

January 15, 2004

Kurt Lorenz
Chairman
Nevada County Planning Commission
950 Maidu Avenue
Nevada City, CA 95959

RE: Nevada County General Plan - Draft Housing Element

Chair Lorenz and Planning Commissioners:

Please accept this comment letter on behalf of CABPRO, the California Association of Business, Property and Resource Owners. Our membership is composed of public land users and private property owners representing a broad cross section of the community. Many of our members live in the unincorporated portion of the County, a few live within County areas slated for annexation to Grass Valley, and the rest live in the cities.

It would have been great had we the chance to informally discuss, in a workshop format, this draft Housing Element. The June 2003 workshop was a good start but there was no actual policy or implementation text to scrutinize. Our workshop idea would include an invitation to all stakeholders, with the agenda focused on key policy questions as presented in the draft Element (the inclusionary regs, in-lieu fee option, the second unit mandate, in lieu fee rule where no mixed use, etc.). You would receive some initial feedback with many points of view represented. Perhaps that could be considered for future formats – a prelude to the formal policy making part of the process where little back and forth dialogue can occur.

On the following pages, you will find a summary of our major concerns, an outline of the draft element, and then specific editorial and substantive comments on policy or program by page number. Many of these were provided to the County in November. I put together a chart on the changes to the Inclusionary Policy for your reference here also. Total length here is 16 pages. In a couple of days, I will be sending comment pertaining to the Initial Study and Technical Appendices.

Thank you for this opportunity to provide some thoughts from our members regarding the draft Housing Element policy and programs. Please feel free to contact me at 530-582-4051 or davison@sierra.net if you have any questions.

Sincerely,

Pat Davison
Field Director

**DRAFT Housing Element - Nevada County General Plan -
SUMMARY of MAJOR ISSUES**

1. SOLUTIONS - Solutions to the Housing shortage will require a variety of options, some regulatory, some not. There is no one magical answer that will give us the 937 very low, 885 low, and 1,117 moderate income units allocated in the RHNP. We urge the County to not put all its eggs in one basket and keep an open mind. Designing solutions may require some site specific creativity. As long as the public knows what's happening, please utilize any and all methods at your disposal for this planning period (to 2008).
2. HOME OWNERSHIP - Our members have a strong preference for home ownership policies and programs. That is the American Dream. That is the “reward” for working hard to improve one’s quality of life. While that may not be a guiding principle for the County, it is for us. And while not everyone can buy a home, we’d like to see efforts directed at first time home buyers so they can take advantage of market forces and realize a financial return from their purchase. Moving into the equity stream is something that has enabled many of us to be where we are today. In policy language, that means no “resale cap” deed restrictions. In policy language, that also means continuing, only where necessary, the regulatory and incentive program to replenish the affordable housing stock for first time home buyers.
3. CONTINUING SUPPLY OF AFFORDABLE HOUSING - As a side note related to the concern about how to keep units “affordable,” there must be a complimentary emphasis on providing a permanent stock of affordable rentals. We support the creation/use of a non-profit agency to operate and maintain these units if a developer doesn’t want perpetual responsibility for them.
4. IDI - Our members’ mantra on affordable housing goes like this: I-D-I. That stands for: Incentives – Density – Infrastructure. Simple words convey volumes. We measure the County’s text by its reliance on positive, proactive incentives; ability to increase density where appropriate (and it isn’t always appropriate because of neighborhood character); and provision of infrastructure (this is a health and safety issue too, not just socio-economic).
5. SEWER - Lack of sewer service is by far the number one constraint we see to affordable housing. We support the policy that seeks additional funding for the extension of the sewer systems.

