Housing Blueprint Subcommittee Recommendations

June 12, 2018
The Housing Blueprint Subcommittee is, after significant deliberation and community feedback, submitting a comprehensive set of recommendations to the full City Council, with the intention that these ideas will be considered, acted upon, and implemented to support affordable housing production, protection, and on-going robust community engagement moving forward.

United by our shared community values and principles, and the recognition that many members of our community are suffering from the burden of housing costs, we reached agreement on all but one recommendation within this report.

We know that no single recommendation will “solve” this complex issue but we believe that, in conjunction, the overall package of recommendations will provide relief to a broad spectrum of people in our community and help us maintain the diversity that keeps us living and working here.

While some of the items within this set of recommendations are already in process, many will require separate and specific action by the City Council in order for them to be implemented.

We as the Housing Blueprint Subcommittee are committed to the implementation of the Housing Blueprint and ask for the City Council’s support of our recommendations.

We listened, we heard, and now it’s time for action.

Martine Watkins  
Vice Mayor

Sandy Brown  
Councilmember

Cynthia Chase  
Councilmember
As the Subcommittee engaged in the prioritization process, the members sought to honor what the Council heard from the community and the values that were articulated in the Community Engagement on Housing process as the backbone of the *Santa Cruz Voices in Housing: Fall 2017 Community Engagement* Report. These include:

- **Community Vitality:** The City of Santa Cruz aims to foster a sustainable, diverse and thriving community that is comprised of all ages and socioeconomic demographics.
- **Housing Protection:** The City of Santa Cruz strives to ensure all housing is high-quality by way of effective housing protection strategies.
- **Housing Production:** The City of Santa Cruz will work to influence and assist the creation of diverse and affordable housing choices for all Santa Cruzans.

These values were at the core of the Subcommittee's review and are were a touchstone as we proceeded through each of the recommendations.
Over the last few months, the Subcommittee sought public input through two primary mechanisms, an online community survey and a comprehensive public outreach event.

The Subcommittee launched the online community survey in early March 2018, asking the community how they would prioritize the recommendations. The online survey, available in both English and Spanish, received nearly 900 responses to date.

As the Subcommittee further prioritized its recommendations, we hosted a public event at the Louden Nelson Community Center on May 15th to give the community an opportunity to weigh in on the proposals. More than 200 people attended the event, an interactive evening of housing and policy engagement where participants had numerous and multiple format opportunities to weigh in on the leading recommendations. 95 participants also took the community survey at the event, adding their voices to the prioritization.
The recommendations in this report are the culmination of a year-long engagement process that the City Council authorized in the City’s Two-Year Work Plan, adopted in May 2017. The Work Plan made housing a top priority, stating “The City will provide a broad and comprehensive program to engage the community on housing issues. The outreach effort will empower the public to inform decisions about local housing initiatives, proposals and policies.”

The extensive engagement process from June through November 2017 reached more than a thousand community members and yielded the Santa Cruz Voices on Housing: Fall 2017 Community Engagement Report, which included 99 recommendations on actions the City could take to address the City’s housing crisis, either in a lead, partner or supporting role.

After receiving the report on December 5, 2017, the City Council authorized the Housing Blueprint Subcommittee, an ad-hoc Council Subcommittee, to evaluate the ideas, actions, and proposals in the report and return with a set of recommendations for Council deliberation. In addition to reviewing the recommendations in the report, the Subcommittee responded to 42 Council directives forwarded to it since December 5, 2017.

In evaluating the recommendations from the Voices report, the Subcommittee narrowed to the 82 recommendations in which the City had a lead role (versus partner or support), focusing on four criteria:

- Level of impact
- Speed to implement
- Cost to implement
- Community readiness

The Subcommittee reviewed each of the 82 recommendations within this framework in consultation with appropriate City staff, evaluating how each of the proposals would be weighed under these factors. Members took the time to gain a thorough understanding of each of the proposals and their broader collateral impacts, not just those impacts obviously associated with the recommendation. The Subcommittee then scored each criterion and subsequently calculated a score for the entire proposal. Those scores were then considered as the Subcommittee further ranked proposals, taking into account that some items that scored lower may still be higher priorities.
As the Subcommittee worked through the prioritization of the 82 Lead recommendations and the 42 pieces of Council direction, while considering the community outreach feedback, several categories of recommendations rose to the surface as first priorities:

- Community Engagement
- Legalization of Unpermitted Dwelling Units
- Accessory Dwelling Units
- Housing Affordability and Inclusionary Housing
- Parking Policy Considerations
- Density Bonus
- Recommendations on Moving Forward with Zoning/Density
- Downtown Housing Creation
- Additional Recommendations:
  - Childcare Development Impact Fee
  - Housing Legislative Program
  - Budget Considerations for Tenant Resources

Specific proposals stemming from these prioritized recommendations can be found in the following pages of the report. The worksheets also provide information on what the City is already doing in each of these areas.

The primary goal of the process the Housing Blueprint Subcommittee has undertaken, beginning with the 2017 Community Engagement on Housing and leading to these recommendations, has been to listen to the community. A foundational principle of these recommendations below is that community and stakeholder outreach will continue to be a priority as recommendations proceed.

In addition to reviewing the 99 recommendations in the report, the Subcommittee also sought to be as thorough and responsive as possible to 42 Council directives forwarded to it since December 5, 2017. We are committed to the recommendations in this report and also acknowledge that given the limitations of time and the scope of the task, further staff analysis may reveal additional considerations that require modifications to these recommendations. Many of these recommendations will also need to be vetted through City commissions before returning to the City Council. The Subcommittee recommends the Council expedite progress on as many recommendations as possible within the constructs of the public process.

We recommend that City staff update the Council annually on progress on these recommendations and that the City Council incorporate tracking these recommendations with the Council's Two-Year Work Plan review.
HBS Recommendations:

A. Community engagement is an integral part of communicating with all affected stakeholders regarding potential changes to the City’s rules or built environment. Direct staff to develop a draft Community Engagement Policy that provides a framework outlining expected community outreach for development projects and planning policy considerations, and return to Council as soon as possible with a draft policy. Include methods to foster more neighborhood involvement at early project phases. The policy should provide direction to staff, applicants, and the public regarding:

1. Sizes/categories of projects or policy changes that help guide the expected level of community engagement, recognizing that different sized projects can have different levels of interest.
2. Minimum radius around a project site to which notices of community meetings and hearings will be mailed.
3. Evaluate methods to provide more inclusive notifications to non-owner occupants.
4. When, where, and what sized signs should be placed on a site when a development application is pending.
5. What information should be available on the City’s website.
6. When preliminary review applications may be a required component of an application process.
7. When community meetings are required and the expected type of notification for those meetings.

B. Direct staff to implement and annually assess the effectiveness of the following housing related community engagement and education activities:

1. Complete Interactive Affordable Housing Map that includes all affordable housing developments over 10 units by major community neighborhoods in clickable format with project specifics including number of units, affordability levels and public funding breakdown where available.
2. Conduct a regular “State of Affordable Housing” event that includes a status update on the Housing Blueprint Workplan, major housing initiatives, annual affordable housing fund sources and expenditures (including in-lieu fees) and affordable housing creation and development underway.
3. Enhance interactive tabling component at every City Hall to You with neighborhood specific content and information.
4. Hold a Housing Speaker and Engagement Series focused on housing topics prioritized by the community based on community outreach and survey results.
HBS Recommendations, continued:

5. Develop an Affordable Housing Academy to be launched in Spring 2019:
   a) Applications accepted and participants selected from each of the community neighborhoods.
   b) 5-6 different learning sessions lead by an inter-departmental team and community and housing experts including Housing Authority, Affordable Housing Developers and other housing organizations. Participants will learn about housing and housing issues in our community.

What We Are Already Doing:

1. Facilitating community meetings when certain development projects or planning policy changes are proposed; providing notification that meets or exceeds State requirements for development applications and policy changes through newspaper ads and/or US Postal Service; providing development and policy change information on the City’s website.
2. Developing draft options for expanding the City’s community engagement strategies as they relate to new development and planning policy updates, and considering the community’s initial feedback on a draft policy framework from the May 15, 2018 housing outreach meeting.
Legalization of Unpermitted Dwelling Units

HBS Recommendations:
Direct staff to prepare analyses and bring to Council Municipal Code updates by late 2018/early 2019 that further promote legalization of unpermitted and red-tagged dwelling units, including options for Council to consider related to: updates similar to those under consideration for ADUs; alternative density, open space, and setback requirements; Section 8 and other affordable housing options to offer flexibility in legalization; and fee modifications.

What We Are Already Doing:
1. Identified approximately 400 - 500 unpermitted dwelling units in the City.
2. Only vacating units if dangerous/unsafe conditions are present.
3. Established a dwelling unit legalization program, with approximately 100 units currently being shepherded through the legalization process.
4. Determining what City codes are a hindrance to legalization and evaluating whether those codes should be modified.
HBS Recommendations:

A. Direct staff to return to Council as soon as possible in 2018 following the State’s legislative ADU updates with an evaluation of Zoning Ordinance and process requirements and associated Code amendments to facilitate more ADU production including:

1. Modifying maximum rear lot coverage requirements to allow additional rear yard building coverage when an ADU is added to the site.
2. Allowing “efficiency” or “junior” ADUs on the same lot as a detached ADU.
3. Allowing multiple ADUs on larger lots.
4. Modifying some city-specific green building requirements that exceed State requirements to allow for the legalization of existing, unpermitted ADUs.
5. Maintaining original setback standards which applied to the original structure when replacing structures within the same footprint.
6. Modifying maximum size requirement for attached ADUs by removing the restriction of 50% of the habitable square footage of the primary home.
7. Adding an affordability requirement to the rental of an ADU if the owner-occupancy requirement is removed.
8. Allowing short-term rental of ADUs for a limited period of time.
9. Conformance with pending State legislation, understanding that staff will need to calculate the timing of the City’s proposed changes with respect to pending State legislation in determining the best timing for Council consideration of City changes.
10. Lowering, deferring, or standardizing fees for ADUs.

