



Legislation Details (With Text)

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On agenda: 8/22/2023 **Final action:**
Title: 1:45 P.M. Housing Element Update, General Plan Amendments, Ordinances Amending Zoning Code and Rezoning Parcels, and Final Environmental Impact Report
Sponsors: Permit and Resource Management

Indexes:

Attachments: 1. Summary Report.pdf, 2. Ex 1 Board Resolution CEQA, 3. REVISED Ex 1 Board Resolution CEQA.pdf, 4. Ex 1a Final Environmental Impact Report (Final EIR).pdf, 5. Ex 1b Mitigation Monitoring and Reporting Program.pdf, 6. Ex 1c-d Findings and SOC.pdf, 7. Ex 2 Board Resolution Amending The Sonoma County General Plan To Repeal The 2015-2023 Housing Element, Adopt the 2023-2031 Housing Element, And Amend the General Plan Land Use Map To Implement the Housing Element, 8. Ex 2a Sonoma County Housing Element-BOS Adoption Draft (8/2023), 9. Ex 2b Appendices for Housing Element with Errata Sheet-BOS Adoption Draft (8/2023), 10. Ex 2c Technical Background Reports for Housing Element-BOS Adoption Draft (8/2023), 11. Ex 2d General Plan Land Use Table, 12. REVISED Ex 2d General Plan Land Use Table.pdf, 13. Ex 2e HCD March 30, 2023 Comment Letter and County's Response Table, 14. Ex 2f GP Consistency Table.pdf, 15. Ex 3 Ordinance amending Sonoma County Zoning Code Text, 16. Ex 4 Ordinance Amending Zoning Database.pdf, 17. REVISED Ex 4 Ordinance Amending Zoning Database, 18. Ex 5 Planning Commission Resolution.pdf, 19. Ex 5a Planning Commission Resolution with attachments.pdf, 20. Ex 6 Planning Commission hearing materials links, 21. Ex 7 Final Environmental Impact Report (Final EIR).pdf, 22. Ex 7a Appendix A to Final EIR.pdf, 23. Ex 8 Draft Environmental Impact Report.pdf, 24. Ex 8a Draft EIR Appendices.pdf, 25. Ex 9 Notice of Preparation.pdf, 26. Ex 10 Notice of Availability.pdf, 27. Ex 11 Draft Findings and Statement of Overriding Consideration, 28. Ex 12 Mitigation Monitoring and Reporting Program, 29. Ex 13 HCD Review Letter and Response Table.pdf, 30. Ex 14 Housing Action Plan Programs Table.pdf, 31. Ex 15 Site List and Maps.pdf, 32. REVISED Ex 15 Site List and Maps.pdf, 33. Ex 16 Racial Equity Toolkit Analysis.pdf, 34. Ex 17 Public Comments November 2022 through February 2023.pdf, 35. Ex 18 Public Comments March 2023 through August 2023.pdf, 36. Ex 19 Staff PowerPoint.pdf

Date	Ver.	Action By	Action	Result
8/22/2023	1	Board of Supervisors	Approved as amended	Pass

To: Sonoma County Board of Supervisors
Department or Agency Name(s): Permit Sonoma
Staff Name and Phone Number: Eric Gage, Planner III (707) 565-1391
Vote Requirement: Majority
Supervisory District(s): Countywide

Title:
1:45 P.M. Housing Element Update, General Plan Amendments, Ordinances Amending Zoning Code and Rezoning Parcels, and Final Environmental Impact Report

Recommended Action:
A) Conduct a public hearing to consider Policy Options and hear public comment regarding the Housing Element Update; and

- B) Adopt a Resolution Certifying the Final Environmental Impact Report for the Sonoma County Housing Element Update; and Adopting Findings and a Statement of Overriding Considerations, Mitigation Measures, and a Mitigation Monitoring and Reporting Program; and
- C) Adopt a Resolution Amending the Sonoma County General Plan To Repeal the 2015-2023 Housing Element; and adopt the 2023-2031 Housing Element, And Amend the General Plan Land Use Map To Implement the Housing Element, as recommended by the Planning Commission, to change land use designations for parcels shown in Appendix D of the Adoption Draft Housing Element; and
- D) Adopt an Ordinance as recommended by Planning Commission to amend Sonoma County Code Chapter 26 (Zoning) to reinstate uses eliminated due to codification errors and to repeal certain provisions that directly conflict with State housing laws; and
- E) Adopt an Ordinance as recommended by Planning Commission ordinance to amend the Official Zoning Database to rezone specified parcels, as shown in Appendix D of the Adoption Draft Housing Element.

Executive Summary:

State law requires the County to adopt and maintain its Housing Element as one of the seven mandated elements of the general plan and that it must be updated on a set schedule. On September 23, 2008 the Board adopted the current General Plan (commonly referred to as GP2020) and adopted the current 5th Cycle Housing Element on December 2, 2014. This update process, known as the “6th Cycle Update” is an opportunity for the County to examine all the policies, market conditions, and other forces that contribute to there being enough homes for everyone in the community, regardless of income.

The proposed 6th Cycle Housing Element must include an assessment of the County’s success in implementing its 5th Cycle Housing Element. The policies and programs that were implemented successfully in the previous cycle will be carried over into the next cycle. Such policies include encouraging infill projects within Urban Service Areas and prioritizing county funds for non-profits constructing affordable housing.

The proposed update includes a total of 32 implementation programs with numerous subprograms. Fourteen programs over from the 5th Cycle Housing Element, such as programs to preserve existing affordable units at risk of reverting to market rate rentals, and providing information on tenant rights assistance. To address the housing issues and barriers identified through public outreach and demographic analysis, there are 19 new programs in the housing element including:

- Incentivizing ADU and JADU development with additional allowances;
- Reviewing and updating the Zoning Code for compliance with new state laws;
- Implementing displacement avoidance policies;
- Streamlining permitting procedures;
- Participation in countywide bond financing program for affordable housing.

The Planning Commission voted 5-0 to recommend approval of the 2023-2031 Housing Element with modifications to programs and sites. Following a public hearing on the Draft Housing Element and Environmental Impact Report (EIR), staff request that the Board consider the EIR and approve the 2023-2031 Draft Housing Element for transmittal to the State Department of Housing and Community Development for compliance review and certification. Any non-substantive revisions to the Draft Housing Element requested by the State will be made by the Director of Permit Sonoma; substantive changes that require Board approval will be returned to the Board for consideration prior to final adoption before the end of 2023.

