



**CITY OF HEALDSBURG
CITY COUNCIL AGENDA STAFF REPORT**

MEETING DATE: September 19, 2016

SUBJECT: First Reading of Growth Regulation Ordinance

PREPARED BY: Karen Massey, Community Housing and Development Director

STRATEGIC INITIATIVE(S):

Quality of Life

RECOMMENDED ACTION(S):

Consider introducing for first reading an ordinance to add a new Chapter 17.25 titled “Growth Regulation Ordinance” to the Healdsburg Municipal Code to implement the Measure M growth management initiative as amended by Measure R to be considered by the voters of the City of Healdsburg on November 8, 2016

BACKGROUND:

In July 2015 the City Council appointed the Community Housing Committee (“CHC”) which was established with the first priority of drafting language for a Growth Management Ordinance (“GMO”) amendment to be placed before the voters in 2016. The amendment is intended to incentivize affordable and workforce housing construction within the overall context of the City’s General Plan and managed growth. From July, 2015 to April, 2016 the CHC held 12 public meetings and workshops to discuss potential revisions to the GMO and receive public input. On April 11th the CHC voted seven to two to revise the GMO as follows:

- Amend the GMO to remove the restriction on the number of units allowed per year;
- Increase the Inclusionary Housing Ordinance requirement from the current 15% requirement to a 30% requirement, and tie it to the GMO; and
- Require adoption of the Housing Action Plan prior to November, 2016.

At the April 18th City Council meeting, the Council approved the CHC’s recommendation, directed the City Attorney to prepare ballot language that amends the GMO as recommended by the CHC and ties the increased Inclusionary Housing requirement and Housing Action Plan to the GMO, and directed Staff to prepare an analysis of the potential environmental impacts of the proposed amendment to the GMO under the California Environmental Quality Act (“CEQA”).

At the May 16th City Council meeting, the Council received an update on the preparation of the Housing Action Plan including a recommendation from the CHC that, in conjunction with the amendment to the existing Growth Management Ordinance, the Council adopt a new growth management measure such that the Council could regularly assess the kinds of growth occurring and then adjust the growth policy as needed. After receiving the recommendation and taking public comment, the Council expressed support for adopting a new growth management measure and directed Staff to return with additional information regarding a Council adopted ordinance to regulate the amount and pace of growth (“Growth Regulation Ordinance”).

On June 20th Staff presented to Council the preliminary concepts to be included in the new Growth Regulation Ordinance. After considering the information and receiving public comment, the Council requested clarification on the allocation procedures and projects that may occur in the future and directed Staff to draft the ordinance.

On July 18th the City Council voted 4 to 1 to place the amendment to the current GMO on the November 8th ballot. Among other things, the final ballot language requires the City Council to adopt the Growth Regulation Ordinance.

On August 15th the City Council reviewed the provisions to be included in the Growth Regulation Ordinance and expressed unanimous support for including a reallocation provision.

On September 13th the Planning Commission reviewed the Growth Regulation Ordinance for consistency with the General Plan and voted 5 to 0, finding it consistent.

DISCUSSION/ANALYSIS:

The Growth Management Ordinance Amendment (also known as Measure R/Healdsburg Housing Measure) ballot language approved by the City Council on July 18th requires the City Council to adopt and periodically amend a new growth management measure - a Growth Regulation Ordinance - in conjunction with updating the Housing Element. In anticipation of the passage of Measure R/Healdsburg Housing Measure on November 8th, the City has retained the services of Economic & Planning Systems, Inc., (“EPS”) a qualified firm specializing in land use economics to develop key concepts for and draft a new Growth Regulation Ordinance. The new Growth Regulation Ordinance will only become effective pending the successful passage of Measure R/Healdsburg Housing Measure on November 8th.

The Growth Regulation Ordinance has been drafted consistent with the objectives of the Housing Action Plan by encouraging higher density single family, multifamily and attached product types (Categories B and C) and limiting allocations for conventional single family housing (Category A). 80 allocations have been set aside for conventional single family housing (Category A) which largely provides for existing individual lots or planned conventional single family housing (e.g. the Farmstand and Johnson Street projects as well as approximately 34 individual lots in approved subdivisions that are a part of the Area A Specific Plan annexed by the City in 1994 and approved for residential development) that has already been approved. The remaining 340 allocations have been set aside for small lot, attached, higher density and multi-family units that meet the objectives of the Housing Action Plan (Categories B and C). The proposed allocations are distributed as follows:

- Category A: Conventional Single Family Housing – Eighty (80) Dwelling Unit Allocations shall be reserved for Category A projects consisting of Conventional Single Family Housing that is detached and located on individual subdivision lots typically with a density of 7 dwelling units per gross acre or less.
- Category B: Alternative Single Family Housing – One hundred (100) Dwelling Unit Allocations shall be reserved for Category B projects consisting of Alternative Single Family Housing which typically includes higher density (7.1 dwelling units per gross acre or more) single family detached dwelling units such as clusters and cottage courts.
- Category C: Multifamily Housing – Two hundred and forty (240) Dwelling Unit Allocations shall be reserved for Category C projects consisting of Multifamily Housing which typically includes multiple housing units in a single building or group of buildings such as duplexes, triplexes and apartments.

