### RESOLUTION NO. RES-2025-034

### RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA AUTHORIZING THE MAYOR TO SIGN AN LETTER AGREEING TO A TRANSFER OF 641 REGIONAL HOUSING NEEDS ALLOCATION (RHNA) UNITS FROM THE COUNTY OF SONOMA TO THE CITY OF SANTA ROSA

WHEREAS, on July 31, 2012, the City Council certified an Environmental Impact Report (EIR) for the North Santa Rosa Station Area Specific Plan and, in anticipation of a future annexation, adopted Pre-Zoning for the properties located at 1601, 1680, 1696 and 1705 Lance Drive (Subject Properties) in northwest Santa Rosa, which were part of an unincorporated County of Sonoma island; and

WHEREAS, on February 14, 2023, the City Council adopted the 2023-2031 Housing Element, which included the City's obligation for the 6<sup>th</sup> Cycle Regional Housing Needs Allocation (RHNA); and

WHERAS, on August 22, 2023, the Sonoma County Board of Supervisors adopted the County of Sonoma's Housing Element, which included the Subject Properties in the County's Sites Inventory, with a total RHNA obligation of 641 units, broken down into 163 lower income units, 238 moderate income units and 240 above moderate-income units; and

WHEREAS, on August 7, 2024, the Sonoma Local Agency Formation Commission (LAFCO) approved an annexation of the Subject Properties, which was recorded by the Sonoma County Clerk's Office on September 25, 2024; and

WHEREAS, on October 18, 2024, pursuant to Government Code Section 65584.07(d), the City received a request from the County of Sonoma to initiate a transfer of 641 of the County's 6<sup>th</sup> Cycle RHNA, broken down into 163 lower income units, 238 moderate income units and 240 above moderate-income units, to the City related to the annexation of the Subject Properties; and

WHEREAS, on November 14, 2024, the Planning Commission approved a Tentative Map and Conditional Use Permit for a small lot subdivision for the Lance Drive Housing Development project, located on the Subject Properties. The project included a request to construct a 672-unit apartment complex, 98 single-family homes (Small Lot Subdivision), and 4,800-square-foot community-serving retail building and outdoor plaza on approximately 34.93 acres. The conditions of approval included a requirement to provide 34 of the units at the Very Low-Income affordability category; and

WHEREAS, on December 4, 2024, the Zoning Administrator approved Design Review for the multi-family residential and retail building portions of the Lance Drive Housing Development project; and

WHEREAS, thereafter, the City and County jointly drafted a RHNA transfer agreement letter, to be submitted to the Association of Bay Area Governments (ABAG), agreeing to transfer

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641 of the County's 6<sup>th</sup> Cycle RHNA to the City, with the units broken down as follows: 34 very low-income units and 607 above moderate-income units; and

WHEREAS, on December 18, 2024, the joint City/County letter was sent to ABAG requesting a 90-day extension of the initial 90-day deadline to submit a mutually acceptable RHNA transfer agreement following annexation; and

WHEREAS, on February 3, 2025, ABAG approved the 90-day extension to March 24, 2025; and

WHEREAS, the Council considered the staff report and the attachments.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa authorizes the Mayor to sign a joint City of Santa Rosa and County of Sonoma RHNA transfer agreement letter, attached to this resolution as Exhibit A, agreeing to a transfer of 641 RHNA units, broken down into 34 Very Low-Income units and 607 Above Moderate-Income units, from the County of Sonoma to the City of Santa Rosa.

IN COUNCIL DULY PASSED this 4<sup>th</sup> day of March, 2025.

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	APPROVED: Mark Stapp (Mar 6, 20	25 16:09 PST)		
y Clerk		Mayor		
APPROVED AS TO FORM: City Attorney				
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Exhibit A – Draft RHNA Transfer Letter

Exhibit A





\_\_\_\_\_, 2025

SENT VIA EMAIL

Belia Ramos Association of Bay Area Governments Bay Area Metro Center 375 Beale Street, Suite 800 San Francisco, CA 94105

### **RE: Transfer of Regional Housing Needs Allocations and Credits**

Dear President Ramos:

Pursuant to Government Code section 65584.07(d), the City of Santa Rosa and County of Sonoma are pleased to present their mutually acceptable agreement for transfer of a portion of Sonoma County's RHNA to Santa Rosa. The City and County agree that the City will accept RHNA responsibility for total of 641 units currently allocated to the County, including <u>34 units affordable to very low-income households</u> and <u>607 units affordable to above moderate-income households</u>. This RHNA transfer agreement follows an annexation to the City that was finalized September 25, 2024 (the "Lance Dr. annexation").