Discussion:

The Housing Element Board Summary report is divided into the following sections:

- [Housing Element Components](#). Overview of the Housing Element document including regulatory requirements, Policies and Programs, and Site Inventory.
- [HCD Comments on Revised Draft Housing Element](#). In response to HCD comments, the County provided detail on constraints to housing, housing programs, and other topics.
- [Environmental Review](#). Summary of the publication history of the Environmental Impact Report and the significant impacts analyzed in the document.
- [General Plan Consistency](#). Summary of the consistency analysis and the amendments necessary to achieve consistency with the General Plan.
- [Chapter 26 Text Amendments](#). A limited set of amendments to correct errors and repeal obsolete provisions.
- [Planning Commission Recommendation](#). Changes proposed by Commissioners at the hearings of July 13 and July 20.
- [Staff Recommendation](#). The staff recommendation incorporates the Planning Commission recommendation regarding sites, and that the Board certify the EIR, adopt the Housing Element, and enact ordinances amending the General Plan and Zoning Code.
- [Racial Equity Analysis](#). Summary of racial equity considerations in the Housing Element outreach and policy development process.
- [Fiscal Summary](#). Staffing and funding considerations for Housing Element program implementation.

HOUSING ELEMENT COMPONENTS

The 2023 Draft Housing Element addresses the 6 components of a Housing Element pursuant to Government Code Section 65583 - 1) Housing Needs Assessment (including Affirmatively Furthering Fair Housing analysis), 2) Evaluation of Past Performance, 3) Housing Sites Inventory, 4) Community Engagement, 5) Constraints Analysis, and 6) Policies and Programs.

The required components are incorporated into the following 4 sections.

Section 1 introduces the overall Housing Element update effort, a summary of key findings, and a review of the effectiveness of the 2014 Housing Element and the County's progress in its implementation.

Section 2 sets forth the County's Housing Goals, Objectives, Policies and Action Programs. The County's Quantified Objectives (an estimate of the number of units by income level to be constructed, rehabilitated, and conserved over the planning period) are also included in Section 2.

Section 3 presents the housing site inventory, including a discussion of the availability of services, and compares this inventory to the County's projected housing needs.

Section 4 includes the Technical Background Report, provided as a separate document, contains statutorily required data such as an assessment of housing needs & programs, an analysis of nongovernmental and governmental constraints to affordable housing provision, a discussion of special needs populations, and the Assessment of Fair Housing. Four appendices with additional information on outreach, housing needs, and housing sites are also included in the report.

Penalties for Non-Compliance

In the 6th Cycle, jurisdictions face new consequences for not having a certified Housing Element. Non-compliance with Housing Element laws may result in HCD enforcement action and litigation brought by the Attorney General or by private parties. Additionally, the State may impose significant fines, eliminate local permitting authority, and render the County eligible for State grant funding, among other penalties. Conversely an HCD-certified housing element makes the County eligible for, numerous sources of State funding, such as Local Housing Allocations, Affordable Housing and Sustainable Communities Grants, SB 1 Planning

Grants, CalHOME Program Grants, Infill Infrastructure Grants, Pro-Housing Designation funding, Local Housing Trust Funds and Regional Transportation Funds (such as MTC’s One Bay Area Grants).

Immediately after missing the January 31, 2023 State due date for a certified Housing Element, the County became subject to the so-called “Builder’s Remedy,” under which a project proponent proposes a qualifying small number of units affordable to lower-income households gains an exemption from the requirement to comply with the General Plan and zoning. As of June 2023, the County has received six “Builder’s Remedy” applications.

Regional Housing Need (RHNA)

State law requires that the Housing Element demonstrate the County’s ability to meet its Regional Housing Needs Allocation (RHNA). Each jurisdiction’s RHNA is set through a process that is meant to identify and address housing needs for the projected state population and household growth, to improve the jobs to housing balance in communities, and to ensure the availability of housing affordable to all income groups. For the 2023-2031 Housing Element Update period, the County of Sonoma overall (county and cities) has a combined RHNA of 14,562 units. The unincorporated County’s assigned share of that RHNA was initially 3,881 units, which represents an increase of about seven times the final 5th Cycle RHNA of 515 units. The current population of unincorporated Sonoma County is 138,460 people. The County unsuccessfully appealed the ABAG allocation in 2021.

County staff completed an agreement with the City of Cloverdale to transfer 57 of the County’s 3,881 units, bringing the County’s assigned RHNA share to 3,824 units, and ABAG approved the transfer in late 2022.

Table 3 below illustrates how the County’s regional housing need is allocated across income levels.

Table 3: Unincorporated Sonoma County Regional Housing Needs Allocation, 2023 - 2031

Income Level	Very Low < 50% AMI*	Low < 80% AMI	Moderate < 120% AMI	Above Moderate > 120% AMI	Total
RHNA (units)	1,036**	596	627	1,622	3,824

*AMI = Area Median Income

**Government Code (GC) Section 65583(a)(1) further divides the very low-income category into extremely low and very low categories with 50% in each category. Sonoma County’s extremely low-income unit allocation will be 518 units.

Public Participation and Public Comment

State law requires the County to make a diligent effort to achieve public participation of all economic segments of the community. Preparation of the County’s 2023-2031 Housing Element began in earnest in December 2021 and benefitted greatly from substantial community input. The County conducted an extensive public participation campaign to inform its Housing Element, including four meetings with a Housing Advisory Committee representing people across the spectrum of housing provision including people with a lived experience of homelessness, non-profit and market-rate housing developers, renters, low income housing advocates, farmworkers, service providers, environmental groups, and small scale farmers, eight focus group meetings with equity priority communities conducted in conjunction with community-based organizations, three online public surveys with a total of 6,470 responses, two public workshops, four public meetings at the Planning Commission, three public meetings in supervisorial districts and municipal advisory committees, and one public meeting at the Board of Supervisors.

