



**COUNTY OF PLACER**  
**Community Development Resource Agency**

**PLANNING**

Michael J. Johnson, AICP  
Agency Director

**MEMORANDUM**

**TO:** Honorable Board of Supervisors

**FROM:** Michael J. Johnson, Director  
Planning Department, Community Development Resource Agency

**DATE:** April 16, 2009

**SUBJECT:** Placer County Housing Element Update Adoption

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**ACTION REQUESTED**

The Planning Department is requesting that the Board of Supervisors adopt the Negative Declaration prepared for this project and adopt the resolution amending Section 2, Housing, of the Placer County General Plan to approve the 2008 Placer County Housing Element Update.

**BACKGROUND**

As required by California Government Code Article 10.6, commencing with Section 65583, staff has prepared a Draft Housing Element Update for consideration by the Board of Supervisors. The Draft Housing Element was prepared by a collaboration of County departments and Mintier Harnish, a planning consultant, with input by the public through a number of workshops and public hearings. The Housing Element provides goals, policies, and implementation programs for the planning and development of housing throughout unincorporated Placer County.

Every jurisdiction in California must adopt a General Plan, and every General Plan must contain a Housing Element. While jurisdictions review and revise all elements of their General Plan periodically to ensure that the documents remain up to date, California law is much more specific in regard to the schedule for updating the Housing Element, requiring an update at least every eight years. The current Housing Element planning period runs from 2006 through 2013.

**FISCAL IMPACT**

Approval of the Housing Element Update will have a positive fiscal impact on the County. The County will be eligible to apply for various state and federal grants and programs once the California Housing and Community Development Department (HCD) certifies this Housing Element Update. For example, the June 2008 \$3.3 million infill infrastructure award to the Redevelopment Agency for the Kings Beach Scattered Sites initiative required a Housing Element deemed in compliance by HCD. The County and Agency will be ineligible to apply for the next round of funding in that program, without a Housing Element deemed in compliance and adopted by the Board. It is anticipated that applications for the next round of funding will be required to be submitted by December 2009.

## **BACKGROUND/STATE HOUSING ELEMENT LAW**

The Housing Element is one of the elements of the County's General Plan and it provides goals, policies and implementation programs for the planning and development of housing throughout unincorporated Placer County. State housing element law, enacted in 1969, mandates that local governments adequately plan to meet the existing and projected housing needs of all economic segments of the community.

State law requires that Housing Elements be updated every five years. The Housing Element is the only General Plan element that has a mandatory update requirement. To address this requirement, Placer County initiated the update process in July 2007, hiring Mintier Harnish (formerly Mintier & Associates), a planning consulting firm, to assist County staff with this State-mandate. The Housing Element consists of two documents, a Housing Element Background Report that contains all of the data on the status of housing in Placer County and the Housing Element policy document which contains the goals, policies and programs.

### **1. Housing Element Requirements**

As set forth in Section 65583 (Housing Element Content) of the California Government Code, the law is also specific in terms of the issues that the Housing Element must address, including:

1. An evaluation of the results from housing programs implemented during the previous review period; (i.e., with the County's current Housing Element);
2. An assessment of the County's existing and projected housing needs based on housing, land use, population, demographic and employment trends;
3. An analysis of housing opportunities within the County, including an inventory of suitable sites and the County's capacity to meet regional fair-share goals;
4. An analysis of constraints to providing housing and mitigating opportunities for those constraints; and,
5. A set of goals, policies, resources, and programs for the preservation, improvement and development of housing.

Failure to secure a certified Housing Element from HCD can result in the loss of funding for housing and redevelopment related projects and potential legal challenges. The ramifications of a legal challenge range from court mandated actions to a moratorium on development until the County meets State Housing Element requirements.

### **2. Accommodating the State Housing Allocation**

One of the most important aspects of the Housing Element Update is to identify sufficient sites at appropriate densities for affordable housing to demonstrate that the County can satisfy its Regional Housing Need Allocation (RHNA). The intent of the RHNA is to ensure that each jurisdiction provides its "fair share" of affordable housing in the region. Each jurisdiction must have adequate sites with appropriate zoning to accommodate a variety of housing types suitable for households with a range of income levels and housing needs.

The allocations are intended to be used by jurisdictions when updating their housing elements as the basis for assuring that adequate sites and zoning are available to accommodate at least the number of units allocated. Placer County must describe in its Housing Element how it will provide zoning for these units within the planning period of 2006-2013.

