

**POLICIES AND PROCEDURES
FOR THE HEALDSBURG RESIDENTIAL
GROWTH MANAGEMENT PROGRAM**

Adopted by the Healdsburg City Council May 4, 2020

SECTION 1. AUTHORITY AND PURPOSE.

These policies and procedures are for the express purpose of implementing Measure M, the residential growth management initiative passed by the voters of the City of Healdsburg on November 7, 2000, Measure P, passed by voters of the City of Healdsburg on November 6, 2018, and Measure H, passed by voters of the City of Healdsburg on March 3, 2020. The following Policies and Procedures provide the detailed provisions of the Growth Management Program so that it can be fairly and equitably administered by city staff.

SECTION 2. APPLICABILITY.

The provisions of these Policies and Procedures shall apply to residential development for which a building permit is to be issued on or after January 1, 2001, excluding affordable housing units, accessory dwelling units, replacement or reconstruction of existing residences, emergency shelters, nursing homes, senior housing, sanitariums and residential care facilities as defined by the City of Healdsburg Land Use Code.

SECTION 3. DEFINITIONS.

Affordable Housing Unit - A dwelling which is restricted by a regulatory agreement for occupancy by households with incomes at or below 120% of the area median income for Sonoma County, as defined by HUD and used by the California Department of Housing and Community Development. Affordable housing units shall be made available at a monthly housing cost that does not exceed 30 percent of the applicable area median income with adjustments for household size made in accordance with the adjustment factors on which the income eligibility limits are based. However, the monthly housing cost can exceed 30 percent of the household income if alternative and beneficial financing of the unit(s) will be utilized to the satisfaction of the City Council.

Allocation Availability Table - A report prepared by the Community Development Director which gives the status of dwelling allocations reserved and unallocated under the Growth Management Program.

Category A Project - A project that created four (4) or fewer residential lots or four (4) or fewer dwelling units on an existing lot of record. An individual lot created under a Category B subdivision project, may be considered a Category A project if a time period of not less than five (5) years has passed since final map recordation. A Category B subdivision where individual lots are sold can be issued dwelling allocations from Category A.

Category B Project - A project that created five (5) or more residential lots, as defined by the California Subdivision Map Act, or five (5) or more dwelling units on an existing lot of record. A subdivision of five (5) or more residential lots in which lots will be sold individually can be considered a Category A project with individual lot owners obtaining dwelling allocations.

Category C Project - A project that created fifty (50) or fewer multifamily rental or for sale units. Rental units will be subject to a regulatory agreement with the City requiring the units be rented for at least 55 years to households earning no more than 160% of the Sonoma County Area Median Income, adjusted for household size for the unit. Units for sale will be subject to a regulatory agreement with the City requiring sale to households earning no more than 160% of the Sonoma County Area Median Income, adjusted for household size appropriate for the units, and that the unit be owner occupied.

Development Agreement - An agreement between a developer and the City Council to allow for project development as authorized by Government Code Section 65864, et seq. and City Ordinance No. 721.

Dwelling Allocation - A time-limited entitlement issued by the Community Development Director to allow the issuance of a building permit for a dwelling unit in accordance with the Growth Management Program.

Final Discretionary Approval - For purposes of determining the date of approval for a project with multiple discretionary actions by the City of Healdsburg, the action by the final decision-making authority shall be considered the date of discretionary approval. In the case of a project requiring approval of both a subdivision map and a design review permit, recordation of the subdivision map shall be considered final discretionary approval.

Dwelling Unit - One or more rooms, a bathroom and a single kitchen, designed for occupancy by one family for living or sleeping purposes.

Growth Management Program - Administration of the 2000 Measure M, 2018 Measure P, and 2020 Measure H initiatives and the relevant goals and policies of the Healdsburg General Plan that regulate the number of residential dwelling units built on an annual basis within the Healdsburg city limits, including these Growth Management Program Policies and Procedures.

