



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

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KATHLEEN MOLLOY PREVISICH, PLANNING DIRECTOR

November 25, 2015

Planning Commission
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

AGENDA: December 9, 2015

Agenda Item #: 8

Time: after 9:00 a.m.

SUBJECT: REVIEW OF FINAL DRAFT 2015 HOUSING ELEMENT

Members of the Commission:

Introduction

As you know, State law requires the County to update the Housing Element of the General Plan on an established schedule. The current Housing Element 2010-2015 is being updated to cover the period 2016-2023. Last March, three public meetings were held to introduce the Housing Element and to solicit public ideas and concerns at the start of the update process. In July, your Commission held a hearing on the Draft Housing Element that was submitted to the California Department of Housing and Community Development (HCD) for review and comment. On December 2, 2015 the Housing Advisory Commission held a public hearing to consider the document and take public comment.

The proposed final draft that is before you today incorporates comment and direction received from your Commission, the Housing Advisory Commission at its first hearing in July, and the Board of Supervisors; as well as initial comments from our HCD reviewer and new comments we received from the public since the draft version was circulated in July. Input received from the Housing Advisory Commission hearing on December 1 will be presented orally at the public hearing on December 9.

The purpose of today's meeting is for the Planning Commission to hold a public hearing and to consider making a recommendation that the Board of Supervisors adopt the 2015 Housing Element of the General Plan. The Board of Supervisors will hold a public hearing in January 2016 before the Housing Element is submitted to HCD for final certification.

Comments Received on the Initial Draft Housing Element

Comments on the draft housing element were gathered at public meetings and hearings, as described above, and via email and letters. Written comments are attached as Exhibit F. Overall, comments tended to fall into three categories:

Severity of the housing crisis

Many commenters described the social, personal and economic costs of living in a community where affordable housing is not available for young people starting out, working families, singles, students, empty-nesters, and others, and where special needs groups are especially impacted. Lack of diversity

in available housing types and the need for more housing units overall were mentioned multiple times as obstacles to keeping local residents adequately housed. Examples of these types of difficulties include Section 8 voucher holders who are losing their vouchers because they are unable to find landlords that will accept them, businesses that cannot find workers, families leaving the area, and overcrowding that occurs when more than one family crowd into a unit designed for fewer people. Comments included requests to include more aggressive actions to provide agricultural employee housing and to evaluate rent stabilization. Comments also included requests for the County to investigate ways to increase the minimum wage as other jurisdictions have done.

High cost and overall lack of available rental housing

Tenants are experiencing significant rent increases. Single-family homes that served as rentals during the economic downturn are now being sold and renters displaced. Some people, unable to find decent rental housing, are doubling up with friends and family members. Rents have risen rapidly over the past five years, and the average rent for a two-bedroom apartment now exceeds \$2000 per month, compared to \$1650 in 2010.¹ The revival of the economic engine in Silicon Valley, increases in enrollment at UCSC², and families that lost homes to foreclosure during the economic crash of 2007-2008 have resulted in an increased number of households seeking rental housing, increasing competition for the limited number of rental units.

Comments suggested creative solutions for increasing the supply of affordable rental housing. Suggestions included modifying the Multi-Family residential zone district to work better for housing developers, ideas to expand the supply of Accessory Dwelling Units (ADUs) and reducing costs of developing ADUs, expanding housing to non-residential zone districts such as the Public Facilities zone district, encouraging non-profit organizations and private employers who wish to provide housing for their members, and encouraging detached bedrooms, which are regulated as habitable accessory structures. Some commenters suggested rezoning property for greater intensity, others suggested regulatory rent control, and one offered specific suggestions to ensure that the text of the Housing Element is adequate to protect residents of existing manufactured home parks.

Environmental impacts of population growth

Several comments focused on the impact of overall population growth on water supply, traffic congestion, urban infrastructure, and concerns about neighborhood compatibility of new development.

Suggestions included limiting new construction in neighborhoods that experience parking shortages, ensuring any newly constructed housing bears the full cost of impacts and pays all appropriate impact fees, working with agency partners to improve urban infrastructure before new development is added to existing neighborhoods, limiting new housing to transportation corridors, and placing a moratorium on development in the Soquel Creek Water District service area until water issues are fully addressed.

Comments from the California Department of Housing and Community Development

Preliminary comments from HCD were discussed with staff in advance of the 60-day review period deadline, and these discussions with the reviewer at HCD prompted staff to resubmit the document with changes that address HCD's comments. The resubmitted document contained most of the changes that are in the final Draft 2015 Housing Element currently before your Commission. HCD has indicated that their formal review letter will be available prior to the Planning Commission hearing, and staff will distribute the review letter as soon as possible.

¹ UCSC Community Rentals, Average Rental Costs and Percentage Increase/Decrease 2010-2011 through 2014-2015

² Source: UCSC Data Warehouse (Student) Report: Headcount Enrollment History, Office of Institutional Research and Policy Studies, 5/29/14

Changes in Current Draft

Planning staff reviewed and considered all comments received during the public hearing process and during the CEQA comment period. The document has been revised as a result of this input and to respond to preliminary review comments from HCD. Many comments that did not result in text changes in the Housing Element will inform and contribute to other planning efforts related to housing that are also underway. For example, the Board directed staff to review regulations and standards for Accessory Dwelling Units and bring proposed code amendments back for consideration next year. Many of the comments about ADUs will be integrated into that process, which will also involve public meetings and discussions with your Commission.

