



COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT

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KATHLEEN MOLLOY PREVISICH, PLANNING DIRECTOR

October 31, 2014

Planning Commission
701 Ocean Street
Santa Cruz, CA 95060

RE: Update of Affordable Housing Regulations

Dear Commissioners,

The County of Santa Cruz Planning Department retained the services of Keyser Marston Associates (KMA) who worked with Goldfarb Lipman LLP to conduct an analysis of the County's Affordable Housing Program, which include modifications to several sections of the Santa Cruz County Code. On August 19, 2014 the Board of Supervisors received the report on the Housing Program. At that time the Board provided guidance as to the primary elements of the recommendation, and directed that an ordinance be drafted responsive to Board guidance and brought before the Housing Advisory Commission and Planning Commission for further discussion and recommendations. Exhibit F provides the guidance voted upon by the Board at its August 19th meeting.

Attached to this report are the proposed regulations, reflecting the guidance provided by the Board. The proposed amendments are attached to this report as Exhibit B as follows:

- Exhibit B Attachment 1: Chapter 13.10
- Exhibit B Attachment 2: Chapter 17.10
- Exhibit B Attachment 3: Chapter 17.12.

A strike-through version of the Affordable Housing Guidelines is attached to this report as Exhibit C.

Staff and the consultants are largely in agreement with the guidance provided by the Board. However, additional analysis has been completed to illustrate the potential result of implementing the Board's direction. Based on that analysis, this report also presents a new suggestion that could be considered as an additional element to the Board's direction. The reasons for the additional suggestion relate to the Board's discussion and seeming interest in "affordable by design" concepts, as well as ensuring a viable and equitable local program.

It is recommended that the Commission discuss the proposed ordinance and guideline amendments and then develop a recommendation for consideration by the Board of Supervisors. The Housing Advisory Commission held a public hearing at its November 5th meeting and also developing a recommendation for Board consideration.

Summary of Proposed Ordinance and Guidelines Amendments

The Board of Supervisors expressed substantial agreement with most of the program recommendations proposed by KMA and those elements are included in the proposed ordinance and guideline amendments. Sections 1 through 6 below briefly summarize those

program elements. This report also includes information and analysis regarding a suggested program element that is recommended by staff and the consultants, relating to a tiered impact fee structure that would apply to 1- and 2-unit developments. The nexus study supports imposition of an affordable housing impact fee for all market rate residential development, and it could be considered more equitable to have all new residential unit and non-residential development contribute to addressing the affordable housing impacts. The impact fee program will not come close to replacing the redevelopment funded Housing Program revenues, but a viable local impact fee program can play a role in addressing our county's affordable housing crisis, and can enable partnerships with non-profit housing partners in a way that leverages these local funds and attracts a greater level of state and federal funds (especially with the tax credit program) to construct new affordable rental housing.

1. Ordinance amendments needed to respond to legal issues

Chapters 17.10 (Affordable Housing Regulations), 17.12 (Density Bonus Regulations) and 13.10 (Zoning Ordinance) have been modified to comply with the two issues settled by recent court cases. The proposed amendments remove the requirement for rental housing projects to provide on-site affordable housing (inclusionary units). In addition, the density bonus provisions will be implemented in compliance with State law; for example, this will allow any project that includes 15% affordable units on site to receive a 10% density bonus.

2. Proposed requirements for Ownership Projects with 5+ Units

- a. **On Site Requirement.** Voter-approved Measure J states that it is the County's policy that at least 15 percent of new housing in the County be affordable to average income households and below. This percentage is supported by the findings of the consultants' nexus analysis, which indicates a supportable inclusionary range of 15% to 28% (depending on housing type) to mitigate affordable housing impacts of market rate residential development.¹ In accordance with the Board's direction, ownership projects with 5 or more units will continue to be obligated to provide 15% of the units as on-site deed-restricted affordable units.

The current program's provision that allows a developer to request that the approving body authorize an alternative to providing affordable units on the site of a housing project – such as payment of an in-lieu or impact fee, would be retained. Initially, staff and the consultants had recommended that the manner of satisfying the affordable housing requirement should be at the option of the developer. However the Board of Supervisors indicated on August 19th a preference for the County to retain authority over whether to allow alternatives to on-site housing for projects of 5 or more units.

If payment of a fee is allowed, under the proposed regulations the current in-lieu fee will become a housing impact fee and it will be based on habitable square footage of all market rate units rather than the current approach of basing an in-lieu fee on average sales price. The initial rate would be set at \$15 per square foot for each unit, for projects that involve 5 or more units. Affordable housing obligations that are a fraction of a unit will be satisfied through the payment of an affordable housing impact fee, also at the \$15 per square foot based on the average of the sizes of all the units in the housing project.

¹ It is worth noting that the County has been able to meet the mandate of Measure J substantially because of the projects leveraged using redevelopment funds in partnership with non-profit housing developers.

The affordable housing impact fee for a project of five or more units will be calculated as follows: Assume a project has 25 units, with an average unit size of 2,000 square feet. In this example, the project's total affordable housing obligation is 3.75 units (25 x 15%). The project is obligated to provide 3 affordable on-site units and pay an impact fee to satisfy the requirement for 0.75 units. The "per unit fee amount" is \$200,000 (2,000 SF x \$15 / 15%). The amount owed by the project is \$150,000 (\$200,000 x 0.75).

