

# CHAPTER SEVEN: JOBS AND HOUSING

## 7.1 OVERVIEW

The Dunnigan Specific Plan (DSP) is structured to provide a range and balance of jobs and a wide range of housing opportunities. This chapter summarizes the estimated population for the Plan Area, the anticipated job growth, the programs and policies to implement the required relationship between jobs and housing and the programs to implement affordable housing within the DSP.

## 7.2 JOBS/HOUSING GOALS AND POLICIES

The General Plan Land Use and Housing Element provide several goals and policies that are directly applicable to the provision of jobs and housing in Dunnigan, as follows:

**Policy CC-3.7:** *Ensure that jobs are created concurrent with housing to the greatest extent feasible. Include requirements to ensure a reasonable ongoing balance between housing and jobs by phase. Strive to match overall wages to home prices.*

**Policy CC-3.8:** *For areas within Specific Plans, the amount of land designated for residential and job-generating uses shall be evaluated during the Specific Plan process, and land uses must be “re-balanced” within each phase in order to achieve a jobs/housing balance of 1.2 jobs per household. A jobs/housing monitoring program shall be established as part of each Specific Plan for its planning area. The jobs/housing relationship (balance, phasing, and match) for each Specific Plan area shall be monitored by phase. If, at the end of any phase, the required jobs/housing relationships are not achieved, the County shall require immediate and effective actions to be taken by the developer to ensure that the required jobs/housing relationship is achieved as a part of any subsequent phase. Such actions may include, but are not limited to, the following: changes in the amounts of land uses in remaining phases; financial/regulatory incentives to accelerate the development of underdeveloped land uses; smaller phases; limitations of permits for overdeveloped land uses; and/or other actions as may be required.*

**Policy CC-2.11:** *Strive to achieve a match between the prices of dwelling units and the salaries of the jobs provided within each unincorporated community.*

**Policy HO- 1.1:** *Include a mix of housing types, densities, affordability levels and designs.*

**Policy HO-1.3:** *Promote live/work uses, such as home occupations, employee housing, and caretaker accommodations.*

**Policy HO-1.4:** *Protect mobile home parks as an important source of affordable housing.*

**Policy HO-1.9:** *As a part of every project with a significant residential component, ensure that measures are taken that contribute to providing a range of new home prices, including both for-sale and rental units, that are affordable to families at all household income levels within each community.*

**Policy HO-1.12:** *Encourage use of the State density bonus law for affordable housing, senior housing, childcare facilities, and other special needs groups, as allowed.*

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**Policy HO-1.13:** Encourage the development of large rental and for-sale units (containing three or more bedrooms) that are affordable for very-low and low-income households.

**Policy HO-3.2:** Ensure that County policies, codes, development review procedures, and fees do not represent unjustified constraints to the development of new housing.

**Policy HO 4.2:** Encourage the development of housing for senior households.

**Policy HO-4.3:** Allow group homes with special living requirements in residential areas, consistent with the County's land use regulations.

**Policy HO-4.4:** Provide for housing to meet the needs of extended, multi-generational, and/or large families.

**Policy HO-4.5:** Encourage new residential developments to include adequate provisions for families with children, including amenities such as tot lots, playgrounds, and childcare facilities.

**Policy HO-4.6:** Encourage the removal of architectural barriers in the rehabilitation of existing residential units and ensure that new units comply with visitability standards so that homes can be occupied by, or visited by, people who have trouble with steps or use wheelchairs or walkers.

**Policy HO-4.7:** Encourage the inclusion of single room occupancy units and efficiency apartments in multifamily and mixed use areas.

**Policy HO-4.13:** Expand housing opportunities for farmworkers.

**Policy HO-4.14:** Defer or waive development fees for housing projects that provide farmworker housing.

**Policy HO-5.1:** Plan communities to avoid the concentration of affordable housing, while ensuring that affordable housing has access to needed services and amenities.

**Policy HO-5.2:** Require design standards to ensure that affordable units are visually indistinguishable from surrounding market rate units.

