



**SAN BENITO COUNTY
AGENDA ITEM
TRANSMITTAL FORM**

Dom Zanger
District No. 1
Vice-Chair

Kollin Kosmicki
District No. 2
Chair

Mindy Sotelo
District No. 3

Angela Curro
District No. 4

Ignacio Velazquez
District No. 5

Item Number: 2.1

MEETING DATE: 09/09/2025

DEPARTMENT: RESOURCE MANAGEMENT AGENCY

AGENDA ITEM PREPARER: Stephanie Reck

DEPT HEAD/DIRECTOR: Abraham Prado

SUBJECT:

RESOURCE MANAGEMENT AGENCY - A. PRADO, DIRECTOR OF PLANNING AND BUILDING

(To be heard at 9:30 AM or soon thereafter as the matter may be heard)

Hold a Public Hearing, accept the first reading of "Ordinance to add Chapter 21.04 (Local Tenant Preference) to Title 21 (Building and Engineering) of the San Benito County Code including sections 21.04.001 (Purpose), 21.04.002 (Scope), 21.04.003 (Preferences), 21.04.004 (Implementation of Preference Policy), 21.04.005 (Limitations), and 21.04.006 (Regulations)", and adopt amendments during the second reading on Consent Agenda on September 23, 2025.

SBC FILE NUMBER: 790

ORDINANCE NO.: 1085

AGENDA SECTION:

PUBLIC HEARING

BACKGROUND/SUMMARY:

The County of San Benito is experiencing significant growth and densification through ongoing development of pipeline projects, most of which is, and will continue to be, located in rural-urban interface areas adjacent to existing municipal services.

The County of San Benito Board of Supervisors developed a Housing Policy Reform Ad-Hoc Committee during a regularly scheduled meeting on February 11th, 2025, and assigned Supervisor Zanger and Supervisor Velazquez to work with staff to, among other housing policy reform, develop a local tenant preference.

The County of San Benito has the authority to adopt a Local Tenant Preference subject to the Local Tenant Preferences to Prevent Displacement Act codified under California Government Code Section

7061 et. Seq. which created a statewide policy supporting access to housing that assists lower-income individuals residing in neighborhoods and communities experiencing significant displacement pressures and gentrification due to rapid growth or increasing housing process in avoiding displacement, and further permits the low-income housing tax credit program and tax-exempt bonds qualified residential rental properties under subsection (d) of Section 142 of the Internal Revenue Code used to create and preserve affordable housing to be used to support access to housing that would allow households facing or at risk of displacement to remain in the community.

The local tenant preference will apply to any San Benito County resident who is displaced from their households, a neighborhood residents of a new project, local workers and school district employees, individuals with high rent or household costs, residents with children in a school district, agricultural employees, senior, and individuals with disabilities. The local tenant preference will apply to all projects that result in five (5) or more detached units, projects that restrict occupancy to occupancy by sale or rent to lower-income households, projects that receive development assistance from the County for new construction or substantial rehabilitation, and any affordable units produced pursuant to County code Chapter 21.03 Affordable Housing Regulations.

The Local Tenant Preference was presented to the Planning Commission during a duly noticed public hearing on April 30th, 2025. The Planning Commission directed staff to include a one-year durational preference, remove the option for an individual to receive bonus points, gather public input, and continued the item to the next regularly scheduled meeting.

The Local Tenant Preference was presented to the Planning Commission during the public hearing of a Regular Meeting on June 18th, 2025, where the Planning Commission directed staff to remove the language for the one-year durational preference at the recommendation of County Counsel, include seniors as an additional preference, for staff to explore an exemption for school districts pursuant to state law, and continued the item to the next regularly scheduled meeting.

Staff met with the San Benito High School District on July 30th , 2025 and August 11th, 2025 to discuss proposed new language for this Ordinance, the parties have come to an agreement on the final language to be presented. The District commends the County's efforts to support the District's goal of providing workforce housing for its faculty and teachers, as demonstrated by the addition of section 21.04.003(5) to the proposed local tenant preference ordinance, which adds a preference category for San Benito County School District Employees. In addition, the elimination of the prior one-year residence and employment threshold has been appropriately affirmed by the parties. Through these collaborative efforts, the parties have also determined that section 21.04.005(E) is moot and unnecessary. This new section was previously proposed to exempt the District from the ordinance if the District's housing development qualifies under other state-mandated rules. Due to the County's new language for preference to schools, plus the elimination of the residency/employment restrictions, the exemption is no longer necessary. The specified statutory references may be further amended by the state legislature – with AB 1021 currently pending with the committees. As a public school district, the District is required to abide by them regardless of the County's ordinance. Rather than adding a layer of statutes and potential confusion, the parties acknowledge the additional preference category alone would accomplish both the County and the District's goals without the additional exemption language.

The tenant preferences established by the Planning Commission recommendation to the Board of Supervisors are intended to support access to housing for all local residents and workers of the County of San Benito.

FISCAL IMPACT:

N/A

STAFF RECOMMENDATION:

Staff recommends the Board of Supervisors:

1. Hold the first reading of the ordinance during a Public Hearing on September 9, 2025;
2. Review any written and oral comments;
3. Direct ordinance to be adopted during its second reading on Consent Agenda on September 23, 2025.

ATTACHMENTS:

Board Agenda Fact Sheet - Chapter 21.04 Local Tenant Preference

Presentation

Chapter 21.04 Local Tenant Preference

BOS Ordinance - COC Executed

PC Resolution - Executed

Free Lance Public Hearing Notice and Summary of Ordinance Title 21 Building and Engineering