



## **Housing Issues Overview**

### **Presented to the Winters City Council and Planning Commission**

### **May, 2019**

#### **Overview:**

Housing is an important and emerging issue in California. Some are referring to it as a crisis while others are cautionary as to the impacts of expanded housing on quality of life and impacts on community identity.

City Staff provided the following report and overview in presentations before both the City Council and Planning Commission during meetings in May, 2019.

Here is the report.

#### **BACKGROUND:**

- Governor Gavin Newsom has declared that the severity of the State's housing crisis has made it one of the top issues of his administration. He has hinted at tying critical funding, such as transportation funding, to planning and production of both market rate and affordable housing in communities. He recently initiated litigation against 75 cities whose housing elements were not certified.
- The top project with the Sacramento Area Council of Governments (SACOG) in the coming months will be facilitating the Regional Housing Needs Allocation (RHNA) which is a critical portion for each city's housing element and must be coordinated with the Metropolitan Transportation Plan. SACOG has initiated preliminary planning discussions with the cities' planning staff and those discussions are ongoing.
- The City of Winters Housing Element will expire in 2021 and will require the City to develop a new plan in concert with the RHNA numbers.
- There is currently a very low vacancy rate in Winters, as there is in other communities in Yolo -as of May 28, 2019, the City has 2 existing single family homes on the market and zero market rate apartment units available.

## **Housing Overview**

### **Agenda Report from May, 2019**

*Page 2*

To get a better understanding of these key issues and to frame the discussion around housing issues, this report and a presentation will cover a number of key elements of the City's housing policy and suggest avenues for additional policy discussion and possibilities on the horizon.

### **DISCUSSION:**

This report will give overviews of the following:

- City's Housing Element
- Winters Affordable Housing
- State Housing Policy, Legislation and the Governor's priorities.
- Regional Housing Policy- directives and recommendations
- City policies in relation to directives and recommendations.
- Infill Housing
- Densities
- Growth rate and housing production.
- City staff directives to developers and land owners

### **City's Housing Element:**

The State Office of Planning and Research provides State policy guidelines on city general plan housing elements as follows:

“Providing adequate housing for all residents is a priority for cities and counties throughout California. The housing element implements the declaration of State law that “the availability of housing is a matter of vital statewide importance and the attainment of decent housing and a suitable living environment for all Californians is a priority of the highest order” (Gov. § Code 65580). Provisions in the housing element are more specific and directive than other elements, and contain detailed guidance and reviews. The law also provides the Department of Housing and Community Development (HCD) with unique authority over the housing element.”

Housing element updates must be consistent with other general plan elements, including the land use element and diagrams. Integrating considerations of general plan goals and policies through the housing element and each update may improve efficiency by ensuring consistency. Additionally, incorporating a holistic view of the document will allow the housing element to compliment other elements in addressing challenges such as climate change mitigation and adaptation, and working towards local goals, such as promoting infill development, Transit Oriented Developments, and healthy, safe, and equitable communities. Periodic updates assure that local governments “will prepare and implement housing elements...toward the attainment of the state housing goal” (Gov. Code §65581). The law requires that HCD review and certify

## **Housing Overview**

### **Agenda Report from May, 2019**

#### **Page 3**

the housing element and that local jurisdictions submit annual progress reports to HCD. The housing element must be revised and submitted periodically on a four, five, or eight year cycle, depending on various factors (Gov. Code §65588).

The City of Winters [Housing Element](#) is on a cycle consistent with the development of the SACOG Regional Housing Needs Allocation (RHNA- referred TO and pronounced as “Ree Nah”). The certified plan was adopted in 2013 and was given an eight (8) year certification from the State’s Housing and Community Department who is responsible for the review of housing elements.

The Housing Element is based on seven strategic goals:

1. To designate adequate land for a balanced range of housing types and densities for all economic segments of the community;
2. To encourage the maintenance, improvement, and rehabilitation of the City’s existing housing stock and residential neighborhoods;
3. To encourage energy efficiency in both new and existing housing;
4. To promote the production and construction of affordable housing;
5. To ensure the provision of adequate services to support existing and future residential development;
6. To promote equal opportunity to secure safe, sanitary, and affordable housing for all members of the community regardless of race, creed, color, religion, sex, marital status, ancestry, national origin, disability, age, or sexual orientation; and
7. To preserve existing affordable housing.

