

# Stakeholder Interview Summary

September 2, 2021

## Introduction and Purpose

Throughout July and August 2021, Mintier Harnish and PlanWest, consultants for the County, conducted one-on-one and group interviews with local housing developers, landowners, and housing and community health advocates to gain an understanding of the housing conditions, issues, and opportunities in the county. The input provided during these interviews will help inform the consultants and County staff as they begin drafting the housing needs and constraints analyses for the Housing Element. The interviews included 14 participants:

<b>Name</b>	<b>Details</b>
Jim Peters	County Planning Commissioner, local realtor
Leonard LaFazio	LNL Design and Constuction
Marshall Jones	Richterich and Jones Construction
Amy Campbell-Blair	True North Organizing
Megan Miller	Crescent City Housing Authority
Pastor Dana Gill Port	Housing and Homeless Advisory Group
Cora Rose	Legal Services of Northern California
Daphne Lambert	Mission Possible
Michael Tompkins	True North Organizing
Chris Dart	Danco Builders
John Cicirone	CGY Development
Harry Harms	Local Landowner
Corrina Blakley	Elk Valley Rancheria
Amber Wier	NorCal4Health.org

## Summary of Interviews

Each interview lasted approximately one hour and was conducted via conference call or Zoom. After the consultants provided a brief project overview, stakeholders were encouraged to provide their thoughts on housing conditions and needs in the county. Although a broad range of opinions and ideas were expressed during the interviews, input can be generally summarized into the following eight categories:

1. Housing needs and conditions
2. Development constraints
3. Affordable multifamily housing development constraints
4. Incomes and current construction
5. Development approval process unpredictability



6. Health and services
7. Additional issues
8. Priorities

For each category, this summary includes both notes on common themes that emerged and quotations directly from stakeholders.

*Please note: The opinions expressed in this summary are those of the stakeholders and do not necessarily reflect the opinions of the Del Norte County, County staff, or the consultants. All quotations are paraphrased and are presented without attribution.*

### **Housing Needs and Conditions**

*“I have no problem finding renters; they come by my projects every day.”*

- **There is a huge need for housing of all types.** Every stakeholder remarked on the lack of available housing in the county. One stakeholder commented that in 2017 there were at least 300 homes for sale in the county on any day of the year, but that currently there were only 46 homes on the market. Another stakeholder commented that the lack of housing options affects those living in substandard housing often struggle to find alternate housing options.
- **Lack of affordable rental housing.** While all renters struggle to find housing in the county, those with Section 8 vouchers often find it hard to compete with renters offering cash.
- **Few multifamily housing options in the current stock.** The county needs more apartments and multifamily developments. There are few options for those looking for housing without the cost and time commitments associated with maintaining larger residences with yards. Farmworker housing is also greatly needed.
- **Poor conditions.** Stakeholders mentioned that high demand and low availability has led some residents remain in poor or substandard housing. Mold and smoke damage were mentioned as prominent issues in rental housing in the county. It was reported that manufactured and senior housing account for a great number of the affordable options in the county and that these units are generally in poor condition.
- **Opportunity.** One stakeholder rents out units that he purchased and fixed up. The stakeholder expressed that with high demand there is an opportunity for developers in rehabilitating rental units, because these projects provide safe and secure housing without the high cost of new construction.

### **Development Constraints**

*“Development costs are so high that even with free land, it’s hard to develop and make a profit. The return in the county is low.”*

- **Costs.** The price of development is such that affordable multifamily cannot be developed without direct subsidies.
- **Materials.** Although land costs may be less expensive, materials are just as costly in Del Norte County as in urban areas of the state.
- **Labor.** Labor, and particularly skilled labor, is expensive in the county and often hard to find.



- **State requirements.** State requirements, such as for solar on all single-family homes, can bring significant costs that create risk. These are seen as a major driver of construction costs.
- **Land Availability.** Stakeholders expressed frustration with the lack of land available for development and identified publicly owned land, Coastal Commission areas, and wetlands as physical barriers to development.
- **Coastal Commission.** The Coastal Commission is seen as a major constraint to housing in the county. It was reported that structures in the coastal zone date to before 1965, and that the process has become so complicated that very little has been built on coastal zone parcels since then.

