

**Sonoma County League of Women Voters  
Report**

**Affordable Housing and Homelessness  
in Sonoma County**

**2017**

**Adopted by the League of Women Voters Sonoma County Board on Nov, 7, 2017**

# Sonoma County League of Women Voters Report

## Affordable Housing & Homelessness in Sonoma County

### Table of Contents

<b>Part I – BACKGROUND &amp; HISTORY</b> .....	<b>3</b>
What Is Affordable Housing?.....	3
Who are “The Homeless”?.....	3
What is the Cost Of Chronic Homelessness? .....	4
Housing First.....	5
Supply and Demand.....	5
How Many Homes Were Built In Your City? .....	5
Drivers Of Ever Increasing Housing Costs In Sonoma County.....	7
History Of Affordable Housing Efforts In Sonoma County.....	9
Proposition 13:.....	9
Redevelopment agencies.....	9
Affordable Housing Incentives.....	10
The County of Sonoma .....	10
City of Santa Rosa .....	11
<b>Part II – PRESENT SITUATION</b> .....	<b>13</b>
Sonoma County's Housing Needs Assessment .....	13
Regional Housing Need Plan (RHNP) for the San Francisco Bay Area 2014 – 2022: .....	13
The Regional Housing Need Determination.....	14
Funding .....	15
California Homebuyers Fund.....	16
Low Income Housing Tax Credits: .....	16
Policies, Programs & Initiatives by Local Governing Bodies.....	17
General Plans and Housing Elements.....	17
Incentives.....	17
Density Bonuses.....	17
Inclusionary Housing.....	17
Accessory Dwelling Units (“Granny Units”).....	18
County of Sonoma.....	18
City of Cloverdale.....	19
City of Cotati.....	20
City of Healdsburg.....	20
City of Petaluma.....	22
City of Rohnert Park.....	22
City of Santa Rosa.....	23
City of Sebastopol.....	25
City of Sonoma.....	26
Town of Windsor.....	27
Schools.....	27
Conclusions.....	27

**Part III – THE ROLE OF NON-PROFIT AGENCIES.....29**  
 Non-Profit Housing Developers.....30  
 Non-profit Service Providers.....32  
 Conclusions.....37

**Part IV – WHAT'S NEXT?.....38**  
 County of Sonoma.....38  
 City of Cloverdale.....40  
 City of Cotati.....40  
 City of Healdsburg.....41  
 City of Petaluma.....41  
 City of Rohnert Park.....41  
 City of Santa Rosa.....42  
 City of Sebastopol.....43  
 City of Sonoma.....44  
 Town of Windsor.....44  
 Schools. ....44  
 Recommendations.....45

**How Can I Help?.....46**

**Glossary of Abbreviations.....47**

**Please Note:** Every effort was made to include up-to-date information in this report which was originally completed as of August 31, 2017. The Executive Summary has been updated with information relevant to the 2017 fires and their impact on housing. Please see the Executive Summary and Fire Related Addendum written after the 2017 fires were extinguished. Homelessness and housing is an ever changing landscape, so resources and challenges will continue to change.

# Sonoma County League of Women Voters Report

## Affordable Housing & Homelessness in Sonoma County

### Part I – BACKGROUND & HISTORY

The local jurisdictions (County of Sonoma, towns and cities) have an urgent need to address the lack of affordable housing. A recent survey conducted by the Bay Area Council, a business development group, found that nearly half of younger adults (age 18 to 39) are thinking of leaving the Bay Area because they cannot find affordable housing.<sup>1</sup> If we do not find solutions to our housing crisis soon, we will see more of our younger population leave the area, causing the median age to grow higher until we become a predominantly senior community. Where will our businesses find employees? Without enough affordable housing, we lose our ability to have an adequate labor force and a healthy economy.

Lack of affordable housing and homelessness have a cause and effect relationship. Many Sonoma County residents are one crisis, such as an eviction, job loss, or uncovered medical expense, away from homelessness.

#### What Is Affordable Housing? <sup>2</sup>

“Affordable housing” is defined as paying 30% or less of gross monthly household income on housing costs, based on State and Federal standards for households of lower income. For renters, housing costs include monthly rent and basic utility costs for heating, lighting, water and refuse disposal. For homeowners, housing costs include mortgage payments, homeowner's insurance, and basic utility costs as described above.

#### Who are “The Homeless”? <sup>3</sup>

The Sonoma County Community Development Commission (SCCDC) coordinates the annual count of those individuals experiencing homelessness in Sonoma County. The January 2016 homeless point-in-time count found 2,906 homeless persons in Sonoma County on a given night, 66% (1,906) of whom were unsheltered. The January 2017 homeless point-in-time count found 2,835 persons without a permanent home. The 2017 count represents the fourth successive decline in overall homelessness, since a high of 4,539 persons in 2011.

The following will examine the homeless situation in more depth. The SCCDC 2016 and 2017 annual point-in-time count surveys produced the percentages contained in this section of the report.

**Myth 1: The homeless are outsiders who come here because the climate is so good or the benefits are so rich.** This is not true. A large majority of the County's individuals without a permanent home are residents rather than transients. Roughly 79% of the homeless surveyed had lived in the County before becoming homeless. Prior to becoming homeless, 38% were living in a home rented or owned by themselves or their partner, while 34% were living with friends or relatives. In 2015, 6% of all county homeless residents were age 61 and older. <sup>4</sup>

**Myth 2: The homeless don't want to live inside.** The belief is that these individuals want to live outside and resist being housed. When surveyed, a super-majority (79%) of those currently without housing stated that they very much want to have a home. About 23% are chronically homeless and have resisted being housed.

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<sup>1</sup> The Press Democrat June 7, 2017 article on the North Bay jobs market

<sup>2</sup> Sonoma County Community Development Commission, SCCDC

<sup>3</sup> SCCDC Point-in-time 2016 & 2017 Homeless Count Surveys

<sup>4</sup> 2015 Sonoma County Homeless Survey

(Note: The U.S. Department of Housing and Urban Development defines a “chronically homeless” individual as someone who has experienced homelessness for a year or longer, or who has experienced at least four episodes of homelessness totaling 12 months in the last three years, and also has a disabling condition that prevents them from maintaining work or housing. The definition applies to individuals as well as heads of households.)

**Myth 3: Aren't they all just mentally ill or addicts?** No, this is not the case for all people who experience homelessness, but does factor into the situation. Fifty-seven percent of the adults have a serious mental illness, including 21% who experience post-traumatic stress disorder (PTSD), and 30% who experience chronic depression. Thirty-one percent have substance abuse disorders.

In the report titled *A Policy Maker's Toolbox for Ending Homelessness*, the county states that 2% of adults without a home are living with HIV and 36% are victims of domestic violence.<sup>5</sup>

In the 2017 count 11% were families, which is a decline from the previous year. There was also a decline in the number of veterans without a home. The Redwood Gospel Mission states that among those they serve 45% are first time homeless, one in three reported job loss as the primary reason they are homeless, and 10% are families with children.

The data indicates there is often more than one factor or situation which lead to a person becoming homeless.

**PRIMARY CAUSES OF HOMELESSNESS** per the 2017 Sonoma County Survey and Census:

Reason	Percent
Job Loss	24%
Argument/ Family or Friend Asked You to Leave	19%
Alcohol or Drug Use	18%
Eviction	15%
Divorce/Separation/Breakup	12%

**One important factor not included in the above data is the severe lack of affordable housing in Sonoma County.** The Santa Rosa 2016 Housing Action Plan states, “As a result of a decade of low housing production, a severe housing shortage has set in. This is indicated by rising residential rents and prices, dislocation of working families to other communities (increasing commuting), and increasing reliance on sub-standard housing, over-crowding, and other coping mechanisms.”<sup>6</sup>

For the County's Toolbox Report go to [sonoma-county.org/cdc/pdf/housing\\_toolbox\\_20150901.pdf](http://sonoma-county.org/cdc/pdf/housing_toolbox_20150901.pdf)

**What is the Cost Of Chronic Homelessness?**<sup>7</sup>

The chronically homeless population represents one of the most vulnerable populations on the street. The mortality rate for those experiencing chronic homelessness is four to nine times higher than that of the general population. Data from communities across the country show that public costs incurred by those experiencing extended periods of homelessness include emergency room visits, interactions with law enforcement, incarceration, and regular access to social supports and homeless services. These combined costs are often significantly higher than the cost of providing individuals with permanent housing and supportive services.

<sup>5</sup> [sonoma-county.org/cdc/pdf/housing\\_toolbox\\_20150901.pdf](http://sonoma-county.org/cdc/pdf/housing_toolbox_20150901.pdf)

<sup>6</sup> City of Santa Rosa 2016 Housing Action Plan <http://srcity.org/535/Housing-Action-Plan>

<sup>7</sup> SCCDC 2017 Homeless Survey & Census

## Housing First

The significant cost to the community for services to chronically homeless individuals versus housing such individuals has caused the State to take a new approach called “Housing First.” The “Housing First” model was adopted into state law with the passage of Senate Bill 1380, signed by Gov. Brown, on Sept. 29, 2016, making California a Housing First state and establishing a Homeless Coordinating and Financing Council.

Sonoma County, Santa Rosa, and other cities have adopted a “Housing First” approach to addressing homelessness. This model recognizes that the vast majority (79%) of those without permanent shelter want to have a permanent home.<sup>8</sup>

The model takes an evidence-based approach to solving homelessness, utilizing data from best practices that demonstrate effectiveness in moving a person into stable housing as quickly as possible. The model does not make housing contingent on participation in services or as a reward for changing behaviors.

Because those vying for affordable housing include many individuals other than those experiencing homeless, and because the existing supply of affordable housing stock is far below the demand, a “Housing First” approach will only be successful if the supply of affordable housing stock is dramatically increased.

## Supply and Demand

We have not been building enough housing in Sonoma County for the past decade. There are many reasons why. Below is a chart on how the Town of Windsor, cities, and County of Sonoma have done on meeting housing goals from 2006 - 2014.

### How Many Homes Were Built In Your City?

Less than half the new homes called for in California’s most recent eight-year housing plan, which ended in 2014, were built, according to permit data from the construction industry. See below for information on how local housing unit building performed compared to state targets.

#### Sonoma County (Chart is for all income levels.)<sup>9</sup>

City/Town/County	Homes built	Homes needed	Percent met of housing goal
Cloverdale	107	417	26%
Cotati	12	257	5%
Healdsburg	196	331	56%
Petaluma	1060	1945	55%
Rohnert Park	26	1554	2%
Santa Rosa	2584	6534	40%
Sebastopol	98	176	56%
Sonoma	152	353	43%
Windsor	261	719	36%
Unincorporated Sonoma County	1278	1364	94%
Totals	5774	13650	42%

<sup>8</sup> SCCDC

<sup>9</sup> Los Angeles Times Article June 29, 2017, on the failure to build housing in California

Just like the rest of the state, we failed to build enough housing for our residents.