6. MULTI-FAMILY/HIGH DENSITY ZONING - Rezoning of R2 to R3 was suggested by the State HCD and the County appears to be taking that seriously, but more can be done. Multi-family housing provides an opportunity to maximize density, reduce some on-site environmental impacts, and take advantage of school, shopping, job, and transit locations – multi-family housing can actually address the County need in a significant way. The 2nd Unit and 2nd Unit Pilot Programs represent small contributions to the overall problem (averaging 29 units annually – App. 3 p. 42)) and while they can help, we believe that emphasis needs to be placed on attracting developers who can produce multi-family housing on suitable sites. This will require a different, proactive approach – an intense effort by the County to go to the developer, lending community, and others, not waiting for those entities to approach the County later. Of a related concern is the delay in implementing the rezoning action and the low number of expected units (initiate in 2008, will produce 100 units - Implementation Program 8.2.1). Isn't it possible that some rezoning could occur without waiting for the next GP Update/new EIR??? If not, then we question why this action is included (unless it is done to satisfy State scrutiny).

7. INCLUSIONARY ZONING – If the County is to have inclusionary policies, we prefer the existing GP wording and its incentive language (GP Housing Policy 8.4.g) regarding a one-to-one match (one bonus unit for one inclusionary unit). We strongly suggest that it be improved with the addition of a proactive, intensive focus on finding the developers and increasing the incentives where possible. Remember, incentives and bonuses are the way all of us as society assist the developer to cover costs so his or her project is economically feasible. That is a necessity, yet gets little attention. Saying that more regulation is needed because the current regulatory policy doesn't work ignores the fact that maybe other policy components are missing. Even if the County went forward with more regulation as proposed, the resulting 55 units are hardly a significant outcome. Please see the comparison of existing and proposed inclusionary policies. I put this together based on face value, trying not to assume anything beyond what is written in the policy.

8. POLICY OUTLINE – I prepared this as an easy way to find different policy sections. It obviously doesn't include the policy word for word.

DRAFT Housing Element - POLICY OUTLINE

Overall Goal 8.1 Provide for a continuing supply of affordable housing for all income levels to meet the needs of existing and future Nevada County residents

Objective 8.1 - Housing Supply – related to RHNP and County numeric targets

- Policy 8.1.1 Use conventional planning and zoning tools to encourage housing
- Policy 8.1.2 Allow mobile and factory built homes, with permanent foundations
- Policy 8.1.3 Authorize 2nd units, must use Universal Design Standards
- a. in all SFR, AG, AE zoning districts, consistent with density
 - b. for seniors or disabled in any zoning district
 - c. as part of the Pilot Program
- Policy 8.1.4 Authorize duplexes and duets in SFR zoning districts
- Policy 8.1.5 Ensure adequate land/zoning to meet lower income housing needs
- a. evaluate ind/comm./retail sites for higher density multifamily
 - b. analyze SOI lands for increased multi and single family housing (also fills moderate income housing need)
 - c. allow 4 d.u. per acre in retail/office mixed use sites over 10,000 sf
 - d. require resort/SDA projects to provide 50% of needed employee housing onsite or close by, concurrent with project, unless other option is needed or requirement is waived
- Policy 8.1.6 Grant 25% Density Bonus (DB) and other concession/incentive to encourage multi and SFR for very low and low income households (i.e. waive parking standards, reduce landscaping standards, modify setbacks, increase lot coverage). Place long term deed restrictions on additional (density bonus?) units.
- Policy 8.1.7 A Require 20% of all applications creating 10+ lots/units to be Very Low or Low income units, allow in lieu fee as option or fee waiver as incentive in certain cases, give 25% DB if VL/L units are onsite, place long term deed restriction on inclusionary units, require in lieu fee for projects less than 10 units
- Policy 8.1.7 B Require 20% of all applications creating 10+ lots/units to be Very Low or Low income units, allow in lieu fee as option or fee waiver as incentive in certain cases, give 25% DB if VL/L units are onsite, place long term deed restriction on inclusionary units, depends on incentives to offset revenue loss, no mandate for less than 10 units
- Policy 8.1.8 Seek \$ to expand sewer into Community Regions, with 25% of new capacity reserved for affordable housing