The Resource Inventory section of the Housing Element identifies vacant land that is suitable and available within unincorporated Placer County for higher-density residential development. It compares this inventory to the County's RHNA-assigned need for new housing. Land deemed suitable for residential development in the analysis includes:

- Vacant sites zoned for residential use;
- Vacant sites zoned for nonresidential use that allows residential development;

- Residentially zoned sites that are capable of being developed at a higher density; and
- Sites zoned for nonresidential use that can be redeveloped for, and as necessary, rezoned for residential use.

Demonstrating that the County has sufficient land zoned to support mixed use or higher density housing is essential for certification of the Housing Element by the California Department of Housing and Community Development (HCD).

Placer County is classified as a “suburban jurisdiction” and the density standard is defined as “sites allowing at least 20 units per acre.” This is a new designation for Placer County. In the past the County was able to demonstrate affordability at 15 units to the acre. HCD is required to accept sites that meet this density standard as appropriate for accommodating Placer County’s share of the regional housing need for lower-income households.

As part of this Housing Element update, the County performed a parcel-specific residential site analysis by conducting windshield surveys, performing a Geographic Information System (GIS) analysis, a review of staff’s knowledge of individual sites, and examination of the zoning maps.

Sites with a land use designation/zoning district combination with a maximum allowable density of up to 21 units per acre were inventoried as available for very-low and low income residential development.

In total, the County’s residentially-designated land has capacity for 3,512 very low-, 286 low-, and 1,124 moderate-income units. The County’s non-residentially-designated land has capacity for 2,728 very low-income units. This includes capacity within adopted Specific Plans (e.g., Placer Vineyards).

The Housing Element Background Report also provides an inventory of the residential projects built or planned since the start of the Housing Element planning period (January 1, 2006) that have an affordable housing component. As shown in the table below, there are a total of 841 planned and built affordable units: 26 very low-income units, 498 low-income units, and 317 moderate-income units.

<b>AFFORDABLE RESIDENTIAL HOLDING CAPACITY COMPARED TO RHNA BY INCOME</b>				
<b>Unincorporated Placer County</b>				
<b>January 1, 2006 to June 30, 2013</b>				
	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>TOTAL AFFORDABLE</b>
<b>RHNA</b>	<b>1,538</b>	<b>1,178</b>	<b>1,231</b>	<b>3,947</b>
<b>Affordable Residential Holding Capacity</b>	<b>6,266</b>	<b>1,176</b>	<b>1,456</b>	<b>8,898</b>
Built and Planned Projects with an Affordability Component	26	498	317	841
Residential Holding Capacity on Vacant Land w/ Residential Designations	3,512	286	1,124	4,922
Residential Holding Capacity on Vacant Land w/ Non-Residential Designations	2,728	0	0	2,728
Residential Holding Capacity on Vacant Land in Tahoe Basin	0	392	15	407

Source: Placer County, TRPA. Mintier Harnish

**Total affordable: 8,898 (RHNA: 3,947)**

According to the analysis summarized in Table 46 of the Housing Element (same as above table), Placer County has capacity of more than twice the RHNA to accommodate the need for affordable housing.

### **3. Policies and Programs**

State housing law mandates that local governments must adopt land use plans and regulatory systems which provide opportunities for, and do not unduly constrain, housing development for the private market to adequately address housing needs and demand.

In creating housing policy, the County has tried to strike a balance between protecting the existing housing stock, and allowing for the development and production of new housing for all income groups while protecting the quality of life within the County.

Many of the policies and programs contained in the 2006-2013 Housing Element update have been carried forward from the previous element. Other programs have been modified to comply with new State laws or changed local conditions. After public and stakeholder input, several new programs have been proposed for implementation during the planning period to assist with the maintenance, improvement, and development of housing.

The Zoning Ordinance, land use policies, permitting practices, and building codes may contain provisions that could pose constraints to the development of affordable and special needs housing. During workshops, the public and stakeholders were asked to identify governmental and nongovernmental constraints and assist with formulating new Housing Element policy and programs.

