

SAN BENITO COUNTY Housing Advisory Committee

Committee:

**Board of Supervisor Bea Gonzales, District 5;
Board of Supervisor Dom Zanger, District 1;
Chair of the Planning Commission, Robert Gibson, District 4;
Planning Commissioner, Richard Way, District 2;
Development Community Public Member, Victor Gomez;
Affordable Housing Public Member, Seth Capron, and
Financial or Accounting Public Member, Jonathan Casey**



SPECIAL MEETING MINUTES

**Monday, April 03, 2022
11:00 A.M.**

San Benito County Administration Building
Board of Supervisors Chambers
481 Fourth Street, Hollister, California

**Webinar ID: 837 3709 6389
Webinar Password: 644128**

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Written Comments & Email Public Comment

Members of the public may submit comments via email by 5:00 PM on the Friday prior to the meeting to the Assistant Planner, Stephanie Reck, at sreck@cosb.us

Public Comment Guidelines

A. The Committee welcomes your comments.

B. If participating on Zoom, once you are selected you will hear that you have been unmuted: At this time, please state your first name, last name, and county you reside in for the record.

C. Each individual speaker will be limited to a presentation total of three (3) minutes, or such other time as may be designed by the Chair.

D. Please keep your comments, brief, to the point, and do not repeat prior testimony, so that as many people as possible can be heard. Your cooperation is appreciated.

If you have any questions, please contact **Stephanie Reck**, at (831) 902-2289, or email sreck@cosb.us

The San Benito County Housing Advisory Committee welcomes you to this meeting and encourages your participation.

- *If you wish to speak on a matter that does not appear on the agenda, you may do so during the Public Comment period at the beginning of the meeting. Except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda. When addressing the Committee, please state your name for the record. Please address the Committee as a whole through the Chair.*
- *If you wish to speak on an item contained in the agenda, please seek recognition from the Chairman prior to consideration of the item.*

11:00 A.M. CALL TO ORDER

1. TELECONFERENCE INSTRUCTIONS

Shelby Duran, Office Assistant II, read the teleconference instructions.

2. PLEDGE OF ALLEGIANCE

Richard Way, Planning Commissioner, led the pledge of allegiance.

3. ROLL CALL

Committee Members:

1. *Bea Gonzales, Board of Supervisor District 5;*
2. *Dom Zanger, Board of Supervisor District 1;*
3. *Robert Gibson, Chair of the Planning Commission, District 4;*
4. *Richard Way, Planning Commissioner, District 2;*
5. *Victor Gomez, Development Community Public Member;*
6. *Seth Capron, Affordable Housing Public Member; and*
7. *Jonathan Casey: Financial or Accounting Public Member.*

Bea Gonzales, Board of Supervisor-Chair of the Housing Advisory Committee, Dom Zanger, Board Supervisor, Richard Way, Planning Commissioner, Seth Capron, Affordable Housing public member (was late), Jonathan Casey, Financial or Accounting public member, attended the meeting in-person. Robert Gibson, Chair of the Planning Commission-Vice Chair of the Housing Advisory Committee, attended remotely via zoom, did not use an allotted absence, and did not have voting rights for this meeting, and Victor Gomez, Development Community public member, was absent.

4. ACKNOWLEDGE CERTIFICATE OF POSTING

Dom Zanger, Board Supervisor, motioned to acknowledge the certificate of posting.

Richard Way, Planning Commissioner, seconded this motion.

Motion passed four (4) to zero (0).

5. PUBLIC COMMENT: Opportunity to address the Committee on items of interest not appearing on the agenda. No action may be taken unless provided by Govt. Code Section 54954.2.

For the record, Seth Capron, Affordable Housing public member, arrived at the meeting.

No public comment in chambers or via zoom.

Public comment period is closed.

REGULAR AGENDA

6. ADOPT: MARCH 6, 2023, MINUTES

Jonathan Casey, Financial or Accounting public member, motioned to adopt the minutes.