Objective 8.2 - Higher Density Housing in Community Regions and Rural Centers

- Policy 8.2.1 Verify suitability of UHD and UMD areas for subsidized housing
- Policy 8.2.2 Suggest that 3 bdrm units be provided in 20% of larger, subsidized rental projects
- Policy 8.2.3 Maintain minimum density standards for UHD (15 du/ac) and UMD (6 du/ac), maximize density/emphasize multifamily where possible
- Policy 8.2.4 Require applicant proposing less than R2/R3 minimum density to find replacement site and initiate rezone to make up density (no net loss)

Objective 8.3 - County Housing Coordination with 3 Cities

- Policy 8.3.1 Seek \$ with cities to buy/acquire public/private parcels for aff. housing
- Policy 8.3.2 Use agreement w/cities to keep high density zoning after annexation
- Policy 8.3.3 Form a countywide housing agency with cities
- Policy 8.3.4 Seek Grass Valley MOU on affordable housing, continue MOUs with Truckee and Nevada City

Objective 8.4 - Development Process & Incentives - Streamlining and Cost Reduction

- Policy 8.4.1 Annually monitor and recommend changes to review process
- Policy 8.4.2 CDA will serve as the one-stop “permit information center”
- Policy 8.4.3 Provide better coordination for permit issuance process
- Policy 8.4.4 Give partial fee waiver for 5+ VL/L income units, request special districts adopt supportive policy, \$ loss may be paid w/CA or Co. funds
- Policy 8.4.5 Provide pre-application meetings for affordable housing projects
- Policy 8.4.6 Process VL/L income multi-family projects up to 50 units w/30+ year deed restriction as a ZA Development Permit
- Policy 8.4.7 County H&CS shall take on affordable advocacy function w/developers

Objective 8.5 - Conservation & Rehabilitation of Existing Housing Supply

- Policy 8.5.1 Recognize and assist organizations to find and keep affordable housing
- Policy 8.5.2 missing
- Policy 8.5.3 County Code Compliance will inform owners of rehab and other assistance programs, when needed
- Policy 8.5.4 Extend rehab grant /loan/ownership programs for VL/L and moderate income families

Objective 8.6 - Financial Resources

- Policy 8.6.1 Use Section 8 rental assistance program
- Policy 8.6.2 Fund/operate County Housing Agency, allow change to Joint Authority with 3 cities, if practical

- Policy 8.6.3 Housing Agency shall create independent non-profit organization to promote affordable housing, not subject to Article 34 or HUD regs
- Policy 8.6.4 Utilize new ownership programs targeted to public service employees
- Policy 8.6.5 Pursue state loans and grants
- Policy 8.6.6 Secure rehab/weatherization \$ for VL/L income manufactured, single family, and apartment housing
- Policy 8.6.7 Annually apply for fed and state grants and loans to assist developers of VL/L/moderate income, senior, and disabled ownership and rental units

Objective 8.7 - Special Housing Needs Recognition and Facilitation

- Policy 8.7.1 Allow transitional housing for homeless in specified zoning districts
- Policy 8.7.2 Allow emergency shelter housing in specified zoning districts
- Policy 8.7.3 Provide density bonus in UMD and UHD for VL/L income multi-family, senior independent centers, assisted living housing
- Policy 8.7.4 Require 10+% of all senior assisted care units for low income seniors
- Policy 8.7.5 When renovation \$ trigger is reached, require 10% of all 5+ multi-family units to retrofit with UDS for accessibility
- Policy 8.7.6 Provide CUP for seasonal/permanent housing for timber, mining, ag, and other natural resource based activities, subject to certain findings

Objective 8.8 - Housing Discrimination

- Policy 8.8.1 Refer discrimination complaints to appropriate agencies, maintain documentation on complaints, include complaints in annual monitoring

Objective 8.9 - Housing Standards from the State

- Policy 8.9.1 Adopt and enforce CA Building Standards
- Policy 8.9.2 Use State affordable housing mandates as minimum threshold