Programs have been formulated to assist in the reduction of development costs. Fees and land costs impact housing affordability. Regulatory requirements have also been identified as an impediment to creation of affordable housing. Therefore, the Housing Element recommends the following programs:

- Analyze and modify County regulations and standards that may be impeding production of affordable housing. (Program A-2)
- Determine whether or not fees collected by the County are appropriate and fair, the County shall complete nexus studies analyzing fees on residential and non-residential projects. (Program A-8)
- Reduce landscaping and/or open space requirements by 25 percent for affordable projects located within one-half mile of a public park. (Program B-3)
- Waive environmental review staff time charges on voluntary affordable units (based on percentage of affordable units in project), and consider waiving application processing fees completely for projects where all units are affordable by covenant (non-mitigation fees only) to reduce costs. (Program B-5)
- Continue discussions regarding the creation of a Housing Land Trust in Placer County as a way to lower land costs. (Program B-13)

County procedures and approval processes are sometimes considered to be an obstacle to building affordable and/or special needs housing. In scheduled workshops, the public also identified a need for a County housing facilitator to assist projects through the approval process. Two programs have been proposed in the draft Housing Element intended to streamline approvals:

- Evaluate increasing as-right occupancy in residential care homes from six to eight or fewer residents. Occupancy would likely be based on number of bedrooms and tied to lot size and access. (Program F-1)
- Designate a County 'Housing Point-Person' and create affordable housing working group of County staff and departments to assure Housing Element implementation. (Programs J-1 and J-2)

Secondary units built as-of-right can help increase housing supply. The following program is included in the draft Housing Element:

- Modify Zoning Ordinance to ease rules for secondary units. (Program B-12)

To further facilitate development of affordable housing and to encourage innovative design and residential infill development, the County is proposing new zoning districts, flexible development standards, and other incentives. The following programs have been proposed:

- Create new 'mixed-use' zoning district, design guidelines and incentives to provide an affordable housing component. (Program A-4)
- Create new 'infill development' zoning district and design guidelines providing flexibility in lot sizes, building height, setbacks/site planning, parking requirements, etc. to encourage higher-density and affordable housing. (Program A-5)
- Require an affordable housing component for any General Plan or Community Plan amendment that provides an intensification of land use. (Policy B-15)

There is a scarcity of sites appropriate and zoned for medium and high-density residential development, particularly multi-family (MF) parcels. Many of the MF properties have been developed as lower-density, single-family homes. Based upon a review of "best practices" policies from other jurisdictions, the following program is proposed:

- Adopt a zoning text amendment setting a density minimum on multi-family parcels, i.e. 80 percent of base density. There are detached products that may also be able to achieve multi-family densities. (Program A-7)

#### **4. Public Outreach**

This 2006-2013 Housing Element update was initiated in July 2007. In recognition of the different housing problems facing Tahoe Basin area residents and residents of western Placer County, kick-off workshops were held in Kings Beach as well as Auburn in early November of 2007.

County staff and consultants distributed announcements of the community/stakeholder workshops to a mailing list of various stakeholders including local residents, housing developers, social service providers, neighborhood associations, and the business community. Furthermore, the County publicized the workshops in local newspapers and on the County website.

The Draft Housing Element Background Report was released for public review and comment in March 2008. Follow-up workshops in Auburn and Tahoe were held in April. Issues raised at the workshops have been summarized in the Introduction Section of the Draft Housing Element.

In mid-May, the Policy Document public review draft was released. Public workshops were scheduled for June 5 and 10 to receive public input and to foster a discussion on the housing issues and policies for the County.

#### **5. California Department of Housing and Community Development Review**

The State Department of Housing and Community Development (HCD) is required by State law to review draft housing elements and report their findings to the locality.

The draft Housing Element Background Report was prepared and released for review in March 2008, with the Program and Policy Document released in May 2008. Following public workshops before the Planning Commission and Board of Supervisors, the County submitted the original 2006-2013 Draft Housing Element in August 2008 to HCD for review.

HCD completed their initial 60-day review on October 10, 2008 and responded with a formal comment letter describing the revisions needed to comply with State Housing Element law.

The County submitted a written response to HCD's comments on December 22, 2008. Based upon informal discussions with HCD after their preliminary review of the County's responses and proposed changes to the draft Housing Element, the County revised the response letter that was sent in December. HCD's official response to the revised December submission was issued on February 19, 2009. Through additional discussions and submissions to HCD, Staff revised programs and policies pursuant to the State's additional comments. All of the revisions to the Draft Housing Element Update were made to ensure compliance with State law.

On March 12, 2009, HCD provided a conditional approval letter to the County stating the revised Draft Housing Element Update is in substantial compliance with State law- a copy of which is attached. HCD will certify the update if the Board of Supervisors adopts the same without substantial changes.

## **6. Housing Element Revisions**

Several revisions have been made to the Draft Housing Element in response to the comments provided by HCD in the letters dated October 10, 2008 and February 19, 2009 (see Attachments B and D). Additional discussion, clarifications, and analysis have been added in several areas. The additional analysis has resulted in the revision of various programs and policies and the addition of two new programs based upon HCD's recommendations.