The Housing Element Update project and the Final EIR have also been informed by substantial public comments submitted on the Public Review Draft Housing Element and on the Draft EIR. The numerous written and verbal comments received by the County during preparation of the Housing Element and on the Public Review Draft are summarized in the Adoption Draft Housing Element Appendices; see Appendix A, Tables 5

and 6. In addition, the County received 271 written comments on the Draft EIR, and additional verbal comments were received during the Planning Commission's February 2, 2023 public hearing to accept comments on the Draft EIR. Responses to all written and verbal comments received on the Draft EIR are provided in Sections 2,3, and 4 of the Final EIR, and copies of written comments submitted are provided in Appendix A to the Final EIR (Exhibit 7a).

Affirmatively Furthering Fair Housing (AFFH)

Assembly Bill 686 (AB 686), passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing (AFFH). Under AB 686, affirmatively furthering fair housing means to take "meaningful actions, in addition to combating discrimination, which overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics." Federal law mandates a similar requirement under the implementing regulations of the 1968 Fair Housing Act. There are four main AFFH goals.:

- Address significant disparities in housing needs and in access to opportunity;
- Replace segregated living patterns with truly integrated and balanced living patterns;
- Transform racially and ethnically concentrated areas of poverty into areas of opportunity; and
- Foster and maintain compliance with civil rights and fair housing laws.

Consistent with these goals, under AB 686 HCD examines how Housing Inventory sites zoned at densities for low-income housing are integrated throughout the community. As the County contains low-, moderate-, high- and highest-resource areas (as designated by the State's Opportunity Area maps), it is important to ensure housing sites are not concentrated in low resource areas. See further discussion under Sites Considerations, following.

Fair Housing Assessment

As part of the requirement to affirmatively further fair housing (AFFH), State Housing Element law now requires the County to prepare an Assessment of Fair Housing (AFH), identify factors that contribute to local fair housing issues, and include programs to address these findings as they relate to housing. The AFH prepared for the County identified the contributing factors listed below as obstacles to affirmatively furthering fair housing. The 2023-2031 Housing Element includes 20 programs and subprograms that address these contributing factors:

- Displacement of residents due to economic pressures (Programs 5, 5b, 5c, 5d, 7);
- Lack of affordable, accessible housing, in a range of unit sizes (Programs 12, 15d, 15e, 15h, 18, 25f, 25g);
- Lack of public investments in specific neighborhoods (Programs 5c, 31);
- Lack of regional cooperation (Programs 6, 20, 25d, 27);
- Lack of affected populations on boards and committees (Program 31);
- Lack of funding for local fair housing outreach and enforcement (Programs 1d, 29, 32, 32a);
- Community opposition (15e, 15h, 32d).

The County must report annually to HCD regarding implementation progress of these Housing Element programs.

Community Meetings and Outreach

The public outreach efforts for the Housing Element Update commenced in December 2021, with a focus on gathering input from historically marginalized and disadvantaged communities. Community feedback was collected through meetings with the Housing Advisory Committee (HAC), focus groups representing special needs populations, and community surveys. The HAC, comprising non-profit service providers, developers, renters, and experts, convened four times between December 2021 and May 2022 to discuss housing needs and challenges, contributing to the formulation of policies and programs for the 2023-2031 Housing Element.

Equity priority populations were engaged through eight focus group meetings with community-based organizations between January and March 2022, allowing residents to define housing issues and develop solutions to meet state law requirements and community needs. These focus groups were conducted in partnership with trusted local community-based organizations.

To identify community priorities and preferences, Permit Sonoma conducted three online surveys from January to July 2022, gathering 6,470 individual responses. The County promoted the surveys through social media, targeted ads to engage Spanish-

speaking residents, email notifications, and partnerships with non-profit organizations. Additionally, four public workshops on the Housing Element, including two at the Planning Commission, were held from February to April 2022. In June 2022, the notice of preparation for the Housing Element Program Environmental Impact Report (EIR) was published, and an EIR scoping meeting took place on June 28, 2022. A report detailing the public outreach and how public input influenced the Housing Element was included as Appendix A.

After data collection, outreach, and noticing were completed, the development of the draft Housing Element and Draft EIR commenced. The public review draft Housing Element was published on October 3, 2022, and shared for public comment. Based on received comments, the County made various changes to policies, programs, background discussions, organization, and readability. The Initial Draft Housing Element was submitted to the California Department of Housing and Community Development (HCD) on December 30, 2022.

Identified Housing Issues, Needs and Trends

One of the many requirements for the Housing Element is the collection of data to help determine housing needs. This effort includes quantification of residents overpaying for housing, overcrowded units, the costs of developing housing, and demographic information and trends. The bulk of the required housing and demographic data was provided by the Association of Bay Area Governments (ABAG) and is contained in Appendix B of the Housing Element. To ensure that the County's Housing Element is more than a set of policies to meet statutory requirements for review and approval by HCD, staff and consultants also collected local data in real time. Efforts to collect community input that supplements the data on housing needs was robust as described above. The analysis of demographic data and the extensive public outreach identified the following housing trends and issues.

Senior Housing. Sonoma County's population is rapidly aging, and additional housing units for seniors will be needed over the next 8-year planning period.

Farmworker Housing. Over the last decade, the number of permanent farmworkers in the County has increased, while the number of seasonal farmworkers has decreased. Farmworkers prefer housing located off-site because if the housing is tied to the job and they lose the job, they have also lost their housing.

Extremely Low-Income Households. 11% of unincorporated Sonoma County households are considered extremely low income, earning 30% or less of the area median income (AMI). Because the County does not have sufficient housing units to meet this need, programs are needed to increase the number of units affordable to extremely low-income households.

Young Families and First Time Homebuyers. Over the last two decades, there has been a decrease in all population groups under age 55. Most younger residents are renters: 69% of those ages 25-34, and 59% of those ages 35-44. This data along with community input indicates that there is a lack of opportunities for young families and first-time homebuyers.

In addition to these issues and needs, the following common concerns have been identified through analysis of public input:

- Affordability, including high housing prices, high rents, sizable proportion of the population overpaying rent;
- Conversion of housing to non-residential use (i.e. vacation rentals);
- Lack of suitable land for housing (sewer availability, wildfire prone areas, evacuation access);
- Natural disasters, including wildfires and flooding;
- Community opposition to affordable and high-density housing;
- Fair housing issues, including discrimination against people trying to use housing vouchers;

Policies and Programs

As required by statute, the Housing Element includes an assessment of the County's success in implementing its 5th Cycle Housing Element. The policies and programs that were implemented successfully in the previous cycle will be carried over into the next cycle. Such policies include encouraging infill projects within Urban Service Areas and prioritizing county funds for non-profits constructing affordable housing.

