that adequate space for one shelter bed is approximately 30 square feet, with some additional space needed for common areas. In a 26,000 square foot building, there is ample space to address the 2013 identified 23 bed-gap in local shelter needs, which would require approximately 1,050 square feet. There would be more than enough space for these beds and necessary common areas. Thus, even the smaller sites within the Industrial zoning district demonstrate adequate space in which an emergency shelter could be built if needed. With this capacity in the zoning district, the
emergency beds and transitional units already provided in the City, and the City’s participation in the countywide contract with the Fourth and Hope (formerly the Yolo Wayfarer Center) in Woodland for its provision of emergency shelter on a countywide basis, ability to address local shelter housing needs is demonstrated.

**Transitional Housing.** Transitional housing is a residential use, permitted in any residential district, subject to the same development standards of the residential districts.

Davis Community Meals currently has fifteen transitional housing units in single-family and multifamily zoned areas. The majority were allowed by right with no city planning review, aside from the main shelter and resource center that combines transitional and emergency housing with a semi-public office use. This conditional use permit was processed and approved in the early 1990s and remains in place as long as the use is present and/or if it was assumed within six months of being vacated.

In recent cold weather seasons, the City also received a temporary use permit application for an interfaith rotating shelter group consisting of six host congregations and a seventh site for intake, working together and proposing to provide emergency shelter in a rotating manner at each site for up to one week at a time during the nights from late November to mid-March. This permit was processed with community outreach, including neighborhood meetings, and was approved with conditions attached related to fire and building code requirements. At the city’s expense, this permit has since been processed as a conditional use permit that no longer requires annual city review. Now the rotating shelter can continue annually under its conditional use permit.

**Supportive Housing.** Supportive housing has been added as a permitted use in all residential zoning districts. Single-family homes have been used as supportive housing units, typically with six or fewer residents. Larger supportive housing has been developed within multifamily housing complexes either as a portion of the units or with services to the entire complex. Supportive housing on this larger scale in multi-family housing does not require any additional planning approvals than what is required of a multi-family housing application without supportive services. To clarify where supportive housing is allowed, the City amended its Zoning Ordinance to include a definition of “supportive housing” in accordance with state law.

**Single-Room Occupancies.** Single-room occupancy (SRO) units projects are conditionally permitted in the Core Area Infill (C-I), Residential Restricted (R-R), Residential High Density Apartment (R-HD), Residential Transitional (R-T), Interim Residential Conversion (RC), Central Commercial (C-C), Mixed Use (M-U), and all planned development zones of a similar nature. Lower parking requirements within the City Zoning Ordinance promote smaller units, including SROs.

**Second Units.** Chapter 1062, Statues of 2002 (Assembly Bill (AB) 1866), effective July 2003, requires local governments to use a ministerial process for considering second-unit applications for the purpose of facilitating production of affordable housing. AB 1866 does allow cities to establish development standards for second units addressing issues such as building size, parking, height,
setbacks, and lot coverage. Consistent with California Government Code 65852.2, the City has amended its second-unit ordinance and permitting process to allow approval of second-dwelling units through a ministerial review process in areas that are zoned for single-family dwellings. Approvals are over-the-counter for smaller second units. As described in Section 4, Davis’s Zoning Ordinance allows for two types of second units: ministerial and discretionary. Ministerial second units must conform to the primary dwelling unit’s setbacks; if detached be greater than 15 feet in height and be no larger than 500 square feet, including a maximum of 325 square feet of new living space (325 square foot maximum for detached unit); adhere to lot coverage and floor area ratio standards of the base zone; provide one parking space, covered or uncovered, per bedroom; and the units can be either renter- or owner-occupied.

Discretionary second units are those that are larger than the maximum allowed for a ministerial unit or if the second unit conflicts with other planning conditions related to lot coverage and floor area ratio maximums for the lot. The City is committed to processing permits for larger second units within four to eight weeks. Permit approval is subject to a planning staff level review of the plan and building plans to ensure compliance with height restrictions, setbacks, maximum floor area, and parking requirements. Building plans are then processed for building permit issuance. Although outreach was completed with the code amendments that allowed for administrative processing of smaller second units, the city plans to provide additional education to the public on what is permitted for developing a second unit. Promoting the construction of second units has been of interest to local commissions and is currently being considered by the City Council.

These standards are all within those allowed by AB 1866 and are established to ensure the City’s character and quality of life is preserved. Additionally, the City’s development standards and processing procedures for second units do not constrain their development as demonstrated by the historical trends discussed in Section 4. There has been a consistent number of applications and development of second dwelling units in the last 10 years. The City is also taking steps to continue incorporating second units in the initial planning of a project, by including second units as part of the initial project approvals. Planning for second units during project design ensures adequate planning, financing, and actual construction of these units.

**Housing for Farmworkers.** While there is no housing type specifically designated for farmworkers, Davis’ Zoning Ordinance offers a wide range of housing types that help to address the housing need of agricultural workers. Such housing types include: multifamily, single-room occupancy, manufactured housing and second units. In addition, the City allows employee housing, including housing for farmworkers, consistent with Health and Safety Code Section (HSC) 17021.5 and 17021.6. These sections declare that no conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that serves six or fewer employees as long as it is not required of a family dwelling of the same type in the same zone. In addition to a variety of permanent housing opportunities at both affordable and market rates, the City of Davis works with Yolo County to accommodate seasonal agricultural workers at the Davis Migrant Center just south of city limits (please refer to Section 3).
**CONSTRAINTS TO HOUSING PRODUCTION**

*Factory-Built Housing and Mobile Homes:* Factory-built homes are permitted in any residential district where single-family units are permitted, and are subject to the same zoning requirements and planning application processes as single-family residential houses. Existing single family lots would not trigger planning review aside from an administrative plot plan check, even if developed with factory-built housing, as long as they met the standards of Section 40.26.380 of the Zoning Ordinance. This section states the standard residential development standards, requires a permanent foundation (as required by state law), and includes neighborhood design consistency. A new subdivision that provided new lots and units would be subject to planning application, regardless of the type of housing being provided. Mobile homes are specifically allowed under the R-2-MH zoning district in city zoning. The flexibility built into the city’s zoning allows for the provision of housing to all income levels. The zoning standards are necessary to ensure appropriate quality of life and the compatibility of new development within existing neighborhoods.

**Planned Developments**

**Summary.** The stated purpose of the planned development district in the city’s Zoning Ordinance

> “is to allow diversification in the relationship of various buildings, structures and open spaces in order to be relieved from the rigid standards of conventional zoning. A planned development district shall comply with the regulations and provisions of the general plan and any applicable specific plan and shall provide adequate standards to promote the public health, safety and general welfare without unduly inhibiting the advantages of modern building techniques and planning for residential, commercial or industrial purposes. The criteria upon which planned development districts shall be judged and approved will include the development of sound housing for persons of low, moderate and high income levels, residential developments which provide a mix of housing styles and costs, creative approaches in the development of land, more efficient and desirable use of open area, variety in the physical development pattern of the city and utilization of advances in technology which are innovative to land development.”

Below is excerpt of the Zoning Ordinance procedure for applying for the P-D district.

a) Application for a planned development district (hereinafter sometimes referred to as P-D) shall be submitted as two separate applications as provided in this article. Such applications are described as the preliminary application and the final application. Except as otherwise provided in this article, an application for a P-D zone shall be treated as any other amendment to this chapter.

b) When an application for a planned development district is initiated by the city council and/or the planning commission, the following criteria shall apply:

1) The processing of zoning amendments by the city council and/or planning commission shall be treated as if the application has been filed with the planning department by the property owner.
2) The preliminary development plan shall designate land use classifications, development densities and street circulation patterns. Other data required for a preliminary application hereinafter described may be included. Such data normally will be developed in cooperation with the landowner.

3) No fee shall be charged for applications initiated by the city council or planning commission.

According to the Zoning Ordinance, “all uses in a P-D district shall conform to the height, area, lot and yard, parking, loading, and other standards normally required for such uses, except where the total development will be improved by deviation from these standards and such deviations are identified as previously set forth herein.”

**Consideration of Impacts.** The P-D zoning does not hinder the production of housing. It allows for creative ways to provide housing that would otherwise not be provided under conventional zoning standards. The city has effectively utilized this provision to integrate housing on difficult sites that might not even be possible in cities with more rigid zoning provisions. The General Plan established densities for various residential types apply to the planned development district. Also, as Table 46 shows, the High Density Residential designation in the General Plan can accommodate densities of up to 24 units per net acre exclusive of density bonus. The General Plan densities apply to all P-D districts. Ordinarily, the effect of the P-D zoning is to increase the variety and feasibility of development through reduction in setbacks, flexibility in parking requirements, and similar project benefits.

**Entitlement Conditions**

The required entitlement applications for the development of residential and commercial land are usually subject to conditions. These conditions of approval are in place to protect community character, or ensure privacy of adjacent neighbors, or for health and safety reasons, or environmental protection, among other reasons. The conditions of approval are usually acceptable to the project proponents. Thus, the conditions of approval are necessary and not believed to impede the availability and affordability of housing.

**Measure J Ordinance (also known as Measure R, Ordinance No. 2350)**

**Summary.** Ordinance 2350 extends the life of Measure J (Ordinance No. 2008) from June 2010 to December 2020. Measure R is the same as Measure J with the exception of the life of the measure that is extended. The discussion below refers to them interchangeably.

The purpose of the Measure J Ordinance (Ordinance No. 2008) was “to establish 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 internal City needs, by providing the people of the City of Davis the right to vote, without having to evoke referenda, on general plan land use map amendments that would convert any agricultural, open space, or urban
reserves lands, as designated on the Land Use Map of the City of Davis General Plan, dated August 1, 1999, to an urban or urban reserve land use designation and on any development proposal on the Covell Center or Nishi properties.

The purpose of this Article is to ensure that the purposes and principles set forth in the City of Davis General Plan relating to voter approval, land use, affordable housing, open space, agricultural preservation and conservation are fully considered by establishing an expanded land use entitlement process for proposed conversion of properties to urban use that are designated or in agricultural or open space use. This action recognizes that continued conversion of agricultural lands to meet urban needs is neither inevitable nor necessary, and that any land use decision affecting such properties shall be subject to a public vote."

The only dissimilarity with a Measure J type project as compared to a similar project prior to Measure J adoption is the required voter approval. The normal entitlement applications review processes are done similarly for a Measure J and a pre-Measure J project, depending on the types of applications involved. A copy of the Measure J Ordinance can be found on the City’s website at the following weblink: http://qcode.us/codes/davis/ under “Article 41.01 CITIZENS' RIGHT TO VOTE ON FUTURE USE OF OPEN SPACE AND AGRICULTURAL LANDS.” The level of detail required for project exhibits and plans is identified in Section 40.22.060 of the City’s Zoning Ordinance for any planned development zoning application. This information is available at: http://cityofdavis.org/municipal-code.

The General Plan and Zoning Ordinance prescribe policies and standards that apply to new residential projects. New residential projects must identify basic features meeting these requirements, such as neighborhood greenbelt, minimum open space, recreational facility (i.e., park land dedication), infrastructure standards, affordable housing, and a host of other features. A Measure J project also will be expected to show how these features will be met or addressed consistent with the city policies and codes just as would be the situation prior to the measure. There are also components that must be adequately identified for a valid analysis of the potential impacts of a project under the California Environmental Quality Act (CEQA) (see CEQA Guidelines Section 15124).

Historically, developers propose a phasing plan that works for their project. A proposed residential development phasing plan is analyzed by the City using a number of factors prior to approval. Some factors that affect City decisions on a phasing plan include project size, economic viability of the project based on the phasing plan, identified City housing needs, outstanding allocations, and the City’s ability to meet its Regional Housing Need Allocation (RHNA). Most large subdivisions in the City have phasing plans, which in some cases were made part of the development agreement between the developer and the City. Measure J does not change this process. The Phased Allocation Plan establishes the policy that project buildout would be allowed within the general plan period or some other reasonable period. Previous projects were approved with buildout of three to four years (Evergreen subdivision), to eight to ten years (Mace Ranch subdivision). The process for reviewing
of a developer proposed phasing plan remains the same notwithstanding Measure J, which provides the right of citizen participation in land use decision through voting.