The new Growth Regulation Ordinance will follow a similar format as the current ordinance. An Ordinance will be codified in the Municipal Code and will:

- 1) Limit the total number of allocations allowed during the housing cycle to 420 units;
- 2) Establish the timeframe of the housing cycle (typically eight years as defined by the State; however, we are partially into the current housing cycle and therefore the first cycle will be six years commencing on January 1, 2017 and terminating on December 31, 2022);
- 3) Create three categories of allocations by housing type including Category A: Conventional Single Family Housing (80 allocations), Category B: Alternative Single Family Housing (100 allocations), and Category C: Multifamily Housing (240 allocations);
- 4) With City Council approval, allow Category A allocations to be reallocated to Category B and/or C and allow Category B allocations to be reallocated to Category C;
- 5) Set forth those units to be exempted from the Growth Regulation Ordinance such as affordable housing (State defined and deed-restricted middle-income) and secondary dwelling units as well as the Saggio Hills residential development project; and
- 6) Establish the timeframe for amending the Growth Regulation Ordinance only with any concurrent adoption of subsequent Housing Element Updates.

The accompanying Policies and Procedures will be brought forward with the second reading of the Ordinance and adopted by resolution. The Policies and Procedures set forth specific allocation procedures for the Planning and Building Director to utilize when administering the allocations.

ALTERNATIVES:

Accept the recommendation or provide other direction to Staff.

FISCAL IMPACT:

The City is currently under contract with Economic & Planning Systems to prepare the Council adopted Growth Regulation Ordinance. These costs were anticipated and included in the FY 2016-17 Council adopted General Fund budget.

ENVIRONMENTAL ANALYSIS:

The proposed Growth Regulation Ordinance is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3). The proposed Ordinance will: limit the number of new market rate residential dwelling unit allocations allowed between January 1, 2017 and December 31, 2022; distribute dwelling unit allocations into Categories A, B and C; allow for redistribution of allocations to Category B or C with City Council approval; limit amendment of the Ordinance to coincide with adoption of subsequent Housing Element Updates, and specify applicability and exemptions. The proposed Ordinance will not allow for, or encourage, any more development than is already anticipated under the City's existing General Plan, or otherwise allow for or promote physical changes in the environment and, therefore, it can be seen with certainty that there is no possibility that the proposed amendments may have a significant impact on the environment.

ATTACHMENT(S):

090716 Draft ordinance w EG RD comments final

082616 Growth Regulation Policies and Proceduresv2_wk_edits and comments(2) (3) 072816
(2) (3) w EG final

**CITY OF HEALDSBURG
ORDINANCE NO. _____**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
HEALDSBURG AMENDING TITLE 17 TO ADD A NEW
CHAPTER 17.25 TITLED “GROWTH REGULATION ORDINANCE”**

WHEREAS, in the November 2000 election, the voters of Healdsburg approved a residential growth management initiative which limits permits for the construction of new residential units in the City to an average of 30 units per year, not to exceed 90 units for any three year period (the “GMO”); and

WHEREAS, the GMO is codified in the City’s Municipal Code at Chapter 17.24; and

WHEREAS, since the passage of this initiative in 2000, the cost of housing has significantly increased in Healdsburg and there is a shortage of available housing that is affordable to working families in the community and a lack of housing options for people in different stages of their lives and with different lifestyles; and

WHEREAS, growth should be reviewed regularly to reflect changing economic conditions and community needs; and

WHEREAS, Healdsburg needs a greater variety of housing options including multi-unit, small lot, cottage court, and rental units; and

WHEREAS, the City needs to allow for more homes for middle income working families while preserving Healdsburg’s neighborhood character; and

WHEREAS, beginning in 2014 the City embarked on fulfilling its statutory requirement to update its General Plan Housing Element, which requires the City to evaluate its current housing stock and plan for future housing needs; and

WHEREAS, the Housing Element process opened a community dialogue focused specifically on our community’s housing needs and engaged residents through a series of public meetings and workshops; and

WHEREAS, through these meetings and workshops, the public articulated a desire for more housing affordable to the existing residents and workers in the City; and

WHEREAS, to address these concerns the City Council embarked on a process to better understand the housing priorities in the City and to identify ways to address future housing needs; and

WHEREAS, the City Council established the Community Housing Committee (“CHC”) to evaluate the City’s future housing needs and to develop ways to address those needs; and

