



County of Santa Cruz

BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069

(831) 454-2200 FAX: (831) 454-3262 TDD: (831) 454-2123

JANET K. BEAUTZ
FIRST DISTRICT

ELLEN PIRIE
SECOND DISTRICT

MARDI WORMHOUDT
THIRD DISTRICT

TONY CAMPOS
FOURTH DISTRICT

MARK W. STONE
FIFTH DISTRICT

AGENDA: 3/2/04

February 25, 2004

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

RE: ANNUAL REPORT OF THE HOUSING ADVISORY COMMISSION

Dear Members of the Board:

Attached is the Annual Report of the Housing Advisory Commission. I recommend that the Board accept and file this report and direct the Chair to thank the members of the Commission for their efforts on behalf of the County.

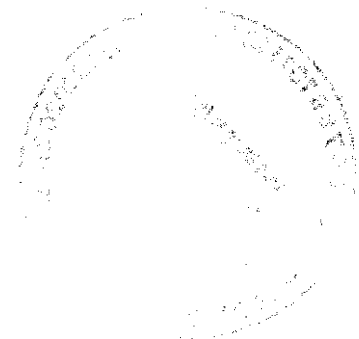
Sincerely,

MARDI WORMHOUDT, Chair
Board of Supervisors

MW:ted

cc: ✓ Housing Advisory Commission

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FOURTH DISTRICT

MARK W. STONE
FIFTH DISTRICT

March 3, 2004

Housing Advisory Commission
701 Ocean Street
Santa Cruz, CA 95060

Dear Members of the Commission:

On March 2, 2004, the Board took action to accept and file the annual report highlighting the work of your Commission this past year. On behalf of all members of the Board, I am writing to let you know that we appreciate both the opportunity to review this summary of your activities and the time devoted to the work of the Commission by each member. Not only are annual reports of great interest to members of the Board, they are also very informative for incoming Commissioners as well as those considering service on a Commission.

Again, please accept our sincere thanks for devoting your time in service to County government.

Sincerely,

MARDI WORMHOUDT, Chair
Board of Supervisors

MW :pmp

cc: Clerk of the Board

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County of Santa Cruz

HOUSING ADVISORY COMMISSION

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-3290 Fax: (831) 454-2131 Tdd: (831) 454-2123

March 12, 2004

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Re: The Status of the Federal Budget

Members of the Board:

The Housing Advisory Commission has received a copy of the proposed federal HUD budget and is seriously concerned with its potential impact on people in need in our community. The Housing Advisory Commission, therefore, recommends that the Board of Supervisors contact our elected federal representatives and send the following message as recommended by the National Low Income Housing Coalition:

We are concerned that the President's housing budget is inadequate and that the President is unfairly trying to balance his budget on the backs of people with low income. We are especially concerned about the Housing Voucher program. The President's **budget** does not provide enough funding to fully fund all vouchers currently in use, which could mean a loss of **250,000** vouchers nationally. Further, his plan to block the grant voucher program is unacceptable, because it is designed to de-fund the program over time while removing important resident protections.

Thank you for your attention to this important issue.

Sincerely,

A handwritten signature in cursive script that reads "Michael Guth".

Michael Guth
Chairperson

Cc: HAC Commissioners

COUNTY OF SANTA CRUZ
STATE OF CALIFORNIA



AT THE BOARD OF SUPERVISORS MEETING

On the Date of March 23, 2004

REGULAR AGENDA

Item No. 68

Upon the motion of Supervisor Pirie, duly seconded by Supervisor Campos, with Supervisor Beautz voting "no", the Board,

- (1) closed public hearing on the Draft Housing Element;
- (2) adopted, "in concept", the Draft Housing Element; with the following changes: (a) amend policy 1.11 to return to the original language with the addition of meeting the minimal county requirements; (b) include in the Draft Housing Element updated vacancy rates if there is some reliable information; (c) delete policy 2.13; (d) authorize that the subcommittee of the Board meet with staff and HCD officials if they require to certify; (e) objective 3.7 change the word "affordable" to "diverse"; (f) County Counsel provide written opinion on the CEQA process and what that would be and on the issue of whether we can have the ability to give preference to certain people on tax defaulted property; (g) the language in objective 1.6, that reads "In-lieu fees shall only be allowed for very high priced market rate units where the fees will subsidize several lower income units" should be moved to objective 1.7;
- (3) directed the Planning Department to submit the Draft Housing Element to the California Department of Housing and Community Development (HCD) for review;
- (4) and directed staff to return at a future public hearing following receipt of HCD's comments to take final action on adopting the Housing Element;

cc:

CAO

County Counsel

Planning Department

Julianne Ward, Planning Department

Mark Deming, Planning Department

Redevelopment Agency

Housing Advisory Commission *C/O Plannu & Dest.*

State of California, County of Santa Cruz-ss.

