

**University Research Park Project  
Affordable Housing Plan  
Updated: October 11, 2018**

Overview and Purpose:

The University Research Park project (“URP,” or the “Project”) proposes a mix of affordable housing elements that: address particular unmet housing needs within the City of Davis (“City”); meet the affordability requirements for a Sustainable Communities Project (“SCP”) under Public Resources Code section 21155.1(c); and respect the neighborhood context.

The Project is planned for the final vacant lot in the University Research Park, on a reconfigured parcel approximately 4.5 acres in size. URP will encompass 160 apartment units situated within four (4) buildings, with an additional 26,912 square feet of ground-floor open-plan tech space.

Affordable Housing Plan

<b>Target Income</b>	<b>Quantity and Type</b>	<b>Type of Lease</b>	<b>Rent as % of Area Median Income (“AMI”)</b>	<b>Expected Initial Monthly Rent*</b>
Very low	5% of total units	Unit	30% of 50%	<b>Studio:**</b> \$728.00/month <b>One-bedroom:**</b> \$833.00/month <b>Two-bedroom:**</b> \$936.00/month
Total				

Notes:

\* Expected monthly rent is based on current year rental information and 2018 Yolo County AMI.

\*\* The quantity of each of these categories of units will be proportionate to the total number of those types of units in the entire Project.

1. Affordable Rental Units for Very Low Income (Sustainable Communities Project).

Consistent with Public Resources Code section 21155.1, subsection (c)(1), URP will include 5% of the rental units to be rented at an affordable rent to very low income households, which is defined by the statute as those households with a gross income of no more than 50% of the AMI, adjusted for household size appropriate for the unit. URP will use Yolo County as the “area” for calculation of applicable AMI.

2. Qualifying Criteria

URP’s affordable housing program will be open to individuals who qualify for conventional affordable housing, as well as individuals who may not qualify for such housing. All affordable

housing residents must demonstrate that they meet the income criteria at the appropriate level for the housing they seek. For purposes of determining eligibility, “income” shall be defined as set forth in 25 Cal. Code Regs. § 6914.

URP management may also implement additional tenant selection criteria, and shall ensure that all selection criteria are in conformance with all applicable laws, including but not limited to the Federal Fair Housing Act, the California Fair Employment and Housing Act, and the California Unruh Act. Additional tenant selection criteria may include, for example, tenant’s credit-worthiness and tenant’s rental history.

### Utility Rates

Each URP tenant will be responsible for the cost of the tenant’s monthly utility rate.

### Parking

The project will not charge tenants for parking.

### Administration of Program and Marketing

The URP leasing schedule will follow the calendar year: all leases will be for a term of one year, and the leases will commence in January and terminate in December.

At the end of the lease for tenants living at URP in future years,<sup>1</sup> residents who demonstrate their income qualification for affordable housing will be offered first priority for the next lease year. To the extent there are available units in the affordable housing program for the next lease year, the affordable housing program will be offered to prospective tenants as part of the normal leasing process. If units in the program are available as of July 15th of any year, URP management will advertise locally, contact community groups, and shall ensure, to the maximum extent possible, that all affordable units are leased at an affordable rent to eligible households or individuals as of January 15th each year.

### Duration of Affordable Housing Program

The required number of affordable units shall be maintained and rented as part of URP in perpetuity, subject to compliance monitoring by the City. This affordable housing plan shall be implemented through a Regulatory Agreement and Restrictive Covenants (the “Regulatory Agreement”), which shall be recorded against the URP property prior to the issuance of any building permits for the Project. The Regulatory Agreement shall be consistent with the Plan as outlined herein and shall be in a form as approved by the City Manager and City Attorney. The Regulatory Agreement shall remain in effect in perpetuity and shall be in a senior position to any deeds of trust or other security instruments recorded against the URP property for any purpose

URP management will submit an annual report in a form approved by the City no later than February 30th of each year to the City showing the number of qualifying units in the Program for

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<sup>1</sup> There are currently no tenants at URP.

the lease year that commenced in January, as well as compliance with qualification criteria of the program.

### Compliance with State and Local Affordable Housing Requirements

#### California

URP complies with California state mandates for affordable housing under Senate Bill 375. SB 375 states that, in order to qualify as a transit priority project, the development must meet both of the following requirements (Pub. Res. Code § 21155.1(c)):

(A) At least 20 percent of the housing will be sold to families of moderate income, or not less than 10 percent of the housing will be rented to families of low income, or not less than 5 percent of the housing is rented to families of very low income.

(B) The transit priority project developer provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units for very low, low-, and moderate-income households at monthly housing costs with an affordable housing cost or affordable rent, as defined in Section 50052.5 or 50053 of the Health and Safety Code, respectively, for the period required by the applicable financing. Rental units shall be affordable for at least 55 years. Ownership units shall be subject to resale restrictions or equity sharing requirements for at least 30 years.

URP meets these requirements.

#### City of Davis

URP complies with the requirements of the City's Affordable Housing Ordinance ("Ordinance"), found at Municipal Code Article 18.05. The base Ordinance requires that, for developments with more than 20 units, 35% of the units in the developments must be affordable units, and of that 35%, 25% of the units must be designated for low income individuals, and 10% must be designated for very low income individuals, as defined in Municipal Code sec. 18.05.020. On February 6, 2018, the City Council temporarily amended its rental inclusionary requirements to serve as a bridge until the City can complete a comprehensive update. The change added Municipal Code Section 18.05.060 (b) (set to sunset on December 31, 2018), which temporarily adds an alternative affordable housing requirement option of 15% by the unit or by the bed.

URP will not be subject to the 35% percent requirement after December 21, 2018, however, because URP is a vertical (stacked) housing development and is exempt from the requirements of the Affordable Housing Ordinance: "Residential components of a vertical mixed use development are exempt from the requirements of this article." Mun. Code § 18.05.080(c).

The Project will provide 5% of units for very low income individuals, which contributes towards meeting an identified need in the City.

URP complies with the City's affordable housing requirements.