

Agenda Item # 8.1
For Meeting of the Planning Commission of: June 9, 2022

CITY OF SANTA ROSA
PLANNING COMMISSION AND HOUSING AUTHORITY

TO: CHAIR WEEKS AND MEMBERS OF THE COMMISSION
CHAIR TEST AND MEMBERS OF THE HOUSING AUTHORITY

FROM: AMY LYLE, SUPERVISING PLANNER

SUBJECT: DRAFT HOUSING ELEMENT REPORT

AGENDA ACTION: STUDY SESSION

RECOMMENDATION

It is recommended by the Planning & Economic Development Department the Planning Commission and the Housing Authority receive and provide input on the draft Housing Element.

EXECUTIVE SUMMARY

Study Session to review the draft 2023-2031 Housing Element. The purpose of this meeting is to provide an overview of the draft Housing Element and receive public comment before the draft is submitted to the State Housing and Community Development Department. The Housing Element includes a housing needs assessment, evaluation of the existing housing element, housing site inventory analysis, fair housing assessment, potential and actual government constraints analysis, analysis of the Growth Management Ordinance, and housing implementation goals, policies, and programs to support housing production, housing affordability, and housing for special needs populations, among other topics. This presentation will include an analysis of how the City will meet objectives of the Regional Housing Needs Allocation.

BACKGROUND

The existing City Housing Element was adopted on July 29, 2014.

In March 2020 the Planning & Economic Development Department started the Santa Rosa Forward project. This three-year project includes a comprehensive update of the City's existing General Plan and Housing Element.

On March 3, 2020, Council authorized a comprehensive update of the 2035 General Plan, including the Housing Element, for a total contract amount of \$2,500,000 (Professional Service Agreement F002144)

On October 13, 2020, Council amended the General Plan Update Professional Service Agreement to include an update to the Climate Action Plan and increase the total contract amount to \$2,599,909.

On July 20, 2021, the Commission and Council heard met jointly and accepted the General Plan Update Vision Statement.

On Nov 16, 2021, the Commission and Council heard met jointly to hear a study session on the Housing Element process.

On June 3, 2022, the Draft Housing Element was posted for a 30-day public review period.

ANALYSIS

1. Housing Element Update

The Housing Element is one of the eight required elements of the City's General Plan. Because housing affordability and availability is a critical issue with statewide implications, State law requires Housing Elements to be updated on a regular basis.

The City of Santa Rosa is currently part of an 8-year update cycle (2023-2031) and is working to update the Housing Element which is due January 31, 2023. The Housing Element Update must be reviewed and certified by the State Department of Housing and Community Development (HCD).

The Housing Element is required to address the following:

- Assess and address constraints to housing development.
- Provide an assessment of housing needs.
- Analyze progress toward implementing the previous Housing Element.
- Guide future housing development.

2. Regional Housing Needs Allocation

One of the primary purposes of the Housing Element update is to demonstrate that the City can meet its Regional Housing Needs Allocation (RHNA). HCD provides an allocation to the Association of Bay Area Governments (ABAG). ABAG then determines the RHNA for the individual jurisdictions within its planning area.

Table 1 provides the City’s RHNA allocation for the 2023-2031 planning period.

Table 1: Regional Housing Needs Allocation by Income Group

| Income Group | Income Range | RHNA (Units) |
|--|-----------------------------|---------------------|
| Very Low-Income (<50% of Median Income) | \$58,150 or less | 1,218 |
| Low-Income (50-80% of Median Income) | \$58,151 – \$93,050 | 701 |
| Moderate Income (81-120% of Median Income) | \$93,051 – \$123,950 | 771 |
| Above Moderate Income (>120% of Median Income) | \$123,951 or more | 1,995 |
| TOTAL | | 4,685 |

3. Recent Changes in State Law

Recent changes in State Housing Element law require additional analysis and programs to be included as a part of the Housing Element update.

AB 879 and AB 1397 – require substantial additional analysis to justify sites as suitable and available for development within the planning period. Additional analysis is required for the following:

- Non-vacant sites, small sites (<0.5 acres), and large sites (>10 acres)
- Vacant sites included in the prior two housing elements to accommodate lower income households, or non-vacant sites included in the prior element, cannot be used in future housing elements unless zoning allows for development by-right if at least 20% of units are affordable to lower income households.
- Site capacity calculations must be based on the following factors: a) land use controls and site improvements; b) realistic capacity of site; c) typical densities; and d) environmental and infrastructure constraints.

SB 166 – “No Net Loss” Law requires enough sites be maintained to meet the RHNA for all income levels throughout the planning period. This also prevents downzoning or reduction in density, requiring jurisdictions ensure there is sufficient allowable density to meet the RHNA and without a reduction in the total allowable units.

AB 686 – requires the City to conduct an analysis of indicators of fair housing issues, access to opportunity and resources such as employment opportunities and safe housing conditions, and analyze whether the sites inventory combats existing patterns of fair housing issues and fosters an inclusive community moving forward. The Assessment of Fair Housing required under AB 686 must identify specific actions the City will take to combat fair housing issues throughout the planning period.

SB 9 – requires jurisdictions to ministerially approve up to two units on all lots in existing single-family zones and/or allow urban lot splits. Jurisdictions may not require development standards that prevent the construction of two units on either of the parcels resulting from urban lots split that conform with SB 9 criteria; however, allows jurisdictions to prohibit more than two units on the resulting parcels, including ADUs, Junior ADUs, and primary dwelling units.

SB 35 – requires streamlined approval processes in jurisdictions where the number of building permits issued is less than the share of the RHNA by income category for the planning period. If the jurisdiction has not met the above moderate-income RHNA, projects in which 10 percent of units are for low-income households are eligible for streamlining. If the low-income RHNA has not been met, projects in which 50 percent of the units are for low-income households are eligible for streamlining. Jurisdictions must establish their own SB 35 application process or rely on the process provided by HCD.

SB 330 – is intended to reduce approval time for housing developments in California. Under this bill, jurisdictions must remove barriers to development and prohibits downzoning that results in a loss of allowable residential density in the jurisdiction. Developers may submit a preliminary application under SB 330 that must be deemed complete if all required items are included. Once deemed complete, the project is only subject to the ordinances, policies, and standards and place at the time the preliminary application was submitted. Under both SB 35 and SB 330, jurisdictions must have objective standards in place for review of projects.

FISCAL IMPACT

There is no fiscal impact related to this item as the funding has already been allocated to the Santa Rosa Forward project. The Housing Element update is a component of the authorized work plan.

ENVIRONMENTAL IMPACT

This Study Session is exempt from the California Environmental Quality Act (CEQA) because it does not have potential for resulting in either a direct, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

ATTACHMENTS

Attachment 1 – Draft Housing Element
Attachment 2 – Housing Survey Results

CONTACT

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