The proposed update includes a total of 32 implementation programs with numerous subprograms. There are 14 programs that are carried over from the 5th Cycle Housing Element, such as programs to preserve existing affordable units at risk of reverting to market rate rentals, and providing information on tenant rights assistance. To address the housing issues and barriers identified

through public outreach and demographic analysis, there are 19 new programs in the housing element including:

- Incentivizing ADU and JADU development with additional incentives
- Reviewing and updating the Zoning Code for compliance with new state laws
- Implementing displacement avoidance policies
- Streamlining permitting procedures
- Participation in countywide bond financing program for affordable housing

As in prior housing element cycles, programs in the Housing Element include deadlines to complete before the end of the 8-year housing element cycle, although State law has added new timing requirements and further reporting obligations that apply during each cycle. These include ongoing compliance with annual reporting obligations. This timeframe was a critical factor for whether a program was included in the Housing Element, and programs that could not be implemented within eight years could not be incorporated. Other housing initiatives that could exceed the 8-year implementation timeline, such as just cause eviction measures, could still be carried out even if not included in the Housing Element programs. The Housing Element document contains the full text of the 32 programs in the Housing Action Plan, and a tabulated list of programs is included as Exhibit 14.

Site Inventory

To meet the County's RHNA obligation, the updated Housing Element Site Inventory includes 31 rezoning sites (Exhibit 2b; Appendix D). A Board of Supervisors action adopting amendments to General Plan land use designations and zoning districts for identified sites only results in reclassification of the sites. The County does not finance or physically develop private housing projects. Any existing legal uses on a rezoned site that would otherwise be prohibited by the new zoning designation would be retained as legal non-conforming uses.

Additional parcels already zoned for housing were included in the Site Inventory without need for rezoning. (Exhibit 2b; Appendix D, Table 20)

HCD also allows jurisdictions to count projects that are pending or in process towards satisfying their RHNA. Sonoma County's pending and "pipeline" projects are identified in Exhibit 2b; Appendix D, Table 15.

Program 4 of the Adoption Draft Housing Element identifies additional actions the County will take to meet its RHNA obligation, including:

- Development of up to 200 housing units on a portion of the existing County Administrative Center campus in the City of Santa Rosa. City land use and zoning regulations would not apply. The County would retain ownership of the land and approval authority for entitlements and permitting pursuant to its sovereign immunity under Government Code §§ 53090-53091. To ensure compliance with No Net Loss laws and maintain adequate sites to meet the County's RHNA, the County will be required to identify and rezone backup sites for housing if it does not make timely progress toward development of housing on the County campus.
- Rezoning and redesignating the General Plan land use of identified parcels in an unincorporated island in the City of Santa Rosa, located at Guerneville Road and Lance Drive, to match the City's existing adopted land use and pre-zoning under its adopted North Station Area Specific Plan, which was adopted in 2012 based on a certified EIR that was prepared to study that project. The County would require future development of these sites to meet the City's applicable objective standards.

What does it mean to include a site in the Housing Element Sites Inventory?

Listing a site in the Sites Inventory means that the site has appropriate zoning to accommodate higher-density housing. It does not mean that the site will be developed with housing. It does not mean that the County is taking over control of the site, or that the County is requiring that high-density housing be built there. The property owner retains full control over the site and what happens to it; no development can occur without the written permission of the owner. If the property owner wishes to retain the listed site just as it is, they may do so without penalty.

If the owner does wish to develop an Inventory Site with housing, then certain rules would apply:

- If a housing development is proposed on the site, it must meet the minimum density provided by the zoning. This is an existing requirement for all urban residential sites within the unincorporated County, including a site in Inventory does not change this requirement.

- If the proposed housing development is approved with fewer units or less affordability than listed for the site in the Sites Inventory, the County may need to identify and/or rezone additional sites to make sure the County always has adequate sites to meet its remaining RHNA (this is called the “No Net Loss” rule).
- If a housing development application is submitted on an Inventory site, and the housing project both contains at least 20% affordable units and meets the County’s adopted, objective design criteria and development standards, in most cases State law requires that the project must be approved.

Statutory Considerations for Sites to be Included in the Housing Element Inventory

Before a housing site can be included in the Housing Element’s Sites Inventory, it must be evaluated to verify whether site development is possible and if the assumed number of units is feasible. HCD has published a 44-page guidance memo on establishing site inventories, which is available here: [HCD Sites Inventory Memo 06-10-2020.pdf](https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf)

https://www.hcd.ca.gov/community-development/housing-element/docs/sites_inventory_memo_final06102020.pdf. (Note that this memo was published in July 2020, and subsequently enacted state laws have modified some requirements.)

Under state law, sites identified to meet the County’s lower-income RHNA must:

- Be at least 0.5 acres, with realistic capacity for at least 16 units;
- Be not more than 10 acres, unless a program is included to facilitate development on larger sites;
- Have water, sewer, and dry utilities available or planned (e.g., located within Urban Service Areas where services are available or planned to be available);
- Be zoned at the County’s “default density” of 20 units per acre, or higher;
- Be capable of being developed and occupied prior to the end of the planning period (January 2031); and
- Have a capacity to realistically be developed within the planning period, taking into consideration the age and condition of any existing structures, improvement-to-land ratios, existing uses vs. zoning/potential for redevelopment; and interest expressed by developers. Additional criteria apply to sites that have previously been listed in a previous Sites Inventory but which have not yet been developed.

Note that while the County may choose to consider it, property owner consent is not a statutory requirement to rezone a site or to include a site in the County’s Housing Element Sites Inventory. Rezoning a site is not a taking simply because the new zoning results in existing uses becoming legal non-conforming uses.

