

REPORT TO THE SHASTA COUNTY PLANNING COMMISSION

<u>PROJECT IDENTIFICATION:</u>	<u>REGULAR AGENDA</u>	MEETING DATE	AGENDA ITEM #
GENERAL PLAN AMENDMENT 13-003 2014-2019 HOUSING ELEMENT UPDATE <i>CONTINUED FROM AUGUST 9, 2018</i>		08/23/2018	R5

RECOMMENDATION: That the Planning Commission:

1. Conduct a public hearing.
2. Close the public hearing.
3. Adopt Resolution 2018-022 recommending that the Board of Supervisors: a) find GPA13-003 is not subject to the California Environmental Quality Act (CEQA) in accordance with the provisions of Government Code section 65759 (CEQA does not apply to any proposed action necessary to comply with court order or judgement to bring an agency's general plan or relevant mandatory elements of the plan into compliance with State Law); b) adopt a resolution approving GPA13-003.

PROJECT SUMMARY: The Revised Draft Housing Element updates the current Housing Element found in the Shasta County General Plan. The State of California requires each city and county to adopt a General Plan consisting of at least seven elements: Land Use, Open Space, Conservation, Safety, Noise, Transportation and Housing. Unlike other elements of the General Plan, which may be updated at the jurisdiction's discretion, and because housing availability is a statewide concern, the Housing Element must be updated in accordance with a timeline prescribed by the State. State requirements for Housing Elements are more detailed and exacting than for any other General Plan element. California Government Code sections 65580 through 65589 require that Housing Elements contain:

- An assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs;
- A statement of the community's goals, quantified objectives, and policies relevant to the maintenance, improvement, and development of housing; and
- A program that sets forth a 5-year schedule of actions that the local government is undertaking or intends to undertake to implement the policies to achieve the goals and objectives of its Housing Element.

Shasta County's current certified Housing Element covers the planning period from 2009-2014. The Housing Element update (5th cycle update) covers a five year period from 2014-2019 and includes: 1) an analysis of both the constraints that may impact housing development as well the resources available to facilitate it, 2) a summary of past accomplishments from the County's 2009-2014 Housing Element, and 3) goals, policies, and implementation programs to achieve the County's share of the regional housing needs for the 2014-2019 planning period. The California Department of Housing and Community Development (HCD) must review and the Shasta County Board of Supervisors must independently approve this Housing Element. Once approved, the updated 5th Cycle Housing Element for the 2014-2019 planning period becomes part of the County's General Plan. A previous draft of this Housing Element update was brought before the Planning Commission on May 11, 2017 and was subsequently submitted to HCD for review. A response letter received by HCD on July 18, 2017 required significant changes to the previous version. This Revised Draft Housing Element update has been completed in response to the letter received from HCD, the terms of a court-ordered stipulated agreement, and comments received from the public. A number of key changes are included in this revised draft in order to bring Shasta County's Housing Element into compliance with State law. These changes are further explained in the Background and Discussion section.

BACKGROUND AND DISCUSSION: As required by state law, the draft 2014-2019 Housing Element update identifies residential sites adequate to accommodate a variety of housing types for all income levels; analyzes governmental and non-governmental constraints to housing maintenance, improvement, and development; addresses conservation and improvement of the condition of the existing affordable housing stock; and outlines policies to promote housing opportunities for all persons. The Revised Draft consists of five main sections and ten supporting appendices as follows, with a summary of changes to each main section in the Revised Draft. Refer to the Planning Division website for the full text of the Revised Draft and Appendices at: https://www.co.shasta.ca.us/index/drm_index/planning_index/plng_general_plan/2014-2019-draft-housing-element

Section I: Introduction

- The housing Element is specifically identified as section 7.3 of the County General Plan.
- Reorganized to better convey how each section of the Revised Draft is tied to State housing element law.
- Cites recent legislation affecting housing and how the Revised Draft complies with the law.
- Cites the County's current assigned Regional Housing Needs Assessment (RHNA) and explains that the County must also accommodate the RHNA carried over from the previous Housing Element.
- Explains the County's program to amend the General Plan and Zoning Plan and rezone land to accommodate the County's RHNA for lower income households.
- Updates the public participation program.

