

READ AND CONSIDERED
DATE 8/24/22 BY sga

Response to Grand Jury Report Form

Report Title: Affordable Housing: Past, Present and Future
Report Date: June 14, 2022
Response by: Tennis Wick Title: Director
Agency/Department Name: Permit Sonoma

FINDINGS: F1, F2, F3, F4, F5, F7, F10, F11, F13, F12, F14, F16, F17, F19, F20, F21, F22

I (we) agree with the findings numbered: F1, F2, F3, F4, F5, F7, F10, F11, F13, F12, F16, F17, F19, F20, F22

I (we) disagree wholly or partially with the findings numbered: F14, F15, F21

(Attach a statement specifying any portions of the findings that are disputed with an explanation of the reasons.)

RECOMMENDATIONS: R1, R2, R3, R4, R5, R6, R7, R8

- Recommendations numbered: R4, R5 have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered: R1, R6, R7 have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered: R2, R3, R8 require(s) further analysis.
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. ***This timeframe shall not exceed six months from the date of publication of the Grand Jury report.***)
- Recommendations numbered: _____ will not be implemented because they are not warranted or are not reasonable.
(Attach an explanation.)

Date: 22 AUG 22 Signed: Tennis Wick

Number of pages attached: 4

(See attached Civil Grand Jury Response Requirements)

Grand Jury Affordable Housing Findings - Permit Sonoma Required Responses

Findings: Permit Sonoma disagrees wholly or partially with findings F14, F15, F21

F14. Payment of in-lieu fees to the housing jurisdiction results in fewer inclusionary Affordable Housing units and houses being built.

Permit Sonoma partially disagrees with this finding. In-lieu fees sometimes do result in fewer inclusionary affordable housing units being constructed. However, that is not always true. Whether in-lieu fees yield fewer inclusionary affordable housing units depends on a variety of circumstances, including the amount of the fee; the design of the inclusionary housing program; the total fees collected by the jurisdiction (all other factors being equal, smaller jurisdictions will generally collect a smaller total amount than larger jurisdictions due to a proportionately smaller number of units constructed), the value of land, availability of financing, and construction costs.

F15. Development of commercial projects such as hotels and big box stores is often favored over housing due to lesser demand on public services and increased sales or occupancy tax revenue.

Permit Sonoma agrees with the finding.

F21. Manufactured and factory built home construction provide less expensive routes to Affordable Housing without necessarily reducing its quality.

Permit Sonoma agrees with the finding.

Recommendations

Recommendations numbered: R4, R5 have been implemented.

(Attach a summary describing the implemented actions.)

R4. By December 31, 2022, Permit Sonoma and the nine Cities should identify properties within their jurisdictions and Spheres of Influence that could support the construction of infill housing and accessory dwelling units. (F1, F2, F3, F4, F16, F17)

Comment:

Recommendation R4 has been implemented.

The County with Permit Sonoma as its lead agency and all of the Cities are currently undergoing an update to their respective General Plan Housing Elements in accordance with the State-mandated time cycle. The update process requires jurisdictions to identify adequate sites that are zoned, available, and suitable for housing development to accommodate the jurisdiction's assigned share of the regional housing need. This is known as a site inventory. In 2019, Permit Sonoma initiated a process to identify and rezone adequate housing sites for its site inventory in the upcoming housing cycle. That process is focused on identifying sites located within the unincorporated County's existing urban service areas. The effort is proceeding as part of the County's Housing Element update. In 2019, Permit Sonoma brought forward a recommendation to remove the Z (Accessory Dwelling Unit Exclusion) Combining District from nearly 2000

agriculturally-zoned parcels to support the creation of accessory dwelling units in appropriate areas. Draft policy discussions for the County's Housing Element update are exploring ways to incentivize ADU development, such as fee reductions, easing development standards, and fiscal support. Senate Bill 10, effective at the beginning of 2020, allows local jurisdictions to rezone for higher residential density on qualifying parcels in transit-rich, urban infill areas; Permit Sonoma is evaluating the feasibility and potential effectiveness of implementing SB 10 within the unincorporated County. As the County proceeds with the Housing Element update and beyond, Permit Sonoma continues to explore policy ideas to encourage housing development in infill areas and the construction of ADUs.

R5. By December 31, 2022, Permit Sonoma and the nine Cities should identify properties within their jurisdictions and Spheres of Influence that are likely opportunities for rehabilitation or repurposing to increase the availability of Affordable Housing. (F16, F19, F22)

Comment:

Recommendation R5 has been implemented.

As discussed above, the County's Housing Element is required to maintain a site inventory of properties that are suitable, available, and appropriately zoned to meet the County's share of the regional housing need. The County's site inventory will be updated upon adoption of the new Housing Element in 2023. The Sonoma County Community Development Commission currently provides funding assistance for rehabilitation of existing housing units with County Fund for Housing or other funding programs, including Community Development Block Grants (CDBG), Low and Moderate Income Housing Asset Fund (LMIHAF), and Permanent Local Housing Allocation (PLHA).

Recommendations numbered: R1, R6, R7 have not yet been implemented, but will be implemented in the future.

(Attach a timeframe for the implementation.)

