



COUNTY OF HUMBOLDT
PLANNING AND BUILDING DEPARTMENT

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Hearing Date: July 11, 2019

To: Humboldt County Planning Commission

From: John H. Ford, Director of the Planning and Building Department

Subject: **Continued Public Hearing on the Draft 2019 Housing Element Update**

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Please contact Michelle Nielsen, Senior Planner, at 707-268-3708, or by email at mnielsen@co.humboldt.ca.us, if you have any questions about the scheduled public hearing item.

AGENDA ITEM TRANSMITTAL

| Hearing Date | Subject | Contact |
|---------------|--|------------------|
| July 11, 2019 | 2019 Amendments to the Housing Element | Michelle Nielsen |

Project Description: The project consists of amendments to Humboldt County's 2014 Housing Element. The Housing Element is one of eight mandatory elements of a jurisdiction's general plan. The update is necessary to comply with State Law that requires regular updates to the Housing Element, revisions to reflect statutory amendments, and the adoption of local policy options to meet the documented housing needs in the unincorporated area of Humboldt County. The Housing Element consists of a narrative which describes the purpose of the Housing Element, the requirements of state law, the relationship of the Housing Element to the rest of the General Plan, background information regarding past elements, and current and projects housing needs and conditions. The core of the Housing Element is a series of goals, policies, standards, and implementation measures (also referred to as housing programs) for the preservation, improvement, and development of housing. It meets details requirements of state Housing Element law, including requirements for a residential land inventory sufficient to meet the County's share of the state prescribed housing need.

Project Location: This project will apply to all unincorporated areas of the County.

General Plan Land Use Designations: All land use categories.

Zoning Classifications: All zoning districts.

Environmental Review: An Addendum to the certified Program Environmental Impact Report (PEIR) for the General Plan (SCH # 2007012089) has been prepared and is included herein as Attachment 2. An addendum must be considered in light of the General Plan PEIR, which is linked here in Exhibit B of Attachment 1.

Major Issues: The Housing Element contains numerous programs to address the documented housing needs of County residents. Some of those programs may result in increased residential density in areas zoned to allow housing.

State Appeal Status: Any amendments to the zoning regulations or general plan changes that affect land use within the coastal zone must be certified by the Coastal Commission prior to taking effect.

DRAFT 2019 AMENDMENTS TO THE HOUSING ELEMENT

Case Number: N/A

Assessor's Parcel Number (APN): This project will apply to all unincorporated areas of the County.

Recommended Commission Action

1. Open the public hearing.
2. Request that staff present the staff report.
3. Receive public testimony.
4. Deliberate on the 2019 Housing Element amendments, public input, and alternatives presented.
5. Take the following action:

"Adopt the Resolution in Attachment 1 recommending that the Humboldt County Board of Supervisors consider the Addendum to the General Plan EIR, find that no new information has been presented that changes the findings of the PEIR pursuant to Section 15162 of the State CEQA Guidelines, consider the findings from the State Department of Housing and Community Development (HCD), and adopt the Planning Commission recommended 2019 amendments to the Housing Element based on evidence in the staff report and public testimony."

Executive Summary

Attached are the 2019 Housing Element amendments and the 2019 Housing Element Appendix G (Attachments 3 and 4). The Housing Element contains policies and programs and supporting documentation that provides context for the policies and programs. The Housing Element Appendix does a deep dive into the data and details of the supporting information. As mentioned at the previous Planning Commission hearings, these amendments to the Housing Element comply with all the statutory requirements and propose a number of bold new approaches to encourage construction of new housing, such as dramatically expanding the allowances for second units and tiny homes. And a program is proposed to identify safe parking areas to better address the needs of those experiencing homelessness.

On July 1, 2019, Planning staff reviewed the draft Housing Element with staff of the Department of Housing and Community Development (HCD), which has the responsibility of reviewing Housing Elements for conformance with state law. A number of revisions identified by HCD are:

- Elaborate on the public participation effort undertaken. (See revised Section 8.3.5 of Chapter 8 in Attachment 3.)
- Add a program to amend the local land use regulations to explicitly state that on qualified parcels housing developments that include 20 percent or more of the housing units affordable to lower income households are allowed by-right. (See the new implementation measure H-IM73 in Attachment 3.)
- Review and report progress made on 5th cycle housing programs for the entirety of the 5th cycle planning period, not just calendar year 2018. (Appendix G work in progress)
- Report if there are "dry utility" constraints, dry utilities being phone, cable, internet. (In progress)
- Quantify estimated unit production of housing programs that target the units that are affordable to low income or below. (Appendix G work in progress)
- Update to Appendix G for vacancy rates, overcrowding, homelessness, and other data points provided by in the HCD data package transmitted to the County. (Appendix G work in progress)

Planning staff expects to complete these changes to Appendix G by July 15, 2019. Anticipating the Commission may be comfortable conceptually approving these edits to the background information, the Resolution of Approval in Attachment 1 contains language that gives staff permission to work out the details with the Board of Supervisors.

Since the June 6, 2019 Planning Commission hearing, Planning staff have continued to review and discuss the proposed Housing Element amendments with Legal Services of Northern California, a non-profit

housing advocacy organization. Attachment 5 contains written responses to the Legal Services letters dated June 6, 2019 and May 13, 2019.

In addition to working with Legal Services of Northern California, the County has continued to work with other stakeholders, particularly the Department of Health and Human Services ("DHHS"), which has a lead role in providing housing assistance to those experiencing homelessness. DHHS provided specific input on the Housing Element amendments, and revisions were made based on that input. For example:

- The original text of H-G6 was expanded to include navigation centers and day centers; and
- H-P37 was broadened to include discontinued hospitals, schools, and care facilities as possible existing facilities that could be converted to single room occupancy units.