Revisions made to the draft document respond to the State's comments but do not substantively alter the element. The revisions do provide additional information and clarification as necessary to ensure compliance with State law. Other minor revisions were made to the format of the document. The following discussion reviews the key issues raised by the State.

**A. Progress in Meeting the Housing Needs Allocation.** The Housing Element must document the affordability of units credited as affordable to lower-income households constructed or approved since January 1, 2006, and the status of pending projects with an approximate total of 724 units.

**Response.** County staff compiled an inventory of all residential projects with an affordable and/or multi-family housing component that have been constructed, are under construction, or are planned within the current Housing Element Planning Period.

Table A-1 was revised to add information on the type of affordability covenants for each project and its status.

**B. Inventory of Vacant Sites Within Specific Plans.** The Housing Element describes available residential capacity in approved Specific Plans for over 16,000 housing units, including 1,278 units affordable to lower-income households. To insure that these units are available to accommodate the County's share of the regional housing need, the State required a description of phasing or other timing requirements that impact the units being built during the planning period.

**Response.** Due to the current economic conditions and depressed new-home construction market, it is unlikely that construction will start on any homes in these projects in the near-term, but it is possible that construction could begin before the end of the planning period. However, the land is available and properly zoned for the affordable housing units required as a condition of their approval.

In the original Draft Housing Element submitted to HCD (August 2008), the number of planned affordable housing units in each Specific Plan were applied towards the RHNA obligation. However, during the HCD review process, County staff and the Consultants changed the strategy for inventorying the capacity for affordable housing within Specific Plans. Rather than counting the number of planned affordable housing units in each Specific Plan, which are oftentimes required after a substantial portion of the planned market-rate units have been built, the high-density parcels in each plan that are available for high-density/affordable housing were inventoried. This analysis showed additional capacity for affordable housing on the high-density sites than previously counted. The land is available and properly zoned for the affordable housing units required as a condition of their approval, and could be developed within the time frame of the Housing Element.

- C. Realistic Capacity.** Residential capacity projections for vacant residentially-zoned sites are based on 85 percent of allowed density. The State requested an analysis of projects recently built or under construction to show that 85 percent maximum buildout was realistic.

**Response.** The County provided five examples of recent projects that have been approved at densities close to the existing maximum densities for higher-density land use designations including the Orchard at Penryn, Colonial Village, the Pardee Court subdivision and Terracina Oaks. Each project has been approved at densities at or above the 85 percent level.

- D. Processing and Permitting Procedures.** Many of the sites identified in the inventory to accommodate the allocation of lower-income housing are located in the C2 and CPD zones which require a Conditional Use Permit for multifamily development. The State identified the CUP process as a potential constraint and required additional information on how the CUP process could potentially impact project approval, certainty, timing, and cost.

**Response.** The County proposed a new program to remove the requirement to obtain a CUP for certain multi-family developments in the C1 and C2 zone districts:

**Program B-15 MULTI-FAMILY HOUSING ON COMMERCIAL SITES**

To facilitate the construction of high-density housing on commercially-zoned sites, the County shall consider amending the zoning ordinance provisions for multi-family housing use. These revisions may include amending the zoning ordinance to allow multi-family dwellings, 20 or fewer units/acre as a permitted use by right in the C1 and C2 zone districts.

- E. Completion Dates.** To address the requirements of Government Code Section 65583(C)(1-6), all programs where specific actions are required, were revised to include specific completion dates.

**Response.** In response, the County has changed the fiscal year ranges in the draft Housing Element to a specific month and year in the revised document.

- F. Zoning for Single-Room Occupancy Units.** State law requires each jurisdiction to provide appropriate zoning that explicitly allows Single-Room Occupancy units with development standards that encourage and facilitate development. A Single-Room Occupancy Unit is a room individually leased or rented within a dwelling that does not contain its own kitchen facilities.

**Response.** Placer County's Zoning Ordinance does not explicitly address single-room occupancy units. Therefore, the following program was added to ensure that the County complies with State law:

**Program G-4 SINGLE ROOM OCCUPANCY (SRO) UNITS**

The County shall amend the Zoning Code to define Single Room Occupancy (SRO) units and explicitly allow SROs as a residential use in certain zones. These zones could include Multi-Family Residential (RM), Highway Service (HW), and Resort (RES) zoning districts.

- G. Addressing the Needs of Extremely Low-Income Households.** HCD suggested changes to several programs to include language to specifically address the housing needs of extremely low-income households.