**Policy HO-5.3:** Strengthen neighborhoods through the maintenance and rehabilitation of the existing housing stock.

**Policy HO-5.4:** Encourage well-designed mixed use residential/non-residential development where residential use is appropriate to the setting and development impacts can be mitigated, such as in and around downtown areas.

**Policy HO-5.5:** Require that design plans for multifamily development projects break up the bulk and minimize the perceived height and size of new structures, including the use of upper story setbacks and landscaping. Ensure a human scale in new development and, when possible, create multiple unit buildings that have the appearance of single family homes.

**Policy HO-6.3:** Encourage affordable housing development to locate near existing and proposed transit routes, employment centers, shopping facilities, schools, medical facilities, and other services.

### 7.3 JOBS/HOUSING RELATIONSHIP

Dunnigan is planned to maximize the number of workers who live in the community by having a strong correlation between wages and housing prices. Considering its distance from the existing job centers in the region, a larger percentage of Dunnigan workers may choose to live within the community than in other cities in Yolo County. It is expected that up to half of all workers will live within the Plan Area. This would be higher than neighboring communities and the regional norm. The following four job-housing principles are expected to encourage workers to live within the Plan Area and reduce travel to destinations outside of the community.

1. The land use plan designates the appropriate amount of job-generating land uses to meet or exceed the overall requirement of 1.2 jobs per household within the Plan Area at build out.
2. The phasing plan maintains an approximately equal balance between new job-generating uses and new housing units developed within each phase. The Phasing Plan (Exhibit 10.1) and the Phasing Summary & Jobs/Housing Ratio (Table 10.1) are found in Chapter 10.3.
3. The Specific Plan includes an Economic Development Strategy designed to attract job producing development in targeted industries in each phase of development. A summary of this strategy is provided in Chapter 7.7 and the complete Economic Development Strategy report by Applied Development Economics (ADE) is Appendix Q.
4. The Specific Plan includes a sufficient population base to support a wide range of destinations for school, shopping, services, and recreation.

#### 7.3.1 Job-Housing Proximity and Rates of Commuting

The DSP is planned to meet the jobs-housing target of approximately 1.2 jobs per housing unit. Many factors contribute to an individual's decision to live and work in the same city or zip code. Typically, households in one community support jobs in another. The jobs that employ a community's workforce, and the homes that provide their shelter, are not necessarily all present in the same city or place.

The American Communities Survey (ACS) includes various labor statistics, including rates of commuting. Fehr & Peers Transportation Consultants examined the 2007-2011 ACS data for ten cities, including cities near Dunnigan, and cities with an economic profile similar to that projected for the DSP. The percentage of workers who work in their place of residence range from less than thirty percent (30%) to almost fifty percent (50%) for these ten cities, according to the ACS. The ACS shows that Woodland has the highest percentage of workers living and working in the same city, at forty-nine percent (49%). Corcoran, Davis and Williams have between forty-three percent (43%) and forty five percent (45%) of workers living in the city limits. In Orland, Gilroy, Hollister and Los Banos, rates are lower, between thirty seven percent (37%) and forty percent (40%). In Winters and Dixon, only twenty-seven percent (27%) and twenty-nine percent (29%) of workers live in the city, respectively. ACS data is presented in Table 3 of Appendix Q.

Communities with higher percentages of residents employed within the community tend to have local jobs at the same economic level as the housing stock, are located a greater distance from other accessible job centers, and have less of the highly specialized, higher paying jobs that would attract workers from other locations.

From its inception, the DSP has been envisioned as a community with a balance of jobs and homes. The job-housing principals identified in Section 7.3 are expected to increase the extent to which residents choose to work in Dunnigan. Development of the DSP will benefit the existing Dunnigan community by supporting “quality of life” amenities that would otherwise not be available. These include grocery stores, basic medical services, schools, as well as municipal services such as law enforcement, fire and emergency medical services, municipal water, sewer, and stormwater services. The ability to provide most, if not all, these community benefits will be contingent on having enough scale of new residential development to create adequate demand for these facilities and services as well as the ability to feasibly fund the capital and ongoing operating costs.

