



## Sonoma County Planning Commission STAFF REPORT

FILE: ORD17-0003  
DATE: April 12, 2018  
TIME: 1:05 p.m.  
STAFF: Jane Riley

**Board of Supervisors Hearing will  
be held at a later date and will be  
noticed at that time.**

### SUMMARY

**Applicant:** County of Sonoma

**Location:** County-wide

**Subject:** Code Changes for Housing

**PROPOSAL:** Amendments to the Sonoma County Code to remove constraints to housing related to accessory dwelling units, mixed use projects, timing of fee payments, and special needs housing types.

**Environmental Determination:** Exempt: Public Resources Code, § 21080.17; CEQA Guidelines, § 15282(h) and 15061(b)(3) California Code of Regulations

**General Plan:** All, except Coastal Zone

**Ord. Reference:** Multiple – see Table 1 on page 4

**Zoning:** Various – see Table 1 on page 4

**RECOMMENDATION:** Adopt a resolution recommending that the Board of Supervisors enact the attached ordinance amending Chapter 26 of the Sonoma County Code to remove constraints to housing.

### INTRODUCTION

Like many other counties in California, Sonoma County is known for its high cost of living and lack of affordable, available housing. Home prices in the county have doubled in the last six



years, with a median cost of a single-family home reaching \$670,000 in January 2018.<sup>1</sup> Rents have increased 9.5 percent in 2017, to an average of \$1,980 per month for a two-bedroom apartment. To afford this average apartment, a family of three must have an income of \$90,204, significantly more than the county median income of \$75,500.

Housing affordability affects the entire community—residents, businesses, the environment, and the economy:

- A lack of affordable or available housing increases homelessness
- Extremely cost-burdened households (those spending more than 50 percent of income on housing) have little left over to pay for other necessary expenses—food, transportation, and health care and suffer lower health outcomes as a result
- A lack of affordable housing in urban centers forces people to commute long distances and move outside of the County, resulting in increased traffic and wear-and-tear on aging roads, lower quality of life, and lost economic output<sup>2</sup>
- Slow housing growth results in a slower job growth and reduced economic prosperity<sup>3</sup>

The Sonoma County Board of Supervisors adopted the Building HOMES Toolbox in 2016, focusing on ending homelessness by providing more permanent housing, including set-asides in affordable housing developments, housing for homeless youth, rental subsidies, and use of the Housing First approach. All of these solutions require the development of a significant number of rental housing units throughout the county, but focused in areas like cities and more urban communities where services are available.

In 2017, the Board of Supervisors adopted a strategic priority of “Housing for All”<sup>4</sup>—an effort to facilitate the development of housing for households of all income levels, focused in urban centers. Under this strategic priority, the Board of Supervisors set a goal of creating 675 new housing units per year until 2022, and included strategies such as updating and simplifying regulations for land use entitlements, deferring the collection of impact fees, and enacting housing code amendments for workforce housing.

The Sonoma Complex Fires exacerbated an already dire housing crisis: On October 9, 2017, the most destructive wildfires in California history began in Napa County and quickly spread to Sonoma County and into the City of Santa Rosa. After burning for over three weeks, the fires ultimately destroyed 5,283 housing units countywide, and over 2,200 residential units in the unincorporated County. The fires impacted thousands of community members, leaving many homeless, struggling to recover and rebuild.

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<sup>1</sup> Press Democrat, February 24, 2018

<sup>2</sup> McKinsey Global Institute, Closing California’s Housing Gap, 2016 (<https://www.mckinsey.com/global-themes/urbanization/closing-californias-housing-gap>)

<sup>3</sup> Beacon Economics, Sonoma County Complex Fires: Housing and Fiscal Impact Report

<sup>4</sup> Sonoma County Board of Supervisors, 2017 County Strategic Priority: Housing for All ([http://sonomacounty.ca.gov/templates\\_portal/Project.aspx?id=2147540161](http://sonomacounty.ca.gov/templates_portal/Project.aspx?id=2147540161))