A summary of the policy goals and implementation programs for the 2013 Housing Element include:

- Broad mix of housing types
- Inclusionary housing
- Housing for all economic segments
- Multi-family units for families
- Pursue Federal and State Funding
- Maintain the Affordable Housing Steering Committee
- Expedite processing.
- Avoid excess costs to housing
- Promote secondary housing units
- Promote mobile/manufactured housing
- Collaboration with non-profits
- Incentives for developers
- Mixed use/Second story dwelling units
- Local builders
- Preserve existing affordable units

### **Winters Affordable Housing:**

**Housing Overview**  
**Agenda Report from May, 2019**  
*Page 4*

Upon adoption of the 1992 General Plan, the City of Winters entered litigation with the affordable housing advocacy group, Legal Services of Northern California (Michel v City of Winters) primarily due to the lack of an affordable housing plan, strategy and the location of densities in the flood overlay area. In 1994, the Yolo County Superior Court issued a stipulated judgment which provided as follows:

- 15% Inclusionary Housing City-wide.
- Stipulation that 6% of housing be dedicated to very-low affordable units and 9% to low and moderate incomes.
- Annual Reporting
- Revision of the City's Housing Element
- Coordination between the City and the Community Development Agency.

In response, the City adopted an [Inclusionary Housing Ordinance](#) which implements Michel V City of Winters and established the Affordable Housing Steering Committee which includes key stakeholders including City Council, Planning Commission, Legal Services, the Housing Authority of Yolo County and At Large members.

The City currently has nine (9) key projects in its affordable housing inventory totaling 335 units which amounts to a 14.56% inclusionary housing percentage. The projects include:

- Orchard Village Apartments- 73
- Almondwood Apartments- 39
- Winters Apartments I- 44
- Winters Apartments II- 34
- Winters Senior Apartments- 38
- Cradwick Apartments- 6
- Putah Creek Hamlet- 64
- Winters Ranch- 7
- Cottages at Carter Ranch- 30

**State Housing Policy, Legislation and the Governor's Priorities:**

The State of California lists "housing" as the single highest economic cost for residents with transportation being second. Both the [Governor](#) and the [State Department of Housing and Community Development](#) have listed this amongst their highest priorities in addressing livability, quality of life and addressing climate change.

## Housing Overview

### Agenda Report from May, 2019

#### Page 5

In 2018, the State produced approximately 77,000 which the Governor deemed “deplorable” and he has proposed an overall goal of 3.5 million units over the next planning period. In the current legislative session the Governor and allies are proposing the following:

- Dense Housing Bill including SB50 which encourages density in and around transit and job centers.
- Rent control and stabilization
- Tenant Rights
- Preservation of existing low income housing.
- Tax credits.

The Governor has allocated \$500 million in planning grants to cities through [SB2 planning grants](#) of which the City of Winters will receive \$125,000 to plan for expanded housing development.

The current legislative session has included a significant number of bills. [HERE](#) is a list of the current bills under consideration.

### **Regional Housing Policy- directives and recommendations**

In State Planning, the authority linking transportation and planning includes extensive linkage with the various regional planning organizations and in our case, the Sacramento Area Council of Governments (SACOG). Under State guidelines, SACOG is responsible for the development of the RHNA which is meant to link with the Metropolitan Transportation Plan (MTP).

According to the [California Department of Housing and Community Development \(HCD\)](#), California has required since 1969 that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. MPOs and COGs such as SACOG play a significant role in how this is done through the Regional Housing Needs Allocation process. HCD will issue a Regional Housing Needs Determination to SACOG’s six-county region for the planning period of October 31, 2021 to October 31, 2029.

This is the sixth cycle of [RHNA](#). HCD calculates the regional determination using information provided by the California Department of Finance. The regional determination includes an overall housing need number, as well as a breakdown of the number of units required in four income distribution categories, as further defined below.

Based on the regional determination provided by HCD, SACOG must develop a Regional Housing Needs Allocation (RHNA) and a Regional Housing Needs Plan (RHNP). These State-mandated documents allocate a projected share of the regional determination to each of the cities and counties in SACOG’s six-county region.

## **Housing Overview**

### **Agenda Report from May, 2019**

*Page 6*

The RHNA establishes the total number of housing units that each city and county must plan for within the eight-year planning period. Based on the adopted RHNA, each city and county must update its housing element to demonstrate how the jurisdiction will meet the expected growth in housing need over this eight-year planning period.

The RHNA is divisive because the combination of projected need and then allocation generates concerns on growth, pace and the ability for more urban communities to achieve the allocated numbers.

The City of Winters can expect to receive our RHNA numbers by early Fall, 2019 which are then to be incorporated into our planning process once we move forward with our housing element update which will occur directly following.

In order to assist member communities, SACOG has developed the [Housing Policy Tool Kit](#) which provides planning alternatives and will be extensively advertised in the coming months.

### **City policies in relation to directives and recommendations**

The City's [Land Use](#) and [Housing](#) Elements serve as the basis for the development of key policies and directives in how proposals and programs are developed.