The State of California created the California Housing Partnership about 30 years ago as a private nonprofit organization with a public mission: to monitor, protect, and augment the supply of homes affordable to lower-income Californians and to provide leadership on affordable housing finance and policy. Due to the backlog of housing, the California Housing Partnership Corporation (CHPC) estimates **“Sonoma County needs 17,144 more affordable rental homes to meet the needs of the lowest-income renters.”** This figure presents the housing unit backlog that was not constructed during the past decade and the housing unit needs in the local jurisdiction's housing goals for 2015-2023.

**Current cost of housing:** An insufficient supply of housing leads to increased competition and results in rapidly rising prices. “Over the last five years, the rising price (of homes) has steadily reduced the number of families who have the wherewithal to buy property here. Only 26% of county households could afford the median-priced home in the fourth quarter of 2016”, according to the California Association of Realtors. “Doing so would have required an annual income of \$116,100 and a monthly payment of \$2,900 for a home priced at \$589,000.”<sup>10</sup> In 2017, the median home price in Sonoma County rose to \$639,000.<sup>11</sup>

**The Sonoma County median income (in 2016 dollars) is \$63,910, not even close to the amount needed to purchase a home. Eleven percent of the total Sonoma County population lives in poverty.**<sup>12</sup>

**Renting, rather than buying, is not a solution to the affordability issue, either.** In the past five years the cost of rent for a two-bedroom apartment in Sonoma County has increased by 50%. As of February 2017, average apartment rent within the City of Santa Rosa, CA was \$1962. One-bedroom apartments in Santa Rosa rent for \$1,739 a month on average. For a two-bedroom apartment the rent averages \$2,085.<sup>13</sup>

A super-majority of the 2017 Homeless Survey and Census respondents (71%) indicated their inability to afford rent as their primary obstacle to obtaining permanent housing. Many are working and still cannot afford a permanent place to live. The majority of the respondents reported being unemployed, but 42 % were working. Even those employed, however, did not have sufficient income to meet basic needs.

<b>Unemployed</b>	58%
<b>Employed</b>	42%
Part-time	25%
Seasonally	8%

A person making minimum wage in Sonoma County makes just over \$1,600 per month. A household with two persons employed full time at minimum wage would have to pay over half (54%) of their gross monthly income for a one-bedroom apartment.

An additional challenge is that the rental vacancy rate in Sonoma County is only about 1.5%.<sup>14</sup> Vacancy rates of 6% or 7% for rental housing is generally considered optimum, i.e. there is a balance between the demand and supply for housing. A low vacancy rate indicates a shortage of units and usually an escalation of rent prices.<sup>15</sup>

<sup>10</sup> Press Democrat April 13, 2017, article on Sonoma County’s housing market

<sup>11</sup> Pacific Union, Press Democrat monthly housing reports, April 2017

<sup>12</sup> Sonoma County Economic Development Board 2017 County Profile Report

<sup>13</sup> Press Democrat April 13, 2017, article on Sonoma County’s housing market

<sup>14</sup> 2017 County Profile Report Sonoma County Economic Development Board

<sup>15</sup> City of Rohnert Park Housing Element

## Drivers Of Ever Increasing Housing Costs In Sonoma County

In addition to not enough housing being built in the last decade, the following are some of the significant drivers of housing costs. Some of these are popular and good public policy, but do increase costs.

### **Supply Reduction Factors:**<sup>16</sup>

**Unbalanced growth:** Continued job growth without corresponding housing growth, combined with many baby boomers retiring and staying in their homes are significant drivers in the lack of housing.

**Population growth:** People are having larger families, which increases the demand for housing as these children become adults who want to live and work in Sonoma County.

**Vacation homes:** The popularity of this area, particularly Sonoma and Healdsburg, has led to many second homes purchased as a vacation home for those with higher incomes. It has also resulted in additional people renting out rooms or homes to tourists. While some cities, such as Healdsburg, have restrictions that limit vacation rentals, this vacation rental activity removes units from the housing stock.

**Urban growth boundaries (UGB) and community separators:** These locally adopted ordinances are designed to protect community separator lands that functionally separate cities and other communities, constrain urban development, and provide city and community identity by providing visual relief from continuous urbanization. UGBs help preserve agricultural lands, prevent urban sprawl, encourage infill, and increase density in city centers. Urban sprawl can lead to costly and inefficient delivery of public services (roads, water, sewer, etc.) Many of the cities in Sonoma County have adopted UGBs. The County adopted the Community Separators Protection Ordinance, which was extended for 20 years by voters in November, 2016.

While UGBs and community separators preserve many of the aspects of why we all like living here, they also limit the land available to development, which increases the value and cost of land available for development, thereby increasing the cost of homes.

**Growth management ordinance:** Some cities in Sonoma County, including Healdsburg, Santa Rosa, and Sonoma, have adopted growth management ordinances that limit the amount of residential growth that can occur within a city during a specified period of time.

**Endangered Species Act:** Under federal law adopted in 1973, towns, cities and counties must follow the provisions of the Endangered Species Act and are required to implement mitigation measures, which often limits land available for development and increases development costs. (The California tiger salamander is one example).

### **Labor force factors:**<sup>17</sup>

**Insufficient supply of workers:** Growth in Silicon Valley and San Francisco draws construction workers into those areas from this area. Skilled construction workers can get paid more, and developers can sell units for much higher prices there. If profits are higher, the developer builds in San Francisco or Silicon Valley. The workers for some local builders are coming from as far away as Modesto.

**Downturn in development and loss of skilled trades:** Many specialty subcontractors, like drywall, plumbing, and electrical, went out of business during the housing market downturn and haven't returned. Labor costs are therefore higher due to lack of competition.

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<sup>16</sup> California Legislative Office 2015 Report on Housing Costs

<sup>17</sup> California Legislative Office 2015 Report on Housing Costs

## **Regulations:**<sup>18</sup>

**California building codes:** California and local building codes are much more stringent than the rest of the country, particularly when it comes to energy efficiency. This adds to the time and materials costs.

**Environmental protection requirements:** Both the federal and state government have adopted environmental protection requirements. An example is the North Coast Regional Water Quality Control Board requiring Santa Rosa to discharge zero nutrients from a waste stream of 200,000 people, which was costly to implement and resulted in greater impact fees to builders. Another example is California state laws requiring mitigation of greenhouse gas emissions from development projects, which drives up the cost of construction.

**California Environmental Quality Act (CEQA):** This act requires state and local government agencies to inform decision makers and the public about the potential environmental impacts of proposed projects, and to reduce those environmental impacts to the extent feasible, which often adds additional time and costs to a project.

## **Unintended consequences:**<sup>19</sup>

An inclusionary housing requirement means that developers must set aside a certain percentage (usually at least 15%) of new construction as affordable housing or pay an in-lieu fee to the city or county. Requiring 15% or 20% of new homes to be affordable inclusionary units can have the unintended consequence of raising the cost of all the market rate homes in the development. Development costs – land, labor, materials, fees, etc. – are relatively fixed costs.

There has been extensive debate over the question of who bears the cost of an inclusionary requirement. Who pays or who profits often depends on the relative strength of the housing market.

- If developers are expecting a lower profit from the inclusionary requirement, land owners may receive a lower price for their land
- If housing prices cannot be raised, developers may have to accept lower profits
- If the regional housing supply is limited and prices are the same or higher in surrounding areas, purchasers of market-rate units may have to pay more

In a strong housing market, it is possible that land owners, developers, and home purchasers will all share the costs of the inclusionary housing requirement. Fulfillment of inclusionary housing requirements usually qualifies a project for a density bonus. A density bonus may help to offset the subsidy needed for the affordable prices or rents. Inclusionary requirements have been adopted by the Town of Windsor, all cities, and the County of Sonoma.<sup>20</sup>

In the case of purchasers of market rate units absorbing the costs, if the developer sells the affordable housing units for less than market rate, that cost is then born by the market rate units. Developers then wait for the market price to rise enough to cover the inclusionary unit costs before starting the projects. This raises the cost of housing because supply is not growing as fast as demand.

To mitigate these impacts, some jurisdictions limit the inclusionary requirement to 15% of a project's units or provide alternative means of compliance, such as land dedication, in-lieu fees, selling "surplus" land at below market rate, and other equivalent means. This makes it less likely that the program puts an undue or onerous constraint on the provision of market-rate housing. For more information on the high cost of housing in California go to: <http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

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<sup>18</sup> California Legislative Office 2015 Report on Housing Costs

<sup>19</sup> Healdsburg Housing Element 2015 – 2023

<sup>20</sup> Healdsburg Housing Element 2015 – 2023

## History Of Affordable Housing Efforts In Sonoma County

Two major changes had a significant impact on the funding for affordable housing. The first was the 1978 passage of Proposition 13 and the second was the end of Redevelopment Agencies in 2011.

### **Proposition 13:** <sup>21</sup>

Prior to Proposition 13, jurisdictions could set the property tax rate at the level they felt necessary to provide services to their local communities. The property tax rate throughout California averaged a little less than 3% of market value and included affordable housing assistance. Before Proposition 13, there were no limits on increases for the property tax rate or on individual ad valorem charges. (“Ad valorem” refers to taxes based on the assessed value of property.)

Prior to Proposition 13 being enacted, jurisdictions could set the property tax rate at whatever level they needed to conduct their business. This resulted in some properties being reassessed 50% to 100% in just one year and their owners’ property tax bills increased accordingly.

Proposition 13 passed in June 1978 and set the rate for property taxes in California back to 1976 rates. It also determined how much the property tax rate could increase each year (2%, unless the property changed ownership). Proposition 13 required any tax measure enacted for the purpose of increasing state revenues to be approved by a two-thirds vote of each house of the legislature, and required taxes raised by local governments for a designated purpose to be approved by two-thirds of the voters.

These new provisions greatly restricted the ability of state and local governments to raise the funds necessary to conduct business, including building and/or sponsoring affordable housing.

After the implementation of Proposition 13, many local governments turned to fees to cover the cost of various operations, including building inspection and code enforcement. This caused development fees to rise significantly. Developers frequently site the local government fees as an obstacle to providing affordable housing. Several of the recent local jurisdictions' efforts on encouraging developers to build affordable housing have focused on reducing and/or postponing fees charged.

### **Redevelopment agencies** <sup>22</sup>

Another way that local jurisdictions dealt with the restrictions of Proposition 13 was the use of Redevelopment Agencies. Redevelopment agencies gave local governments – usually towns and cities, but sometimes counties – the ability to capture a greater share of the future growth of property taxes.

After an area was declared a redevelopment project area, the share of property taxes that went to schools and other local agencies was frozen. All of the growth in property taxes from that point, until the redevelopment area expired (usually 50 years), went back to the redevelopment agency.