WHEREAS, the City Council specifically charged the CHC with considering amendments to the GMO to incentivize construction of affordable and middle income housing; and

WHEREAS, over the course of 12 public meetings and four public workshops the CHC and the City Council discussed a range of options related to the GMO; and

WHEREAS, the CHC reached consensus that allowing an appropriate level of flexibility in the GMO is essential to avoiding the challenges currently encountered by the existing GMO and that greater flexibility and creativity would better achieve the community's goal of providing more housing options that are affordable to our residents; and

WHEREAS, during a duly-noticed City Council meeting on April 18, 2016, the City Council directed the City Attorney to prepare ballot language that amends the GMO and directed Staff to prepare an analysis of the potential environmental impacts of the proposed amendment to the GMO under the California Environmental Quality Act ("CEQA"); and

WHEREAS, during a duly noticed City Council meeting on May 16, 2016, the City Council expressed support for new Council adopted growth management measures and directed City Staff to return with additional information regarding a Council adopted Growth Regulation Ordinance to regulate the pace of growth; and

WHEREAS, during a duly noticed City Council meeting on June 20, 2016, the City Council received a presentation from Staff on the preliminary concepts to be included in a Council adopted Growth Regulation Ordinance to regulate the pace of growth and directed Staff to draft the Ordinance for consideration; and

WHEREAS, during a duly noticed City Council meeting on July 18, 2016, the City Council voted to place a measure on the November 8, 2016 ballot that, if approved by the voters, would amend the GMO to require the City to increase the inclusionary housing requirements on new development to 30% of the new units, remove the existing restrictions on the number of new housing units allowed per year, require the City to adopt and periodically update a Housing Action Plan, and require the City to adopt and periodically amend new growth management measures, to be modified only when the City updates the General Plan Housing Element ("Measure R"); and

WHEREAS, during a duly noticed City Council meeting on August 15, 2016, the City Council received a presentation from Staff on the draft Growth Regulation Ordinance and expressed support for including a reallocation provision; and

WHEREAS, on September 13th the Planning Commission reviewed the Growth Regulation Ordinance for consistency with the General Plan and found it consistent with the General Plan and recommended that the Council find the Growth Regulation Ordinance is exempt from CEQA; and

WHEREAS, the Growth Regulation Ordinance is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3). The Growth Regulation Ordinance will: limit the number of new market rate residential dwelling unit allocations allowed between January 1, 2017 and December 31; 2022; distribute dwelling unit allocations into Categories A, B and C; allow for redistribution of allocations to Category B or C with City Council approval; limit amendment of the Ordinance to coincide with adoption of subsequent Housing Element Updates, and specify applicability and exemptions; and

WHEREAS, the Growth Regulation Ordinance will not allow for, or encourage, any more development than is already anticipated under the City’s existing General Plan, or otherwise allow for or promote physical changes in the environment and, therefore, it can be seen with certainty that there is no possibility that the proposed Growth Regulation Ordinance may have a significant impact on the environment; and

WHEREAS, the purpose of the Growth Regulation Ordinance is to comply with the requirements of Measure R, and is conditioned upon the adoption of Measure R by the voters on November 8, 2106.

NOW, THEREFORE, the City Council of the City of Healdsburg does ordain as follows:

Section 1. Addition of a New Chapter 17.25 to Title 17 of the Municipal Code.

A new Chapter 17.25 entitled “Growth Regulation Ordinance” is hereby added to the City of Healdsburg Municipal Code to read and provide as follows:

“Chapter 17.25– Growth Regulation Ordinance”

- 17.25.010 Purpose and findings.
- 17.25.020 Applicability.
- 17.25.030 Building Permit Allocations.
- 17.25.040 Amendments to Chapter.
- 17.25.050 Existing law.

17.25.010 Purpose and findings.

It is the City’s purpose to address the City’s severe housing shortage by addressing the housing needs of the local workforce by:

- a. Adopting policies and programs that encourage and incentivize construction of desired affordable and middle income housing,
- b. Promoting efficient use of the City’s remaining residential development sites,
- c. Preserving the integrity of existing residential neighborhoods,
- d. Encouraging the development of alternative product types that represent higher density housing types including multi-family, small lot, and cottage courts, and
- e. Encouraging appropriately scaled multi-family rental units averaging less than 850 square feet.

17.25.020 Applicability.

The provisions of this ordinance shall apply to new Market Rate Residential Development in the City of Healdsburg for which a building permit is to be issued on or after January 1, 2017, pursuant to Measure R passed by the voters of the City of Healdsburg on November 8, 2016 and this ordinance, adopted by the City Council on [redacted]. The City Council shall adopt by resolution, Policies and Procedures for implementing this ordinance.