Other staff considerations for including sites as Recommended Rezone Sites in the Sites Inventory

Staff and consultants also considered the following local factors in evaluating sites to be included in the recommended Sites Inventory:

- Emergency Access and Fire Safety
 - Avoid adding significant new populations in Very High Fire Hazard Severity Zones (VHFHSZ);
 - Two points of access are available to the site;
 - Road widths either meet fire safe standards or can be realistically improved to meet applicable Fire Safe standards.
- Environmental Constraints, Including Flooding. These constraints are considered in the Draft EIR and addressed in responses to comments in the Final EIR. Additionally, the County performed a site-by-site analysis to assess constraints on individual sites and reduced the available acreage and realistic capacity assumptions on sites with constraints, such as flood zones and setbacks.
- Environmental Justice Considerations. Sites that may expose residents to negative or unhealthy conditions, such as those adjacent to potential pollution sources, have been excluded from the Sites Inventory in cases where the potential pollution source cannot be adequately separated from the potential housing. Where setbacks would need to be made, realistic development capacities have been reduced.

HCD COMMENTS ON REVISED DRAFT HOUSING ELEMENT AND COUNTY RESPONSES

County staff and consultants have worked with HCD staff throughout the Housing Element Update process to ensure that statutory requirements are met while also considering the County’s unique challenges and excellent track record in providing housing, especially affordable housing. State statute requires that HCD formally review and comment on the County’s Draft Housing Element before it can be considered for adoption by the Planning Commission and Board of Supervisors, and that the Commission and Board formally consider HCD’s comments prior to adoption.

As noted above, the County received HCD’s 90-day review letter on March 30, 2023. Comments from HCD generally focused around

three main areas: Housing Sites Inventory; Housing Programs; and Efforts to Affirmatively Further Fair Housing. A summary of the County's revisions and response to HCD comments, entitled *County Response to HCD Comments*, is attached as Exhibit 13. Below is an overview by topic area.

- **Review of 5th Cycle Housing Element Accomplishments:** HCD requested a summary of how housing for special needs populations were met. County Response: A summary was added.
- **Fair Housing:** HCD requested additional data and analysis related to fair housing, including more discussion on historic land use practices that may have led to racial or economic concentrations; more local data and knowledge; and information related to the homeless encampments and actions taken. County Response: Discussion was expanded in each of these areas to address the comments.
- **Special Needs:** HCD requested additional data and analysis for certain special needs populations including Extremely Low-Income (ELI) Households, Farmworkers and Homeless. County Response: The additional information and analysis was provided within the Technical Background Report to address these comments.
- **Land Inventory and Adequate Sites.** While HCD did not review individual sites, HCD had multiple comments on the County's analysis of its land inventory and its ability to demonstrate adequate sites with appropriate zoning to accommodate all of the County's housing needs, including special needs. HCD sought clarification and analysis about sites proposed for rezoning versus sites already zoned for housing, pipeline projects, the realistic capacity assumptions used, infrastructure, environmental and land use constraints, and the County's draft Housing Sites Inventory. County Response: This area has been the primary focus of the County's efforts since the Revised Draft Housing Element was submitted. Sites in the Public Review Draft Site Inventory were individually analyzed to determine if constraints existed, and available land area was reduced if constraints were found. Additional information was provided about the availability of water and sewer services and about the County's record in approving and building multifamily housing over the last 15 years. Realistic capacity assumptions were then revised based on the County's actual record of producing housing. Sites in a County "island" (entirely surrounded by the City of Santa Rosa) that previously received environmental review and rezoning by the City (Lance Drive) were added to the County's Site Inventory for future action after discussion with HCD. Finally, as discussed in the Sites Considerations section of this staff report, sites were ranked and balanced depending on many factors, including the availability of infrastructure, fire safety, and fair housing to produce staff's recommended Site Inventory (the "Recommended Sites Inventory") that reflects consideration of all applicable factors.
- **Governmental Constraints to Housing.** HCD requested more analysis of potential governmental constraints to housing, including height limits and guest parking requirements. County Response: Additional outreach was conducted and clarification and analysis were added. A program was added to reconsider guest parking requirements if it was determined, based on consultation with housing developers, to be a constraint.
- **Housing Programs.** HCD requested more specific commitments and targets within the proposed Housing Programs, including those for Accessory Dwelling Units and Special Needs. HCD also requested clarification of the connections between the County's Fair Housing Analysis, its contributing factors, and the Programs proposed to address them. County Response: Programs in Section 2 have been clarified and expanded to add specific commitments, timelines and place-based strategies. Cross references and connections between the analysis sections and the Programs were also added.

ENVIRONMENTAL REVIEW

Previous Related Actions

Rezoning Sites for Housing Project. Early preparation for the 2023-2031 Housing Element update began with the Rezoning Sites for Housing project in 2018. This project began with identification of all vacant, undeveloped, or underutilized parcels within Urban Service Areas that might be appropriate for housing, including those sites listed in a 2001 report of non-residential sites that should be considered for housing. After this initial identification of potential sites was completed, the County asked members of the public to identify sites for housing. Approximately 200 sites were nominated.

Following evaluation against the selection criteria, fifty-nine (59) potential sites were identified to accommodate up to 2,900 units of housing. Property owners of the 59 sites under consideration were initially notified in writing by mail in October of 2019.

A Final EIR was not prepared or certified for the Rezoning Sites for Housing project. While the Housing Element Update Project carried forward the same list of 59 sites proposed for rezoning, the Housing Element Update is a different project from the Rezoning Sites for Housing project and the EIR for the Housing Element Update is a new and different document.

2023-2031 Housing Element Environmental Impact Report

County staff, in consultation with the County's environmental consultant Rincon Consultants Inc., determined that a program-level Environmental Impact Report (EIR) was necessary to evaluate the environmental impacts of the 2023-2031 Housing element Project pursuant to State law (CEQA Guidelines Section 15168).

The Draft EIR was published, circulated and made available for public review, in compliance with CEQA, on December 28, 2022, for a 55-day review period. The Draft EIR studied the likely environmental consequences associated with development facilitated by the Housing Element Update project, including rezoning of up to 59 identified sites in designated Urban Service Areas to the state-required "default" density assigned to Sonoma County under state law, which is 20 units per acre. It found that project implementation could result in significant and unavoidable impacts related to aesthetics, cultural resources, greenhouse gas emissions, hazards, transportation, utilities, and wildfire. All other impacts were found to be less than significant, or reduced to less than significant after mitigation was incorporated.