#### 7.4 POPULATION AND JOBS SUMMARY

Table 7-1 is a summary of the number and type of residential units and estimate of the total population for the Plan Area. At full build out of allocated units, the Plan Area is expected to contain approximately 22,600 residents.

**Table 7-1: Population Projections**

Land Use	Allocated Dwelling Units (DU)	% of Total DU	Household Size (pph)	Estimated Population
<b>Residential Uses</b>				
RR- Residential Rural	332	4%	2.62	870
RE-Rural Estates	371	4%	2.62	972
RL- Residential Low	3,319	38%	2.62	8,696
RM- Residential Medium	2,555	30%	2.62	6,694
RH- Residential High	1,332	16%	2.62	3,490
<b>Subtotal</b>	<b>7,909</b>	<b>92%</b>		<b>20,722</b>
<b>Commercial Uses</b>				
CL- Commercial Local	237	2.6%	2.62	621
MU- Mixed Use	124	1.4%	2.62	325
<b>Subtotal</b>	<b>361</b>	<b>4%</b>		<b>946</b>
<b>Office/ Industrial Uses</b>				
OPRD- Office/R & D	353	4.0%	2.62	925
<b>Subtotal</b>	<b>353</b>	<b>4%</b>		<b>925</b>
<b>TOTAL</b>	<b>8,623</b>	<b>100%</b>		<b>22,593</b>

The General Plan categorizes jobs as private employment from onsite non-residential development. Employment from these sources is based on the DSP land use plan and on the County’s jobs per acre factors provided in Policy CC-3.11 of the General Plan Land Use and Housing Element.

Table 7-2 estimates the potential jobs that will be available in the Plan Area based on the full build out of the assigned land uses and based on the jobs per acre ratio for each employment

type as well as the assumptions for the public/quasi-public uses and home-based employment shown in the footnotes at the bottom of Table 7-2. The job estimates include jobs generated by land use, according to job generation factors in the General Plan. However, the job generation estimates do not include construction jobs, even though construction activity is anticipated to remain a major source of employment within the DSP for a length of time, and with an economic impact that is comparable to jobs in other categories. Public employment is based on onsite job-generating public land uses, including schools, library, sheriff substations, and fire stations. At full build-out, the private and public jobs estimate is 11,358, which is a ratio of 1.3 jobs per housing unit.

**Table 7.2: Jobs Estimate**

Land Use Designation	Land Use	AC	Jobs/AC <sup>1</sup>	Jobs
<b>Private Employment</b>				
Residential High Density	RH	55.5	3.0	168
Mixed Use	MU	57.5	23.0	1,324
Regional Retail- Commercial General	CG	38.2	23.0	879
Retail-Commercial Local	CL	52.1	23.0	1,197
Highway Commercial	HC	108.1	23.0	2,485
Office/Research & Development	OFF/RD	103.1	20.0	2,062
Light and Heavy Industrial	LI & I	219.1	10.0	2,191
<b>subtotal:</b>		<b>633.6</b>		<b>10,306</b>
<b>Public Employment</b>				
Public/ Quasi Public <sup>2</sup>	PQ			59
Elementary School <sup>3</sup>	PQ			240
Middle School <sup>3</sup>	PQ			76
High School <sup>3</sup>	PQ			172
<b>subtotal:</b>				<b>547</b>
Home-based employment <sup>4</sup>	n/a			505
<b>Total Jobs:</b>				<b>11,358</b>

<sup>1</sup> Source: General Plan Policy CC-3.11

<sup>2</sup> Public PQ Job Generation: Total of 59, Sheriff staff substation (10), Parks and WWTP maintenance staff (25), one Fire station (10), County administrative satellite offices (10), Library, 1 librarian, 3 assistant (4)

<sup>3</sup> Educational Job Generation: Factor of 1.0 job/ 10.5 students; Elementary school capacity 600 x 4 schools=240; Middle school capacity 800 x 1 school=76; High School Capacity 1,800 x 1 school=172

<sup>4</sup>Home based employment is calculated as 5% of the total labor force.