California law required 20% of redevelopment revenues to be set aside and used exclusively for the creation and preservation of affordable housing. As a result jurisdictions used redevelopment money to fund construction of thousands of affordable housing units.

The end of redevelopment agencies came in 2011. During the budget crisis, Governor Jerry Brown was seeking funds to balance the state budget. He convinced the legislature to end the redevelopment agencies, which were funded by local property taxes. This move was challenged by cities and counties through a lawsuit.

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<sup>21</sup> <https://www.californiataxdata.com/pdf/Prop13.pdf>

<sup>22</sup> Californiawatch.org

In late December 2011, the California Supreme Court upheld the legislation that ended redevelopment agencies. As a result, more than 400 redevelopment agencies were disbanded.

Once the redevelopment agencies were disbanded, much of the increase in property tax revenues went back to the schools and other agencies that had lost funding under redevelopment. The increased revenue which did flow to jurisdictions was no longer designated for affordable housing. Other revenue retained by the local governments from the redevelopment agency era is the repayment of loans made under the redevelopment agencies prior to December 2011.

The loss of redevelopment funds had the most significant impact on the ability of jurisdictions to sponsor and provide affordable housing. For example, much of Petaluma's success prior to 2011 in providing its fair share of affordable housing was due to a healthy source of revenue via the redevelopment 20% set-aside. Petaluma had the largest redevelopment area in Sonoma County and, therefore, substantial tax increment revenue. In Petaluma the 20% set-aside accounted for a steady and predictable \$3,000,000 per year revenue stream for affordable housing development. Since the demise of redevelopment agencies, the inability of jurisdictions to leverage those funds has greatly impacted their ability to provide affordable housing.

### **Affordable Housing Incentives**

In response to the loss of redevelopment funds, local jurisdictions have developed other ways to encourage developers to build affordable housing. Below are some examples of the efforts by the County of Sonoma and the City of Santa Rosa. (Please see Part II of this report for a more in-depth description of the efforts of the Town of Windsor, local cities and the County of Sonoma to promote the building of affordable housing.)

#### **The County of Sonoma**<sup>23</sup>

Each county is required to have a general plan, and an important part of the plan is a housing element, with specific goals for providing affordable housing in the community. The County's housing element identifies unmet housing needs in the unincorporated area and establishes the County's overall housing goals and objectives. The 2002 element included six major goals with supporting policies and a comprehensive program designed to address the housing needs for all economic segments of the community.

In 2005, the Board of Supervisors adopted a package of zoning code amendments to implement the County's housing element, including measures designed to increase opportunities for housing, reduce constraints to the development of housing and provide funding sources for affordable units. The County of Sonoma implemented an affordable housing in-lieu fee in October 2005. The ordinance gives the developer the choice to either include affordable housing in the project or to pay an in-lieu fee. Information on this fee is at <http://sonoma-county.org/prmd/housing/index.htm>. Information on the current residential in-lieu fee is at <http://sonoma-county.org/prmd/housing/affordable-housing-residential-fees-2017.pdf>.

The County's housing program was further modified in the 2009 update of the housing element, and included a density bonus program and other incentives that reduce housing costs. As part of the program, the Board adopted an inclusionary policy that requires 20% of all new for-sale residential units be affordable to median and low income households; and 15% of all new rental units be affordable to low and very low income households. The inclusionary policy is intended to encourage production of units on-site, but it allows the developer to pay a fee or provide an alternative equivalent in-lieu of constructing units on-site.

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<sup>23</sup> County of Sonoma Housing Element

A similar inclusionary workforce housing policy and in-lieu fee was adopted for non-residential development. The idea behind the workforce housing fee is that new business development needs to contribute to the supply of affordable housing for their workforce.

Details on this fee are at <http://sonoma-county.org/prmd/housing/workforce-housing-fees-2017.pdf>

The County of Sonoma also offers incentives to developers who agree to include affordable housing in their projects. The basic incentives include “fast tracking” of the permit review and approval process and concurrent processing of multiple permits.

For more details go to the County Building Code Sec. 26-89-060 - Affordable Housing Incentives: [https://library.municode.com/ca/sonoma\\_county/codes/code\\_of\\_ordinances?nodid=CH26SOCOZORE\\_ART89AFHOPPREIN\\_S26-89-060AFHOI.N](https://library.municode.com/ca/sonoma_county/codes/code_of_ordinances?nodid=CH26SOCOZORE_ART89AFHOPPREIN_S26-89-060AFHOI.N)

The county has invested millions of dollars from their increase in property tax share into affordable housing. A total of \$5.46 million from fiscal year 2013/14 through fiscal year 2017/18 funded the Housing Trust Fund loans to affordable housing development, the “Toolbox” report, Housing Rehabilitation Program, and the rehabilitation of three houses used for veteran’s affordable housing. \$6.5 million more in funding for housing is projected through fiscal year 2020/21. <sup>24</sup>

### **City of Santa Rosa** <sup>25</sup>

When the City of Santa Rosa had redevelopment funds, more than 28,000 affordable units were built in Santa Rosa over a twenty year period. In contrast, the City of Santa Rosa approved building permits for 11 very low income units and 90 low income units in 2014 .

Since redevelopment funds were lost in 2011, Santa Rosa has had to turn to other methods of supporting affordable housing. It has relied on several methods to help meet low-income housing quotas passed down by the state.

One required developers of projects larger than 15 acres to set aside 15% of the residences for low-income residents. However, few of those inclusive projects were built because builders kept their developments under 15 acres in size. For projects of less than 15 acres, builders were required to pay an affordable housing fee based on the size of each residential unit being built. A builder of a 910-square-foot residence paid \$91, while a home of 4,500 square feet or more carried a fee of \$38,430. <sup>26</sup> Details on Santa Rosa's in-lieu fee program may be found at <http://srcity.org/DocumentCenter/View/3260>

The in-lieu fee program had a goal of 20% of the city housing stock being classified as affordable. As of 2015 only 9.5% of Santa Rosa's housing stock was designated as affordable. <sup>27</sup> The in-lieu fee program has not been sufficient for Santa Rosa to meet its goal of 20%.

In response to not meeting the inclusionary goal, Santa Rosa implemented additional measures. Certain building sites within the city have been designated higher density sites to facilitate housing production. Santa Rosa has also offered developers a deferral of impact fees at building permit issuance; i.e. affordable projects are eligible for up to a 2 year fee deferral.

In addition, Santa Rosa revised its methodology for computing sewer and water demand fees, resulting in an approximately 50% decrease in these fees for new projects.

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<sup>24</sup> SCCDC

<sup>25</sup> City of Santa Rosa Housing Element and web page

<sup>26</sup> Press Democrat April 19, 2009, article on the 2009 Santa Rosa General Plan Update

<sup>27</sup> <http://sonomacounty.ca.gov/Board-of-Supervisors/District-3/Presentations/Affordable-Housing-Opportunities-Santa-Rosa/>

For information on Santa Rosa's affordable housing initiatives go to <http://sonomacounty.ca.gov/Board-of-Supervisors/District-3/Presentations/Affordable-Housing-Opportunities-Santa-Rosa/>

To find out more on Santa Rosa's efforts to address homeless issues go to <https://srcity.org/2485/Homelessness-Solutions>. The site has an open letter from the Mayor and updates on Santa Rosa's activities on homelessness. You can also subscribe to receive updates from the site.

In Part II we will examine the efforts of other local cities, the Town of Windsor, and the County of Sonoma, as well as current conditions regarding affordable housing in Sonoma County.

# Sonoma County League of Women Voters Report

## Affordable Housing & Homeless Programs in Sonoma County

### Part II – PRESENT SITUATION

The 2016 Sonoma County Grand Jury report, “Spotlight on Affordable Housing”, stated, “Without unrealistic sums of public funds, increasing the supply of affordable housing will be a long-term challenge for Sonoma County.” The Grand Jury report called for elected officials and county administrators to “focus on those policies that can accelerate construction of all types of housing, and on building consensus for those policies.” Part II focuses on measuring what is needed, funding sources and current efforts by local jurisdictions to respond to this challenge. Local non-profits will be covered in Part III. Part IV will review what further efforts are being explored.

As stated in Part I, a lack of affordable housing in Sonoma County is a major factor in causing homelessness. Other than our own observations and experiences, how do we know when we have enough affordable housing in our communities?

#### **Sonoma County's Housing Needs Assessment**<sup>28</sup>

The starting point for discussing Sonoma County’s housing needs is the Regional Housing Needs Assessment (RHNA), also known as the “fair share” allocation. In the North Bay, that assessment is issued by the Association of Bay Area Governments, or ABAG, composed of jurisdictions in nine Bay Area counties.

ABAG’s assessment is itself based on population projections and requires each jurisdiction to plan for its share of the state’s housing need for all income levels. The cities are not required to actually build the housing, but are expected to zone sufficient land and provide policies and programs to encourage and facilitate such housing being developed. The market will not produce low and very-low income units without substantial incentives, including financial assistance.<sup>29</sup>

#### **Regional Housing Need Plan (RHNP) for the San Francisco Bay Area 2014 – 2022:**<sup>30</sup>

Since 1980, the State of California has required each jurisdiction to plan for its share of the state’s housing need for people of all income levels. Each town, city and county is required to have a General Plan, and an important part of the plan is a housing element, with specific goals for providing affordable housing in the community. General plans and corresponding housing elements are revised periodically.

The Regional Housing Need Allocation (RHNA) is the process by which each community is assigned its share of the housing need for an eight year period. This allocation consists of two steps:

- First, the California Department of Housing and Community Development (HCD) determines the total housing need for each region in the state.
- Second, as the council of governments for the San Francisco Bay Area, it is the responsibility of the ABAG to distribute this need to local governments. The RHNA identifies each jurisdiction’s responsibility for planning for housing. Five income categories (extremely low, very low, low, moderate and above moderate) are used to encompass all levels of housing affordability.

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<sup>28</sup> Association of Bay Area Governments, ABAG

<sup>29</sup> Sonoma Index-Tribune July 14, 2016, article on affordable housing in Sonoma

<sup>30</sup> ABAG

Once it receives its RHNA, each local government must update the Housing Element of its General Plan to show how it plans to meet the housing needs of its community.

