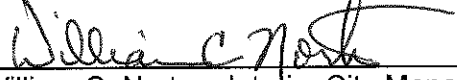


City of Calistoga

Staff Report

TO: Honorable Mayor and City Council
FROM: Ken MacNab, Senior Planner
VIA: Charlene Gallina, Director of Planning & Building
DATE: July 20, 2010
SUBJECT: Preliminary Draft of Updated Housing Element

APPROVAL FOR FORWARDING:



William C. Norton, Interim City Manager

- 1
- 2 **ISSUE:** Presentation of the preliminary draft update to the Housing Element for review and
- 3 comment prior to transmittal to the State Department of Housing and Community Development.
- 4
- 5 **RECOMMENDATION:** Pass a motion authorizing staff to transmit the preliminary draft update
- 6 of the Housing Element to the State Department of Housing and Community Development for
- 7 their review and comment.
- 8
- 9 **BACKGROUND:** In January, 2009, the City Council authorized a work program to prepare a
- 10 minor update to the City's Housing Element pursuant to the requirements of State Housing
- 11 Element law. The purpose of the Housing Element Update program is to produce an updated
- 12 Housing Element that is accurate, complete, understandable, and meets all the requirements of
- 13 State law. Under the guidance of a City Council appointed Housing Element Update Advisory
- 14 Committee staff has spent the past eighteen months completing the tasks outlined in the
- 15 approved work program. These tasks included updating demographic and statistical
- 16 information, executing a household demographic survey, reviewing existing and potential
- 17 housing sites, and reviewing existing and potential housing programs for meeting the City's
- 18 housing needs.
- 19
- 20 On June 9, 2010, a preliminary draft of the updated Housing Element was released for public
- 21 review. The preliminary draft was reviewed by the Housing Element Update Advisory
- 22 Committee on June 22, 2010. The Advisory Committee passed a motion recommending that the
- 23 City Council forward the preliminary draft to the State for review and comment with several
- 24 proposed revisions (see discussion later in this staff report). Draft minutes from the Advisory
- 25 Committee meeting are attached to the report (Attachment 3).

26 On July 7, 2010, a Community Meeting was held to present the preliminary draft of the updated
27 Housing Element in a less formal meeting environment and provide an opportunity for citizens to
28 ask questions or comment on the draft document. Despite outreach efforts, which included e-
29 mail notifications to interested persons and organizations, two consecutive display ads in the
30 Tribune, posting on community bulletin boards, posting on the Community Media channel and
31 posting on the City's web site, only one person showed up for the meeting. No comments were
32 provided.

33
34 A public hearing on the preliminary draft update of the Housing Element was held before the
35 Planning Commission on July 14, 2010. The Planning Commission's discussion focused
36 primarily on the new programs being proposed as part of the update (see pages 4 through 8 of
37 the July 14, 2010, Planning Commission staff report – Attachment 2). The Planning
38 Commission also reviewed the recommendations of the Housing Element Update Advisory
39 Committee. The Planning Commission passed a motion recommending that the preliminary
40 draft document be forwarded to the State for review, with the inclusion of the recommendations
41 from the Housing Element Update Advisory Committee plus one additional revision (see
42 discussion below).

43
44 **DISCUSSION:** An overview of the preliminary draft update of Housing Element is provided in
45 the attached Planning Commission Staff Report. The staff report summarizes key findings, new
46 program proposals and major issues that were discussed over the course of the update
47 program.

48
49 Staff believes that the preliminary draft update of the Housing Element meets the requirements
50 of State Housing Element law and is ready for transmittal to the State Department of Housing
51 and Community Development for review and comment. It is appropriate protocol to transmit a
52 preliminary draft of the updated Housing Element to the State Department of Housing and
53 Community Development for review and comment prior to formal adoption.

54
55 Prior to transmittal to the State, staff is seeking the City Council's comments on the preliminary
56 draft document and direction on the revisions that have been recommended by the Housing
57 Element Update Advisory Committee and the Planning Commission. The recommended
58 revisions are presented below.

59
60 Recommendations by the Housing Element Update Advisory Committee

- 61
62 1. Correction of miscellaneous typographical errors.
63
64 2. Modification of Action A4 under Objective H-3.1 to read as follows (addition noted in
65 italics):
66
67 "Review and update current practices for subsidizing "for sale" housing units.
68 Establishment of an equity sharing program should be considered *to give the City the*
69 *ability to buy back affordable housing units when at risk of transferring to market rate.*"

70
71 3. Modification of Policy P6 under Objective H-3.1 to read as follows (deletions noted in
72 ~~strikeout~~, additions noted in *italics*):

73
74 "Provide the highest priority for residential allocations under the City's Growth
75 Management System Ordinance to housing projects that fall within ~~very low to low-~~
76 ~~income moderate, low- and very-low income~~ guidelines. ~~Second priority shall be~~
77 ~~provided for housing projects that fall within moderate income guidelines~~

78
79 *Staff Comment:*

80
81 *The revisions recommended by the Housing Element Update Advisory Committee will clarify*
82 *policy and action language and are consistent with stated goals and objectives. Both the*
83 *Planning Commission and staff support incorporation of the revisions as recommended.*

84
85 Comments and Recommendations by the Planning Commission

86
87 1. Action A4, Objective H-6.1: Allow longer time extensions for granted Growth
88 Management Allocations under certain circumstances (page H-137).

89
90 COMMENT: The Planning Commission supports this program action and suggests that
91 when implemented the process for requesting an extension should be as streamlined as
92 possible and not impose an additional hurdle in the development process.