Before the fire, the rental vacancy rate in Sonoma County hovered below 1.5 percent<sup>5</sup> (considered full occupancy) and has only gotten lower after the fire. The vacancy rate for homeownership (the percent of houses for sale) is around 1.5 percent, compared to about two percent nationwide.<sup>6</sup>

Given the state of the countywide post-fire housing landscape, the Board of Supervisor's subregional housing production goal is 30,000 units countywide by 2023, including 3,375 new units on County-owned land. The subregional goal was informed by research by Beacon Economics, and accounts for historic unmet housing needs countywide, housing units lost in the fires, and anticipated employment growth and economic forecasts. In the unincorporated County, the Board has a goal of rebuilding 2,000 destroyed units and building 1,000 new accessory dwelling units within the next five years.

The average number of new units permitted by the County from 2013–2017 was 716. Of those, the current average number of new accessory dwelling units is 50 per year. Meeting this ambitious goal will require innovative new funding and policy mechanisms. According to Beacon Economics, “the local economy has become severely constrained by little or no growth in the County labor force, partly because of the high cost of living”—failure to meet the housing goal will impact the County's ability to grow its economy and recovery fully from this disaster.

Permit Sonoma is introducing several initiatives designed to provide more opportunities and better certainty to housing developers in order to reduce risk and increase investment. This package of recommended code amendments to reduce constraints to housing production (summarized in Table 1, following) is the first in a series of three Permit Sonoma initiatives designed to provide broader options for permanent housing solutions. A companion ordinance to be considered immediately after would rezone qualified parcels countywide to remove the Z (Accessory Dwelling Unit Exclusion) Combining Zone. Additional initiatives will be brought forward this year to rezone sites for housing and to allow and encourage new types of housing. Additionally, the two Specific Plans currently underway in the Airport SMART station area and the Sonoma Springs area are anticipated to increase allowable residential zoning and densities near employment and transit.

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<sup>5</sup> *Building HOMES: A Policy Maker's Toolbox for Ending Homelessness*, 2015 ([http://www.sonoma-county.org/cdc/pdf/housing\\_toolbox\\_20150901.pdf](http://www.sonoma-county.org/cdc/pdf/housing_toolbox_20150901.pdf))

<sup>6</sup> Sonoma County Economic Development Board Winter 2018 Local Economic Report

**Table 1: Summary of Recommended Code Changes to Reduce Constraints to Housing and Provide Opportunities for Additional Housing Production**

Description of Recommended Code Changes	Applicability	Code Sections (all references to Ch. 26)
Increase size of accessory dwelling units to 1,200 sf; reduce impact fees on graduated scale; allow 1 bedroom/640 SF ADUs on rural 1 acre parcels	Residential and Agricultural	26-88-060 Accessory Dwellings
Increase allowable residential floor area in Mixed Use projects to 80% residential and 20% commercial; and  Allow Mixed Use projects that provide affordable units on-site as a permitted use	LC, C2, C1	26-88-123 Mixed Use
Delay collection of fees until near occupancy	All residential uses	Article 89 Affordable Housing Programs
Authorize Permit Sonoma Director to approve Alternative Equivalent Affordable housing plans	All residential uses	26-89-040 Affordable Housing Requirements
Allow transitional and supportive housing in all zones that allow a single family dwelling	All residential uses	Multiple
Provide density bonus for housing units for foster youth, veterans & homeless	All residential uses	Article 89 Affordable Housing Programs
Allow small Single Room Occupancy (SRO) projects as a permitted use; allow larger with a use permit and remove the existing 30 room cap	LC, C2	26-88-125 Single Room Occupancy