B. Following Council approval of changes to the ADU codes and processes, update ADU guidance materials to better inform the public and technical experts on the City’s regulations and how to successfully navigate the process.

C. Complimenting the Junior ADU evaluations, review State laws related to efficiency units and compare those with the City’s Small Ownership Unit (SOU) and Single Room Occupancy (SRO) regulations to assess whether City Code changes are needed to help promote the production of smaller units and a variety of housing types.

D. Council adopt the Housing Blueprint Subcommittee recommendations on proposed state legislation related to ADUs which can be found in Attachment A.
What We Are Already Doing:

1. The City of Santa Cruz has a nationally recognized ADU program, including modernized Municipal Code regulations and guidance manuals.
2. The City piloted the My House, My Home program, which partners with Habitat for Humanity to help seniors age in place by assisting them with financing and building an ADU or bringing an unpermitted ADU up to code.
3. In April 2017, the City started a program to help property owners to bring unpermitted units into compliance. Over 100 ADUs are currently in the program pipeline working towards legalization, and hundreds more unpermitted ADUs have been identified for future program efforts.
4. The City regularly reviews pending State legislation related to ADUs, evaluates the bills’ implications for the City of Santa Cruz, and provides information for Council consideration. The City received initial community feedback on potential ADU code changes at its May 15, 2018 community meeting on housing.
HBS Recommendations:

1. Prepare and vet a ballot measure to increase TOT levied on hotels, motels and other short term rentals to fund City needs including programs and projects to end homelessness and other related affordable housing programs, and present to Council for consideration in early 2019.
2. Direct Mayor to write a letter to the Santa Cruz County Board of Supervisors voicing City Council support for the Regional Housing Bond Measure for investment in affordable housing and homelessness and strongly urging the Board to endorse the measure.
3. Direct staff to analyze in-lieu fee outcomes including a summary of allocated funds and associated projects and update Council in 2018.
4. Direct staff to analyze and return to Council in Fall 2018 with recommended updates to the fee waiver ordinance to better encourage affordable housing development by reducing or waiving certain fees that least impact City staff functions including general plan maintenance fee, parks and recreation fee and the water and sewer connection fees.
5. Direct staff to evaluate potential ways to achieve higher percentage of affordable units and/or deeper levels of affordability. City will strive to maximize affordability where feasible with all rental housing projects.
6. Direct staff to return to Council in Fall 2018 with an update to the rental components of the inclusionary ordinance that maximizes the percentage of affordable units in a project while meeting the following criteria:
   a. Downtown: establishes a base inclusionary percentage of 15% for rental units
      i. For projects smaller than 5 units, the base inclusionary percentage shall be 10%.
      ii. For current projects with submitted applications to the City, on request by the project applicant, the inclusionary percentage shall be determined by the City based on a submitted project proforma.
   b. Non-Downtown: establishes a base inclusionary percentage of 10% for rental units
      i. Assumes that Developers are unable to utilize California Government Code Section 65915 (Density Bonus) to enable project feasibility.
      ii. The inclusionary percentage may be increased above 10% if additional concessions are made or financial assistance is accepted by the Developer from the City on a project by project basis. Such concessions may include parking, unit size, open space reductions and must be supported by market analysis.
   c. The amended ordinance will additionally include the following considerations:
      i. Will account for income caps and State requirements, maximizing housing production with an emphasis on affordable units.
      ii. City will strive to maximize affordability where feasible to a minimum of 15% with all submitted rental housing projects.
HBS Recommendations, continued:

iii. Established inclusionary percentages will be reviewed and updated at a minimum of every five years to adjust for market conditions.
iv. Developers may appeal the base inclusionary percentage by submitting a request for review to the City. Such review request must include a project proforma demonstrating financial feasibility and approaches for meeting affordability. Each appeal will be independently reviewed by an outside financial consultant and final determination made by the City.
v. Direct staff to include in the amended draft inclusionary ordinance requirement updates consistent with the following recently enacted legislation (AB 1505) which requires that cities must offer the following options to developers of rental residential projects:

a) On-site production of the affordable units within the new market rate rental residential project;
b) Construction of a defined percentage of income restricted units in a project located in an off-site location;
c) Payment of a fee in lieu of producing affordable housing units that will subsequently be used by the City to assist in the development of affordable housing units within the community, with the fee structured in a manner such that, to the extent possible, the incorporation of new affordable units into projects is preferred to the payment of an in lieu fee;
d) The dedication of land to the jurisdiction that is appropriate for the development of affordable housing; and
e) The acquisition and rehabilitation of existing units that are then subjected to long-term income and affordability covenants.

7. Following the Council’s update of the inclusionary requirements for rental units, direct staff to analyze the feasibility of a requirement for a higher percentage of inclusionary housing in for-sale projects, above and beyond the current 15% requirement.
8. Direct staff to conduct community outreach and return to Council in August/September 2018 with a draft City Ordinance stipulating that a rent increase of more than 10% in one year or more than 15% in any two consecutive years will trigger relocation assistance for tenants should they choose to leave their home rather than accept the rent increase above the set thresholds. Such ordinance would be set to go into effect only if the November 2018 rent control and just cause eviction ballot measure does not meet the required vote for passage. Review in a year, considering fluctuation in Consumer Price Index.
9. Direct City Attorney to research legality and options for imposing additional taxes and fees on outside investors who are not residents of the City and other "local preference" opportunities and update the Council by late Fall 2018.
What We Are Already Doing:

1. Contracted with Keyser Marston, a leading national expert in the development of inclusionary programs, to assess the impact of the existing inclusionary requirements in Santa Cruz including the quantification of the supportable in-lieu fees, program design, and creation of implementation procedures. Keyser Marston is analyzing the Santa Cruz market and City policy objectives to maximize affordability balanced within fiscal realities.

2. Held stakeholder meetings on existing inclusionary housing requirements culminating in recommended changes to the policies.

Parking Policy
Considerations

HBS Recommendations:
A. Direct staff to return to Council in early 2019 or sooner with an evaluation of updates to parking standards throughout the City, such as:
   1. Reducing overall residential parking requirements.
   2. Removing the residential covered parking space requirement.
   3. Removing the parking requirement for ADUs.
   4. In-lieu parking fees for specific developments outside of Downtown if within 0.25 miles of an alternative parking facility.
   5. Providing reduced parking requirements when Transportation Demand Management options (e.g., on-site car share, on-site bike share, transit passes, etc.) are provided in multi-family developments.

B. Direct staff to return to Council by late 2018/early 2019 with an analysis of Code updates to the downtown parking standards for residential development, such as:
   1. Allowing a downtown project’s parking requirement to be located off-site.
   2. Updating Downtown in-lieu parking fee program in an effort to improve cost recovery and incentivize use by future development.
   3. Tiering of in-lieu parking fee rates such that affordable housing units pay a lower rate than market rate housing would, in an effort to encourage affordable housing development.
   4. Implementing an off-peak residential parking permit program to better utilize existing parking supply.

C. Direct staff to continue their pursuit of developing additional parking supply for off-site/shared parking facilities.
D. Direct staff to further enhance neighborhood parking permit program areas and/or associated resources in consultation with neighborhoods to address concerns or when parking standards change.

What We Are Already Doing:
A. Update past studies and consider consolidating downtown surface parking lots to structured parking and consider existing surface lots for higher and better uses.
B. Continue to explore TDM programs, including car share, bike share, employer based and transit.
C. Continue to seek grant funding for innovative transportation solutions.
D. Construct transportation improvements identified in the General Plan through the CIP process.
E. Providing neighborhoods with program options for on-street parking permits.
F. Analyzing the current and future parking demand scenarios including the loss of public and private surface parking lots and consideration of planned and proposed projects in the pipeline.
G. Consideration of consolidation of existing surface lots to enable higher and better uses including affordable housing development and a new public library.
HBS Recommendations:
A. Direct staff to bring back for Council approval:
   1. Changes to the Density Bonus tier system, with the provision that at least one noticed public hearing before the Zoning Administrator, Planning Commission, or City Council will be required for any project utilizing the density bonus, which expands public input opportunities for developments requesting waivers;
   2. Modifications to the minimum square footage of affordable units in Density Bonus projects;
   3. Changes to the definition of transit stop so that the definition is consistent with State law; and
   4. Changes to allow Housing Choice/Section 8 vouchers at HUD’s fair market rents for the affordable Density Bonus units created.

B. Direct staff to return to the Planning Commission followed by Council with potential options for expanding the State Density Bonus that could increase the production of affordable housing while limiting potential negative impacts from development.

What We Are Already Doing:
Draft Density Bonus provisions have been prepared related to the tier system, square footages, and various other changes. Planning Commission recommended approval of the changes.
HBS Recommendations:

Direct staff to conduct community outreach in early 2019, develop a new Zoning District to effectuate the recently-adopted Ocean Street Area Plan, and bring to Council a proposed update to the zoning code, including modifying development standards and use allowances consistent with the Ocean Street Plan, to allow for efficient use of limited land through higher density projects along Ocean Street in mid-2019 or earlier.

What We Are Already Doing:

Ocean Street Area Plan was approved by Council in January 2014.
HBS Recommendations:

1. Analyze City-owned parcels downtown that are best suited for affordable housing development with particular attention to existing surface parking lots and prioritize recommendations for future consideration.
2. Focus City resources and staff to encourage construction or approval of units downtown with a specific focus on enabling projects in the current development pipeline to break ground.
3. As described in Parking Policy Considerations above, direct staff to update downtown parking requirements to incentivize residential development that increases affordability and efficiency of available land.
4. As described in Parking Policy Considerations above, direct staff to consolidate parking in structures to provide increased opportunities for affordable housing at adjacent sites or surrounding properties.
5. Prioritize City funding to assemble adjacent available land to increase the number of affordable units in the City’s affordable housing project referred to as Pacific Station in the downtown.
6. Pursue partnership options with the METRO that could allow a reconfigured bus center which would enable the development of the City’s affordable housing project on the frontage of Pacific Avenue with the bus center operations facing the frontage on Front Street.

