

**REPORT TO CITY COUNCIL/
PLANNING COMMISSION**

April 3, 2019

City of Nevada City
317 Broad Street
Nevada City CA 95959
www.nevadacityca.gov

TITLE: SPECIAL MEETING/WORKSHOP: Housing Element Update

RECOMMENDATION (*revised from original post*): No action needed. Hold workshop.

CONTACT: Gary Price, Contract Planner
Amy Wolfson, City Planner

BACKGROUND: The Housing Element, one of seven State mandated elements that comprise the General Plan, is a policy document that provides an assessment of housing characteristics and needs in the community and establishes programs to improve housing to meet these needs. In accordance with California Government Code Sections 65580-65589, the Housing Element must be updated, periodically. Nevada City's current, Housing Element was approved by the State Department of Housing and Community Development ("HCD") for the period 2014-19 (for the 5th State Housing Cycle). The current housing cycle for Nevada City expires in August, 2019. The City needs to update the Housing Element for the 6th State Housing Cycle for 2019-27. This workshop is intended to provide an overview of the City's current Housing Element, present various State mandated requirements for bringing the document to comply with State Housing Law, and to obtain initial comments from the public, City Council and Planning Commission regarding concerns with the City's housing characteristics and needs and review the current Housing Element document for updated information.

DISCUSSION/EVALUATION: With each housing element cycle, HCD determines the number of projected housing units each jurisdiction is required to accommodate, in terms of land/zoning availability, for the projected household growth needs for all income levels as projected by HCD. The two critical income levels are Very Low and Low (affordable ranges). This allocation is called RHNA or Regional Housing Need Allocation. The upcoming RHNA allocation for the 2019-27 cycle calls an eight-year objective of 135 housing units; an overall increase four (4) units from the 2014-19 cycle. However, with this new RHNA and the methodology HCD uses to calculate development capacity at 16 units per acre, this allocation, 52 units needs to be targeted for low and very low income families. As a result, there is insufficient R-3 Zoned land to meet this requirement (refer to Table 1). The City will therefore need to identify an additional approximately one acre of land and rezone it for R-3 to meet the RHNA in the next three years.

Next steps for the process after the public workshop, will be to draft the document for submittal to HCD by next month. Once HCD has reviewed the document and issues comments, the consultant/staff team will coordinate responses to comments and possible revisions and coordinate a revised housing element draft. A second public workshop to review the draft is tentatively scheduled for June 5, 2019. This would provide an opportunity for any public, Council, Commission comments on the draft as it is being reviewed by HCD. The Planning Commission would then conduct second public hearing to consider the draft housing element update and recommend action to the City Council. Following Planning Commission action, the City Council would conduct a public hearing to adopt the Housing Element Update. The City would then send the final document back

to HCD for final approval sometime in September or at latest, October, 2019. Once HCD received the final adopted document, it will be certified by the State within 90 days (see schedule below):

The City has selected Price Consulting Services (PCS) to assist staff in updating the Housing Element. The PCS Team, consisting of Gary Price, Tom Parilo and Cindy Siegfried, who update and certified with the State, the City's last two Housing Elements, will be working with staff to update the document for 2019-27.

Table 1

Projected Needs (Regional Housing Need Allocation)						
Jurisdiction	Very-Low	Low	Moderate	Above-Moderate	Total	
Nevada County	834	656	622	1,582	3,695	
Grass Valley	143	126	125	349	743	
<i>Percentage of Total</i>	19.2%	17.0%	16.8%	47.0%	100.0%	20.1%
Nevada City	29	23	23	60	135	
<i>Percentage of Total</i>	21.6%	16.8%	16.8%	44.8%	100.0%	3.7%
Truckee	187	140	128	300	755	
<i>Percentage of Total</i>	24.8%	18.5%	16.9%	39.8%	100.0%	20.4%
Unincorporated Nevada County	475	367	346	874	2,062	
<i>Percentage of Total</i>	23.0%	17.8%	16.8%	42.4%	100.0%	35.4%

ENVIRONMENTAL REVIEW: Consistent with actions taken by the City for the previous two Housing Element Update adoptions, this activity of adopting a housing policy document qualifies under the general rule of the California Environmental Quality Act Guidelines (CEQA). Section 15061(b)(3) which states that CEQA applies only to projects, "Where it can be seen with certainty there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." As such, no formal environmental review is required. Should formal environmental review be determined to be needed, the City would need to undertake a timely process of preparing an environmental study to determine whether or not adoption of the Housing Element Update would result in a significant environmental impact and then determine whether or not an Environmental Impact Report would be required. Such additional work would impact the facilitated schedule to complete the Housing Element on time for an eight year housing cycle approval. In case of such a scenario, the delayed adoption process would result in a penalty by the State for a four (4) year housing cycle and the City would be required to update the document again in 2013.

RECOMMENDED ACTION: Review current 2009-14 Housing Element and offer any comments to the consultant/staff team at the workshop. The public, City Council, and/or Planning Commission members should review the Housing Element and consider any housing characteristic changes that should be reflected in the updated document. The Housing Element document can reviewed from the City's Website at <https://www.nevadacityca.gov/files/documents/HousingElement1324021605042016PM.pdf> or hard copies of the document can be obtained from the Planning Department

ATTACHMENT: Housing Element Update Schedule

**Attachment A
Tentative Schedule
NEVADA CITY HOUSING ELEMENT UPDATE
February 27, 2019**

MILESTONES & CRITICAL PATH	ANTICIPATED DATE
<i>Publish Public Hearing Notice</i>	<i>March 20, 2019</i>
Complete Housing Element Review and Assessment	April 3, 2019
Conduct Study Session; Joint Meeting with the Planning Commission and City Council (Noticed Public Hearing)	April 3, 2019
Complete Screen Draft of Housing Element Update Document to Staff for Review	May 15, 2019
Circulate Public Draft of Housing Element for 30 day public review	May 15, 2019
Submit Draft Housing Element Document to HCD (60 day review)	May 22, 2019
<i>Publish Public Hearing Notice</i>	<i>May 23, 2019</i>
Conduct Public Review of Draft Housing Element Update; Joint Meeting with the Planning Commission and City Council (Noticed Public Hearing)	June 5, 2019
Conduct public hearing on Housing Element Document by Planning Commission	August 15, 2019
<i>Possible second meeting with Planning Commission on Housing Element Document</i>	<i>August 29, 2019</i>
<i>Publish Public Hearing Notice</i>	<i>September 13, 2019</i>
Conduct public hearing on Housing Element Document by City Council	September 25, 2019
<i>Possible second meeting with City Council</i>	<i>October 9, 2019</i>
Prepare and Finalize Housing Element Document and Submit to HCD for Certification (90 days)	October 11, 2019
Prepare and submit Notice of CEQA Exemption for Housing Element Update	October 15, 2019
Prepare Zoning/General Plan Memo	November 15, 2019
HCD Certification of Housing Element*	January 11, 2020

* Letter from HCD certifying housing element compliance usually is completed and submitted within 30 days of submittal of the final adopted document which would be by November 15, 2019.