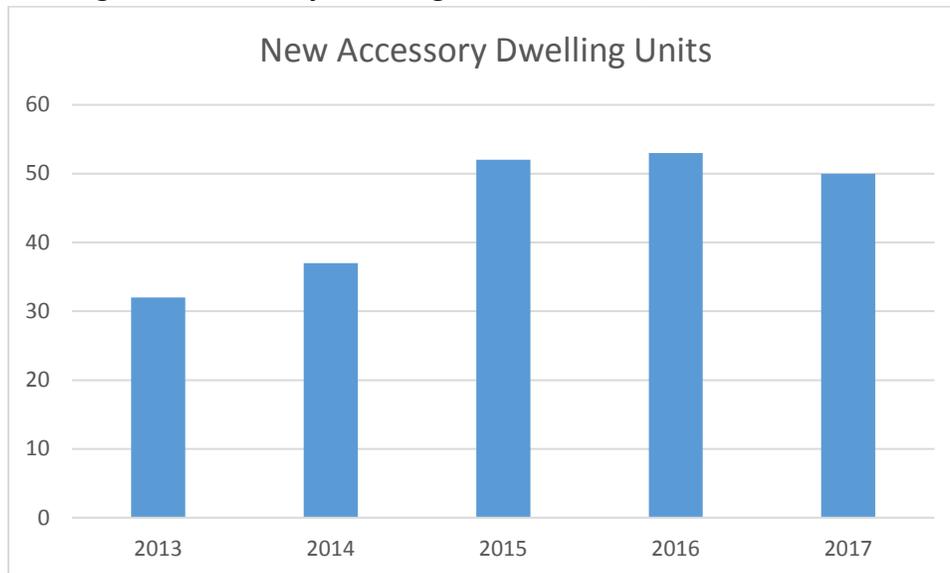
**ANALYSIS AND POLICY OPTIONS**

**Accessory Dwelling Units.** Sonoma County has long considered accessory dwelling units to be an important component of its affordable housing stock. Rural housing parcels not located within urban service areas can make affordable housing development challenging because they lack urban utilities, transit, and other amenities. Accessory dwelling units (sometimes called “ADUs”) are an important method for increasing the affordable housing stock on rural housing parcels where larger housing projects are not feasible.

The development of accessory dwelling units in the unincorporated county has been popular for a number of reasons. Accessory dwelling units can provide much needed rental housing

and additional income to homeowners. Over the past five years, an average of 41 new accessory dwelling units are provided per year within the unincorporated county (see Figure 1, below)

**Figure 1: Accessory Dwelling Units Per Year, 2013-2017**



On 24 January 2017, the County adopted its current regulations for accessory dwelling units in compliance with new state laws that went into effect in 2017. State law caps accessory dwelling unit size at up to 1,200 square feet for a detached structure; attached accessory dwelling units are capped at a maximum of 50 percent of the size of the primary dwelling or 1,200 square feet, whichever is smaller. Sonoma County's existing ordinance limits accessory dwelling units to 1,000 square feet. The prior size limitations did not address the size of the main primary dwelling.

In hearings during the initial fire recovery, the Board emphasized the need for the County and the City of Santa Rosa housing initiatives to work in parallel whenever possible. The City adopted a maximum accessory dwelling unit size of 1,200 square feet in December of 2017.



*Figure 2: Rendering of an Accessory Dwelling Unit. Source: Google Images*

State law requires that all accessory dwelling units be approved ministerially, meaning that the County must have uniform standards and is not permitted to consider individual circumstances on a case-by-case basis. The standards set for accessory dwelling units must allow for approval of these units without discretionary review.

#### **I. Minimum Parcel Size for Accessory Dwelling Units in Rural Areas**

The County has historically required a minimum parcel size of 2.0 acres for rural accessory dwelling units served by septic to avoid cumulative groundwater impacts. This minimum parcel size was determined by the Well and Septic Division to be the minimum size that is large enough to accommodate the development of a single family home and an accessory unit, a standard or nonstandard septic system with the required expansion area, and other site improvements while still maintaining the minimum required setbacks to groundwater, streams, cut banks, property lines, roads, homes and wells. Minimum horizontal setbacks from any part of a septic system range from 50 feet to 200 feet, with the largest setbacks required for water wells on any property. Where parcel sizes are smaller and multiple properties develop housing units on wells and septic systems, issues of groundwater contamination have occurred, such as in Canon Manor. In this area and 14 others within Sonoma County, the County and the Regional Board have established waiver prohibition areas (areas where a waiver or variance from septic standards or setbacks cannot be granted) because site limitations like small lots, poor soils for sewage treatment, high groundwater, and excessive slopes negatively affect the ability to construct a code compliant septic system. Minimum required parcel sizes cannot be reduced within these waiver prohibition areas.