R1. By December 31, 2022, Permit Sonoma and the nine Cities should begin to streamline their procedures, from preliminary review through the permitting process, related to the development of Affordable Housing. (F7, F10, F11, F13)

Comment:

Recommendation 1 has not yet been implemented, but will be implemented in the future. Permit Sonoma's existing inclusionary housing ordinance (codified as Sonoma County Code Chapter 26, Article 89) and policies require priority processing of affordable housing permits. During the Housing Element update process and beyond, Permit Sonoma is exploring additional measures to streamline the permitting process that may include developing broadly applicable objective design and development standards, creating an administrative, ministerial approval process for housing development projects, reducing permitting levels for certain housing or mixed-use projects (e.g., from Use Permit to administrative Design Review only), and making internal process improvements that expedite staff time spent on project review. These measures and more are being explored for the County's Housing Element update process in

2022-2023, and, if adopted by the Board, may be part of the updated Housing Element's implementation plan.

R6. By June 1, 2023, Permit Sonoma and the nine Cities should develop permit ready accessory dwelling unit and junior accessory dwelling unit plans. (F1, F2, F3, F4, F5, F7, F10, F11, F13, F21, F22)

Comment:

Recommendation R6 has not yet been implemented, but will be implemented in the future. Permit Sonoma has considered the development of pre-approved plans for ADUs to decrease pre-construction costs of ADU projects, but encountered technical and legal difficulties in doing so. Other jurisdictions encountered similar difficulties. As an alternative, Permit Sonoma is cooperating with the County of Napa to support the Napa-Sonoma ADU Center, where pre-reviewed, permit-ready plans will be provided with appropriate measures for design licensure and liability. Applications that come through the Center to Permit Sonoma will receive priority processing. The Napa-Sonoma ADU Center will "pre-review" the ADU plans for compliance with building codes and other applicable regulations. The concept is that plans that are pre-reviewed would benefit from expedited permit review and potentially reduced fees.

R7. By December 31, 2022, Permit Sonoma and the nine Cities should discuss integration of preliminary design review committees with their planning commissions to help expedite the construction of Affordable Housing. (F1, F2, F3, F4, F5, F7, F10, F11, F13, F19, F20, F21, F22)

Comment:

Recommendation R7 has not yet been implemented, but will be implemented in the future. Most multifamily residential projects require some level of design review, but multifamily projects that are consistent with zoning generally do not require review by the Board of Zoning Adjustments, Planning Commission or the Board of Supervisors. Affordable multi-family projects that are consistent with zoning would not undergo more than two hearings with the Design Review Committee to receive approval, and some would not require Design Review Committee review at all. Permit Sonoma also offers applications for Conceptual Design Review to allow projects to receive early feedback from the Design Review Committee before preparing a full application. The adoption of objective design and development standards would expedite the design review process and provide developers with more certainty on the requirements. Permit Sonoma anticipates initiating the development of objective housing standards in late 2023 after the Housing Element updated has been adopted.

Recommendations numbered: R2, R3, R8 require(s) further analysis.

(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the Grand Jury report.)

R2. By December 31, 2022, Permit Sonoma and the nine Cities should meet to consider standardizing their procedures related to the development of Affordable Housing. (F7, F10, F11, F13)

Comment:

Recommendation 2 requires further analysis.

There is opportunity to increase coordination on housing initiatives among Permit Sonoma and the nine Cities. Most jurisdictions within the County are currently undergoing an update to their General Plan housing elements. The Association of Bay Area Governments (ABAG) convened the Napa Sonoma Housing Collaborative, composed of staff from jurisdictions within the two counties and consultants (funded by ABAG through 2023), to allow for jurisdictions to collaborate, share resources and information on the housing element update process. Planning directors meet regularly and share experience and effective strategies. After jurisdictions adopt their updated housing elements, a similar collaborative group could be formed to support housing element implementation. With the State legislature's recent history in mandating local streamlining of housing development project permitting, cities are working on similar efforts to respond to those State mandates or to implement other locally-led measures with the same goal to simplify permitting processes. The cities, Permit Sonoma on behalf of the County, and development proponents would benefit from the efficiencies of standardizing procedures and policies across the County, and a County-wide collaborative housing group could encourage that coordination.

R3. By December 31, 2022, Permit Sonoma and the nine Cities should meet to discuss the coordination of fee reduction standards for Affordable Housing throughout the County. (F11, F12, F14)

Comment:

Recommendation 3 requires further analysis.

Permit Sonoma currently offers reduced or waived development impact fees for accessory dwelling units. The County also offers a Single-Family Fee Development Fee Deferral Program, which defers the affordable housing fees applicable to construction of a new single-family home if the property builds an accessory dwelling unit and restricts it for rent to qualified low-income households. Deed-restricted affordable housing units are not subject to payment of affordable housing fees within the unincorporated County, however, other development impact fees still apply. Permit Sonoma could explore the possibility of waiving or reducing development fees for affordable housing projects.

R8. By December 31, 2022, Permit Sonoma and the nine Cities should review their permitting requirements to allow nontraditional options such as manufactured homes, factory built homes, and tiny houses to increase housing supply. (F1, F2, F3, F4, F5, F10, F11, F13, F21, F22)

Comment:

Revised June 2022

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Recommendation 8 requires further analysis.

Manufactured homes and factory-built homes may be permitted as primary single-family residences or accessory dwelling units within the unincorporated County. "Tiny homes" is not an industry standard definition, and may encompass the latter two types of structures, or may refer to other housing structures on wheels (e.g. RVs, travel trailers, etc.). Housing on wheels may be used in certain circumstances as temporary housing for persons displaced by recent fire events, for property owners while their primary home is under construction, or for seasonal farmworker housing.