Seth Capron, Affordable Housing public member, seconded this motion.

Motion passed five (5) to zero (0).

7. DISCUSSION: BOARD DIRECTION FROM JANUARY 17TH, 2023

Stephanie Reck, Assistant Planner, presented an overview of our discussion from the last meeting regarding the 15% floor and options and qualifications for the in-lieu payment.

Income targets in for-sale developments:

Stephanie Reck, Assistant Planner, shared that very low-income used to be included in the breakout in for-sale homeownership developments. This income category was removed from the ordinance in 2020 and the 15% was split between low- and moderate-income. Staff connected with the consultant who supported in the revision and was informed that very-low income was removed from on-site for-sale developments because it would be harder to integrate those units and make them affordable long-term in a single-family development. A comparison was made to our neighboring jurisdictions of the city of San Jose, the City of Watsonville, and Santa Cruz County, and illustrated that they do not include very low-income in their home ownership requirements. The consultant's impression is that very low-income was removed for a few reasons. First, very low-income households require a significant amount of subsidies and down payment assistance to afford the cost of homeownership. Additionally, homeownership typically comes with anticipated maintenance and repair costs for which households of lower income typically don't have the extra income to cover or maintain. And finally, including very low- in for-sale developments, would require a higher in-lieu fee, which was just recently reassessed and adopted at a rate that was deemed to be financially feasible to the developer. This is the impression of the consultant and not a view of San Benito County.

Seth Capron, Affordable Housing public member, stated that he was in favor of removing very low-income from the ordinance. However, I think some of the assumptions from the consultant do not apply as many very low-income families successfully buy and maintain homeownership. But I do not oppose the ordinance as it stands.

Bea Gonzales, Board of Supervisor-Chair of the Housing Advisory Committee, suggests leaving the ordinance as it is. The feasibility study already took multiple years to complete, and the Board of Supervisors already reviewed it on that level.

Jonathan Casey, Financial or Accounting public member, stated that he doesn't want to alter the ordinance but a question at hand is what other services the county could provide to help with these challenges. We could possibly include language in the ordinance that stipulates, "self-help development can include very low-income in on-site for-sale.

Seth Capron, Affordable Housing public member, stated that the language as it stands does not preclude a developer from including very low-income housing, but that the inclusionary requirement stipulates low- and moderate. When this is presented to the board remove the language about the infeasibility.

Richard Way, Planning Commissioner, stated that if staff includes it, to make it clear this was shared by the consultant and not something we agree with.

Arielle Goodspeed, Principal Planner, shared that this decision was made at a snap point, so variables have changed.

Bea Gonzales, Board of Supervisor-Chair of the Housing Advisory Committee, requested that staff share the presentation intended for the Board with the Committee prior to the Board presentation.

Stephanie Reck, Assistant Planner, stated she would do this as soon as the item is complete, and staff would begin working on this promptly.

Percentage Breakdown:

Stephanie Reck, Assistant Planner, stated that the percentage breakdown between categories isn't applicable until a developer meets 41 lots or more. The way the tables are set up developments of 11 to 40 units have specific unit breakouts per income category. When very low-income was included in for-sale developments, it was a 15% split among the 3 income targets. When very low-income was removed from for-sale developments, the 5% that it was allocated, was added to moderate income. So, the Planning Commission and the Board of Supervisors subsequently adopted the 2023 revisions, with the 15% for sale units to be split up evenly at 7.5% between moderate and low income targets. On-site for-sale and on-site rental are split evenly among the income targets as is off-site for-sale. However, off-site rental is not disbursed evenly. 5% is allocated to very low-, 10% is allocated to low-, and 5% is allocated to moderate-income.

Seth Capron, Affordable Housing public member, if we divided the 20% evenly by the three categories, we could do roughly 6.67% per income category.

Richard Way, Planning Commissioner, asked if there was any reason why low-income received the majority of the percentage allocation.