## 7.5 JOBS/HOUSING/WAGE MATCH

The basic tenet of Policy CC-3.7 is that specific plan areas like the DSP should provide an appropriate range of land uses which will generate jobs with wages that enable workers to afford housing within the Plan Area, therefore reducing the extent that workers will commute from outside the community. The Economic Development Strategy for Dunnigan seeks to draw new employers to Dunnigan within certain key industry sectors. The potential for higher wage jobs varies among these sectors, with retail jobs typically paying lower wages and office and industrial employers offering higher salaries. ADE estimated job generation and estimated

wages and salaries from these job projections to estimate household income levels. These household income levels were compared to projected home prices within the DSP in Appendix L, Income and Housing Match Analysis.

This income housing match analysis shows that for-sale market-rate homes are anticipated to be affordable to workers employed within the Plan Area. Moreover, approximately twenty (20%) of all residential units are assumed to be offered as multi-family units, which are expected to be affordable to lower income households. Therefore, to the greatest extent feasible, DSP home sales prices are matched to the wages of the jobs created in the DSP. Appendix L contains detailed tables that identify assumptions and calculations used to prepare the analysis.

## 7.6 JOBS/HOUSING PROGRAM IMPLEMENTATION

General Plan Policy CC-3.8 seeks to synchronize the production of housing with job creation within the DSP. As stated earlier in this Chapter, the DSP includes an Economic Development Strategy (Section 7.7) that will be implemented to draw new employers to Dunnigan, as detailed in Appendix Q. New homes within the DSP are anticipated to be affordable to wage-earners, as discussed in Appendix L. The jobs/housing balance in the DSP will be monitored by phase to ensure that it conforms to the County's General Plan and the requirements set forth in this document. However, the County does not propose to restrict employment to Dunnigan residents, or require homebuyers to work within a certain geographic area. Rather, the synchronization of jobs and housing is planned to occur as a result of voluntary decisions by those who see the benefit of living and working in Dunnigan. The Plan also emphasizes various indirect factors to attempt to influence these decisions and encourage living and working in the community. Prior to the end of residential development in each DSP phase, the jobs/housing balance will be measured using the steps identified below:

1. County staff will quantify the total number of housing units by summing the number of constructed housing units for which a Certificate of Occupancy (COO) has been issued, excluding those that are deed restricted for senior or active adult populations. Senior/active adult unit(s) shall be excluded from the housing unit count that will be used to calculate the DSP's jobs/housing balance.
2. County staff will quantify the total number of jobs using the following steps:
  - a) The minimum amount of private employment will be determined by multiplying the gross acreage of nonresidential land uses (with a completed certificate of occupancy) by the jobs per acre factor by land use category identified in Table 7-2.
  - b) Public employment will be based on established public uses and will be calculated using factors identified in Table 7-2.
  - c) Credit for home-based employment will be based upon the percentage of the total DSP population in home-based employment using County or Regional average persons per household factors for each unit for which a certificate of occupancy has been completed, excluding deed restricted senior units.
  - d) Credit for construction employment will be based upon the amount of construction activity that has occurred within the most recent development phase, using accepted industry standards based upon construction valuation.

- e) All jobs, regardless of the development phase in which they are located, will be included in the jobs/housing calculation at the time of monitoring.
3. The County's Jobs/Housing policy will not constrain the development of affordable housing units in the DSP. The County will allow development of affordable units in any DSP phase that can be served adequately by necessary infrastructure.

