



COUNTY OF HUMBOLDT

For the meeting of: 4/18/2024

File #: 24-756

To: Planning Commission

From: Planning and Building Department

Agenda Section: Departmental Report

SUBJECT:

A Public Workshop on the Draft Commercial Residentials Ordinance.
Assessor Parcel Numbers (APN) 000-000-000
Record No.: LRP-2023-18805
All of the unincorporated areas of Humboldt County.

The purpose of the Inland Commercial Residential Ordinance is to implement Senate Bill 6 (SB 6), the Middle Class Housing Act of 2022. SB 6 allows for housing development in zones where retail, office, or parking are principally permitted, and if the project is constructed by a skilled and trained workforce who are paid prevailing wages, among other conditions. Under SB 6, both commercial and industrial zonings may qualify. The proposed ordinance amends the zoning regulations to principally permit residential development in commercial zones by adding and modifying the following sections:

1. Adds Section 314-56.5 and amends the tables in sections 314-2.1, 314-2.2, 314-2.3, 314-2.4, 314-3.1, in Chapter 4 of Division 1 of Title III of the County Code for the inland areas of the County.

RECOMMENDATION(S):

That the Planning Commission:

1. Request that staff present the staff report.
2. Receive public comment.
3. Deliberate and comment on the Draft Inland Commercial Residentials Ordinance.
4. Provide guidance to Planning & Building Staff on any desired amendments to the draft ordinance prior to a public hearing.

DISCUSSION:

Project Location: All the inland unincorporated areas of Humboldt County, not including the Coastal Zone.

Present General Plan Land Use Designation: All land use designations.

Present Zoning: All zoning districts.

Environmental Review: N/A for workshop.

State Appeal: N/A for workshop.

Executive Summary:

This Commercial Residential Ordinance is in response to recent housing bills passed by the State, such as Senate Bill 6 (SB 6), the Middle Class Housing Act of 2022, which became effective on January 1, 2023. SB 6 deems a housing development project an allowable use on sites that meet the eligibility requirements below.

The eligibility requirements for SB 6 are:

- The project must be located within a zone where office, retail, or parking is a principally permitted use.
- The project must be constructed by skilled and trained workforce paid the prevailing wage.
- The project site must be 20 acres or less in area.
- The project is located on a legal parcel located wholly within an urban cluster.
- The project must meet or exceed density of 10 units per acre.
- The project cannot be located on a site or adjoining any site where more than one-third of the square footage is dedicated to industrial use.
- The project must provide notice to commercial tenants and relocation assistance to certain qualifying independently-owned commercial tenants.

Under SB 6, a housing development project may be eligible in in the following zones: Neighborhood Commercial (C-1), Community Commercial (C-2), Industrial Commercial (C-3), Highway Service Commercial (CH), Business Park (MB), Limited Industrial (ML), and Heavy Industrial (MH) where offices and retail uses are allowed. Currently, an applicant could propose a housing development and utilize SB 6 if the project conformed to all the above criteria.

This ordinance proposes Commercial Residential development in the following zones: Neighborhood Commercial (C-1), Community Commercial (C-2), Industrial Commercial (C-3), Highway Service Commercial (CH), and Business Park (MB). Staff recommends that the requirement remain that the project cannot be located on a site or adjoining any site where more than one-third of the square footage is dedicated to industrial use. Staff is not recommending ordinance changes to allow this use as principally permitted in the Limited Industrial (ML) or Heavy Industry zoning designations, because this requirement will preserve the County's inventory of industrial lands and reduce conflicts between industrial processes and residential uses.

To promote additional housing in existing developed areas, staff recommends that this type of project be allowed without requiring skilled and trained workforce or prevailing wages. Staff also recommends removing the restriction that a project site be 20 acres or less.

Staff recommends that the urban cluster requirement is removed to allow this type of development in any eligible zone throughout the County. An urban cluster is contiguous, densely settled census block groups that, in the 2020 US Census, met minimum population density requirements, along with adjacent densely settled census blocks that together encompass a population of at least 2,500 people, but fewer than 50,000 people. Currently, urban clusters only exist within populated areas in and around McKinleyville, Arcata, Eureka, Fortuna, Hydesville, and Scotia. Other populated areas such as Willow Creek and Garberville/Redway do not contain urban clusters and would not be eligible for SB 6. This ordinance would allow eligible zoned parcels within Humboldt County to propose Commercial Residential development.

This ordinance proposes a minimum of 10 housing units per acre, which is consistent with SB 6, and a maximum of 16 housing units per acre. The maximum of 16 housing units per acre is consistent with the Mixed Use General Plan Land Use Designation. The Commission could consider eliminating the minimum density requirement to allow fewer residential units to promote infill in these areas.

Staff also recommends that conversion of existing commercial space into residential space cannot result in the eviction of existing businesses, which will remove the state requirement that the project must provide notice to commercial tenants and relocation assistance to certain qualifying independently-owned commercial tenants.

This ordinance will add Section 314-56.5 and amend the zoning regulations to allow Commercial Residential to be permitted in Commercial and Industrial zones (C-1, C-2, C-3, CH and MB). Commercial Residential will be a new use that is a development which either consists of dwellings or a mixture of dwellings and commercial uses. This will encourage housing development within Humboldt County by allowing residential uses in commercial zones without having to comply with eligibility requirements determined by the state.

The intent of this workshop is to discuss this ordinance with the Planning Commission and receive public comment. This is the Inland version of the Commercial Residential Ordinance. After the workshop, staff will compile and implement comments from the Commission and public and revise the Inland version and draft the Coastal version of the Commercial Residential Ordinance.

Staff will bring the updated inland and coastal ordinances back to the Planning Commission for deliberation at a noticed public hearing.

OTHER AGENCY INVOLVEMENT:

The draft ordinance has been referred and comments are due back after the workshop and will be presented at the public hearing.

ATTACHMENTS:

1. Draft Inland Commercial Residential Ordinance
2. Senate Bill 6

Please contact Reanne Meighan, Assistant Planner, at rmeighan@co.humboldt.ca.us or 707-268-3713 if you have questions about this item.