**The Regional Housing Need Determination:** <sup>31</sup>

In consultation with ABAG, HCD determined that the Bay Area as a whole must plan for 187,990 new housing units from 2014 – 2022. This determination was based on population projections produced by the California Department of Finance (DOF), which also took into account the uncertainty regarding the economy and regional housing markets. **The total units for Sonoma County is 8,444, with over half in Santa Rosa.**

The number of housing units for the unincorporated area and each city or town at each income level (percentage of all median income) is shown on the table below:

**RHNA 2014-2022 for Sonoma County** (This RHNA covers the planning period from January 31, 2015, to January 31, 2023. )

Jurisdiction	Population	Extremely & Very Low 0-50%	Low 51-80%	Moderate 81-120%	Above Moderate 120%+	Total
Cloverdale	8858	39	29	31	112	221
Cotati	7399	35	18	18	66	137
Healdsburg	11681	31	24	26	76	157
Petaluma	59322	199	103	121	322	745
Rohnert Park	41967	181	107	127	484	899
Santa Rosa	171827	947	581	759	2375	4662
Sebastopol	7490	22	17	19	62	120
Sonoma	11202	24	23	27	63	137
Windsor	27221	120	65	67	188	440
Unincorporated	147464	220	127	160	429	936
<b>Totals</b>	<b>494431</b>	<b>1818</b>	<b>1094</b>	<b>1355</b>	<b>4177</b>	<b>8444</b>

For the full ABAG report go to [http://abag.ca.gov/planning/housingneeds/pdfs/2014-22\\_RHNA\\_Plan.pdf](http://abag.ca.gov/planning/housingneeds/pdfs/2014-22_RHNA_Plan.pdf)

**Affordable Housing Income Limits:** <sup>32</sup>

Annual Area Median Income (AMI) limits determine who is qualified for affordable housing units and these limits are set by the state and federal governments.

**INCOME LIMITS**

Persons in Household	Extremely Low 30% AMI	Very Low 50% AMI	60% AMI	Low 80% AMI	Median Income 100% AMI	Moderate 120% AMI
1	\$18,550	\$30,850	\$37,020	\$49,350	\$58,750	\$70,500
2	\$21,200	\$35,250	\$42,300	\$56,400	\$67,700	\$80,550
3	\$23,850	\$39,650	\$47,580	\$63,450	\$75,500	\$90,650
4	\$26,450	\$44,050	\$52,860	\$70,500	\$83,900	\$100,700
5	\$28,600	\$47,600	\$57,120	\$76,150	\$90,600	\$108,750

<sup>31</sup> ABAG

<sup>32</sup> SCCDC Website, 2017

Both sets of income limits as of 2016 can be viewed at the links below:

State & Local: [http://www.sonoma-county.org/cdc/pdf/2016\\_Rent\\_Income\\_Limits\\_State\\_Local.pdf](http://www.sonoma-county.org/cdc/pdf/2016_Rent_Income_Limits_State_Local.pdf)

Federal: [http://www.sonoma-county.org/cdc/pdf/2016\\_Rent\\_Income\\_Limits\\_Federal.pdf](http://www.sonoma-county.org/cdc/pdf/2016_Rent_Income_Limits_Federal.pdf)

### Who is lower-income?

Per the Town of Windsor 2015 - 2023 Housing Element the following are examples of occupations which typically are found under each category of income:

<b>Very Low-Income</b>	Childcare Workers; Home Health Aids; Cashiers; Waiters/Waitresses
<b>Low-Income</b>	Preschool Teachers; Bookkeeping, Accounting Clerks; Truck Drivers; Office and Administrative Support; Medical Assistants
<b>Moderate-Income</b>	Kindergarten Teachers; Paralegals/Legal Assistants; Social Workers; Carpenters

### Funding <sup>33</sup>

The County of Sonoma manages the following state, local and federal funding for affordable housing and homeless services for the unincorporated areas, cities, and the Town of Windsor through the Sonoma County Community Development Commission (SCCDC), which makes funding allocation recommendations to the Board of Supervisors:

Name	Source	Beginning
Community Development Block Grants (CDBG)	Federal	1974 & 1987
County Community Service Fund (CSF)	County funded	2012
HOME Investment Partnership	Federal	1990
Emergency Solutions Grant (ESG)	State & Federal	1987 & 2016
Low and Moderate Income Housing Asst Fund	Redevelopment Agency Loan Repayments and other assets	

The SCCDC administers Section 8 housing vouchers for all the towns and cities, except the City of Santa Rosa. Santa Rosa operates another housing authority within its city boundaries. The City of Petaluma and City of Santa Rosa each receive state and federal funds directly, and have their own process for allocating their funds.

### City of Santa Rosa: <sup>34</sup>

The Santa Rosa Housing Authority allocates funds each year for affordable housing development. Among the funds that are available to the Housing Authority are Community Development Block Grant (CDBG) and HOME Investment Partnership Program funds, both of which are provided by the U.S. Department of Housing and Urban Development (HUD). The city also uses development impact fees.

For 2017, Santa Rosa expects to receive \$1.3 million of CDBG funding. CDBG funds may be used for a variety of activities including: housing rehabilitation; home ownership assistance; lead-based paint detection/removal; construction/rehabilitation of public facilities and infrastructure; removal of architectural barriers; public services; rehabilitation of commercial/industrial buildings; and loans/grants to businesses. Santa Rosa projects it will receive \$517,000 in HOME funding, which may be used for the development and rehabilitation of affordable rental ownership housing for low-income and moderate-income households.

<sup>33</sup> SCCDC

<sup>34</sup> City of Santa Rosa budget documents

**City of Petaluma:** <sup>35</sup>

In 2016, Petaluma received \$326,202 from CDBG. The projected funding for 2017 is \$344,208.

**Towns and smaller cities:** Because the funding allocation for towns and smaller cities is so small, towns and most of the cities under the SCCDC have used their CDBG funding to make changes to comply with the Americans with Disabilities Act. (ADA).

**California Homebuyers Fund:**

In 2007, the cities in Sonoma County became associate members in the California Homebuyers Fund (CHF). Participation in CHF provides Sonoma County residents access to a variety of home loan opportunities, including loans designed to benefit home buyers having low-income to moderate-income and home buyers needing assistance with down payments and related closing costs.

**Low Income Housing Tax Credits:** <sup>36</sup>

Many of the affordable rental housing units built in California over the past 30 years have been developed using the Low Income Housing Tax Credit program, which is the largest federal source of funding for housing development. Tax credits are an indirect public subsidy which attracts large-scale private investment in low-income affordable housing.

The return to investors is realized through the receipt of credits that reduce their overall tax liability. Because the private investment does not come to the developer in the form of a loan secured by the value of the property, this approach leaves sufficient equity available to secure loans from other sources to complete the financing needed for the project. With fewer loans that must be repaid from the rental income, the rents can be held to a level that is affordable to low income households.

In recent years many of these developments have included some portion of apartments that are affordable to households at or below 30% of area median income. Some of these are set aside for people with disabilities or other special needs, and for those exiting homelessness. Tax credit financing is available to any permanent (not portable) low-income, affordable rental housing development that meets a complex set of criteria. Tax credits provided through the “9% program” can pay over 50% of total development costs and are an important component of affordable rental housing development.

The challenge associated with the 9% tax credits is that the supply is limited and obtaining them is very competitive, leaving development timelines uncertain. A successful tax credit application needs to score points related to a number of considerations: the proximity to various community amenities, the level of affordability, availability of residents, services, and the amount of other public funding assisting the project.

There is an alternate “4% program” that is not competitive. However, it provides a smaller contribution towards development costs, up to 30% of the development budget, and a larger portion of the costs must be financed with other subsidies. A proposal is currently in the Legislature (AB 35, Chiu) that, if enacted, would boost the effectiveness of this 4% program with additional state housing tax credits. Tax credits through the 4% program are less rich in terms of contribution to project financing, but are more readily available and not typically competitive, as they are generally undersubscribed. For more information on these tax credits go to: <https://nhlp.org/lihtcoverview> and/or [https://en.wikipedia.org/wiki/Low-Income\\_Housing\\_Tax\\_Credit](https://en.wikipedia.org/wiki/Low-Income_Housing_Tax_Credit)

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<sup>35</sup> City of Petaluma budget documents

<sup>36</sup> *Building HOMES: A Policy Maker’s Toolbox* and National Housing Law Project

## Policies, Programs & Initiatives by Local Governing Bodies

### General Plans and Housing Elements:

State law requires that each jurisdiction adopt a general plan with a housing element. The plan is filed with the State of California, and is updated periodically. The housing element consists of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and programs for the preservation, improvement, and development of housing. The housing element plans for the provision of housing for all economic segments of the population. Each of our local jurisdictions has a housing element, which includes current policies as well as possible actions to implement those policies.

### Incentives:

California state law requires the provision of incentives for residential development projects that set aside a certain portion of the units to be affordable to lower-income and moderate-income households and for senior citizen housing developments. Below are some commonly used incentives which are being used by jurisdictions to encourage developers to build affordable housing units.

### Density Bonuses:<sup>37</sup>

Under California state law, jurisdictions are required to provide density bonuses and development incentives on a sliding scale. The amount of density bonus and number of incentives vary according to the amount of affordable housing units provided. Windsor, all the cities, and the County of Sonoma have policies on density bonuses for developments which include affordable housing.

### Inclusionary Housing:

Inclusionary housing policy refers to municipal and county planning ordinances that require a given share of new construction to be affordable to people with low to moderate incomes. There are more than 500 inclusionary housing programs in 27 states and the District of Columbia.<sup>38</sup>

Differences in poverty rates in the neighborhoods where children grow up make a bigger difference to their economic future than differences in parents' income. Children who grow up in neighborhoods of concentrated poverty face lifelong health challenges, increased odds of incarceration and reduced lifetime earnings. By contrast, the children of lower-income families who live in economically mixed communities have essentially the same health and economic outcomes as children from higher income families.<sup>39</sup>

“The data suggests that inclusionary housing is one of the few proven strategies for locating affordable housing in asset-rich neighborhoods where residents are likely to benefit from access to quality schools, public services, and better jobs. Increasingly, communities across the country are investing in the creation of new transit-oriented urban neighborhoods, and inclusionary housing policies are one of the only ways to ensure that these places develop in an equitable manner. Ultimately, equitable development benefits lower-income households. Integrated, inclusive, and diverse communities enhance the lives and outcomes of all residents.”<sup>40</sup>

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<sup>37</sup> Government Code Sections 65915-65918 and County of Sonoma, Town of Windsor, and cities' Housing Elements

<sup>38</sup> [InclusionaryHousing.org](http://InclusionaryHousing.org)

<sup>39</sup> <https://inclusionaryhousing.org/inclusionary-housing-explained/what-problems-does-iz-address/economic-integration/>

<sup>40</sup> Lincoln Institute of Land Policy

## Accessory Dwelling Units (“Granny Units”):

As of 2015, California state law requires all jurisdictions to allow accessory dwelling units under certain circumstances. As a result the Town of Windsor, all the cities and the County of Sonoma have either modified existing zoning laws or have developed their own policy. In 2016, SB 1069 and AB 2299 were passed. The laws were designed to remove barriers to accessory units and to encourage the creation of more affordable housing statewide. The relaxed regulations include smaller lot sizes; some reduced setbacks; and a simpler, faster permit process.

