

Prepared for the City of Davis



Healing Grounds

PRESENTED TO

LDA 205
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A PROPOSAL BY

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Healing Grounds

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Summary of Proposal

Our Team at Healing Grounds is proposing the transformation of the 28 acre PG&E Corporation Yard into a cooperative housing district. This housing district will foster sustainable living, collective culture, and provide much needed housing provisions to the City of Davis. To support the development of Healing Grounds, is to support a future for Davis in which social, environmental, and economic issues are understood and addressed.

Providing substantial housing provisions for Davis is an essential goal of Healing Grounds. Our Development will create 1,400 units, within the 86 percent of these units being designated as affordable. Not only will the amount of units we will provide address the sheer need for more housing in Davis, an additional 1,400 units in Davis will lead to a reduction of overall housing cost, combating limited housing availability that has drastically raised housing prices. Furthermore, our designation of 86 percent affordable housing gives our project the opportunity to mitigate one of the biggest impacts of the housing crisis, key members of the Davis community unable to afford living in Davis. Teachers, students, and those in the service industry are critical to the foundation of Davis as a city. Healing Grounds increasing the amount of affordable housing will protect the ability of many of these folks to stay in Davis, with a diversity of unit sizes and a focus on family sized units. Additionally, while staying within the limits of City code, the density of this housing district opposes the discriminatory single family zoning that has largely caused our current housing crisis and has excluded non-white residents from living in Davis.

Beyond an emphasis on housing provisions, sustainable living is instrumental to the foundations of Healing Grounds. Sustainable design, with a focus on climate change mitigation, is a main goal of our development. Permeable surfaces, to recharge groundwater levels, will be used for all of our pathways. Solar panels will be atop parking lots and green roofs will be atop housing structures. In the housing units, geothermal energy will provide the most efficient form of climate control and water heating. Accompanied by carshares, bike infrastructure, and a design focus on pre-existing public transit, living at Healing Grounds will reduce resident's carbon footprint. Within our sustainability goals, local agriculture and food sovereignty are at the forefront of our housing district. Healing Grounds will provide enough agriculture space for residents to grow a majority of their own food, limiting their dependency on produce that is transported and often grown on industrial farms. The amount of agricultural space at Healing Grounds allows residents to be a part of a food sovereignty movement that limits the impacts of the conventional food system and supports a strong sense of community.

Residents of Healing Grounds will be supported by a collective culture that our physical design and communal amenities will foster. The outdoor plaza and

greenspaces will create gathering spaces that harbor social capital, stemming from close connections to neighbors. The indoor workshop spaces will host classes and community events and will provide spaces for collaboration between the Healing Grounds community and folks at the Davis Daytime Shelter. Overall, the physical design and provided amenities of Healing Grounds are focused on creating a strong, natural sense of community between residents.

Summary of Site Analysis

Upon the initial analysis of the PG&E Corporation Yard, our team at Healing Grounds was eager for the opportunity to turn this 28 acre property into a new housing district. Given the context of the housing crisis in the City of Davis, a crisis mirrored across the regional, state, and national level, we deemed it necessary to create a project that would provide significant housing provisions in Davis. The site at 5th and L Streets showed immense potential to supply much needed, dense development that will address the need for increased housing in the market. The inefficiency of single family homes in providing enough affordable housing for the Davis community greatly informed our decision to produce 1,400 new units. Furthermore, the dire need for affordable units informed our team's goals of making approximately 86 percent of our units affordable, allowing students, families, and other critical members of the Davis community to stay in Davis.