The size and cost of a septic system is directly related to the number of bedrooms to be served. A one bedroom home typically requires a minimum of 1,000 square feet of undisturbed dispersal field in addition to the area required by the tank. The required dispersal area increases with the number of bedrooms proposed, making the required

setbacks to property lines, waterways, wells and other structures more difficult to meet on smaller parcels. Poorly drained soils will further increase the required size of the dispersal system. The criteria that must be considered in the design of an onsite wastewater treatment system, as set forth in the Onsite Wastewater Treatment Systems (OWTS) manual, include:

- Soil capability;
- Depth to groundwater;
- Creeks & drainage courses;
- Cut banks;
- Wells on any property;
- Public water systems;
- Property lines and structures;
- Number of bedrooms; and
- The 200% expansion area for dispersal field (the dispersal field cannot be used for other purposes).

In January 2017, the Board considered the minimum parcel sizes for accessory dwelling units and determined that it was appropriate to allow small (640 square feet) 1-bedroom accessory dwelling units on rural parcels as small as 1.5 acres, but only if the parcel is on public or community water and has an appropriate septic system to accommodate the new use. The Board opined that while not all rural parcels of 1.5 acres would be able to accommodate a septic system to allow development of an accessory unit, the requirement for public or community water mitigates concerns about contamination of groundwater or nearby private wells. More recently, the Board requested that staff evaluate further reducing the minimum lot size on community water to 1.0 acres. The current parcel size requirements and accessory unit size limitations are shown in *Table 2*, below.

**Table 2: Current Minimum Parcel Size and Unit Size for Accessory Dwellings**

<b>Water and Sanitation Facilities</b>	<b>Minimum Parcel Size</b>	<b>Maximum Unit Size (sq. ft.)</b>
Well and Septic	2.0 acres	1,000
Public or Community Water	1.5 acres	640 +1-bdrm
Public Water and Sewer	5,000 square feet	1,000

For parcels served by a community water system or public water, the concern about well water contamination from septic fields is reduced. Limiting the size of accessory dwelling units in these situations reduces the septic system size and enhances potential to meet septic requirements. Smaller non-standard septic systems may also enhance capabilities. These systems also cost more than standard systems and require a higher level of

maintenance. If not properly maintained, these systems can cause ongoing groundwater quality issues.

### ***Policy Options***

**Option 1.** Maintain the current minimum parcel sizes in all areas. This option would best protect groundwater quality.

**Option 2.** Reduce the current minimum rural parcel size from 1.5 acres to 1.0 acre for a 1-bedroom, 640 square foot accessory dwelling units with appropriate septic (not located in Waiver Prohibition Areas) and public water or community water.

**Option 3.** Reduce the current minimum parcel size for rural parcels from 1.5 acres to 1.0 acres for accessory dwelling units up to the permitted maximum size with public or community water.

**Recommendation: Option 3.** Reduce the current minimum parcel size for rural parcels from 1.5 acres to 1.0 acres for one bedroom accessory dwelling units up to 640 square feet when the parcel is served with public or community water.

## **II. Maximum Unit Size for Accessory Dwelling Units**

During the public process for the Board's 2017 accessory dwelling unit ordinance, some members of the public, members of the Planning Commission, and members of the Board expressed a desire to increase the size limit for accessory dwelling units to 1,200 square feet. This increase would provide alignment with the City of Santa Rosa's size limit for accessory dwelling units. Since the fires, a number of displaced families have indicated that they could be better accommodated in larger accessory dwelling units if the size limit were increased to 1,200 square feet. Testimony received at the last Planning Commission review of the accessory dwelling unit ordinance also encouraged 1,200 square feet, noting that many dwellings in the County are 1,100 square feet and could be converted to accessory units rather than being demolished to allow larger homes. The General Plan Housing Element Policy HE-1f identifies the need for smaller rental units such as accessory dwelling units, but also identifies a need for rentals with three or more bedrooms to serve larger families. An accessory dwelling unit of 1,200 square feet is large enough to accommodate three or four bedrooms.