- b. Maximum Affordable Home Prices Calculated at 110% AMI. The financial feasibility analysis concluded that under some circumstances an on-site inclusionary obligation yields substandard profit margins and therefore acts as a disincentive to the creation of housing. It is recommended that the pricing of affordable units be calculated to be affordable to households earning 110% of Area Median Income (AMI) rather than the current pricing at 100% of AMI. The Affordable Housing Guidelines have been revised to reflect this calculation.

3. Requirements for Ownership Projects of Three or Four Units

The County's current program imposes a fee of \$15,000 on the third and fourth units of a housing development with three or four units. It was not clear in the Board's August 19th direction whether this rate was to continue, a new flat fee proposed, or the \$15 per square foot impact fee be applied. Staff and the consultants have considered these alternatives, and developed a graduated fee structure for consideration. The proposed regulations reflect this new proposal for a graduated per square foot impact fee structure that increases with the size of the unit, based on habitable square footage. This would respond to Board and public interest in a structure that acknowledges the concept of "affordable by design", with smaller units assessed lower fees. The proposed graduated fee structure would impose impact fees on all of the habitable square footage in the project, as outlined below and discussed in greater detail later in this report.

- \$5 per square foot for 0 to 1,500 square feet of each unit;
- \$10 per square foot to be applied to 1,501 to 3,000 square feet; and
- \$15 per square foot to be applied to the square footage of each unit beyond 3,001 square feet.

4. Requirements for Rental Unit Projects, including non-deed-restricted Accessory Dwelling Units (ADUs)

Rental Projects. In conformance with recent court cases and the findings of the nexus analysis, the proposed regulations do not require rental projects to provide on-site affordable units. Instead, as supported by the nexus analysis, all rental projects would be required to pay an affordable housing impact fee based on the habitable square footage of the rental project. While the nexus analysis concluded that an impact fee on rental units of up to \$23.70 per square foot is supported to mitigate the demand for affordable units created by market rate rental units, the financial feasibility analysis indicates that new rental project development is financially challenging. In recognition of current financial constraints, it is recommended that the impact fee on rental units be set at \$2 per square foot of habitable area and that the fee amount be revisited periodically. Impact fees will not be levied on affordable rental projects that include affordability restrictions on the units.

ADUs. The Board's discussion on August 19th included a question to the Planning Director about whether ADUs would be subject to impact fee requirements. Staff erroneously related

this question to whether 1- and 2-unit housing projects would be subject to impact fees, but should have responded that since ADUs are, by definition, rental units and the \$2 per square foot fee would apply.

It is worth noting that staff and many community stakeholders strongly support the ADU program and want to incentivize creation of ADUs. In the coming months, as the Housing Element is being updated, staff plans to develop a set of recommendations that would further incentivize creation of ADUs. The recommended \$2 per square foot would result in the following one-time fees for typical sizes of ADUs, which would not be expected to affect a “go/no go” financial feasibility decision about whether to build an ADU, as the levels are generally less than one month’s rent for ADUs at these sizes.

640 SF	\$1,280
800 SF	\$1,600
1,000 SF	\$2,000
1,200 SF	\$2,400

5. ***Forty Percent affordable housing obligations***

a. Commercial to residential rezoning

The draft ordinance revision removes the current requirement imposing a 40% affordable housing obligation for properties rezoned from non-residential to residential uses. The reason for this is that the 40% requirement is not supported by the findings of the nexus analysis and it can render proposed projects financially infeasible. If the conversion is approved, these projects would be subject to the same affordable housing requirements (15% on-site for ownership projects, and impact fees for smaller ownership projects and for market rate rental projects) that apply to all residential projects. Two new findings are proposed to be added to the zoning ordinance to address these types of rezoning.

b. Regional Housing Need R Combining Districts

The findings of the nexus analysis do not support the 40% obligation currently required for properties within the R-Combining Districts. This District allows by-right development of these sites at a density of 20 units per acre. The proposed amendments subject these properties to the standard affordable housing requirements (15% on-site for ownership projects and impact fees for market rate rental projects) unless there are resources available to help create additional affordable units. Recommended policy actions include prioritizing the use of available County affordable housing funds for the R Combining District sites and for other developments that maximize density in order to leverage low income housing tax credits and other State and federal housing programs.

6. ***Impact Fees on Non-Residential Development***

The nexus analysis on four types of commercial and industrial buildings supports the establishment of affordable housing impact fees that would be paid by non-residential developments. Given the County’s desire to encourage job growth, it is recommended that the fee be set at \$2.00 per square foot of net new building area. The fee will not apply to governmental buildings.

Suggested Additional Program Elements

Further discussions with the consultants as well as with community groups since the Board discussion have suggested additional program elements, as summarized below.

a) Rental Impact Fees on Accessory Dwelling Units.

As discussed earlier in this report, it is recommended that ADUs pay the \$2 per habitable square foot impact fee rate that would apply to rental projects.

b) Graduated Impact Fees on Ownership Projects of 1 to 2 Units.