The basis for the statement that Measure J encourages infill can be found in the stated purpose of Measure J. The goal of Measure J is “to establish 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 internal city needs, by providing the people of the City of Davis the right to vote, without having to evoke referenda, on general plan land use map amendments that would convert any agricultural, open space, or urban reserve lands, as designated on the Land Use Map of the City of Davis General Plan, dated August 1, 1999, to an urban or urban reserve land use designation and on any development proposal on the Covell Center or Nishi properties.” The conversion of any agricultural, open space, or urban reserve lands as designated on the Land Use Map of the City of Davis General Plan is what Measure J would impact.

Measure J requirements exempt units needed to meet the Regional Housing Needs Allocation. The measure explicitly provides opportunity for five acres to be designated in the Land Use Element of the General Plan for residential development, or more if the City cannot meet its RHNA. Given that the city will meet its fair share allocation there is no expectation in the law for the city to document how the five acres would be designated. The methodology for designating the sites would depend on a number of factors, which include the type of housing needed to meet the allocation.

Measure J permits project modifications to occur as a project is developed. Section 41.01.020(c) of Measure J reads:

“Once the voters have approved a land use map designation or land use entitlement for a property, additional voter approval shall not be required for:

(1) Subsequent entitlement requests that are consistent with the overall approved development project or land use designation and entitlements including the baseline project features and required provision of open space, recreational amenities, design features and public facilities, as specified in the exhibits and plans approved by the voters.

(2) Any requested modification to a land use designation or development project entitlement that does not increase the number of permitted dwellings or units or the intensity of commercial/industrial development and does not significantly modify or reduce the baseline project features and required provision of open space, recreational amenities, design features and public facilities, as specified in the exhibits and plans approved by the voters.”

Measure J defines “significantly” or “significantly changed or modified” to mean that the proposed change or modification of the Measure J project materially alters the essential characteristic of the project or the baseline feature or requirement. Since adoption of Measure J in 1999, there has been one project that has completed the Measure J review process, the Covell Village Project. With the 2005 processing of the Covell Village Project application, this provision was addressed with a
specific project description and list of features defined as Baseline Project Features. Providing a specific list related to this provision ensures consistency between developer and public expectations, while allowing for minor modifications within the long-term build-out period for any large subdivision. The City found this application of the provision to work well and would repeat the same definition of Baseline Project Features as part of future planning processes on projects requiring a resident vote under Measure J. Additionally, the City adopted specific procedures and criteria for modifying Measure J-approved projects with the adoption of Resolution 06-40 on March 7, 2006.

**Measure J Process.** Any proposal submitted to the voters through Measure J must first be approved by the City Council, after review by the Planning Commission. This process ensures that the proposal must provide the required inclusionary units and comply with City General Plan policies in order to be approved by the City, prior to voters’ action. Projects may undergo modification during the initial review process to ensure consistency with community goals, including affordable housing, before being submitted to the voters. The process envisions community outreach for proposed developments, which may include notification through the local newspaper, direct mails, neighborhood meetings, the City website, and local cable television.

**Consideration of Impacts.** As previously stated, the City has the capacity to meet state law and accommodate its allocated regional housing allocation for this period with the ongoing ability to provide sites to meet RHNA and the City’s additional efforts to review and consider sites under its local 1% growth guideline, Measure J has not prohibited any development required by state law or deemed necessary based on local housing needs. Additionally, under Measure J, the City could have the ability to annex land for the purpose of affordable housing development or compliance with its RHNA, if ever deemed necessary. To date, the City consistently produces low- and very low-income housing units and has had no trouble meeting its regional allocation under State law. In fact, both continue to be exceeded.

The Measure J requirement contributes to the City’s managed growth system. Measure J encourages compatible infill development by explicitly excluding infill projects from the requirement for voter approval, which will provide needed housing, while protecting the region’s farmland. Measure J recognizes that through infill, appropriate housing can be provided to address City housing needs. Encouragement of infill development leads to what can be more complicated projects that result in greater City and project resident benefits. For example, the increased reuse of sites leads to more occasions of brownfield clean-up of toxics or previous environmentally sensitive uses (e.g. gasoline stations), while connecting residents of the units to existing neighborhoods with shopping and transit opportunities. A focus on infill also promotes mixed-use development that maximizes site potential and creative use of vacant sites or buildings which can add a step or two of additional research or demolition. Results of these projects lead to developments with increased community amenities (shopping, transit lines, open space, proximity to community services, etc.) and reinvestment into the character of surrounding existing neighborhoods.
Measure J could potentially add costs to the development review process and extend the time for approval. However, it is possible that the time and cost associated with a Measure J election could be less than or equal to that of a potential referendum. It is speculative to conclude that election costs will adversely affect the cost or supply of new housing, given the other known factors that affect housing costs and supply. Given that the developers have knowledge of Measure J, it is reasonable to expect that the costs associated with Measure J would be factored into the purchase price of the agricultural land proposed for conversion to residential development. Had Measure J not been approved and a new major residential proposal was proposed not requiring a referendum, then the argument of added costs and time would be legitimate. Any major project runs the risk of a referendum challenge, even if voter approval would not otherwise be required. To provide some range of potential costs borne from an election process, the table that follows provides information from various recent elections and measures. The actual cost to be borne by the developer is based on the type of election being held.

**TABLE 48: SAMPLE ELECTION COSTS**

<table>
<thead>
<tr>
<th>Type of Measure</th>
<th>Date/Election Type</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measure I – Surface Water Project</td>
<td>March 2013; Special Election</td>
<td>$122,564.40</td>
</tr>
<tr>
<td>Measure P – Wildhorse Horse Ranch</td>
<td>November 2009; Special Election</td>
<td>$220,399.48</td>
</tr>
<tr>
<td>Measure X – Covell Village Project</td>
<td>November 2005; Statewide Special/UDEL/School Election</td>
<td>$47,666.92</td>
</tr>
<tr>
<td>Measure O – Open Space Protection</td>
<td>November 2000; General Election</td>
<td>$27,995.63</td>
</tr>
<tr>
<td>Measure J – Right to Vote, Open Space</td>
<td>March 2000; Primary Election</td>
<td>$30,776.12</td>
</tr>
<tr>
<td>and Ag Land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measure M</td>
<td>June 1998; Primary Election</td>
<td>$29,061.38</td>
</tr>
<tr>
<td>UDEL/School District Election</td>
<td>November 1997; UDEL/School District Election</td>
<td>$37,336.55</td>
</tr>
<tr>
<td>Richards Boulevard Corridor Upgrade</td>
<td>March 1997; Special Election</td>
<td>$46,512.95</td>
</tr>
<tr>
<td>Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measure R – Wildhorse Development</td>
<td>May 9, 1995; Davis Referendum Election</td>
<td>$44,305.40</td>
</tr>
<tr>
<td>Agreement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
The type of election held has direct impact on the cost of the election. It would be speculative to state how much it will cost in the future for a Measure J project.

In a special election that involves a Measure J project only, like Measure P shown above, the applicant would pay the full cost. If there are other measures from the City or other jurisdictions, the cost is shared. If a Measure J project participates in a general election, the developer will share the cost of the elections. The table above contains costs for past elections involving measures. As can be seen from the table the range is from $27,995.63 to $220,399.48. Potential election costs for a future Measure J project would depend on several variables, such as the type of election involved and how many other measures and jurisdictions are involved. The costs of the election are minimal compared to other project costs (EIR, planning processing and public outreach, public
improvements and fees). Although Measure J may add costs and some processing time to the development of projects, it has not proven to interfere with the City’s ability to meet its RHNA and produce affordable housing units.

Phased Allocation

In the past, the City has used a phased allocation system in order to regulate the amount of building permits issued in any given year. Although the phased allocation system still exists in City Code, it has not been used recently as a means by which to control growth and so has little to no effect on the production of housing. With the current size and amount of vacant lots in the City currently available for the development of housing, use of the Phased Allocation system has not been deemed necessary for the most part since there is not possibility for a large housing development in any given year without review and approval by the City Council through a planning application. Large projects that are currently in application (Lewis Cannery Project) if approved, would include provisions for phasing development with the Development Agreement and would not likely require use of the Phased Allocation system either. In addition, this phased allocation system has been further defined by the City’s 1% Growth Policy discussion in the following section. Under the 1% Growth Policy up to 325 units can be built each year, with exemptions for affordable units, second units, and other projects that Council deems necessary.

Summary. The City adopted its first "slow growth" General Plan in 1973. The ability to build housing in Davis has been phased since 1975. The Phased Allocation Ordinance has five stated goals, which are:

1. Prevent premature development in the absence of necessary utilities and municipal services.
2. Coordinate city planning and land regulation in a manner consistent with the General Plan.
3. Facilitate and implement the realization of General Plan goals, which cannot be accomplished by zoning alone.
4. Provide significant incentives to developers to include very-low, low and moderate-income housing in their development.
5. Prevent unplanned growth, which has no relationship to community needs and capabilities. (Ordinance No. 1638, adopted May 20, 1992.)

Consideration of Impacts. All active subdivisions in the City have full allocations. All allocations have no effects on the previous housing production in the prior planning period because all allocations were made as part of the Development Agreements. Following adoption of the 1973 General Plan, a new housing allocation system was adopted. That system has been in place since then.
Programs and policies included in this Housing Element ensure that various types of needed housing, including affordable housing are exempted from any allocation system that has been adopted, and would be adopted, including the City’s 1% Growth Policy discussed in the next section. With the 1% Growth Policy allowing up to 325 units to be developed each year and with exemptions for affordable and other units from this cap, a phased allocation system under that policy will not lead to a constraint in the production of housing to meet the City’s Regional Housing Needs Allocation of 1,066 units for the current eight-year planning period.

The City’s 1% Growth Policy

Summary. In March 2005, the City Council adopted the following growth policy that was clarified further in February 2008 to consist of the following:

1. The City Council finds that an annual average growth parameter for the City is appropriate for future growth management and planning after considering:

   a. The internal housing needs identified in the “Internal Housing Needs Analysis” report.

   b. The most recent and likely future fair share housing needs issued by the Sacramento Area Council of Governments (SACOG).

2. The City Council hereby directs staff to:

   a. Prepare draft amendments to the growth management and housing sections of the General Plan and the Phased Housing Allocation Ordinance for City Council review. Base the amendments on the following concepts:

   City growth concepts:

   (1) Growth guideline of 1%. Implement an annual average growth guideline of one percent (1%), tied to the 2010 General Plan, based on the following:

      (a) The total estimated existing number of housing units and dwelling unit equivalents for living groups.

      (b) 1% currently equals approximately 260 units per year. The number of units allowable based on the 1% guideline shall increase proportionate to city growth.

   (2) Exempted units. The following types of units are exempt and not subject to the 1% growth guideline:

      (a) Permanently affordable housing units for very low-, low- and moderate- income households including both required units and units provided in excess of
standard requirements. This exemption includes permanently affordable housing units for seniors. This exemption does not include middle income units.

(b) Approved second units as defined by State law including both ministerial and discretionary units.

(c) Residential units within “vertical” mixed use buildings.

(3) **Control peripheral.** Strictly control peripheral units to a maximum of 60% of the 1% growth guideline per year. It is recognized that building permits for new peripheral development probably would not occur until at least 2007.

(4) **Manage infill.** Manage infill units within the 1% growth guideline per year. Infill may constitute 40% of the total units in a year if peripheral units constitute 60% and infill units may constitute 100% of the total units in a year if peripheral units constitute 0%. Provide flexibility to allow for multi-family rental projects by designating a proportion of the yearly allocation to multi family rental units that can be rolled over and accumulated over several years as needed for the typical apartment complex.