I, Susan A. Mauriello, Ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of the order made and entered in the Minutes of said Board of Supervisors. In witness thereof I have hereunto set my hand and affixed the seal of said Board of Supervisors.

by *Susan A. Mauriello*, Deputy Clerk ON March 24, 2004



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060
 (831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123
 TOM BURNS, DIRECTOR

March 10, 2004

Agenda: March 23, 2004

Board of Supervisors
 County of Santa Cruz
 701 Ocean Street
 Santa Cruz, CA 95060

Re: DRAFT HOUSING ELEMENT

Members of the Board:

INTRODUCTION

State law requires each California city and county to prepare, at periodic intervals, a Housing Element to address the housing needs of the community. Housing element law establishes the procedure for the preparation of the Regional Housing Needs Determination (RHND) (the assignment of a minimum housing needs requirement for each jurisdiction), the minimum required contents for the Housing Element, and the procedure for review by the California Department of Housing and Community Development (HCD). In June 2003, your Board accepted a report regarding the Draft Housing Element, initiating the public review and comment period. As a result of this input, a revised Draft Housing Element, meeting the procedural and content requirements of State law, is now ready for your Board's action (Attachment 2).

REGIONAL HOUSING NEEDS DETERMINATION

One of the most important parts of the Housing Element law deals with the allocation of the state-wide housing goals to regions, followed by the allocation of these regional housing needs to local jurisdictions. The regional allocation performed by the Department of Housing and Community Development (HCD) is intended to represent the region's 'fair share' of the State's growth for the 2000–2007 planning period, based on demographic information generated by the Department of Finance. The local Council of Government then divides this regional allocation among the jurisdictions within the region. In this region, the Council of Governments is the Association of Monterey Bay Area Governments (AMBAG). This process has, in the past, been a collaborative effort between all of the cities and the two counties in the region. However, during the current

Housing Element cycle, a larger share of the RHND was assigned to Santa Cruz County jurisdictions than had historically occurred. As a result of the disparities in the RHND process, a lawsuit was filed by the Santa Cruz area jurisdictions. The outcome of this lawsuit is still pending, however, in order to proceed with the preparation of the Draft Housing Element, staff has incorporated the AMBAG approved RHND for the unincorporated area of Santa Cruz County. This allocation is 3,441 housing units.

DRAFT HOUSING ELEMENT

The Draft Housing Element before you today has been prepared to meet the requirements of State law. It includes specific discussions and statistical information on the population and housing stock in the unincorporated areas of the County based on demographic information from the 2000 Census and other sources. The document includes a discussion on the housing needs of the County, including 'special needs' groups as identified by State law. These special needs groups include the homeless, the elderly, large households, female-headed households, persons with disabilities, farmworkers and students. The document includes an analysis of federally assisted housing that is threatened with conversion to market rate and a discussion of constraints to the development of housing in the County of Santa Cruz. Finally, as required by State law, the draft Housing Element also includes a discussion on energy conservation, an assessment of the 1994 Housing Element and a review of housing in the coastal zone.

To address the RHND, the Draft Housing Element includes a housing site inventory and a series of goals, policies and programs that are proposed to address the housing need for all income categories and to provide the opportunity for the development of the required housing units. These policies and programs provide a number of ways that the required housing units, including the housing needed for the special needs groups, can be provided.

PUBLIC INPUT PROCESS

As required by State Law, the Housing Element must be prepared with a wide range of public participation. In June 2003, staff published advertisements in the two major newspapers in the County informing the public about the availability of the Draft Housing Element, describing how the public could review a copy of the document and how comments could be submitted. Staff has made printed copies of the Draft Housing Element available to anyone who requested it and has also maintained the Draft Housing Element on the Department's website.

These public notices also included specific dates and times that the Draft Housing Element would be reviewed by various County Commissions. The following Commissions have reviewed the document in their respective public meetings:

Childcare Planning Council	Commission on Disabilities
Continuum of Care	First 5 Commission
Housing Advisory Commission	Latino Affairs Commission

Mental Health Advisory Board	Mobile Home Commission
Planning Commission	Seniors Commission
Water Advisory Commission	Womens Commission
Workforce Investment Board	Executive Committee

Many of these Commissions spent portions of two or three meetings discussing the Draft Housing Element. Some of the Commissions prepared comments for consideration by your Board (see below).