Objective 8.10 - Energy Conservation & Innovative Design

- Policy 8.10.1 Adopt a solar access ordinance w/standards for all new housing
- Policy 8.10.2 Encourage innovative design for all land divisions that provide low, moderate income and energy efficient housing
- Policy 8.10.3 Strongly support weatherization and Energy Crisis programs
- Policy 8.10.4 Develop design/construction thresholds for multi-family housing
- Policy 8.10.5 Evaluate prescriptive standards for alternative energy/sewage systems and building materials
- Policy 8.10.6 Develop additional incentives to promote alternative energy

Objective 8.11 - Monitoring

- Policy 8.11.1 Annually monitor Housing Element policies and quantified objectives

Policy and Implementation

Miscellaneous Comments:

Need Glossary to define terms (project ((how many units = a project)), jobs/housing balance, fair share allocation, Section 8 certificates/vouchers, duplexes, duets, etc.)

Need explanation of Dutra bills re: density/no net loss (applies to 8.2.4)

Need explanation of AB 1866 re: second units

Other relevant legislation??

Need Implementation Program numbers to match Policy numbers – very confusing the way it is set up now! I didn't see any chart or other at-a-glance graphic showing which Policy matches which Implementation Program. That might be helpful to have for discussion purposes. Our comments on Policy may also include comment on Implementation Program, since program is supposed to go with policy.

Incentives are intermixed with regulation in some Policies, (i.e. 8.1.7 Fee Waiver), or presented as stand alone text (i.e. Policy 8.1.6, Implementation Program 8.1.10). Perhaps a minor re-write could put all the incentives together in one “master” section with a reference to that section in all relevant other sections?

Specific Comments

Page 1 Introduction

In the list of contents of the HE – last line “Goals, objectives, policies, and quantified objectives,” can we replace “quantified objectives” with “numeric targets”? That removes confusion between the two kinds of “objectives” and also denotes that the “targets” are actual numbers.

Chart says “Regional Housing Needs Plan (RHNP).” Please re-title this chart to say “HUD Income Categories for Nevada County” or something similar. 2002 SPO/RHNP does not present the dollar figures (Household Income Limit) here, unless I am missing some pages. See page 22 of the SPO/RHNP document. They present income limits. Their text does match the explanatory terms on the left side (Income Category - % MFI).

The other option would be to keep the title as is (Regional Housing Needs Plan – RHNP) and use Table 1 – 2002 Income Limits from the 2002 SPO/RHNP page 22. Also, MFI of \$45,864 is different from 2002 SPO/RHNP figure of \$51,110 as the “limit” of that income category. Is MFI a range of numbers or only one number?

Last paragraph Appendix 1: Housing Needs Analysis – should be changed to Housing Needs Assessment. Consistency helps the reader to know what is being referenced.

Page 2 Summary of Housing Issues

2nd para The “overpaying” for housing issue could also be presented in the reverse: 63% of renters and 76% of owners are not overpaying for housing (or more than 60% of all the County’s renters and owners are not overpaying...). The important question/connection to be added is that overpaying for housing is an indication that we do not have enough housing - supply is limited, there are not enough houses to meet demand. Is that accurate??? If yes, then the County’s inability (or society/the market) to provide enough lower priced housing causes prices to rise on the available supply, that’s why 37% of renters and 24% of owners are overpaying and will continue to overpay until the shortage is remedied. The goal here is to be clear in explaining why the County’s housing picture looks the way it does and describe the basis used to gauge the “overpaying.”

4th para The County’s loss of high density lands to the city of Grass Valley should be reflected as a reduction of the County’s dwelling unit obligations in the RHNP. We would strongly encourage the County to pursue such a reduction with SPO and HCD. Please explain why RHNP “does not reflect the general lack of public sewer services and construction trends...” Is it a statutory requirement that the RHNP ignore that? Or did the County ask for that consideration but was rebuffed by SPO members?

Page 3 Public Participation

1st para Replace the word “achieve” with encourage or solicit. Also, “During preparation of this Needs Elements...” Should be Housing Element?

