Agenda Item #16.2 For City Council Meeting of: June 3, 2025

CITY OF SANTA ROSA CITY COUNCIL

TO:MAYOR AND CITY COUNCILFROM:GABE OSBURN, DIRECTORPLANNING AND ECONOMIC DEVELOPMENTSUBJECT:FIRST 2025 GENERAL PLAN AMENDMENT PACKAGE:
HOUSING ELEMENT AMENDMENT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Planning Commission and the Planning and Economic Development Department that the Council, by resolution, amend the 2023-2031 Housing Element to reflect a transfer of Regional Housing Needs Allocation (RHNA) units related to the annexation of 34.93 acres, and two clerical edits to correct the title of Table 5-2 and correct a mathematical error in Table 5-11.

EXECUTIVE SUMMARY

On August 7, 2024, the Local Agency Formation Commission (LAFCO) approved the annexation of 34.93 acres, in northwest Santa Rosa, which was recorded by the Sonoma County Clerk's Office on September 25, 2024. Following annexation, and pursuant to Government Code Section 65584.07(d), the City received a request from the County of Sonoma to initiate a transfer of Regional Housing Needs Allocation (RHNA) units from the County to the City related to the annexation. On March 4, 2025, the City Council adopted a resolution authorizing the Mayor to sign a joint agreement letter with the County outlining the agreed upon RHNA transfer. On March 20, 2025, the Association of Bay Area Governments (ABAG) Executive Board approved the transfer agreement. As part of the transfer, the City is required to amend its 2023-2031 Housing Element to reflect the new RHNA units. In reviewing the Housing Element, staff identified two minor clerical errors related to the title of Table 5-2 and a mathematical error in Table 5-11, which will also be addressed. On March 13, 2025, the Planning Commission voted unanimously to recommend that the Council adopt the proposed Housing Element Amendment. This proposed Housing Element amendment is part of the First 2025 General Plan Amendment Package.

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BACKGROUND

1. <u>Project Description</u>

The project includes an update to the 2023-2031 Housing Element to reflect changes to City's RHNA obligations, as a result of a resent annexation, as well as two clerical edits to correct the title of Table 5-2 and correct a mathematical error in Table 5-11.

2. <u>Project History</u>

On February 14, 2023, the City Council adopted the 2023-2031 Housing Element, which included the City's obligations for the 6th Cycle RHNA.

On August 22, 2023, the Sonoma County Board of Supervisors adopted the County of Sonoma's Housing Element, which included the properties located at 1601, 1680, 1696 and 1705 Lance Drive, in northwest Santa Rosa, in the County's Sites Inventory. At that time, the County assumed a total RHNA obligation of 641 units for this area, broken down into 163 lower income units, 238 moderate income units and 240 above moderate-income units.

On August 7, 2024, Sonoma LAFCO approved an annexation of the Lance Drive properties, which was recorded by the Sonoma County Clerk's Office on September 25, 2024.

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 RHNA units from the County to the City related to the Lance Drive annexation.

On November 14, 2024, the Planning Commission approved a Tentative Map and Conditional Use Permit for a small lot subdivision for the Lane 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.

On December 4, 2024, the Zoning Administrator approved Design Review for the multi-family residential and retail building portions of the project.

On December 18, 2024, a 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.

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On February 3, 2025, ABAG approved the 90-day extension to March 24, 2025.

On March 4, 2025, the City Council adopted a resolution authorizing the Mayor to sign a joint agreement letter with the County outlining the agreed upon RHNA transfer.

On March 13, 2025, the Planning Commission voted unanimously to recommend that the City Council adopt the proposed Housing Element Amendment.

On March 20, 2025, the ABAG Executive Board approved the transfer agreement.

ANALYSIS

As noted, on March 4, 2025, the City Council adopted a resolution authorizing the Mayor to sign a joint agreement letter with the County of Sonoma addressing the following transfer of RHNA units from the County to the City:

- 641 total RHNA unit transfer, with the following breakdown:
 - 34 Very Low Income Units
 - 607 Above Moderate Income Units

Table 1, below, includes the City's current 6th Cycle RHNA obligations, and the obligations with the transfer:

| Income Category | 2023 - 2031 RHNA Adopted | 2023 - 2031 RHNA After Transfer |
|-----------------|-----------------------------|------------------------------------|
| Very Low | 1,218 | 1,252 |
| Low | 701 | 701 |
| Moderate | 771 | 771 |
| Above Moderate | 1,995 | 2,602 |
| Total | 4,685 | 5,326 |