The Housing Advisory Commission (HAC), as specified in its enabling ordinance, is responsible for providing your Board with recommendations regarding the Draft Housing Element. Following a number of meetings where the Draft Housing Element was introduced to the Commission, the HAC conducted two public hearings (August 6th and 20th, 2003) and held two meetings to deliberate and formulate its recommendations to your Board (September 17th and 24th, 2003). These recommendations have been incorporated into the revised Draft Housing Element.

The Planning Commission held a public hearing on the Draft Housing Element on February 11, 2004. The Planning Commission, following public input, referred the Draft Housing Element to your Board without any changes. Since then, advertisements have been placed in the two local daily newspapers in the past 10 days to inform the public of this hearing and the availability of the revised Draft Housing Element for review.

The public participation process was instrumental in gaining input from both the Commissions and members of the public. Correspondence received prior to the Planning Commission hearing on February 11, 2004 is included as Attachment 5. Correspondence received at or since the Planning Commission hearing on February 11, 2004, is included as Attachment 6.

HOUSING ELEMENT REVIEW PROCESS

State law establishes a specific review process for Housing Elements. This review, specified in Government Code Section 65585, requires that the County, at least 60 days before final adoption, submit the Draft Housing Element for review by HCD. HCD then has 60 days to review the Draft Housing Element and to report their findings to the County. If HCD finds that the Draft Housing Element is substantially in compliance with the requirements of State law, the County may adopt the Housing Element and submit it for certification.

If, however, HCD finds that the Draft Housing Element does not substantially comply with the State law, the County has two options. The County may adopt the Draft Housing Element with changes to comply with the requirements of State law and submit these revisions to HCD for certification. Or, the County can adopt a Draft Housing Element without changes. If the County takes this path, your Board must include written findings that explain the reasons that the Board believes the Draft Housing Element complies with the requirements of state law despite the findings of HCD. In either case, following adoption of the Housing Element, the County must promptly submit the

Housing Element and substantiating material to HCD. HCD then has 90 days to review and report its findings to the planning agency.

The flow chart included as Attachment 1 explains the HCD Housing Element review process. Staff submitted the Draft Housing Element to HCD in June 2003 to get a preliminary review of compliance with State law. HCD responded with a fairly detailed review of the Draft Housing Element (Attachment 4). Since that preliminary review, numerous changes to the Draft Housing Element were made to address HCD's preliminary comments. The current Draft Housing Element is significantly different from the draft initially submitted to HCD. For this reason, an additional review by HCD is warranted. Once your Board approves a Draft Housing Element, it will be submitted to HCD for further review. Following this submittal, HCD will respond within 60 days with further comments. Through these comments, HCD will provide some clarity on the probability of Housing Element certification. Procedurally, the County will have two options at that time. Either the County can work with HCD to address the remaining issues and work toward certification; or the County can address the issues it finds appropriate, make findings for procedural compliance and adopt the Housing Element without HCD certification.

Because the Housing Element is one of the mandatory elements of the County's General Plan, it must be adopted in its final form in the same manner as any other General Plan amendment, by Resolution of the Board.

CEQA REVIEW

The Initial Study on the Draft Housing Element has been prepared and was reviewed by the Environmental Coordinator on January 26, 2004. The review period for the Environmental Coordinator's decision ended on March 3, 2004 and a Negative Declaration was issued. The CEQA determination and Initial Study are attached as Attachment 2.

ANALYSIS

As Santa Cruz County has evolved over the years as a result of a number of factors, affordable housing has become one of the significant issues facing the County. It is important to plan for the current and future affordable housing needs of this community. As such, the purpose of local governments preparing a Housing Element is two-fold. First, the County is required by state law to prepare an updated Housing Element which meets the RHND. Secondly, the Housing Element is also the opportunity for local government to plan for the future housing needs of members of its community as the community changes.

The Housing Element provides a framework under which the housing needs of the community can be met and addressed. The numbers allocated to the County by the state, through AMBAG, provide the County with the specific housing unit goals to guide the framework. The majority of the housing unit goals may be met under existing General Plan, zoning and development regulations (See Chapter 4.6 of the Draft

Housing Element). Programs have been designed to address the remaining units (See Chapter 4.7 of the Housing Element).