Section II: Housing Needs Assessment

- Includes a section on data collection and methodology that identifies the primary sources for Shasta County demographic and housing data as HCD's Shasta County 2014 Housing Element Data Package, US Census, American Community Survey, California Department of Finance, California Employment Development Department, and others identified in the document.
- Updates and revises various tables and statistics to reflect the primary data.
- Updates and revises references to programs to reflect the revised organization numbering in the Revised Draft.
- Expands and updates the narrative in the Female Heads of Households, Persons with Disabilities and Farmworkers sections.
- Explains the County's program providing for Emergency Shelters in the Commercial-Light Industrial zone district.
- Explains the addition of the mobile home park conversion provisions added to the Zoning Plan.
- Adds new manufactured homes on vacant residential lots as an affordable housing option based on data and analysis.
- Updates numbers on County-provided housing assistance through housing Choice Vouchers, Veterans Housing Vouchers and Down Payment Assistance.
- Includes updated numbers for the County's RHNA.

Section III: Housing Constraints

- Updates statistics on available land for residential development based on data and analysis.
- Updates potential residential density tables and programs designed to reduce housing development constraints consistent with recommended amendments to the Zoning Plan and General Plan.
- Explains recent recommended amendments to the General Plan and Zoning Plan related to Planned

Development zones, Density Bonus provisions, Agricultural Worker and Employee, Single Room Occupancy in Boarding Houses, and Reasonable Accommodation.

- Adds an explanation of the environmental review process under the California Environmental Quality Act (CEQA) and Native American Consultation requirements as potential constraints to housing development in the County.
- Provides more detailed explanation of the various permit approval procedures and associated costs, includes the process for requesting and granting Reasonable Accommodation.
- Provides a detailed breakdown of the estimated total costs of new home construction and manufactured home installation based on data and analysis.
- Combines the Housing Resources Section into Section III and expands the narrative with reference to Housing Element programs designed to reduce constraints, and educate the public on what is available.

Section IV: Achieving Regional Housing Needs Allocation

- Updates text and tables related to the RHNA to include the carryover from the previous housing element as well as the credits toward meeting the County's RHNA through units built according to income level and the remaining unmet need.
- Refers to Appendix B for supporting data and analyses.

Section V: Housing Plan

- Reformats Objectives and Policies (Section A) to be consistent with General Plan format.
- Refers to and summarizes the General Plan amendments recommended in GPA18-001.
- Reformats, eliminates, updates and consolidates programs for the 2014-2019 planning period.
- Adds an "objective" and timetable to each program with a quantifiable objective where feasible.

Included in the document are the following appendices:

- Appendix A is an evaluation of the previous Housing Element.
- Appendix B contains the residential land inventories and supporting information related to the developing the Housing Capacity Analysis.
- Appendix C contains the Public Works Department's Fee Schedule.
- Appendix D documents the people and organizations who were contacted as part of this Housing Element update.
- Appendix E summarizes amendments made to the Zoning Plan, Zoning Map and other sections of the General Plan to comply with State housing law and to implement the previous Housing Element.
- Appendix F Public Participation Program.
- Appendix G Emergency Shelters Land Capacity Analysis.
- Appendix H Public Property Analysis.
- Appendix I Multiple Listing Services House Sales Information.
- Appendix J Shasta County Resource Guide.

A critical component of HCD's review of the Housing Element is the local jurisdiction's policies and programs to accommodate its RHNA. HCD allocates and distributes the RHNA to each jurisdiction. The State assigned RHNA covering the 5th Cycle of the Housing Element (January 1, 2014 - June 30, 2019) is as shown below by the following income categories:

- 189 Units - Very Low - Households with incomes that do not exceed 50% of the median family income within the County. (This category includes and is combined with the Extremely-Low income category for households with incomes that do not exceed 30% of the median family income).
- 117 Units - Low - Households with incomes greater than 50% but less than 80% of the median family income within the County.
- 128 Units - Moderate - Households with incomes greater than 80% but less than 120% of the median family income within the County.
- 321 Units - Above Moderate - Households with incomes greater than 120% of the median family income within the County.