This jobs-housing monitoring program does not require any particular jobs-housing relationship at the end of Phase 1 of the DSP. If, by the end of the residential construction within each subsequent phase, the DSP has not achieved the targeted average County's jobs/housing goals, the following steps will be undertaken:

1. DSP developers will meet with County staff to identify and quantify the jobs/housing imbalance. This quantification will identify the amount of nonresidential acres required to achieve the targeted jobs/housing balance for, at least, the remainder of the current phase plus the next phase.
2. In coordination with County staff, DSP developers will hire a consultant to perform a Business Survey to analyze the relative strengths, weaknesses, opportunities and threats affecting business development in the DSP, with written findings. This Business Survey will include recommendations for changes to the EDS based on its findings.
3. Based on the results of the Business Survey, DSP property owners/developers and County staff will prepare a detailed implementation plan demonstrating how the targeted jobs/housing balance can be achieved during implementation of subsequent development phases.

## **7.7 ECONOMIC DEVELOPMENT STRATEGY (EDS)**

The economic development strategy for the DSP is an aggressive program to attract a variety of employers to locate in Dunnigan, which is summarized in this Section and stated more fully in Appendix Q. An important factor in the jobs/housing balance is to facilitate an earlier influx of new businesses than is typical in new development. A number of actions are anticipated to help identify, attract and then expedite the formation of new business in Dunnigan, including programs and incentives from the landowners as well as actions by Yolo County.

The DSP Landowners will target specific employers and industries that would be attracted to the DSP's location, such as retailers that could serve interstate travelers and the surrounding population, and businesses that could be attracted to the DSP's proximity to the Interstate 5 and Interstate 505 interchange, as well as its adjacency to heavy rail facilities. The County will strive to incentivize employer location in the DSP through the implementation of related County Economic Development Policies, as described in the Economic Development Element of the County's General Plan. These include policies to support new industries, create local business incentives, and collaborate with other area organizations to promote the creation and growth of local businesses. Targeted industries include hospitality, transportation and warehousing, and agriculture-related businesses.

Related County General Plan Economic Development Element Policies are listed below. The DSP landowners will collaborate with the County to promote these policies and develop incentives to stimulate nonresidential development.

- Policy ED-1.3: Encourage businesses that promote, provide services, and support farming, with an emphasis on value-added agriculture, agri-tourism, food processing and agricultural suppliers.
- Policy ED-1.9: Target biotechnology development, including the development of high-tech research and development campuses, regional offices, and business parks and light manufacturing nodes.
- Policy ED-1.10: Target life science, biotechnology, and related research uses in proximity to UC Davis or elsewhere as appropriate along the highway system within the County.
- Policy ED-1.11: Support local efforts to create new products, services, and businesses that will expand the wealth and job opportunities for all social and economic levels.
- Policy ED-1.13: Develop and expand agricultural businesses within Agricultural Districts, including industrial processing facilities, commercial sales and agricultural tourism, through the use of targeted regulatory streamlining, financial incentives and specialized marketing efforts.
- Policy ED-2.5: Create local incentives to support business development without compromising the County's financial capacity.
- Policy ED-2.7: Encourage the retention and expansion of existing businesses and attract new businesses into the County.
- Policy ED-2.8: Coordinate with other agencies and organizations to offer technical assistance to businesses, including targeted funding such as economic development grants, local and other federal, State, and private sources.

### **7.7.1 Economic Development Incentives and Strategies**

Retail, service commercial, and office developments typically lag behind residential construction in new growth areas. This lag occurs because adequate household purchasing power is needed to support the financial viability of retail land uses. Office uses tend to develop in outlying areas to be closer to their employees or because of the unique advantages that are found in the particular location. Dunnigan offers advantages based upon its proximity to major highways and the surrounding agricultural economy. However, the marketing of new business opportunities in Dunnigan will not occur in isolation; similar opportunities exist in Vacaville, Woodland, and elsewhere in the surrounding communities, much of which is available in existing building stock. To attempt to make non-residential land in the DSP more marketable, and expedite the development of job-generating land uses in targeted market sectors, the following actions are proposed:

1. Create a brand for the Dunnigan community and market the brand using key messages that promote the competitive advantages within the Plan to target industries using the internet, social media and conventional trade publications and media.
2. Ensure that all nonresidential development sites within a given phase are adequately served by major backbone infrastructure.
3. Consider grants and other mechanisms to create a competitive profile for land designated for non-residential use that features reduced development and other costs.