Government Code Section 65584.07(d) encourages counties and cities to reach a "mutually acceptable agreement" for transfers of RHNA related to a city annexation of unincorporated land. If such an annexation occurs after the council of governments (here, ABAG) has made its final RHNA allocation, the affected county and city may reach a mutually acceptable agreement to transfer part of the county's allocation to the city. The transfer agreement must be submitted to the council of governments (COG) within 90 days after the annexation, but the COG may extend the deadline if an extension is consistent with the objectives of the Housing Element Law. (Gov. Code, § 65584.07, subd. (d)(2)(A).) A transfer agreement submitted under Section 65584.07(d) "shall be effective immediately upon receipt by the council of governments." (Gov. Code, § 65584.07, subd. (d)(2)(A).) A transfer under Section 65584.07(d) "shall be based on the RHNA methodology adopted by the COG pursuant to Government Code section 65584.04. (Ibid.) However, the statute specifies that the transfer "shall not be made" if the COG confirms that the annexed land was fully incorporated into the RHNA methodology used to allocate the city's share of the regional housing needs. (Gov. Code, § 65584.07, subds. (d)(2)(A), (d)(3).)

As outlined below, the City of Santa Rosa and Sonoma of County believe the RHNA transfer agreement meets all applicable statutory criteria to be effective immediately upon receipt by ABAG, and is as follows:

APN	Very Low Income Units	Low Income Units	Moderate Income Units	Above Moderate Income Units
036-111-009, -010, 016 (only the three affected parcels that are listed in the County's Housing Element Inventory are identified as part of the transfer agreement)	34	0	0	607
TOTAL UNITS TRANSFERED	641			

- Consistent with Section 65584.07(d)(1), the Lance Dr. annexation occurred almost three years after ABAG made the final RHNA allocation for the 2023-2031 cycle. ABAG approved the final 2023-2031 RHNA allocation plan in December 2021. The Lance Dr. annexation was final on September 25, 2024. (See Attachment 1.)
- On December 18, 2024, the City and County jointly submitted a request for extension of the statutory 90-day deadline, as authorized by Section 65584.07, subdivision (d)(2)(A). (See Attachment 2.) The extension request was submitted within the statutory period, and submission of the RHNA transfer agreement is therefore timely and not time-barred.
- The City-County RHNA transfer agreement is submitted pursuant to Section 65584.07(d)(1), and the Lance Dr. annexation area was not incorporated in the methodology used to allocate the City's share of the regional housing needs, consistent with Section 65584.07(d)(2)(A) and (d)(3). In ABAG's 2023-2031 RHNA methodology, unincorporated areas in Sonoma County were "assigned" to the County for purposes of RHNA responsibility. The Lance Dr. annexation area was unincorporated County territory until it was annexed by the City as of September 2024, and therefore was not incorporated in the methodology used to allocate the City's RHNA. Further, as required by Section 65584.07(d)(2)(A), the City-County RHNA transfer does not reduce the total regional housing or change the RHNA for any jurisdiction other than the City of Santa Rosa and County of Sonoma.

• Government Code Section 65584.07(d)(2)(B) does not apply. The Lance Dr. annexation area is not subject to a development agreement authorized by Government Code Section 65865 and entered into prior to January 1, 2008.

The City-County RHNA transfer agreement has received all necessary local approvals. On \_\_\_\_\_\_, 2025 the Santa Rosa City Council adopted a resolution authorizing the Mayor to sign the City-County RHNA transfer agreement. (See Attachment 3.) Approval by the Sonoma County Board of Supervisors is not required.

Because the City and County believe the RHNA transfer agreement meets all applicable requirements of Government Code Section 65584.07(d), we request that the agreement will be effective upon receipt by ABAG.

If you have any questions, please contact Jessica Jones, Santa Rosa Deputy Director of Planning at 707-543-3253 or <u>jjones@srcity.org</u> or Scott Orr, Permit Sonoma Assistant Director at 707-565-1754 or <u>scott.orr@sonoma-county.org</u>.

Sincerely,

Mark Stapp City of Santa Rosa Mayor

Lynda Hopkins Sonoma County Supervisors Chair

EC:

Maraskeshia Smith, City of Santa Rosa, City Manager <u>cmoffice@srcity.org</u> Gabe Osburn, City of Santa Rosa, Director of Planning & Economic Development <u>gosburn@srcity.org</u> Christina Rivera, County Executive <u>christina.rivera@sonoma-county.org</u> Tennis Wick, Permit Sonoma, Director <u>tennis.wick@sonoma-county.org</u> Ross Markey, Permit Sonoma, Comprehensive Planning Manager <u>ross.markey@sonoma-county.org</u>

# CC - RES-2025-034 (03-04-2025)

#### **Final Audit Report**

2025-03-07

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