The RHNA for Shasta County incorporates objectives as follows:

1. Increases the housing supply and the mix of housing types, tenure, and affordability in all cities and Counties within the region in an equitable manner.
2. Promotes infill development and socioeconomic, equity, and the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.
3. Encourages an improved balance between jobs and housing.

Shasta County is not required to construct or ensure that others construct the housing units prescribed by the RHNA process. Rather, the County is to ensure that it is possible for these units to be built by others based on market conditions, demand and available funding, by zoning sufficient land to accommodate the RHNA, and through the implementation of goals, policies and programs of the Housing Element aimed at reducing constraints to the development of affordable housing.

The Housing Element is not a development project per se, nor does it allow or commit the County to a particular course of action relative to any specific development project in the future. The Housing Element update includes programs that are designed to create an environment within the County conducive to development of housing for all income groups.

In May of 2017, a prior draft version of the Housing Element update was submitted to the HCD for review following a public workshop before the Planning Commission. HCD responded with a letter in July of 2017 that identified an extensive list of necessary revisions to comply with State housing element law. The current draft is being presented for review after being revised in response to HCD's comments and guidance, public comments received during the review period, and to comply with the terms of a judgement rendered by the Shasta County Superior Court in accordance with a settlement agreement with Legal Services of Northern California and The Public Interest Law Project. The settlement agreement includes specific actions related to the Housing Element update that must be completed by the County within a defined timeline which are included in this revised draft.

Pursuant to Government Code Section 65584.09, the County is required to rezone for the previously identified unmet need carried over from the 2009-2014 Housing Element RHNA of 783 very low income units. Additionally, The County must determine the unaccommodated housing needs from the 2009-2014 Housing Element by evaluating what has been constructed and what previously identified adequate sites are still available. In addition to those units, some key programs that were not completed, will carry over to the 2014-2019 planning cycle for addressing the overall housing needs of the County which have not been met. Some key changes for this current update are listed below:

- Unmet Housing Needs. The County had an assigned RHNA number of 970 very low-income units from the 2009-2014 planning period. The unaccommodated need from that planning period is 64 very low-

income units and 520 low-income units. In addition to the RHNA for the 2014-2019 Housing Element Update, the County needs to demonstrate that it has adequate sites to accommodate these very low and low-income units. This amounts to a total housing need of 253 very low-income units and 637 low-income units when the current RHNA and the carryover from the previous RHNA are combined.

- **Default Density.** The County's default density is a minimum of 20-units per acre because it is located within a Metropolitan Statistical Area (MSA) with a population of less than two million. The Revised Draft refers to the County's recently adopted General Plan and the Zoning Plan amendments increasing maximum residential density on sites identified in the Housing Element for affordable housing from 16 to 25 as necessary to meet the density requirements established by the State. Emergency Shelters, Transitional Housing and Supportive Housing. Housing Element Law specifically requires zoning for emergency shelters under Government Code Section 65583 as a result of requirements established by Senate Bill 2. The County's rezone program addresses this requirement in Z17-003 by allowing emergency shelters by right in the commercial-Light Industrial zone and allowing transitional and supportive housing in residential zones subject to the same requirements as other residential uses. The Revised Draft acknowledges this.

Other Changes in Housing Element Law – Recent changes to State Housing Element Law have occurred since 2014 and must also be addressed. Senate Bill 812 modified Government Code Section 65583 to require the analysis of the special housing needs of persons with developmental disabilities. This analysis asks jurisdictions to include an estimate of the number of persons with developmental disabilities, an assessment of the housing need, and a discussion of potential resources. The Revised Draft includes the necessary discussion and analysis, and acknowledges the addition of Reasonable Accommodation provisions in Chapter 17.100 of the Zoning Plan recommended in Z17-003.