Although the communication with our local cities is not as regular as that with DHHS, the County also has an open communication lines with the city staff. For example, it was the city of Eureka that suggested that our measure concerning use of surplus county-owned property, H-IM21, be extended to consider properties located within the city limits. The County will continue to support the city of Arcata's effort to annex the property known as APN 505-161-011.

Finally, at the previous meeting the Planning Commission requested more details on efforts to support small rural communities. The Residential Technical Assistance Program in H-IM64 came out of the first Willow Creek public workshop on the Housing Element. Other measures that support small communities and rural areas include the Alternative Owner-Builder Program (H-P16), Alternative Utility Systems (H-P45), and reconsideration of the Safe Homes Program prior to it sunseting in 2022 (H-IM20).

Alternatives: The Planning Commission has broad latitude to approve additions, modifications or deletions of the draft policies and programs to better address public comments and documented housing needs.

Discussion

The following paragraphs describe the statutory requirements for Housing Elements, and explain how the draft Housing Element complies with these requirements.

The Housing Element update is subject to a number of mandatory statutory requirements, as enumerated in California Government Code sections 65580 – 65589.8. Information gathered and analyses made to these requirements are the direct inputs into the Housing Element update.

1. Public Participation (Government Code Section 65583(c)(8)).

A commitment to meaningful public participation is not only embedded in the state's housing law, but has long been a cornerstone of the County's General Plan update process. Public input into the Housing Element was helpful both to identify issues and to guide policy and solutions.

To facilitate the exchange of information, the County set up a dedicated web page with a calendar showing workshop and meeting locations, public notices, tabs for workshop content and public input, circulated drafts, and demographic data. Considerable efforts were made to collect contact information for interested parties for use with an email/text message system to notice Housing Element related events, and to link people to the website. Staff also partnered with community organizations, local newspapers and radio, and distributed workshop flyers as ways to advertise workshops and disseminate and gather information.

Early Stakeholder Meetings.

Since the beginning of the year, staff has been busy engaging the public and key stakeholders in a dialogue about the Housing Element. Discussion and information exchange sessions listed below were

held with interested agencies and stakeholders, with the goal of outlining areas of interests and sharing data:

- Department of Health and Human Services, January 7, 2019
- Humboldt Homeless and Housing Coalition, February 7, 2019
- Humboldt Association of Realtors, February 26, 2019
- Housing Trust Fund and Homeless Solutions Committee, March 19, 2019.

The stakeholder sessions provide a foundational understanding and context of the Housing Element, and inform the directions chosen to implement its policies.

Public Workshops and Comments

Planning staff held two series of public workshops, conducted at four locations each in order to present, discuss, and gather public input on the proposed Housing Element Update.

The first series of workshops sought information about major housing issues in the communities:

- McKinleyville, February 27, 2019
- Redway, February 28, 2019
- Eureka, March 5, 2019
- Willow Creek, March 6, 2019.

The second series introduced and took comments on the Housing Element Policy and Program Report, a document circulated ahead of the meetings which laid out the Goals, Policies, Standards, and Implementation Measures that are proposed in the Element.

- Eureka, April 23, 2019
- McKinleyville, April 24, 2019
- Redway, April 25, 2019
- Willow Creek, April 29, 2019.

In addition to workshops, email and written comments were received regarding Housing Element proposals. These are also included in full in Attachment 5.

2. Review and Revise (Government Code Section 65588(a) and (b)).

The update incorporates current population, economic, demographic, and the County's own building data for the upcoming 6th cycle planning period. The previous Element was evaluated for its overall rate of implementation, and its effectiveness as measured by outcomes, which is consistent with the analysis required by the Department of Housing and Community Development ("HCD"). Changes to the goals, objectives, policies, and programs in the updated Housing Element respond what has been learned from the results of the previous element, as well as input from the community.

More specifically, HCD requires analysis in three areas in order for a jurisdiction's Housing Element to be deemed compliant:

- A. Effectiveness of the element — A description of the actual results or outcomes of the prior housing-element's goals (what happened), objectives, policies, and programs.
- B. Progress in implementation —the analysis should compare significant differences between what was projected in the previous Housing Element and what was achieved.
- C. Appropriateness of goals, objectives, policies, and programs — A description of what has been learned based on the analysis of progress and effectiveness of the previous Housing Element. A description of how the goals, objectives, policies, and programs in the updated Housing Element

are being changed or adjusted to incorporate what has been learned from the results of the previous element.

Effectiveness of the Element

Appendix G in Attachment 4 reviews the progress made in implementing the 5th cycle Housing Element, and details the actual results of implementation largely by way of housing construction starts.

Progress in implementation and Appropriateness of Goals

As documented in Appendix G (Attachment 4), the County completed a majority of the 5th cycle housing programs. Progress on several housing programs, e.g., H-IM38 and H-IM40, was delayed, however, due to staff reassignment to the County's commercial cannabis permitting program beginning in 2016. Unfinished housing programs evaluated to be needed and relevant have been carried forward in the 6th cycle Housing Element programs.

3. Housing Needs Assessment (Government Code Section 65583(a) and (b)).

Housing Element law requires local governments to adequately plan to meet their existing and projected housing needs for all income categories, including the needs of special populations. This planning effort also encompasses adequately planning for the County's share of the regional housing needs allocation ("RHNA"), as mandated by statute.

As part of satisfying the statute, Housing Elements must be updated with current data, and available forecasts, for population, economics, and demographics, for the upcoming planning period. This effort must include reporting of local housing unit construction and conversion.