(5) **Allow for extraordinary project.** Council shall have the ability to allow an infill project with extraordinary circumstances and which provides for particular community needs with extraordinary community benefits, even if it would exceed the annual growth guideline of 1%.

**Clarification Provided on February 15, 2008:**

The City Council provides the following clarifications regarding the city growth concepts above. The one percent growth guideline:

- Is a cap not to be exceeded, except for units that are specifically exempted and allowed by City Council as an infill project with extraordinary circumstances and community benefits.

- Extraordinary typically means that the project is providing features and amenities that go beyond minimum city standards and requirements and would be difficult for the city to obtain without the developer’s willingness, even using a development agreement. Extraordinary projects could include projects with an exceptional affordable housing provision, projects that aim to address a local unmet housing need in the community, or projects that provide other items of public benefit including public facilities, funding for community needs, advanced green technology, etc. In addition to qualifying as extraordinary, the project must also be an infill project.
• Is to provide for identified housing needs without compromising City standards for development quality.

• Translates to 260 “base” or non-exempt units. An estimate of the total number of units per year is approximately 25% above the 260 units or a total of 325 units per year including the exempted types of units not subject to the guideline.

• Does not include a mandatory increase (or “catch-up”) provision should building activity not achieve the annual growth guideline in certain years. Conversely, the guideline does not include a mandatory reduction in years following the approval of an infill project with extraordinary community benefits which causes the annual growth guideline to be exceeded.

Growth management system concepts:

(1) Use development agreements where appropriate. Use development agreements or a metered allocation system to phase peripheral units. Use development agreements where appropriate for large infill projects (such as 100 or more units).

(2) Use tools to ensure that peripheral and infill development decisions are consistent with growth guidelines. Create a new development status monitoring and reporting system. Use reports in decisions on projects and their timing. Provide annual report and adopt annual resolution to direct prospective developers and staff where the city will consider growth and development in the short term (one to two years) and longer term (three to ten years).

(3) Study changes to existing allocation ordinance. Study whether changes are needed to the existing phased allocation ordinance. If appropriate, pass a resolution to clarify that formal allocations pursuant to the ordinance will not be required unless / until the Council deems such allocations are needed.

(4) School impacts. Work with City and DJUSD legal counsel to determine means of mitigating school impacts.

(5) Study required findings. Study whether growth limitation ordinance findings are required pursuant to State Government Code 65863.6 regarding the public health, safety, and welfare of the city to be promoted by the adoption of the ordinance.

Consideration of Impacts. The City does not find that the 1% growth policy will have a negative effect on housing production, and specifically the City’s RHNA, for the current planning period. The City’s RHNA is 1,066 units for this planning period, which the City is more than able to provide for. Even a cap of one percent in growth during the current planning period allows more than 2,800 new housing units to be built. This capped amount is approximately 1,700 units greater than the RHNA that has been assigned to the City for this planning period.
Additionally, the City’s one-percent growth policy includes very specific exemption categories for second units, affordable housing units, and units in vertical mixed-use developments and also allows the Council to approve “extraordinary projects” above the growth cap based on community needs and benefits. The City finds that this growth cap does not negatively impact the production of housing, it is only used to manage its timing. The exempt categories and placement of the cap do not affect the City’s ability to provide housing to meet local needs and provide sites that can accommodate the City’s Regional Housing Needs Allocation.

**Affordable Housing Policy and Ordinance**

**Summary.** The General Plan has a policy that reads:

**Policy HOUSING 4.1.** Maintain and periodically review the Affordable Housing Ordinance to require the inclusion of affordable housing in all new development areas to the extent feasible.

**Standards**

a. New for-sale residential development should provide housing units that are affordable to very low, low and moderate-income households. The units should be affordable rental or ownership. Affordable housing should be provided as follows, based upon the type of residential housing product being developed:

- For projects comprised of single family detached residential units on lots equal to or larger than 5,000 square feet in area, 25 percent of the total units being developed should be developed as affordable units.
- For projects comprised of single family detached residential units on lots smaller than 5,000 square feet in area, 15 percent of the total units being developed should be developed as affordable units.
- For projects comprised of single family attached residential units, 10 percent of the total units being developed should be developed as affordable units.
- “Stacked flat” condominiums or residential units within vertical mixed use developments are exempt from the requirement to provide designated affordable housing units.

b. Continue to administer an affordable housing ordinance, which accomplishes the following:

- Rental housing developments containing 5 to 19 units shall provide, to the maximum extent feasible, 15 percent of the units to be affordable to low-income households (with incomes at or below 80% of the median income) and 10 percent of the units as affordable to very-low income households (with incomes at or below 50% percent of median income) for a total requirement of 25 percent.
• Rental housing developments containing 20 or more units shall provide, to the maximum extent feasible, 10 percent of the units as affordable to low income households and 25 percent of the units to be affordable to very low-income households for a total requirement of 35 percent.

The Affordable Housing Ordinance, the document used to implement this policy, was initially adopted in 1990, amended in 1993, amended again in 2005, and amended again in 2013. The ordinance requirements are intended to implement the General Plan policies that require affordable housing for all income categories as stated above, and to meet the city’s share of the regional housing need for these impacted households at very low-, low- and moderate-income levels. The focus of the 2013 amendments was to focus the ordinance on providing housing for low and very low-income households as those with the greatest need. They also provided a graduated scale of inclusionary unit obligations for ownership developments, provided the mechanism to receive inclusionary credit for Accessory Dwelling Units, and revisited in-lieu fee requirements. The ordinance is in compliance with Government Code Section 65589.8 by allowing developers to satisfy all or a portion of the inclusionary requirement by constructing rental housing at affordable monthly rents.

The developer is required to submit an Affordable Housing Plan prior to or at the time of application for the first discretionary approval for a project. The Plan must describe how many and what type of affordable units the project will produce. The guidelines are as follows:

Ownership Developments

• Developments of 5 or more units provide units for very low-, low- and moderate-income households. Some required affordable units may be rental and some may be for sale. Developments less than five units are exempt.

• Developments of between 5 to 200 units must provide units through one of the following methods:
  • On-site affordable unit construction
  • On-site construction of accessory dwelling units for rental to fulfill up to half of the requirement¹,  
  • Payment of in-lieu fees, if approved by the city council; and/or

¹ The allowance of accessory units to count towards the inclusionary requirement will sunset December 31, 2015.
CONCEPTS TO HOUSING PRODUCTION

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

- Developments of 201 or more units must provide units through one of the following methods:
  - On-site affordable unit construction
  - On-site construction of accessory dwelling units for rental to fulfill up to half of the requirement\(^1\),
  - Land dedication; and/or
  - On-site construction of affordable rental units, if the developer voluntarily requests to satisfy its requirements through this alternative.

- Project individualized programs are also an option where 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.

- For on-site construction of ownership units, a one-for-one city density bonus is awarded for units meeting the requirements for a State density bonus, a mix of two- and three-bedroom units with a minimum of fifty percent of the units as three bedroom units and in combination of unit types as approved within the Affordable Housing Plan through the appropriate review process. Smaller and larger size units can be provided depending on local housing needs and project character. The affordable units will be affordable to moderate-income households, households with incomes ranging from 80 percent of Area Median Income (AMI) to 120 percent AMI, with the average affordability targeted.

- Affordable rental units shall be leased a rent affordable to low and very low-income households. The average price for each size of rental unit based on the number of bedrooms, shall not exceed the low target income, 65 percent of AMI. The maximum income level served shall not be greater than 80 percent of AMI. Rental units in each size category shall be offered in order to achieve the required average target income.

- Land dedication is an alternative to on-site construction of affordable units for projects of 201 units or larger. This option also receives a one-for-one density bonus on the basis of 15 units per acre. At least two acres of land must be dedicated. Housing built on dedicated land must be permanently affordable. Property is conveyed to third parties who enter into an agreement with the City to produce affordable housing with a certain period of time. Housing types should consist of: resident-controlled housing, mutual housing, community based rental housing, limited equity cooperatives, public housing, land trusts, self-help housing, etc.
• Accessory dwelling units used to satisfy the inclusionary requirements must be constructed on-site. Each accessory dwelling unit counts as one-half of an affordable unit towards satisfying the required number of inclusionary affordable units.

• Payment of in-lieu fees are an alternative to on-site construction of affordable units for projects between five and 200 units in size. The payments shall be determined according to the adopted fee schedule revised annually. The city council reviews requests to utilized the in-lieu fee option.

Rental Developments

• Rental housing development with 20 or more units that requires legislative approval must provide at least 25 percent of the total units affordable to low-income households and ten percent affordable to very low-income households. Such housing shall be provided either by the construction of units on-site or by land dedication.

• A developer of multifamily rental developments requiring legislative approval and containing between five and nineteen units shall provide fifteen percent of the units to low-income household 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.

• Affordable rental units shall rent to low-income households at not more than 30 percent of 80 percent (30 percent of 80 percent is 24 percent) of AMI, and to very low-income households at not more than 30 percent of 50 percent of AMI, adjusted for family size. An in-lieu fee is also offered as an option in the downtown area.

Consideration of Impacts. The ordinance has built-in flexibility to allow a "project individualized program", which is an alternative to the standard provisions if the project generates the same or more than the number and level of affordable units that would have been generated under the standard requirements. The ordinance also allows an appeal or modification process for any project that can prove the requirement to be constituted as a “taking” by the City. The City has not received any appeals or arguments of a taking under this provision. The City works with applicants prior to and during planning application submittal to clarify the requirements and identify options for compliance with this ordinance.

Some have argued that provision of affordable housing adds to the costs of the market-rate units, thus, increasing the cost of housing. This argument may be valid to some extent provided the cost of affordable housing contribution is not reflected in the value of land purchased by the developer or the profit made by the subdivider. However, to provide housing for all income segments of the city, it becomes necessary to require inclusion of affordable units in new residential development. The
majority of the affordable units come at minimal direct cost to the subdivider, although they may have opportunity costs through reduced profit.

**Middle Income Housing Ordinance**

The City has suspended the Middle Income Housing Ordinance. It presents no current constraints. Staff will revisit the need for this ordinance based on future market changes.

**Accessible/Visitable Housing Policy**

The General Plan has a policy that reads:

**Policy HOUSING 1.41.** Encourage a variety of housing types that accommodate persons with disabilities and promote aging in place, including a one-hundred percent universal access requirement in all new single-family residential units, not otherwise subject to multi-family building code requirements and to the maximum extent feasible unless otherwise successfully appealed to the Community Development Director. Accessory structures, including secondary dwelling units and guest houses, carriage units, and small projects in the Core Area of fifteen units or fewer are not subject to this policy.

**Standards**

a. Universal Access in all new single-family units shall include:

   i) Low threshold entry. One low threshold entry at either the front door or from the garage to the house. The door shall have a minimum 32 inch clear opening, the threshold shall be no higher than 1/2 inch and comply with the following:

      (1) Thresholds with a change in height of not more than 1/4 inch (6.35 mm) may be vertical.