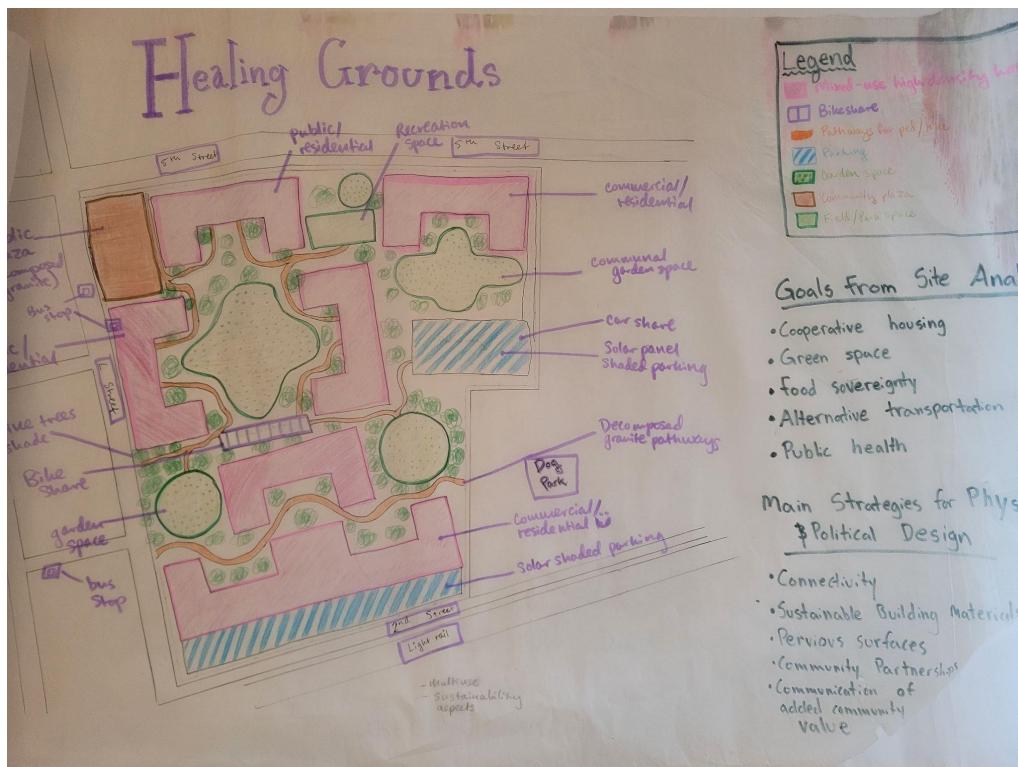
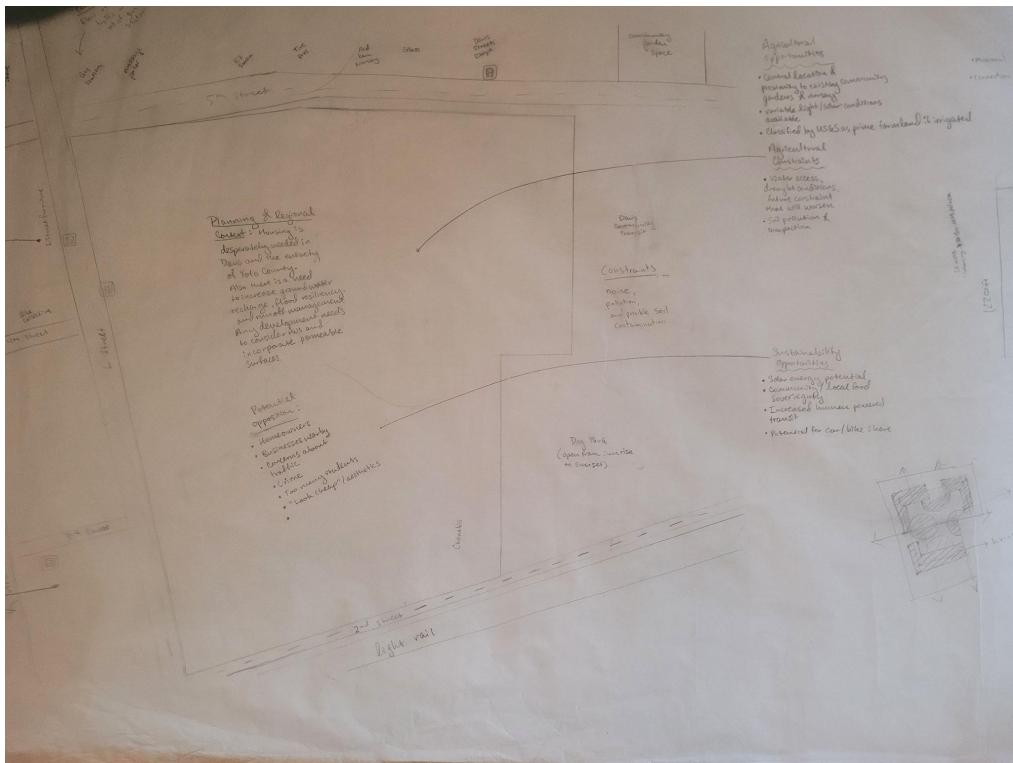
Developing a district with the climate crisis in mind was instrumental to the design of Healing Grounds. The current impacts, and continual threats, of climate change have informed us as developers to put mitigation at the forefront of any new project. With this context, we emphasized mitigation strategies, such as renewable energy, prioritizing public transit, and using permeable surfaces for pathways in our design. Additionally, our decision to emphasize density was not only informed by the housing crisis, but by the direct correlation between denser development and reduced greenhouse gas emissions. The site also showed potential for another major strategy for climate change mitigation, local food production. Classified by the USDA as "prime agricultural land if irrigated", Healing Grounds emphasized agricultural space in our design as a mechanism to reduce the environmental impacts of a non-local food system and as a means to promote food sovereignty in the housing district, in line with our goals of fostering a strong sense of community. Heavily impacted by the COVID-19 pandemic, there has been a loss of community felt across national and global levels. The ability of physical space to foster community and promote social capital played a key role in our site layout that includes multiple outdoor communal gathering spaces and communal workshop spaces.