4. Collaborate with the County’s Economic Development department to aggressively promote and implement supportive policies in the County’s General Plan Economic Development Element.
5. Aggressively market nonresidential land uses locally, regionally, and nationally through the brokerage community. The property owners will create and periodically update a marketing strategy for the DSP nonresidential property specifically designed to attract job-generating land uses to Dunnigan.

It is in the County’s and landowner’s mutual interests to expedite development of residential and nonresidential development within the DSP, in order to promote economic growth and generate sources of new revenue from increased business activity. Development of a complete community that includes a mix of housing, schools, services, retail, commercial and other development will allow residents to meet a greater percentage of their needs within the Plan Area, and will discourage vehicle trips to destinations in other areas. Generating more destinations within the DSP will help lower vehicle miles traveled (VMT) and thereby reduce greenhouse gas emissions.

## **7.8 AFFORDABLE HOUSING PROGRAM**

### **7.8.1 Overview**

The Housing Element of the Yolo County General Plan was updated in 2013, during the timeframe in which the DSP was prepared. The Housing Element covers the planning period from January 1, 2013 through October 31, 2021. As a mandatory element under state law, the Housing Element documents the existing housing conditions and constraints in Yolo County, projects the future housing needs for the planning period, and establishes a policy framework to meet those needs.

The Housing Element emphasizes a diverse palate of policy directives to promote housing options to meet the needs of County residents. The Element contains certain goals pertaining to affordable housing. The single goal that is most applicable to the Dunnigan Specific Plan is Goal HO-1:

**Goal HO-1 Housing Mix:** *Provide housing to meet the social and economic needs of each community, including both existing and future residents, as well as employers.*

The policies within the Element that are applicable to the DSP are outlined in Section 7.2, which reinforce the need to provide a wide variety of housing types to meet the needs of a diverse community. The DSP supports and implements these goals and policies through the provision of a well-balanced land use plan that will provide a range of affordable housing units that are attainable for both Dunnigan residents and workers, are of quality design and are well integrated into the community form.

### **7.8.2 Housing Affordability**

Housing affordability is based upon household income categories defined by the U.S. Department of Housing and Urban Development (HUD). The standard measure of affordability is the median household income calculated for the Yolo County Primary Metropolitan Statistical

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Area. Income levels for the affordable categories are summarized in Table 7-3. Median income levels for Yolo County are published annually by HUD.

<b>Table 7-3: Household Income Categories</b>	
<b>Income Category</b>	<b>Percent of Median Income</b>
Moderate Income	81%-120% of Median
Low Income	51%-80% of Median
Very Low Income	Less than 50% of Median

The strategies and mechanisms available to provide affordable housing within California are changing. Historically, some cities and counties required homebuilders to set aside units within otherwise market-rate developments at below-market prices (for rent and for sale). These prescriptive measures have come under scrutiny, with courts restricting the use of such requirements in cases involving both rental and for-sale housing. For these reasons, the Inclusionary Housing Ordinance does not apply to the DSP. Instead, the DSP provides its own Affordable Housing Strategy, which requires the production of low-income and very-low income housing, and relies on presumptions and incentives in the Housing Element to provide housing for a range of household income levels.

Rather than mandating the sale of a certain percentage of units within the Plan Area to households within the income levels specified in Table 7-3, the DSP has established a range of housing density, and has allocated sufficient units in the RM and RH zones to provide for market-rate housing that is affordable to low and very-low income households. These measures are in addition to the effort, discussed in Section 7.5, to match overall housing prices to the wages and salaries projected within the DSP.

The 2030 General Plan identified the DSP as a potential new growth area, and allocated over 8,000 new residential units to Dunnigan in the planning horizon of the General Plan. However, because the DSP was not approved for housing development (i.e., with appropriate zoning) during the preparation of the Regional Housing Needs Plan by the Sacramento Area Council of Governments (SACOG), this new growth was not considered in the allocation of affordable units to Yolo County in the Regional Housing Needs Allocation (RHNA) for the current Housing Element (2013-2021). In the next RHNA cycle (i.e., 2022-2030), SACOG will allocate affordable units to Yolo County based on the prospective development of the DSP.