What We Are Already Doing:

1. Developed a parcel map of City-owned property in the downtown.
2. Regular meetings with Downtown Developers to help facilitate their projects moving forward.
3. Economics of Parking Study.
4. Analyzed existing City-owned surface parking lots for suitability for potential affordable housing development. Identified 2 top priority sites.
5. Issued affordable housing bonds for the development of Pacific Station Affordable Housing Project.
6. Purchased the property adjacent to the City-owned parking lot south of the METRO bus center as part of the site assemblage for the future affordable housing project.
7. Entered into a contract jointly with METRO with Dan Boyle and Associates to analyze the existing bus center layout and determine if any efficiencies are possible to enable a site reconfiguration to support the redevelopment along Pacific Avenue for mixed-use retail with affordable housing above.
ADDITIONAL RECOMMENDATIONS:

Childcare Impact Fee
Direct staff to review outcome of Santa Cruz County’s Childcare Impact Fee Nexus Study (expected late June/early July) and return to Council as soon as possible with update and recommendations.

Housing Legislative Program
Expand the Housing Legislative Program to include the following:

1. Regular legislative updates to Council.
2. Updated City webpage for Housing Legislative Program to include tracking and City positions.

Budget Considerations for Tenant Resources
Direct staff to finalize award of contract, review and report outcomes for tenant legal service contract to the City Council as soon as possible.
Attachments

Attachment A:
HBS Recommendations on Proposed ADU Legislation

Attachment B:
Community Survey Data

Attachment C:
Feedback from Community Event

Attachment D:
Council Direction Spreadsheet
Housing Blueprint Subcommittee Recommendations on Pending State Legislation Governing Accessory Dwelling Units

The state legislature has substantially modified the enabling legislation for Accessory Dwelling Units (ADUs) during each of the past two legislative sessions. The current session continues this trend with three bills introduced in the State Senate and one in the State Assembly regarding the standards that local municipalities can use in regulating ADUs. The legislature is responding to the statewide housing crisis and correctly views ADUs as one of the easier ways to provide space for rental housing and infill development in California’s single-family neighborhoods.

On May 24, staff presented summary information and analyses of the pending ADU legislation to the Housing Blueprint Subcommittee (HBS), and the HBS has decided to recommend that the City Council take positions on these bills as described below. The attached analysis contains a detailed summary and the pros and cons of each bill as well as the HBS recommended modifications.

The City of Santa Cruz has been one of the most consistent proponents of ADU development to meet the needs of individual households as well as the housing needs of the greater community, and the following HBS recommendations seek to improve the current legislative proposals and make them consistent with the City’s goals. See the attached analysis for more details on the bills and the HBS recommendations.

Senate and Assembly Bills:

**AB 2890 - Ting/Skinner (San Francisco/Daly City)**
Support with modifications, as follows:

1. Lower required minimum unit size.
2. Allow local discretion regarding ADUs within Multi-Family zone districts.
3. Allow small additions to existing (or reconstructed) structures, while maintaining utility fee exemptions.
4. Direct HCD and BSC to develop a set of criteria for reviewing as-built and new construction in ADUs.
5. Adjust standards for Jr. ADUs (JADUs) to allow greater flexibility and encourage more units by making the following changes:
   - Remove maximum size limit
   - Remove state mandate for owner occupancy
   - Delete limit on drain size in kitchenette sink
   - Allow City to consider multiple JADUs within a home
   - Allow JADUs in any existing habitable space
   - Allow new additions to be built for JADUs

Attachment A
SB 831 - Wieckowski/Skinner/Atkins/Wiener (Hayward-Fremont-San Jose)
Support with modifications
1. Lower required minimum unit size.
2. Allow local discretion regarding ADUs within Multi-Family zone districts.
3. Allow owner occupancy requirements.
4. Delete 10-year immunity from building codes.
5. Direct HCD and BSC to develop a set of criteria for reviewing as-built and new construction in ADUs.

SB 1226 - Bates (Encinitas)
Support in concept with substantial modifications
1. Direct HCD and BSC to develop a set of criteria for reviewing as-built and new construction in ADUs.
2018 ADU Bills

There are currently three bills that are actively moving through the legislative process related to Accessory Dwelling Units (ADUs). Two of them overlap significantly – SB 831, AB 2890 – and have many provisions in common, but a few major points of departure. These bills both propose amendments to Section 65852.2 et.seq of the Government Code. In their current form, AB 2890 and SB 831 differ in a few important ways: There is disagreement regarding the provision for owner-occupancy—SB 831 would prohibit a requirement for owner occupancy, and AB 2890 would continue to allow local agencies to require owner occupancy. Second, AB 2890 requires that local agencies apply the state regulations regarding Jr. ADUs, while 831 would not amend the current law on that matter, leaving more discretion to local agencies. Lastly, SB 831 includes a provision that would halt the enforcement of building codes on unpermitted/substandard ADUs for a minimum of 10 years.

The third bill, SB 1226 relates to the application of Building Codes to ADUs and proposes amendments to Section 17958 of the Health and Safety Code.

Below is a brief summary of each of the bills, along with initial pros/cons of each. Housing Blueprint Subcommittee (HBS) recommendations are detailed at the end of this document.

DISCLAIMER: The pros and cons identified here were prepared by staff and are based on a reading of the bills as currently written; please review the bills in full in order to assess their full scope. The full text is available on the Legislative Information website, each bill can be searched for by number at this link: https://leginfo.legislature.ca.gov/faces/billSearchClient.xhtml.

The legislature has until August 31st to revise and pass these bills, which then must be signed by the Governor by the end of September in order to become law. During the spring and summer, legislative bills are amended frequently and this analysis is based on the publication dates listed below:

AB 2890 (Ting, Skinner): 5/25/2018
SB 831 (Weickowski, Skinner, Atkins, Wiener): 5/25/2018
SB 1226 (Bates): 5/3/2018
Bill Summaries, and Pros and Cons

AB 2890 – Ting (San Francisco/Daly City)

- No minimum lot size, lot coverage, or Floor Area Ratio standards for ADUs.
- Requires 60-day permit review.
- Allows agencies to continue to require owner occupancy for ADU parcels.
- Requires a minimum size of 800 sf for an ADU on any residential lot.
- Requires ministerial approval (Building Permit only, no discretionary Planning review) of all of the following:
  - An ADU where the space is a conversion of existing area and a Jr. ADU on a parcel.
  - A detached new construction single story ADU up to 800 sf and 16’ tall.
  - Multiple ADUs in existing multi-family structures created by converting non-living space.
  - Up to 2 detached ADUs on a lot with existing multifamily housing.
- Requires that rental of ADUs be for a minimum of 30 days.
- Cannot require correction of nonconforming zoning conditions prior to issuing a ministerial building permit.
- State standards regarding Jr. ADUs will apply if no local ordinance is adopted.
- In the Health and Safety Code, directs the creation of small home building standards to achieve the most cost-effective construction standards possible.

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<td>Allows the maintenance of an owner occupancy provision (The City could then grant exceptions in exchange for an affordability restriction on one or both units.)</td>
<td>800 sf minimum size promotes the creation of larger, more expensive units, and seems too large for some parcels (i.e., a 4000 sf parcel with an existing 1,000 sf home could add an 800 sf ADU with no discretionary oversight. A home addition of the same size would trigger the need for a Design Permit and Public Hearing.)</td>
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<td>Removes some existing barriers (minimum lot size, definition of owner-occupant, co-location of Jr. ADU and ADU) that have been proposed for amendment by Housing Blueprint Subcommittee or staff.</td>
<td>Mandated ADUs in or on the same site with existing multifamily housing is an untested concept, and no density restriction is included.</td>
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<td>Requires quick and efficient permit review.</td>
<td>- Units created by converting existing space are exempt from any parking requirements. This could have different impacts in multifamily developments.</td>
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<td>Requires long-term rentals.</td>
<td>- ADUs in these areas could further diminish residents’ limited open space/amenities.</td>
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<td>City could implement Jr. ADUs without adopting a local ordinance.</td>
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<td>Alternative construction standards for small homes could reduce development costs for homeowners.</td>
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SB 831-Wieckowski/Skinner/Atkins/Wiener (Hayward-Fremont-San Jose)

- ADUs must be allowed on any parcel with an existing or proposed single family home, regardless of zoning or general plan designation.
- Prohibits minimum lot size, lot coverage, or Floor Area Ratio as with AB 2890.
- Eliminates owner occupancy provision.
- No replacement parking required when a garage is converted or demolished to create an ADU.
- Requires a minimum size of 800 sf for an ADU on any residential lot.
- Allows ADUs created from existing structures (conversions) to be expanded slightly and still qualify for exemption from connection and capacity charges for utility connections.
- Maintains fee exemption for ADUs created as conversions or reconstructions of existing space, allows connection, capacity, and charges for new service for other ADUs.
- Limits school fees to $3,000. This would only benefit units over 890 sf (based on current City school fee rate of $3.36/sf).
- Defines “transit” for the purposes of eliminating parking requirements for ADUs within ½ mile.
- Provides 10-year immunity from code enforcement for substandard structures.

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<td>• Explicitly allows City to prohibit short term rentals.</td>
<td>• Eliminates owner occupancy provision, could lead to real estate speculation and impacts to for-sale housing costs.</td>
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<td>• Reduces parking requirements for parcels that convert or demolish garages – this reduces development costs.</td>
<td>• 800 sf minimum seems excessively large.</td>
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<td>• Defines transit in a meaningful way; parking would be eliminated for ADUs on 90% of City parcels.</td>
<td>• Definition of transit eliminates parking requirements for nearly all City ADUs, which could concern some in the community.</td>
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<td>• Minor expansions of converted areas can significantly reduce construction costs and encourage the reuse of existing structures.</td>
<td>• Limits the City’s ability to abate known substandard structures, even if those structures pose an immanent life/safety risk.</td>
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<td>• Would prevent the City from limiting the addition of ADUs to multi-family-zoned housing sites currently underdeveloped with an obsolete SFD. Preference is that this be discretionary to promote option of more housing through redevelopment.</td>
</tr>
<tr>
<td></td>
<td>• Utility connection fees are the largest single fee component to build an ADU in the City. This bill does nothing to relieve those costs for new construction units.</td>
</tr>
</tbody>
</table>
SB 1226 – Bates (Encinitas)

- Amends Health and Safety Code to allow the application of legacy Building Codes to existing, unpermitted ADUs.
- Would grant Building Officials the authority to apply building standards that were in effect at the time the unit was constructed, at their discretion.