Pages 7-8 Quantified Objectives

2nd para Rehabilitation – should explain that these units are not new units and therefore do not fulfill RHNP obligation. From a housing perspective, these units are included because this program enhances quality of life (but doesn’t produce new units)?

3rd para Conservation – what are these – new dwelling units, or existing units now covered by HUD program? If they are new units, why aren't they included in the “New Construction” chart on page 6? If they are existing units, then this is like Rehab – enhancing quality of life but not producing new units? Also brings up the need to describe the existing situation in some detail (Rehab and Conservation are part of it).

Last para This paragraph is attempting to describe why the County will not reach its fair share housing allocation. Are some words missing (i.e. “there are adequate sites planned to accommodate the County’s very low and low income household requirements” in July 2003 draft??) If yes, that is a positive statement. That tells me the County has the proper and needed zoning in place. This information is not an explanation of the County’s failure. If the sites are in the wrong places, that information needs to be added.

(page 8) The statement that the “overall guiding policies and objectives of the General Plan... direct growth to areas with existing or planned infrastructure” does not tell me why the County can't produce the dwelling units. The lack of public sewer beyond the areas with existing or planned infrastructure, the GV annexations taking usable land away from the County, and the “shortage of housing production” (whatever that means – not enough construction companies?) appear to be the three factors why the County will not reach its RHNP/fair share allocation. Please review this paragraph and provide information that clearly describes the problem. That will lead the reader to understanding why the County is proposing certain solutions in the following section.

Page 8 Goals, Objectives, and Policies

Overall Goal “To provide for a continuing supply of affordable housing for all income segments to meet the needs of existing Nevada County residents, as well as potential future residents desiring to reside in the County.” Potential and future mean the same thing, so delete one or the other? Change “reside” to “live” or just end the sentence at “future residents.” Another option: “Overall Goal - To provide a continuing supply of affordable housing for all income segments of Nevada County residents.”

Objective 8.1 References the RHNP and the Quantified Objectives but these numbers are not the same. Perhaps it is better to only use one set of numbers rather than both? Doesn't the RHNP have a statutory relevance that drives the Element, whereas the Quantified Objectives are more arbitrary or dependent on past activity? The dual reference is confusing, especially when compared to the previous page statement that the County will not meet the RHNP numbers. Please review the wording in this Objective to clarify what the benchmark numbers will be.

Page 9 **Goals, etc.**

Policy H 8.1.3 The paragraph starting “All second units shall utilize Universal ...” perhaps should be labeled “d” or added to “a.”

Policy 8.1.5(a) If adequate sites are not already zoned for higher density multi-family residential, then the problem statement on page 7 needs to be re-written. Why limit the zoning evaluation only to industrial and commercial retail sites? Shouldn't something be said that insures no shortage or loss of industrial/commercial retail (i.e. we don't solve one problem by creating another?). What about notice to the affected property owner? How will they be treated? Shouldn't a “willing owner” provision be added?

Policy 8.1.5(b) Why mention “residential sites within the Sphere of Influence” if that density will not be counted towards the County's RHNP allocation?

Policy 8.1.5(c) This “permission” sounds reasonable until one reads the Implementing Program 8.1.4 which requires retail, office, and business park projects to pay an in lieu fee if the project doesn't provide residential development. This requirement should be in the policy section. This requirement needs further explanation to justify (nexus?) and criteria for determining which, or all, retail, office, or business park projects are subject to the fee. Small business will obviously have a hard time with this, and we doubt many in the business community are even aware of this new policy. We request no approval of this Implementation Program at this time and more public dialogue.

Policy 8.1.5(d) Need to specify “for 50 percent of the full time-equivalent employees.” This policy seems reasonable and flexible. Do the property owners/developers of these sites know about this change?

Page 10 **Goals, etc.**

Policy 8.1.6 Last sentence, “Additional units created pursuant to this policy shall be maintained as affordable through long term deed restrictions.” From an editorial standpoint, this could almost be a separate subsection “a.” of 8.1.6, since this last sentence relates to a restriction whereas the rest of 8.1.6 deals with bonuses, concessions, and incentives applicable to the County-wide affordable housing program.

