

The Scrutiny Coalition Repudiating Administrative Mediocrity (SCRAM) and Housing for Fort Bragg (HFFB) jointly submit these comments in objection to the County of Mendocino adopting the proposed revisions to the update to the housing element as currently written. HFFB believes the proposed revisions do not adequately address the community concerns expressed throughout the process, including numerous deficiencies that were identified through public and agency comments, including comments submitted by members and representatives of HFFB and/or SCRAM.

First, we would like to take this opportunity to renew and reaffirm the objections that have already been raised by the public and the City of Ukiah at various stages of the process to update the County's housing element, including those reflected in written and oral public comments submitted to the County prior to and during the public hearings before the Mendocino County Planning Commission on October 17, 2019 and Board of Supervisors on December 10, 2019, because those objections have not been adequately addressed by the proposed revisions presented for your consideration at this public hearing. For brevity purposes, we will not repeat those objections here but they should be considered incorporated by reference and can be reviewed in the agenda packets for those public hearings at: <https://mendocino.legistar.com/LegislationDetail.aspx?ID=4274192&GUID=DBC38013-DA89-4721-9C21-906A63C084C8&Options=&Search=> and <https://www.mendocinocounty.org/government/planning-building-services/meeting-agendas/planning-commission>.

The proposed revisions do little to nothing to address adding programs/actions to the housing element that would have responded to the substance of the public comments and only add a single new program/action item despite the numerous topics and deficiencies that were identified in the submitted comments. In fact, despite describing the importance and consistent focus of the public comments on several areas like short-term rentals and ADUs, the proposed revisions do not add any programs/actions to address these important topics. Instead, they attempt to claim that the County is already dealing with those topics independently from the housing element update process and assert that means they do not need to address those topics in the housing element itself. That is concerning and inadequate.

Even if Mendocino County is in the process of or planning on addressing those topics through amendments to the local code, that does not negate the requirement to incorporate programs/action items about the issues in the housing element itself. Including something as a program/action item in the housing element gives it more weight and requires the County to follow through with addressing the underlying issues and requires any progress toward achieving the relevant goals be reported in the annual progress reports, which ensures ongoing attention to the issues and that the housing element is not merely shelved until the next update. As such, failing to include explicit programs/action items to address these local housing issues remains a critical deficiency in the administrative draft, which the County needs to address through additional revisions to include explicit programs.

If the County is already planning on addressing these areas, or in some case is already in the process of addressing them, you should not object to including them as explicit programs because you will be able to demonstrate progress in those areas. However, omitting them leaves open the distinct possibility that the County will chose to do nothing to address these critical housing issues. That is particularly true for the short-term rental problem because the County has historically received significant Transit Occupancy Tax (TOT) revenue from short-term rentals that has been used as an excuse to allow many short-term rental conversions of what were formerly long-term residential rentals. Explicitly including a program/action plan to address this topic with a defined timeline is critical to ensure that the issue is addressed. This may be even more critical because the County is under increased fiscal pressure due to declining TOT during the Covid-19 shutdown and there may be even more incentive to favor tax generation over preservation of long-term rental housing. These additional programs will be easy to add to the housing element and doing so will not significantly delay adopting the revisions. HCD will also welcome additional programs since they determined, albeit incorrectly, that the proposed revisions meet applicable legal requirements.

Of the programs/actions that are included, several concern potential annexation of unincorporated areas to the adjacent cities. The County should revise the relevant programs/actions to address the following concerns. Action 1.3a and Action 1.3c reference a "master tax-sharing agreement" between Mendocino County and the incorporated cities. Pursuing a master tax-sharing agreement was in prior versions of Mendocino County's housing element but the County has taken positions with the incorporated cities that have prevented any master tax sharing agreements from happening, which also prevented annexations that could have facilitated much-needed residential development. For example, even though most potential annexation areas within the cities' spheres of influence (SOI) have residential rather than commercial or industrial zoning, the County has taken the position that the cities need to give up ten years of tax revenue to the County after the cities annex those areas. There are no significant tax generators in these residentially zoned areas, in fact, since residential zoning generally costs more to serve than it generates in tax revenue the County will actually save money if the cities annex these areas and the cities will "lose" money because it will cost them more to serve the new residential areas than the property tax revenue they would normally receive absent a tax-sharing agreement gifting it to the County. These residentially zoned areas within the cities' SOIs are the most likely locations for potential residential development because it is where there is existing or financially feasible access to water and wastewater utility systems that are operated by the cities.