Bea Gonzales, Board of Supervisor-Chair of the Housing Advisory Committee, stated that it has been a message from various Supervisors and the community that we are deficient in addressing low-income housing needs.

Richard Way, Planning Commissioner, stated that his concern is that if we add the very low- and low-income percentages they make up 15%, so the majority of this breakdown will go to lower-income. If we do the 6.6%, we won't reach that 15 % majority anymore for the lower incomes. This would increase the moderate units.

Bea Gonzales, Board of Supervisor-Chair of the Housing Advisory Committee, asked Seth Capron, Affordable Housing public member, if there is a reason, he is recommending an even split among the three categories.

Seth Capron, Affordable Housing public member, stated that he was concerned that the very low-income buyers on the rental market are some of the people who need housing the most, and that we were favoring the low-income over that, and I didn't know if, from a policy perspective, there was a good reason for that.

Stephanie Reck, Assistant Planner, suggested splitting the combined total of 15% evenly at 7.5% per very low- and low-income and leave moderate- at 5%. Jonathan Casey, Financial or Accounting public member, and Richard Way, Planning Commissioner, verbally consented to this suggestion.

Arielle Goodspeed, Principal Planner, stated that another suggestion, if you want to incentivize on-site construction, another option would be to remove moderate-income from off-site rental, and split the 20% between very low- and low- income, so if developers want to build the moderate units, they would be incentivized to do so on-site.

Richard Way, Planning Commissioner, stated there is something to be said for mixed development you don't want communities of all one income. If you have some moderate-income, folks mixed in with them, then there's not this stigma.

Seth Capron, Affordable Housing public member, stated my only issue with that is rental units for moderate-income are almost non-existent in our market, so there is a huge need for them.

Dom Zanger, Board Supervisor, stated to me the biggest issue is getting more very low- and low-income units. I like the idea of removing moderate income from off-site for sale as it would incentivize on-site and potentially increase the lower income units. In okay with the options discussed today except for the even split among the three categories.

Stephanie Reck, Assistant Planner, stated that staff can present to the Board the two options of the 7.5% very low-, 7.5% low, and 5% moderate and also 10% very low- and 10% low- and removing moderate-income units from off-site rental to incentivize on-site or increased lower-income units. Committee members agreed with this.

There is no public comment via zoom or in chambers.

Public comment period is closed.

8. DISCUSSION: USE OF THE IN-LIEU FUND

Stephanie Reck, Assistant Planner, presented the status of the in-lieu fund and the budget transfer from the Inclusionary Housing Fund. Prior to the budget transfer, there was roughly \$978K in the fund between cash available balance and fund balance. The board approved a budget transfer of the cash available balance, which removed roughly \$579K from the fund. So, at this time we have a loan fund balance of \$493K. These are the funds that were loaned out to applicants of the Riverview II self-help project. The County will recapture these funds after project set-up is complete, and we submit the drawdown request to HCD, this is an ongoing project that has been a high priority for staff, and we have been coordinating with CSDC and HCD and have submitted multiple rounds of documentation. At this time staff are waiting for confirmation from HCD so that we can move forward with the drawdown request.

Bea Gonzales, Board of Supervisor-Chair of the Housing Advisory Committee, stated that the Board of Supervisors approved \$500K+ for the emergency housing of the families displaced by the floods. The County purchased trailers and are housing them at the migrant camp, and they have 6 months to live there until we can find them alternate arrangements. I did not fight hard enough against this budget transfer. I know we wanted to discuss how to use the funds, so I apologize to this committee.

Seth Capron, Affordable Housing public member, asked if we know if those units are permanently installed, and if will be available for additional low-income housing once those families move back home.

Bea Gonzales, Board of Supervisor-Chair of the Housing Advisory Committee, stated that staff may be able to answer that question. But one thing I do know is that we have community members advocating for a longer timeframe.