Other key items in the 2014-2019 Housing Element Update – In addition to the changes in the Revised Draft described above, the following are important components of the 2014-2019 update:

- The County administered a comprehensive survey targeting agencies, organizations, advocates and the public to gain a deeper understanding of resident housing needs, available programs and effectiveness of existing policy at addressing affordable housing, homelessness and special needs housing in the County. The Planning Commission held two public workshops and two noticed public hearings on the program to amend the General Plan and Zoning Plan in accordance with the 2009-2014 Housing Element, and the Board of Supervisors approved the proposed amendments following its own public hearing.
- The Revised Draft updated population, household characteristics, housing stock, housing cost, and housing need information based on current data and analysis in support of the revised housing needs calculation in the Revised Draft.
- The Revised Draft updated the land use inventory, including the availability of undeveloped land suitable for housing for all income levels and shows how this inventory addresses the combined 2014-2019 RHNA and the carryover from the 2009-2014 Housing Element.
- Consolidated programs to focus on those with the most impact that can be implemented.
- The 2014-2019 Housing Element Update concludes that with the approval of the rezone program underway, the County has an adequate number of sites to meet the 2014-2019 Regional Housing Needs Allocation and the carryover from the 2009-2014 Housing Element.

Environmental Determination – This project is not subject to the California Environmental Quality Act (CEQA) in accordance with the provisions of Government Code section 65759, which establish, in relevant part, that CEQA does not apply to any action necessary to bring an agency's general plan or relevant mandatory elements of the plan into compliance with any court order or judgement.

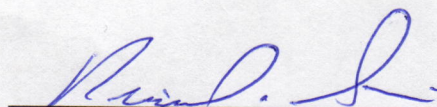
In January 2018, Legal Services of Northern California and The Public Interest Law Project jointly filed a lawsuit to compel the County to bring its Housing Element into compliance with State Law and meet the unaccommodated Regional Housing Allocation Need (RHNA) assigned by the Department of Housing and Community Development. A judgement was rendered by the Shasta County Superior Court for a Stipulation for Judgement in accordance with the terms of a settlement agreement that includes actions that must be completed by the County within a defined timeline. As a result of this judgement, in accordance with Government Code section 65759, CEQA does not apply to GPA13-003. However, the County is required to prepare an initial study to determine the environmental effects of the proposed project. The Planning Division has prepared an initial study in accordance with Government Section 65759, and determined that the project would not have a significant effect on the environment.

ALTERNATIVES: The following alternatives are available:

1. Recommend one or more modifications to the 2014-2019 Housing Element.
2. Continue the public hearing to request additional information.

NEXT STEPS: Staff will forward the Planning Commission's recommendation to the Board of Supervisors. The Board will conduct a public hearing and render its decision on GPA13-003. When approved, the Revised Draft Housing Element will be forwarded to HCD for a 45-day review and comment period. Any required revisions will be made based on HCD comments and the Revised Housing Element will be submitted to the Planning Commission and Board for final adoption. Following final adoption the Housing Element will be sent to HCD for certification.

CONCLUSION: The 2014-2019 Housing Element was a collaborative effort involving several Shasta County departments along with private and public agencies which have a direct interest in community development and housing programs, and the development of affordable and adequate housing for various income households and special needs groups. For a complete listing of participants, see Appendix D. This Revised Draft incorporates the 2017 comments from HCD, comments from the public and the terms of the court-ordered settlement agreement. The timely adoption of an updated Housing Element which meets State requirements will maintain the County's eligibility for a number of State and Federal housing-related grants. Because the County is behind schedule it is important to complete the public review and adoption process as soon as possible and before the next round of grant applications for housing-related funding come due in December 2018.



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Copies: Legal Services of Northern California
Project File

Attach: 1. Draft Resolution
2. Initial Study Link: <https://www.co.shasta.ca.us/docs/libraries/resource-management-docs/staff-reports/2018/august/august-23-2018-special-mtg/2014-2019-he-initial-study.pdf>
3. Housing Element Link (Located Below Update of General Plan Housing Element):
https://www.co.shasta.ca.us/index/drm_index/planning_index.aspx