      (2) Thresholds with a change in height between 1/4 inch (6.35 mm) and ½ inch (19.05 mm) shall be beveled with a slope no greater than 1 unit vertical in 2 units horizontal (50-percent slope).

   ii) Exterior path of travel. Exterior zero-step walkway to low threshold entry at least 36 inch wide, without any steps, which is provided from driveway into house or an alternative path. It is not the intention of this ordinance to require a fully accessible path of travel in compliance with State and or Federal accessibility regulations from the public right of way to the dwelling.

   iii) Interior path of travel. A no step interior path of travel on ground floor with interior doorways having at least a 32-inch clear opening and hallways at least 36-inch wide throughout.
iv) Bathrooms and half bathrooms. Accessible bathrooms and half bath/powder rooms with reinforced walls. Reinforcement for grab bars at the water closet shall be installed on both sides or one side and the back. If reinforcement is installed at the back, it shall be installed between 32 inches and 38 inches above the floor. The grab bar reinforcement shall be a minimum of 6 inches nominal in height. The backing shall be a minimum of 40 inches in length. Reinforcement installed at the side of the water closet shall be installed 32 inches to 38 inches above the floor. The reinforcement shall be installed a maximum of 12 inches from the rear wall and shall extend a minimum of 26 inches in front of the water closet. The grab bar reinforcement shall be a minimum of 6 nominal in height.). Reinforcement for grab bars at the bathtub shall be located on each end of the bathtub, 32 inches to 38 inches above the floor, extending a minimum of 24 inches from the front edge of the bathtub toward the back wall of the bathtub. The grab bar reinforcement shall be a minimum of 6 inches nominal in height. Grab bar reinforcement shall be installed on the back wall of the bathtub a maximum of 6 inches above the bathtub rim extending upward to at least 38 inches above the floor. Grab bar backing shall be installed horizontally to permit the installation of a 48-inch grab bar with each end a maximum of 6 inches from the end walls of the bathtub. The grab bar reinforcement shall be a minimum of 6 inches nominal in height.

v) Common room. An accessible common room with no steps that is connected to the 36-inch wide path of travel.

vi) Stairs accommodation. In two or more story units, electrical outlets at stairs for future stair chairlift OR placement of stacked closets to accommodate a future home elevator (meets dimensions and has power outlet to accommodate elevator).

vii) Electrical panel. Accessible electrical panel on the interior of the unit (accessed from an accessible path of travel, no higher than 54 inches off the ground and no less than 15 inches off the ground from the outer edges of the panel) or on the exterior of the unit when accessible from a hard surface path of travel and includes sufficient clearance in front.

viii) Switches and fixtures. Use of rocker light switches and single lever door fixtures, or other types of accessible switches and fixtures (e.g. motion sensors) throughout the unit.

b. Exempt project types. The City recognizes that there are inherent constraints of including Universal Access features in the following types of projects:

i. Accessory dwelling units/second units.

ii. Carriage units, with living space over a private garage.

iii. Projects of 15 units or fewer that are developed within the Core Area
Due to the constraints of these projects, features of Universal Access will be encouraged but not required.

(Note: Accessible features may be required for buildings with elevators or other features that are subject to accessibility requirements under the California Uniform Building Code.)

c. Affordable housing projects. The City shall require increased accessibility in all affordable housing projects where the City provides financial assistance or land to the project.

d. Waivers and modifications. Any project has the ability to appeal infeasible items based on project characteristics, terrain, or due to an alleged taking. These appeals are reviewed by the Community Development Director. If the request is substantial or controversial, staff can take the request before commissions or the City Council, at staff’s discretion.

Actions

Universal Access in new housing projects. Facilitate the inclusion of Universal Access features in the construction of new housing to the greatest extent possible, increasing overall accessibility and visitability of new housing.

b. Policy evaluation. Evaluate the policy in 2018 after it has been applied to a variety of projects. Specifically, review the effectiveness of the policy targets and its categories of exemption, and determine if any modifications should be made including consideration of converting the policy to an ordinance.

Consideration of Impacts. After outreach to the local development community, architects, buyers, advocates for persons with disabilities and residents, the City Council adopted the above-stated policy in November 2012, after previously administering a similar policy from 2007 through 2012. The costs associated with various features that this policy requires were discussed and analyzed prior to the policy’s adoption. The majority of costs (shown in Table 49 below) associated with accessible and visitable features were deemed negligible and not likely to have significant impact on the cost of construction if planned for early in project development stages. The most notable impacts of these requirements were anticipated to be found in accessory dwelling units, carriage units, and projects of fifteen units or fewer in the Core Area that typically are planned on smaller lots, with vertical orientation, and at greater density. These impacts were primarily requirements associated with providing a zero-threshold entry and exterior zero-step walkway. As a means of removing this potential impact, these groups were included in the exempt project category.

The City adopted these requirements as a means for providing ownership housing units accessible to persons with disabilities (typically not required by UBC). It was originally adopted in 2007 in policy form so that the need for modifications could be assessed with the consideration of the requirements in 2010. As part of the latest update, the development community indicated a desire for the certainty of an ordinance rather than just a general plan policy. With its list of exempt projects, the ability to
waive or modify requirements for projects with topographical or financial hardship, and the City’s plans to assess the policy again in 2018 when more information is available, the City does not find this policy to be a constraint on housing production.

**TABLE 49: POTENTIAL COSTS OF UNIVERSAL ACCESS FEATURES**

<table>
<thead>
<tr>
<th>Accessibility Item</th>
<th>Estimated Cost and Feasibility from Developers/ Builders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exterior Zero-Step Wider Exterior Walkway to Low Threshold Entry (at least 36” wide, without steps)</td>
<td>A zero entry threshold can be quite a feat practically and has now been adjusted to a low-entry threshold, not to exceed ¼” with up to a 1/4” slope on each side. If a small ramp to the threshold is needed, concrete and forming could cost $10-20 per square inch or the project could use another material to reduce costs. If the project has an uneven grade, costs of providing an accessible path increase and make the feature less feasible. The revised requirement on the path is that it be without steps and at an adequate width of 36”, but it is not required to be a strict grade.</td>
</tr>
<tr>
<td>Low threshold entry at a minimum of one exterior door that is 34” wide or 32” clear opening.</td>
<td>To avoid water entering the unit, a zero or low threshold entry may require good overhead weather protection. In the garage, access would be adequately covered, but additional overhangs might be necessary if the unit has a front or rear entrance with a zero threshold. Costs of additional overhang would contribute to slight additions in materials and labor costs, but these are likely negligible. Including the necessary door with a zero or low entry threshold is estimated to be a cost of less than $25. Increasing flexibility and practicality of installation, a low threshold entry is being recommended, at not more than a 1/2” threshold, with up to ¼” slope on each side.</td>
</tr>
<tr>
<td>Interior path of travel throughout the ground floor</td>
<td>No additional cost if included in the original unit design, although it could redistribute small amounts of space to the hallway and out of other rooms in the unit. This would be required at 36” wide and doorways with a clear opening of 32” on the ground floor of the unit. There can be an opportunity cost with this item due to the potential redistribution of space from other rooms.</td>
</tr>
<tr>
<td>Accessible ground floor half bathroom/powder room</td>
<td>An accessible half bath may require additional space and result in an opportunity cost. Grab bar backing (2x backing) installed in the wall surrounding the toilet and shower is a negligible cost of only the extra pieces of lumber required. The accessible powder room is recommended as the minimum requirement because a full bath can often be infeasible due to space limitations.</td>
</tr>
<tr>
<td>Accessible ground floor Common Room/area</td>
<td>No additional cost, would just need to design for it up front.</td>
</tr>
<tr>
<td>Electrical outlets for future stair lift OR Placement of stacked closets to accommodate a future home</td>
<td>Most of this item relates primarily to design of the unit. Cost of additional/relocated outlets is negligible. If closets are already included in the unit design, stacking them would require additional foresight, but not likely additional cost. These items, which could...</td>
</tr>
</tbody>
</table>
The Right to Farm and Farmland Preservation Ordinance

**Summary.** The May 2001 General Plan has a policy that reads:

"**Policy AG 1.1 Action j.** In order to create an effective permanent agricultural and open space buffer on the perimeter of the City, immediately upon completion of the General Plan Update, pursue amendments of the Farmland Preservation ordinance to assure as a baseline standard that new peripheral development projects provide a minimum of 2:1 mitigation along the entire non-urbanized perimeter of the project. The proposed amendments shall allow for the alternate location of mitigations for such projects including but not limited to circumstances where the project is adjacent to land already protected by conservation easements or by some other form of public ownership that guarantees adjacent lands will not be developed."

The city adopted an ordinance on November 15, 1995, establishing the Right to Farm and Farmland Preservation requirements. The Right to Farm portion of the ordinance states that properly operated agricultural operations are generally not to be considered a nuisance, and requires that properties within 1,000 feet of agricultural lands carry a deed restriction that notifies owners and buyers of potential inconveniences associated with lawful agricultural operations when they are subjected to any discretionary permit issued by the city. It also requires that lands within 150 feet of an agricultural, greenbelt or habitat area shall be maintained in an agricultural buffer/agricultural transition area. The buffer is to be made up of a 100-foot agricultural buffer without public access, as well as a 50-foot transition area that may include bike paths, trails and other facilities for public access.

The Farmland Preservation portion of the ordinance requires agricultural mitigation by applicants for general plan or zoning changes or any other discretionary entitlement applications that would change the use of agricultural land to non-agricultural uses. Agricultural mitigation is required to be adjacent to the proposed project and must be provided on a 2:1 replacement basis. The mitigation
may include granting of a farmland conservation easement or similar conservation mechanism for lands not subjected to non-agricultural development or payment of a fee for purchase of farmland rights in another area. Mitigation lands must be within the Davis planning area. A portion of agricultural mitigation lands may be used for habitat mitigation.

Consideration of Impacts. Some have argued that this ordinance and the 2001 General Plan 2:1 requirements may impede housing development. It is anticipated that prospective developers would take into consideration this requirement in making offers for land to be developed that would be required to comply with the requirements. The city’s agricultural mitigation policies reflect the public policy tension between affordable housing and agricultural preservation. The city has shown that it can be successful in protecting open space and farmland while meeting fair share housing allocation. Additionally, the adjacency requirement of the agricultural mitigation has not been found to be a constraint because the city continues to receive preliminary applications and proposals that allow for the inclusion of this mitigation onsite without objection from applicants and because the Covell Village proposal that was approved by the City Council and failed in its Measure J vote by the citizens in November 2005, included the 2:1 agricultural mitigation adjacent to its proposed development as well.

Greenbelt and Open Space Policies

Land Use Element policies requiring the provision of greenbelts and other amenities may affect the cost to the developer of constructing housing. This in turn could affect the cost to the purchaser or renter of housing. The city requires that 10% of the land in a residential subdivision be dedicated and improved as neighborhood greenbelt. The greenbelt requirements do not reduce the number of units that may be built on a given parcel of land. Although a portion of the land is required to be built as greenbelt rather than housing, the number of allowed units is determined by the gross acreage of the parcel, including the greenbelt area. The greenbelts will reduce the lot size per unit, however, which may either reduce the market value of the unit or decrease developer profit. Similarly, on-site open space and parking requirements for multi-family developments also act to reduce the amount of land available for building.

Neighborhood greenbelts, like other recreational amenities, add to the cost of producing housing. They also add to the value of housing by increasing the desirability of the unit and the surrounding neighborhood. One of the reasons people want to live in Davis is the availability of bike paths and neighborhood greenbelts. Neighborhood greenbelts, by providing an off-street transportation system, also encourage travel on foot and by bicycle, reducing automobile congestion and assisting in the preservation of air quality. Thus, the costs associated with the greenbelt and open spaces are necessary and do not significantly impede housing provision.

Conclusion

Even though the City has passed many regulations that could potentially constrain development of housing for a variety of income levels, the City diligently pursues funding for affordable projects and
is very active in the development of housing for lower-income persons. As such, the policies analyzed above do not unreasonably constrain Davis’ housing market. During the previous planning period of 2006 to 2013 and so far in the current planning period, market and affordable housing units continue to be built. During calendar years 2006 through 2012, 532 housing units were built (for a seven-year average of 76 units per year) which included 159 deed restricted affordable housing units (for a seven-year average of 23 units per year. The 2008 downturn in the economy resulting in uncertainty in the housing market and financing limited building activity more than City of Davis regulations and other government constraints. The City will continue to monitor the effects of these policies and regulations to ensure they do not have a negative impact on the development of affordable housing (see Policy 2.1 Action k).