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
</table>
| • Allows permitting/legalization of existing ADUs at lower cost to homeowners.  
• Could facilitate legalization of some ADUs that owners may otherwise choose not to permit due to cost concerns. | • Determining age of structure/use may be challenging, particularly as structures morph over time.  
• Building codes are updated over time to address known safety concerns; this removes any benefit that results from modern codes.  
• Does not grant authority to local Building Official to require conformance with more recent standards that may be necessary to protect the public – i.e., unreinforced masonry.  
• Creates substantial challenges with public understanding and staff training, as many Code standards could apply.  
• Reduces certainty for the public and the City, as different jurisdictions could interpret the year of construction differently due to how structures morph over time (additions, bathroom added, sink added, etc., all at different times). |
Housing Blueprint Subcommittee Recommendations

AB 2890 Ting: Support with Modifications

Proposed Modifications:

1. **Lower required minimum ADU size from 800 sf to 150 sf.**
   - This bill makes a change to Government Code Section 65852.2 (c) that currently requires that no ordinance regulating the maximum size of an ADU prohibit the creation of at least an efficiency unit on any eligible lot. The State Health and Safety code sets a minimum unit size limit of 150 sf, defined as an efficiency unit, though required components of the efficiency can sometimes necessitate a unit larger than 150 sf. The change requires that the ordinance allow for the creation of at least an 800 sf ADU on any eligible lot. For small parcels, 800 sf is excessively large and this provision would not encourage the type of smaller, more affordable units the City is most interested in promoting.

2. **Allow local discretion regarding ADUs within Multi-Family zone districts.**
   - Existing state law states that the City shall approve a building permit application to create an ADU within the walls of an existing single-family home or accessory structure. This bill adds several other types of ADUs to the section requiring ministerial approval, one of which is the conversion of non-living spaces within existing multi-family structures, and another of which is the addition of up to two detached ADUs on a parcel with an existing multi-family structure.

   Staff and the HBS have concerns that this clause contains no limit on the number of ADUs that can be created within existing structures, and that it could impact the limited open space or amenities (e.g., laundry room) provided to residents of multi-family units, exacerbate parking challenges on certain properties, and generally supersede local zoning regulations to an untested degree. If the City could apply discretion to such applications, these issues could be addressed by a local ordinance or on a case-by-case basis and the City could potentially apply affordability requirements to some of these units.

3. **Allow small additions to existing (or reconstructed) structures, while continuing the exemption from utility fees.**
   - Under current regulations, any ADU that is created by converting an existing space within a home or accessory structure (garage, studio, etc.) cannot be charged a connection or capacity charge for utility connections. This provision results in significant cost savings for homeowners – SCMU currently charges a connection fee of $7,050 for
new ADUs and other units. Often a project to convert an existing space would benefit from the ability to add a modest addition to the existing structure, but under current law, any addition would trigger the requirement for these connection fees.

Common examples of this type of addition include a new stairwell to access a second story converted area or a small pop-out to incorporate plumbing into a converted garage without cutting into the existing slab foundation. A small allowance for expansion, while maintaining the exemption from utility fees, would make ADUs easier and more affordable to build.

4. **Direct HCD to work with other state agencies to develop a set of criteria for reviewing as-built construction in ADUs**
   - AB 2890 directs the State Department of Housing and Community Development (HCD) to develop a set of building standards for ADUs and other small dwelling units to make them more affordable to design and build. City staff and the HBS support this effort and believe that additional work needs to be done to address the challenges of legalizing existing ADUs built without benefit of permits that are currently required to come into conformance with the 2016 building code, which can be particularly challenging for older structures.

   HBS recommends the creation of a set of statewide standards for existing dwelling units that reduces design and development costs, ensures habitability standards for occupants, and maintains health and safety standards for the public. A uniform set of standards would streamline the legalization work the City is currently pursuing and help ensure the long-term resiliency of our existing housing stock. HBS recommends that the legislature task the HCD to work with the Energy Commission and the Building Standards Commission to create these standards to apply statewide.

   For example, HCD could seek guidance from the 1997 Housing Code and could modify prescriptive requirements of the current Energy Code for unpermitted ADUs existing before September 1, 2018 (1) such that wall insulation with a rating of R-11 or greater be considered as compliant with the wall insulation standards of the current Energy Code, as amended, and (2) such that attic insulation with a rating of R-19 or greater shall be considered equivalent to the attic insulation standards of the current Energy Code, as amended, if the unit has dual pane windows throughout.

5. **Adjust standards for Jr. ADUs to allow greater flexibility and encourage more units**
   - This bill requires that the City implement the state law governing Jr. ADUs, with or without a local ordinance. In contrast to the proposed changes to the ADU regulations, the language governing Jr. ADUs is relatively strict and specific. As currently defined, a
“Jr. ADU” is a space of no more than 500 sf within a single family home which includes an existing bedroom and is outfitted with a kitchenette containing a sink with no more than a 1.5” drain line and appliances that require no more than a standard 110V wall outlet.

HBS and staff believe that Jr. ADUs could be a way for the City to pursue more creative housing options, and therefore recommend that the state legislation be modified to better meet our local objectives by making the following changes:

- Remove 500 sf size limit
- Remove mandate for owner occupancy to allow City to decide
- Delete limit on drain size in kitchenette
- Allow City to consider multiple JADUs within a home
- Allow JADUs in any existing habitable space, not only bedrooms
- Allow new additions to be built for JADUs subject to City design standards

SB 831 - Weickowski: Support with Modifications
Proposed Modifications:

1. Remove clause requiring ADUs be permitted in multifamily and mixed-use zone districts.
   - This bill includes language that would require a local agency to issue a permit for an ADU on any parcel containing an existing or proposed single family home, regardless of the current zoning of that property. Allowing ADUs in multi-family and mixed-use zone districts is likely to contribute to the perpetuation of non-conforming and potentially obsolete dwelling units on parcels that are zoned to accommodate a higher density of housing or other economic activity. HBS recommends that this section be modified to make ADUs on multi-family and mixed use zoned parcels allowable through a discretionary process, or per local ordinance.

2. Allow owner occupancy requirements.
   - This bill eliminates all owner occupancy requirements and would void any existing deed restrictions to that effect. When owner occupancy can be required by the City, the requirement can be used as a tool to generate affordable rentals in return for the waiving of this standard. Further, the maintenance of an owner occupancy requirement limits investor speculation in the single-family housing market, which could be intense in certain neighborhoods should this requirement be lifted by the state.

3. Delete 10-year immunity from building codes.
   - A new section proposed in this bill would require a local Building Official, at the request of a property owner, to delay the enforcement of all building code provisions for a minimum of 10 years, regardless of the substandard condition of the structure. Even most eminent life/safety hazards could not be addressed for 10 years under the current bill text. Staff and HBS have concerns that this could have a negative impact on the
SUBJECT: Housing Blueprint Subcommittee recommendations regarding pending ADU legislation

quality of the local housing stock, and it could subject renter households to substandard or dangerous living conditions for an extended period of time.

4. Direct HCD to work with other state agencies to develop a set of criteria for reviewing as-built construction in ADUs
   - See Discussion under #4 in AB 2890 above.

SB 1226 Bates: Support in Concept with Substantial Modifications

Proposed Modifications:

1. Direct HCD to work with other state agencies to develop a set of criteria for reviewing as-built construction in ADUs
   - See Discussion under #4 in AB 2890 above.

   The wording of this bill would require a building official to determine the age of a structure and apply the building codes in effect at the time of construction. Given the age and condition of some of the existing structures in the City, staff and the HBS feel this approach may not be in the best interest of either homeowners or renters. Further, the age of the structure and the age of various habitability features may not be the same, and the bill provides no guidance as to determining which code to apply in such a situation. The goal of building codes and standards is to ensure safety and habitability, and they are amended over time in response to failures of prior codes. Applying older codes could create new safety concerns in the community. Also, because structures morph over time, the applicable codes would be left to the discretion of the local Building Official, meaning that contractors, architects, and engineers could have different standards in different jurisdictions.
“Please select the top five issue areas you think the Subcommittee should focus on as it evaluates potential solutions."

Survey Results from Attendees at May 15th Event at Louden Nelson Community Center (95 Surveys):

<table>
<thead>
<tr>
<th>Top 5 Areas for Focus</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessory Dwelling Units</td>
<td>51</td>
</tr>
<tr>
<td>Affordable Housing Development</td>
<td>44</td>
</tr>
<tr>
<td>UCSC</td>
<td>40</td>
</tr>
<tr>
<td>Permitting Process and Standards</td>
<td>28</td>
</tr>
<tr>
<td>Inclusionary Housing</td>
<td>28</td>
</tr>
<tr>
<td>Range of Housing Types</td>
<td>27</td>
</tr>
<tr>
<td>Homelessness</td>
<td>26</td>
</tr>
<tr>
<td>City Land/Land Trust</td>
<td>26</td>
</tr>
<tr>
<td>Zoning and Density</td>
<td>24</td>
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<tr>
<td>Parking</td>
<td>24</td>
</tr>
<tr>
<td>Impact and Development Fees</td>
<td>20</td>
</tr>
<tr>
<td>Transportation and Traffic</td>
<td>18</td>
</tr>
<tr>
<td>Rent Control and Just Cause Eviction</td>
<td>16</td>
</tr>
<tr>
<td>Local Preference</td>
<td>13</td>
</tr>
<tr>
<td>Workforce Housing</td>
<td>13</td>
</tr>
<tr>
<td>Section 8 Support and Landlord Incentives</td>
<td>12</td>
</tr>
<tr>
<td>Revenue Measures</td>
<td>11</td>
</tr>
<tr>
<td>Tenants’ Rights and Legal Support</td>
<td>9</td>
</tr>
<tr>
<td>Participatory Community Process</td>
<td>8</td>
</tr>
<tr>
<td>Housing Programs</td>
<td>8</td>
</tr>
<tr>
<td>Short Term Rentals</td>
<td>6</td>
</tr>
<tr>
<td>Code Compliance and Rental Inspection Services</td>
<td>0</td>
</tr>
</tbody>
</table>
Please select the top five issue areas you think the Subcommittee should focus on as it evaluates potential solutions.