Beyond the social and climate context of our analysis, there were a multitude of physical factors of the site, and its surrounding areas, that informed our goals and

design. First and foremost, the site is in close proximity to Downtown Davis and is well-serviced by public transit, with bus stops on 3rd and K Streets, 5th and L Streets, and the 5th and Davis Public Works stops. These pre-existing assets allowed our team to keep our parking relatively low and emphasize greener modes of transportation. Secondly, with limited retail on the 2nd street side of the site, Healing Grounds saw the opportunity to create a new commercial corridor on 2nd street, which can economically benefit the neighborhood as a whole. Beyond limited retail in this part of the site, our team discovered that this neighborhood of Davis would benefit from a soccer-sized recreation field. While Playfield Park is near the site, the I-80 freeway is a major barrier between this neighborhood and the field, as there are limited soccer fields in the Downtown Davis periphery. Close to the site, near the corner of L street and Duke Drive, is the Daytime Homeless Respite Center. With this in mind, our team emphasized the ability to work cooperatively with the day shelter in providing resource space and the ability to host workshops in our communal spaces.

Our team felt it was critical to analyze the constraints, limitations, and likely opposition of our proposed development. The southern part of our district is next to the train, which will likely be of concern to those worried about noise levels. These noise levels could be addressed by working with the City of Davis to erect sound barriers. The northeast corner of our project, at 5th and L Streets, does have a gas station, an issue to those who feel this heavily trafficked corner will bring safety concerns. We intend to work with the City to implement traffic calming measures to address these understandable concerns. Lastly, our team at Healing Grounds is aware that the size of our proposed housing structures is higher than surrounding structures and will likely lead to complaints by neighbors worried about physical changes to their community.

Site Analysis Graphic



Program

The program highlights a multitude of community benefits our development will provide. The amount of residential space in our program will have a lasting impact on the housing shortage Davis is currently experiencing. The housing type with the most units being 2 bedroom affordable, 550 units, demonstrates how Healing Grounds will play a pivotal role in keeping families in Davis. 225 affordable studio units and 300 affordable 1 bedroom units will create much needed housing for students. Further, this amount of affordable housing will create a more housing inclusive Davis, as current housing options largely favor wealthier residents. The amount of semi-public space is not just for Healing Ground residents, but is an additional 43,560 square feet of event and workshop space that all Davis residents can partake in. Additionally, the open space amenities will create more green space and gathering space that is accessible to all Davis residents. The proposed retail space will create a new commercial corridor that will bring in more jobs and revenue for the City of Davis.