The Governor also signed a bill (AB 2406) establishing regulations to enable local jurisdictions to permit “Junior Accessory Dwelling Units.” Junior units are very small living units (up to 500 sq. ft.) created in an existing bedroom within a single-family dwelling. Junior units are allowed in all zoning districts where single-family dwellings are allowed. Property owners may construct a junior unit with a building permit; a separate planning permit is not required.

## County of Sonoma

On Aug. 25, 2015, the Sonoma County Board of Supervisors convened a study session to discuss strategies for ending homelessness in Sonoma County by 2025. The study session resulted in the production of the *Building HOMES: A Policy Maker’s Toolbox for Ending Homelessness* report. This report (“Toolbox”) outlines options to support a goal of creating the 2,200 homeless-dedicated housing units needed to properly shelter the estimated 3,000 homeless people residing in Sonoma County and to accomplish the objective of ending homelessness. This is a comprehensive report with a wealth of information on housing needs in Sonoma County. For the County’s Toolbox report go to [sonoma-county.org/cdc/pdf/housing\\_toolbox\\_20150901.pdf](http://sonoma-county.org/cdc/pdf/housing_toolbox_20150901.pdf)

In November 2015, Sonoma County officials took the first steps toward creating tiny-house villages as a low-cost way to house individuals experiencing homeless. The Sonoma Board of Supervisors authorized \$75,000 for county staff to analyze six sites in Santa Rosa that could host a village – 8 to 12 structures, including the possible installation of mobile trailers, small cabins or shipping containers.<sup>41</sup>

At their January 5, 2016, meeting the Board authorized the SCCDC to issue a Request for Proposals for a pilot project to safely shelter homeless persons using non-traditional structures on the vacant lot located adjacent to the Supervised Adult Crew site at the County Administration Center. Ultimately, the County provided approximately \$1.9 M dollars in funding for a Tiny Home project at a second location on the County Administration campus.<sup>42</sup>

In January 2015 the Board also authorized the General Services Director to execute an amendment to the license agreement with Catholic Charities of Santa Rosa to increase the allowed capacity of the Homeless Safe Parking Program at the Permit and Resource Management Department parking lot from thirty to fifty vehicles and to revise hours of operation. The program later expanded to 76 spaces. Unfortunately, in July 2017, the Safe Parking Program was reduced from eight sites offering 76 spots to three sites offering 40 spots. This reduction was primarily due to a state funding reduction that prompted Catholic Charities, which administers the effort, to request county officials shift money away from the Safe Parking program to prevent cuts at its Family Support Center.<sup>43</sup>

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<sup>41</sup> Press Democrat November 3, 2015, article on tiny homes for homeless

<sup>42</sup> Board of Supervisors January 15, 2016, meeting agenda and agenda packet

<sup>43</sup> Press Democrat July 16, 2017 article on the Safe Parking program reduction

In August 2016, the County's effort to prioritize housing for homeless people got another boost when the Board of Supervisors approved spending more than \$630,000 to fund outreach services targeting youth, newly homeless and those who are chronically without shelter. The funding, spread between three Sonoma County nonprofits, expanded outreach efforts to Sonoma Valley and extended work in Santa Rosa and along the lower Russian River, which are two of the areas with the greatest concentration of homeless people in the county. The August 2016 Board action also continued the County's safe parking program that allows people to sleep in vehicles overnight at nine Santa Rosa sites."<sup>44</sup>

Over the last two years, the Board has approved several initiatives and allocated significant resources to mitigate the social and economic impacts of homelessness in Sonoma County. Key among them is the endorsement of the "Housing First" model and the launch of the Homeless Outreach and Services Team (HOST) program. The HOST program has been very successful in engaging the most vulnerable homeless people and connecting them to appropriate services. **Despite the availability of housing vouchers for many of these clients, the tight rental market has prevented too many of these individuals from being housed.**<sup>45</sup>

The Palms Inn was a partnership between the County, City of Santa Rosa's VA Supportive Housing program, and Catholic Charities to provide permanent housing for chronically homeless individuals using the Housing First approach.<sup>46</sup> The Board of Supervisors allocated a \$260,000 contribution to cover costs for the first year operations of The Palms Inn. Catholic Charities is responsible for providing 24/7 support and oversight at The Palms Inn, including ongoing case management services for its 44 units. The Veterans Administration is responsible for case management services for 60 veterans.<sup>47</sup>

On January 24, 2017, the Board of Supervisors adopted code changes for Accessory Dwelling Units (ADUs) and junior accessory dwelling units. This action was in response to changes in State law and the housing crisis. To access the County of Sonoma General Plan Housing Element go to [http://www.sonoma-county.org/prmd/docs/housing\\_update/](http://www.sonoma-county.org/prmd/docs/housing_update/)

#### **City of Cloverdale:**<sup>48</sup>

Cloverdale's primary funding source for affordable housing is the City's Inclusionary Housing Ordinance. Cloverdale's "Granny Unit" program is called "Second Residential Dwelling Units".

Cloverdale approved the Cloverdale Family Apartments Project and subsequently issued a total of 31 building permits for new residential units. Twenty-five of these new units were deed restricted for very low-income and 6 were deed restricted for low-income. The project provides much needed housing for farm workers, and enabled Cloverdale to meet 25 of 39 of its RHNA numbers for Very Low Income and 6 of 29 of its RHNA numbers for low income.

In addition, in 2016 Cloverdale approved an extension of a lease agreement with the Cloverdale Community Outreach Committee, a California non-profit corporation to continue operating a transitional housing program within the existing units on the Cherry Creek Property. The Cherry Creek property was purchased in 2007 by the Housing Land Trust of Sonoma County, with contributions from the former Cloverdale Community Redevelopment Agency (CDA). In 2009, as a result of market decline, the property was returned to the CDA, and a lease was entered into with the Cloverdale Community Outreach Committee (CCOC) to continue operating a transitional housing program within the existing units on the site.

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<sup>44</sup> Press Democrat August 30, 2016, article on Board of Supervisors' support for homeless services

<sup>45</sup> SCCDC

<sup>46</sup> SCCDC

<sup>47</sup> SCCDC

<sup>48</sup> Cloverdale's Housing Element & Housing policy and Assistant City Manager/Community Development Director

The Cloverdale's Housing Agency is engaging an architectural firm to develop a concept plan for additional transitional housing and support services on the Cherry Creek Site.

Cloverdale continues to partner with the SCCDC to offer low-cost loans for property repairs and rehabilitation to owners of single-family homes, mobile homes and multi-family homes.

For Cloverdale's complete Housing Policy go to <http://www.cloverdale.net/documentcenter/view/1663>

**City of Cotati:** <sup>49</sup>

Cotati has a Second Dwelling Unit Ordinance and provides a density bonus for affordable housing and housing for seniors. Listed below are the city's incentives for housing affordable to extremely low-income households, and special needs housing.

- density bonuses
- expedited processing
- relaxation in development standards (such as reduced minimum lot sizes or setbacks)
- increased height limitations
- reduced open-space requirements, reduced parking requirements
- and either reduction, delay, or waiver of fees, when financially feasible

For Cotati's full housing policy adopted in 2015 go to [http://ci.cotati.ca.us/docs/Cotati-Housing-Element\\_Adopted-May-19\\_2015.pdf](http://ci.cotati.ca.us/docs/Cotati-Housing-Element_Adopted-May-19_2015.pdf)

**City of Healdsburg:** <sup>50</sup>

Healdsburg has made significant strides forward over the last two years to address housing affordability in their community. Healdsburg's work has focused on three main areas: partnering with local housing service providers to expand housing programs, working with affordable housing developers to implement affordable housing projects, and adopting new housing policies that encourage greater housing affordability in their community. These efforts have resulted in over \$3.9 million being invested in affordable housing programs and projects. Recently, Healdsburg approved the addition of 79 new affordable housing units in their community.

The list below is a breakdown of the Healdsburg's programs and projects.

Measure S: In November 2016, Healdsburg successfully passed Measure S, which is a 2% increase to the Transient Occupancy Tax (TOT), for the purpose of providing affordable housing services and programs. Measure S created a dedicated, local, long-term funding source for affordable housing services and programs. In fiscal year 2017-18, it is expected to generate approximately \$530,000 in funds, which are anticipated to increase as TOT revenue grows and additional hotels come on line.

Emergency & Transitional Housing: Healdsburg allocated \$84,000 to contract with Reach for Home to assist families in need of emergency and transitional housing and offer them assistance to find permanent housing.

Rent Stabilization & Temporary Emergency Shelter Services: Healdsburg allocated \$60,000 to contract with Reach for Home to provide lower income qualified families, facing rent increases and at-risk of displacement, with financial assistance; and to provide temporary emergency shelter services to homeless residents during significant weather events.

In 2015 the Healdsburg City Council voted to prohibit vacation home rentals (i.e., fewer than 30 days) in districts zoned as residential. <sup>51</sup>

<sup>49</sup> Cotati's Housing Element and Development Director

<sup>50</sup> Healdsburg's Housing Element and Development Director

<sup>51</sup> Press Democrat August 17, 2015, article on vacation home rentals

Affordable Unit Stewardship: Healdsburg allocated \$82,000 to contract with Housing Land Trust of Sonoma County to monitor existing affordable units, provide support to affordable unit homeowners to ensure they stay in their homes, and to place income qualified families in new affordable units.

Rental Unit Rehabilitation Loan: Healdsburg allocated \$53,000 to establish a new Rental Unit Rehabilitation Loan Program intended to help off-set rental unit maintenance costs and offer incentives to landlords to limit annual rent increases.

Utility Discounts: Healdsburg allocated \$70,000 to extend its water, sewer, electric, and drainage utility discounts to all affordable housing complexes and increased discounts on monthly residential electric charges for income qualified customers.

Housing Support Programs: Healdsburg allocated \$5,650 to housing support programs including the following:

- fair housing programs that assist with tenant/landlord issues and provide education for property owners/managers/tenants
- hosting quarterly Property Owner/Manager Outreach Meetings to provide updates on City housing initiatives and receive information on rental market conditions

Healdsburg has a seven member Community Housing Committee, appointed by the City Council, that is tasked with making recommendations to the City Council on how best to address the workforce and affordable housing challenges in their community. The Committee has been tasked with reviewing a number of the City's housing policies, including the Housing Action Plan, Inclusionary Housing Ordinance, Accessory Dwelling Unit Ordinance and others. The Committee's work started in July 2017.

It also provides a Mobile Home Park Space Rent Stabilization Ordinance and a Condominium Conversion Ordinance which discourages the conversion of rental units to condominiums.