Appendix G reviews current United States Census and Department of Finance data as provided by HCD in November 2018, along with the Planning and Building Department's own housing construction and conversion data. Data incorporated into the Regional Housing Needs Plan as adopted by Humboldt County Association of Governments ("HCAOG") was used to assess population growth and employment trends. Data provided by HCD details special needs populations, historic growth patterns, tenancy patterns, vacancy rates, rental payments, and housing stock characteristics.

4. Sites Inventory and Analysis, and a Variety of Housing Types (Government Code Section 65583.2(a) and (b)).

The residential land inventory identifies sites suitable for residential development with the capacity to meet the County's projected housing needs for all income levels. If there are not sufficient sites to meet the projected future housing needs, state law requires jurisdictions to bring additional sites into the inventory by initiating a rezoning program. The number of sites needed to meet the county's fair share housing needs is determined by the Regional Housing Needs Allotment (RHNA) plan.

Appendix G describes the method for determining development potential of residential parcels, also referred to as realistic capacity, and lists and describes environmental and other constraints used in the analyses, in section 8.12.21. Section 8.12.22 describes the parcels in the inventory and presents information on the ability of public water and sewer infrastructure to serve the development potential in the inventory. The land inventory is updated using current data from the planning and building department records.

As part of their compliance evaluation, HCD has advised that compliance with the 2017 Government Code Section 65583.2(c) amendments requires jurisdictions to adopt a housing program that amends their land use regulations to explicitly provide for a housing-by-right allowance for projects that include affordable housing. In response to HCD's input, H-IM73 has been added which will amend the Zoning

Regulations to explicitly provide for by-right developments that include an affordable housing component.

Emergency Shelters (65583(a)(4)). In response to amendments made to Housing Element law, the 2009 Housing Element enumerated the zoning districts where emergency shelters are a principally permitted use, and mapped specific parcels where emergency shelters are allowed by right. The enumerated zoning districts allowing emergency shelters by right where specifically mapped are:

- ML – Limited Industrial Zone
- C-2 – Community Commercial Zone
- C-3 – Industrial Commercial Zone
- R-3 – Residential Multiple Family Zone

Parcels zoned ML, C-2, C-3, or R-3 but not specifically mapped, emergency shelters are allowed with a discretionary permit. In addition, emergency shelters are allowed with an approved discretionary permit in CH, MB, MH, and R-4 zoning districts. Parcels that are mapped to allow emergency shelters by right are located almost exclusively in Housing Opportunity Zones because it was decided these facilities were best located in areas with public water and sewer.¹ Using public water and sewer as threshold requirements for mapping where emergency shelters are allowed by right results no parcels in eastern Humboldt County being available for by right shelter development and other population centers.

Implementation Measure H-IM54 proposes to a program to consider eliminating the “*where specifically mapped*” language qualifying where emergency shelters are allowed by right. In other words, the Zoning Regulation amendment considered in H-IM54 could allow emergency shelters as a by-right use in the Limited Industrial (ML), Community Commercial Zone (C-2), Industrial Commercial (C-3), and Residential Multiple Family (R-3) zoning districts. If the zoning ordinance revisions in H-IM34 are adopted, the effect would be to expand the areas where emergency shelters are allowed by-right.

A number of other new programs are proposed to provide emergency shelter. Safe parking programs (H-P39 and H-IM56) and tiny house villages (H-P32 and H-IM40) would allow alternative forms of emergency shelter in addition to the traditional dormitory form. Policies H-P12, H-P38, and H-P40 address zoning and fee deferrals for emergency shelters. As legislative changes to the Zoning Regulations, these will be subject to public input and hearings prior to enactment.

Transitional and Supportive Housing (Government Code Sections 65583(c)(3)) and 65650 et seq.).² Housing Element statutes mandate allowances for transitional and supportive housing as residential uses, and requires they only be subject to those restrictions that apply to other residential dwellings of the same type in the same zone. Additional amendments were passed in 2018 that mandate supportive housing as now a by-right use where multifamily and mixed uses are permitted including in nonresidential zones that permit multifamily uses. (Government Code Section 65565.1(a)). Implementation Measure H-IM51 requires that the County amend the Zoning Regulations to consistent with State law for supportive and transitional housing.

¹ The Boyd Road area northeast of Arcata is the exception to being located within a Housing Opportunity Zone.

² Definition of transitional housing: buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance. Definition of supportive housing: housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. [Reference Government Code Sections 65582(g) and (j).]

5. Constraints on Housing (Government Code Sections 65583(a)(5) and (6)).

Governmental Constraints

Recognizing government regulations can significantly increase housing costs by limiting the number of available building sites and increasing development costs, Appendix G lists current costs of building fees and assessments, planning fees, and other local fees. Streamlining the permit process, improving efficiency of government operations and coordinated processing are all included in the proposed Housing Element to reduce local government constraints in general, with particular emphasis on making development of lower income housing easier.

Nongovernmental Constraints

Section 8.10 of Attachment 4 evaluates direct and indirect market costs, including financing. Based on that analysis, a group of programs and implementation measures are proposed that expand the definitions of permanent single family and multifamily dwellings, and commit the county to a more active role in facilitating development of lower income housing. In theory, lower income housing could be feasible if the cost of building housing went down enough. Tiny houses, moveable tiny houses, manufactured homes, tiny house villages, alternative lodging parks (ALPs), and other measures are proposed that would facilitate construction of low-cost housing. The public, at least those engaged so far, have shown a readiness to move forward with these building types to overcome the affordability barrier.