**Response.** Three policies were modified and one new program was included to address the needs of extremely low-income households. The underlined text was added to the following programs:

**Program B-6 REDEVELOPMENT SET-ASIDE FUNDS**

Consistent with State law, twenty percent of the tax increment funds accruing to the Redevelopment Agency shall be directed to affordable housing. If successful in receiving funding from the Local Housing Trust Fund matching program, the County shall encourage the Redevelopment Agency to work with affordable housing developers to utilize a portion of set-aside funds for development of housing affordable to extremely low-income households.

**Program B-9 STATE AND FEDERAL FUNDS**

The County shall apply for State and Federal monies for direct support of low-income housing construction and rehabilitation. The Redevelopment Agency and Health and Human Services shall continue to assess potential funding sources, such as, but not limited to, the Community Development Block Grant (CDBG), and HOME. The County shall also seek State and Federal funding specifically targeted for the development of housing affordable to extremely low-income households, such as the Local Housing Trust Fund program and Proposition 1-C funds. The County shall promote the benefits of this program to the development community by posting information on its web page and creating a handout to be distributed with land development applications.

**Program B-5 FEE WAIVERS**

The County shall adopt a resolution waiving 100 percent of the application processing fees for developments in which 5 percent of units are affordable to extremely low-income households, 10 percent of the units are affordable to very low-income households, 20 percent of the units are affordable to low-income households, or 30 percent of the units are affordable to moderate-income households. Additionally, the County shall evaluate waiving environmental review staff time charges for projects containing affordable housing units. To be eligible for fee waiver, the units shall be affordable by affordability covenant. The waiving or reduction of service mitigation fees may also be considered when an alternative funding source is identified to pay these fees. The County may use either redevelopment set-aside funds or the Housing Trust Fund to subsidize the service and mitigation fees for affordable housing developments. The County shall promote the benefits of this program to the development community by posting information on its web page and creating a handout to be distributed with land development applications.

The County is also proposing to include a new policy regarding extremely low-income housing:

**New Policy:** The County currently requires 10 percent of residential units in specific plans be affordable (4 percent very-low, 4 percent low, 2 percent



moderate). On a case-by-case basis, the County shall consider allowing developers that provide extremely low-income units to reduce the required percentage of other affordable units.

### **PLANNING COMMISSION RECOMMENDATION**

On March 26, 2009, a public workshop was conducted by the Planning Commission. No public comments were received. On April 9, 2009, after conduction of a public hearing, during which no member of the public testified or submitted written comments, the Planning Commission unanimously adopted a motion to recommend the Board of Supervisors adopt the Draft Housing Element Update.

### **RECOMMENDATION**

The Planning Department recommends that the Board of Supervisors take the following actions:

1. Adopt the Negative Declaration prepared for the Housing Element Update based on the following findings:
  - A. The negative declaration has been prepared as required by and in accordance with the California Environmental Quality Act;
  - B. There is no substantial evidence in the record as a whole that the adoption of the updated Housing Element will have a significant effect on the environment; and,
  - C. The negative declaration as adopted reflects the independent judgment and analysis of Placer County, which has exercised overall control and direction of its preparation.
2. Adopt the attached resolution, amending Section 2, Housing, of the Placer County General Plan adopted by the Board of Supervisors on May 20, 2003 to approve the Placer County Housing Element Update.

Respectfully submitted,

MICHAEL J. JOHNSON, AICP  
Community Development and Resource Agency Director

### **Exhibits:**

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|------------|---|
| Exhibit A: | Housing Element Background Report and Policy Document, HCD Review Draft |
| Exhibit B: | HCD Comment Letter, October 10, 2008                                    |
| Exhibit C: | Response to HCD Comments, December 23, 2008/February 17, 2009           |
| Exhibit D: | HCD Comment Letter, February 19, 2009                                   |
| Exhibit E: | Response to HCD Comments, February 26, 2009/March 5, 2009               |
| Exhibit F: | HCD Compliance Letter, March 12, 2009                                   |
| Exhibit G: | Negative Declaration and comment letter                                 |
| Exhibit H: | Resolution to Adopt the Housing Element                                 |

cc: Bob Martino – Chief Building Official  
Gina Langford – Environmental Coordinator  
Holly Heinzen – County Executive Office  
Joanne Auerbach – Redevelopment Agency  
Jill Pahl – Environmental Health Services  
Karin Schwab – County Counsel  
Loren Clark – Deputy Planning Director  
Paul Thompson – Deputy Planning Director  
Rich Colwell – County Executive's Office/Redevelopment  
Richard Eiri – Engineering and Surveying Division  
Housing Element Distribution List  
All MAC's