Attachment: 090716 Draft ordinance w EG RD comments final (1350 : GRO 1st Reading)

The provisions of this ordinance shall not apply to Affordable Housing as defined in HMC 20.28.310, Secondary Dwelling Units, replacement or reconstruction of existing residences, homeless shelters, elderly care facilities, nursing homes, sanitariums, community care, or health care facilities. Nor shall the provisions of this ordinance nor the implementing Policies and Procedures apply to the Saggio Hills residential development project for which a Development Agreement was approved prior to the effective date of Measure R passed by the voters of the City of Healdsburg on November 8, 2016 and this ordinance, adopted by the City Council on [REDACTED].

17.25.030 Building Permit Allocations.

Subject to the exemptions listed in HMC 17.25.020, permits for the construction of new Market Rate Residential Development Dwelling Unit Allocations shall be limited to four hundred-twenty (420) units during the remaining six year period of the current Housing Element cycle, commencing on January 1, 2017 and terminating on December 31, 2022. In the event the subsequent Housing Element Update is not adopted by December 31, 2022, permits for the construction of new Market Rate Residential Development Dwelling Unit Allocations shall be limited to an average of seventy (70) units per year during the subsequent Housing Element cycle, until such time the City Council adopts the subsequent Housing Element Update and updates this ordinance. New Market Rate Residential Development Dwelling Unit Allocations shall be distributed by housing type into three categories of allocations as follows: 80 Dwelling Unit Allocations in Category A: Conventional Single Family Housing, 100 Dwelling Unit Allocations in Category B: Alternative Single Family Housing, and 240 Dwelling Unit Allocations in Category C: Multifamily Housing. Upon approval by the City Council, once all of the Category B or Category C Dwelling Unit Allocations have been issued any unused Category A Dwelling Unit Allocations may be reallocated to Category B and/or Category C. Similarly, once all of the Dwelling Unit Allocations from Category C have been issued, any unused Category B Dwelling Unit Allocations may be reallocated to Category C. In the event the subsequent Housing Element Update is not adopted by December 31, 2022, permits for the construction of new Market Rate Residential Development Dwelling Unit Allocations shall be distributed as follows: thirteen (13) Dwelling Unit Allocations per year in Category A; seventeen (17) Dwelling Unit Allocations per year in Category B; and forty (40) Dwelling Unit Allocations per year in Category C until such time as the City Council adopts the subsequent Housing Element Update and updates this ordinance.

17.25.040 Amendments to Chapter.

As required by Measure R, passed by the voters of the City of Healdsburg on November 8, 2016, the City Council shall have the discretion to amend this chapter only with any concurrent adoption of subsequent Housing Element Updates.

17.25.050 Existing law.

This chapter supersedes and repeals any City ordinance, general plan provision or policy or any provision of the City’s zoning code which conflicts with it.

Section 2. Environmental Compliance.

This ordinance is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3). The proposed ordinance will: limit the number of new market rate residential dwelling unit allocations allowed between January 1, 2017 and December 31; 2022; distribute dwelling unit allocations into Categories A, B and C; allow for redistribution of allocations to Category B or C with City Council approval; limit amendment of the Ordinance to coincide with adoption of subsequent Housing Element Updates, and specify applicability and exemptions. The proposed ordinance will not allow for, or encourage, any more development than is already anticipated under the City’s existing General Plan, or otherwise allow for or promote physical changes in the environment and, therefore, it can be seen with certainty that there is no possibility that the proposed ordinance may have a significant impact on the environment.

Section 3. Severability.

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 4. Effective Date and Publication.

The effectiveness of this ordinance is conditioned on the passage of an amendment to the Growth Management Ordinance by Healdsburg voters at the November 8, 2016 election and this ordinance shall take effect as of January 1, 2017, but only if the voters pass the proposed amendment to the Growth Management Ordinance. Should the voters reject the proposed amendment to the Growth Management Ordinance this ordinance shall be null and void and shall have no force or effect.

IT IS HEREBY CERTIFIED that the foregoing ordinance was adopted by the City Council of the City of Healdsburg on _____, 2016, by the following vote, to wit:

- AYES:
- NOES:
- ABSTAINED:
- ABSENT:

Thomas L. Chambers, Mayor

ATTEST:

Maria Curiel, City Clerk

Attachment: 090716 Draft ordinance w EG RD comments final (1350 : GRO 1st Reading)

**POLICIES AND PROCEDURES
FOR THE GROWTH REGULATION ORDINANCE**

SECTION 1. AUTHORITY AND PURPOSE.