### **7.8.3 Affordable Housing Strategy**

The Affordable Housing Strategy for the DSP requires the preparation of an Affordable Housing Plan to be approved prior to the approval of each Phase of development within the DSP. This Affordable Housing Plan must identify residential zoning at sufficient densities to ensure the provision of affordable housing within each Phase. As discussed in the Housing Element, Yolo County presumes that multi-family housing is capable of producing housing affordable to lower income households. Larger apartment projects (i.e., 40 units and above) on large (4+ acre) and medium (2-4 acre) parcels are presumed to be affordable to very-low income households. These are typically provided in the DSP in the RH parcels, and in those non-residential parcels where residential units have been allocated. Multi-family projects that are developed on small (under 2 acre) parcels, and medium density (RM) developments on medium and large parcels,

are presumed to provide housing for low-income households. Therefore, each Affordable Housing Plan will identify a certain amount of land in these land use categories to promote the production of affordable housing. The County will also provide incentives to encourage the construction of the affordable housing units.

The Affordable Housing Strategy for the Dunnigan Specific Plan is embodied in the following Goals and Policies. These Goals and Policies complement the Land Use Goals and Policies listed in Chapter 3.

**Goal H1      Promote the Production of Affordable Housing**

**Policy H1.1**      Very Low-Income Housing Sites. Provide adequate sites for very low-income housing within the Plan Area. Based upon the density and income presumptions described in this Section 7.8.3, each phase shall identify sufficient acreage to generate the equivalent of ten percent (10%) of all new units proposed within the Phase for very low-income households. Any sites that are capable of producing very low-income housing units in excess of the requirement of this Policy H1.1 may be counted toward the requirement to designate sites for low-income housing units in Policy H1.2. The following land use types are presumed to provide housing for very low-income households:

- a. A multi-family housing (RH) site of at least two (2) acres, and
- b. A mixed use (MU), commercial local (CL) or office park/R&D (OPRD) parcel of at least four (4) acres.

**Policy H1.2**      Low-Income Housing Sites. Provide adequate sites for low-income housing within the Plan Area. Based upon the density and income presumptions described in this Section 7.8.3, each phase shall identify sufficient acreage to generate the equivalent of ten percent (10%) of all new units proposed within the Phase for low-income households. The number of units proposed for development shall be specified for each of the identified low-income housing sites. The following land use types are presumed to provide housing for low-income households:

- a. A multi-family housing (RH) site of less than two (2) acres,
- b. A medium density housing (RM) site of at least two (2) acres, and
- c. A mixed use (MU), commercial local (CL) or office park/R&D (OPRD) parcel of less than four (4) acres.

**Policy H1.3**      Low-Income Housing Incentives. Incentivize the construction of housing units for lower income households through the granting of density bonuses as provided in this Chapter. Incentives or concessions should be sufficient to incentivize the construction of housing for very-low and low-income households, consistent with Policies H1.1 and H1.2 of this Chapter.

**Goal H2 Provide Diverse Housing Options**

- Policy H2.1** Second Units. Incentivize the production of second units by waiving or modifying the application of otherwise applicable fees, requirements and standards, as provided in this Chapter. Table 3.1 estimates 607 secondary units may be provided within the DSP, with 57 second units in the RE zone, and 550 second units in the RL zone.
- Policy H2.2** Senior Citizen Housing. Incentivize the production of senior citizen housing by offering density bonuses and/or reductions in otherwise applicable fees, requirements and standards.
- Policy H2.3** Child Care Facilities. Incentivize the production of child care facilities by offering density bonuses and/or reductions in otherwise applicable fees, requirements and standards.