However, clarification is requested on the deed restriction. The wording sounds like any density bonus (“Additional units”), whether part of the inclusionary rule 8.1.7 or created via other voluntary program, has a deed restriction.

It is possible that you could have a density bonus awarded in two different situations: 1) A residential project subject to the inclusionary rule will provide a certain % of long term affordable housing and could take advantage of a density bonus, or 2) a residential project not subject to the inclusionary rule could also provide long term affordable housing – and would want to take advantage of a density bonus.

Please reword this sentence if it is not the County’s intent to impose a deed restriction on the density bonus units (“Additional units”).

If it is the County’s intent to require a long term deed restriction on any density bonus units, we strongly object. *Such a requirement would be a disincentive!* Why build the low income units in the first place? It was our understanding that the density bonus is a separate or supplemental aspect of an affordable residential project and more importantly, a reward – a way to recoup the cost of providing the low income units that prompted the bonus. Being prohibited from selling/renting the density bonus units at a market rate seems counterproductive and we would oppose that. Maybe we misunderstand the text here. Please clarify.

Why aren’t “fee waivers” (Policy 8.1.7) included in the listing of “concessions” or “incentives” in Policy 8.1.6? Policy 8.1.6 is the place where all these should be listed? And other Policies don’t need to repeat 8.1.6, but just refer to it as the “master” policy for incentives and bonuses?

Policy 8.1.7 We do not support OPTION A. OPTION A proposes a dramatic change from the existing policy, in that all applications in all GP Land Use designations would have to comply. Also, it lowers the trigger number of units (from 20 to 10), increases the % of units that must be provided (from 10% to 20+%), not to mention the preceding concern that units granted as a density bonus must have a permanent deed restriction for affordability. Additionally, Option A requires all smaller projects (less than 10 units) to pay an in lieu fee. Smaller projects should not have to pay an in lieu fee for affordable housing. This will hit the little guy more dramatically than the large builder/developer. A builder would probably pass this on, so the cost of a new house would increase to cover this in lieu fee. Once again, isn’t this counterproductive to the overall goal? Please reject this option.

Page 11 Goals, etc.

Policy 8.1.7 OPTION B is better than A because it excludes smaller projects (less than 10 residential units) and also allows the payment of an in-lieu fee for larger projects. *But OPTION B has some drawbacks.* It also proposes a dramatic change from

the existing policy, in that applications of 10 or more units in all GP Land Use designations would have to comply, the trigger still increases, the % required as very low or low income housing also goes up from the existing policy, and units granted as a density bonus must have a permanent deed restriction for affordability. Please reject this option.

The amount of the “in-lieu fee” and its use has generated a lot of discussion. No decision on this fee should be made without more thorough examination. Does that require the hiring of “an economist/fiscal expert” as stated in Implementation Program 8.6.2 for this policy? Why can’t the County do this in-house as a cost saving measure??? In-lieu fees have a place and provide flexibility – we are not automatically opposed to them as an option when on site housing or other off site mitigation is not possible. The concern is the amount the fee would be – how does that get determined? The corollary to that is how the money would be used (i.e. the Trust Fund). Again, a more thorough discussion needs to occur before we can give our full support for such an option to be added to the inclusionary policy.

The “30 years or more” deed restriction on the inclusionary units seems like a major change with little to show – only 55 units over the course of the 2001-2008 planning period (see Implementation Program H 8.1.6 page 22).

Do inclusionary rules raise the cost of existing housing??? We have had several lively debates about this question. **We request an economic analysis of the impact these new rules would have on new AND existing housing costs.** Is this an effective way to deal with the shortage? We think there are better ways to try.

The whole section mixes together the requirements of the inclusionary program with the incentives. It is a little confusing to have regulation mixed in with incentive information and maybe some separation could be made between them, for ease of reading and understanding.