These Policies and Procedures provide guidance for implementing Measure M, the residential growth management initiative passed by the voters of the City of Healdsburg on November 7, 2000, as amended by Measure R passed by the voters of the City of Healdsburg on November 8, 2016 and the Growth Regulation Ordinance, adopted by the City Council on [REDACTED]. These Policies and Procedures also supersede Resolution No. 22-2008 approving revised policies and procedures to implement Measure M and adopted by Healdsburg City Council on February 19, 2008, and also implement the Healdsburg General Plan Housing Element which sets forth that the City of Healdsburg shall amend the current growth management initiative to facilitate the production of multi-family units, implement the City's Housing Action Plan, and also complements implementation of the City's Inclusionary Housing Ordinance.

Concurrent with implementing Measure M, as amended, it is the City's purpose to address the City's severe housing shortage by addressing the housing needs of the local workforce by:

- Adopting policies and programs that encourage and incentivize construction of desired affordable and middle income housing,
- Promoting efficient use of the City's remaining residential development sites,
- Preserving the integrity of existing residential neighborhoods,
- Encouraging the development of alternative product types that represent higher density housing types including multi-family, small lot, and cottage courts, and
- Encouraging appropriately scaled multi-family rental units averaging less than 850 square feet.

SECTION 2. APPLICABILITY.

A. The provisions of these Policies and Procedures shall apply to new Market Rate Residential Development in the City of Healdsburg for which a building permit is to be issued on or after January 1, 2017, pursuant to Measure R passed by the voters of the City of Healdsburg on November 8, 2016 and the Growth Regulation Ordinance, adopted by the City Council on [REDACTED].

B. The provisions of these Policies and Procedures shall not apply to Affordable Housing as defined in Healdsburg Municipal Code (HMC) 20.28.310, Secondary Dwelling Units, replacement or reconstruction of existing residences, homeless shelters, elderly care facilities, nursing homes, sanitariums, community care, or health care facilities. The Saggio Hills residential development project, for which a Development Agreement was approved prior to the effective date of Measure R passed by the voters of the City of Healdsburg on November 8, 2016 and the Growth Regulation Ordinance, adopted by the City Council on [REDACTED], is exempt from these Policies and Procedures.

SECTION 3. DEFINITIONS.

Affordable Housing- Housing affordable to certain income households, as defined in Healdsburg Municipal Code (HMC) 20.28.310.

Alternative Single Family Housing Development –A project consisting of one (1) or more single family detached Dwelling Units, that is not attached in any manner to another dwelling unit, with the exception of any secondary dwelling unit, typically higher density (i.e. 7.1 dwelling units per gross acre or more) including but not limited to clusters and cottage courts.

Area Median Income (AMI) – AMI as defined and published by the U. S. Department of Housing and Urban Development and used by the State Department of Housing and Community Development for Sonoma County.

Category A Project - Any Conventional Single Family Housing Development.

Category B Project – Any Alternative Single Family Housing Development.

Category C Project - Any Multifamily Housing Development.

Community Care Facility - A facility, place or building which is maintained and operated to provide non-medical residential care, day care, or home finding agency services for persons, including, but not limited to, the physically handicapped, mentally impaired, or incompetent persons, developmentally disabled, mentally disordered children and adults, court wards and dependents, neglected or emotionally disturbed children, alcohol or drug addicted children or adults, battered adults or children, or aged persons.

Conventional Single Family Housing Development – A project consisting of one (1) or more single family Dwelling Units that are not attached in any manner to another dwelling unit, with the exception of any secondary dwelling unit, located on individual subdivision lots, typically with a density of 7 dwelling units per gross acre or less.

Development Agreement - An agreement between a developer and the City Council to allow for project development as authorized by Government Code Section 65864, et seq. and City Ordinance No. 721.

Dwelling Unit - One or more rooms and a single kitchen, designed for occupancy by one family for living or sleeping purposes.

Dwelling Unit Allocation - A time-limited permit issued by the Planning & Building Director to allow the issuance of a building permit for a Dwelling Unit(s) that has received Final Discretionary Approval pursuant to the provisions of these Policies and Procedures.

Final Discretionary Approval - For purposes of determining the date of approval for a project with multiple discretionary actions by the City of Healdsburg, the date upon which action by the final decision-making authority was taken entitling an applicant to construct a definite number of Dwelling Units. In the case of a project requiring approval of both a tentative subdivision map and a design review permit, the City Council's action on the tentative subdivision map shall be considered Final Discretionary Approval.

Health Care Facility - A facility, place or building which is maintained and operated to provide medical care including but not limited to, hospitals, nursing homes, intermediate care facilities, clinics, and home health agencies, all of which are licensed by the State Department of Health Services, and defined in the California Health and Safety Code.

Homeless Shelter – A facility for the shelter and feeding of persons who lack a fixed, regular and adequate nighttime residence for up to 30 consecutive days, where such shelter is operated by a public or non-profit agency.

Lapsed Allocation - An allocation(s) that has been duly issued by the Planning & Building Director that has expired because the associated Building Permit has expired.