Survey Results from Community Survey (891 Surveys):

<table>
<thead>
<tr>
<th>Area</th>
<th>Votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>UCSC</td>
<td>445</td>
</tr>
<tr>
<td>ADUs</td>
<td>388</td>
</tr>
<tr>
<td>Affordable Housing Development</td>
<td>336</td>
</tr>
<tr>
<td>Homelessness</td>
<td>258</td>
</tr>
<tr>
<td>Range of Housing Types</td>
<td>253</td>
</tr>
<tr>
<td>Transportation and Traffic</td>
<td>246</td>
</tr>
<tr>
<td>Permitting Process and Standards</td>
<td>229</td>
</tr>
<tr>
<td>Zoning and Density</td>
<td>193</td>
</tr>
<tr>
<td>Section 8 Support and Landlord Incentives</td>
<td>191</td>
</tr>
<tr>
<td>Workforce Housing</td>
<td>189</td>
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<tr>
<td>Rent Control and Just Cause Eviction</td>
<td>178</td>
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<tr>
<td>Local Preference</td>
<td>172</td>
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<tr>
<td>Inclusionary Housing</td>
<td>153</td>
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<tr>
<td>Parking</td>
<td>122</td>
</tr>
<tr>
<td>City Land/Land Trust</td>
<td>122</td>
</tr>
<tr>
<td>Short Term Rentals</td>
<td>118</td>
</tr>
<tr>
<td>Impact and Development Fees</td>
<td>113</td>
</tr>
<tr>
<td>Participatory Community Process</td>
<td>111</td>
</tr>
<tr>
<td>Housing Programs</td>
<td>95</td>
</tr>
<tr>
<td>Tenants' Rights and Legal Support</td>
<td>68</td>
</tr>
<tr>
<td>Code Compliance and Rental Inspection</td>
<td>52</td>
</tr>
<tr>
<td>Revenue Measures</td>
<td>22</td>
</tr>
<tr>
<td>#</td>
<td>ACCESORY DWELLING UNIT OPTIONS</td>
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<tr>
<td></td>
<td><strong>POTENTIAL CITY-INITIATED CHANGES</strong></td>
</tr>
<tr>
<td>1</td>
<td>Modify Maximum Rear Lot Coverage Requirement</td>
</tr>
<tr>
<td></td>
<td>The current ADU ordinance allows no more than 30% of the rear yard area to be covered by structures. In an effort to facilitate ADU development, staff may propose that this maximum be increased to allow additional rear yard building coverage when an ADU is added to the site.</td>
</tr>
<tr>
<td>2</td>
<td>Allow “Efficiency” or “Junior” ADUs on the Same Lot as a Detached ADU</td>
</tr>
<tr>
<td></td>
<td>An “efficiency” or “junior” ADU is a smaller unit that is attached to the primary home, but that functions as a separate studio-style apartment. Existing City ordinance allows only one ADU per parcel. Staff is investigating a revision of this limit to permit homeowners to also have a smaller, “junior” ADU on their property.</td>
</tr>
<tr>
<td>3</td>
<td>Allow Multiple ADUs on Larger Lots</td>
</tr>
<tr>
<td></td>
<td>City ordinance allows only one ADU per parcel. Staff may propose allowing multiple ADUs on lots exceeding 10,000 s.f.</td>
</tr>
<tr>
<td>4</td>
<td>Allow ADUs on Properties Zoned for Higher Density Multi-Family Purposes</td>
</tr>
<tr>
<td></td>
<td>ADUs are currently permitted only in very low and low-density residential districts. Staff may propose they could potentially be permitted in medium and high density residential districts in certain circumstances.</td>
</tr>
<tr>
<td>5</td>
<td>Modify Some City-Specific Green Building Requirements Allow for the Legalization of Existing, Unpermitted ADUs</td>
</tr>
<tr>
<td></td>
<td>The City of Santa Cruz has certain green building requirements which go above and beyond State requirements, some of which are more stringent for ADUs than for other construction. Staff is investigating modifying these requirements to facilitate ADU production and promote legalization of unpermitted ADUs</td>
</tr>
<tr>
<td>6</td>
<td>Maintain Original Setbacks when Replacing Structures Within Same Footprint</td>
</tr>
<tr>
<td></td>
<td>Setback standards have increased over time. If an existing structure is removed and replaced with an ADU within the same footprint, staff may propose maintaining the setback standards which applied to the original structure.</td>
</tr>
<tr>
<td>7</td>
<td>Modify Maximum Size Requirement for Attached ADUs</td>
</tr>
<tr>
<td></td>
<td>The current ordinance restricts the size of attached ADUs to 50% of the habitable square footage of the primary home. Staff may propose lifting this restriction. The 10% lot area maximum would still apply.</td>
</tr>
<tr>
<td>8</td>
<td>Add Affordability Requirement with Removal of Owner-Occupancy Requirement</td>
</tr>
<tr>
<td></td>
<td>Should the owner-occupancy requirement be removed (see #13), staff is investigating the placement of an affordability requirement on the ADU. This requirement would mandate that an ADU must be offered as an affordable unit if the property owner does not live on-site.</td>
</tr>
<tr>
<td>9</td>
<td>Short Term Rental of ADUs for a Limited Time Period</td>
</tr>
<tr>
<td></td>
<td>ADUs are not currently allowed to be utilized for rentals of less than 30 days (e.g. short-term rentals). To promote ADU production, staff is investigating the potential of allowing ADU short term rentals for a limited period of time.</td>
</tr>
<tr>
<td>#</td>
<td>ACCESSORY DWELLING UNIT OPTIONS</td>
</tr>
<tr>
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<td>-------------------------------------------------------------------------------------------------</td>
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<tr>
<td>10</td>
<td><strong>Change Minimum Lot Size Requirement for ADU Development</strong>&lt;br&gt;In the City of Santa Cruz, ADUs cannot currently be developed on any site that is less than 4,500 s.f. The State proposes permitting ADUs that are 10% of lot size, regardless of lot square footage.</td>
</tr>
<tr>
<td>11</td>
<td><strong>Remove Parking Requirement for ADUs</strong>&lt;br&gt;Current State law limits the parking requirement for ADUs to one space per unit, with some exceptions. The State now proposes removal of the parking requirement for all ADUs.</td>
</tr>
<tr>
<td>12</td>
<td><strong>Replacement of Existing Structures Within Same Footprint</strong>&lt;br&gt;If an existing structure is removed and replaced with an ADU within the same footprint, the State proposes that it may be considered a conversion for utility fee determination purposes.</td>
</tr>
<tr>
<td>13</td>
<td><strong>Remove Owner-Occupancy Requirement</strong>&lt;br&gt;The City of Santa Cruz requires the property owner to occupy either the single-family home or the ADU as his/her primary residence. The State is proposing removal of this requirement.</td>
</tr>
<tr>
<td>#</td>
<td>PARKING OPTION</td>
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<td>------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td><strong>CITY WIDE</strong></td>
</tr>
<tr>
<td>1</td>
<td><strong>Reduce Overall Residential Parking Requirements</strong></td>
</tr>
<tr>
<td></td>
<td>Staff is investigating reduction of residential parking requirements, which are currently based on bedroom count. Examples would be changes such as capping the required number of parking spaces at two (2) for any unit and reducing the parking requirement for Single Room Occupancy (SRO) and Small Ownership Units (SOU) from 1/unit to 0.75/unit.</td>
</tr>
<tr>
<td>2</td>
<td><strong>Remove Residential Covered Parking Requirement</strong></td>
</tr>
<tr>
<td></td>
<td>Currently the City requires a minimum of 1 covered parking space per single-family home. This change would remove that requirement.</td>
</tr>
<tr>
<td>3</td>
<td><strong>Remove Parking Requirement for ADUs</strong></td>
</tr>
<tr>
<td></td>
<td>State law limits the parking requirement for ADUs to one space per unit, with some exceptions. A pending law now proposes removal of the parking requirement for all ADUs.</td>
</tr>
<tr>
<td>4</td>
<td><strong>In-Lieu Fees for Specific Developments Outside of Downtown</strong></td>
</tr>
<tr>
<td></td>
<td>If a residential unit/development is within 0.25 miles of an alternative parking facility, this option would allow a fee to be paid in-lieu of providing parking on site. The fee would be used for new parking or alternative transportation infrastructure (e.g., bike lockers).</td>
</tr>
<tr>
<td>5</td>
<td><strong>Parking Credits for Provision of Transportation Demand Management (TDM)</strong></td>
</tr>
<tr>
<td></td>
<td>Staff is investigating the possibility of providing reduced parking requirements when TDM options (e.g. on-site car share, on-site bike share, transit passes, etc.) are provided in multi-family developments.</td>
</tr>
<tr>
<td>#</td>
<td>PARKING OPTION</td>
</tr>
<tr>
<td>----</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 1  | **Reduce Overall Residential Parking Requirements**  
Staff is investigating reduction of residential parking requirements, which are currently based on bedroom count. Examples would be changes such as capping the required number of parking spaces at two (2) for any unit and reducing the parking requirement for Single Room Occupancy (SRO) and Small Ownership Units (SOU) from 1/unit to 0.75 /unit. | 40          |     | 18 |
| 2  | **Remove Residential Covered Parking Requirement**  
Currently the City requires a minimum of 1 covered parking space per single-family home. This change would remove that requirement. | 49          |     | 8  |
| 3  | **Remove Parking Requirement for ADUs**  
State law limits the parking requirement for ADUs to one space per unit, with some exceptions. A pending law now proposes removal of the parking requirement for all ADUs. | 45          |     | 14 |
| 4  | **In-Lieu Fees for Specific Developments Outside of Downtown**  
If a residential unit/development is within 0.25 miles of an alternative parking facility, this option would allow a fee to be paid in-lieu of providing parking on site. The fee would be used for new parking or alternative transportation infrastructure (e.g., bike lockers). | 83          |     | 13 |
| 5  | **Parking Credits for Provision of Transportation Demand Management (TDM)**  
Staff is investigating the possibility of providing reduced parking requirements when TDM options (e.g. on-site car share, on-site bike share, transit passes, etc.) are provided in multi-family developments. | 55          |     | 12 |
<table>
<thead>
<tr>
<th>#</th>
<th>HOUSING CREATION OPTION</th>
<th>SUPPORT IT?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>YES  NO</td>
</tr>
<tr>
<td></td>
<td><strong>DOWNTOWN</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Develop Affordable Housing on City-owned property downtown. Analyze City-owned parcels downtown that are best suited for affordable housing development with particular attention to existing surface parking lots.</td>
<td>32  0</td>
</tr>
<tr>
<td>2</td>
<td>Facilitate housing projects currently slated for downtown. Focus resources and staff to encourage construction or approval of units downtown with a specific focus on enabling projects in the current development pipeline to break ground</td>
<td>45  27</td>
</tr>
<tr>
<td>3</td>
<td>Update downtown parking requirements to incentivize residential development that increases affordability and efficiency of available land.</td>
<td>46  2</td>
</tr>
<tr>
<td>4</td>
<td>Consolidate Parking Downtown? Many downtown surface lots could be repurposed for higher and better uses including housing. Should we consolidate parking in structures to provide increased opportunities for affordable housing at adjacent sites or surrounding properties?</td>
<td>57  9</td>
</tr>
<tr>
<td>5</td>
<td>Pacific Station Site A: The City has affordable housing bond funds that are earmarked for an affordable housing project tied to the METRO Bus Center downtown on adjacent land that the City owns. Should the City prioritize funding to assemble adjacent available land to increase the affordable housing project up to 100 affordable units?</td>
<td>59  0</td>
</tr>
<tr>
<td>6</td>
<td>Pacific Station Site B: The METRO and the City are currently partnering on an analysis of the current METRO Bus Center to see if the existing Bus Center operations can be reconfigured in a more efficient layout facing Front street to enable the development of the existing frontage along Pacific Avenue as an alternative site for the 60-100 unit affordable housing project. Regardless of the site, the project would include new commercial retail on the ground floor with office use and affordable housing above. If the reconfiguration of the existing Bus Center is feasible, should the City and METRO pursue this public partnership mixed-use project as the preferred site?</td>
<td>60  8</td>
</tr>
<tr>
<td></td>
<td>INCLUSIONARY RENTAL HOUSING OPTION</td>
<td>SUPPORT IT?</td>
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</tr>
<tr>
<td></td>
<td>CITY WIDE</td>
<td>YES</td>
</tr>
<tr>
<td>1</td>
<td>Strive to maximize current rental housing development and inclusionary unit production NOW, even if it requires a reduction in the percentage of inclusionary units and other concessions? Financial analysis indicates a 9% - 10% inclusionary rental requirement is the maximum feasible for private rental housing development constructed at the densities allowed by sites’ base zoning standards without public assistance? The City would need to re-evaluate and adjust the percentage every five years to make sure we are maximizing the potential for new rental housing and inclusionary units.</td>
<td>25</td>
</tr>
<tr>
<td>2</td>
<td>Apply a 15% inclusionary requirement but add zoning concessions and/or provide other assistance to make rental development feasible? Regardless of assistance, reduced development levels would still be expected. Financial analysis indicates that the current 15% inclusionary rate is not feasible. This is supported by development data over the last 25+ years. If sufficient concessions and/or assistance were provided, then some developers may be able to proceed with rental housing development</td>
<td>21</td>
</tr>
<tr>
<td>3</td>
<td>Apply the standard 15% inclusionary requirement without zoning concessions and/or other assistance even if that means a delay in the production of private rental and therefore inclusionary housing development? Financial analysis shows that rental development with a 15% inclusionary requirement is not currently financially feasible without incentives.</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>Establish a higher rate than 15% for inclusionary housing that could support a long term goal to stimulate a reduction of land prices? However, in the short term, it is likely no private rental housing would be built. The risk is that landowners would not have any incentive to sell in the short term, and developers with competing uses would purchase land, making future rental housing development even more difficult.</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Consider establishing an option for developers to provide a higher percentage rate of inclusionary housing in exchange for financial assistance from the City?</td>
<td></td>
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<td>---</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>This would only be feasible if the City had an additional funding source for housing.</td>
<td>35</td>
</tr>
</tbody>
</table>

