



## A Prototype Neighborhood

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# COMMUNITY-CENTERED HOUSING, A Prototype Neighborhood

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## INTRODUCTION

Each California community has a moral, if not an increasingly recognized legal, obligation to provide housing opportunities for individuals and families whose employment is directly tied to the community's well-being. When a city fails to meet its obligations and reciprocate the investment made by outside residents, it shifts its obligations onto other communities. The system currently in place relies on unnecessary commuting that damages the environment and adds even more hardships on the employees forced to commute.

Silicon Valley is a prime example of the transference of housing obligations, as employees are required to commute 1-3 hours per workday from the communities they can afford to live in. Further, the negative environmental impacts are amplified by these forced commutes. Recent reductions in commuting as a result of the pandemic may temporarily lessen environmental impacts, but this "benefit" will be short-lived as the economy regains its health and businesses return to status quo operations. Recent I-80 traffic patterns on Monday, Thursday, Friday, and Saturday support the observation of this return to normalcy.

In Yolo County, the situation is epitomized by what we often refer to as "North, North Davis" (Springlake, Woodland) in which most residents are Davis-employed persons who would likely live there if not for the lack of affordable housing. Where is the civic focus for these families when the Davis community intentionally denies housing opportunities where they work? On the other hand, The Cannery homes that should have been priced for Davis buyers were overwhelmingly purchased by Bay Area buyers. In Davis' case, we invite nearly one thousand elementary and high school students to commute daily along with their parent(s) who work here. Which community are these families anchored to emotionally? Where is their "hometown?"

Without these children and the state funds accompanying them, the negative financial impacts to the school district, teachers, and Davis residents would be significant and controversial, as closing schools is not a desirable discussion for civic leaders. The City of Davis effectively exiles its employment base while DJUSD simultaneously seeks out their children to return for the District's financial benefit via advertising on FM 90.9 NPR. Furthermore, Davis homeowners pay additional property taxes that benefit these commuting students who, along with their parents, have been exiled to other communities. The long-term impacts of failing to provide housing opportunities for parents and subsequently reducing the need for potential school closures has essentially been ignored by the School District and the City.

### The Community-Centered Housing Concept

Provide new homes in Davis designed for and offered at a price that buyers employed in Davis or current Davis residents can afford. **Affordability should be determined by applying generally accepted banking and mortgage criteria for typical Davis homebuyers.**

The income levels commonly applied using Yolo County data significantly understates the purchasing capabilities of employed persons at UCD, City of Davis, Yolo County, Sutter, Kaiser, local tech and bioscience companies, etc. While this data may be suitable for "affordable" subsidized apartments, it is unrealistic for market-rate residences. Using local lenders'/Realtors' experiences focused on Davis-based employees, we are applying criteria generated by actual locally employed persons who are purchasing Davis homes.

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## WHY COMMUNITY-CENTERED HOUSING FOR DAVIS

The shortage of new Davis homes described earlier is unquestioned. The most practical solutions to address housing needs are those locally generated and tailored to achieve a specific outcome. This principle was demonstrated by the Memorandum of Understanding (MOU) entered into by the University of California, City of Davis, and Yolo County (dated September 2018), which shows how three separate, public entities jointly chose to address providing new UCD student apartments. Davis and Yolo County, for all practical purposes, have transferred their responsibility of providing student housing to UCD—after all, it is UCD’s enrollment that generates the housing need.

Through other terms and conditions and by implication of the MOU, the City of Davis accepts responsibility for **non-student (UCD faculty and staff) housing**. While that housing obligation is much smaller than the need for student-oriented apartments, it is still significant and a fair exchange of housing responsibility from UCD to the City of Davis. SACOG has now acknowledged this “exchange agreement” and focused its housing allocation (RHNA) **on non-student housing**.

**The fundamental housing principle is:**

*Community-Centered Housing opportunities are for those individuals (at least one in the family) who are employed in the broader Davis community or are already a resident/renter.*

### Palomino Place: A Community-Centered Housing Prototype Neighborhood

The irregularly shaped, 26-acre remnant parcel adjacent to the eastern border of Wildhorse and along East Covell Blvd. (see appendix “A”) is within the city limits, zoned Agricultural, and subject to Measure J/R/D voter approval.