Consistent with direction by the Board, the proposed ordinance revision exempts projects of 1 or 2 units from any affordable housing requirement. However, based on the information and analysis provided in the next section of this report, staff and the consultants recommend that the graduated impact fee structure proposed for 3- and 4-unit projects also apply to 1- and 2-unit projects (additions to homes are NOT proposed to be subject to impact fees).

The key arguments for including new units in 1- and 2-unit projects include:

- The premise of the impact fee approach is that all new development generates a need for affordable housing and that all new development should participate in addressing the need at a level that is financially feasible and sustainable, in other words “everyone creates a need, everyone pays”. This approach can be considered more equitable than one which exempts 1- and 2-unit projects.
- Since the majority of projects that occur in the unincorporated county are 1- and 2-unit projects, in order to have a viable program that can play a role in ensuring continuation of a functional Measure J program and have local resources available for leveraging to create affordable rental housing.

Given that one and two unit projects have the same impact on the need for affordable housing as do projects with 3+ units and the application of the graduated fee schedule to these units would generate approximately \$450,000 per year of revenue (as reviewed in the next section of this report), staff recommends that the Board of Supervisors consider adopting the graduated fee schedule to projects of 1 and 2 units. The inclusion of 1 and 2 unit projects would accelerate the rate at which the County can accumulate sufficient funds to support the construction of new rental projects and provide the County with funding needed to administer the existing affordable housing stock.

Analysis of Estimated Impact Fee Revenue

In order to study the effect of the proposed Affordable Housing Impact Fees on different development types, Building Permit activity for a two year period was analyzed. The period of time reviewed was Fiscal Years 2012-13 and 2013-14. These periods were selected because data is readily available through the County’s relatively new land use management system. The square footage of the Building Permits issued in those periods was reviewed and the proposed fees were applied in order to illustrate the effect of the proposed fees on actual projects and to project potential fee revenue.

Exhibit D presents the results of the analysis. The first chart summarizes all construction activity during the two-year period. Construction activity was dominated by the development of

one and two unit single family homes. There were 40 rental units developed during the period; all were deed restricted affordable units within the Aptos Blue project, but such a project would not pay impact fees. The second chart shows the estimated impact fee revenue under a program consistent with the Board's August 19th guidance, which does not include payment of impact fees by ADUs or 1- and 2-unit projects. Based on the last two years' activity, a program of that August 19th structure would generate an estimated \$162,000 per year in impact fees.

The third chart shows the level of impact fees that would be generated if 1- and 2-unit projects were required to pay the graduated/scaled impact fees in the same manner as 3- and 4-unit projects. The fees from 1- and 2- unit projects, and rental ADUs at \$2/sf, would generate approximately \$441,000 of annual impact fee revenue, which is almost three times the revenue generated by all of the other construction components combined.

Finally, the fourth chart of Exhibit D, which is also presented below, shows the estimated impact fees that would be generated under the alternate impact fee structure proposed by staff and the consultants, using the graduated impact fee structure for 1- to 4-unit projects, and including ADUs as rental units.

Annual Revenue Estimate for Staff and Consultant's Recommended Alternate Program

FIGURE 4: Annual Impact Fee Revenue based on Alternate Program		
1 and 2 unit Projects	Assumes scaled fee schedule based on square footage of units	\$440,725
3 and 4 unit projects	Scaled fee schedule	\$103,000
5+ Units	Occasional projects of 5 or more units will be allowed to pay a fee rather than provide a unit but it will be hard to predict.	?
ADUs	\$2 per square foot, unless affordability restrictions are recorded on the deed	\$28,700
Rental Projects	\$2 per square foot unless deed restricted as affordable units	nominal
Commercial Projects	\$2 per square foot	59,000
One Year Projected Revenues based on actual permits		\$631,425

POLICY RECOMMENDATIONS FOR USE OF THE HOUSING FUND

The voters of Santa Cruz County passed Measure J in 1978 partially in response to a housing shortage that has only gotten worse in the intervening years. As SCC Code Chapter 17.10 states

“The County finds that the housing shortage for persons of average and below average incomes is detrimental to the public health, safety and welfare. The County further finds that it is a public purpose of the County of Santa Cruz as mandated by Measure J, a voter adopted referendum measure, that housing be made available for persons with average and below average incomes.”

Recent experience and analysis could add that housing shortages and affordability challenges necessitate long commutes, create increasingly untenable traffic problems, and adversely affect personal, family and community quality of life.

Our community is experiencing a housing shortage and it is important that policies not impede development. Ensuring that any proposed policies do not cause a barrier to housing development was the primary reason why the feasibility analysis was undertaken along with the nexus study to update the housing program. When redevelopment was eliminated by the legislature in 2011 the County of Santa Cruz committed the funds it had available to affordable projects that were ready to go ahead immediately. That effort resulted in 242 affordable homes that have been developed in the three years since. Those homes are vital to meeting a critical shortage of housing. The need for these homes is highlighted by the high number of applicants for affordable units—there were 1,371 applicants for the 88 units at the Schapiro Knolls project. The feasibility study demonstrates that in this difficult market the housing needs of a substantial portion of our community—those with incomes below 80% of the Area Median Income (AMI) can't be met by market driven development without leveraging outside resources. A summary of remaining housing resources is included in this report as Exhibit E.