On the other hand, accessory dwelling units are intended to be smaller, more affordable units that are subordinate to primary single-family dwellings. State law allows accessory dwelling units to be as large as 1,200 square feet, which as noted above could accommodate three to four bedrooms and four or more people. A fall 2016 Sonoma County rent survey conducted by Bradley Commercial found that in Santa Rosa, the average rent for a 1,000 square foot two-bedroom unit was \$1,690 and the average rent for a 1,200 square foot three-bedroom unit was

\$2,377. These rentals are unaffordable to very low and low income households (refer to Table 3 below).

Given the recent countywide increases in rental housing prices, it is important to keep the size of accessory dwelling units small enough to ensure lower rental costs if these units are to meet the County's affordable housing goals. Increasing the allowable sizes of accessory dwelling units can reasonably be expected to result in larger accessory dwelling units being built because they can be rented for more money. However, this concern can be dismissed since only 50 accessory dwelling units were constructed last year. Given the Board's goal of building at least 200 accessory dwelling units annually for the next 5 years, removal of regulatory barriers must be maximized. Were the county to experience massive accessory dwelling unit development, reasonable revisions could be made in response to actual conditions.

**Table 3: Lower Income Rental Limits by unit size**

<b>Unit Size (assumed # of occupants)</b>	<b>Very Low Income Rent Limit</b>	<b>Low Income Rent Limit</b>	<b>Median Income Rent Limit</b>	<b>Moderate Income Rent Limit</b>
Studio (1)	771	926	1,469	1,763
1 Bedroom (2)	881	1,058	1,678	2,014
2 Bedroom (3)	991	1,190	1,888	2,267
3 Bedroom (4)	1,101	1,322	2,098	2,518
4 Bedroom (5)	1,190	1,428	2,265	2,719

### **Policy Options**

**Option 1.** Keep the 1,000 square foot size limit. This option would help to keep accessory dwelling unit rents affordable if substantially more units are built. A 1,000 square foot unit can accommodate families in up to three bedrooms.

**Option 2.** Increase the size limit to 1,200 square feet for affordable units only. Units of 1,000 square feet or less would not be restricted. This option would allow larger accessory dwelling units with up to 4 bedrooms that are suitable for larger families, but would require that property owners rent them to qualifying lower-income households at affordable prices. The restriction would be maintained via a recorded, long-term affordability agreement through the Community Development Commission that restricts both the rent charged and the income of the tenant. However, restricted affordable accessory dwelling units would not be available to displaced families with moderate or higher incomes.

**Option 3.** Increase the size limit to 1,200 square feet. This option would allow larger units suitable for larger families; however, it would not ensure that larger accessory dwelling units are affordable.

**Option 4.** Increase the size limit to 1,200 square feet, but use graduated fees to encourage smaller units. The City of Santa Rosa charges graduated fees based on accessory dwelling unit size, so this option would keep the County consistent with the City.

**Recommendation: Option 4.** Increase size limit to 1,200 square feet. A larger size limit would better accommodate larger families displaced by the fires. A graduated fee schedule would help to encourage smaller units, as discussed below.

**Table 4: Recommended Parcel Sizes Minimums and Unit Size Maximums for ADUs**

Water and Sanitation Facilities	Minimum Parcel Size	Maximum Unit Size (sq. ft.)
Well and Septic	2.0 acres	1,200
Public or Community Water or on-site well <sup>1</sup>	1.5-1.99 acres	640/1-bdrm
Public or Community Water	1.0-1.49 acres <sup>2</sup>	640/1-bdrm
Public Water and Sewer	5,000 square feet	1,200

<sup>1</sup>On-site well must meet current potable water supply standards as defined in Sonoma County Code Chapter 25B-3

<sup>2</sup>Not in Waiver Prohibition Area

### Development Fee Structure

Local governments charge development fees (also known as impact fees) are charged by local governments to mitigate the impacts of new development on capital facilities and infrastructure, such as roads and parks. Sonoma County imposes development fees on new residential and commercial uses. The existing Park fees that apply to accessory dwelling units are the same regardless of size. While traffic fees are based on trip generation rates that are lower for accessory dwelling units. Together these fees amount to about \$7,400 per accessory dwelling unit.