While costs of the city's inclusionary requirement are estimated at approximately $20,000 per unit, these costs are offset by the City’s one for one unit density bonuses that provide increased project revenue by allowing development of market rate housing units beyond city density limits. As shown in Program Actions 7, Objective a. and 16., Objective a., city staff will continue to "evaluate residential development policies (e.g. Middle Income Ordinance, Affordable Housing Ordinance, Accessibility/Visitability Policy, etc.) to determine if any one or combination of these policies constrains housing development." This review will continue to include input from the local development community as well as staff analysis.

Codes and Enforcement

Local Amendments to Uniform Building Code. The City of Davis has adopted the following notable amendments to the State of California’s Building Standards Code, in addition to minor edits mostly related to adapting it for local procedures:

a. Physical guard materials for gas-burning appliances to protect from damage.

b. Physical guard materials for water heaters to protect from damage.

d. Provisions for future water softener systems in single-family and duplex units.

e. Requirement for mandatory Tier 1 compliance for building permits for new construction or, when applicable, remodels.

Other than these amendments and the adaptations, the City has adopted and enforces the standard California Building Standards Code. Under state law, this code can be amended by local governments only due to geographical, topological or climatological reasons. The UBC that the city operates under consists of Uniform Building, Plumbing and Mechanical Codes and the amendments made were done so on the basis on the necessary findings stated above. The building code may be considered to increase housing costs above the cost of nonstandard development. However, its benefits, including health and safety benefits, outweigh its disadvantages. The minor amendments made locally do not represent substantial additional costs and are not found to be a constraint on
housing production. The mandatory Tier 1 elements have the potential to increase the cost of construction, but also have the potential of reducing energy costs for residents of the housing, and therefore the overall cost of shelter.

_Degree or type of enforcement._ The City of Davis requires submittal of a building permit application, with project plans, that is reviewed by plan check staff for consistency with California Building Standards Code. Once the plans are approved and the permit is issued, inspections of the development at identified critical stages are required in order to ensure that the project is built consistent to the approved plans that reflect Code requirements. A final inspection of all projects is required to complete one last review of the project against the city-approved plans. Final sign-off after this inspection constitutes issuance of Certificate of Occupancy (when applicable) and record of city approval on the project (large or small) that was completed.

Upon the resale of housing units, representatives of the City’s Building Division conduct an inspection to assess any noncompliance with building and zoning codes, including any work done to the housing unit without building permit issuance and final building inspection approval. Items identified in a resale inspection report are required to be addressed either by the existing owner selling the unit or by the future owner purchasing the unit. Buyer and seller are able to negotiate who will be responsible for addressing city-identified items. This program assists in providing full disclosure to buyers and ensures maintenance of the city’s housing stock.

In addition to the resale inspection program described above, the City also has a code enforcement program. This program is based on complaints received by the City requiring any code violation throughout the City, including building and zoning codes. The City responds to complaints, and takes the necessary steps to remedy instances where code violations are identified. The city-adopted steps related to noticing and enforcement are adhered to, and notices of code violation include information regarding the City’s appeal process. This program promotes compliance with city codes to ensure the health and safety of the community.

On and Off-site Improvement Requirements

The City of Davis, as is typical in most jurisdictions in the state, has various on- and off-site improvement requirements for residential developments. The city has established minimum standards required to assure orderly development similar to urban settings. The city has historically applied flexibility to the minimum standards in order to accommodate innovative residential projects or affordable housing projects as long as there are no public safety concerns. For instance, a local street right-of-way is a minimum of 50 feet. This width has been reduced in some cases to 36 feet or less in order to accommodate an affordable housing project, or an innovative residential subdivision. Examples where this flexibility standard has been applied include Village Homes, El Macero Estates 2, Southfield Park 2 and 3, Glacier Place, Oasis Place, and Woodbridge subdivisions. It should be noted that planning values and traffic calming values have often been used as justification for such reductions. The 2001 General Plan update included changes in the traffic congestion level of service
standards. These will serve to facilitate infill development projects and potentially reduce costs of mitigating traffic impacts when new development is approved.

The city believes that the on- and off-site standards do not constitute an unreasonable or unnecessary constraint on housing production. The provision of roadway, drainage, water and sewer and all underground utilities needed to deem a lot ready for residential development must be in place before the city accepts any public infrastructure. Also, no building permit will be issued for a lot that does not have infrastructure in place. The city does not approve subdivisions without adequate knowledge that there is sufficient public infrastructure capacity to accommodate the residential development. As stated in previous sections, there is adequate water, wastewater, and infrastructure to accommodate the City’s RHNA for this planning period and up to the City’s 1% Growth Cap for this same timeframe.

Processing and Permit Procedures

Historically multifamily discretionary review projects are submitted as part of a larger project. For example, the Wildhorse, Mace Ranch, Evergreen, or El Macero Estates 2 subdivisions contain multifamily General Plan and Zoning Ordinance designated parcels, which were established at the time of preliminary planned development stage. In most residential subdivision projects in the city, the General Plan and Zoning Ordinance land use designations for multifamily parcels are usually established at the preliminary planned development stage. Once this is done the level of entitlement review is far less cumbersome. There have been multifamily project applications requiring discretionary approvals, such as General Plan and Specific Plan amendments and rezoning applications.

The types of discretionary applications processed include:

- Annexation,
- General Plan Amendments,
- Specific Plan and Amendments,
- Preliminary Planned Development, Rezoning and Preliminary Planned Development, or Zoning Ordinance Amendments, and
- Phased Allocation or Development Agreement.

There are several variables that influence the length of processing time for a discretionary project. The factors include

- the type of project proposed and its location;
- the time it takes the applicant to submit complete application materials;
• the number and nature of deviations requested from the conventional base zoning standards;
• the qualities of the proposed project, such as appealing, innovative, and compatibility with existing surrounding uses and structures;
• the level of controversy associated with the project; and
• the number of entitlements requested.

The typical conditions of approval that the city considers during a discretionary review include the following:

• Obtaining building permit prior to occupancy,
• Ensure that the developed project is in substantial compliance with the approved plans,
• The use will not constitute a nuisance and be detrimental to adjacent properties, and
• Other site/project specific conditions may apply to address issues raised due to the project, such as adequate on-site parking, open space and landscaping being provided.

All CUP applications are reviewed subject to the standard of the city Zoning Ordinance, which states:

40.30.030 Considerations in issuing. In considering an application for a conditional use or nonconforming use, the planning commission or city council shall give due regard to the nature and condition of the proposed or existing use and all adjacent uses and structures. The planning commission or city council may deny an application for a conditional use. In authorizing a conditional use, the planning commission or city council may impose such requirements and conditions with respect to location, construction, maintenance and operation, in addition to those expressly stipulated in this chapter for the particular use, as the planning commission or city council may deem necessary for the protection of adjacent properties and the public interest.

40.30.080 Issuance.

(a) The planning commission or city council shall issue a conditional use permit provided the planning commission or city council is satisfied that the proposed structure or use conforms to the requirements and intent of this chapter and the city master plan, that any additional conditions and requirements stipulated by the planning commission or city council have been or will be met, and that such use will not, under the circumstances of the particular case, constitute a nuisance or be detrimental to the public welfare of the community.
(b) The community development and sustainability director shall ensure that the development and use is undertaken and completed in compliance with such permit.

Where multiple applications are involved, the timing of discretionary review can vary depending on the level of public controversy. It is not uncommon for a non-controversial discretionary application to be acted upon within three to four months of the applications’ filing. It should be noted that often the developers enter into a development agreement with the city. This negotiated agreement may affect the length of time a project takes before a final action on it. It is also worth noting that even when a project involves multiple discretionary actions, the city attempts to process them concurrently in order to minimize processing time.

Once a multifamily site has been identified in the Preliminary Planned Development Zoning, it typically requires a Final Planned Development and Design Review. If processed concurrently, these applications typically require four to six months but timing will vary with the complexity of the project. At the time of these final applications, there is much predictability in the process, as the Planning Commission and City Council review projects using the specified zoning as the basis for their subsequent decisions.

Most new residential developments in Davis are in a Planned Development zone and very few are subject to a conditional use permit (only in rare cases where it might have been required because of some special situation like an office or industrial district). The CUP process has no stronger relationship to Planned Development zoning districts than any other zoning districts (like conventional districts of R-1, R-2, R-3, etc).

Planned development zoning (as compared to conventional zones) are most frequently utilized by developers and the city because the PD zone allows for flexibility that is advantageous, especially for newer higher density projects and affordable housing projects in terms of setbacks, FAR, lot coverage, and other standards. There is not a separate process for affordable housing projects but since affordable housing sites are established at the time of approval of the PD zone for the larger project consisting of mostly market rate units, they do not need to go through the Preliminary Planned Development (establishment of the basic zoning and uses including affordable housing) stage. They do have to go through the standard Final Planned Development stage which is basically a plot plan stage with overlap with design review (if design review even applies). Therefore, the planned development zoning does not negatively affect affordable housing development as most affordable housing sites are already within a PD zone and no additional layer of regulation is placed on the development of the actual affordable units.

For non-discretionary single-family projects, only a plot plan review is required, which is an over-the-counter task. Then the process to secure a building permit takes approximately 1 to 2 weeks. For a non-discretionary multifamily projects, noticing and public comment periods plus design review take approximately 4 weeks to process.
Design Review Process

The citywide design review section of the Zoning Ordinance (40.31, Plot Plan and Architectural Approval) applies to multi-family and commercial projects but not single family projects. The guidelines consist of "Principles to be Followed" and "Findings for Approval", which are both listed below. These principles and findings are intentionally general and flexible because of the wide variety of projects that are reviewed and their context.

Principles to be Followed:

In carrying out the purposes of this article with respect to the external design of buildings and plot plans of all proposed new buildings, structures or uses for which plot plans and architectural review is required, the following principles shall be applicable:

(a) Review of architectural character shall not be so restrictive that individual initiative is stifled in the design of any particular building or site or that substantial additional expense is required. Rather, it is the intent of this article that the review exercised shall be the amount necessary to achieve the overall objectives of this article;

(b) Good architectural and landscape architectural character is based upon the suitability of a building or site for its purposes; upon the appropriate use of sound materials, good relationship with other structures and the character of the city; and upon the principles of harmony, preparation and design in the elements of the building or site;

(c) Good architectural and landscape architectural character and site planning design are not, in themselves, more expensive than poor architectural character and poor site planning design, and are not dependent upon the particular styles of architecture; and,

(d) Review of sign graphics shall be based upon suitability of the sign colors, placement, design to overall building design and adjacent sign themes. The community development department shall consider the extent, design and location of all temporary signs in the review of sign graphics. (Ord. No. 1694, § 1 (part).)

Findings for Approval:

(a) A plot plan and architectural (design review) application shall be approved, conditionally approved, or denied by the Planning and Building Director, Planning Commission, or City Council pursuant to the requirements of article 40.39 of this chapter. The Design Review would go to one of these decision makers based on the approval requirements of the accompanying zoning applications. On its own, a design review only requires administrative approval. With a conditional use permit or final planned development, Planning Commission approval is required. If attached to a rezoning or a General Plan amendment then City Council approval is necessary.

Such application may be approved only if the following findings are made:
(1) The proposed project is consistent with the objectives of the general plan, complies with applicable zoning regulations, and is consistent with any adopted design guidelines for the district within which the project is located;

(2) The proposed architecture, site design, and landscape are suitable for the purposes of the building and the site and will enhance the character of the neighborhood and community;

(3) The architectural design of the proposed project is compatible with the existing properties and anticipated future developments within the neighborhood in terms of such elements as height, mass, scale, and proportion;

(4) The proposed project will not create conflicts with vehicular, bicycle, or pedestrian transportation modes of circulation; and

(5) The location, climate, and environmental conditions of the site are adequately considered in determining the use of appropriate construction materials and methods. Sufficient conditions are included with the approval to ensure the long-term maintenance of the project.