It implemented an Inclusionary Housing Ordinance (IHO) that requires developers of for-sale market rate residential projects to provide 15% of the units (or lots) for rent or sale to very, low, and moderate income households. Of these inclusionary units, 10% must be affordable to very low and low income households and 5% must be affordable to moderate income households. The Community Housing Committee will be reviewing this ordinance to ensure it is meeting the City's affordable housing objectives.

Healdsburg has taken several steps to address the housing shortage problem. The city completed an update to its Accessory Dwelling Unit (ADU) Ordinance, and reduced the impact fees associated with new ADUs to reduce barriers to their construction. The revisions also streamlined the permit process to help property owners interested in constructing an ADU. The Community Housing Committee will be reviewing this ordinance for further local amendments in order to further encourage ADUs in their community.

Healdsburg is providing financial assistance to developers of affordable housing through land donations and long-term leases; a fee-deferral program; subsidies for fees and on-site and off-site improvements; loans; and other forms of assistance.

Healdsburg amended its Zoning Ordinance to allow more flexibility in the development of live-work units, and reduced the required number of parking spaces, and waived the requirement for covered parking for senior and affordable housing developments.

Healdsburg established a "one-stop meeting" process that meets weekly with prospective developers to allow for early input on project proposals. This meeting brings building, planning, utilities, fire, housing, engineering and public works staff to the table early in the process to identify issues and opportunities to help expedite the development review process.

For the Healdsburg General Plan go to <http://www.ci.healdsburg.ca.us/DocumentCenter/Home/View/634>

## **City of Petaluma:** <sup>52</sup>

Petaluma has partnered with developers to use the Low Income Housing Tax Credit to help fund over 14 low-income housing developments in Petaluma, and has exceeded its General Plan mandate to provide 10-15% of all market rate units as affordable, by providing a 22.5% share of new housing over the last fifteen years.

Petaluma allocates the majority of its CDBG funding for housing development and housing-related services, including housing for special needs populations such as the elderly, homeless, and people with disabilities. Both HOME and Emergency Solutions Funds (ESF) are also available to Petaluma. Two of the Housing Program's other funding sources are: a fee collected in-lieu of providing units implemented in 2002 and the Commercial Linkage Fee, implemented in 2004, which is collected to mitigate the housing impacts of new, changed or expanded commercial, retail or industrial development.

Petaluma has an Additional Dwelling Unit (ADU) ordinance, and in 2010 reduced the impact fees for second units to approximately 25% of that for a typical single-family unit.

It maintains a mobile home rent stabilization program and a Conversions to Community Housing Ordinance which ensures a reasonable balance of rental and ownership housing in Petaluma.

The city implemented an inclusionary housing ordinance and a density bonus of up to 35% percent for lower-income and senior housing projects that meet certain criteria.

When funds allow, Petaluma provides the following incentives for developers of affordable housing: housing funds for site acquisition and pre-development costs; deferred or waived fees; and fast-track processing.

In 2012, Petaluma established a Development Review Committee that meets weekly with prospective developers to allow for early input on project proposals. This committee brings building, planning, water, fire, police, transit, engineering, and economic development staff to the table early in the process to identify issues and opportunities. The effect is that applications are more complete and the process is more efficient.

For the Petaluma General Plan Housing Element go to <https://cityofpetaluma.net/cdd/pdf/HousingElement.pdf>

## **City of Rohnert Park:** <sup>53</sup>

Rohnert Park currently requires that the equivalent of 15% of all new ownership units be affordable. A developer has two options to avoid the 15% inclusion standard: (1) pay in-lieu fees that will be used to create affordable housing, or (2) commit to one of three "alternative equivalent actions" – donate land; transfer inclusionary credits; or create second units.

Rohnert Park offers a density bonus to developers who agree to construct any of the following:

- At least 10% of the total units designated for low-income households
- At least 5% of the total units designated for very low-income households
- A senior citizen housing development
- At least 10% of the total in a condominium project for moderate-income households

The amount of the density bonus granted varies depending on the percentage of affordable units provided and ranges from 5% to 35%. To obtain a density bonus the developer must submit a preliminary proposal for staff review prior to submitting any formal request for approval of a density bonus.

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<sup>52</sup> Petaluma's Housing Element and Housing Administrator

<sup>53</sup> Rohnert Park's Housing Element, Aug. 9, 2016, City Council Agenda Report: Update on Existing and Planned Housing Inventory and Programs, and the City Manager

Rohnert Park participated in the development of the Vida Nueva housing project which provides housing for persons and families who were recently homeless. Vida Nueva opened its doors in 2008, and provides 24 units of permanent supportive housing.

Rohnert Park allows emergency shelters serving six or fewer persons as a permitted use in conjunction with a place of worship and as stand-alone shelters in all commercial and residential zones. Rohnert Park allows emergency shelters serving seven or more persons as a permitted use in conjunction with a place of worship and as stand-alone shelters in all Commercial and in the High-Density Residential District.

In 2014 Rohnert Park sold five city-owned properties, once used to house people shifting out of homelessness. The city plans to use the proceeds from the sale, expected to be more than \$1.7 million, to fund affordable housing projects elsewhere in Rohnert Park.

In addition the city has entered into numerous development agreements requiring the construction of over five hundred affordable housing units.

Rohnert Park has the following additional programs:

- An Affordable Housing Linkage Fee imposed on new commercial developments to provide for affordable housing
- A Mobile Home Rent Control ordinance covering 1300 mobile home spaces
- A Mobile Home Rent Appeals Board which manages a portfolio of over seventy forgivable, and interest only loans made to low-income mobile home owners
- An ADU Ordinance

For Rohnert Park's Housing Element go to Chapter 9 at

[http://cityofrohnertpark.hosted.civiclive.com/UserFiles/Servers/Server\\_3037789/File/Planning/General%20Plan%20and%20Specific%20Plans/General%20Plan%202020/7th%20Edition.pdf](http://cityofrohnertpark.hosted.civiclive.com/UserFiles/Servers/Server_3037789/File/Planning/General%20Plan%20and%20Specific%20Plans/General%20Plan%202020/7th%20Edition.pdf)

## **City of Santa Rosa** <sup>54</sup>

The Santa Rosa Department of Housing & Community Services administers the programs listed below.

Rental Assistance administers the Section 8 Housing Choice Voucher Rental Assistance Program, provides rental referrals, affordable apartment contacts, emergency assistance referrals and fair housing information. The Section 8 Housing Choice Voucher Program is a federal subsidy program that helps low-income families afford market-rate, private rental housing in the city limits of Santa Rosa. Voucher holders pay approximately 30–40% of their monthly income towards the rent. The Santa Rosa Housing Authority pays the balance of the rent to the owner within reasonable limits. The waiting list is currently closed and will not be reopened until 2018. There is a multi-year wait to get a voucher.

Homeless Services administers homeless service contracts with local non-profit organizations, providing support for a drop-in center, emergency shelters, a street outreach program, and housing resources.

Mobile Home Rent Control offers information on mobile home parks and Santa Rosa's Mobile Home Rent Control Program.

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<sup>54</sup> Santa Rosa Housing and Community Services website, Santa Rosa City Council meeting agendas and supporting documents, Santa Rosa's Housing Element, Homeless Subcommittee records, Housing Action Plan, Santa Rosa's Planning Commission agenda and agenda packets, public meeting on Accessory Dwelling Units, and Santa Rosa's Planning & Economic Development Director

The Santa Rosa Housing Trust administers affordable housing development, rehabilitation loan programs, home ownership program referrals, Housing Allocation Plan contracts, federal and state reports, and funding for homeless shelters and programs. The Trust partners with many private sector organizations to develop affordable rental housing projects. Typically restricted to very low- and low-income households, these projects are scattered throughout Santa Rosa. The Trust has sponsored over 3,700 units in Santa Rosa.

Neighborhood Revitalization improves living conditions and quality of identified neighborhoods and isolated properties through a coordinated inter-departmental city task force.

Code Enforcement is responsible for assuring that the adopted City Zoning and Building Codes are implemented on private property to address general health, life, fire and safety issues facing residents.

In January 2016, the Santa Rosa City Council established a Subcommittee on the Homeless, which held several public meetings and several study sessions. In April 2017, the City Council decided to disband the subcommittee and to devote several study sessions of the entire City Council to develop an action plan to address the homeless problems in Santa Rosa. Further information on the work of this subcommittee is available at <http://www.srcity.org/733/Homeless-Policy-Subcommittee>

In August 2016, the Santa Rosa City Council made a Declaration of Emergency regarding homeless and housing in the city. In October 2016, in response to this emergency, the Santa Rosa City Council adopted a Housing Action Plan. The Plan's six major objectives are listed below.

- Build 5,000 housing units in the current Housing Element Cycle (through 2023) consistent with General Plan Housing Element Quantified Objectives
- Achieve construction of 2,500 affordable housing units, including 30% of the total for lower income households, and 20% of the total for moderate income households

The units will be created through a strategic approach that includes:

- achieving inclusionary housing within for sale market-rate housing projects
  - innovative “affordability by design” market-rate affordable housing
  - providing regulatory incentives and financial subsidies for affordable housing projects
  - continued collaboration with developers.
- Preserve, to the greatest extent possible, the 4,000 existing affordable housing units
  - Achieve 1,000 housing units ready for Building Permit issuance in 2016 by prioritizing and expediting housing projects currently pending review by planning, engineering, and building
  - Facilitate and revitalize the 2,000 housing units that are available through previously entitled housing projects, but have not yet been built, by soliciting time extensions and refinements as may be required to implement the respective planning approvals, subdivision maps, and other regulatory requirements
  - Identify which pending housing projects and development opportunity sites (General Plan development capacity) are subject to federal and State critical habitat and wetland regulations that may render these lands unavailable for development; and then consider amendments to the City’s General Plan to adjust for lost development capacity

**Community Homeless Assistance Program (CHAP):** On October 11, 2016, the Santa Rosa City Council approved CHAP to allow property owners to use their properties, or facilities, for safe parking, safe camping, the placement and maintenance of portable toilets and access to existing bathroom facilities, provision of temporary overnight shelter, and storage for personal belongings. CHAP builds upon a pilot program approved by the Council in October 2015, which ran during the winter months (November 2015, through April 2016). The new program (CHAP) allows for year-round operation and expanded activities, such as safe camping, under the Council's recent action declaring a local homeless emergency in Santa Rosa.

In February 2017, the City Council met to review their list of priorities that affect top tier projects and programs for Santa Rosa to focus its resources.

The top priorities remain:

1. Housing For All
2. Homelessness
3. Infrastructure
4. Cannabis
5. Roseland Annexation

For Santa Rosa's Housing Plan go to <http://srcity.org/DocumentCenter/View/3981> and an addendum at [http://santa-rosa.granicus.com/MetaViewer.php?view\\_id=6&clip\\_id=476&meta\\_id=32214](http://santa-rosa.granicus.com/MetaViewer.php?view_id=6&clip_id=476&meta_id=32214)

On February 14, 2017, the Santa Rosa City Council agreed to boost funding aimed at getting the most vulnerable homeless people off the streets. The council added \$125,000 to this year's budget for "rapid rehousing" funding. It had previously allocated \$200,000 for such services, which include paying housing expenses such as rent and security deposits, putting the homeless in lodging or paying their travel expenses to return home, if they are stranded.