|   | Continue to support a preference toward having developers provide units rather than pay in lieu fees?                                                                                                  | 42 | 8 |

|   | Advocate for and create a new funding source for affordable housing which could help realize options #3 and #5?                                                                                         | 49 | 2 |
Comments collected at May 15th Public Event

Inclusionary
- Reduce fees for smaller units to encourage many smaller by design, more affordable units
- Link 100% affordable city driven projects to market rate units
- Incentivize construction of more housing of smaller more dense units
- The fees to sf of units – not # dwelling units
- Enhanced density bonus incentives including allowing an extra story
- Do not let developers pay fines in lieu or providing affordable market units
- Increase # of single residencies that are under 2000 sq. ft. no more incentives to build mega homes/high end

Downtown
- Develop South of Laurel as extension of Downtown w/increased height/density
- Connect 100% affordable housing city owned projects with developer requirements to free market rate developers from having to build affordable units.
- Start Planning cycle now for next downtown amendment/plan so we don’t have another 15+ year pause after current projects are built
- We need more TDM and less parking downtown to make room for more housing
- Need to think in terms of transit oriented housing
- Need to consider impact of sea level using and floods

Parking
1. Institute parking Districts thru out City – this will largely solve the spill over problem
- All on developers to rent to tenants or sell to owner who agree and be legally bound to not own a vehicle or park on site
- Encourage segregating parking from rent in housing cost
- Reduction of parking requirements plus increase in housing = no place to park, neighborhood permit parking – GIANT HASSLE
- Make the old people walk more! They got us into this mess… But seriously, land is for people, not cars. Love all vegs
- Seems like a “covered Parking Space” should be used to park a vehicle to qualify (A garage rented out for storage would not qualify)
- Seems this should be annual, not lifetime fee as parking problems persist until re-development
- Land use agreements limiting additional units to folks w/o cars
- No cars downtown remote parking with shuttle to downtown
- Remove all parking requirements and charge for use of public rad space
- Parking Office should not be part of enforcing building codes and ADU’s
- Remove residential parking permits by neighborhoods
- On street parking should be available to anyone
- Unbundled parking policy for all multifamily residential, SRO/SEU, etc. developments should be standard issue
Charge for all street parking – not Free!

- If the proposed Rent Control Act passes, then City should require permits for neighborhood on-street parking everywhere and use an auction system (Dutch auction) to set price of a permit.

“Congestion pricing” does work to control demand

- We need to get parking over to the PetSmart Shopping Center put a 5 story parking structure there and have electric vehicles take us downtown

- Permit parking for these neighborhood who “do not” have off street parking only, ex: Upper Westside doesn’t need permits (UCSC students etc.) most Upper Westside homes have off-street parking for 2 vehicles ex: Downtown neighborhoods residences usually do not have off street parking thus needing “permits”

- County/city build parking structure on current 701 parking lot – this parking structure can be used for summer travelers and shuttle (Yosemite Style) tourists to Beach on levee

**ADU’s**

- Just cause evction policy discourages creating an ADU for rentals, not doing it.

- Green Building/T24 requirement – lower this for ADU’s both new & legalizations – we are having a hard time inexpensively helping legalization client meet current bldg. codes. They are then taking their units off the market.

- 111 Greene St – ADU – preexisting – decommissioned

- Our ADU permit is in the process currently. However, we are suspending it pending the results of the rent control & JCE measure.

- ADU suggestion – 1) reduce fees 2) Streamline process 3) allow larger units 4) lose owner-occupancy requirement

- City to reduce fees for ADU’s

- Find ways to bring un-permitted units into official system/compliance

**Purple – Community Engagement**

- When we start building upwards we should include roof top gardens; for pollinators, birds, bees and butterflies, and public access to see the gardens.

- Loosen code compliance for existing ADU’s, potential ADU’s

- ADU suggestions – Get Planning Dept, Zoning Dept, and Fire Dept on same page so you don’t get 3 different answers to questions. Reduce fees – make process more streamlined

- I like the provision of SB831 which would give unpermitted ADU’s to have 10 ears to bring it into compliance while it still is occupied.

- ADU’s 1) Streamline permit process to allow different configurations & sizes of ADU’s (for example to allow enough s.f. for a 2 bdrm place). 2) eliminate some of the fees so it is not so expensive to build (esp. if the expectation is to build affordable rentals – they have to be paid for somehow). 3) Simplify the ADU process so people are more likely to build legally.

- The City needs a social media/PR guru that deals specifically with the public. Jason Hoppin with the County seems to be very efficient and it would be great to see something similar.

- Communication via an interested neighbor – of there is one person in the area, it wouldn’t take much to use them as an info conduit.
Comments on the Potential Public Outreach Approach Matrix

“I hope that the rent control ballot initiative does not pass and the city will then engage the community about the solutions you’re considering. I fear that if the BI passes, any positive steps taken will be outweighed by negative unintended consequences in reduced rental units. I really appreciate the opportunity to weigh in but am frustrated by not having enough information to vote at this time. I don’t know the pros and cons of the different options, including costs.”

“Today’s update and community input session was very well put together—I appreciate the hard work. Unfortunately, because of the scope and complexity of the issues, much has to be given the “high level” overview approach. I read the 99 points summary before coming, which was very helpful.”