Arielle Goodspeed, Principal Planner, stated the 11 trailers are meant to stay at the migrant center for these kinds of purposes, and Behavioral Health will be managing them. The 5, what they're calling, tiny homes, they're technically small, modular homes, are also going to remain and be

permanent. There is an extension of 11 more of those small modular units being funded by other grants. In addition, one of the things that we did a lot of research for is the Calhome grant, which has a lot of money available, and it's on an annual basis, and includes down payment assistance, construction costs, and pre-development. We're working on our application for 2024. We can use that annual fund money to replenish our in-lieu fund. Even though we might be lower on our balance, we found another avenue source of annual grant money that we'll be able to tap into, and we have a grant writer on board, and we're working with CSDC in order to get prepped for next year.

Seth Capron, Affordable Housing public member, asked if we are going to put off all discussion of what to do with the fund money until it comes back from the state.

Bea Gonzales, Board of Supervisor-Chair of the Housing Advisory Committee, asked if we could hold off until we have them in-hand.

9. REVIEW: WORKFORCE HOUSING DATA

Stephanie Reck, Assistant Planner, presented statistical data regarding workforce housing in San Benito County. This data was retrieved from the public salary schedule of our local workforce, HCD, and the US Census. The data shows that the local workforce, in the first step of their pay scale in a one (1) person size household falls into lower income categories and are covered within our inclusionary ordinance. However, A dual income household size of 4 where 2 income earners are in the workforce would exceed the 150% workforce cap we have been discussing. Staff also shared that based on census data, 40% of households in San Benito County have a high housing cost burden meaning they spend more than 30% of their annual income on household costs. 76% of households earning less than 20K per year spent at least 30% of their income on housing, so the majority of homes that are cost burdened are in the very low- to low-income category.

Joel Ellinwood, Assistant County Counsel, clarified that the certified teacher salary schedule is from the high school and that the salary schedule for an elementary school teacher is much lower.

Jonathan Casey, Financial or Accounting public member, asked if the numbers on slide 19 regarding percent of households with high housing cost burden are adjusted for any subsidies received.

Stephanie Reck, Assistant Planner, stated this information was pulled from the census bureau so staff could reach out to them and see if the data was adjusted for subsidies.

Seth Capron, Affordable Housing public member, stated there's a distinction in those higher income levels, there may be other tools the county can use to require builders to build more affordable housing in that range where it's still profitable for the builder and doesn't necessarily require a subsidy. When you get down to the lower ends of these, there's still maybe some need for down payment assistance. But really, when you get up to the 150% to 300%, I think that it requires getting some more data, but I believe that builders could profitably build housing for those that part of our community if the entitlements are available to them.

Bea Gonzales, Board of Supervisor-Chair of the Housing Advisory Committee, asked what the ultimate goal of this item was.

Stephanie Reck, Assistant Planner, stated that we'll be incorporating ways to meet our workforce housing needs in the Housing Element update. And so, while we might not initially start with our

inclusionary ordinance, we will definitely start with our Housing Element and then see how we can move to our inclusionary ordinance.

Jonathan Casey, Financial or Accounting public member, stated that we have to be careful when we're looking at the data because a household of 4 could be a single mom with 3 kids and things like that. So, if we can start vetting out some of that data and getting out this to a wider swath of folks, because I think you're going to find there's a lot of single-family homes, with 4 persons where only 1 person is making income.

Stephanie Reck, Assistant Planner, stated that staff can compare the annual income data from the single person household and compare it to the 4-person household matrix.

Joel Ellinwood, Assistant County Counsel, stated the American Community Survey has data on single parent households as well, and what percentage to the population it is in various areas of the county. There is a new website with mapping of data of this nature through HCD. It's focused on the new obligation we have under the Housing Element to address affirmatively furthering fair housing. Another issue we have to address in regard to workforce housing is to what extent can we have local preference requirements either for inclusionary units or for the development of unsubsidized but moderate-income housing.

There is no public comment via zoom or in chambers.

Public comment period is over.