Market Rate Residential Development - Any non-price restricted housing development including all for-sale housing, rental housing, and any market rate housing units that may be offered as a “density bonus” for mixed income housing projects.

Multifamily Housing Development – Any project consisting of a structure or structures containing more than one (1) Dwelling Unit including but not limited to apartments, condominiums, duplexes, mixed use, live/work facilities and single family attached units.

Pending Housing Development Application – A project under active processing with the City of Healdsburg following submittal of a complete development application.

Priority Allocation Reservation – A reservation for a Dwelling Unit Allocation in the subsequent Housing Element cycle.

Replacement Residential Dwelling - A Dwelling Unit constructed to replace a previously existing Dwelling Unit situated on the same lot that was demolished or destroyed.

Residential Building Permit - A permit issued by the Building Official to build a new residential Dwelling Unit in accordance with the Uniform Building Code and other local ordinances.

Secondary Dwelling Unit - A Dwelling Unit that is attached to a primary single-family dwelling unit or is detached and is located on the same site as a primary single-family dwelling unit, and complies with the provisions of Section 20.20.010 of the Land Use Code.

Wait List Allocation – Future Dwelling Unit Allocations issued to a qualifying Pending Housing Development Application when the Dwelling Unit Allocations of the current Housing Element cycle have been fully subscribed. Wait List Allocations will receive a Priority Allocation Reservation for a Dwelling Unit Allocation in the subsequent Housing Element cycle.

SECTION 4. GENERAL PROVISIONS.

A. As set forth in the Growth Regulation Ordinance adopted by the City Council on [REDACTED], new Market Rate Residential Development Dwelling Unit Allocations shall be limited to four hundred-twenty (420) units during the remaining six year period of the current Housing Element cycle, commencing on January 1, 2017 and terminating on December 31, 2022.

B. The City Council shall have the discretion to reset the numerical limit on new Market Rate Residential Development through amendment to the Growth Regulation Ordinance concurrent with adoption of subsequent Housing Element Updates (currently required every eight years by the State of California).

C. No building permit for a new Market Rate Residential Development shall be issued by the Building Official unless the Planning & Building Director has issued a Dwelling Unit Allocation or has determined that the proposed Dwelling Unit is exempt, pursuant to the provisions of these Policies and Procedures.

SECTION 5. ALLOCATION PROCEDURES.

The Planning & Building Director shall issue new Market Rate Residential Development Dwelling Unit Allocations in accordance with the limitations set forth in Sections 2 and 4 above.

A. Market Rate Residential Development Dwelling Unit Allocations shall be allocated to specific categories of housing as set forth in the Growth Regulation Ordinance adopted by the City Council on ____ and below:

Category A Project – Eighty (80) Dwelling Unit Allocations shall be reserved for Category A Projects. They shall be issued on a first-come, first-served basis at the time a building permit is issued for the project. A Category A Dwelling Unit Allocation remains valid until the associated building permit expires.

Category B Project – One hundred (100) Dwelling Unit Allocations shall be reserved for Category B Projects. Once an Alternative Single Family Housing Development project has obtained Final Discretionary Approval, available Dwelling Unit Allocations shall be issued for the entire project by the Planning & Building Director. These Dwelling Unit Allocations are valid for up to three calendar years or until the Final Discretionary Approval expires, whichever comes first. The three-year period shall commence on January 1st of the year the Dwelling Unit Allocation is issued, regardless of when during the year it is issued.

Category C Project – Two hundred and forty (240) Dwelling Unit Allocations shall be reserved for Category C Projects. Once a Multifamily Housing Development project has obtained Final Discretionary Approval, available Dwelling Unit Allocations shall be issued for the entire project by the Planning & Building Director. These Dwelling Unit Allocations are valid for up to three calendar years or until the Final Discretionary Approval expires, whichever comes first. The three-year period shall commence on January 1st of the year the Dwelling Unit Allocation is issued, regardless of when during the year it is issued.

B. Allocation per Development Agreement. A Pending Housing Development Application that is subject to a Development Agreement may be issued Dwelling Unit Allocations as deemed appropriate by the City Council, provided the General Provisions of Sections 4 and 5 are observed.

C. Wait List Allocation. If the Planning & Building Director determines that the issuing of requested Dwelling Unit Allocations would exceed the remaining Dwelling Unit Allocations in the current Housing Element cycle, the Director may issue a Wait List Allocation. Those projects denied Dwelling Unit Allocations in a given Housing Element cycle shall be placed, upon their request, on a waiting list and

have priority for issuance of Dwelling Unit Allocations in the following Housing Element cycle in the order of the earliest date of denial of the full Dwelling Unit Allocation.

D. Lapsed Allocation. Any Lapsed Allocation accumulated during a Housing Element cycle shall return to the remaining unallocated pool of Dwelling Unit Allocations and carry over for use in subsequent years of the same Housing Element cycle. The Planning & Building Director shall have the discretion to reassign these Lapsed Allocations to Pending Housing Development Applications, pursuant to the provisions of these Policies and Procedures.

