

**American Planning Association
2000 Planning Award Nomination
City of Davis, Affordable Housing Program**

Program Summary

Program Vision

- Affordable housing in every neighborhood
- Range of affordable housing types
- Flexibility for city and developers, within parameters
- Support for nonprofit housing developers



Components

- Inclusionary ordinance requiring affordable housing in new developments
- Housing Trust Fund and Redevelopment Agency Low and Moderate Income Housing Fund providing approximately \$1,000,000 per year for project subsidies
- Entitlement Community Development Block Grant and HOME programs for additional support to projects and non-profit housing developers
- Financial support to dedicated land sites, acquisition/rehabilitation projects, landbanking, and housing services
- In-lieu fees for small projects based on gap between affordable unit cost and supportable debt service
- Additional affordable units through infill and rehabilitation programs
- Strong policy support from Planning Commission, Social Services Commission, and City Council

Innovations

- Aggressive inclusionary program linked to growth management and density bonus incentives
- Award-winning high-quality projects to increase neighborhood acceptance and reduce long-term maintenance costs
- Land dedication and landbanking to ensure permanent affordability and local control
- Sole-source financing concept with unprecedented per-unit subsidies to provide certainty in development and reduce legal and financing costs

Results

- Affordable units in all areas of Davis
- Affordable housing averaging 27 percent of market units (21.4 percent of all units approved in past 13 years)
- 976 units permanently affordable at very low and low-income rents
- 22 land dedication or landbanking sites developed by 8 nonprofit corporations
- Includes special needs housing for seniors, persons with physical disabilities, developmentally disabled individuals, and victims of domestic violence
- Sole-source financing and second mortgage repayments to provide continuing source of housing subsidy funds

Award Justification

Originality

The City of Davis has long been known for innovative planning principles, from ecological subdivisions to a comprehensive bikeway system. For decades, the city has had inclusionary requirements with the continuing goal of providing a variety of housing types and products in all areas of the city.

The current affordable housing ordinance, adopted in 1990, has been used as a model by jurisdictions throughout the state of California. The city's recent policy to provide sole-source, rather than gap, financing to nonprofit housing developments is breaking new ground in housing financing for mid-size communities.

Transferability

Many aspects of the program have led to its success in Davis. Some, such as the strong support by a series of City Councils, may be difficult to replicate elsewhere. Similarly, the program's exceptional track record in constructing and maintaining quality housing has led to acceptance by developers and community members alike. However, a number of key components do have potential application in other jurisdictions, including

- **Flexibility.** The Affordable Housing Ordinance has four main options, including developer-built housing and land dedication. Developers may also request individualized with other housing types. Other approved projects include resale-controlled condominiums, a student housing cooperative, and shared living for single parents. This allows the type of affordable housing to be selected based on the needs of the neighborhood and the community. In addition to the inclusionary program, the city has also provided financial assistance to acquisition/rehabilitation projects, downtown housing developments, landbanking, and housing services.
- **Land dedication as a key component.** The projects built on dedicated land provide permanently affordable housing for the lowest incomes, while strengthening the nonprofit organizations that own them. The city encourages nonprofit developers to link with social service organizations to provide a spectrum of services to residents.
- **Sole-source financing.** Recent city commitments to affordable housing developments have exceeded \$40,000 per unit. This level of support is unprecedented in Davis and uncommon in even the largest jurisdictions. City analyses show that the sole-source financing will provide millions of dollars in loan repayments, over time, to support other affordable housing activities. It will also eliminate many of the costs and delays associated with cobbling together multiple funding sources for one project.

Quality

The prime indicator of the quality of the program is the quality of the housing itself. Apartments built on land dedication sites have won awards for design and construction. Davis projects consistently score well in applications for state and federal funding. Properties are well-maintained and managed after construction and occupancy, resulting in an exemplary living environment for low-income residents and minimal concern from neighbors residing in nearby market-priced housing.

Implementation

Fifteen hundred new affordable housing units have been built or approved in the past 13 years. The city's affordable housing programs provide housing for individuals and families, many of whom would not otherwise have been able to live in Davis.

Comprehensiveness

The City of Davis affordable housing program combines staff resources and support from Planning, Redevelopment, and Social Services programs. Funds are provided by the City, the redevelopment Agency, and federal grants. The program encourages cooperation between for-profit developers, nonprofit developers, and policy makers.