Actual physical guidelines are not listed in the code except for the downtown area, which includes the Commercial areas and Traditional Residential Neighborhoods. More specific guidelines have been established for the downtown area and the traditional neighborhoods surrounding the downtown. These consist of principles and guidelines consisting of written guidelines supported by illustrations. The design guidelines for the Traditional Residential Neighborhoods have the following guidelines:

- Design a front elevation to be similar in scale to those seen traditionally on the block.
- Minimize the perceived scale of a building by stepping down its height toward the street and neighboring smaller structures.
- The primary building face should not exceed the width of a typical single family building in a similar context.
- Break up the perceived mass of a building by dividing the building front into “modules” or into separate structures that are similar in size to buildings seen traditionally in the neighborhood.
- If a garage door is to be incorporated, design it to minimize its visual impacts.
- Locate doors and windows to respect the privacy of neighboring properties to the extent possible.
- Use building forms that are similar to those seen traditionally.
- Use roof forms that are similar to those seen in the neighborhood.
- Brick, stucco and painted wood are suggested primary building materials.
- Roof materials should appear similar in scale and texture to those found traditionally.
- Adaptive reuse of existing buildings is strongly encouraged.
- An addition should not strongly alter the perceived character of the original building.
- The roof form of the new addition should be in character with that of the original building.
- For an existing structure that is listed as a historically significant property, design a new addition such that the evolution of the building can be interpreted.
- A new addition should respect the mass and scale of the main building.
- Site the addition to minimize visual impacts on the street and on adjacent properties.
- Locate a secondary structure at the edges of the building lot in a traditional manner while providing adequate.
- Locate doors and windows on a secondary structure in such a way as to respect the privacy of neighboring properties to the extent possible.

The Plot Plan and Administrative Review process is governed by Article 40.31 of the Davis Municipal Code. The majority of design review applications are processed administratively. Owners of property within 500’ of the site receive notification, but no public hearing is required unless there is substantive comment that an application should not be approved.

Considerations for granting design review approval are found in Section 40.31.085. These include objective criteria such as compliance with zoning standards, as well as interpretative criteria such as neighborhood compatibility.

The design review process entails the following steps:

- Determination of whether application is complete (must be completed within 30 days).
- Determination of consistency with the General Plan, Zoning Ordinance, and any adopted design guidelines for the district within which the project is located.
- Determination that the proposed architecture, site design, and landscape is suitable for the purposes of the building and the site and will enhance the character of the neighborhood and community.
CONSTRANTS TO HOUSING PRODUCTION

- The architectural design of the proposed project is compatible with the existing properties and anticipated future developments within the neighborhood in terms of such elements as height, mass, scale, and proportion.

- Determination of consistency with Design Guidelines for the Downtown and Traditional Residential Neighborhood Design Guidelines, if applicable.

- Determination that the proposed project will not create conflicts with vehicular, bicycle, or pedestrian transportation modes of circulation.

- The location, climate, and environmental conditions of the site are adequately considered in determining the use of appropriate construction materials and methods. Sufficient conditions are included with the approval to ensure the long-term maintenance of the project.

- CEQA determination.

If project is consistent, it proceeds to the public review process

- Usually, the Community Development Department mails a notice of its intent to approve the application to owners of property within 500 feet of the site. If there are no substantive concerns raised within 10 days, the project is approved.

- If a design review application is being processed concurrently with an application requiring public hearing (such as a rezoning), all entitlements are scheduled together.

The Phased Allocation Ordinance, the Affordable Housing Ordinance, and the Middle Income Housing Ordinance were discussed in the sections above. Usually applications that are applicable to a project under these ordinances are filed concurrently with other discretionary applications like General Plan and Specific Plan amendments, and/or prezoning/rezoning/zoning amendments applications for a residential subdivision. Affordable Housing Plans under the Affordable Housing Ordinance and Middle Income Housing Ordinance do require review by the Social Services Commission. While there is little to no additional time required for these applications because of the Commission’s accommodation of project applications, there is additional processing that this entitlement requires. This review is not found to negatively impact a project or hold up the processing of an application.

Processing Fees and Exactions

Processing fees. The City Council through ordinances and resolutions establishes fees for building permits and planning and engineering services. These include the full cost of the preparation of environmental impact reports when necessary, and payment based on amount of city staff time spent
for plan checking, inspection of improvements and other necessary services. The fees are based on studies that analyze staff time and prevailing fees in the surrounding localities.

State law requires that local permit processing fees charged by local governments must not exceed the estimated actual cost of processing the permit. Table 50 below lists the current fees assessed with the processing of planning and building permit applications. There are two types of fees associated with planning applications: fixed/flat fees and deposit fees. Flat fees provided a standard cost for the processing of its corresponding application without regard to whether the actual project takes more time or less time to process. Deposit fees allow the City to refund projects that are less staff intensive then others and charge projects that require additional time based on the specifics of a project.

The hourly rate in the schedule is applied to the deposit. The deposits were established based on the actual costs of processing using estimated number of hours plus overhead. Upon completion of a project applications review, any remaining amount on the deposit is refunded to the applicant. If there is an outstanding balance to be paid the applicant is sent a bill. Fees charged by the Community Development Department are estimated to account for 68.5 percent of its total support operations. The remaining operations support funds are derived as follows: 25 percent from the City of Davis General Fund, and 6.5 percent from construction tax, development impact fees, and grant funds.

**TABLE 50: CITY OF DAVIS PLANNING DIVISION FEE SCHEDULE, EFFECTIVE JULY 22, 2013**

<table>
<thead>
<tr>
<th>Application/Fee Type</th>
<th>Fee Amount</th>
<th>Fee Type</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hourly Rates</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Support</td>
<td>$88</td>
<td>Per hour</td>
</tr>
<tr>
<td>Junior/Assistant Planner</td>
<td>$182</td>
<td>Per hour</td>
</tr>
<tr>
<td>Planner/Management/Supervisor</td>
<td>$200</td>
<td>Per hour</td>
</tr>
<tr>
<td><strong>Design Review</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative approvals–Outside Downtown and Traditional Residential Neighborhoods and Design Guidelines. Includes building additions and changes to existing plot plans, but not new structures. Includes minor modifications and garage conversions. (Includes categorical exemption fee.)</td>
<td>$2,000</td>
<td>Fixed fee</td>
</tr>
<tr>
<td>Design Guideline areas–Tier II design review</td>
<td>$1,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Design Guideline areas–Tier III design review</td>
<td>$2,000</td>
<td>Deposit</td>
</tr>
</tbody>
</table>
## CONSTRAINTS TO HOUSING PRODUCTION

<table>
<thead>
<tr>
<th>Application/Fee Type</th>
<th>Fee Amount</th>
<th>Fee Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minor Improvements/Design Guideline areas–Tier I review project <strong>not</strong> requiring a categorical exemption Projects requiring a categorical exemption</td>
<td>1 hour/Planner 2 hours/Planner rate</td>
<td>Fixed fee Fixed fee</td>
</tr>
<tr>
<td>Design Review (COA) of Historic Structures–Not Categorically Exempt. (Exempt projects–no fee.)</td>
<td>$1,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>New projects–all new buildings</td>
<td>$2,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Planning Commission–Additional deposit for referral to Planning Commission</td>
<td>$1,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Sign program (signs not consistent with sign guidelines or approved sign program)</td>
<td>$1,000</td>
<td>Deposit</td>
</tr>
</tbody>
</table>

### Environmental Review

<table>
<thead>
<tr>
<th>Application/Fee Type</th>
<th>Fee Amount</th>
<th>Fee Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Categorical exemption</td>
<td>$154</td>
<td>Fixed fee</td>
</tr>
<tr>
<td>Negative declaration (CA Fish &amp; Wildlife fee may also apply)</td>
<td>$1,500</td>
<td>Deposit</td>
</tr>
<tr>
<td>EIR preparation</td>
<td>Full payment of cost estimate or contract + 20% administrative fee</td>
<td></td>
</tr>
<tr>
<td>Yolo County–Notice of Determination filing fee</td>
<td>$50</td>
<td>Fixed fee</td>
</tr>
<tr>
<td>California Department of Fish and Wildlife filing fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negative declaration*</td>
<td>$2,206.25</td>
<td>Due at planning application submittal</td>
</tr>
<tr>
<td>EIR*</td>
<td>$3,045.25</td>
<td></td>
</tr>
<tr>
<td>*Includes $50 Yolo County filing fee</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Housing/Owner Occupancy

<table>
<thead>
<tr>
<th>Application/Fee Type</th>
<th>Fee Amount</th>
<th>Fee Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable Housing Plans Review</td>
<td>$900</td>
<td>Deposit</td>
</tr>
<tr>
<td>In-lieu housing (affordable units)</td>
<td>$37,500</td>
<td>Per unit</td>
</tr>
<tr>
<td>Discounts will be given for vertical mixed-use projects and projects that include 75% stacked airspace condominiums. Discounts include a $10,000 reduction of the per-unit fee for vertical mixed-use buildings and a $5,000 reduction of the per-unit fee for ownership projects that include 75% or greater of the project’s residential square footage as stacked air space condominium units. Projects that are both vertical mixed-use and predominantly composed of stacked air space condominium units shall receive a $15,000 total reduction. (Please note: Vertical mixed-use for the purpose of calculating affordable housing in-lieu fees is defined as a multistory building that incorporates residential units above first-floor commercial and/or office space.)</td>
<td>$204.36 $196.50</td>
<td>Fixed fee Fixed fee</td>
</tr>
<tr>
<td>Owner Occupancy Declaration Exemption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application/Fee Type</td>
<td>Fee Amount</td>
<td>Fee Type</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Phased Allocation Plan</td>
<td>$2,000</td>
<td>Deposit</td>
</tr>
<tr>
<td><strong>Map Applications</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tentative map (five or more parcels)</td>
<td>$3,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Other maps/vacation of right of way/lot line adjustment</td>
<td>$2,000</td>
<td>Deposit</td>
</tr>
<tr>
<td><strong>Parking</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-lieu parking space for all zoning districts, excluding Central Commercial (C-C) and Mixed Use (M-U)</td>
<td>$8,000</td>
<td>Per space, Resolution No. 8343, adopted April 22, 1998</td>
</tr>
<tr>
<td>Central Commercial (C-C) and Mixed Use (M-U) zoning districts</td>
<td>$4,000</td>
<td>Per space, Resolution No. 04-51, 2004 adopted February 17, 2004</td>
</tr>
<tr>
<td><strong>Zoning</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conditional use permit:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minor (Second unit, guest house, core area fast food)</td>
<td>$2,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Major (all other)</td>
<td>$3,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Final planned development &amp; revised final planned development</td>
<td>$2,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Minor modification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not referred to Planning Commission (includes categorical exemption fee)</td>
<td>$2,000</td>
<td>Fixed Fee</td>
</tr>
<tr>
<td>Referred to Planning Commission</td>
<td>$2,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Prezoning/Rezoning/Preliminary planned development</td>
<td>$5,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Public convenience or necessity determination</td>
<td>$1,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Temporary use permit:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not requiring mailing or environmental review</td>
<td>1 hour/Planner rate</td>
<td>Fixed Fee</td>
</tr>
<tr>
<td>Requiring mailing (includes categorical exemption fee)</td>
<td>$2,000</td>
<td>Fixed Fee</td>
</tr>
<tr>
<td>Variance</td>
<td>$1,600</td>
<td>Deposit</td>
</tr>
<tr>
<td>Zoning letter/determination of permitted use</td>
<td>2 hours/Planner rate</td>
<td>Fixed Fee</td>
</tr>
<tr>
<td>Zoning Ordinance amendment</td>
<td>$4,000</td>
<td>Deposit</td>
</tr>
</tbody>
</table>
## Application/Fee Type

