



## **Memo**

To: Members of the Planning Commission

From: Scott M. Duiven, Community Development Director

Subject: Growth Management Ordinance Annual Report 2021

Date: April 12, 2022

The *Policies and Procedures for the Healdsburg Residential Growth Management Program* requires the Community Development Director to prepare an annual report on the program. This memo summarizes information regarding the operation of Healdsburg's Growth Management Ordinance last year.

### ***Background***

Measure M, a residential growth management initiative, was approved by Healdsburg voters on November 7, 2000. This measure limited residential building permits to an average of 30 units per year and no more than 90 over a 3-year period, with affordable units and accessory dwelling units exempt. Measure P, approved by voters on November 6, 2018, amended the City's Growth Management Ordinance to allow an average of 50 additional multifamily rental units per year, not to exceed 150 units in a 3-year period, restricted to households earning no more than 160% of the Sonoma County Area Median Income, adjusted for household size for the unit. Measure H, approved by voters on March 3, 2020, amended Measure P's additional unit allowance to permit these units to be for sale as well as for rent.

The *Policies and Procedures for the Healdsburg Residential Growth Management Program* were revised twice in 2019, first in January to recognize and implement passage of Measure P and secondly in May to incorporate recommendations made in 2018 by the Community Housing Committee, which had considered Growth Management policies at the direction of the Council. The second revision of the *Policies and Procedures* in May 2019 also initiated a slightly new way of administering Healdsburg's Growth Management program along with slightly increased flexibility. Several large projects had been approved, making growth management allocations difficult to secure for projects seeking the 30 units allowed under Measure M, and the City Council was interested in adding flexibility within the parameters of the Growth Management Ordinance.

The *Policies and Procedures* allow 90 Category A (projects of four or fewer units) and B (projects of five or more units) allocations to be available in year one of a three-year period, rather than 30 units at the beginning of each year in the three-year period, which enables projects to receive allocations while fulfilling the Measure M provision of no more than an average of 30 units per year. The *Policies and Procedures* also allow 150 Category C allocations to be available in year one of a three-year period rather than 50 units at the beginning of each year in the three-year period. Changes to the definitions of Category A and B to allow more cross-allocation also increases flexibility. Category C projects are those with 50 or fewer multifamily rental or for sale units restricted to households earning no more than 160% of the Sonoma County Area Median Income, adjusted for household size for the unit.

## *Annual Report*

The *Policies and Procedures, Section 6. Administration*, requires the Community Development Director to prepare an annual report and sets forth the specific content of the report. Responses are shown in *italics* below each item.

- (1) The number of dwelling allocations issued during the three-year period and in future periods.

*The year 2021 was year 3 of a 3-year period under the Growth Management Program (Cycle 7). At the end of 2021, there were 90 allocations (30 Category A and 60 Category B) reserved for the 3-year period, utilizing all the Category A and B allocations in Cycle 7. The Category B allocations were reserved by the Montage and Mill District projects. There were no Category C allocations reserved in Cycle 7.*

- (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.

*The City of Healdsburg issued permits for 349 new residential dwelling units in 2021. Of these, 333 were exempt from the Growth Management Ordinance. The exempt units include 5 replacement units, 12 accessory dwelling units, 41 affordable units in the Mill District project and 275 age restricted units in the Enso Village project.*

*The 16 units subject to the GMO included 5 Category A allocations and 11 Category B allocations.*

- (3) The status of any waiting list.

*Although all allocations for Cycle 7 were used, no waiting list was established during 2021.*

- (4) A description of any significant problems that arose during the prior year in administering the Growth Management Program.

*No significant problems arose in administering the Growth Management Program during 2021. However, scarcity of Category B allocations will remain an issue, with only 10 Category B allocations available through the end of the 3-year period ending in 2024 (Cycle 8).*

- (5) Recommendations with regard to changes or revisions to these Policies and Procedures to improve its effectiveness and/or administration.

*Revised Growth Management Ordinance Policies and Procedures were adopted by the City Council in May 2020; no revisions are recommended at this time.*