DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT 2020 W. El Camino Avenue, Suite 500 Sacramento, CA 95833 (916) 263-2911 / FAX (916) 263-7453 www.hcd.ca.gov



March 11, 2021

Peggy Flynn, City Manager City of Petaluma 11 English Street Petaluma, CA 94952

Dear Peggy Flynn:

RE: Climate Emergency Framework and Housing Moratoriums – Letter of Technical Assistance

The California Department of Housing and Community Development (HCD) understands the City of Petaluma (City) has adopted a Climate Emergency Framework (Framework) which was accompanied by a recommended action list that included potential actions such as a moratorium on housing development in the floodplain, riparian corridor, and wetland areas throughout the City and sites identified to accommodate the City's regional housing need. HCD further understands the City did not deliberate on or adopt this moratorium. The purpose of this letter is to offer information to assist the City in its future decision-making.

HCD understands the Framework is the product of a diligent outreach and deliberative process. The Framework consists of potentially meaningful climate change mitigation and adaptation goals; however, the Framework is largely void of consideration for increasing housing supply, choices and affordability or specific targets for lower-income households, special-needs populations or frontline and underserved communities. While housing generally may not be within the scope of the Climate Action Commission, HCD encourages the City to foster communication that strategically integrates housing and environmental goals in future planning documents.

In the January 11, 2021 City Council hearing adopting the Framework, the City received a recommended list of actions from the Climate Action Commission that included a moratorium on development in the floodplain, riparian corridors, and wetland areas. While the moratorium was not deliberated on or adopted at the January meeting, the recommended moratorium, if adopted, could affect housing development throughout the City and sites identified to accommodate the City's regional housing need. The recommendation proposed to stop development on sites until completion of a full general plan environmental impact report, which could result in significant delays and constraints on sites identified in the element. Constraints on development and actions Peggy Flynn, City Manager Page 2

impacting the availability of sites to accommodate housing needs are potentially inconsistent with the housing element of the general plan.

In addition, the state is experiencing a housing supply shortage of crisis proportions. To address this crisis, the Housing Crisis Act of 2019 (SB 330, 2019) was signed by Governor Newsom on October 9, 2019 and became effective on January 1, 2020. The Housing Crisis Act (Gov. Code, § 66300) generally prohibits a locality from enacting a development policy, standard or condition that reduces intensity, imposes moratoriums, enforces subjective design standards or implements any provision that limits housing development approvals or caps population. For your information, specifically with respect to the moratorium discussed in the Framework actions, the Housing Crisis Act suspended the ability of cities and counties to impose moratoria on housing development, "other than to specifically protect against an **imminent threat to the health and safety of persons...**" (Gov. Code, § 66300, subd. (b)(1)(B), emphasis added.)

HCD encourages localities to take action to mitigate and adapt to climate change and pursue climate and environmental goals. However, these needs must be harmonized with housing goals and most importantly do not rise to the level of an imminent threat to health and safety or warrant imposing a moratorium. Further, for your information, pursuant to Government Code subdivision 66300, subdivision (b)(1)(B)(ii), Petaluma shall not enforce a moratorium or similar restriction or limitation on housing development until the City has submitted the ordinance and received approval from HCD. Finally, any action inconsistent with the Housing Crisis Act or the City's housing element will trigger an immediate review by HCD and potential enforcement actions pursuant to Government Code section 65585.

HCD is fully supportive of the City's efforts to pursue and integrate goals related to land use, housing, transportation, climate and equity. However, integrating goals requires careful consideration which should also involve the pursuit of housing goals. HCD respects these difficult challenges and looks forward to the City addressing mutual goals. If you have questions or need additional information, please contact Reid Miller at <u>Reid.Miller@hcd.ca.gov</u>.

Sincerely,

Shannan West Land Use & Planning Unit Chief