E. Reallocation. Upon approval by the City Council, once all of the Category B or Category C Dwelling Unit Allocations have been issued, any unused Category A Dwelling Unit Allocations may be reallocated to either Category B or Category C. Similarly, once all of the Dwelling Unit Allocations from Category C have been issued, any unused Category B Dwelling Unit Allocations may be reallocated to Category C.

SECTION 6. ADMINISTRATION.

A. The Planning & Building Director shall prepare an annual report to the City Council on the Growth Regulation Ordinance that shall include the following: (1) the number of Dwelling Unit Allocations issued during the prior year, (2) the number of building permits issued for Dwelling Unit Allocations during the prior year, (3) the number of building permits for Dwelling Unit Allocations issued year to date and the number of Dwelling Unit Allocations issued year to date, (4) a description of any significant problems that arose during the prior year in administering the Growth Regulation Ordinance, and (5) recommendations with regard to changes or revisions to these Policies and Procedures to improve its effectiveness and/or administration.

B. A Growth Regulation Ordinance allocation availability table shall be updated on an annual basis or as determined appropriate by the Planning & Building Director or City Council.

SECTION 7. APPEALS.

An applicant, or any other person aggrieved by the decision of the Planning & Building Director may appeal the same to the City Council.

A. The appeal shall be filed with the City Clerk within ten (10) working days from the date on which the decision was made and issued in written form by the Planning & Building Director.

B. The appeal shall be made in writing and shall specifically describe the decision which is being appealed, the grounds which the appellant is relying upon in making the appeal, and the specific action which the appellant wants the City Council to take.

C. A timely filed appeal shall stay all actions resulting from the decision. Any Dwelling Unit Allocations issued under the decision shall be preserved pending the Council's decision on the appeal; any Dwelling Unit Allocations requested by an appellant which were denied by the decision shall also be preserved (or reserved) pending the Council's determination of the appeal to the extent that corresponding entitlements are still available for the Dwelling Unit Allocations at the time the City Clerk notifies the Planning & Building Director of the filing of the appeal.

D. Upon the filing of an appeal, the City Clerk shall immediately notify the Planning & Building Director of the appeal and shall forward to the Director a copy of the appeal.

E. A timely-filed appeal shall be heard and a decision made by the City Council within thirty (30) days of its filing.

DRAFT

CITY OF HEALDSBURG
RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG RESCINDING RESOLUTION NO. 22-2008 AND APPROVING REVISED POLICIES AND PROCEDURES TO IMPLEMENT THE MEASURE M GROWTH MANAGEMENT INITIATIVE AS AMENDED BY MEASURE R TO BE CONSIDERED BY THE VOTERS OF THE CITY OF HEALDSBURG ON NOVEMBER 8, 2016 AND THE GROWTH REGULATION ORDINANCE, ADOPTED BY THE CITY COUNCIL ON [REDACTED]

WHEREAS, on November 7, 2000 the voters of the City of Healdsburg approved Measure M, an initiative that sets forth a restriction on the annual number of new residential dwelling units beginning January 1, 2001;

WHEREAS, on November 8, 2016 the voters of the City of Healdsburg will consider Measure R, which seeks to amend Measure M and requires the City to adopt a new Growth Regulation Ordinance; and

WHEREAS, on [REDACTED] the City Council adopted a Growth Regulation Ordinance which sets forth new growth management measures; and

WHEREAS, because of its brevity, it is necessary to adopt detailed policies and procedures as set forth in Exhibit "A" to this resolution to implement it in a fair and equitable manner; and

WHEREAS, it is the finding of the City Council that the policies and procedures as set forth in Exhibit "A" to this resolution are consistent with and intended to implement the adopted Housing Action Plan, the intention of which is to create greater housing diversity and affordability in our community; and

WHEREAS, it is the finding of the City Council that the policies and procedures as set forth in Exhibit "A" to this resolution are consistent with the wording and intent of the Growth Regulation Ordinance adopted by the City Council on [REDACTED]; and

WHEREAS, the policies and procedures established by this resolution will not prevent the City from attaining its regional fair share housing needs as determined by the Association of Bay Area Governments (ABAG) because the system permits exemptions for affordable housing as defined for Sonoma County by the U.S. Department of Housing and Urban Development; and

WHEREAS, adoption of the Policies and Procedures is exempt from CEQA pursuant to Section 15061(b)(3) of the State Guidelines. This section states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

WHEREAS, the Policies and Procedures for the Healdsburg Growth Regulation Ordinance are technical changes concerning general policy for the implementation of the Growth Regulation Ordinance, which was adopted by the City Council on ____.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of

Healdsburg as follows:

Section 1. Findings. Adoption of the Policies and Procedures is exempt from further CEQA review pursuant to Section 15061(b)(3) of the State Guidelines.