### **Affordable multifamily housing development constraints**

*“The State only funds one to two rural senior projects each year statewide but the county has a huge need for these units.”*

- **Mis-aligned priorities.** While there is State funding for housing, State priorities are often at odds with the needs of a rural county like Del Norte.
- **Lack of Funding Sources.** Few funding sources are available for housing development in the county. Additionally, it was reported that State HUD funds are not available to those on Elk Valley Rancheria because individual incomes are just above the low-income threshold.
- **Lack of Local Funding Partners.** Multiple developers mentioned that the State prioritizes funding for affordable housing projects that have a local jurisdiction with a sizeable financial investment in the project. The County, however, is constrained by limited funds.
- **Fair Housing.** It was reported that State funding is also being prioritized for projects that propose high density affordable developments in high resource areas. It is a challenge to win projects because there are limited high resource areas in the county.

### **Incomes and Current Construction**

*“There are two economies (sets of buyers) in the county: those from outside the county who are used to higher prices and higher density, and local folks just looking for move in homes they can afford.”*

- **Lower Incomes.** Incomes in the county are low compared to urban areas of the state. Residents have less buying power.
- **Rents are high.** Rental costs have increased, and it is difficult to transition from renter to homeownership.
- **Above Moderate Housing.** Due to the high costs of construction, developers are focused on above moderate housing.
- **Target Market.** Above market housing is being marketed and sold to individuals from outside the county with the income to afford home prices that are out of reach for those with local incomes.
- **Two Economies.** Stakeholders expressed a desire for smaller, more affordable units to serve the local population, rather than the large homes for wealthy buyers from outside the region. Stakeholders feel smaller products are valued by seniors. Costs are such, however, that larger homes are more profitable, incentivizing developers to focus on larger, more expensive single-family homes. This was by far the most frequently-mentioned issue throughout the interviews.



- **Short-Term Rentals.** Many of the homes being purchased in the county are not being occupied by the owner as the primary, year-round residence, but are being used as short-term rentals. This limits housing supply in the county.
- **Conversion.** Compounding the problem, some rental properties are being converted for sale at prices unaffordable to many residents.

### **Approval Process Unpredictability**

*“Sometimes tens of thousands of dollars are spent before reaching a public meeting.”*

- **Discretionary approvals.** Discretion in the permit review process can be problematic, especially for small developers who can’t easily absorb the long term holding costs. “Due to unpredictable costs, if you aren’t an experienced builder, a fourplex is not worth pursuing.”
- **Del Norte County Planning.** Stakeholders had nothing but good things to say about their experiences with the County. They felt as though the County worked with them to get their projects approved without “moving the goalposts” mid-course.
- **COVID complications.** COVID has made it more difficult to communicate with local officials and planners.
- **CalFIRE.** Multiple stakeholders felt that CalFire didn’t share the State’s priorities in regard to increasing housing production. While they expressed an understanding for the important work done by CalFire, stakeholders felt that CalFire was more an adversary than a partner in the process.

### **Health and Services:**

*“A survey of 151 people living in multifamily housing found that 97 percent support smoke free housing policies, including 17 percent who are currently smokers.”*

- **Demand for Healthy Living Spaces.** There is high demand in the county for accessible, safe, and secure housing. Stakeholders pointed out that Del Norte County is ranked last among counties in health rankings and indicated that rental units are being turned over without being cleaned sufficiently.
- **Lack of Structured Services.** Stakeholder reported that there are no homeless shelters in the county. *Mission Possible* is working to open in the city, but there is a major need for emergency, transitional, and supportive housing. Costs and zoning issues are reported to be the largest hurdles to developing these types of housing.
- **Lack of Commercial Services.** There is one Walmart and a few grocery stores in the county, but they are all focused on Crescent City. Food deserts are an issue in Del Norte County.

### **Additional Issues**

*“Every fifth commercial building is shuttered; vacant commercial structures provide housing opportunities”*

- **Redevelopment Potential.** Stakeholders felt that there is huge potential for redevelopment in the county due to the large number of vacant commercial buildings. It was reported that a number of these sites have been used for residential purposes in the past.



- **Potential Site.** A stakeholder mentioned that the closed KOA is on County land and wondered if residential would be possible on the site, perhaps for a mobile home park or transitional housing opportunity.

### **Priorities**

*“In general, just spur more housing development; this is the number one priority.”*

- **Spur more housing.** By right zoning, removal of discretionary review, and fee reductions are helpful for developers.
- **Create incentives to affordable housing.** Provide additional concessions to design and development standards to incentivize housing.
- **Implement Housing Element Programs.** Multiple stakeholders mentioned that they are supportive of the Housing Element effort and would like to encourage the County to implement the Housing Element programs to the best of their efforts, including any 5<sup>th</sup> cycle programs that weren't addressed.