The current GP Housing Element includes a statement that we feel has importance: "The County shall offer a voluntary density bonus equal to the number of inclusionary parcels-units created, as well as other incentives as provided in this chapter to ensure that these projects are economically feasible." (emphasis added) (GP, Housing Policy 8.4.g) The regard for economic feasibility should not be forgotten or lost in the shuffle. The preface to Policy 8.1.7 OPTION B mentions the incentives “offsetting” the costs, and we want to be sure that the intent is retained in the Housing Element Update. Why can’t the existing language be placed into the new language?

We support a continuation of the existing General Plan inclusionary policy with a substantial new emphasis on incentives/bonuses, increased density of some sites (but may not mean net increase in population – i.e. a transfer), and extending infrastructure and services. That means a real action plan, a commitment and strategy to get affordable housing on the ground.

We would support some policy language that would encourage the provision of affordable units as part of a smaller residential project (less than 10 units) via incentives, fee waivers, etc. See our comments on Policy 8.4.4

Page 12 Goals, etc.

Policy 8.1.8 We support the language change regarding an affordable housing allocation for sewer system expansion. Where will the sewer facilities be located? What areas will be serviced? How does that correlate to UMD and UHD lands? This is a proactive and needed step, although complicated. We think this should be a cooperative effort – maybe entailing a JPA with the cities to service the SOI and provide sewer facilities. Public land should be looked at as part of this policy.

Policy 8.2.3 This policy is better understood by looking at Implementation Program 8.2.1 (page 25), although some questions come up. We do not understand why the general heading for Implementation Program 8.2.1 says “establish a minimum density in UHD and UMD” when the existing 1995 General Plan appears to establish a minimum density for UMD and UHD with existing policy 8.19. Any action here would be an amended minimum density. Maybe the general heading could just say “Evaluate the minimum and maximum densities for the UMD and UHD land use designations and amend where appropriate.”

The “action” portion of IP 8.2.1 describes an “evaluation” to occur at the next review of the GP (initiate by 2008). We support the “evaluation” of density changes with the imperative that the affected property owners and their neighbors are informed in advance and can fully participate in the evaluation. Density changes are not innocent actions, usually raising “neighborhood compatibility” questions as well as environmental questions. We do agree that it is better to try and increase density on already high density sites than trying to find new sites.

The “objective” portion of IP 8.2.1 states that the increase in UMD density will produce “100 units within existing UMD lands.” Why isn’t an estimate for UHD also included? For purposes of this Housing Element Update, however, initiated action by 2008 probably does not apply since it is at the end of the Housing Element planning period? And why

wait if the density increase does not mean population increase over the 150,000 cap???? Please clarify the intent and action to be undertaken by the County within this 2001-2008 planning period.

Policy 8.2.4 It may be helpful to add a note that this policy is in place “to keep the overall number of housing units consistent with the amount set forth in the general plan’s housing element.” (CA Assembly Committee Analysis for AB 1192, July 2003, describing AB 2292, which passed in 2002). Please add words to indicate that the concurrent search and processing of an alternative site also applies to the County as the approval authority. If the County proposes/requires less density on a parcel, then the County must find the alternative site, or take other action to make up the loss. The slogan borrowed from AB 2292, the Dutra legislation on density, helps illustrate the point: “no net loss.” Has County Counsel reviewed this to make sure it complies with AB 2292??? Is there broad public awareness of this new policy? We think not. Please consider some effective way to inform the community groups most affected by this (environmental groups, developers/owners, housing advocates, etc.).

Page 14 Goals, etc.

Policy 8.4.4 Partial Fee waiver for 5+ affordable units is a great start, but more can be done to encourage the provision of smaller projects that do not fit the proposed “inclusionary” rule of 8.1.7 (where trigger is 10 parcels/units or more)?? This policy only applies where all five or more of the units are VL or L. Where is the language pertaining to 5+ units where half of the units might be affordable by the developer’s own initiative????? Don’t we want to encourage that? And corresponding Implementation Program 8.4.8 says the “50%” fee waiver should be expanded to cover “senior” housing (even if it isn’t VL or L???). Why isn’t “senior” housing included in the 8.4.4 Policy language?