6. Quantified objectives (Government Code Section 65583(b)(1)).

Quantified objectives in the Housing Element are the estimated number of housing units likely to be constructed, rehabilitated, or conserved/preserved, by income level, over the planning period. Table T in Appendix G lists the housing programs for the 6th cycle planning period, along with their quantified objectives. The programs aim to facilitate 879 new housing units and 4,500 rehabilitated units between 2019 and 2027, based on historic building data, demographics, and current economic data. Programs in the Element to construct, rehabilitate, and conserve housing are designed around these quantified objectives.

Objectives for housing production for the 2014 Element were based on the development patterns prevalent in the pre-2008 period, which was characterized by a strong housing market. The county did not meet those objectives because the housing market has slowed considerably (see Table 2 below). The quantified objectives in the 2019-2027 Housing Element scale back expectations to reflect current housing market conditions and align with the housing construction starts from the previous planning period.

7. Other Housing Element Topics

General Plan Consistency

The General Plan consistency analysis in the Housing Element found the amendments do not result in inconsistencies with the General Plan. New population, projected growth, the available housing inventory, and other data evaluated in the Element conform to the assumptions of the 2017 General Plan.

Affordable Housing in the Coastal Zone

The Housing Element documents that an update of the Humboldt Bay Area Plan is underway, and conservation of existing affordable housing is a priority under that plan. The update to the Humboldt Area Plan is largely to meet statutory mandates that jurisdictions assessed to be vulnerable to sea level rise to adopt adaption and resiliency strategies (Reference Government Code Section 65302(g)(4)).

Conservation of existing affordable housing in this planning area will present a challenge as much of affordable inventory exists in King Salmon and Fields Landing, two communities identified as vulnerable to sea level rise. The Humboldt Bay Area Plan update effort includes planning and zoning parcels to allow residential multifamily as by right uses to create and facilitate relocation of affordable housing. The 2019 Housing Element amendments to include the following two measures specific to the Coastal Zone:

H-IM42. Pursue a Categorical Exclusion Order for Accessory Dwelling Units. The County shall initiate the Categorical Exclusion process with the California Coastal Commission for accessory dwelling units to be located in the geographic areas currently eligible for exclusion from the requirement to secure a Coastal Development Permit for single family residential development pursuant to Categorical Exclusion Order E-86-4. Responsible Agency: Planning and Building Department. Timeframe: Commence by December 31, 2025.

H-IM72. Local Coastal Program Amendment for Special Occupancy Parks. The County shall initiate and pursue amendments to the Humboldt Bay Area Plan Local Coastal Program to permit special occupancy parks as an allowed Interim Use. Responsible Agency: Planning and Building Department. Timeframe: Initiate by December 31, 2022.

8. Housing Programs (Government Code Section 65583(c)).

Housing Element statutes, Government Code Section 65583(c), stipulate that Housing Elements must contain a program that sets forth a schedule of actions the local governments is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element through the administration of land use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The housing program must include specific timeframe for implementation, identify the agencies responsible for implementation. The terminology of housing programs and implementation measures are synonymous. The proposed housing programs begin at Section 8.6 of Attachment 3.

Responses to Letters from Legal Services of Northern California dated May 13, 2019 and June 6, 2019.

Attachment 5 contains Planning staff's written responses to the referenced letters. Since the June 6, 2019 Planning Commission hearing, Planning staff has met with Ms. Turner on a number of occasions. Many of the points raised in these letters and meetings have been duly considered, and resulted in a number revisions to the Housing Element amendments. These revisions are incorporated into the current iteration of the Housing Element, which found in Attachments 3 and 4.

In their letter dated May 13, 2019, Legal Services of Northern California suggested that the Housing Element include a measure that encourages the establishment of, seeking funding for, or funding of a local agency that performs fair housing investigations. They believe such a program would be a much more powerful fair housing enforcement program (page 22 of Attachment 5).

Inclusion of such a measure is not being recommended at this time because as specified in H-IM23, State Fair Employment and Housing Commission has an enforcement program that is already established and set up for handling fair housing complaints. H-IM23 directs the County to disseminate information available about fair housing rights and the procedures for filing fair housing complaints at locations readily accessible to the public. And Implementation Measure H-IM25 requires the County to complete an Assessment of Fair Housing (AFH). The AFH, which is to be a multijurisdictional effort, will examine not only local factors that contribute and perpetuate discrimination in our housing markets, it will recommend a program to remedy the identified fair housing issues. This measure includes a timeframe for initiating the study, followed by consideration by the Board of Supervisors of the program to remedy the fair housing

issues. H-IM25 is our local implementation of Government Code Sections 8899.50 and 65583©(9).

Response to June 6, 2019, Planning Commission Requests.

As part of the June 6, 2019 hearing, the Planning Commission requested staff return with more information on the following topics:

- The status of the Martin Slough Interceptor project, and associated capacity of the Humboldt Community Services District.
- Article 34 of the State Constitution.
- Options to provide for reduction of the off-street parking requirements.

Martin Slough Interceptor (MSI) Project. Following the June 6, 2019 Planning Commission hearing, staff met with Humboldt Community Services District (HCSD) staff to discuss the status of the Martin Slough Interceptor (MSI) project. The MSI project entails system improvements and upgrades to improve efficiency and to increase capacity of the sewer collection system for areas served by HCSD and the City of Eureka. HCSD staff confirmed the MSI project improvements have been made so the system can accommodate all the growth anticipated by the MSI project.