The Nexus Study reflects the impact of housing development on working households and because of this, it is recommended that the fees generated by the Housing Impact Fee be deposited in an Affordable Housing Fund and that policies for its use be adopted that will ensure that the fund is used substantially to support the creation of workforce housing with the focus used to assist with creation of rental housing affordable to extremely low, very low and low income households. Homes developed on-site for projects of five or more units will continue to address the needs of moderate income households, as deed-restricted units are included within developments of 5 or more units.

Categorical Exemption

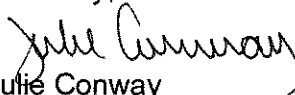
Staff has determined the proposed ordinance amendments are exempt from CEQA pursuant to Section 150613 because it can be seen with certainty that these amendments will have no significant impact on the environment.

Conclusion/Recommendation

The recommendations and analysis provided by KMA provide the County with the opportunity to update its housing policies to be consistent within the current legal framework and can provide resources for the County to address its critical need for affordable housing. It is therefore recommended that your Commission:

1. Conduct a public hearing to consider the proposed amendments to the affordable housing program;
2. Approve the resolution (Exhibit A) recommending the Board of Supervisors approve proposed ordinance amendments;
3. Recommend addition of the following elements to the program: (a) include 1- and 2-unit projects into the graduated impact fee schedule used for 3- and 4-unit projects; and (b) apply the \$2 per square foot rental housing fee to Accessory Dwelling Units; and

Sincerely,


Julie Conway
Housing Coordinator


Kathy Previsich
Planning Director

Exhibit A: Resolution

Exhibit B: Proposed Ordinance Amendments

Attachment 1: Proposed Amendments to 13.10.475-478, 13.10.215 (clean and strike-through copies)

Attachment 2: Proposed Amendments to 17.10 (clean and strike-through copies)

Attachment 3: Proposed Amendments to 17.12 (clean and strike-through copies)

Exhibit C: Proposed Affordable Housing Guidelines (strike-through copy only)

Exhibit D: Analysis of Estimated Impact Fee Revenue

Exhibit E: Summary of Current Affordable Housing Resources

Exhibit F: Minutes of August 19, 2014 Board of Supervisors Meeting

Exhibit G: Correspondence

Link to Full Report: <http://www.sccoplanning.com/PlanningHome/Housing/>

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 is adopted:

PLANNING COMMISSION RESOLUTION RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT PROPOSED AMMENDMENTS TO THE AFFORDABLE HOUSING PROGRAM IN THE SANTA CRUZ COUNTY CODE SECTIONS 13.10.475-478 RELATING TO THE R-COMBINING DISTRICT AND 13.10.215 RELATING TO THE ZONING PLAN AMENDMENT, AND SECTION 17.10 RELATING TO THE AFFORDABLE HOUSING PROGRAM AND SECTION 17.12 RELATING TO RESIDENTIAL DENSITY BONUSES AND AFFORDABILIIY INCENTIVES AND RECOMMENDING THAT THE BOARD OF SUPERVISORS APPROVE AND ADOPT THE PROPOSED AMENDMENTS AND SUBMIT THE AMENDMENTS TO CHAPTER 13.10 THE CALIFORNIA COASTAL COMMISSION FOR CERTIFICATION

WHEREAS, in 1978 Santa Cruz County voters passed Measure J, which established a policy for at least 15% of new housing units to be affordable to those of average or below average incomes; and Chapter 17.10 of the Santa Cruz County Code was subsequently adopted in order to implement Measure J and established inclusionary housing requirements; and

WHEREAS, Chapter 17.12 of the County Code contains the Residential Density Bonus and Affordability Incentives intended to implement State law and to encourage the development of housing through provision of density and zoning concessions; and

WHEREAS, Sections 13.10.475-478 of the Zoning Ordinance establish a Regional Housing R Combining District intended to increase the supply of affordable housing by designating sites for development at 20 units per acre in order to meet the requirements of the regional housing needs allocation established pursuant to State law; and

WHEREAS, Section 13.10.215, the County zoning plan, is intended to be a detailed appraisal of the County's present and future needs for land use allocations; and

WHEREAS, current provisions within the afore-mentioned regulations are inconsistent with either State law and/or the findings of an affordable housing nexus study prepared in 2014; and

WHEREAS, the County is interested in updating certain provisions of its affordable housing program in order to ensure that it is an effective tool for creating new affordable housing in the context of the changed legal and economic environment of recent years; and

WHEREAS, on August 19, 2014 the Board of Supervisors reviewed the results of a legal review and a nexus study pertaining to the County's existing affordable housing regulations, and

EXHIBIT A

initiated amendments to the county's affordable housing regulations and guidelines, and directed the Planning Department to bring the proposed amendments for review and recommendations by the Housing Advisory Commission and Planning Commission; and

WHEREAS, the proposed amendments are exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the subject regulatory amendments will have a significant effect on the environment; and

WHEREAS, on November 12, 2014, the Planning Commission held a duly noticed public hearing on proposed amendments to County Code Sections 13.10.475-478 regarding the R Combining District and 13.10.215 regarding zoning plan amendments and Section 17.10 regarding affordable housing requirements and Section 17.12 regarding density bonus, and the Planning Commission has considered the proposed amendments, all testimony and evidence received at the public hearing, and the attached staff report.

