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May 31, 2017

NEVADA COUNTY
BOARD OF SUPERVISORS

Nevada County Board of Supervisors
Nevada City Council, Mayor Evans Phelps
Grass Valley City Council, Mayor Howard Levine
Nevada County Planning Commission, Laura Duncan
Nevada Irrigation District, (NID), Remleh Scherzinger
Nevada City Parks and Recreation Department, Dawn Zydonis
Nevada City Fire District, Sam Goodspeed
Nevada Joint Union High School District, Holly Hermansen
Nevada City Planning Department, Amy Wolfson

ec: All BOS
CEO
Counsel
CDA
Bldg

Dear Supervisors, Mayors and Heads of Agency;

It is apparent that it's very expensive to build very-low and low-income housing due to high permit fees, additional fees required by special districts, and high construction costs. **This is why it's not getting done.** Housing is not built by the County or the Cities; it is built by people. People who want to build low-income housing have to be able to "afford" to build and it has to be easier for them to do so.

Currently a builder has to get a Conditional Use Permit (\$2000) and go through a lengthy public review process to build in a zone in which normally a low-income housing project would not be permitted. Every dollar the builder has to spend, and time involved with public review processes, will result in higher rent prices. Perhaps the Nevada City Council could expand the "use by right" allowed in the "Light Industrial" zone if the project was still subject to design review and a deed restriction.

I've just read the current Nevada County Housing Element (2014-2019) that contains verbiage that would allow deferment, reduction, or elimination of such fees.

"RC- 8.4.4 The County shall request that schools, fire districts, park districts, NID and other special districts adopt a policy to allow for deferred payment and/or partial or full waiver of planning, mitigation, building permit and connection fees as incentives to for-profit and non-profit builders of affordable housing for development of "five or more units" per application. Fee reductions may be backfilled with CDBG or General Fund monies."

I was disturbed to read that in the previous Housing Element cycle it states....

"The Planning Department has responses from all special agencies indicating that they did "not" desire to reduce their fees."

Were you aware of this and will you please let me know if this is still your policy in the current Housing Element cycle? Apparently reducing fees is still discretionary for the various agencies. Has the County requested you reduce these fees in the current Housing

Element Cycle? It seems, if the County has a goal of building affordable housing, then each agency should do their part as is the intent of State law and the Housing Element.

The County's obligations under State Law are to:

- 1) provide adequate, appropriately zoned sites to meet the existing and projected housing needs of all economic segments of the community.
- 2) eliminate any constraints to the private development of a supply of housing to meet the needs of "all" economic segments of the community. *(Those would include zoning and financial constraints, such as fees).*
- 3) otherwise "facilitate" the actions required of the development industry in providing an adequate supply of housing.

It seems to me the County and various agencies need to eliminate the permitting and special agency fees, which make it prohibitively expensive to build, *especially in the very low and low-income category of housing, which is the "gaping gap" we need to fill.*

The County will recoup via increased property taxes and "save" by getting people off the street and into housing. In building low-income housing an additional and important benefit to the County will be the stimulation of the building industry as more local architects, contractors, building laborers, and businesses which supply materials, will benefit. It makes great economic sense to solve the problem of fees and move forward.

Shawna Purvines, the Placer County Planner, informed me that both Placer and El Dorado Counties were waiving Planning Department and Building Department fees for Accessory Dwelling Units (ADU's) as long as there is a deed restriction of 20 years for affordable housing. I would be willing to provide a similar deed restriction for my 8-unit project. Shawna also shared it is the County Board of Supervisors that has the discretion to lower County building permit and planning fees.

Patrick Dobbs, Nevada County Senior Planner, also stated, "there is some consideration to look at reduced fees for affordable housing projects as fee schedules are updated. The Board of Supervisors can waive fees the County has control over, but someone in my position cannot. Again, I know your requests are getting through to the right people, but *as of yet there hasn't been any policy changes to eliminate fees for affordable housing projects.*"

I truly hope the Nevada County Board of Supervisors, and our various agencies, decide to update their policies regarding fees for low income housing projects and initiate similar changes that reflect and support the verbiage and promises outlined in the current Housing Element. Why have State laws and stated goals in the Housing Element and not act on them? We all have to work together to build affordable housing otherwise it's difficult to imagine how very-low and low-income housing will become a reality in Nevada County.

As someone who is exploring the costs of building an 8-unit low-income apartment building, in Nevada City, I need to know if this is even financially feasible, given the plethora of fees. *I would appreciate a written answer from your agency within two weeks please.*

Sincerely,

A handwritten signature in cursive script that reads "Pauli Halstead". The signature is written in black ink and is positioned below the word "Sincerely,".

Pauli Halstead
423 South Pine St.
Nevada City, Ca.
theprimalcuisine@gmail.com

cc: Richard A. Haffey, County Executive Officer
Paul McDougall, State Department of Housing and Community Development
The Union, Grass Valley

JUN 05 2017

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When was the last time the Planning Department requested that the various agencies, schools, fire & park districts, NID, and other special districts adopt a policy to allow for deferred payment and/or partial or full waiver of planning, mitigation, building permit and connection fees as incentives to for-profit and non-profit builders of affordable housing for development of "five or more units" per application?"

Which agencies have declined or not responded to the request? Was there any follow up to determine why they may have declined? Can the responses by the various agencies be available to the public?

It seems that the directive from the State, and why the Housing Element is written, is that these fees be deferred, reduced or eliminated and that they are "not" to be a discretionary decision on the part of the agencies. Isn't the intent of the Housing Element that this needs to be done?

Has the Board of Supervisors given direction to the agencies to comply with the request? If the request to reduce or eliminate fees is State law, why is Nevada County not being more proactive in implementing the law?

Since reducing or eliminating planning and building fees for affordable housing (five or more units) falls under the purview of the Board of Supervisors why haven't you taken the lead and done this? Are you willing to do it now?

What constraints (including financial constraints) has the Board of Supervisors eliminated to builders and developers to ensure a supply of housing adequate to meet the needs of "all" economic segments of the community?

What other steps are the Board of Supervisors willing to take to facilitate the actions required of the building/development industry in providing an adequate supply of housing?

Will the Board of Supervisors now adopt a policy of partial or full waiver of building permit and planning fees for affordable housing? If not, why not?

Pauli Halstead
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