Under the current impact fee structure, a 640 square foot one bedroom accessory dwelling unit pays the same amount in development fees as a 1,200 square foot three bedroom accessory dwelling unit, even though the impacts of each structure are likely not the same because a 1,200 square foot, three or four bedroom home can house more occupants than a 640 square foot, one bedroom home. A graduated fee schedule would better reflect the actual impacts of an accessory dwelling unit based on its size, and could incentivize property owners to build smaller, more affordable accessory dwelling units.

Last November, the Board adopted a reduced and graduated fee schedule (see *Table 5*, below) for accessory dwelling units constructed on parcels within the burned areas, to encourage construction of accessory dwelling units on these sites. Fees were waived for accessory dwelling units less than 750 square feet. As of March 2018, the County has issued 11 building permits for accessory dwelling units on burned parcels; of those, four accessory dwelling units had fees waived because they were smaller than 750 square feet, while the

remaining seven were charged 50% of the traffic and parks fees that apply elsewhere in the County.

**Table 5: Previously adopted fee reductions for ADUs on burned parcels**

Size of Unit	Development fees charged
<750 sq. ft.	0
751-1,000 sq. ft.	50% of standard fees

Based on this practice and outcomes, the County could also reduce traffic and parks fees for all accessory dwelling units countywide. The County could also consider a graduated fee schedule that would encourage smaller accessory units that are affordable by design. As noted above, Santa Rosa has a similar reduced and graduated fee structure that applies to accessory dwelling units citywide, but the City reduces fees by 50% for accessory dwelling units of greater than 1,000 square feet. County staff propose the fees reductions only for units of up to 1,000 square feet in order to incentivize smaller units while collecting the appropriate development impact fees for larger accessory dwelling units.

**Table 6: Recommended Fee Reductions for ADUs Countywide**

Size of Unit	% of applicable development fees
≤750 sq. ft.	0
751-1,000 sq. ft.	50%
1001-1200 sq. ft.	100%

It is important to note that the only impact fees that can be reduced through the zoning code are the development fees for parks and traffic. Adopting a graduated fee reduction would reduce fees by about \$3,700 for a 1,000 square foot accessory unit and by \$7,400 for units of 750 square feet or less (see *Table 7*, below). Permit, plan check and inspection fees for accessory dwelling units outside the burn area would still apply even if development impact fees are reduced or waived.