Palomino Place will be a neighborhood of four (4) categories of new home opportunities with **approximately**:

- 1) 40% of units: Entry-level townhomes and cottages; 800–1,000 sq. ft.
- 2) 30% of units: Mid-level move-up cottage homes; typically, a result of an expanding family; 1,400–1,600 sq. ft.
- 3) 30% of units: Second move-up home; typically occurring because of increased income and/or needs resulting from an expanding family; +/- 1,900 sq. ft.
- 4) Four Duplex units

All mid-level and second move-up lots are intended to provide Accessory Dwelling Units (ADU) approximately 650–800 sq. ft. as a standard offering of the builder.

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## Does every newly built home offer the same housing supply benefit to the City?

Actually, No.

### Vertically Integrated New Housing Generation Benefits

- A.** One new entry-level home purchased by a local employee likely opens one existing Davis rental, **except** if the new employee is from out of the area. Two additional housing opportunities occur if the employee **is already renting** in Davis (new and/or rental unit).
- B.** A first move-up new home purchased by an existing Davis resident allows for one existing resale Davis home to be available and, ideally, one additional rental to be available for a total of two or three additional housing opportunities.
- C.** A second move-up home purchased by a current resident allows for **two resale homes** to be available and, ideally, one or two additional rentals for a total of four or five additional available units.

## WHY HERE? WHY NOW?

Community-Centered Housing, sometimes referred to as Workforce Housing, is often touted but seldom built. Palomino Place offers a specific design, program, and practical approach to providing homes tailored to the financial capabilities of local employees and current renters. Its size (26 acres), proximity adjacent to the existing Wildhorse development, access to schools, and open space affords a unique opportunity for Davis to build Community-Centered Housing.

The experiences generated by Palomino Place can be replicated and scaled to function within much larger parcels. Palomino Place's design and layout reflect practical design solutions for an irregular (pork chop shaped) parcel. To benefit adjacent homeowners, the design and type of homes are a continuation of the original Wildhorse Plan's housing themes from the parcel of which it was carved. It is a classic infill site with adjacent infrastructure along with existing homeowners who reasonably desire to protect their neighborhood and personal interests. Palomino Places' design and layout have been thoughtfully conceived with a focus that is **sensitive to adjacent homeowners'/neighbors' expectations**.

Within each category of proposed Palomino Place homes are imaginative opportunities to assist purchasers and the City in achieving their housing goals beyond a typical land purchase. The size of the home is consciously formulated to meet the buyer's financial capabilities with the cost to construct and ultimate sales price.

**Mimic the Aggie Village model:** This is where UCD, as independent investors, purchased the finished home then "land leases" the lot to its faculty and staff who own the home itself—a concept first created in California by the Irvine Company in Southern California.

**Limited equity increases limitations:** While common with government-subsidized "for sale" units, this practice is used less often in normal market-rate units. UCD applied this approach at Aggie Village to offer more affordable prices to later purchasers.

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**Equity sharing:** Down payment assistance to buyers from either a Private Equity company (common in Silicon Valley), the newly proposed City of Davis Housing Trust Fund, or a local public/private employer participation.

**Repurchase rights:** To ensure long-term availability for local employees receiving an employer subsidy, the employer requires a “first right to purchase” in the event of its resale for some period before the residence goes on the open market.

**Restricting long-term rentals:** No retention by the purchaser of the property after vacating for use as a rental home. This restriction helps with maintaining inventory for future Davis employees and residents.

**Continued owner-occupancy:** Required by the purchaser, except for specific reasons and timeframes—for example, a UCD professor goes on sabbatical, a major housing recession, etc. The home must be sold to an owner occupant.

## SIGNIFICANT EXISTING DAVIS LIMITATIONS ON ACHIEVING COMMUNITY-CENTERED HOUSING

**1)** The City’s current new home fee structure is such that the fees are nearly the same for an 800 sq. ft. or 1,800 sq. ft. home. Fee inequity works against building homes that are sized for Davis entry-level buyers.