However, a mitigation measure of the Environmental Impact Report for the MSI project calls for the adoption of a traffic impact fee by the Board of Supervisors and the City of Eureka prior to connection to the improvements made by the MSI project. This traffic impact fee will be levied on new development directly or indirectly benefitting from the MSI project. Although this EIR was certified in the mid-2000s, implementation of this mitigation measure is still a work in progress. Public Works Department staff from the County and City of Eureka indicate the multijurisdictional traffic impact fee will be brought forward to the decision-makers later this year. An implementation measure in the draft Housing Element (H-IM7) has been revised to include additional tasks and timelines to ensure the requirements of the traffic mitigation measure of the EIR do not constrain the provision of sewer services to the parcels in the affordable housing residential land inventory served by the MSI project, and to replace the inventory if sewer connections are not allowed:

H-IM7. Implement the Martin Slough Interceptor (MSI) Project, and Initiate Specific Actions if the Project is Canceled. The County shall facilitate and monitor the MSI project, and implement the traffic mitigation measures required in the Environmental Impact Report for that project. If the County has not implemented the traffic mitigation measure in the EIR for the MSI project by July 1, 2020, the Planning and Building Department shall bring forward a program for consideration by the Board of Supervisors to either amend the project EIR or take other actions to meet the requirements of the traffic impact mitigation measure by December 31, 2021. If the EIR has not been revised or the requirements of the traffic mitigation have not been satisfied by December 31, 2021, and substantial evidence suggests that as a result new sewer connections for residential development served by the MSI project will not be allowed, the County shall replace the properties in the Affordable Housing Land Inventory in the area served by the MSI project on a one-for-one basis by rezoning qualified properties in other areas as needed to meet the RHNA for lower-income households. Replacement of properties in the Affordable Housing Land Inventory shall meet all the criteria of the Affordable Housing Land Inventory. Rezoning shall be completed by December 31, 2022. Responsible Agencies: Planning and Building Department, City of Eureka, Humboldt Community Services District. Timeframe: Ongoing.

Article XXXIV of California Constitution. This article of the constitution stipulates,

No low rent housing project shall be developed, constructed, or acquired in any manner by any state public body until, a majority of the qualified electors of the city, town or county, as the case may be, in which it is proposed to develop, construct, or acquire the same, voting upon such issue, approve such project by voting in favor thereof at an

election to be held for that purpose, or at any general or special election.

Article 34 applies to low rent housing projects composed of urban or rural dwellings, inclusive of farm labor housing, and any and all undertakings necessary for the planning, financing, land acquisition and construction of a low rent housing project. State public body are cities, counties, housing authorities and agencies are all "state public bodies" for purposes of the Article 34.³ In short, jurisdictions cannot be the developer, owner, or manager of a low rent housing project unless the project receives approval by the voters, although jurisdictions may be lenders with favorable terms.

While the County's Housing Authority ("HCHA") operates a housing voucher program, formerly known as Section 8, that provides rental assistance payments for low-income families and individuals. (Section 8.12.8 of Appendix G found in Attachment 4 provides additional information regarding the HCHA housing voucher program.) Although not all 1,222 vouchers are currently being used, there are the challenges presented with operating the program that is now fully reliant on participation and cooperation of private property owners:

- The lack of available rentals and landlord willingness to participate in the program.
- The HCHA cannot screen for tenancy; landlords screen and approve tenancy.
- Finding available rentals within the HUD payment standard as HUD's fair market rent value is less than the actual local market rates.
- Clients ability to come up with security deposit and other move-in costs.
- Client finding an acceptable unit within 60-day window from when the voucher is issued. Extensions can be requested and are granted on a case-by-case basis.
- HUD no longer pays for damage
- There are not many 1-bedroom units in the HCV program.

While specific exemptions to Article 34 have been enacted by the Legislature, e.g., low rent housing projects that are privately owned, nontax-exempt, in which no more than 49 percent of the units will be available for low income persons does not constitute low rent housing project, funding applications typically need to be accompanied by a letter documenting a project's Article 34 exemption or compliance status. These letters are typically prepared by attorneys. In the case of Humboldt County, previous county counsels have provided the application review and issued exemption letters for affordable housing projects applying for funding to be located in the unincorporated area. Alternatively, a project proponent can retain a private attorney for the exemption review and letter. This can be costly budget item, upwards of \$50,000 for a specialty firm, and if the project is not properly structured financial, and does not meet the exemption requirements, a favorable letter cannot be issued.

Article 34 was passed in the 1950s, and there is a recognition among some at the state level now that Article 34 is discriminatory. There is a movement to repeal Article 34 by a 2020 general election initiative. In operation Article 34 reduces the ability for the County, including its Housing Authority, to provide housing affordable to low income households because compliance adds substantial cost to building housing for this income category. For developers, both private and non-profit, Article 34 increases the up-front costs as an attorney letter is typically required. Moreover, if the project and its financing is not carefully set up from the beginning, a project may not be eligible for an exemption and be disqualified altogether for federal or state funding. If, as the evidence suggests, publicly funded, developed, and owned low income housing is one way to help ensure that people of all income levels can afford housing, an Article 34 initiative is a logical next step. As to not duplicate the effort at the state now underway, staff recommends the County actively support the state effort (see SCA-1), and should the initiative fail to progress or pass for the County to undertake its own initiative.

³ [Affordable Housing Transactions](http://www.cacities.org/UploadedFiles/LeagueInternet/ee/eec64803-de36-4750-9bd3-d443127bdacd.pdf), League of California Cities, <http://www.cacities.org/UploadedFiles/LeagueInternet/ee/eec64803-de36-4750-9bd3-d443127bdacd.pdf>, accessed March 2019.

Options to provide for reduction of the off-street parking requirements. As requested, staff has added the following measure that provides for future consideration of a Zoning Regulations amendment on this topic:

H-IM75. Off-Street Parking Requirements Standard. The County shall consider amendments to Zoning Regulations to facilitate review of exceptions for off-street parking reductions for residential uses.