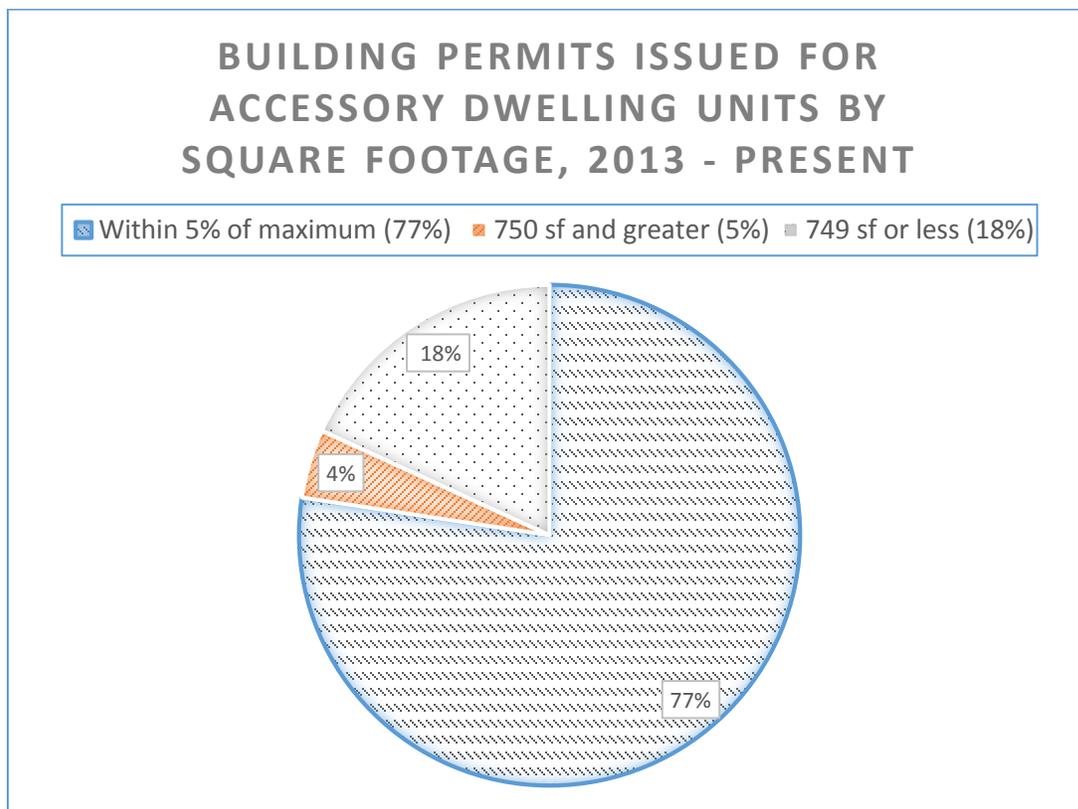
**Table 7: Graduated Fee Reduction**

Size of Unit	% of Applicable Development Fees	Parks Fee	Traffic Fee
≤750 sq. ft.	0	0	0
751-1,000 sq. ft.	50%	\$1,839	\$1,891
1001-1200 sq. ft.	100%	\$3,678	\$3,781

The estimated cost to the County of the proposed fee reductions depend on the number and size of accessory dwelling units constructed each year. If 50 accessory dwelling units of 750 square feet or less are constructed every year such that no parks and traffic fees are charged,

up to \$700,260 per year would not be collected or available to fund parks and traffic improvements, including about \$350,000 in parks fees and \$350,260 in traffic fees. However, most accessory dwelling units (77%) constructed since 2005 have been built within 5% the maximum size allowed, and a reduction in the impact fees may not encourage construction of smaller units (see *Figure 3*, below). If most new accessory dwelling units continue to be built at the maximum size, then the County would see very little change in impact fee revenue under the reduced fee structure proposed because units built at or near the full size would not receive a reduction in these development fees. If the trend reflected in *Figure 3* below is continued, the annual lost fee revenue would be about \$100k for regional parks and \$103k for traffic impacts. It should be noted that these fees are currently in the process of being reviewed and updated.

**Figure 3: Accessory Dwelling Units Built Since 2013**



**Policy Options**

**Option 1.** Maintain the existing reduced and graduated fee structure for burned parcels only. This option would encourage rebuilding property owners to add an accessory dwelling unit that could be made available for another household. This option would not incentivize construction of additional accessory dwelling units outside of the burned areas.

**Option 2.** Adopt a graduated impact fee structure countywide that mirrors Santa Rosa's fee structure of 0 fees up to 750 square feet and 50% of fees from 751 to 1,200 square feet. This option would ensure consistency between the City and the County.

**Option 3.** Adopt a graduated impact fee structure countywide that incentivizes the construction of smaller accessory dwelling units. This option would adopt a fee schedule similar to the City of Santa Rosa's, but would also provide a financial incentive for the construction of smaller accessory dwelling units and would reduce funding short falls.

**Recommendation: Option 3.** Adopt a graduated impact fee structure for accessory dwelling units countywide that incentivizes smaller units. This option would ensure that all property owners in unincorporated Sonoma County are encouraged to build accessory dwelling units, and would incentivize the construction of small units while decreasing the possibility of funding shortfalls.

**Mixed Use Projects.** Mixed use projects combine residential uses with commercial uses on the same site, and often within the same buildings. These uses are currently allowed in the Neighborhood Commercial (C1), Retail Business and Service District (C2), and Limited Commercial (LC) zones, but there have been relatively few project applications because of the limited amount of residential development allowed per parcel. Staff proposes to change the County's mixed use regulations (found in 26-88-122) to increase the allowed residential space from 50% of the project floor area to 80% of the project floor area to remove this constraint and to accommodate more housing units. An additional incentive is proposed to increase affordability by allowing an increase in height and lot coverage if at least 20% of the project units are affordable to lower-income families. Staff also proposes changes to the C1 (Neighborhood Commercial Zone, 26-30), the C2 (Retail Business and Service District Zone, 26-32) and the LC (Limited Commercial Zone, 26-36) to make mixed use projects a permitted use where they meet the County's affordable housing requirements on-site. These proposed changes can be reviewed in the Mixed Use Ordinance Exhibit B.