Healing Grounds Program

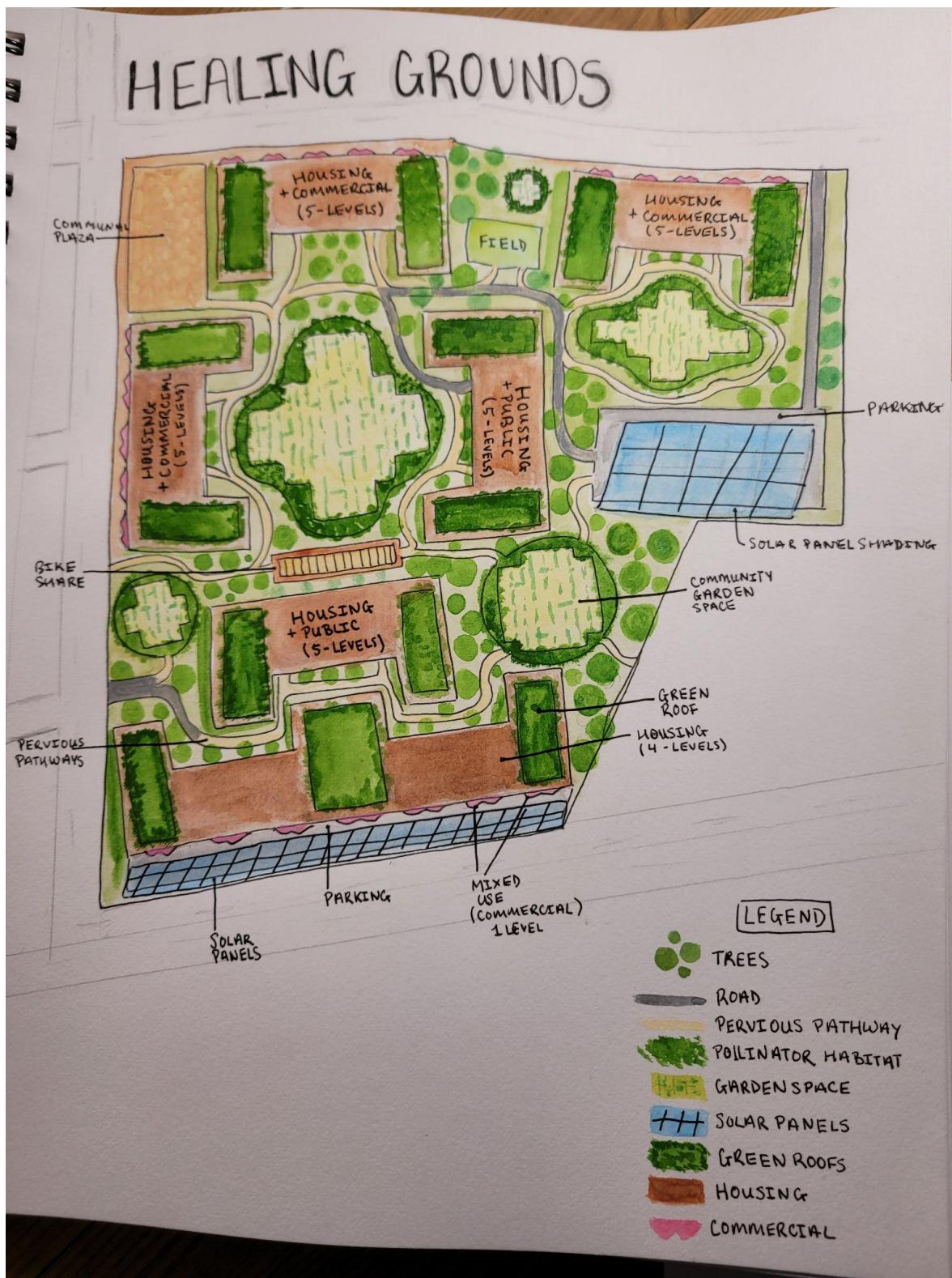
Land Use Type	sqft (built)
Residential	1,219,680
Retail	217,800
Semi-public (event/workshop)	43,560
Communal amenity (dining hall, kitchen, gym, etc.)	43,560
Parking	95,000

Housing type	sqft/unit	units	total sqft
Studio (affordable)	600	225	135,000
Studio (market)	600	75	45,000
1 BR (affordable)	800	300	240,000
1 BR (market)	800	125	100,000
2 BR (affordable)	950	550	522,500
3 BR (affordable)	1050	125	131,250

Parking Type	spaces
Residential	208
Retail	150
Car Share	22

Open Space		
Recreational field		Public plaza
Communal gardens		Pedestrian paths
Building courtyards		Bicycle paths

Site Design



Parking

Parking is a major concern for developers, jurisdictions, and residents in California as the cost of land in the state is some of the highest in the country. Additionally, Greenhouse Gas (GHG) emissions are among the top concerns in California and driving is a major contributor. Reducing the need for driving and parking will help the state reach its climate goals while sufficiently meeting housing needs. To reduce the need for driving, Healing Grounds is focusing on alternative forms of mobility and emphasizing active transportation options. Healing Grounds is reducing the need for driving by providing alternative mobility options such as walking, biking, and public transportation. This will be completed through a carshare with approximately 22 cars, a bikeshare program, as well as thoroughly connected active transportation paths. The location of the Healing Ground's site will also reduce the need for driving because of its proximity to amenities such as Unitrans lines, restaurants, the Toad Hollow Dog Park, and future on-site retail. The number one priority for Healing Grounds is to provide affordable housing through cooperative living while ensuring livability for residents, including ease of mobility.

Healing Grounds aims to create the maximum amount of housing across income levels and reduced parking is in line with this goal. Healing Grounds understands that the City of Davis (City) has adopted an affordable housing ordinance that promotes the development of affordable housing. This ordinance is found in Chapter 18 of the City's municipal code and allows for adjustments to development standards. Healing Grounds will submit an application to the City in order to obtain approval to reduce parking requirements. In addition, Healing Ground will utilize State Density Bonus Law (SDBL) to ensure the provision of additional affordable housing in the City. Both goals are attainable due to the high volume of affordable units that will become available to the City through this project. At this time, Healing Grounds projects approximately 86 percent of units to be affordable which is well above the requirements in both the City's affordable housing ordinance and SDBL. Healing Grounds also plans to include some parking for residents, patrons, and the carshare program, totalling to approximately 380 parking spaces. By utilizing these opportunities for reduced parking requirements and affordable housing, Healing Grounds expects to meet its goals.