Table 1: City of Santa Rosa 6th Cycle RHNA

Table 2, below, includes the County of Sonoma's current 6th Cycle RHNA obligations, and the obligations with the transfer:

| Income Category | 2023 - 2031 RHNA Adopted | 2023 - 2031 RHNA After Transfer |
|-----------------|-----------------------------|------------------------------------|
| Very Low | 1,024 | 990 |
| Low | 584 | 584 |
| Moderate | 627 | 627 |
| Above Moderate | 1,589 | 982 |
| Total | 3,824 | 3,183 |

Table 2: County of Sonoma 6th Cycle RHNA

As part of the RHNA transfer, the Housing Element is required to be updated. The proposed amendments, which are shown in Exhibit A to the draft Resolution in strikeout and underline format (excerpt of affected Housing Element pages only), includes the RHNA transfer, as well as two clerical edits to correct the title of Table 5-2 and correct a mathematical error in Table 5-11. No other changes are proposed.

FISCAL IMPACT

There is no fiscal impact related to the Housing Element amendment.

ENVIRONMENTAL IMPACT

The proposed Housing Element amendment has been reviewed in compliance with the California Environmental Quality Act (CEQA). It has been determined that the proposed action falls within the scope of the Addendum to the General Plan EIR that was prepared for the 2023-2031 Housing Element Update. The Addendum concluded that adoption of the Housing Element would not result in new or more severe significant environmental impacts compared to the impacts previously disclosed and evaluated in the 2035 General Plan EIR. Similarly, the proposed minor amendments would not result in new or more severe significant impacts. As a result, no additional environmental review is required.

It has been further determined that the proposed action is statutorily exempt from CEQA pursuant to CEQA Guidelines section 15283, Housing Needs Allocations, as CEQA does not apply to regional housing needs determinations made by a city or country pursuant to Government Code Section 65584.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On March 13, 2025, the Planning Commission held a public hearing on the proposed First 2025 General Plan Amendment Package, which included the subject proposed amendment to the Housing Element. There were no members of the public in attendance regarding the Housing Element Amendment, and the Commission voted unanimously to recommend that the Council approve the proposal, with no changes.

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NOTIFICATION

State law requires posting of draft amendments to the Housing Element on a jurisdiction's website, and e-mailing the website link to all individuals and organizations that have previously requested notices relating to the Housing Element, at least seven days prior to submitting the draft revision to the California Department of Housing and Community Development (HCD). The proposed revisions have been posted on the City's website (<u>https://www.srcity.org/392/General-Plan</u>), and an e-mail was distributed on February 20, 2025 to the City's General Plan Housing Element distribution list.

In addition, pursuant to Zoning Code Section 20-66.020(D), Alternative to Mailing, if the number of property owners to whom notice would be mailed would exceed 1,000, the City may, as an alternative to mailing and on-site posting, provide notice by placing an advertisement of one-eighth page in at least one newspaper of general circulation 10 days prior to the hearing. While the proposed RHNA transfer was necessitated by the annexation of a 34.93-acre site in northwest Santa Rosa, the proposed Housing Element amendment affects the City as a whole, and, as such, a one-eighth page advertisement was placed in the Press Democrat. The notice was also sent through the City's various social media sites, and was posted at City Hall and the City website. Pursuant to Government Code Section 65091, where necessary, the City has incorporated notice procedures to the blind, aged, and disabled communities. These procedures include audio amplifier/assistive listening device support at public meetings, closed captioning, and optical character recognition conversion of electronic notices.

PUBLIC COMMENT

The City received a letter from Generation Housing, dated March 13, 2025, stating their support for the proposed amendment. In addition, as part of the process, City staff provided a copy of the proposed amendments to HCD for their review. HCD provided a letter, dated March 11, 2025, which states that the City's Housing Element remains in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq). Both letters are included in Attachment 10 to this report.

ATTACHMENTS

- Attachment 1 Annexation Area Ariel
- Attachment 2 Annexation Certificate of Completion
- Attachment 3 Annexation Final Map
- Attachment 4 Government Code Section 65584.07
- Attachment 5 RHNA Transfer Extension Letter
- Attachment 6 HCD Extension Approval Letter
- Attachment 7 City Council Resolution No. RES-2025-034
- Attachment 8 RHNA Transfer Letter
- Attachment 9 Addendum to the General Plan EIR for the Housing Element
- Attachment 10 Correspondence

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- Attachment 11 Planning Commission Resolution No. PC-RES-2025-006
- Resolution /Exhibit A Housing Element Redline Revisions (affected pages only)

PRESENTER

Jessica Jones, Deputy Director - Planning