A possible starting point for increasing flexibility would be to modify Section 314-109.1.2.112, and its equivalent in the Coastal Zoning Regulations, to designate the Planning Director as the as the appropriate authority to review and decide requests to allow exceptions to the off-street parking requirements for residential projects. Along with that, the ordinance could identify acceptable evidence that supports such a request, e.g., close proximity to a transit stop and connection with appropriate pedestrian and bicycle facilities, available public parking, surrounding land use mix or peak parking demand of adjacent uses. As this program is not statutorily mandated and implementation requires a legislative process, there will be opportunity for public, stakeholder, Planning Commission, and Board of Supervisors to shape this measure such that it reflects community needs and values.

ATTACHMENT 1
RESOLUTION OF THE PLANNING COMMISSION
OF THE COUNTY OF HUMBOLDT
Resolution Number 19-__

RECOMMEND ADOPTION BY THE BOARD OF SUPERVISORS OF THE PLANNING COMMISSION'S RECOMMENDED 2019 AMENDMENTS TO THE HOUSING ELEMENT.

WHEREAS, Government Code Section 65588(e)(3)(b) requires the Humboldt County Board of Supervisors adopt amendments to its Housing Element that comply with Housing Element law, that is Article 10.6, commencing at Government Code Section 65580, by August 31, 2019; and

WHEREAS, the Housing Element Appendix describes the public participation and outreach effort for the 2019 Housing Element amendments; and

WHEREAS, the Housing Element Appendix demonstrates that the County provided considerable opportunities for meaningful public input on the policies and implementation measures in the Housing Element, including workshops, and public hearings commencing in February 2019; and

WHEREAS the Humboldt County Planning Commission held public hearings and accepted comments on the proposed 2019 amendments to the Housing Element in a series of meetings between May 2019 and June 2019; and

WHEREAS, the 2019 amendments to the Housing Element are a project pursuant to California Environmental Quality Act (CEQA), and are subject to environmental review pursuant thereto; and

WHEREAS, pursuant to CEQA Guidelines Sections 15162(a) and 15164, the County Planning and Building Department, the lead agency, prepared an Addendum to the certified Programmatic Environmental Impact Report ("PEIR"), State Clearinghouse No. 2007012089, adopted for the County General Plan by the County Board of Supervisors October 23, 2017, attached as Attachment 2 and hereby incorporated by reference; and

WHEREAS, pursuant to CEQA Guidelines Sections 15162(a) and 15164, there is no substantial evidence that substantial changes are proposed by the 2019 amendments to the Housing Element that require major revisions of the PEIR, no substantial changes to the circumstances under which the 2019 amendments to the Housing Element are being undertaken that require major revisions in the PEIR, or no new information has become available which was not known at the time the PEIR were certified as complete. Furthermore, the preparation of a subsequent PEIR is not required pursuant to CEQA Guidelines Section 15162(a), as there is no substantial evidence that project changes, changed circumstances or new information would result in new significant environmental effects, substantially more severe significant environmental effects of previously identified significant effects, or newly feasible or different mitigation measures which would substantially reduce one or more significant environmental effects; and

WHEREAS, the PEIR was prepared for the County General Plan, circulated for public review; and certified as required by state law; and

WHEREAS, the Addendum to the PEIR has been prepared in accordance with the requirements of state law; and

WHEREAS, the PEIR for the 2017 General Plan Update is linked here as Exhibit B and the Addendum to the PEIR in Attachment 2, are both incorporated into this Resolution as if they were included in their entirety herein; and

WHEREAS, the Planning Commission reviewed and considered the both the Addendum and the PEIR; and

NOW, THEREFORE be it resolved by the Planning Commission that this Commission has reviewed and considered the proposed 2019 amendments to the Housing Element in Attachments 3 and 4 of this staff report and are incorporated into this Resolution as if included in its entirety herein, and

BE IT FURTHER RESOLVED, ordered and determined that the Planning Commission has reviewed and considered comments, responses and revisions at the public hearings, and that all the following findings are hereby made:

1. The Planning Commission has considered the Addendum with the PEIR and finds there is no substantial evidence that substantial changes are proposed by the 2019 Housing Element amendments which require major revisions of the PEIR, there are no substantial changes to the circumstances under which the 2019 Housing Element amendments are being undertaken that require major revisions in the PEIR, and that no new information has become available which was not known at the time the PEIR were certified as complete which concludes that the proposed 2019 Housing Element amendments will not have any significant effect on the environment beyond those considered in the certified PEIR (SCH #2007012089); and
2. The Planning Commission has found that the proposed 2019 Housing Element amendments are in the public interest because the 2019 Housing Element amendments will further social, economic, housing and other goals adopted by the Board of Supervisors and the State Legislature; and
3. The proposed 2019 Housing Element amendments will help the County achieve the following social, economic, housing and other goals:
 - A. Promote and implement regulatory policies, practices and financial incentives that promote the creation of affordable housing, protect the public health, safety and welfare, promote clear development requirements, advance equity, minimize the environmental impacts of housing development and reflect the goals and priorities of this Plan; and
 - B. Provide an adequate supply of all types of housing affordable for all income levels in all areas of the County, including urban, suburban, rural, hamlet and remote areas; and
 - C. Provide an adequate supply of rental and homeownership opportunities affordable to wage earners within close proximity to local businesses, recreational facilities, community services, transit corridors and schools; and
 - D. Provide an inventory of land, suitable for development within the eight-year period for this Housing Element Update cycle that provides adequate capacity to meet projected regional housing needs for all income levels; and
 - E. Provide sufficient and affordable housing opportunities for seniors, disabled persons, homeless, nomadic, single-parent households, farmworkers, and large families; and
 - F. Address the housing and access needs of vulnerable populations and provide sufficient opportunities and capacity to meet local needs for emergency shelters, navigation centers, day centers, supportive housing and transitional housing, including alternative and shared housing; and
 - G. Further fair housing by implementing regular meaningful actions to affirmatively further fair housing, improve access to opportunity, and prohibit discrimination.
4. The proposed 2019 Housing Element amendments also help the County achieve housing goals of the State as stated in Section 65580 of the California Government Code:

- A. The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order; and
 - B. The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels. The provision of housing affordable to low and moderate-income households requires the cooperation of all levels of government; and
 - C. Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community; and
 - D. Each local government also has the responsibility to consider economic, environmental and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs; and
- 6. The adoption of the 2019 Housing Element is in the public interest, and is consistent with State law based on the analysis of Exhibit A of this Resolution, which is incorporated into this Resolution as if set forth in its entirety herein; and
 - 7. Neither the proposed 2019 Housing Element, nor any part thereof, will operate to limit the number of housing units which may be constructed on an annual basis in areas to which the project applies based on the analysis of Exhibit A of this Resolution; and
 - 8. The adoption of the proposed 2019 Housing Element is consistent with a comprehensive view of the General Plan based on the analysis of Exhibit A of this Resolution.

BE IT FURTHER RESOLVED that changes to the Residential Land Inventory in Table 8-6 of the Housing Element, and Exhibit I of the Housing Element Appendix and the associated text, that conform to the standards in Exhibit A of this Resolution shall not be considered substantial changes requiring further review by the Planning Commission.

BE IT FURTHER RESOLVED that minor changes that 1) do not substantially affect the goals, policies, standards or implementation measures in the proposed 2019 Housing Element amendments; 2) are reasonably based on credible information that is readily accessible to the public, 3) are necessary to respond to findings on the approved Housing Element by the state Department of Housing and Community Development (HCD), shall not be considered substantial changes requiring further review by the Planning Commission.

BE IT FURTHER RESOLVED that this Planning Commission recommends that the Board of Supervisors of the County of Humboldt:

- 1. Hold public hearings in the manner prescribed by law; and
- 2. Find there is no substantial evidence that substantial changes are proposed in the 2019 Housing Element amendments which require major revisions of the previously certified PEIR, no substantial changes to the circumstances under which the 2019 Housing Element amendments are being undertaken that require major revisions in the PEIR, and no new information has become available which was not known at the time the PEIR were certified as complete; and

3. Find the preparation of a subsequent PEIR is not required pursuant to CEQA Guidelines Section 15162(a) as there is no substantial evidence that project changes, changed circumstances or new information involve new significant environmental effects, substantially more severe significant environmental effects, or newly feasible or different mitigation measure which would substantially reduce one or more significant environmental effects; and
4. Consider the findings of the Department of Housing and Community Development (HCD) pursuant to Government Code Section 65585(e); and
5. Adopt the Planning Commission's findings; and
6. Adopt the Planning Commission recommended 2019 Housing Element amendments; and
7. Direct Planning Staff to prepare and file a Notice of Determination with the County Clerk and the State Office of Planning and Research; and
8. Direct Planning Staff to promptly file the adopted 2019 Housing Element amendments with HCD pursuant to Government Code Section 65585(g).
9. Direct Planning Staff to promptly distribute the adopted amendments to the Housing Element to all public agencies and private entities that provide water or sewer services within Humboldt County with an written acknowledgment that public agencies and private entities providing water or sewer services shall grant a priority to developments that include housing units affordable to lower income households pursuant to Government Code Section 65589.7(a).

Adopted after review and consideration of all the evidence on _____, 2019.

The motion was made by Commissioner _____ and seconded by Commissioner _____.

AYES: Commissioners:
 NOES: Commissioners:
 ABSTAIN: Commissioners:
 ABSENT: Commissioners:
 DECISION: Motion carries

I, John Ford, Secretary to the Planning Commission of the County of Humboldt, do hereby certify the foregoing to be a true and correct record of the action taken on the above entitled matter by said Commission at a meeting held on the date noted above.

 John Ford
 Director, Planning and Building Department

EXHIBIT A

EVIDENCE SUPPORTING THE REQUIRED FINDINGS FOR THE PROPOSED GENERAL PLAN 2019 AMENDMENTS TO THE HOUSING ELEMENT

A. Required Findings General Plan Amendments.

1. General Plan Policy GP-8 specifies that amendment of the General Plan is appropriate when the one or more of the following findings can be made:
 - Base information or physical conditions have changed; or
 - Community values and assumptions have changed; or
 - There is an error in the plan; or
 - To maintain established uses otherwise consistent with a comprehensive view of the plan; or
 - The proposed amendment has the potential for public benefit and is consistent with the guiding Principles and applicable goals of the Plan.
2. A finding must be made that the proposed revision is in the public interest.
3. A finding must be made that the proposed revision is consistent with the guiding principles applicable goals of the General Plan.

In addition, the following sections of the California Environmental Quality Act (CEQA) apply:

4. CEQA Guidelines Section 15164(a) specifies that an Addendum to a previously certified EIR is appropriate if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.

CEQA Guidelines Section 15168(c) states that subsequent activities in a program must be examined in the light of the Program Environmental Impact Report (PEIR) to determine whether an additional environmental document must be prepared. If an agency finds that pursuant to Section 15162 of CEQA, no new effects could occur or no new mitigation measures would be required, the agency can approve the activity as being within the scope of the project covered by the program EIR, and no new environmental document would be required.