Section 2. Adoption: The City Council hereby rescinds Resolution No. 22-2008 and adopts new policies and procedures for the Growth Regulation Ordinance as set forth in Exhibit "A" to this resolution.

Section 3. Effective Date. The effectiveness of the adopted policies and procedures in the form set forth in Exhibit "A" is conditioned on the passage of an amendment to the Growth Management Ordinance by Healdsburg voters at the November 8, 2016 election and City Council adoption of a Growth Regulation Ordinance on _____, and it shall take effect as of January 1, 2017, but only if the voters pass the proposed amendment to the Growth Management Ordinance. Should the voters reject the proposed amendment to the Growth Management Ordinance, the policies and procedures in the form set forth in Exhibit "A" shall be null and void and shall have no force or effect.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Healdsburg this ____ day of ____ 2016, by the following vote:

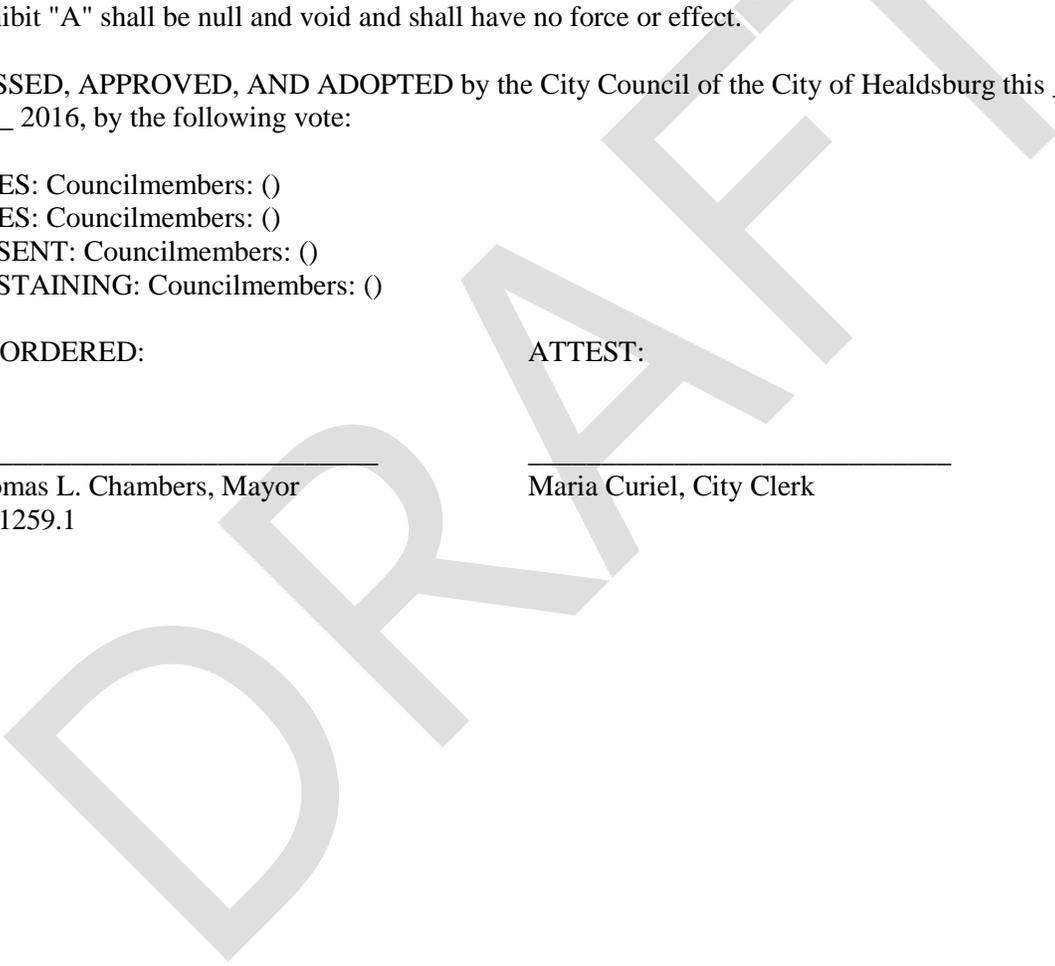
- AYES: Councilmembers: ()
- NOES: Councilmembers: ()
- ABSENT: Councilmembers: ()
- ABSTAINING: Councilmembers: ()

SO ORDERED:

ATTEST:

Thomas L. Chambers, Mayor
2701259.1

Maria Curiel, City Clerk



Attachment: 082616 Growth Regulation Policies and Proceduresv2_wk_edits and comments(2) (3) 072816 (2) (3) w EG final (1350 : GRO 1st