The Final EIR was published on June 30, 2023. The County received 271 written comments on the Draft EIR; all are responded to in Section 3 of the Final EIR. In addition, the Planning Commission held a public hearing on February 2, 2023, to accept public comments on the Draft EIR prior to the close of the review period; responses to public comments received during that public hearing are included in Section 4 of the Final EIR. In response to these comments and to correct errors, the Final EIR makes amendments to the text of the Draft EIR, including modifications to mitigation measures. However, the comments, responses, and Draft EIR amendments presented in this document do not constitute "significant new information;" but instead, they clarify, amplify, or make insignificant modifications to the Draft EIR. Accordingly, recirculation of the Draft EIR is not required.

A Mitigation Monitoring and Reporting Program (MMRP) has been prepared that describes the procedures that will be used to implement the mitigation measures adopted in connection with the approval of the Proposed Plan and the methods of monitoring such actions and is included as Exhibit 1b.

In order for the Board to approve the project despite the project's significant and unavoidable impacts, the BOS will have to adopt a Statement of Overriding Considerations. Detailed discussion of these impacts and feasible mitigation can be found in the Draft EIR. When adopted by the Board of Supervisors, the CEQA Findings and Statement of Overriding Considerations will reflect the Board's balancing of competing public objectives (including environmental, legal, technical, social, and economic factors). The attached Draft CEQA Findings and Statement of Overriding Considerations is a draft that may be modified at any time prior to adoption by the Board of Supervisors.

GENERAL PLAN CONSISTENCY

The Housing Element Update project is primarily driven by State law, which mandates the adoption of a new Housing Element every eight years. Many aspects of the Housing Element, including the selection of sites for the Sites Inventory, are also guided by state regulations. During the evaluation of the project's conformity with the goals and objectives of the General Plan and affected Area Plans, it was found that the project is generally consistent with the purpose and intent. However, some inconsistencies were identified due to the age of the General Plan and the presence of site-specific or outdated policies within it. As a result, the Housing Element Update project conflicts with certain General Plan and Area Plan policies, including population and buildout projections. A detailed analysis of consistency issues is provided in Exhibit 2f, as well as in Table 4.11-3 of the Draft Environmental Impact Report (EIR) and throughout the Draft EIR, including the Final EIR.

- Exceed population and housing forecasts to remain consistent with RHNA for this cycle
- Policies pertaining to geographic areas
- Level of Service (LOS) impact analysis that is no longer required under CEQA

Amendments to the General Plan and Area Plan to achieve consistency are not proposed as part of the current action. State Housing Elements law anticipates that adoption of a Housing Element may create internal inconsistencies within the General Plan, and Government Code section 65583(c)(8) contemplates that the County may address inconsistencies following adoption of the Housing Element, as a planned implementation action with a timeline. Provisions of the General Plan and Area Plans that are inconsistent with the General Plan are identified in staff's analysis, and amendments to the County's General Plan and affected Area Plans that are necessary to maintain consistency are programmed to be drafted and brought forward for consideration by January 31, 2024.

CHAPTER 26 TEXT AMENDMENTS

The Housing Element Update project also includes a limited set of amendments to Sonoma County Code Chapter 26, the County's

Zoning Regulations. Prior to adoption of Ordinance 6334 in 2021, emergency shelters were a permitted use in the Public Facilities Zone, and mobile home parks were a conditionally permitted use in the R1 (Residential Low Density) zone. Those uses were inadvertently deleted as allowed uses in these districts by Ordinance 6334. As part of the Housing Element Update project, the proposed ordinance would amend Chapter 26 to restore emergency shelters as a permitted use in the Public Facilities zone and restore mobile home parks as a conditionally permitted use in the R1 zone.

In addition, the proposed ordinance would repeal outdated provisions of Article 02 detailing provisions of a Sonoma Valley residential growth management plan (Sec. 26-02-060) and a Sonoma County Area No. 6 growth management plan (Sec. 26-02-050). The proposed ordinance also amends Sec. 26-02-040 to repeal Sec. 26-02-040 (b) and (c), providing exemptions from permit limits under the Sonoma Valley and Area No. 6 growth management plans, and to amend subsection (a) to update the reference from “second dwelling unit” to “accessory dwelling unit.” The growth management plans were not carried forward when the 2008 General Plan Update was adopted but were never repealed from the Zoning Regulations. While they are no longer enforced, they directly conflict with State Housing Law and are legally unenforceable. Staff requests that you recommend Board of Supervisors approval of the draft ordinance.

PLANNING COMMISSION RECOMMENDATION

Prior to the Planning Commission hearing on July 13, 2023 staff conducted four meetings with a Housing Advisory Committee, eight focus group meetings, three online public surveys, two public workshops and other outreach efforts described above to inform Housing Element policy. The first drafts of the Housing Element and EIR were circulated for public comment in November 2022. Draft documents were revised based on public comment and HCD feedback. Updated drafts were prepared and published for consideration by the Planning Commission.

During their July 13, 2023 hearing the Planning Commission directed staff to further evaluate 20 of the sites in inventory and revise two programs and continued to the hearing to their July 20, 2023 meeting.

Staff returned to the Commission during their July 20, 2023 hearing with 6 sites that could be removed after careful evaluation of their contribution to several factors including housing affordability and location within areas with the highest and lowest resources; state law requires that more affordable housing be planned for in higher resource areas to provide the greatest opportunities for low-income children and adults for economic advancement, high educational attainment, and good physical and mental health.

The Commission directed staff to evaluate the impact to the inventory if GRA-4 was removed from inventory. Staff reviewed this change and offered that the Commission recommend rezoning of GRA-2 from the original staff recommendation to add the Workforce Housing overlay, to UR-20 which resulted in no loss of total units, including affordable units.