The County has not actually reasonably pursued master tax sharing agreements because of their unreasonable demands to keep all of the limited property tax revenue for a decade without any legitimate justification to do so and that has prevented annexations of developable residential land where housing would have been the most likely to occur because they land would then have access to municipal water and sewer connections. The County would save money (through greater reduced service expenses compared to the lost tax revenue for the

same area) if the cities annexed these areas and there is usually not a prior investment in County expenditures related to these areas that they could reasonably argue they have a right to recoup over the term of a tax sharing agreement. The primary cost driver that makes residential property a net expense rather than a net revenue generator is the cost of providing law enforcement services through the County Sheriff, which is shifted to the cities' budgets and their respective police departments after annexation.

As a result, Actions 1.3a and 1.3c should be revised to remove the requirement for master tax-sharing agreements or to require the County to agree to forgo property tax revenue under such master tax sharing agreements altogether. In particular:

- Action 1.3c should be revised to completely remove the reference to "adopted master tax sharing agreements between the affected city and the County."
- Action 1.3a should probably just be removed altogether or replaced with a different Action that requires the County to pursue and support master tax sharing agreements that reflect the fiscal balance between the reduced expenses attributable to the cities taking over services and infrastructure maintenance in the annexed residential areas that exceed the tax revenue generated in those areas (i.e., require the County to support tax sharing agreements when the County actually saves money by not having to provide services any longer).

Moreover, the County should be required to add a new action to specifically deal with an existing transient occupancy campground that is actually operating (and has for decades) as a non-conforming mobile home park providing housing to low-income residents, including many disabled residents. I refer to the Wildwood Campground that is in the unincorporated county near to the City of Fort Bragg. The County recently extended Wildwood Campground's use permit for a campground and added the condition that the property owner seek a general plan amendment to change the zoning to one that permits long-term residency in a mobile home park. The new program should instead require the County to initiate a general plan amendment for the property containing Wildwood Campground to change the zoning to one that permits long-term rental housing and mobile home parks regardless if the property owner seeks such an amendment. The County should pursue the general plan amendment as the project applicant and at the County's expenses rather than requiring it of the property owner because the existing non-conforming housing is at-risk without such an amendment and this housing resource is of vital importance that the community cannot afford to lose. Wildwood campground is a long established low-income residential community where many residents are disabled and/or formerly homeless. Simply put, Wildwood Campground provides one of the few housing resources for very-low-income renters in the Fort Bragg area and if the County were ever to close the campground, force it to reduce capacity, or revert to the permitted use of solely short-term transient lodging, many at-risk residents would likely become homeless.

The County should be required to amend the housing element to acknowledge and address the existence and long-term status of Wildwood Campground as a local source of, albeit non-conforming, long-term rental housing serving at-risk residents and to add an Action or Actions to legalize and preserve this housing resource.

We also object to these revisions to the update to the housing element proceeding directly to the Board of Supervisors and bypassing the Planning Commission. The housing element is incredibly important and the public should be afforded a full public process and a meaningful opportunity to participate in the adoption process more in line with the process that happened last year when the deficient update was adopted. In fact, not adequately reflecting the public input in the housing element was one of the major deficiencies of the first attempted update. Side-stepping the Planning Commission and proceeding directly to the Board of Supervisors cuts this process short and disrespects the important contribution and prior work of the Planning Commissioners, who may have valuable insights about the adequacy of the revisions. The only public hearing with the Planning Commission happened before HCD determined that the prior update they recommended for adoption was not legally adequate and the Planning Commission has not been presented with the specific reasons why HCD required it to be revised again. The Planning Commission should have the opportunity to review the revisions in detail and determine if the revisions adequately address the deficiencies that were identified by HCD and the public. SCRAM and HFFB believe in an appropriate and proper process and call on the Board of Supervisors to send this item to the Planning Commission so the revisions can be first reviewed by the Planning Commission at a duly-noticed public hearing and then proceed to the Board of Supervisors for final consideration.