Santa Rosa calls their "Granny Units" Accessory Dwelling Units (ADU). An ADU is an independent dwelling unit located on a property containing a single-family residence, which includes sleeping quarters, bathing facilities, and kitchen. The City is revising the Zoning Code section pertaining to ADUs to comply with new state laws, which create a new Junior ADU category, and create specific exceptions for parking, setbacks, and some utility fees. In addition, Santa Rosa proposes to remove the owner occupancy deed restriction requirement, increase the maximum square footage and number of bedrooms allowed.

For more information go to: <http://srcity.org/adu>

### **City of Sebastopol:** <sup>55</sup>

Sebastopol's City Council formed a Housing Subcommittee in December 2016, to develop comprehensive recommendations to address housing needs, including the topic of rent control. The Subcommittee has held a series of community meetings to gather input. It is expected to forward its comprehensive recommendations to the City Council during 2017.

Sebastopol updated its Accessory Dwelling Unit (ADU) regulations pursuant to changes in State law in 2017. The changes simplified the permit process, reduced impact fees, and reduced development standards.

Sebastopol partnered with West County Community Services (WCCS) to manage and improve the City-owned Village Mobile Home Park, known as 'Park Village' in 2017. Most residents are very low-income. Sebastopol will make various repairs to the facility; WCCS will bring in some new mobile homes or RVs, with a focus on housing homeless or precariously housed persons. WCCS will provide supportive services to residents.

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<sup>55</sup> Sebastopol's Housing Element and Director of Housing

A second phase will involve rehabilitation and occupancy of four vacant apartments at the site.

Sebastopol is in the process of a comprehensive update of its Zoning Ordinance pursuant to the new (2016) General Plan. Implementation actions accomplished as of June 2017 include:

- Modification of the Growth Management Ordinance to double annual housing allocations
- Reduction of parking requirements for downtown area and added provision to allow conforming driveway parking to count towards parking requirements
- Establishment of standards for transitional housing
- Review of zoning regulations to ensure that supportive and other group houses with more than six units are able to locate with a minimum of regulatory barriers
- Allowance of a minimum density by-right in zones where a Use Permit is required for deed-restricted, affordable housing projects
- Elimination of requirement for affordable housing projects to be located only in mixed-use developments in non-residential zones
- Changes to facilitate the development of emergency shelters
- Increase in maximum densities and allowed heights in multifamily and non-residential zones
- Allowance of pairs of studio apartments to be counted as one unit for purposes of calculating densities and fees
- Adoption of incentives for the development of small homes in all subdivisions

Sebastopol adopted a Commercial Linkage Fee Ordinance which will raise more funds for affordable housing, and is considering deferral of impact fees until units are sold or ready for occupancy.

For Sebastopol's General Plan Housing Element go to [http://sebastopol.generalplan.org/sites/default/files/Final%20Housing%20Element\\_Sebastopol\\_4-1-15.pdf](http://sebastopol.generalplan.org/sites/default/files/Final%20Housing%20Element_Sebastopol_4-1-15.pdf)

### **City of Sonoma:** <sup>56</sup>

Sonoma has an “inclusionary rule” which requests that any project of five or more units include 20% available for moderate income households. Sonoma also provides some fee waivers and reduced parking requirements for affordable housing projects.

Sonoma's housing strategy for many years has been to focus its housing funds on projects developed in partnership with nonprofit housing developers to provide units that are affordable at the very-low-income and low-income levels. Moderate income housing is addressed through the inclusionary requirement. Sonoma has partnered with Satellite Affordable Housing Associates to build 92 low and very-low-income housing units since 2013. <sup>57</sup>

For Sonoma's General Plan Housing Element go to:

[http://www.sonomacity.org/Sonoma/media/Files/Planning/2020\\_General\\_Plan.pdf](http://www.sonomacity.org/Sonoma/media/Files/Planning/2020_General_Plan.pdf)

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<sup>56</sup> Sonoma's Housing Element

<sup>57</sup> Sonoma Index-Tribune July 14, 2016, article on affordable housing in Sonoma

## **Town of Windsor:** <sup>58</sup>

Windsor has made a proactive effort over the past year to attract affordable housing developers to build in the town. Two notable projects that have come as a result of this effort are the Rident Park project, a 16-unit project for the developmentally disabled, and a 60-unit veterans housing project by UHC Communities.

Windsor has pursued several changes to stimulate the production of affordable housing units:

- Working with two affordable housing developers to provide funding from collected inclusionary housing fees for the production of up to 46 affordable housing units, including a 16-unit for-sale project and a 30-unit multi-family housing project
- Encouraging the production of accessory dwelling units (ADU's). In the spring of 2017, the Town eliminated its water and wastewater development impact fees for ADU's and reduced other development impact fees to reduce the financial burden of constructing new ADU's Windsor is updating its regulations for ADU's, focusing on removing regulatory constraints such as parking and setback requirements, and adding provisions that would allow for conversion of a room in existing home into a "junior" ADU.
- Performing a comprehensive update to its inclusionary housing ordinance, with a focus on identifying options that will result in increased production of affordable housing units

The update effort will look at providing more flexible and responsive options to market-rate developers for meeting the Town's inclusionary housing obligations as well as possible increases to its current in-lieu housing impact fees.

For the Windsor General Plan Housing Element go to [http://www.windsor2040.com/wp-content/uploads/2014/08/TWHE\\_PC\\_2014-08-11.pdf](http://www.windsor2040.com/wp-content/uploads/2014/08/TWHE_PC_2014-08-11.pdf)

## **Schools:** <sup>59</sup>

Only 3.9 percent of homes in Sonoma County are affordable on a teacher's salary. State Senator Mark Leno authored a bill that went into effect on January 1, 2017, authorizing school districts with unused land to use federal tax credits to build affordable housing for their workforce. Santa Rosa City Schools will head into the funding stage for its long-awaited Fir Ridge Drive project, which aims to create between 36 and 40 low-to middle-income homes for teachers on the district's unused 6-acre Fountain Grove property.

## **Conclusions**

As a result of the loss of redevelopment funds and the economic downturn which began in 2008, the supply of affordable housing has lagged farther and farther behind the demand for such housing. There is currently an affordable housing crisis in Sonoma County, which has been recognized by the Board of Supervisors in public meetings and formally recognized by the City of Santa Rosa.

Cities, the Town of Windsor, and the County of Sonoma have given considerable study to try to determine how to best address the housing needs of communities and to end homelessness. All the local governing bodies have made significant efforts to implement incentives to encourage developers to include affordable housing in new developments. They have also worked to make the approval process for such developments more streamlined and affordable. However, not enough affordable housing has been built, and homelessness persists in part because there is an insufficient supply of affordable housing.

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<sup>58</sup> Town of Windsor's Housing Element and Community Development Director

<sup>59</sup> Press Democrat April 8, 2017, Close to Home article

There is still a funding crisis for non-profits who serve the homeless and who build and/or manage affordable housing. And the funding gap is expected to widen under the budget cuts of the current federal government.

Without reliable and significant funding sources, it is clearly a daunting task for local governments to make up the backlog of unbuilt housing from the last decade, to reach the Regional Housing Needs of 8,444 new housing units, and to end homelessness. But they have not given up on reaching these goals.

Part III of this report examines the role of non-profits in addressing affordable housing and serving the homeless. Part IV of this report explores some of the initiatives and funding sources local governments are considering.

# Sonoma County League of Women Voters Report

## Affordable Housing & Homeless Programs in Sonoma County

### Part III – THE ROLE OF NON-PROFIT AGENCIES

The County of Sonoma, City of Santa Rosa and City of Petaluma receive funds from several state and federal programs to assist with homelessness and affordable housing. All of these programs have specific funding guidelines, matching requirements and limits on administrative fees. Fund restrictions require that almost all of the funds go to non-profit community agencies which serve the homeless or provide affordable housing.

With very limited resources and an ever increasing demand for services, the non-profits described here in Part III do an amazing job of serving our lowest income community members. These agencies face shrinking federal and state funding and significant changes in priorities, which makes the work they do even more challenging.

For Fiscal Year 2017-18 the County of Sonoma received \$4,175,300 in state, local and federal funds for housing and homeless assistance. That figure may sound large to some, but it is actually a significant decrease from the previous year's funding. <sup>60</sup> "Since fiscal yr. 2014-15, total government funding (for homeless programs and services) has declined 22%." <sup>61</sup> This year there is once again a lack of sufficient state funds to enable the local non-profit service providers to continue existing services.

In 2016 Sonoma County homeless service providers suffered significant funding losses due to a change in how awards are made under the Emergency Solutions Grant (ESG) Program. For fiscal year 2016-17 the Board of Supervisors allocated \$800,000 in County General Funds to local non-profits, which assist the homeless and residents with affordable housing, to alleviate some of the funding loss. When the Board funded the shortfall for 2016-17 the Board indicated it was one-time-only funding and directed staff to not come back with a similar request for 2017-18. **There is a short fall of over \$830,000 for the highest priority programs for 2017-18.** The Sonoma County Community Development Commission (SCCDC) developed a list of funding priorities, in case additional revenue is available. However, the Board only partially funded the shortfall for 2017-18. <sup>62</sup>

The County of Sonoma is required to have a five year plan filed with the federal Department of Housing and Urban Development (HUD) to administer federal funds. These funds are administered by the SCCDC for the county unincorporated areas, county sponsored programs, the Town of Windsor, and the following cities: Cloverdale, Cotati, Healdsburg, Rohnert Park, Sebastopol, Sonoma. The SCCDC has been administering affordable housing programs since 1978.

For more information on the SCCDC go to <http://sonomacounty.ca.gov/Community-Development-Commission/>

The City of Santa Rosa and City of Petaluma each have their own separate funding and program oversight.

For City of Santa Rosa go to <http://srcity.org/553/Housing-Community-Services>

For City of Petaluma go to <http://cityofpetaluma.net/cmgr/housing.html>

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<sup>60</sup> Sonoma County Community Development Commission, SCCDC

<sup>61</sup> Press Democrat August 27, 2017, article on new \$500,000 grant for homeless services

<sup>62</sup> SCCDC

## **Non-Profit Housing Developers**

The construction of many of the affordable housing units in Sonoma County has been coordinated or administered by non-profit agencies.