**2)** The inordinate amount of staff time and Davis commission reviews draws out the project’s approval process - typically, double or triple other city’s processing time. Historical delays in processing residential projects such as Palomino Place’s size or larger can be easily addressed by changing the City’s standard review practices.

Unnecessary processing time results in inordinate carrying costs and greater risks to the development team, the project, and sometimes through staff’s insistence **(also changes in voter-approved elements)**. Often commissions and departments have conflicting views and requirements that take inordinate time to resolve.

A speedier and less expensive review process is essential to **expeditiously build the homes anticipated by the voters. Thoroughness need not be sacrificed if timely and efficient review practices are adopted.** Suggestions to achieve a more productive process are included in the implementation plan that follows.

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## WHY SHOULD PUBLIC AGENCIES EMBRACE COMMUNITY-CENTERED HOUSING?

### City of Davis:

Meets locally generated housing needs with a range of sales prices, home sizes, and choices for those who work in or serve the community. Community-Centered Housing offers the opportunity to implement public-private partnerships to meet Davis housing goals.

### Davis Joint Unified:

Davis needs more school-aged children. Advertising for children who live elsewhere to attend Davis public schools on National Public Radio (90.9 FM) may be helpful, but it is not sustainable. Community-Centered Housing sizes and prices are “kid magnets”, as they are designed for younger families in their childbearing years. The School District Trustees have a vital interest in residential development, which they have ignored over the decades. Their lack of participation contributes to the long-term financial dangers of reduced student enrollment that is affecting the Davis School District and Davis residents. How many more parcel taxes will the voters accept?

### UC Davis:

Community-Centered Housing is a practical and cost-effective substitute for West Village. UCD may contract with the builder for its lot/home purchase and then subsidize faculty and staff with the lot lease concept used at Aggie Village that was also intended at West Village.

### Yolo County:

Good land-use planning of an infill parcel, implementing the Community-Centered Housing concept at Palomino Place (formerly Wildhorse Ranch).

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## MECHANISM TO IMPLEMENT COMMUNITY-CENTERED HOUSING APPROACH

### Step 1:

Application to City for Measure D project with the goal being a vote Nov 2022.

### Step 2:

City Council considers and authorizes process for a Measure D vote:

- A.** City Council appoints a two-person subcommittee to oversee the approval process with monthly meetings to resolve conflicts and ensure that the approval process is kept on schedule.
- B.** An outside coordinator hired by the City at the developer's expense to manage the process and ensure staff and developer diligently and expeditiously move the project forward.
- C.** Environmental and plan review begins.
- D.** City Coordinator determines which commissions review the project and manages the hearing agenda.

### Step 3:

Assuming a positive voter result, the same process is used for the City staff/commissions review for tentative maps, conditions of approval, etc.

### Coordinator's Overarching Goal:

Recognize the overwhelming need for new and resale housing opportunities, select an independent manager hired by the City to specifically oversee and direct an expeditious review process along with oversight by a two-person city council subcommittee to ensure timely responses from both the City staff and the developer.

### Implementation of Palomino Place's Community-Centered Housing: The Priority System

- A.** Each new home release shall be first offered for the initial sixty (60) days following the release to qualified Davis-based buyer's—i.e., Davis-based employees (new and existing), current Davis renters and homeowners. Major employers will receive written notice in advance, ads will be placed in the Davis Enterprise, and local Realtors will also be notified of the home's early availability.
- B.** Any uncommitted homes after the sixty (60) day period will then be available for other owner-occupants to purchase.
- C.** The same process will be used for each release of homes.

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## IN CONCLUSION:

As a prototype, Community-Centered Housing development should encourage other experimental processes and implementations to be evaluated for their effectiveness by the city council, staff, and voters. Based on its size, location, and design, Palomino Place presents Davis with a rare and ideal opportunity for a practical Community-Centered Housing Prototype.

Respectfully submitted by

A handwritten signature in blue ink, reading "Dave Taormino", is positioned above a horizontal line.