Financial Trade-Offs

Healing Grounds will provide a groundbreaking amount of housing for the Davis area in a mixed-use format. The location of the housing and intentionally community-oriented design, combined with the current housing crisis, should create conditions for negligible vacancy and maximal rental revenue. The central location and proximity to new housing should also increase the appeal of the retail space. By providing such a high density of rented space, the project will be able to invest heavily in sustainable design and natural infrastructure, reducing future costs and increasing the real value of the property through energy savings, weather and climate resilience, ecosystem services, and food sovereignty. We also will be able to reduce the amount of parking necessary by focusing on pedestrian and bike accessibility and providing a car share program to residents.

This being said, not all of our initial dreams for the project will be able to be realized. Of the 7 acres of building footprint on the property, we had originally envisioned 5 acres of ground-floor space devoted to semi-public event areas and community amenities, with only 2 devoted to retail. We also envisioned fully affordable housing, with no market rate units. To produce a profit, we have flipped the ratio of first floor uses, and switched a small portion of our residential units to market rate. We also plan to leverage the federal and state financing programs and grants available for cooperative housing and affordable housing.

Financial Analysis

Breakdown of Costs				Breakdown of Revenue			
Construction Costs ("Hard Costs")				Income/Retail			
Building Space	Cost/Sq Ft	Sq Feet	Total		Sq. Ft.	Rent/sq ft	Total
Office/Research	\$230	87,120	\$20,037,600	217,800	\$4.00	\$871,200	\$10,454,400
Retail	\$240	217,800	\$52,272,000	Less Vacancy (%)	30%	\$261,360	\$3,136,320
Housing	\$270	1,219,680	\$329,313,600	Expenses/sq ft.	0.20		\$522,720
Surface Parking	\$30	95,000	\$2,850,000	Net Retail Income			\$6,795,360
Structured Parkin	\$0	0	\$0				
Total Construction Costs			\$404,473,200				
Site Improvements			\$5,000,000				
Land/Cleanup/Reloca			\$15,000,000				
Nonconstruction Costs ("Soft Costs")							
Permits, Fees			\$1,374,804				
Mitigations			\$5,000,000				
Architecture and Engineering			\$16,178,928				
Marketing Costs			\$12,134,196				
Administration			\$8,089,464				
Contingency			\$20,223,660				
Financing Costs			\$3,994,732				
Total Nonconstruction Costs			\$66,995,784				
Total Development Costs			\$491,468,984				
Loan and Interest Calculation							
Equity			\$204,736,600				
Debt (Loan Amount)			\$286,732,384				
Interest Rate (percent)			5				
Term (years)			20				
Annual Debt Payment			\$23,008,148				
Property Taxes (1% of land + dev. value)			\$4,914,690				
Estimated Annual Operating Profit/Loss			\$640,378				
Return on Investment (operating profit/equi			0.31%				
Income/Office Space				Sq Ft.	Rent/sq ft	Total	Total
				87,120	\$0.00	0	\$0
				Less Vacancy	10%	0	\$0
				Expenses/sq ft.	\$0.10	\$8,712	\$104,544
				Net Operating Income, Office			(\$104,544)
				Total Annual Net Operating Income (NOI)			\$28,563,216
				Debt Coverage Ratio (DCR)			1.24

Conclusion

The work for our team was very much distributed evenly. Megan played an instrumental role in the physical design and site plan of Healing Grounds. She created our final design with water colors and guided our vision for how buildings and amenities will look and where they would best be placed. Additionally, Megan's background in local government informed our group as we looked to keep our development within the boundaries of the current city code and informed our group on likely constraints and concerns. Gianna's background in housing manifested itself as she worked on most things housing related. She took the lead on our housing program, parking, and provided our team with the insight that led us to create the communal spaces that we did. Gianna also worked on the presentability of our deliverable. Cole took the lead on our financial tradeoffs and financial analysis, doing the work to make our development profitable. Through the Excel financial analysis, he came up with our affordability percentage and the percentage of space that we designated as retail. Cole was also key in the majority of the sustainable design aspect of our project, providing much insight into the energy efficiency and climate change mitigation strategies we included. Ethan and Cole worked together in the agricultural emphasis on the project. Ethan took the lead on the overall site analysis, refining the main selling points of Healing Grounds, and the communal connection to our program. The proposal component of our project was a shared effort amongst us four.