Replacement Residential Dwelling - The construction of a dwelling unit to replace a previously existing dwelling unit situated on the same lot that was removed, demolished or destroyed.

Residential Building Permit - A permit issued by the Building Official to build a new residential dwelling unit in accordance with the Uniform Building Code and other local ordinances.

Waiting List - A list of projects that qualify for dwelling allocations, but cannot receive them because all available allocations have been issued.

SECTION 4. GENERAL PROVISIONS.

- A. Two pools of growth management allocations are available.
 - 1. The first pool of dwelling allocations, authorized by Measure M, shall be limited to an average of 30 per year beginning January 1, 2001 and in no case shall exceed 90 for any three-year period, where the initial three-year period commenced on January 1, 2001 and terminated December 31, 2003, and each successive three-year period follows in order. Category A Projects and Category B Projects shall be allotted dwelling allocations from the first pool.
 - 2. The second pool of dwelling allocations, authorized by Measure P and Measure H, shall be limited to 50 units per year, on average, not to exceed 150 units in a three-year period, where the initial three-year period commences on January 1, 2019 and terminates December 31, 2022, and each successive three-year period. Only Category C Projects shall be allotted dwelling allocations from the second pool.
- B. No building permit for a dwelling unit shall be issued by the Building Official unless the Community Development Director has issued a dwelling allocation under the provisions of these Policies and Procedures or determined that the proposed dwelling unit is exempt, as provided in Section 2 of this Growth Management Program.
- C. These Policies and Procedures shall remain in effect for the duration of the growth management initiative, unless amended by the City Council. In no case shall these Policies and Procedures conflict with Measure M, Measure P, Measure H or any subsequent voter approved changes to the Growth Management Program.

SECTION 5. ALLOCATION PROCEDURES.

The Community Development Director shall issue dwelling allocations in accordance with the

limitations given under Sections 2 and 4 of these Policies and Procedures and the specific requirements that follow.

- A. Category A Dwelling Allocations. Thirty (30) dwelling allocations shall be reserved at the beginning of each three-year period as Category A dwelling allocations. They shall be issued on a first-come, first-served basis to Category A projects at the time a building permit is issued for the project. A Category A dwelling allocation is valid until the associated building permit expires.
- B. Category B Dwelling Allocations. Sixty (60) dwelling allocations shall be reserved at the beginning of each three-year period as Category B dwelling allocations.
- C. Category C Dwelling Allocations. One hundred fifty (150) dwelling allocations shall be reserved at the beginning of each three-year period as Category C allocations. If there are unassigned Category C dwelling allocations available at the end of the three-year period, they may not be assigned as Category A or Category B dwelling allocations.
- D. Allocation Issuance. Dwelling allocations for Category B and Category C projects will be issued by the Community Development Director, at the request of the developer, on a first-come, first-served basis following a project's final discretionary approval. Dwelling allocations will be issued for projects to a specific year in the three-year period, in order to track dwelling allocation validity, within the limits provided by Section 4A. The dwelling allocations are valid for a period of two calendar years or until the discretionary approval expires, whichever comes first. The two-year period shall commence on January 1 of the year the dwelling allocation is issued, regardless of when during the year it is issued.
- E. Allocation Phasing. A potential recipient of a Category B or Category C dwelling allocation can request that the allocations be distributed over more than one calendar year for a maximum of two additional years, unless otherwise provided by for projects with a development agreement or where insufficient dwelling allocations are available, at which time dwelling allocations may be phased over more than three years.
- F. Maximum Allocation. Category B multifamily projects, whether for rent or for sale, are not subject to a maximum allocation, unless the Community Development Director finds that a maximum allocation is appropriate to ensure allocation availability for projects in the development review process. For Category B projects with other unit types, no more than ten (10) dwelling allocations per project per year may be reserved by the Community Development Director. No more than fifty (50) Category C dwelling allocations per project per year may be reserved by the Community Development Director, regardless of the number of such requests.
- G. Partial Allocations. If the Community Development Director determines that the granting of a requested dwelling allocation would exceed the remaining dwelling allocations in the subject three-year period, the Director may grant dwelling allocations for a portion of the project. Those projects denied dwelling allocations shall be placed, upon request, on a waiting list and have priority for issuance of dwelling allocations that may become available during the period, within the limits provided in Section 4A. Priority for the waiting list is for projects with a building permit application in plan check that are approved and ready to be issued, by date approved. If building permit approval date is the same for more than one permit, priority will be given to the permit application that was made first. The next priority is projects which have received a final discretionary approval, by date of approval. The Community Development Director shall have the discretion to adjust the waiting list based on project readiness.
- H. Allocation Reassignment. The Community Development Director shall have the discretion to reassign dwelling allocations in the following circumstances, within the limits provided in Section 4A:

- At any time during the three-year period, in order to prevent assigned dwelling allocations from expiring, dwelling allocations may be reassigned from one calendar year to another within a three-year period.
- If there are unassigned Category A or Category B dwelling allocations near the end of the three-year period (on or around December 1), they may be reassigned to projects on the waiting list, in accordance with Section 5G, for any category where dwelling allocations are needed.
- If a developer relinquishes allocations, and the Community Development Director reissues those to a future year, these dwelling allocations may be reassigned immediately to projects on the waiting list, in accordance with Section 5G, for any category where dwelling allocations are needed.

- I. Allocation Assignment per Development Agreement. A development project that contains residential dwelling units that is subject to a Development Agreement may be granted dwelling allocations as deemed appropriate by the City Council, provided the General Provisions of Section 4 are observed.

SECTION 6. ADMINISTRATION.

- A. The City Council, by resolution, may from time to time adopt or amend policies, procedures, rules and requirements to implement and administer the provisions of this Growth Management Program.
- B. The Community Development Director shall prepare an annual report to the Planning Commission and City Council on the Growth Management Program that shall include the following:
- (1) The number of dwelling allocations issued during the three-year period and in future periods.
 - (2) The number of building permits issued for dwelling units during the prior year, including the Category of dwelling allocation and whether the permitted unit was exempt from the Growth Management Ordinance.
 - (3) The status of any waiting list.
 - (4) A description of any significant problems that arose during the prior year in administering the Growth Management Program.
 - (5) Recommendations with regard to changes or revisions to these Policies and Procedures to improve its effectiveness and/or administration.
- C. A Growth Management Program "Allocation Availability Table" shall be updated on an annual basis or as determined appropriate by the Community Development Director or City Council.
- D. When a question arises as to the implementation of these Policies and Procedures, the Community Development Director will provide an interpretation.

SECTION 7. APPEALS.

An applicant, or any other interested person, or any City official who considers a decision made by the Community Development Director under the provisions of these Policies and Procedures to be erroneous, may appeal the same to the City Council.

- A. The appeal shall be filed with the City Clerk within ten (10) working days from the date on which the decision was made and issued in written form by the Community Development Director.
- B. The appeal shall be made in writing and shall specifically describe the decision which is being appealed, the grounds which the appellant is relying upon in making the appeal, and the specific action which the appellant wants the City Council to take.

- C. A timely filed appeal shall stay all actions resulting from the decision. Any allocations issued under the decision shall be preserved pending the Council's decision on the appeal; any allocations requested by an appellant which were denied by the decision shall also be preserved (or reserved) pending the Council's determination of the appeal to the extent that corresponding entitlement are still available for allocation at the time the City Clerk notifies the Community Development Director of the filing of the appeal.
- D. Upon the filing of an appeal, the City Clerk shall immediately notify the Community Development Director of the appeal and shall forward to the Director a copy of the appeal.
- E. A timely-filed appeal shall be heard and a decision made by the City Council within thirty (30) days of its filing.