Dave Taormino  
Palomino Place, LLC

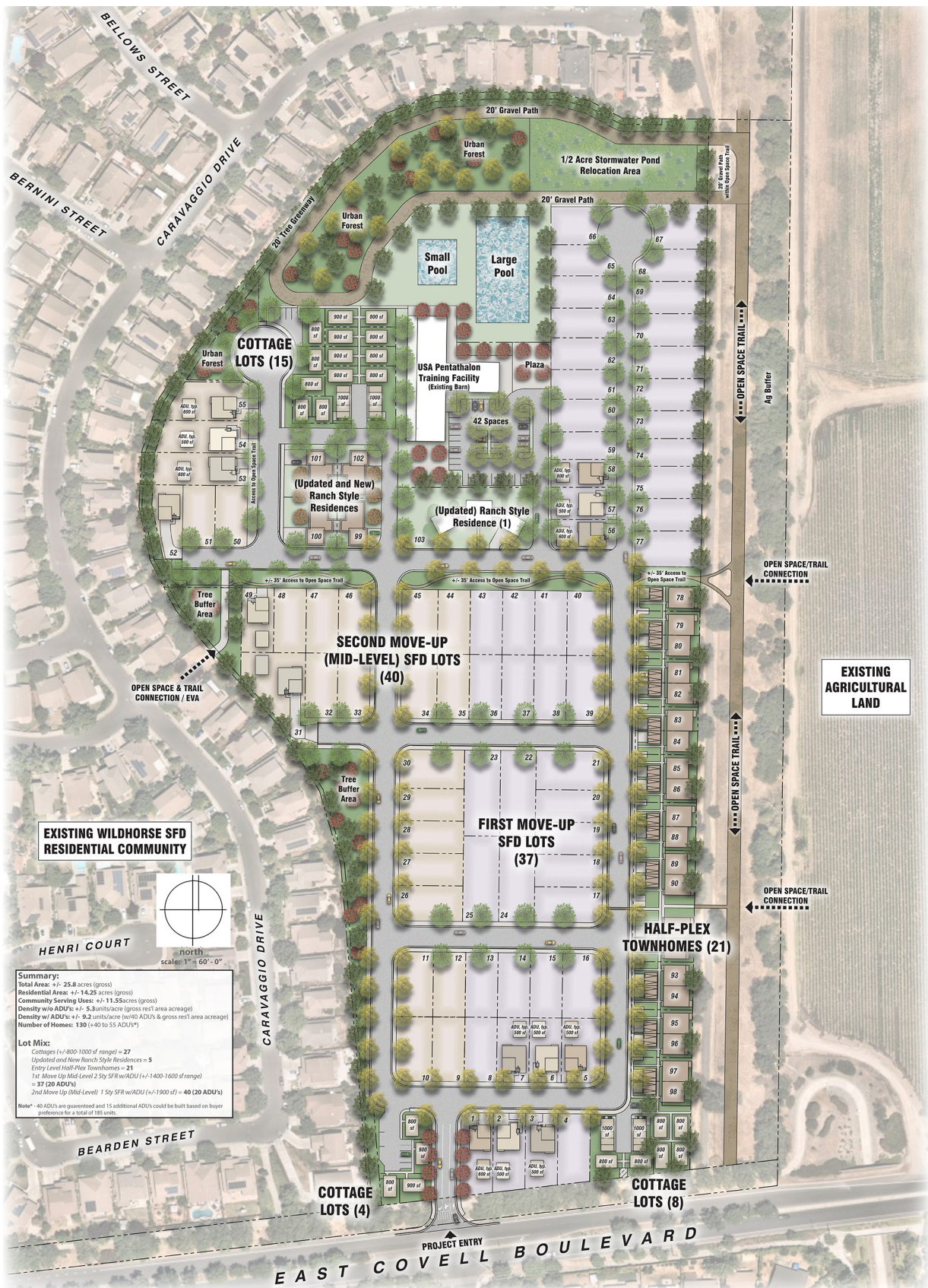


# NEIGHBORHOOD LOCATION





# NEIGHBORHOOD MAP



### Conceptual Illustrative Site Plan

**Community Centered Housing**  
**PALOMINO Place**  
 Davis, CA January 13, 2022