The SACOG Housing Policy Tool Kit includes a number of suggestions for addressing availability for a number of special groups. From the 2013 Housing Element Implementation Program, the following tools have been incorporated into our zoning code.

- Allowance for [Pre-Manufactured Buildings](#) to allow more mobile/manufactured homes within the community which are viewed as more affordable.
- Allowance for [Accessory Dwelling Units](#) which have been incorporated into State law and provide higher densities to support senior and lower income housing.
- Guidelines for [Single Room Occupancy](#).
- In 2017, the City adopted regulations for support of [Farmworker Housing](#), [Supportive Housing](#) for those with disabilities and [Transitional Housing](#) for those moving from various circumstances.

### **Infill Housing:**

A primary emphasis of “smart growth”, “new urbanism” and legislation including SB375 and AB 32 is to reduce sprawl and rejuvenate urban cores in the promotion of diversification of zoning to allow for complimentary mixed uses, vertical construction and increased residential densities which can benefit from connectivity, a pedestrian orientation, enhanced transportation, multi-model transit and shared opportunities for parking and other uses. Filling the land use within a community allows for a maximization of land use.

In Winters, the [Downtown Master Plan](#) has placed a primary emphasis on encouraging constructive re-use of properties and maximizing our small urban area. One of the defining elements of the Downtown Master Plan is the [Form Based Code](#) (FBC) which amended the zoning code by creating a special planning area to combine residential, retail and business uses within the Downtown Master Plan Area.

In relation to housing, the FBC allows the City’s highest density at 28.1 units per acre within a mixed use.

**General Plan Designation Corollary Zoning Districts:**

Housing production is predicated on the allowable densities within a community. Density allows for diversification of housing types, utility planning and the fundamentals of the overall land use plan dictating population.

The following is the land use density chart from the City’s Zoning Code.

RESIDENTIAL DENSITIES

GENERAL PLAN DESIGNATION	COROLLARY ZONING DISTRICTS	RESIDENTIAL DENSITY RANGE
Agriculture	A-1	1 unit/5 acres
Rural Residential	R-R	.5 to 1.0 units/acre
Low Density Residential	R-1	1.1 to 7.3 units/acre
Medium Density Residential	R-2	5.4 to 8.8 units/acre
Medium High Density Residential	R-3	6.1 to 10.0 units/acre
High Density Residential	R-4	10.1 to 20.0 units/acre
Neighborhood Commercial	C-1	6.1 to 10.0 units/acre
Central Business District	CBD	10.1 to 20.0 units/acre
Downtown- Form Based Code	CBD	10.1 to 28 units/acre
Office	O-F	6.1 to 10.0 units/acre
Planned Commercial	P-D Overlay	6.1 to 10.0 units/acre

**Growth Rate:**

One of the most common questions relates to “what is the City’s Growth Rate”? The reality is that growth is most often economy based and cyclical. To put it into perspective, from 2006 to 2016, single family home production in Winters was either zero or a single digit by number and less than one tenth of a percent, total.

**Housing Overview**  
**Agenda Report from May, 2019**  
**Page 8**

Beginning in 2016, the City had 615 single family units approved with entitlements to build. The actual and projected growth (based on 2,300 current units) is as follows:

2016- 34 units (1.4%)	2021-78 units (3%)
2017- 36 units (1.4%)	2022-78 units (3%)
2018- 4 units (.007%)	2203-78 units (3%)
2019- 54 units (2%)	2024-78 units (3%)
2020- 78 units (3%)	2025-78 units (3%)

Given economics and averages, over a 20 year period 2006-2025 the total residential growth rate would be 1.14% average with a peak of 3% annual growth.

**City Staff Direction to Developers and Property Owners:**

The City Staff operates under the direction of the City Council and the City's General Plan and its Housing Element which serves as the advocating document for implementing housing direction. The policies outlined in the 2013 Housing Element are critical to housing discussions and serve as the primary reference point, as will a new housing element in 2021 once adopted by the City Council.

Some priority items Staff is telling developers and property owners who come to talk about housing are the following:

- Market rate rental housing for Winters is critical.

The City falls within the Solano County rental market. In order to qualify for a market rate rental unit the income qualification is currently \$36 per hour or \$74,855 in annual income, shutting most young people and families out of the market. To see the Solano Housing Report, go [HERE](#).

In a recent discussion with a housing developer, the approximate cost for a market rate apartment is approximately \$240,000. For an "affordable unit" the costs now exceed \$350,000.

- Affordable housing which integrates into the overall plan along with moderate housing being constructed within projects is critical.
- Presenting Affordable Housing Plans are a must before any subdivision is submitted and must be submitted in conjunction with any subdivision.
- Planning is viewed as critical for meeting future needs and addressing climate related issues.
- Downtown Infill Projects with mixed uses with residential is viewed as highly desirable