BE IT RESOLVED that the Planning Commission recommends that the Board of Supervisors adopt the proposed ordinance amendments, adopt a resolution amending the affordable housing guidelines, and adopt a resolution establishing impact fees; all as recommended by staff and the consultants as described in the staff report and materials presented to the Planning Commission on this date; and that the proposed amendments to Chapter 13.10 be submitted to the California Coastal Commission for certification as part of the next Local Coastal Program Round.

PASSED AND ADOPTED by the Planning Commission of the County of Santa Cruz, State of California, this _____ day of _____, 2014 by the following vote:

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

Renee Shepherd, Chairperson

ATTEST:

Steven Guiney, Secretary

APPROVED AS TO FORM:

COUNTY COUNSEL

EXHIBIT A

Article VIII-A. Regional Housing Need R Combining District

13.10.475 Purposes of the Regional Housing Need R Combining District.

The purpose of the Regional Housing Need R Combining District is to increase the supply of affordable housing by designating sites for development at 20 units per acre in order to meet the requirements of the regional housing needs allocation as required by Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the California Government Code.

13.10.476 Designation of the Regional Housing Need R Combining District.

The Regional Housing Need R Combining District shall only be applied to those parcels designated by the Board of Supervisors. [Ord. 4878 § 1, 2007].

13.10.477 Use and development standards in the Regional Housing Need R Combining District.

(A) Site Selection Criteria. For sites to be designated under the Regional Housing Need R Combining District, the site must be approved by the Board of Supervisors based on the County's housing needs.

(B) Development Standards.

(1) Density. Sites designated under the Regional Housing Need R Combining District shall be developed at 20 units per acre. Development at the required density shall be by right for sites zoned as provided in Section 13.10.478. For the purposes of calculating density under these provisions, the developable area of each site designated under the Regional Housing Need R Combining District shall be determined at the time the site is designated. Such developable acreage shall be calculated in accordance with SCCC 13.10.700-D definition of "developable land" and SCCC 13.10.700-S definition of "site area, net" except that roadways and driveways shall be included in the developable acreage calculation for the purposes of determining net developable acreage. The number of potential units will be determined by multiplying the developable acreage by 20. Where such calculation results in a fractional number, the number of units shall be determined by rounding down to the nearest whole number.

(2) Master Planning. Where contiguous or adjacent parcels are designated under the Regional Housing Need R Combining District, any development proposal for one parcel may be required to include a master plan for development of all contiguous or adjacent parcels which are also designated

under the Regional Housing Need R Combining District. The purpose of the master plan is to define interior circulation patterns, exterior site access, fire access to all parcels, infrastructure improvements, common area location and amenities.

(3) Incentives and Concessions. Residential projects proposed under the Regional Housing Need R Combining District are entitled to all of the following alternative development standards. If the applicant requests any incentives or concessions under Chapter 17.12, each of these alternative development standards shall be considered as one incentive or concession if incorporated into the residential project.

(a) Parking requirements: 1.5 spaces per studio or one-bedroom units; 2.0 spaces for two-bedroom units; 2.5 spaces for three-bedroom units; 3.0 spaces per four-bedroom units. An additional 20 percent of the total number of parking spaces is required to accommodate guest parking. Modifications of these standards can be approved for individual sites in the R Combining District as part of an approved PUD for each site, based on unique site and design factors;

(b) Height up to 35 feet measured from pre-construction natural grade and up to three stories exclusive of subsurface parking. Modifications of these standards can be approved for individual sites in the R Combining District as part of an approved PUD for each site, based on unique site and design factors;

(c) Limits on lot coverage and floor area ratio do not apply;

(d) Size of affordable units not less than 70 percent of the average size of the market rate units and average number of bedrooms 0.5 bedroom less than the average number of bedrooms in the market rate units;

(e) Clustering of affordable units;

(f) Where garages are provided for market rate units, garages are not required for affordable units; and

(g) Maintain standard riparian buffer but eliminate 10-foot additional riparian construction buffer.

(4) Developments shall encourage energy efficiency, and environmentally sensitive design and building materials. [Ord. 4878 § 1, 2007].

13.10.478 By-right development. Amended Ord. 5160

Notwithstanding the requirements of the residential uses chart in SCCC 13.10.322, when required by State law, and in the event that the current adopted housing element includes a program to rezone sites to appropriate densities to address the inadequacy of suitably zoned sites required to meet the regional housing need, those sites identified to fulfill that program shall be developable by right, in that the use and density for the site are not discretionary. For these sites, the following standards and alternative process shall also apply:

(A) The developable acreage of the site will be determined and the site will be assigned a number of units equivalent to 20 units per acre at the time the site is designated under the Regional Housing Need R Combining District.