- 1. General Plan Amendment Policy:** An amendment of the Plan may be accepted upon finding that base information or physical conditions have changed. State law requires that the Housing Element be updated by August 31, 2019 to incorporate the most current population, growth, and housing information, which constitutes base information for the Plan.
- 2. Public Interest:** The following table identifies the evidence which supports finding that the proposed Housing Element Update is in the public interest.

| Section(s) | Summary of Applicable Goal, Policy or Standard | Evidence Which Supports Making the General Plan Conformance Finding |
|---|--|--|
| Public Interest Government Code Section 65356 and §312-50.3.1 of Humboldt County Code | The General Plan Amendment must be in the public interest. | <p>The project applies countywide. The proposed 2019 Housing Element amendments facilitate residential development, particularly development affordable to lower income households. Assisting lower income households with renting or purchasing a home is in the public interest.</p> <p>The proposed 2019 Housing Element amendments facilitate development of transitional housing, supportive housing, housing for special populations, and emergency shelter. Supporting access to housing where traditional development is not feasible for economic reasons is in the public interest.</p> <p>The proposed Housing Element amendments are necessary to comply with new requirements of state law. Such updates are in the public interest.</p> <p>The proposed Housing Element amendments are in the public interest because they achieve the required update to the County's Housing Element before August 31, 2019.</p> |

3. General Plan Consistency

The following table identifies the evidence that supports the finding that the proposed Housing Element Update is in conformance with other applicable policies and standards of the Humboldt County General Plan.

| Section(s) | Summary of Applicable Goal, Policy or Standard | Evidence Which Supports Making the General Plan Conformance Finding |
|---|--|--|
| <p>Consistency</p> <p>§312-50 of Humboldt County Code</p> <p>Government Code Section § 65588</p> <p>Chapter 8 Housing Element</p> | <p>The elements of the General Plan must be Consistent.</p> <p>All the goals, policies and standards must be consistent.</p> <p>The Housing Element must be updated every eight years with the most current population projections and data.</p> <p>The Housing Element must be certified by the State Department of Housing and Community Development (HCD).</p> <p>The Housing Element must be consistent with the zoning and land use regulations.</p> <p>The General Plan seeks to provide housing for residents of all incomes, in all areas of the County.</p> <p>The General Plan seeks to provide housing and shelter opportunities for those experiencing homelessness and for those with extremely low income.</p> | <p>The Housing Element is part of the General Plan, and carries out its directives through the proposed goals, policies, standards and implementation measures. The proposed goals, policies, standards and implementation measures have been reviewed for consistency, and are consistent both internally and with the other Elements of the General Plan.</p> <p>The Element updates technical background information, provides a detailed analysis of housing issues, and updates the residential land inventory for the period from 2019 to 2027. The development potential in the residential land inventory is based on the land use classifications of the Plan and the zoning ordinance.</p> <p>The proposed changes to the Zoning Regulations for accessory dwelling units (H-IM41), farm employee housing (H-IM47), emergency shelters (H-P12), supportive housing (H-IM51), transitional housing (H-IM52), and density bonuses (H-IM37) bring County code current with HCD and state law requirements.</p> <p>Implementation measures that require amendments to other portions of the Plan and Zoning Ordinance will involve simultaneous revisions to maintain consistency. For example, proposed changes related to safe parking (H-IM56, H-P39), and new types and configurations of housing (H-IM38, H-IM39, H-IM40, H-IM56, and H-IM61) require separate enabling ordinances.</p> <p>The proposed programs and measures facilitate housing, including ownership, for homeless and very low income people, and for special populations, consistent with General Plan goals and policies, as well as state law.</p> <p>The Element proposes programs to reduce homelessness and provide emergency shelter, consistent with General Plan goals and policies, as well as state law.</p> |

4. Environmental Review.

The Addendum to the PEIR for the Environmental Impact Report (EIR) for the Humboldt County General Plan, State Clearinghouse No. 2007012089, certified by the Board of Supervisors on October 23, 2017 (Attachment 2 of this staff report), identifies that the EIR is sufficient for adoption of the Housing Element Update in Attachments 3 and 4 of this staff report, in accordance with Sections 15168 (c)(2), 15164(a), and 15162 of the State CEQA. The proposed changes to the Housing Element were evaluated in light of the PEIR, as required by Section 15168(c) of the CEQA Guidelines, and there is no substantial evidence that the proposed project will have a significant effect on the environment and no additional mitigation measures are necessary for the proposed zoning ordinance amendments.

EXHIBIT B

Program EIR for the Humboldt County General Plan, (State Clearinghouse No. 2007012089)

The Program EIR for the 2017 General Plan Update may be accessed at the following link:
<https://humboldt.gov/626/Draft-Environmental-Impact-Report-EIR>

ATTACHMENT 3

Draft 2019 Housing Element Amendments

ATTACHMENT 4

Draft 2019 Housing Element Appendix
(Appendix G)

ATTACHMENT 5

Written response to Legal Services of Northern California letters
dated May 13, 2019 and June 6, 2019

ATTACHMENT 6

Written Public Comments Received

May 16th and June 6th, Planning Commission Staff Reports

May 16, 2019 Planning Commission Staff report: link

<https://humboldt.legistar.com/LegislationDetail.aspx?ID=3945237&GUID=6D5C82F1-3653-48BB-9A37-C3232DEDF1A5&Options=&Search=>

June 6, 2019 Planning Commission Staff report: link

<https://humboldt.legistar.com/LegislationDetail.aspx?ID=3970003&GUID=60A2F1C4-E8D3-47FA-8D55-021ECF4932F8&Options=&Search=>