Substantive changes made to the document since the last hearing include:

1. The connections between the Housing Element and the recommendations of the Sustainable Santa Cruz County Plan were made more prominent in order to provide additional background on the land use policy considerations for the County, beyond meeting the RHNA and the requirements for a certified Housing Element. See page 4-4 in the Introduction.
2. Information about the County's activities to address water supply and conservation was added to the section on Infrastructure Constraints in Section 4.4.
3. To the extent possible, the Policies and Programs in Section 4.7 were made more concrete and quantifiable. Timeframes were made more specific. For example, the timeframe of Program 2.4 changed from "2016-2023" to "2016-2018."
4. Certain programs were changed or added to reflect the Board's direction to actively begin work and public process on items relating to Accessory Dwelling Units, Multi-Family Housing development, permanent room housing, and Mixed-Use development standards. See programs 2.9 and 5.8.
5. A program to complete the nexus study that is underway to evaluate Countywide transportation impact fees for new development was added. See Program 3.9.
6. Language protecting the County's mobile/manufactured home parks was clarified and strengthened. See Goal 4 and Programs 4.1 and 4.3.
7. The policy to encourage development to occur above the minimum allowed density was revised to ensure that inappropriate land divisions would not occur in the rural area. See Policy 2.2.
8. A program to prioritize funds for projects that include housing for Extremely Low Income (ELI) Households was added. See Program 5.13.

Comments Received at the Housing Advisory Commission

At this writing staff has not yet met with the Housing Advisory Commission (HAC). Staff will meet with the HAC on December 2nd, and the discussion and any comments received will be summarized during the oral staff presentation at the Planning Commission public hearing.

Public Outreach

A bi-lingual display ad announcing the three public hearings that will be held for public review and comment on this draft of the proposed Housing Element, of which this Commission meeting is the second, has been published in the Register-Pajaronian and the Santa Cruz Sentinel. An announcement of the meetings and availability of the document was sent to the Planning Department's email list, and both the meetings and a link to the document are posted on the Planning Department web page. A Press Release was distributed to media outlets as well.

Environmental Review

A proposed Negative Declaration was issued on September 30, 2015 and the public comment period closed on October 30, 2015. The proposed Negative Declaration is attached as Exhibit C. Three comment letters were received (Exhibit D). In response to comments staff have revised Policies 1.5 and 2.6 to clarify that population density is proposed to be limited by site standards, rather than by units/acre, and have added Program 3.9 to address completion of the nexus study that is underway to evaluate the County's transportation impact fee program. A written response to comments has also been prepared (Exhibit E).

Next Steps

Staff expects to bring this proposed final version of the 2015 Housing Element to the Board of Supervisors for a public hearing on January 12, 2016. Staff will convey any suggestions and recommendations of your Commission, as well as comments we recently received from the Housing Advisory Commission, to the Board of Supervisors. The final Housing Element adopted by the Board will be submitted to HCD within the required time frame. Upon certification by HCD it will become part of the County's General Plan.

Recommendation

It is therefore RECOMMENDED that your Commission:

1. Review the proposed final draft 2015 Housing Element,
2. Receive public comment, and
3. Adopt the Resolution (Exhibit A) recommending that the Board of Supervisors adopt the proposed Negative Declaration, approve the proposed 2015 Santa Cruz County Housing Element, and direct that the document be forwarded to the Department of Housing and Community Development for certification.

Sincerely,



Kathy M. Previsich
Planning Director

Exhibits:

- A. Resolution
- B. Draft final 2015 Santa Cruz County Housing Element, available at www.sccoplanning.com
- C. Proposed Negative Declaration
- D. Correspondence on CEQA determination
- E. Response to Correspondence Regarding the Proposed CEQA Document
- F. Correspondence

BEFORE THE PLANNING COMMISSION OF THE COUNTY OF SANTA CRUZ,
STATE OF CALIFORNIA

RESOLUTION NO. _____

On the motion of Commissioner:
Duly seconded by Commissioner:
The following Resolution is adopted:

**PLANNING COMMISSION RESOLUTION RECOMMENDING ADOPTION OF
THE PROPOSED FINAL 2015 SANTA CRUZ COUNTY HOUSING ELEMENT
OF THE GENERAL PLAN**

WHEREAS, the County has prepared a final draft of the proposed 2015 Housing Element; and

WHEREAS, the 2015 Housing Element meets the requirements of State law and addresses the planning period from 2016 - 2023; and

WHEREAS, the proposed 2015 Housing Element has been released to the public for review; and

WHEREAS, the public and various commissions have had an opportunity to make comments and recommendations regarding the Housing Element; and

WHEREAS, comments and recommendations from the public and commissions have been reviewed and incorporated into the Housing Element, where appropriate; and

WHEREAS, the California Department of Housing and Community Development has reviewed the document and responded with preliminary comments which have been reviewed and incorporated into the Housing Element; and

WHEREAS, the Housing Element has undergone environmental review, and was determined by the Environmental Coordinator to have a less than significant impact on the Environment, and a Negative Declaration has been prepared; and

WHEREAS, the Planning Commission has reviewed the proposed final draft of the 2015 Santa Cruz County Housing Element; and

WHEREAS, the Planning Commission has held a duly noticed public hearing to receive testimony from the public and has considered such testimony and other evidence submitted,

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission recommends that the Board of Supervisors adopt the Negative Declaration under CEQA; and

BE IT FURTHER RESOLVED, that the Planning Commission recommends that the proposed 2015 Santa Cruz County Housing Element, as presented on this date, be adopted by the Board of Supervisors and submitted to HCD for certification.

PASSED AND ADOPTED by the Planning Commission of the County of Santa Cruz,
State of California, this _____ day of _____, 2015 by the following vote:

AYES: COMMISSIONERS
NOES: COMMISSIONERS
ABSENT: COMMISSIONERS
ABSTAIN: COMMISSIONERS

Chairperson

ATTEST: _____
Secretary

APPROVED AS TO FORM:



COUNTY COUNSEL

cc: County Counsel
Planning Department