An earlier version of the draft Housing Element has been reviewed by HCD and numerous members of the public and County commissions since its release in June 2003. The comments received have been incorporated into the Draft Housing Element, which resulted in a significantly different document than that first submitted to HCD for preliminary review. For this reason, staff believes that a second review by HCD at this time would be helpful. Staff anticipates that HCD will likely have further comments on this document, however, those comments should be considerably more focused-- providing a framework for final revisions and Housing Element certification by the State.

As a side issue, it should be noted that in recent years, the Legislature has proposed legislation for significant financial penalties to jurisdictions which do not have a certified Housing Element. Thus far, these efforts have failed. However, currently, AB 421, which *is* pending before the Legislature, could significantly penalize local governments for non-certification by potentially reducing the amount of State funds reimbursed to local governments.

CONCLUSION AND RECOMMENDATION

The Draft Housing Element has been revised since the June 2003 version that was released for public comments and public hearings. The Draft Housing Element now incorporates the recommendations of the Housing Advisory Commission as well as numerous other revisions from comments received from HCD, other commissions and from the public participation process. Staff believes that the Draft Housing Element meets the requirements of state law, and is now ready for your review and submittal to HCD.

It is, therefore, RECOMMENDED that your Board:

1. Conduct a public hearing on the Draft Housing Element;
2. Adopt, in concept, the Draft Housing Element;
3. Direct the Planning Department to submit the Draft Housing Element to the California Department of Housing and Community Development for review; and
4. Direct staff to return at a future public hearing following receipt of HCD's comments to take final action on adopting the Housing Element.

Sincerely,



Tom Burns
Planning Director

Recommended:



Susan A. Mauriello
County Administrative Officer

TB:mmd:jw

- Attachments:
1. Flow Chart on Housing Element Process
 2. Draft Housing Element (on file with the Clerk of the Board)
 3. Negative Declaration and Initial Study (on file with the Clerk of the Board)
 4. Letter of Cathy Creswell, Deputy Director, California Department of Housing and Community Development, dated August 8, 2003.
 5. Correspondence received prior to Planning Commission hearing on February 11, 2004
 6. Correspondence received at or after the Planning Commission hearing on February 11, 2004
 7. Planning Commission Resolution
 8. Planning Commission Minutes
 9. Planning Commission Staff Report (on file with the Clerk of the Board)

cc: County Counsel
Redevelopment Agency
Housing Advisory Commission

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Chapter 2.94

HOUSING ADVISORY COMMISSION

Sections:

2.94.010

Established—Statutory authority.

2.94.020

Membership.

2.94.030

Term of office.

2.94.040

Organization and procedures.

2.94.050

Powers and duties.

2.94.010 Established—Statutory authority.

The housing advisory commission is established under the authority of Government Code Section 31000.1, in compliance with Section 2.38.060 of the Santa Cruz County Code. (Prior code § 3.17.010: Ord. 2110, 4/1/75)

2.94.020 Membership.

The commission shall consist of ten members, residents of the county, appointed by the board of supervisors. Each supervisor shall nominate two persons who may reside within the supervisor's district to serve on the commission. Whenever possible, nominees should be individuals who have knowledge about housing problems, and be members of the following groups: Senior citizens, students, farm workers, low-income families, ethnic minorities, realtors, construction workers, or educators. If it is not possible to secure membership from these specified groups, the board of supervisors may appoint representatives of the general public interested in housing. (Prior code § 3.17.030: Ord. 2110, 4/1/75)

2.94.030 Term of office.

Each member shall serve for a term of four years, commencing on April 1st of the year in which the member's nominating supervisor begins a full term. (Prior code § 3.17.040: Ord. 2110, 4/1/75)

2.94.040 Organization and procedures.

A. The commission shall comply in all respects with Sections 2.38.110 through 2.38.250 of this code.

B. County Staff. The planning department shall provide staff support for the commission. The county planning director, or his designated representative, shall serve as the administrative secretary to the commission and shall receive copies of all minutes, reports and recommendations submitted to the board of supervisors by the commission. (Prior code § 3.17.050: Ord. 2110, 4/1/75)

2.94.050 Powers and duties.

The commission shall advise the board of supervisors on housing policy; advise the board of supervisors and the planning commission on matters relating to the housing element of the general plan, developed pursuant to Government Code Section 65302(c) and Health and Safety Code Section 50459, conduct a continuous study of housing in the county, and may conduct public hearings on housing problems and potential solutions. The commission shall assess the housing needs in this county, and study, prepare, review and make recommendations on public programs designed to meet those needs. The commission may also study, review and make recommendations on private housing programs. (Ord. 3620 § 28, 1985: Ord. 3602 § 18, 1985: prior code § 3.17.020 Ord. 2110, 4/1/75)