(B) Environmental review, as required by the California Environmental Quality Act, will be completed as part of the process for rezoning such sites into the Regional Housing Need R Combining District. No further environmental review will be necessary for development of the sites except for development projects requiring a coastal permit or those requiring approval of a tentative map (see subsection (E)(1) and (2) of this section).

(C) A planned unit development permit outlining site-specific development standards and any CEQA mitigation measures will be adopted, in accordance with SCCC 18.10.180 et seq., for each site at the time the site is rezoned into the R Combining District.

(D) Development proposals shall undergo a design review process and public hearing limited to design issues only. No discretionary permit is necessary for the density or use of the site. For development proposals under these "by-right" provisions, applicants must apply for a design review and site development permit which shall be acted upon by the Board of Supervisors.

(E) If a coastal permit or tentative map approval is required, it must be included in the application.

(1) Coastal Permit Requirements. Where a site is located in the Coastal Zone and requires a coastal permit for development, the provisions of Chapter 13.20 SCCC apply. Wherever possible, the environmental review performed at the time the site was designated under the Regional Housing Need R Combining District will be utilized in the processing of the coastal permit.

(2) Subdivisions. Development that includes approval of a tentative map is subject to the provisions of the Subdivision Map Act and Chapter 14.01 SCCC. Where a tentative map is proposed, the public hearing may be expanded to address findings necessary under the Subdivision Map Act. Wherever possible the environmental review performed at the time the site was designated under the Regional Housing Need R Combining District will be utilized in the processing of the subdivision. [Ord. 4878 § 1, 2007].

13.10.215 Zoning plan amendment.

(A) Amendment Policy. The County zoning plan and map are intended to reflect a comprehensive assessment and projection of the County's present and future needs for various types of land uses and developments, which are shown broadly on the adopted General Plan and Local Coastal Program Land Use Maps and Zoning Maps. In order to maintain a stable, desirable, well-balanced pattern of development throughout the unincorporated County area, amendments to the zoning plan and map are to be made only upon adequate justification.

(B) Amendment Initiation. Amendment to the zoning plan or map may be initiated by a resolution of intention adopted by the Board of Supervisors upon its own motion or upon the recommendation of the Planning Commission, or an application by a property owner or other interested party having the owner's authorization.

(C) Amendment Procedures. Amendments to the County zoning plan or map shall be processed as a legislative action requiring a recommendation by the Planning Commission and approval by the Board of Supervisors pursuant to Chapter 18.10 SCCC and in accordance with the requirements of this section.

(D) Planning Commission Recommendation. After a public hearing, which may be continued from time to time, the Planning Commission shall send a written recommendation to the Board. The Commission's recommendation shall include the reasons for the recommendation, the relationship of the proposed zoning amendment to the General Plan, and a statement regarding compliance with the California Environmental Quality Act. The Planning Commission shall recommend approval of a rezoning only if it determines that:

(1) The proposed zone district will allow a density of development and types of uses which are compatible with the objectives, policies, programs, and land use designations of the adopted General Plan and Local Coastal Program; and

(2) The proposed zone district is compatible with the level of utilities and community services available to the land; and

(3) One or more of the following findings can be made:

(a) The character of development in the area where the land is located has changed or is changing to such a degree that the public interest will be better served by a different zone district;

- (b) The proposed rezoning is necessary to provide for a community-related use which was not anticipated when the zoning plan was adopted;
- (c) The present zoning is the result of an error;
- (d) The present zoning is inconsistent with designation on the General Plan; or
- (e) The proposed rezoning is in the best interests of the public health, safety, or welfare; or
- (f) A rezoning from non-residential to residential use is appropriate in that the site has low commercial potential as reflected by existing vacancies, or outdated low value improvements, or low employment density, or low market demand for commercial use of the site; or
- (g) A rezoning from non-residential to residential use is appropriate in that the site will be rezoned to accommodate a mixed use development that will accommodate both commercial and residential uses, and/or the site will accommodate housing type(s) that are needed to house the local workforce in support of the local economy.

(E) Planning Commission Recommendation Against Amendment. If the Planning Commission recommends against a proposed amendment, their action shall be final unless the matter is subsequently considered upon appeal or special consideration by the Board of Supervisors, or unless the action is being processed concurrently with a project that requires review by the Board of Supervisors.

(F) Board of Supervisors Action. The Clerk of the Board shall set a public hearing before the Board of Supervisors within 30 days after the receipt of the report recommending a zoning amendment from the Planning Commission. The Board may approve, modify, or disapprove the Planning Commission's recommendation; provided, that any modification of the proposed zoning amendment (including the imposition of regulations which are less restrictive than those proposed by the Commission or changes in proposed dwelling density or use) which was not previously considered by the Planning Commission shall be referred to the Planning Commission for its report and recommendation. The Planning Commission is not required to hold a public hearing on the referral, and its failure to respond within 40 days shall be deemed to be approval of the proposed modification. Any public hearing of the Board of Supervisors may be continued from time to time as determined by the Board.