**Single Room Occupancy Facilities.** Single Room Occupancy (SRO) housing is allowed in urban service areas near transit and services, within the Limited Commercial (LC), Retail and Service Commercial (C2), and Planned Community (PC) zones. Currently, small SRO projects (up to 10 rooms) and large SRO projects (up to 30 rooms) require a use permit, and are capped at a maximum of 30 rooms, except in the PC zone. These limitations are constraints to development of these important housing types because they add uncertainty and significant delay. The proposed change to Section 26-88-125 would allow small SRO facilities (10 or less rooms) as a permitted use (without need for a use permit) in the commercial zones (LC, C2), and remove the cap on larger SRO projects that require a use permit. Please see the Single Room Occupancy (SRO) Facilities Ordinance Exhibit C to the proposed ordinance.

**Deferral of Fees.** Under the current code, development impact fees for affordable housing (“affordable housing fees”) are due at the time of building permit issuance. The proposed change to Article 89 would codify the agency’s recent practice of not collecting the impact fees until closer to the final inspection, near project occupancy. This practice lowers housing costs by reducing out-of-pocket expenses that can amount to millions of dollars. Instead fees paid after the issuance of building permits – an important certainty signal to lenders – can be financed as a portion of the construction loan, often later rolled into permanent financing after a project is finalized. Please see the Article 89 Ordinance Exhibit D.

**Approval of Alternative Equivalents.** Article 89 (Affordable Housing Program) of the zoning code requires that all development participate in the County’s affordable housing program in some way, and includes a provision allowing innovative proposals that provide an alternative that is equivalent to the statutory requirement (an “Alternative Equivalent Proposal”). While the Code includes the criteria by which Alternative Equivalent Proposals must be approved, it provides that only the Board of Supervisors may approve Alternative Equivalent Proposals. This requirement can result in significant delays, particularly for smaller projects that would not otherwise require Board action. Staff proposes to amend the Code to allow the Director of Permit Sonoma to approve Alternative Equivalent Proposals that meet the code criteria. This recommendation can be reviewed in the Article 89 Ordinance Exhibit D.

**Transitional and Supportive Housing.** Staff also recommends that the zoning code be amended to clarify that transitional and supportive housing is permitted in any zone district where residential uses are allowed, and is not subject to any additional standards than other residential uses. These proposed changes are consistent with recent changes in state law (SB-2) and with the General Plan Housing Element.

**Density Bonus for Foster Youth, Disabled Veterans, and Homeless.** New state-mandated density bonuses for housing for foster youth, disabled veterans, and homeless persons (AB-2442) are included in this housing package. The new density program allows a 20% density bonus for affordable housing projects that provide at least 10% of the project base units for foster youth, disabled veterans, or homeless persons. These changes would be made in Zoning Code section 26-89-050. Please see Exhibit D to the proposed ordinance.

### **Other Recommended Changes**

In addition to the changes set forth above, additional non-substantive changes are proposed to correct outdated names or terms and incorrect citations, and to eliminate conflicting provisions. All proposed Code changes shown in the attached Ordinance Exhibits in legislative style, using strikeout for deleted language and bold for added/new language.

### **STAFF RECOMMENDATION**

Staff recommends that the Planning Commission consider the staff presentation and hold a public hearing. At the conclusion of the hearing, staff recommends that the Planning Commission work through the policy options in the staff report, taking a series of straw votes, and then vote on the recommended package. The Planning Commission's recommendation will then be forwarded for consideration by the Board of Supervisors at another public hearing to be held this spring.

### **LIST OF ATTACHMENTS**

Resolution

Draft Ordinance, with Exhibits:

Exhibit A Accessory Dwelling Unit Ordinance

Exhibit B Mixed Use Ordinance

Exhibit C Single Room Occupancy Ordinance

Exhibit D Article 89