Policy 8.4.7 We read this as a “function,” not a new position.

Page 15 Goals, etc.

Policy 8.5.2 Is missing? The July 2003 draft said the County would be responsible for “construction?” We have a problem with that (is “construction” of affordable housing really the County’s role, and would it require another staff person for that job??).

Page 17 Goals, etc.

Policy 8.7.5 There does not appear to be a corresponding Implementation Program for this policy. What is the expected outcome of this policy? Will it affect many owners or just a handful over the course of the planning period? What increase in renovation cost is incurred to “retrofit 10% of the units” for UDS? Are incentives available to reimburse for the added costs? Who will be the enforcing agent?

Pages 18-19 Goals, etc.

Policies 8.10.1, 4, and 5 These three seem to deal with regulatory mechanisms (ordinance, threshold, standards). Policies 8.10.2 and 6 deal with non-regulatory mechanisms (encouragement or incentives). Policy 8.10.3 supports continued participation in non-regulatory programs. Perhaps some of the duplication can be eliminated? Grass Valley’s Housing Element has some language that may be useful? Also, Implementation Program 8.10.1 (page 38) states the “action” will be to retain an energy consultant “to develop both passive and active energy efficient design standards.” The expected outcome is that “Energy development standards” will be added to the subdivision and zoning ordinances. Information and incentives are fine and worthy of discussion and promotion – but new regulations, new mandates? At what cost, and with what measurable benefit? We cannot support the Implementation Program as written. We request more public discussion of the “intent” and means to achieve the intent.

Page 24 Implementation Programs - Miscellaneous

IP 8.1.9 This has no corresponding Policy number, only generic Objective 8.1. We are opposed to the forced construction of second units as suggested, especially when it is in addition to the inclusionary mandate and UDS mandate. It is also troubling that this additional “mandate” has no quantified objective (how many residential units would be realized, and how many of those would be affordable?). Please delete this as a mandate. It is already an option, isn’t it?

IP 8.1.10 This listing of incentives is supposed to correspond to Policy 8.1.6 (bonuses and incentives “master” section – my words). Why does this only say “multiple family” developments? Doesn’t Policy 8.1.6 apply to both single and multi-family housing? Couldn’t any of IP 8.1.10 “standards” be offered as incentives for a residential project providing inclusionary affordable single family rental or ownership units too? Is this the best or only way to encourage multi-family housing (by giving it incentives not available for single family housing)??? Again, more public discussion can be helpful to determine the County’s intent and means to achieve the intent.

COMPARISON - INCLUSIONARY HOUSING POLICY

Feature	Existing GP 8.4.g	Proposed GP 8.1.7 “A”	Option “B”
LU Designation	All subdivisions in UHD, UMD, USF	All land use applications	All land use applications
Trigger #	20+ parcels/units	10+ parcels/units	10+ parcels/units
% of Inclusionary	10% Very Low to Median	20+% VL to L	20+% VL to L
Incl. Onsite or Offsite	Either is OK	Either is OK See DB and in lieu fee	Either is OK See DB and in lieu fee
1:1 Bonus to Incl. Unit	YES	NO	NO
Other bonuses/incentives	YES – per other sections	YES – fee waivers	YES – fee waivers
Need for Econ. Feasibility	YES	NO	YES - relies on Incentives
25% Density Bonus (DB)	YES	YES <u>only if</u> incl. onsite	YES <u>only if</u> incl. onsite
30+ Year Deed Restriction to Maintain Aff/Inclusionary Units	NO – Time not explicitly stated, “units shall be made available only to...”	YES – also for DB units	YES – also for DB units
In-Lieu Fee for Less than Trigger #	NO	YES	NO
In-Lieu Fee for Offsite Inclusionary Units	NO	YES	MAYBE