**7.8.4 Second Units**

Among the objectives of the Housing Element is the production of housing for a diverse population. The DSP furthers this objective by providing a range of housing options, including the inclusion of a certain number of second housing units within areas designated for single-family residential use. Second units increase density within single-family neighborhoods, thereby promoting compact development patterns and a more efficient use of land. This increased density furthers the Community Planning Objectives for Dunnigan established in the 2030 General Plan. Second units also provide housing options for larger families and multi-generational households, which the Housing Element encourages.

Provisions for second units are well established in state law. Second units may be attached to a single-family home, included within the living space of a single-family home, or detached and located on the same lot with a single-family home. In no case is the second unit sold apart from the main housing unit, but it may be rented or made available to whomever the homeowner desires, within the limits of state and federal housing laws. Often the second unit houses a member of the homeowner's family, such as an elderly relative or disabled person. In other cases, the unit is rented to a student or other low-income individual. A unit may also be rented to a couple or family, but this is not a typical scenario. Because the size of a second unit is smaller than a standard single-family unit, the DSP attributes 0.6 EDU to each second unit, and counts the 607 second units within the DSP as 364 EDUs. Development standards for second units are provided in Appendix S, DSP Development Standards.

**7.8.5 Density Bonus**

The density bonus is well-established in state law as a method to increase the production of affordable housing. Essentially, the density bonus allows a developer to exceed the maximum density permitted by the applicable General Plan and Zoning, in exchange for the inclusion of a certain percentage of units affordable to low or very-low income households. The developer is allowed to exceed the maximum density by a percentage that is set in state law, and which is determined by the percentage of low and very-low income units provided within the project. The County also must offer certain development incentives or concessions in order to further

entice the inclusion of low and very-low income units. Because the provision of these units is voluntary, the legal restrictions applicable to inclusionary housing requirements do not apply. A density bonus also must be offered to a developer who proposes a senior-citizen housing development, or who proposes to include a child-care center within the project.

As it applies to the DSP, a density bonus would permit the developer of a project in any residential land use district within the DSP to exceed the maximum density established for the district. This would allow a development of 3.6 units or more per acre in the RE district, 10 units or more per acre in the RL district, 20 units or more per acre in the RM district and 41 units or more per acre in the RH district. A developer may also receive a density bonus for a project in the CL, MU or ORPD districts, which would allow units over and above the units assigned to the parcel in Land Use by Parcel Table M-1, Phasing Master Plan Appendix M.

A developer who requests a density bonus may also submit an application for certain incentives, which are intended to reduce the cost of the project to the developer. One of the following incentives shall be awarded to a developer who agrees to provide ten percent (10%) of the units within the project to low-income households, or five percent (5%) of the units to very-low income households:

- Exemption from specified county planning and zoning requirements
- Exemption from specified building standards that exceed the state building code
- Fee waivers or deferrals as specified by the Planning Department
- Modification of public works standards

The Planning Department shall maintain a list of concessions available to applicants for density bonuses. Policy H1.3 requires these concessions to be sufficient to incentivize the development of the low and very-low income housing identified pursuant to Policies H1.1 and H1.2. The Director of Planning shall approve or deny applications for density bonuses; the decision of the Director may be appealed to the Planning Commission. The County will periodically review its fee structure and development standards and requirements to determine whether additional incentives, in addition to those listed above, may be necessary to encourage the production of low and very-low income units, senior citizen units and child care centers.

### **7.8.6 Affordable Housing Program Implementation**

Before each Phase within the DSP is developed, an Affordable Housing Plan must be approved by the County. The Affordable Housing Plan will demonstrate compliance with this Chapter and the General Plan Housing Element. In particular, the Plan must designate sites for very-low and low-income housing as required by Policies H1.1 and H1.2. The Plan may also propose incentives or concessions for the granting of density bonuses sufficient to incentivize the construction of very-low and low-income housing, as specified in Policy H1.3. Finally, the Plan will allocate the pro-rata number of second units to RE and RL land uses within the Phase.

The Affordable Housing Plan shall be approved by the Planning Director concurrently with or prior to any discretionary approval of a project that proposes to construct residential units, such as a Tentative Subdivision Map or Design Review Permit. The decision of the Planning Director may be appealed to the Planning Commission.