<table>
<thead>
<tr>
<th>Application/Fee Type</th>
<th>Fee Amount</th>
<th>Fee Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning verification (Planning Commission)</td>
<td>$500</td>
<td>Deposit</td>
</tr>
<tr>
<td><strong>Other Applications</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annexations</td>
<td>$3,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Appeals—A flat fixed fee to be paid by the appellant. Hours will be charged against the project; all costs in excess of the initial $200 shall be paid by the applicant/developer</td>
<td>$200</td>
<td></td>
</tr>
<tr>
<td>Core Area Specific Plan amendment cost recovery fee (see note 5) below</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Historic unit:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-historic unit:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demolition review:</td>
<td>$500</td>
<td>Deposit</td>
</tr>
<tr>
<td>Demolition review (Municipal Code Sec. 8.19). Includes approval of site management plan, public noticing and, if applicable, initial 30-day historic resource evaluation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultant (additional if necessary to process)</td>
<td>$1,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Demolition review of potentially historic resources held over for HRMC and CC public hearings: ($1,000 staff/planning deposit, and $1,000 historical consultant deposit.)</td>
<td>$2,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Development agreement:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation/implementation</td>
<td>$8,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Annual review</td>
<td>$1,500</td>
<td>Deposit</td>
</tr>
<tr>
<td>Amendment</td>
<td>$2,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>General Plan Amendment</td>
<td>$4,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Specific Plan Amendment</td>
<td>$3,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>Grading permit:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biological survey</td>
<td>$1,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>No survey required</td>
<td>$308</td>
<td>Fixed fee</td>
</tr>
<tr>
<td>Application/Fee Type</td>
<td>Fee Amount</td>
<td>Fee Type</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>--------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Long-range planning/community planning/General Plan update fee</td>
<td>.002 of building permit valuation</td>
<td>Charged at building permit on all permit types except demo permits</td>
</tr>
<tr>
<td>Parkland in-lieu (Quimby) fee</td>
<td>Updated Annually</td>
<td>Per unit</td>
</tr>
<tr>
<td>Pre-application</td>
<td>$1,500</td>
<td>Deposit</td>
</tr>
<tr>
<td>Pre-application meeting (One-hour meeting)</td>
<td>$150</td>
<td>Fixed fee</td>
</tr>
<tr>
<td>Research</td>
<td>$500</td>
<td>Deposit</td>
</tr>
<tr>
<td>Yolo County referrals (all projects)</td>
<td>$2,000</td>
<td>Deposit</td>
</tr>
<tr>
<td>All other applications</td>
<td>$500</td>
<td>Deposit</td>
</tr>
</tbody>
</table>

**Plan Checking**

Plot Plan Review (at building permit) Actual hourly rate charged at building permit

**Notes:**

1) Projects may require review by other agencies. These agencies may impose a fee for this service.
2) If the deposit exceeds the final actual cost, the balance will be refunded to the applicant.
3) The Community Development Director may reduce deposits if deemed appropriate.
4) Refund policy:
   - Refund requests must be submitted in writing.
   - Fixed fee applications: A refund will not be granted if the project has been noticed for a public hearing. If the project has not been noticed for a public hearing, the refunded amount will be the original fee paid, less the cost of staff hours worked on the project, less a $30 administrative processing fee.
   - Withdrawn applications: If staff has not completed any work on the project, a refund of the original fee paid, less a $30 administrative processing fee, will be made.
   - Deposit applications: Any unused deposit fee, after project completion, shall be entirely refunded.
5) Core Area Specific Plan Amendment cost recovery fees shall be increased each year by the CPI-U (San Francisco-Oakland-San Jose) Index, not to exceed 4%. Last updated with June 2012 index change.

**Processing Time Limits**

Table 51 below lists the current and typical development processing time limits for the City of Davis Planning Division. A basic design review will take up to 1.5 months. Depending on the scope of the project, review time can vary greatly. For example, if a project is referred to the Planning Commission for approval, the timeline is extended by one to two months. Amendments to the Zoning Ordinance require an additional two to six months of review time.
## TABLE 51: CITY OF DAVIS PLANNING DIVISION DEVELOPMENT PROCESSING TIME LIMITS

<table>
<thead>
<tr>
<th>Review Type</th>
<th>Typical Development Processing Time Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative</strong></td>
<td></td>
</tr>
<tr>
<td>Design Review</td>
<td>1.5 months</td>
</tr>
<tr>
<td>Minor Modification</td>
<td>1.5 months</td>
</tr>
<tr>
<td>Minor Improvement</td>
<td>Same Day – five to ten minutes</td>
</tr>
<tr>
<td><strong>Planning Commission</strong></td>
<td></td>
</tr>
<tr>
<td>Design Review</td>
<td>1 to 2 months</td>
</tr>
<tr>
<td>Minor Modification</td>
<td>1 to 2 months</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
</tr>
<tr>
<td>Lot Line</td>
<td></td>
</tr>
<tr>
<td>Adjustment/Merger/Tentative Parcel Map</td>
<td>1 to 2 months</td>
</tr>
<tr>
<td>Vacation of Easements</td>
<td>1 to 2 months</td>
</tr>
<tr>
<td>Tentative Subdivision Map</td>
<td>1 to 4 months</td>
</tr>
<tr>
<td>Conditional Use Permit</td>
<td>1 to 2 months</td>
</tr>
<tr>
<td>Variance</td>
<td>1 to 2 months</td>
</tr>
<tr>
<td>Final Planned Development</td>
<td>1 to 2 months</td>
</tr>
<tr>
<td>Revised Final Planned Development</td>
<td>1 to 2 months</td>
</tr>
<tr>
<td>Prezoning/Rezoning/Preliminary Planned Development</td>
<td>2 to 12 months</td>
</tr>
<tr>
<td>Zoning Ordinance Amendment</td>
<td>2 to 6 months</td>
</tr>
<tr>
<td>Specific Plan Amendment</td>
<td>2 to 6 months</td>
</tr>
<tr>
<td>General Plan Amendment</td>
<td>2 to 12 months</td>
</tr>
<tr>
<td>Annexation</td>
<td>6 to 24 months</td>
</tr>
<tr>
<td>Environmental Documentation</td>
<td>Depends on the application</td>
</tr>
</tbody>
</table>

*Source: City of Davis, May 2013*
Development Fees

One effect of Proposition 13 in Davis, as in many California cities, has been an effort to require that new developments pay for themselves. The City has imposed a number of fees on new commercial, industrial, and residential development, including development impact fees, construction taxes, and building and planning fees. In addition, the city collects a school fee for the Davis Joint Unified School District.

The physical infrastructure needs of the City are identified and defined as capital facility projects in the City-conducted Development Impact Fee Study. The study provides detailed information on the expected costs of these facilities, and allocates costs appropriately based on the type of development that trigger the need for the project. State law limits the extent to which local governments can place the burden for new facilities on new development. The law requires that fees show a "reasonable" relationship or nexus between the type of development on which the fee is imposed and the public facilities being financed by the fee revenue.

Residential developers are required to bear much of the cost of the development review and approval process as well as to pay fees to provide services and ensure adequate facilities for the residents of new projects. Given strong housing demand, fees and exactions are unlikely to limit the amount of housing built in the City, but they do increase the cost of producing housing. The impact on consumer home prices and rents is likely more influenced by market forces than the costs of production.

The fees collected by the Davis Building Division at the time of permit issuance, which are associated with new residential construction relative to building code, include the following:

- State of California Strong Motion Fee. This is a State-mandated tax for seismic monitoring, and applied to residential construction.

- Davis Unified School District impact fee. The school impact fee is $2.789 per residential square foot.

- Yolo County development impact fee of $3,901.70 for new single-family homes, and $2,869.90 per multifamily home (commercial and industrial rate varies), in Davis is paid at Yolo County Planning Department in Woodland prior to issuance of building permit.

- Construction water fee of $81.75 is paid for valuation of construction from one dollar up to $100,000, and scaled for valuations over $100,000.

- Water meter and backflow preventor permit fees of $106 for residential construction.

- Construction tax fee of $3.10 per square foot for residential.
• Plan check fees are collected for the review of plans for the projects. The fees charged often depend on the level of review involved prior to approval of the plans. Stock plans are charged a $175 administrative fee in lieu of the full plan check fee.

• Development impact fee is approximately $25,000 for a new single-family dwelling. Development impact fees are enabled by State law to provide funding for capital facilities needed to adequately serve new development. The fees established by the development impact fee resolution adopted by the City are adjusted to account for the following factors: 1) normal cost increases associated with annual changes in the Engineer News Record Construction Cost Index, 2) the share of existing project cost increases and decreases assigned to future development, 3) the share of new project costs assigned by the Public Works Department on a case-by-case basis to future development, and 4) General Plan changes that alter a parcel’s expected development potential or densification. Thus, the exact amount of the development impact fee will depend on the factors as evaluated in the City resolution establishing a schedule for increasing development impact fees. The City provides fee estimates to developers and, based on three recent projects in the City, the following fees are considered typical:

  – Based on the completed New Harmony project, total fees for this 69-unit multifamily project were approximately $2,638,362 total or $38,237 per unit. This represents approximately 11 percent of the total project cost, which was $23,422,903.
  – Based on the completed Chiles Ranch-Simmons subdivision, total fees for this 108-unit subdivision was approximately $5,889,806 or $54,535 per unit.
  – Based on another recent project, Cesar Chavez, fees accounted for approximately 8 percent of the total overall housing development costs.

The City’s development fees are applied to all developments. The fee shown here include all City planning, building and public works fee as well as development impact fees including roadways, drainage, sewer, water, parks, open space, public safety facilities, and general facilities fees. The City does not offer fee waivers but actually provides financial assistance to affordable housing developments that demonstrate the need for this assistance.

Exactions

Typically new housing projects are only required to pay and provide for fees and requirements discussed above—development impact fees, processing fees, affordable housing units, and middle income units. When a project requires a larger degree of entitlements, particularly annexation or a General Plan amendment, the City can consider and determine the merit for additional project exactions through a Development Agreement based on the unexpected change in land use that was not previously planned for. Exactions that have been discussed in previous projects are typically associated with provisions for public safety services for the development, parks services and maintenance, and installation of a city well site. The City has not identified any instance when a
5.0 B. Governmental Constraints On Housing for Persons with Disabilities: Reasonable Accommodation, Building Code, and Land Use Requirements

The City could not identify any specific governmental constraints that hinder the provision of housing for persons with disabilities. With recent affordable housing projects, the City has partnered with local housing and supportive services organizations that specialize in providing housing and services to persons with varying types of disabilities. The City of Davis has affordable housing units for households with the following types of disabilities: physical, mental, developmental, and drug/alcohol dependency. The following is a checklist of potential constraints on housing for persons with disabilities:

- The City has adopted Uniform Building Code with a universal design element. The City has adopted the Reasonable Accommodations Ordinance and the Checklist Ordinance that are related to some standards in Building Code. Both are in Chapter 18 of Code, Housing Chapter.

- The City enforces the requirements of SB 2787 and AB 1400 and adopted an ordinance requiring the offer of a checklist of features. The City also requires accessibility and visitability in new single-family units, requires building code accessibility for multi-family units, and for units with funding or land donation from the city increased accessibility is strived for. (policy listed in Draft Housing Element).

- The City has a process for persons with disabilities to make requests for reasonable accommodation. The ordinance is described below. Information about this procedures are make available through the ADA Coordinator by contacting ada@cityofdavis.org or by calling 530 757-5644 or TTY at 530 757-5666. The information is also available at the Community Development Department and the City’s website.

- In reviewing zoning laws, policies and practices for compliance with fair housing law, the City removed restrictions during its last Housing Element period related to a maximum number of unrelated adults within a household because it was determined to be out of compliance with such laws.

- Parking standards for persons with disabilities are not different, but the city will allow for “parking reserves” (landscaped areas that can act as back-up parking spaces, developed as needed) if a reduced reliance/need for parking spaces can be demonstrated.