Below is a summary of changes incorporated into the July 20, 2023 recommendation to the Board:

Policies and Programs

- Program 4 updated to include the change of zoning and General Plan land use of the GRA-4 site
- Program 28 language revised to clarify Code Enforcement purview and priorities
- Program 31 language revised to include specific potential programs for further study

Site Inventory

- Sites Removed: AGU-1, GRA-4, PEN-1, PEN-9, SAN-2, SAN-10
- GRA-2 added to Program 4 to be rezoned to UR-20 prior to January 31, 2024

STAFF RECOMMENDATION

Staff has prepared the following Policy Options for the Board’s consideration. Following the Planning Commission Hearing on July 20, 2023, staff received a request from the property owner of GRA-5 (Address) to be included as a site to be rezoned (Exhibit 2b; Appendix D, Table 21). Upon review of this request staff developed Policy Option 2 to provide the Board with the option to rezone sites that are on the Planned, Approved, and Pending Projects list (Exhibit 2b; Appendix D, Table 15) that were studied in the EIR but that were not included in staff’s recommendation to the Planning Commission.

Policy Option 1: Adopt the Planning Commission’s July 20, 2023 Recommendation.

Policy Option 2: Amend the Planning Commission Recommendation to add the sites on the Planned, Approved, and Pending

Projects list that were studied in the EIR but were not included in Staff's recommendation to the Planning Commission to the Rezone Sites list (Exhibit 15). The Rezone Sites list would be amended to include:

- GRA-5
- LAR-2
- LAR-5

Policy Option 3: Direct staff to make additional changes to the Housing Element Site Inventory and Programs.

Staff recommends that the Board:

- Certify the Final Environmental Impact Report (FEIR) prepared for the Housing Element Update;
- Adopt a statement of overriding considerations and findings of fact pursuant to the California Environmental Quality Act;
- Adopt the Housing Element for the 6th Housing Element Cycle (2023-2031) and repeal of existing 2014 Housing Element (General Plan Amendment);
- Enact Amendments to the General Plan land use designations on up to 43 parcels (Amendments to General Plan Land Use Map);
- Enact an ordinance to:
 - Amend zoning on up to 55 sites to allow increased residential development;
 - Amend the text of Sonoma County Code Chapter 26 (Zoning Code) making limited technical corrections needed at adoption of the 6th Cycle Housing Element.

NEXT STEPS

Following Board of Supervisors adoption of the 2023-2031 Housing Element, it will again be transmitted to HCD for a full review of its compliance with all statutory requirements, including how the Sites Inventory meets the County's AFFH obligation. If HCD is able to determine by the end of its 60-day review period that all of its previous comments have been appropriately addressed and that all statutory requirements are now met, it will issue a letter stating so and the Housing Element will become certified.

STRATEGIC PLAN:

This item directly supports the County's Five-year Strategic Plan and is aligned with the objectives of Goal 3 (In collaboration with cities, increase affordable housing development near public transportation and easy access to services) of the Healthy and Safe Communities pillar.

RACIAL EQUITY:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

Yes

The following is a summary of the analysis provided in the attached Racial Equity Analysis (Exhibit 16):

Step 1: What is your proposal and the desired results and outcomes?

The 2023 Housing Element is Sonoma County's plan to align housing policies with state law and promote housing equity. It identifies sites for rezoning to accommodate additional housing units over the next eight years, aiming to meet the Regional Housing Needs Allocations (RHNA) as required by state law. The update project spans from 2023 to early 2031 and involves extensive public participation and input from various committees and priority populations. The Housing Element outlines policies to meet local housing needs, especially for special needs populations, through new programs and initiatives. It also directs the location of new housing development across the county and prioritizes equitable and affordable housing. The use of HCD and California Tax Credit Allocation Committee (TCAC) opportunity maps aids in locating affordable housing in high resource areas to improve life outcomes for children and youth. The plan emphasizes ongoing coordination and outreach with community-based organizations and stakeholders throughout its implementation.

Step 2: What's the data? What does the data tell us?

The 2023 Housing Element focuses on promoting housing equity by proposing inventory sites for housing construction, particularly in high resource areas, as mandated by state law. The county's Human Development Index (HDI) shows disparities among racial/ethnic groups, with several factors contributing to these differences, including housing access, employment stability, and

discrimination. Restrictive zoning laws have led to the exclusion of low-income individuals, especially people of color, from certain areas, resulting in racial and income-based segregation. The update process involved community outreach and input from various organizations to identify barriers to housing, such as language barriers, lack of credit access, and housing affordability issues. Constraints to housing development include housing and land costs, limited availability of land with sewer access, and environmental factors. The Housing Element highlights achievements from the previous cycle, including affordable housing standards and protection for residents in mobile home parks. The plan aims to address fair housing issues through ongoing coordination with service providers and Community Based Organizations, focusing on meeting the housing needs of vulnerable and marginalized residents, including special needs populations, veterans, and communities of color. However, data on the long-term effectiveness of housing policies in addressing racial inequity is currently unavailable.

Step 3: How have communities been engaged? Are there opportunities to expand engagement?

The most affected community members by the Housing Element include people with disabilities, seniors, farmworkers, day laborers, Latino populations, and African American populations. During the outreach process, focus groups with community-based organizations and their respective populations provided insights into their housing experiences. Farmworkers and Latino groups highlighted challenges such as language barriers, limited access to credit, poor housing conditions, and fear of retaliation from landlords. Homeless individuals faced obstacles like landlords refusing Section 8 applications, lack of income, rental history, and credit issues. Black residents expressed concern about the lack of representation and housing options for their community in Sonoma County, potentially leading some to consider leaving the county for housing. There was a widespread desire for more affordable housing options with access to services among the focus groups.

The Assessment of Fair Housing, along with local knowledge and analysis, identified several contributing factors to local fair housing issues, including resident displacement due to economic pressures, a scarcity of affordable and accessible housing in various sizes, insufficient public investments in specific neighborhoods and amenities, a lack of regional cooperation, limited representation of affected populations on boards and committees, inadequate funding for fair housing outreach and enforcement, and community opposition to housing initiatives. The Housing Element's Program 31, the Housing Equity and Action Plan, aims to address these issues and foster ongoing outreach to affected communities during its implementation.

Step 4: What are your strategies for advancing racial equity?

Affordable housing policies and programs will disproportionately benefit racial minorities since they are disproportionately affected by high housing costs and the scarcity of affordable housing. By providing affordable housing in high resource areas based on the HCD opportunity area map methodology, future residents in these areas are expected to experience improved life outcomes. The Housing Element's policy development process was carefully designed to minimize unintended consequences. Extensive outreach and data collection on county demographics, segregation patterns, and housing constraints informed the document. Ongoing communication with stakeholder groups and special needs populations is included in the implementation programs to continually improve and enhance efforts. Strategies for continuous outreach involve participating in an annual housing fair, maintaining connections with community-based organizations, reaching out to developers, utility providers, and the public.