10. REVIEW: ADDITIONAL DWELLING UNIT (ADU) UPDATE TO ZONING CODE

Arielle Goodspeed, Principal Planner, presented the pre-approved engineer stamped ADU plans which were recently made public to county residents. Staff also stated that there were some requests from the Planning Commission about whether we would add more than one ADU per lot. So, in doing research under State legislation by ordinance, we could adopt to allow more than 1 ADU per lot, however, when you have one ADU and one JADU, it does not count toward density. Once you allow for more than one ADU then it will count towards density.

Seth Capron, Affordable Housing public member, stated that he likes that the plans have limited hallways, so for the smaller units that is a great use of space. I do have a question on the 2 story ADU. Under state law it says building height up to 16 feet. Additionally, the ADU ordinance has a reduced set back requirement, and a lot of time in single-family neighborhoods there are issues with people going up, especially with a unit that is close to a fence line. Was there any discussion about this as no discretionary permit is required so neighbors don't have the opportunity to comment.

Arielle Goodspeed, Principal Planner, stated that we increased the building height through our own local ordinance to 25 feet.

Joel Ellinwood, Assistant County Counsel, stated that the concern Seth Capron, Affordable Housing public member, was not discussed.

Robert Gibson, Chair of the Planning Commission-Vice Chair of the Housing Advisory Committee, stated that It's a fantastic idea. I've actually seen one out of a las Viboros and I wouldn't want to hamstring 95% of the county because 5% is in Ridgemark and other major developments. I mean the bulk of what we're trying to accomplish is for the rural area.

Joel Ellinwood, Assistant County Counsel, stated these parameters are only applicable to unincorporated county, and not within city limits as they have their own ordinance.

Jonathan Casey, Financial or Accounting public member, asked if the plans have a rough estimate for construction costs, impact fees, and are the floors raised on the garage conversion due to the concrete slab?

Arielle Goodspeed, Principal Planner, stated that staff are working on preparing that and are also connecting with builders to get estimates. With impact fees if it is under 750 sq ft there are no fees and if it is 750 or larger it is 25%. By ordinance we could amend that. We could incentivize our own plans by reduce the impact fees for county plans. Regarding the garage conversion, the bathroom and the kitchen are designed to be against the house so they can hook up there.

Seth Capron, Affordable Housing public member, asked if structural engineering is included in the plans and what would be the rationale for charging a lower fee for using these plans rather than their own.

Arielle Goodspeed, Principal Planner, stated that they are, and they are engineered stamped. In regard to the reduced fee there is no incentive over your own plans. The only real goal is to incentivize ADU's.

No public comment via zoom or in chambers.

Public comment period is closed.

11. DIRECTION: FUTURE AGENDA ITEMS TO BE ADDRESSED

Stephanie Reck, Assistant Planner, presented future agenda items to be addressed.

No public comment via zoom or in chambers.

Public comment period is closed.

ADJOURNMENT:

As required by Gov. Code Section 54957.5 any public record distributed to the San Benito Housing Advisory Committee less than 72 hours prior to this meeting in connection with any agenda item shall be made available for public inspection at the office of the Clerk of the Board, San Benito County Administration Building, 481 Fourth Street, Hollister, CA 95023. Public records distributed during the meeting will be available for public inspection at the meeting if prepared by the County. If the public record is prepared by some other person and distributed at the meeting it will be made available for public inspection following the meeting at the office of the Clerk of the Board.

Dom Zanger, Board Supervisor, motioned to adjourn the meeting.

Jonathan Casey, Financial or Accounting public member, seconded this motion.

Motion passed five (5) to zero (0).

In compliance with the American with Disabilities Act (ADA) the Board of Supervisors meeting facility is accessible to persons with disabilities. If you need special assistance to participate in this meeting, please contact the Clerk of the Board office at 9831) 636-4000 at least 48-hours before the meeting to enable the County to make reasonable arrangements to ensure accessibility.