“Did you really think over 1 year of so called public discussion and 1 year of supposed public meetings advertised, that it is normal for only 400-500 people to show up? Given the current torrent of emotionally charged conversation, I would have thought organizers would have noticed the majority of those showing up has the same RC agenda. I am so disheartened by what I have seen and heard since 2/13/18 and the resulting divisiveness created in our community. Personally I feel as if even this event was useless, possibly a bait’n switch? Use of paper is shameful. Staff time ENORMOUS. Money better spent on you learning more about a problem [illegible] behind the scenes.”

“I would like to see an example of the tabling component to offer an opinion because I’m not sura what it is. The map is critical because so many people are visual (and half the town has no idea of the street names!). I like the speaker series idea. If you put it on the events page of Facebook, people will come. Examples of seminars that would interest me:

- Moving from different sized dwellings based on life events (this is tough now because of prop taxes increasing with every move)
- Buying a home with the idea of adding ADUs.
- Creating ADUs
- How to be a good landlord—this is for people who are scared to rent out an ADU because we’ve all seen the horror movies about renters.”

“If the City considers its biggest problem to be affordable housing then make ADU applications NO FEE—as long as applicant

- Agrees to rent to family or someone employed in the City of Santa Cruz or someone retired from employment in Santa Cruz
- Agrees to rent below prevailing market rates
- Agrees not to rent to
  - students
  - short-term rentals such as VRBO or AirBnB
- Agrees not to let the converted space be vacant

If the above conditions are not followed for the 1st 10 years of conversion:

- Abated fees must be paid
- A substantial penalty must be paid into a fund supporting affordable housing development.”
“Just using a map to decide to inform people of project facts to allow for unique neighborhood configurations and needs not taken into consideration when just looking at a map and saying ‘large—750 feet.’ Not every family in a neighborhood is identical—some are nearly shut-ins; some with small children; some no children at all—and the city should want to maximize its outreach to be inclusionary and anticipate before issues arise.”

“Be aware of how many drinking establishments creep closer to our neighborhoods.”

“Pre-application for large projects should always be noticed, not just at discretion of planner.”

“Many options involve significant costs. Many also do not promote community interaction and awareness in a real world atmosphere i.e. people talking and exchanging ideas in a way that is more clearly quantifiable in an accountable way which the dots do not provide nor do questions which have predetermined outcomes.”

“The City Manager Reports are great resources. It depends on how much development there is. I’ve gone to many, many meetings. Community engagement is a vital piece to the development process. Even though conversations can get heated and people come with preconceived notions of what the development will look like and the impacts in that neighborhood. During community engagement, it allows the developer to hear the many issues, concerns and questions neighbors have. It allows for the developer and their design team to make changes to the design based on the comments received. Some people will still be angry, but may more will be able to “accept” and “move on” because they will have felt heard. Neighbor turn out is always hit or miss depending on the owner/renter ratio there. Not everyone is on social media, mail is not reliable and email, well not everyone looks at it as frequently as others. If a private developer will be building, it would be wise for them to go door-to-door with direct neighbors.”

“One of the issues that was not discussed is Prop 13. There are so few houses up for sale so the law of supply and demand is killing the housing market. I suspect people are not selling because they don’t want to take on the new property taxes. Even if they have the money from selling their house, buying a replacement home will cost a lot more due to these taxes. There’s not much the city can do, but it’s a factor.”

I really appreciate the opportunity to weigh in but am frustrated by not having enough information to vote at this time. I don’t know the pros and cons of the different options, including costs.”
Survey on Community Outreach

1. What is the best way to reach people, in your opinion?
   - Mailed Notices 17
   - Posted signage 9
   - Newspaper advertising
     - Sentinel 20
     - Good Times 13 (one suggestion to add a blurb in the “things to do” section)
   - Other ______________
   - Email 31
   - Social Media
     - NextDoor 19
     - Facebook 15 (one recommendation to have an “events” page)
     - Twitter 4
     - LinkedIn 3
     - Other: Civicinoms (1)
     - Instagram (2)
   - Other
     - Text (1)
     - Door-to-Door (1)

2. What is the most important information to include on noticing materials, beyond a simple project description?
   - Size of proposed project 28
   - Applicant’s name and contact info 11
   - Planner’s name and contact info 13
   - Hearing Dates 33
   - Appeal procedures 9
   - Existing parcel zoning and General Plan Designation 19
   - Status of project (i.e. pre-application, application) 20
   - Image of proposed project (where applicable) 27
   - Type of application (zoning amendment, coastal development permit, discretionary development application, land division, recorded map, grading permit, etc.) 21
   - Other: How to voice support for a project (1)
   - Map Image (1)
   - Website w/all relevant info (1)

3. The City maintains a list of development projects currently in the development review process. Currently, the list and map are updated quarterly. Would you benefit from more frequent updates?
   - Quarterly updates are adequate 14
   - More frequent updates are better 16
   - I do not use this resource 6

4. Rank these options 1-5 in the order you think they are most important for the housing conversation in Santa Cruz. (See Housing Community Engagement Flyer for more information on each item.)
   - Interactive Housing Map
   - Annual “State of Affordable Housing”
   - Upgraded Interactive tabling component at every City Hall to You
   - Housing Speaker and Engagement Series
   - Affordable Housing Academy

5. How would you like to be involved in the future of housing in Santa Cruz?
   See attached for responses.
Community Outreach Comment Card

Responses to Q5: “How would you like to be involved in the future of housing in Santa Cruz?”

“Outreach: to get more low income residents voices in the room. Finding more spaces to have these in different languages or at least translators and translated collateral.”

“Tell me about more meetings and let me know how I could volunteer.”

“More events like this”

“I don’t want to engage in endless meetings and outreach. I just want housing to get built without any fanfare except for the new residents being very excited to move in.”

“We who live in trailers want to see less manufactured homes that are so much more expensive and eliminate the diversity in owners.”

“Help it continue to grow.”

“Living in it ideally.”

“Attending housing meetings”

“Being alerted to steps in the approval of significant projects.”

“You should be looking at other Monterey Bay area communities who are well underway addressing housing issues.”

“Allow me to get on an email list and update issues monthly.”

“Involved through CFST”

“I want to advocate for no more in-lieu fees.”

“On email lists of information; Reading paper, articles, etc.; Attending meetings such as City Council, Planning and this; Interactive is very important to you hear our voices; Write letters to CC, PC, etc.”

“More UCSC student housing; Increased reporting in Santa Cruz Sentinel.”

“I would like to be free to continue being a responsible housing provider without onerous financial penalty. I would like to have the freedom to protect my ‘retirement fund’ (which happens to be in the form of real estate investment acquired through 45 years of hard full-time work serving this community.”
## COUNCIL DIRECTION