- The City’s Land Use Element does not regulate the siting of special housing in relationship to each other.
The City does not restrict the siting of group homes with six or fewer clients, which are permitted by-right in all residential zoning districts.

Larger group care homes are a conditionally permitted use in all of the residential zones. The conditions for these homes are no different than the conditions for any other use (as listed in the Section on Processing and Permit Procedures).

The City does not have occupancy standards based on family defined as relation by blood, marriage or adoption. Occupancy is only regulated by health code and leases between owners and tenants.

The City does not have a set of particular conditions or use restriction for group homes with greater than six persons. These would go through the typical conditional use permit process to consider compatibility with adjacent uses.

Group care homes with greater than six persons requiring a conditional use permit would include a possible neighborhood meeting, a neighborhood comment period, and a public hearing at the Planning Commission, with a 10-day appeal period of the Commission’s decision. Appeals would be referred to the City Council. This is typical of the conditional use permit process.

No particular conditions are set for group homes that provide services on site.

The City of Davis is an entitlement community for federal Community Development Block Grant (CDBG) funds. Each funding cycle of CDBG funds, the City identifies necessary projects in public areas (parks, curbs, sidewalks, and intersections), city-owned facilities, and public housing to increase accessibility. For fiscal year 12-13, $535,738 of the City’s $745,058 total allocation of CDBG funds was set-aside and used for City accessibility projects. Consistent with this year, it is typical that sixty-five percent or more of CDBG funding is committed to city and public facility accessibility projects. Most of these projects are based on items that were identified in the City’s Americans with Disabilities Act Self-Evaluation that was completed approximately three years ago, although projects of great importance identified outside of the evaluation can be considered as well. The City has also encouraged a greater amount of accessibility in all new housing units using the state’s checklist of accessibility features. The City adopted an ordinance requiring the offer of such features in all new ownership housing units. And in 2007 the City adopted the Visitability/Accessibility Housing Policy that is now the Universal Access Policy (described in Section 5.0) that requires projects with single-family units to incorporate features of accessibility. Modifications and exemptions are made for second units, carriage units, and projects of 15 units or fewer within the City’s Core Area (downtown). These requirements can also be appealed to the Community Development Director.
Reasonable Accommodation Ordinance

The City has approved variances and minor modifications in the past when it has been asked for a reasonable accommodation. Related to Reasonable Accommodations, the Zoning Ordinance allows deviations in parking requirements to increase dwelling accessibility for individuals with physical disabilities. An application may be submitted by any interested party with the consent of the property owner. The processing fee is that charged for all administrative design review applications. There is an administrative fixed fee of $100 for requesting a determination from the Handicapped Access Standards Board of Appeals for building code issues. Any fees that are found to present a hardship to an applicant are further considered and can be reduced or waived by the Community Development Director if found to be a barrier to a reasonable accommodation.

Additionally, the City adopted a reasonable accommodation ordinance in July 2008. The ordinance provides a structure for the processing of reasonable accommodations in the City. As stated in the ordinance “reasonable accommodation in the land use and zoning context means providing individuals with disabilities or developers of housing for people with disabilities, flexibility in the application of land use and zoning and building regulations, policies, practices and procedures, or even waiving certain requirements, when it is necessary to eliminate barriers to housing opportunities.” A request for a reasonable accommodation can be made by completing the City of Davis Request for Reasonable Accommodation form to the Community Development Departments with the: name and address of individual(s) requesting reasonable accommodation; name, address and telephone number of property owner(s); address of the property for which accommodation is requested; the current actual use of the property; description of the requested accommodation and the Zoning Ordinance provision, regulation(s), policy or procedure for which the accommodation is requested; the basis for the claim that the individual is considered disabled under the acts; and reason that the requested accommodation is necessary for the individual(s) with the disability to use and enjoy the dwelling.

If the project for which the request for accommodation is made also requires a discretionary approval (conditional use permit, design review, general plan amendment, zoning change, annexation, etc.) the application for that approval must be submitted with the request for accommodation for concurrent review. There is no fee for the reasonable accommodation request alone, but any fees for other discretionary approval still apply for that application. A request for reasonable accommodation in regulations, policies, practices and procedures may be filed at any time that the accommodation may be necessary to ensure equal access to housing. A reasonable accommodation does not affect an individual’s obligations to comply with other applicable regulations not at issue in the requested accommodation. If an individual needs assistance in making the request for reasonable accommodation, the City will provide assistance to ensure that the process is accessible.

Requests for accommodation are reviewed by the Community Development Director if no discretionary approval is requested alongside the request for accommodation. The Director must issue a written decision within 45 days either granting the accommodation, granting with
modifications or denying the request. The City evaluates the following to determine if the request is reasonable:

- Would impose an undue financial or administrative burden on the City; or
- Would require a fundamental alteration in the nature of a City land use and zoning, building program or State or Federal laws.

The following factors are considered in making a finding on the request:

- Whether the housing, which is the subject of the request for reasonable accommodation, will be occupied by an individual with disabilities protected under fair housing laws;
- Whether the requested accommodation is necessary to make housing available to an individual with disabilities protected under the fair housing laws;
- Potential impact on surrounding uses and residents
- Potential benefit that can be accomplished by the requested accommodation;
- Physical attributes of the property and structures;
- Alternative reasonable accommodations which may provide an equivalent level of benefit.
- Whether the requested alteration can be removed if the housing unit is not occupied by a person requiring the requested accommodation.

The Community Development Director can impose any conditions of approval deemed reasonable and necessary to ensure that the reasonable accommodation would comply with these findings.

The City provides notice of the availability of reasonable accommodations as well as the application form at the public information counters in the Community Development Department and it is also posted on the City’s web site.

With the combination of these steps and policies, the City continues to adopt policy and create procedures to reduce any barriers to housing for persons with disabilities in Davis.

**5.0 C. Efforts to Remove and Reduce Governmental Constraints**

The City has shown its ability to meet its RHNA for the current planning period. However, the City recognizes the need to remove constraints to housing and a policy category in Section 6 of this document is devoted to it. In addition to the programs, policies, and actions in Section 6, the City has already adopted the following local efforts to remove potential governmental constraints that might hinder housing availability and affordability:
The City has exempted all affordable housing and multi-family projects from Phased Allocation Plan requirements under the city’s growth management program.

The City has exempted all affordable housing, second units, and vertical mixed-use projects from the one-percent growth cap.

The City has granted density bonuses for provision of affordable housing and housing for seniors, consistent with state law.

The City has adopted reduced affordable housing in-lieu fees and parking fees for downtown/Core Area mixed-use and ownership housing development.

The City has continued to maintain a supply of land adequate to meet its Regional Housing Needs Allocation for housing at all income levels and is currently reviewing potential housing sites for other future city needs.

The City has developed and implemented guidelines for infill development and offers fee reduction and reduced requirements for in-fill development comprised of mixed-use and/or condominium development.

The City has suspended its Middle Income requirements and modified its Affordable Housing Ordinance requirements based on recent housing market changes and affordable housing revenue reductions.

The City has provided exemption categories for accessory dwelling units (second units), carriage units (units with living space over a private garage), and small projects (15 units or fewer) in the downtown/Core Area from the Universal Access requirements.

Measures taken to reduce governmental constraints on housing for persons with disabilities is detailed in subsection B above.

### 5.1 Non-Governmental Constraints to Housing: Construction Financing, Price of Land, Cost of Construction

Nongovernmental constraints are those factors limiting the availability of affordable housing over which local government has limited or no control. State law requires that this Housing Element contain an analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction. The nongovernmental analysis includes:

- Availability of construction financing.
- Land costs.
- Construction costs.
5.1 A. Availability of Construction Financing

In spite of continued housing demand and property values locally, financing for new construction has become both more conservative and expensive with the recent mortgage lending issues and the slow economy that is currently impacting all lending branches. Even successful and experienced local for-profit developers have stated that in recent months they are only being offered in the lesser of these following calculations:

- 75% of the total project costs; or
- 65 to 70% of the projected appraised value of the completed subdivision

There is some ability to increase these percentages up to five percent more if the developer has pre-sold housing units being developed and has deposits from buyers prior to construction start.

Non-profit developers also face a different challenge. Most of their construction costs come from governmental sources. Government funds for affordable housing are limited. In February 2012, Redevelopment Agencies throughout California were dissolved, thereby reducing annual local affordable housing revenue by approximately $2 million. Non-profit developers face nationwide and statewide competition for ever-reducing affordable housing funds. The city offers affordable housing assistance from its Housing Trust Fund, HOME and CDBG funds. These funds are limited and continue to decrease with federal funding cuts.

For homebuyers, interest rates have a major impact on housing affordability, as discussed in Section 3 of this document. There have been some significant decreases in interest rates, but with the recent mortgage crisis and high percentage of foreclosures, lenders have tightened up qualifying standards more than in the past. This makes silent second and downpayment loans to low and moderate income buyers even more critical. Having cash on-hand (even as a loan) for the transaction decreases lender risk and increases buyer’s affordability. It is unclear when interest rates will increase again.

There is no data to indicate that financing is less available in the Davis area than elsewhere in the region or state. Financing is generally available in Davis for new construction, rehabilitation and refinancing. The overall steady housing market of the City adds to the attractiveness for lenders to locate here. During the last planning period the City offered silent second mortgages through the CalHOME Program and plans to continue this program in future affordable housing projects and funding cycles. It should be noted that the City has no control over the financial feasibility of any housing transaction relative to financing. Lenders weigh individual housing transactions on their merit using their individual underwriting standards. The City has worked with the California Housing Finance Agency (CalHFA) to ensure it will provide mortgage products to the City’s affordable units based on the existing affordability requirements. The City continues to maintain approval from CalHFA underwriting staff.
It is not believed that financing would be an impediment to availability and affordability of housing in Davis because of the many institutions seeking to lend money at the current market conditions. This is based on the attractiveness of Davis to lenders due relative stability of its housing market and values. The City continues to work with CalHFA to ensure availability of their loan products into all affordable housing opportunities.

5.1 B. Land Costs

Many factors and variables influence the cost of land, these include such things as: land scarcity, location, unique on-site features, lot size, accessibility, availability of services, type of financing between buyer and seller, zoning and General Plan designation. Typically the cost of land is the largest component of housing development costs. While the City can directly control the housing supply through Measure J and the Phased Allocation growth management program, there is little that it can do to influence the market price of land.

As of early 2013, the cost of an improved, ready-to-build residential lot ranges from $300,000 to $400,000, depending on lot size, location, zoning, and other factors. For instance, locations next to open spaces, such as a golf course, greenbelts, or Putah Creek, demand higher land values, while locations near the freeways (especially I-80) are less valuable, due to noise and traffic concerns. The current market price of an improved residential lot, or group of lots, typically ranges from $40 to $50 per square foot.

5.1 C. Construction and Improvements Costs

The hard costs of construction are based on labor and materials but do not include land (addressed above) and the costs to improve the land. Construction costs, including development fees, vary depending on the type of development. As of early 2013, local developers contacted by staff estimate that the production home construction cost typically ranges from $100 to $125 per square foot. The custom home construction cost typically ranges from $150 to greater than $200 per square foot. Because builders often attempt to maintain a constant ratio of land to building cost, increasing land values can result in increases in proposed unit size and amenities, further increasing the cost of the completed home.

The range of construction costs for affordable multi-family projects in Davis in the last five years was $150 to $180 per square foot. Affordable multi-family housing projects cost more than market rate multi-family projects because of prevailing wages and other governmental requirements. The range of construction costs for market rate multi-family projects in the last ten years has been $130 to $160 per square foot. Production builders have lower construction costs compared to non-production builders in both single-family and multi-family housing projects due to the economies of scale (including management costs) and where the homes are built with lower quality components and finishes compared to non-production homes.