Step 5: What is your plan for implementation?

The proposed update to the Housing Element includes a total of 32 implementation programs, some of which are carried over from the previous cycle, while 18 new programs are introduced to address housing issues identified through public outreach and demographic analysis. The new programs include incentivizing the development of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs), updating the Zoning Code for compliance with state laws, implementing displacement avoidance policies, streamlining permitting procedures, and participating in a countywide bond financing program for affordable housing. Each program has specific objectives and timelines for completion within the 8-year Housing Element cycle, with mandatory annual reporting to the California Department of Housing and Community Development to track progress.

Step 6: How will you ensure accountability, communicate, and evaluate results?

Progress on the 32 implementation programs in the Housing Element will be reported annually to the California Department of Housing and Community Development (HCD) through mandatory Annual Progress Reports. These reports will include data on building permits issued for new housing and affordable units. Throughout the 8-year Housing Element cycle, progress toward meeting the Regional Housing Needs Allocations (RHNA) goals will be evaluated periodically. If the pace of new housing development is not sufficient to achieve the RHNA goals, additional measures may be taken, such as streamlining permitting for affordable housing through SB 35 or identifying more sites for affordable housing development in the community. Ongoing outreach to community-based organizations will gather meaningful feedback on program impacts and potential adjustments to better serve special needs populations.

To affirmatively further fair housing, increase awareness about housing programs, and address local housing needs, Program 32 of the Housing Element requires the County to establish and implement a proactive outreach program. The strategies for ongoing outreach include participating in an annual housing fair and establishing and maintaining connections with community-based organizations, developers, utility providers, and the public. The County will also maintain its housing issues and interest email list and provide an annual digital newsletter to subscribers, offering information about the County's housing programs, ADUs and JADUs, long-term residency options, loan and funding opportunities, tenant rights, discrimination information, and opportunities for participation in events and policy decisions.

Prior Board Actions:

2014 Housing Element Adopted December 2, 2014

Housing Element workshop held August 9, 2022

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

Implementation of the 2023 Housing Element Update includes new programs, outreach, and permitting activities that will require staffing and contract support for both Permit Sonoma and the Community Development Commission (CDC). Both departments have sufficient staffing and budget appropriations to cover planned activities in the remainder of FY 2023-24. However, it is expected that additional discretionary funding will be required to support activities in FY 2024-25 and through the remaining 8- year Housing Element cycle. Staff are reviewing projected costs and alternate funding sources, including General Plan funding, ProHousing designation funding, and other grant opportunities to help offset departmental costs, and will come back to the Board during the FY 2024-25 Budget Hearings with a Program Change Request for the balance of funding needed.

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

- Exhibit 1: Board Resolution pursuant to the California Environmental Quality Act (CEQA) Certifying the Final Environmental Impact Report for the Sonoma County Housing Element Update; and Adopting Findings and a Statement of Overriding Considerations, Mitigation Measures, and a Mitigation Monitoring and Reporting Program.
 - Exhibit 1a: Final Environmental Impact Report (Final EIR) (Attachment A to Draft CEQA Board Resolution)
 - Exhibit 1b: Mitigation Monitoring and Reporting Program (Attachment B to Draft CEQA Board Resolution)
 - Exhibit 1c-d: Findings and Statement of Overriding Consideration (Attachments C and D to Draft CEQA Board Resolution)
- Exhibit 2: Board Resolution Amending The Sonoma County General Plan To Repeal The 2015-2023 Housing Element, Adopt the 2023-2031 Housing Element, And Amend the General Plan Land Use Map To Implement the Housing Element

- Exhibit 2a: Sonoma County Housing Element-BOS Adoption Draft (8/2023) (Attachment A to the Draft Board Resolution)
- Exhibit 2b: Appendices for Housing Element with Errata Sheet-BOS Adoption Draft (8/2023) (Attachment A-1 to the Draft Board Resolution)
- Exhibit 2c: Technical Background Reports for Housing Element-BOS Adoption Draft (8/2023) (Attachment A-2 to the Draft Board Resolution)
- Exhibit 2d: General Plan Land Use Table (Attachment B to the Draft Board Resolution)
- Exhibit 2e: HCD March 30, 2023 Comment Letter and County's Response Table (Attachment C to the Draft Board Resolution)
- Exhibit 2f: General Plan Consistency Analysis (Attachment D to the Draft Board Resolution)
- Exhibit 3: Ordinance amending Sonoma County Zoning Code Text
- Exhibit 4: Ordinance amending Sonoma County Official Zoning Database with attachment
- Exhibit 5: Planning Commission Resolution
- Exhibit 5a: Planning Commission Resolution with attachments
- Exhibit 6: Links to Planning Commission Materials:
July 13, 2023, Planning Commission Materials:

<<https://share.sonoma-county.org/link/UpRhf8zUJE4/>> July 20, 2023, Planning Commission Materials:

<<https://share.sonoma-county.org/link/ayGOP8H2Pwk/Exhibits/>> Exhibit 7: Final Environmental Impact Report (Final EIR)

- Exhibit 7a: Appendix A to Final EIR (Public Comment Letters on the Draft EIR)
- Exhibit 8: Draft Environmental Impact Report
- Exhibit 8a: Appendices to Draft EIR
- Exhibit 9: Notice of Preparation
- Exhibit 10: Notice of Availability
- Exhibit 11: Draft Findings and Statement of Overriding Consideration
- Exhibit 12: Mitigation Monitoring and Reporting Program
- Exhibit 13: March 30, 2023 HCD Review Letter and Table of County Responses
- Exhibit 14: Housing Action Plan Programs Table
- Exhibit 15: Site List and Maps
- Exhibit 16: Racial Equity Toolkit Analysis
- Exhibit 17: Public Comments November 2022 through February 2023
- Exhibit 18: Public Comments March 2023 through August 2023
- Exhibit 19: Staff PowerPoint

Related Items "On File" with the Clerk of the Board:

None