(G) Finality of Action on Amendments. No new application for a zoning amendment shall be filed for the same or substantially the same purpose or project on the same parcel within one year after its denial without the consent of the Planning Commission if no appeal was made, or without the consent of the Board of Supervisors if denied by the Board. A denial without prejudice shall allow the filing of a new application at any time for the same or substantially the same purpose or project. [Ord. 5119 § 2, 2012; Ord. 4843 § 1, 2006; Ord. 4817 § 2, 2006; Ord. 4783 § 3, 2005; Ord. 4767 § 3, 2004; Ord. 4764 § 3, 2004; Ord. 3593 § 1, 1984; Ord. 3432 § 1, 1983].

Article VIII-A. Regional Housing Need R Combining District

13.10.475 Purposes of the Regional Housing Need R Combining District.

The purpose of the Regional Housing Need R Combining District is to increase the supply of affordable housing by designating sites for development at 20 units per acre in order to meet the requirements of the regional housing needs allocation as required by State Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the California Government Code Section 65584. Development projects on sites designated with the Regional Housing Need R Combining District shall be required to provide 40 percent of the units as affordable housing, as defined in SCCC 17.10.030(B)(1) and (B)(6). [Ord. 4878 § 1, 2007].

13.10.476 Designation of the Regional Housing Need R Combining District.

The Regional Housing Need R Combining District shall only be applied to those parcels designated by the Board of Supervisors in advance of housing element adoption, as part of the housing element or as part of the implementation of housing element policies. [Ord. 4878 § 1, 2007].

13.10.477 Use and development standards in the Regional Housing Need R Combining District.

(A) Site Selection Criteria. For sites to be designated under the Regional Housing Need R Combining District, the site must meet the following criteria: be approved by the Board of Supervisors based on the County's housing needs.

~~(1) Site must be identified by the County to satisfy the regional housing need. A private landowner may not apply for designation under the Regional Housing Need R Combining District without the concurrence of the Board of Supervisors prior to application.~~

(B) Development Standards.

(1) Density. Sites designated under the Regional Housing Need R Combining District shall be developed at 20 units per acre. Development at the required density shall be by right for sites zoned as provided in Section 13.10.478. For the purposes of calculating density under these provisions, the developable area of each site designated under the Regional Housing Need R Combining District shall be determined at the time the site is designated. Such developable acreage shall be calculated in accordance with SCCC 13.10.700-D definition of "developable land" and SCCC 13.10.700-S definition of "site area, net" except that roadways and driveways shall be included in the developable acreage

calculation for the purposes of determining net developable acreage. The number of potential units will be determined by multiplying the developable acreage by 20. Where such calculation results in a fractional number, the number of units shall be determined by rounding down to the nearest whole number.

(2) Master Planning. Where contiguous or adjacent parcels are designated under the Regional Housing Need R Combining District, any development proposal for one parcel may be required to include a master plan for development of all contiguous or adjacent parcels which are also designated under the Regional Housing Need R Combining District. The purpose of the master plan is to define interior circulation patterns, exterior site access, fire access to all parcels, infrastructure improvements, common area location and amenities.

(3) Incentives and Concessions. ~~Development~~Residential projects proposed under the Regional Housing Need R Combining District ~~will be~~are entitled to all of the following alternative development standards: If the applicant requests any incentives or concessions under Chapter 17.12, each of these alternative development standards shall be considered as one incentive or concession if incorporated into the residential project.

(a) Parking requirements: 1.5 spaces per studio or one-bedroom units; 2.0 spaces for two-bedroom units; 2.5 spaces for three-bedroom units; 3.0 spaces per four-bedroom units. An additional 20 percent of the total number of parking spaces is required to accommodate guest parking. Modifications of these standards can be approved for individual sites in the R Combining District as part of an approved PUD for each site, based on unique site and design factors;

(b) Height (up to 35 feet measured from pre-construction natural grade) and up to three stories exclusive of subsurface parking. Modifications of these standards can be approved for individual sites in the R Combining District as part of an approved PUD for each site, based on unique site and design factors;

(c) ~~Lot~~Limits on lot coverage and floor area ratio do not apply; ~~and~~

(d) ~~Reduced size~~Size of affordable units not less than 70 percent of the average size of the market rate units (see SCCG 17.10.032(A)(4)); ~~and reduction in average~~ number of bedrooms

~~(see SCCC 17.10.032(A)(3))0.5 bedroom less than the average number of bedrooms in the market rate units;~~

(e) Clustering of affordable units;

(f) Where garages are provided for market rate units, garages are not required for affordable units, but in such cases affordable units shall have a minimum of 218 cubic feet of private storage space per unit which shall be accessed from the outside of the unit; and

(g) Maintain standard riparian buffer but eliminate 10-foot additional riparian construction buffer; ~~(h) For projects eligible for concessions under State density bonus law, a project developer may request additional concessions as set forth in Chapter 17.12 SCCC.~~

~~(4) Affordability Requirements under the Regional Housing Need R Combining District. All development proposals on parcels designated under the Regional Housing Need R Combining District shall be required to provide 40 percent of the total number of units as affordable: 15 percent shall be affordable under the requirements for all development projects in SCCC 17.10.030(B)(1) and an additional 25 percent shall be affordable under the requirements for enhanced affordable units as described in SCCC 17.10.030(B)(6). The number of affordable units at each affordability level will be calculated upon determination of the developable acreage of a site. Where fractional numbers result, a fractional in lieu fee will be required for the fractional amount that is attributable to the 15 percent affordability requirement. For fractional numbers in the 25 percent enhanced affordable category, affordable housing obligation will be derived by rounding to the nearest whole number, such that 0.5 will be rounded up.~~

~~(5) Encourage energy efficiency, and environmentally sensitive design and building materials. [Ord. 4878 § 1, 2007].~~

(4) Developments shall encourage energy efficiency, and environmentally sensitive design and building materials. [Ord. 4878 § 1, 2007].