<table>
<thead>
<tr>
<th>Direction</th>
<th>Status</th>
<th>Notes</th>
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<tbody>
<tr>
<td><strong>Direct Mayor to appoint a priority ad-hoc City Council Housing Blueprint Subcommittee to evaluate the ideas, actions, and proposals in the Santa Cruz Voices on Housing Report and return with a set of recommendations for Council deliberation by March 27, 2018.</strong></td>
<td>Councilmembers Brown, Chase and Watkins were appointed and began the review in January. Between mid-January and mid-March, the Subcommittee has held 8 meetings for over 17 hours, evaluating the ideas, actions and proposals in the report.</td>
<td><strong>DONE</strong></td>
</tr>
<tr>
<td><strong>Direct staff to identify potential City-owned parcels that could be used for housing development with particular attention to City parking lots, and transmit this in an information report to the Council and committee.</strong></td>
<td>The map with accompanying analysis was provided in a memo to Council on March 27th.</td>
<td><strong>DONE</strong></td>
</tr>
<tr>
<td><strong>Recommend that the City Council allocate 6 months of funding for an amount not to exceed $15,000 to support tenants’ legal support for Santa Cruz City residents during tomorrow’s FY 2018 Budget discussion.</strong></td>
<td>Funds have been allocated and the City is finalizing the contract with the awardee.</td>
<td>Grant awarded, contract under consideration.</td>
</tr>
<tr>
<td><strong>Refer to the committee as a high priority the development of a model of on-going community participation with representative neighborhood involvement acknowledging that while our goal is to create more affordable housing, we are not doing that in a manner that is incompatible with our existing neighborhoods.</strong></td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>Top 5 - Community Engagement</td>
</tr>
<tr>
<td><strong>Recommend that the City Council approve in concept the need for the City to continue to identify new tools and methods to encourage and incentivize the creation of more ADUs, and recommend to refer to the committee for specific recommendations on how to move forward.</strong></td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>Top 5 - ADUs</td>
</tr>
<tr>
<td><strong>To refer affordable housing developments to the committee for specific recommendations on how to move forward.</strong></td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>Top 5 - Housing Affordability</td>
</tr>
<tr>
<td><strong>Direct the committee to work with staff to identify ways to reduce barriers within affordable housing development while balancing the needs of the community and neighborhoods.</strong></td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>Top 5 - Housing Affordability</td>
</tr>
<tr>
<td><strong>Refer to the committee with the specific intention of creating policy that maximizes both prioritization and production of inclusionary housing units with the result being an increase in inclusionary unit production.</strong></td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>Top 5 - Housing Affordability</td>
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<tr>
<td>Refer to the committee for specific recommendations on how to move forward with a specific directive regarding parking to use this as an underlying consideration for every other area we explore in this report.</td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>Top 5 - Parking Policy Considerations</td>
</tr>
<tr>
<td>Refer to the committee for specific recommendations on how to move forward with the improving the permitting process and standards.</td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>Top 5 - Community Engagement, Parking Policy Considerations, ADUs, Legalization of Unpermitted Dwelling Units; Ocean Street Rezoning</td>
</tr>
<tr>
<td>Refer to the committee for specific recommendations on how to move forward with the range of housing types.</td>
<td>The Subcommittee has reviewed proposals related to promoting a range of housing types, including ADUs, SOUs, SROs and multi-family housing. HBS recommendations to be provided to Council on 6/12.</td>
<td>Top 5 - ADUs, Legalization of Unpermitted Dwelling Units, Parking Policy Considerations</td>
</tr>
<tr>
<td>Continue discussions in the existing Council Revenue Subcommittee to determine the viability and type of revenue measure for the 2018 ballot, including exploration of all taxes suggested by the community.</td>
<td>The Council Revenue Subcommittee work is ongoing and outside of the work of the Housing Blueprint Subcommittee.</td>
<td>Outside HBS</td>
</tr>
<tr>
<td>Recommend that the existing Council appointees to the LRDP receive recommendations from Council and committee prioritizing feedback received in this report and bring back periodic progress reports to Council for further direction.</td>
<td>The work of the Council appointees to the LRDP is ongoing, and the Housing Blueprint Subcommittee will share any recommendations we make that impact their work with them. The Council also added a measure to the June 2018 ballot that will allow the community to express their sentiment around UCSC growth.</td>
<td>Outside HBS</td>
</tr>
<tr>
<td>Recommendation to utilize existing Workforce Housing Group to explore the recommendations contained within this report and return to the Council with a report on progress.</td>
<td>City staff has communicated major recommended focus areas with the Workforce Housing Group and will share Council recommendations with the Workforce Housing Group at next meeting.</td>
<td>Outside HBS</td>
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<tr>
<td>Recommendation to refer to the committee for specific recommendations on how to move forward with zoning and density.</td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>Top 5 - ADUs; Density Bonus; Ocean Street Rezoning</td>
</tr>
<tr>
<td>Proceed with the recent Council action on this item that will return to Council in January. Council direction included the following: 1) increasing the relocation assistance from 2–3 months to 3-4 months 2) setting up a fund to provide relocation assistance directly to tenants when landlords fail to do so and place a lien on landlord properties to recoup expenses 3) pursue costs for staff time to resolve code compliance issues.</td>
<td>The City Council addressed these issues on February 13th.</td>
<td>DONE</td>
</tr>
<tr>
<td>Refer to the committee for specific recommendations on how to move forward with rent control and just cause eviction.</td>
<td>The Housing Blueprint Subcommittee brought forth a recommendation that the City Council adopted on February 13th.</td>
<td>DONE</td>
</tr>
<tr>
<td>Refer to the committee for specific recommendations on how to move forward with Section 8 support and landlord Incentives to assure that we are prioritizing local community members for available housing whenever allowable.</td>
<td>The City is presently doing this with the local artist preference at the Tannery affordable lofts. City Attorney will be looking into additional local preferences for future Council discussion and direction. Consider expansion of existing City housing programs which offset landlord risk including the security deposit program for affordable rental units.</td>
<td>In process.</td>
</tr>
<tr>
<td>Direct staff to study the impacts of the new (STR) ordinance.</td>
<td>Staff will monitor the effects of the ordinance following the ordinance's implementation.</td>
<td>In process.</td>
</tr>
<tr>
<td>Continue to move forward on the 20 recommendations in the Homelessness Coordinating Committee report and continue to report back to Council on progress.</td>
<td>City staff is moving forward on these recommendations, and the City Council has provided additional guidance supporting the three-phase plan to achieve a permanent homeless Navigation Center in partnership with other jurisdictions and service providers.</td>
<td>In process.</td>
</tr>
<tr>
<td>Recommendation to refer to the committee for specific recommendations on how to move forward with Housing Programs.</td>
<td>Incorporated into HBS recommendations to be provided to Council on 6/12.</td>
<td>Top 5 - Housing Affordability</td>
</tr>
<tr>
<td>Refer to the committee for specific recommendations on how to move forward with a specific directive to use this as an underlying consideration for every other area we are explore in this report so that whenever possible we are prioritizing local individuals who are being displaced by the housing crisis.</td>
<td>The Subcommittee has used this as an underlying consideration as it has engaged in the prioritization process.</td>
<td>Incorporated.</td>
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<tr>
<td>Refer to the committee for specific recommendations on how to move forward with a specific directive to use this as an underlying consideration for every other area we explore in this report so that we are attentive of the potential impacts of transportation and traffic to the community as we focus on increasing our affordable housing supply.</td>
<td>The Subcommittee has used this as an underlying consideration as it has engaged in the prioritization process.</td>
<td>Incorporated.</td>
</tr>
<tr>
<td>Review models from neighborhood transportation planning in relation to housing.</td>
<td>Incorporated into HBS recommendations to be provided to Council on 6/12.</td>
<td>Incorporated.</td>
</tr>
<tr>
<td>Look at Traffic Calming Programs.</td>
<td>The Subcommittee has reviewed proposals related to transportation demand management and is bringing recommendations to the Council on 6/12.</td>
<td>Incorporated.</td>
</tr>
<tr>
<td>Look at zoning pertaining to ADUs and advocate for State policy that doesn’t trigger prevailing wage for people willing to build ADUs if they rent to either Section 8 holders or allow their units to become part of the City’s Inclusionary Housing.</td>
<td>Existing State Code sections can limit prevailing wage applicability for affordable housing developments when certain criteria are met. HBS recommendations to be provided to Council on 6/12, including exploration of lowering, deferring, or standardizing fees.</td>
<td>Top 5 - ADUs</td>
</tr>
<tr>
<td>Advocate for a new redevelopment agency or other program that creates reliable annual funding for local government.</td>
<td>City staff is reviewing current legislative proposals for Council prioritization and action. Additionally, staff has drafted a proposed bill for the next legislative session which would enable the use of unspent and frozen former redevelopment bond funds held by the City for the purposes of affordable housing creation.</td>
<td>In process.</td>
</tr>
<tr>
<td>Look at expanding neighborhood parking permit programs.</td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>Top 5 - Parking Policy Considerations</td>
</tr>
<tr>
<td>Requested more information on enhanced infrastructure districts, the status of the corridor plan and how to balance it with current projects, prioritizing family housing, and how to revisit what was approved within the Downtown Plan as an alternative to other initiatives that have been pursued to offset proposed developments that may be in neighborhoods.</td>
<td>The Subcommittee has discussed the mechanics, pros, and cons of enhanced infrastructure financing districts and staff will include recommendations related to current proposed bills and recently enacted legislation; has considered prioritizing rezoning of Ocean Street while prioritizing other recommendations ahead of other corridor rezonings; and has considered the prioritization of Downtown projects following the Coastal Commission's certification of the Downtown Plan Amendments. HBS will make recommendations related to most of these topics on 6/12.</td>
<td>Reviewed and most incorporated into recommendations.</td>
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<tr>
<td>Return to Council with a workload assessment identifying which of the items in the attached report, pursuant to Council's December 5, 2017 direction, can be implemented immediately, which require additional resources, and which recommendations would consume undue staff time, public cost, or risk that would outweigh the likely benefit.</td>
<td>The Subcommittee has conducted this review as part of its prioritization process, incorporated it into its draft prioritization, and is including detail on this in its 6/12 report.</td>
<td>Incorporated.</td>
</tr>
<tr>
<td>Prepare an implementation work plan for those recommendations within staff resources to move forward immediately with metrics for successful outcomes</td>
<td>The Subcommittee is providing a work plan as part of its 6/12 Report.</td>
<td>Incorporated.</td>
</tr>
<tr>
<td>Focus resources and staff to encourage construction or approval of units Downtown, and with a specific focus on enabling projects in the current development pipeline to break ground.</td>
<td>The Subcommittee considered the prioritization of Downtown projects following the Coastal Commission's certification of the Downtown Plan Amendments and has indicated full support towards staff’s facilitation of projects that are consistent with the Plan criteria. HBS is making additional recommendations related to the Creation of Downtown Housing.</td>
<td>Incorporated.</td>
</tr>
<tr>
<td>Provide direction on inordinate/exorbitant rent increase as trigger for relocation assistance</td>
<td>The Subcommittee provided guidance on this at the City Council's February 13th meeting. Additional information is being provided in the 6/12 recommendations.</td>
<td>Incorporated.</td>
</tr>
<tr>
<td>Consider additional funding for tenant resources as part of the FY 2019 budget, and consider Council’s Ad Hoc Housing Committee recommendation.</td>
<td>The City is in the process of finalizing contract with awardee. Too soon to determine success of model.</td>
<td>In process.</td>
</tr>
<tr>
<td>Refer the density bonus ordinance to the Housing Blueprint Committee for review and action.</td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>In process.</td>
</tr>
<tr>
<td>Support the 5 broad categories outlined to pursue further.</td>
<td>HBS recommendations within these areas to be provided to Council on 6/12.</td>
<td>In process.</td>
</tr>
<tr>
<td>Ask the committee and staff to prioritize specific projects that may yield more immediate results, specifically highlighting ADUs and legalization of unpermitted units and inclusionary rates, with the work being done through the Planning Commission.</td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>In process.</td>
</tr>
<tr>
<td>Continue the committee, publically noticing some of the meetings.</td>
<td>Public meeting hosted 5/15.</td>
<td>DONE</td>
</tr>
<tr>
<td>Direct staff to send emails or letters regarding the emergency ordinances to landlords</td>
<td>Emailed or mailed to all landlords of record. Additionally, staff created a application and appeal process for landlords.</td>
<td>DONE</td>
</tr>
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<tr>
<td>Prepare a letter of support for AB 3037 to be agendized at the next Council meeting.</td>
<td>Council opted not to pursue at this time.</td>
<td>DONE</td>
</tr>
<tr>
<td>Direct staff to research the child care developer’s fees, including researching the County’s, and return with information and policy consideration to the subcommittee for deliberation.</td>
<td>Staff in conversation with County on their fee study. Scope of work of County study incorporates four cities. Anticipate conclusion in late June, early July. Once complete, staff will review and update Council.</td>
<td>In process.</td>
</tr>
<tr>
<td>Explore an increase in the inclusionary rates, return with a recommendation as soon as possible on inclusionary rates.</td>
<td>HBS recommendations to be provided to Council on 6/12.</td>
<td>In process.</td>
</tr>
</tbody>
</table>