93
94 2. Action A4, Objective H-2.1: Consider amending the R-2 Zoning District to make it a
95 zoning district primarily intended for the development of "for sale" single-family attached
96 homes (page H-121).

97
98 COMMENT: The Planning Commission supports this program action and suggests that
99 when implemented there should be flexibility in the permitted density range to allow this
100 type of development to occur in areas designated by the General Plan as Medium
101 Density Residential or High Density Residential.

102
103 3. Policy P2, Objective H-3.2: Require a percentage of units in new affordable housing
104 projects to be 3 or 4 bedroom units (page H-125).

105
106 RECOMMENDATION: Modify policy to read as follows (deletions noted in ~~strikeout~~,
107 additions noted in *italics*):

108
109 "New ~~affordable housing market rate rental housing~~ projects of ten or more units
110 shall be ~~required~~ *encouraged* to provide a range of unit sizes, including three and
111 four bedroom units. *Incentives to encourage the inclusion of three and four*
112 *bedroom units may include concessions on certain development standards as*

113 *determined to be appropriate* ~~This requirement shall be enforced~~ through the
114 development review process.”

115
116 *Staff Comment:*

117
118 *Affordable housing projects receiving State or Federal funding are typically required to*
119 *provide three or four bedroom units as part of the project. The Planning Commission's*
120 *recommendation is intended to incentivize the inclusion of larger units in private-sector*
121 *development projects.*

- 122
123 4. Action A5, Objective H-3.2: Amend the Zoning Ordinance to allow emergency and
124 transitional shelters by right in the R-2 and R-3 zoning districts, and in all other zoning
125 districts with an administrative use permit (page H-126).

126
127 COMMENT: The Planning Commission supports this program action and suggests that
128 at the time of implementation clarifying provisions be added for homeless shelters.

- 129
130 5. County Affordable Housing Program.

131
132 In response to public comments received at the meeting, the Planning Commission
133 discussed the County's new Affordable Housing program – one of the more controversial
134 issues to emerge during the update process. This program offers funding assistance for
135 development of affordable housing projects located within incorporated areas. In return,
136 the County is asking cities to allow the County to claim a share of the housing units to
137 help fulfill their fair share of the regional housing need. The Housing Element Update
138 Advisory Committee expressed strong reservations about supporting such a program.
139 Several Committee members perceived the program as an effort by the County to pass-
140 off its affordable housing obligations onto cities, while others were concerned about the
141 impact the program might have on local resources (budget, water/wastewater,
142 infrastructure, etc.). In addition to the Committee's concern, a number of local residents
143 submitted correspondence and/or attended meetings to express their concern about this
144 program. At the request of Councilmember Slusser, this program was brought to the
145 attention of the City Council, who requested that any consideration or direction regarding
146 the County's program be made by the City Council.

147
148 The Planning Commission's comment on this program is that the City Council should
149 invite the County to make a presentation on the program to the City Council so that a
150 better understanding of the program can be gained.

151
152 As a separate comment (not for consideration as part of the Housing Element Update program),
153 the Planning Commission suggested that the City Council initiate a review of the Growth
154 Management System program. The Planning Commission believes that the program has not
155 been as effective as intended. Staff suggests that this issue could be discussed further in

156 conjunction with the upcoming status report on growth management allocations to be given in
157 August.

158
159 The Planning Commission also received public comments from Erica Sklar of Calistoga
160 Affordable Housing, Inc., and Bob Fiddaman, resident. Their comments included:

- 161
162 1. Clarification and suggestions on implementation of identified program actions;
163
164 2. Suggestions for improvement in administration of the City's Growth Management
165 System program;
166
167 3. Encouragement for support of the County's Affordable Housing Program; and
168
169 4. Encouragement for more transparency with the public on use of the City's Affordable
170 Housing Trust Fund.

171
172 The majority of Planning Commissioners generally concurred with these comments and
173 suggestions (as reflected in the summary of Planning Commission comments and
174 recommendations).

175
176 **NEXT STEPS:** With the City Council's comments and direction, staff will finalize the preliminary
177 draft document and transmit it to the State for their review and comment. Staff anticipates that it
178 will take the State 60 to 90 days to review the draft document and provide any comments. Once
179 comments are received from the State, staff will prepare a final draft of the updated Housing
180 Element that incorporates the State's recommended changes. The final draft will be reviewed
181 by the Housing Element Update Advisory Committee and then presented for public review and
182 adoption by the Planning Commission and City Council. After adoption, the updated Housing
183 Element will be sent back to the State for certification that it is in legal compliance with State
184 Housing Element law.

185
186 **ENVIRONMENTAL REVIEW:** It has been determined that the proposed action is exempt from
187 the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) which states
188 that CEQA applies only to projects which have the potential for causing a significant effect on
189 the environment. It can be seen with certainty that there is no possibility that the action being
190 contemplated, a motion to transmit a preliminary draft of the updated Housing Element to the
191 State for review, will have any impact on the environment (Section 15061(b)(3)).

192
193 It should be noted that environmental review will be required prior to adoption of the final draft of
194 the updated Housing Element. The appropriate environmental documents will be prepared and
195 circulated in accordance with the requirements of CEQA and presented for public review and
196 consideration at the time of adoption proceedings.

197
198 **FISCAL IMPACT:** Transmittal of a preliminary draft of the updated Housing Element to the
199 State for review and comment will create no direct fiscal impacts.

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ATTACHMENTS:

1. Preliminary Draft of Updated Housing Element (Previously Distributed)
2. Planning Commission Staff Report dated July 14, 2010
3. Draft Minutes from the June 22, 2010, meeting of the Housing Element Update Advisory Committee