13.10.478 By-right development. Amended Ord. 5160

When required by State law, notwithstanding Notwithstanding the requirements of the residential uses chart in SCCC 13.10.322, when required by State law, and in the event that the current adopted housing element includes a program to rezone sites to appropriate densities to address the inadequacy of suitably zoned sites

required to meet the regional housing need, those sites identified to fulfill that program shall be ~~developed~~developable by right, in that the use and density for the site are not discretionary. For these sites, the following standards and alternative process shall also apply:

(A) The developable acreage of the site will be determined and the site will be assigned a number of units equivalent to 20 units per acre at the time the site is designated under the Regional Housing Need R Combining District.

(B) Environmental review, as required by the California Environmental Quality Act, will be completed as part of the process for rezoning of such sites into the Regional Housing Need R Combining District. No further environmental review ~~is~~will be necessary for development of the sites except for development projects requiring a coastal permit or those requiring approval of a tentative map (see subsection (E)(1) and (2) of this section).

(C) A planned unit development permit outlining site-specific development standards and any CEQA mitigation measures will be adopted, in accordance with SCCC 18.10.180 et seq., for each site at the time the site is rezoned into the R Combining District.

(D) Development proposals shall undergo a design review process and public hearing limited to design issues only. No discretionary permit is necessary for the density or use of the site. For development proposals under these "by-right" provisions, applicants must apply for a ~~Level VII~~ design review and site development permit which shall be acted upon by the Board of Supervisors.

(E) If a coastal permit or tentative map approval is required, it must be included in the application.

(1) Coastal Permit Requirements. Where a site is located in the Coastal Zone and requires a coastal permit for development, the provisions of Chapter 13.20 SCCC apply. Wherever possible, the environmental review performed at the time the site was designated under the Regional Housing Need R Combining District will be utilized in the processing of the coastal permit.

(2) Subdivisions. Development that includes approval of a tentative map is subject to the provisions of the Subdivision Map Act and Chapter 14.01 SCCC. Where a tentative map is proposed, the public hearing may be expanded to address findings necessary under the Subdivision Map Act. Wherever possible the environmental review performed at the time the site was designated under the Regional Housing Need R Combining District will be utilized in the processing of the subdivision. [Ord. 4878 § 1, 2007].

13.10.215 Zoning plan amendment.

(A) Amendment Policy. The County zoning plan ~~is and map are~~ intended to ~~be~~ reflect a comprehensive, detailed appraisal ~~assessment and projection~~ of the County's present and future needs for land use allocations ~~various types of land uses and developments~~, which are shown broadly on the adopted General Plan ~~and Local Coastal Program Land Use Maps and Zoning Maps~~. In order to maintain a stable, desirable, well-balanced pattern of development throughout the unincorporated County area, amendments to the zoning plan ~~and map are~~ to be discouraged and made only upon adequate justification.

(1) ~~To further this intention and to address the housing needs of County residents, the County shall require that within the urban services line, any rezoning from a nonresidential zone district to a residential zone district meet the following criteria:~~

~~(a) A minimum of 40 percent of all residential units or parcels resulting from the rezoning shall be affordable. At least one-half of the affordable units shall be affordable to low income households. For parcels on which 100 or more units will be created, the units affordable to low income households shall include at least one-half that are affordable to very low income households, resulting in a minimum of 10 percent of the total units being available to very low income households. If more than 10 percent of the units will be constructed for very low income households, the aggregate of very low and low income affordable units must total a minimum of 20 percent of the total units. All required affordable units shall be located on-site. If the calculation of the affordable housing obligation under SCCC 17.10.030(B) results in any fractional obligation above a whole unit, the project developer shall contribute funds equivalent to the fractional amount to the Measure J Trust Fund as provided in SCCC 17.10.034.~~

~~(b) These affordable units shall meet the requirements of Chapter 17.10 SCCC, as applicable. (B) Amendment Initiation. Amendment to the zoning plan ~~or map~~ may be initiated by a resolution of intention adopted by the Board of Supervisors upon its own motion or upon the recommendation of the Planning Commission, or an application by a property owner or other interested party having the owner's authorization.~~

(C) Amendment Procedures. Amendments to the County zoning plan ~~or map~~ shall be processed as ~~an approval~~ Level VII projects ~~a legislative action requiring a recommendation by the Planning Commission and approval by the Board of Supervisors pursuant to Chapter 18.10 SCCC and in accordance with the requirements of this section.~~