The following are some of the local non-profit developers of affordable housing in Sonoma County:

### **Burbank Housing:** <sup>63</sup>

Burbank Housing is the largest non-profit developer of affordable housing in Sonoma County, and has been one of the main non-profits building affordable housing in Sonoma County for over 35 years. The organization's focus is to increase the supply of housing in Sonoma County, including the provision of quality, affordable housing for low-income people of all ages, backgrounds and special needs.

Burbank Housing's Development Division carries out various phases of housing development, acts as general contractor for mutual self-help housing developments, and contracts with local building contractors for construction of rental housing.

Their homes include rental properties, first-time ownership communities, and often include projects for special needs populations, such as housing for farm workers, seniors, homeless and formerly homeless, emancipated foster youth and persons with disabilities. Burbank Housing has built over 2,800 affordable rental units in over 60 properties as well as building and selling over 800 affordable homes. They have a waiting list of over 10,000 families. They currently manage more than 50 multi-family affordable housing properties in Sonoma County.

### **Community Housing Sonoma County:** <sup>64</sup>

Community Housing Sonoma County (formerly known as Community Housing Development Corporation of Santa Rosa) has created nearly 131 housing units for very low-income families and individuals in the County, 15 transitional housing units and 106 units set aside as permanent supportive housing for persons living with disabilities, some of which contained multiple bedrooms to serve several individuals. Permanent supportive housing is a model for ending the cycle of homelessness by addressing issues of health, employment, mental health, and substance abuse. It provides independent, affordable rental housing for persons living with disabilities who have been homeless or are at risk of homelessness.

### **Eden Housing:** <sup>65</sup>

A nonprofit affordable housing developer operating in the Bay Area, including Sonoma County, Eden Housing's programs include rental apartments, first-time homeowner opportunities, cooperatives, and supportive living environments for families, seniors, and persons with disabilities. Eden has an affiliated property management company and includes provision of free onsite support services and programs for its residents. Eden seeks to serve very low, low and moderate-income families, seniors, people living with disabilities or mental illness, the formerly homeless, and first-time homeowners.

### **Habitat for Humanity:** <sup>66</sup>

Habitat for Humanity is a non-profit, faith-based organization dedicated to building affordable housing and rehabilitating homes for lower income families. Habitat builds and repairs homes with the help of volunteers and partner families. Habitat homes are sold to partner families at no profit with affordable, no-interest loans.

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<sup>63</sup> <http://www.burbankhousing.org/our-work/>

<sup>64</sup> <http://www.ch-sc.org/>

<sup>65</sup> <https://www.edenhousing.org/>

<sup>66</sup> <https://www.habitatsoco.org/>

Volunteers, churches, businesses, and other groups provide most of the labor for homes, with homeowner partners contributing a minimum of 500 hours of sweat equity. Government agencies or individuals usually donate land for new homes or write down the cost of the land.

Habitat for Humanity of Sonoma County has grown from strictly a volunteer organization to become continuous builders of affordable housing with an executive director and permanent staff. They have completed several infill homes on Johnson Street in Sebastopol and the 10 home Kali Subdivision in Santa Rosa. Volunteers throughout the County come out two to three times a week to work on the houses and are involved in selecting and mentoring homeowner partner families.

**Housing Land Trust of Sonoma County (HLTSC):** <sup>67</sup>

The mission of this non-profit is to increase home ownership opportunities for low- and moderate-income families in Sonoma County while ensuring permanent housing affordability through the use of a land trust model. Under this model, the land trust organization owns real estate in order to provide benefits to the community, making land and housing available to residents who cannot otherwise afford them. HLTSC owns the land beneath the homes, which is then leased to the homeowners through a long-term, 99-year, renewable lease. Since its inception in 2002, HLTSC has provided land for development of 26 workforce units in Petaluma, partnered with Habitat for Humanity to develop 10 homes in Santa Rosa and preserved the affordability of 2 homes in Cloverdale. In Healdsburg HLTSC provided 16 homes with different developers.

**PEP Housing:** <sup>68</sup>

The non-profit corporation provides limited-income seniors access to affordable quality housing with supportive services and advocacy. Thirty-five years ago the organization was established by a group of clergy and civic leaders in Petaluma. The agency has developed and manages 16 affordable housing properties with 431 apartments, accommodating over 450 low-income seniors. PEP Housing has several more properties in development in Sonoma County, and they are expanding their efforts into other areas in Northern California.

**Mid-pen Housing:** <sup>69</sup>

Mid-pen's mission is to provide safe, affordable housing of high quality to those in need; establish stability and opportunity in the lives of residents; and foster diverse communities that allow people from all ethnic, social and economic backgrounds to live in dignity, harmony and mutual respect. Mid-pen was founded in 1970, when a small, but influential, coalition of Silicon Valley entrepreneurs, UC Berkeley and Stanford faculty and other community leaders came together to address concerns over the lack of affordable housing in the San Francisco Bay Area. Mid-pen has built over 100 housing developments throughout the Bay Area. In 2015 Mid-pen built a 60 unit complex in the City of Sonoma area, and is currently working on two projects with the County of Sonoma.

**Satellite Affordable Housing Associates:** <sup>70</sup>

Satellite Affordable Housing Associates (SAHA), a merger of affordable housing providers Affordable Housing Associates and Satellite Housing, aims to provide homes and services to low-income residents throughout the Bay Area. The combined portfolios of the organizations include 56 properties with 2,600 homes serving 3,200 residents. SAHA operates under the principles of creating environmentally and financially sustainable communities, focusing on high quality design for low-income households.

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<sup>67</sup> <http://www.housinglandtrust.org/>

<sup>68</sup> <http://www.pephousing.org/>

<sup>69</sup> <http://www.midpen-housing.org/> and SCCDC

<sup>70</sup> <http://www.sahahomes.org/news/02-01-2016/sonoma-county-moving-ahead-affordable-housing-project-sonoma>

## Non-profit Service Providers

Non-profit agencies are the primary providers of services to individuals without a permanent home. They are also involved in providing and/or managing affordable housing units and transitional housing. Catholic Charities and COTS are the two largest providers of services to homeless individuals and families in Sonoma County. Below is an overview of the services provided by these two organizations. (Information on other non-profits providing services is included after these two agencies.)

### Catholic Charities:<sup>71</sup>

Catholic Charities of Santa Rosa currently offers a number of services targeted to address homelessness and affordable housing. They operate the following programs:

- **Homeless Services Center:** This program is often a first point of contact for those homeless or at imminent danger of becoming homeless. The center provides resources, counseling, intake for shelters, and other services for those in need. It also has showers, laundry, telephone, and mail services.
- **The Family Support Center:** The Center is a 138-bed family shelter which provides a warm, stable home for families coming from cars, tents, and crowded motel rooms. Geared to meet the needs of every family member, with a special focus on children, services include case management, employment and housing counseling, referrals for medical screenings, services to assist children in achieving grade level performance in school, and support services designed to move families toward self-sufficiency.
- **Coach2Career:** This is a seven-week certificate course which teaches job readiness skills. The program includes a Learning Center computer lab, one-on-one coaching for resume writing, interviewing, proper work attire (including free outfits from their Hire Attire closet), and job referrals.
- **BRIDGES and Youth Programs:** This is an after-school program that bridges the gap in educational needs for children living at the Family Support Center, and includes the Discovery Center, Homework Club, monthly themed activities, and field trips.
- **Samuel L. Jones Hall:** This shelter is the largest, full service shelter in northern California for individuals or couples without children. Up to 120 people daily are provided food and shelter, case management, job and housing counseling and placement, as well as referrals for medical help, and community and veterans services. This is a joint project of the City of Santa Rosa, the County of Sonoma, and the Community Foundation Sonoma County. In 2017, the City of Santa Rosa increased funding to Catholic Charities to increase the number of beds by 50.
- **Safe Parking:** This program is a partnership with the Sonoma County Board of Supervisors. It is estimated that 20% of Sonoma County's homeless live in their cars. The Sonoma County Board of Supervisors approved spaces to allow these residents to sleep in their cars and authorized Catholic Charities to manage the program and provide food, bathroom facilities, warming heaters, and other services. There are now scattered Safe Parking sites at various locations around the county. Unfortunately, in July 2017, the Safe Parking Program was reduced from eight sites offering 76 spots to three sites offering 40 spots. This reduction was primarily due to a state funding reduction that caused Catholic Charities to request county officials shift money away from the Safe Parking program to prevent cuts at its Family Support Center.
- **Nightingale:** The facility is located at Brookwood Health Center, and is a short-term program, with 13 beds for homeless adults who have been discharged from the hospital and are in need of additional recuperation. Health services and case management are provided. This program has reduced the number of hospital re-admissions and emergency room visits by homeless individuals.

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<sup>71</sup> <http://www.srcharities.org/get-help/shelter-housing>, SCCDC, and City of Santa Rosa website

- **Warming Stations/Cold Weather Hotline:** During inclement weather (rain, temperatures below 38 degrees) hot coffee, food, and clothing are available to those in need at the Homeless Services Center at 600 Morgan Street or one of the community mobile warming stations.
- **Homelessness Prevention/Rapid Re-housing:** This is a program for families and individuals to quickly resolve threatened homelessness. The program provides financial and other assistance to help qualified people find safe, affordable housing or to maintain their current housing and stay out of shelters. Rapid Re-Housing assists families and individuals in becoming stably housed and financially self-sufficient.
- **Transitional Housing:** With a 1% apartment vacancy rate in Sonoma County, moving from shelter living into an independent home has major challenges. So Catholic Charities also offers Transitional Housing. They manage 15 units in Santa Rosa with supportive services for previously homeless families. Another 10 units are provided at DeMeo House.

**Committee on the Shelterless (COTS):**<sup>72</sup>

The agency was founded in early 1988 by Mary Isaak and Laure Reichel who had a concern for children and adults who were sleeping outdoors in culverts, dumpsters or other unsafe and unsuitable conditions. Reichel and Isaak raised money from private donors, enlisted the support of the faith community and fraternal organizations, educated the larger community, and monitored sleepovers at temporary shelters throughout the city.

COTS provides emergency shelter and transitional housing. It also assists families and individuals with finding permanent housing. Thirty percent of adults in their emergency shelter exit into permanent housing. Seventy-seven percent of families and adults in their programs exit transitional housing into permanent housing.

COTS offers a wide range of services including:

- **Transitional Housing:** Under this program families pay rent and work with case management to increase parenting skills, increase income and savings, obtain employment, and find permanent housing. Families and individuals are limited to one stay per year. The program has 11 rooms and serves about 50 people per year.
- **Emergency Shelter:** Half of the homeless families served in this program are referred by Sonoma County Child Protective Services (CPS). COTS works with parents to increase their parenting skills by providing comprehensive support services and counseling, respite, support, and parenting guidance. There are 35 beds in Petaluma, which serve about 140 children and parents, with a 3 – 6 month stay.
- **Permanent Affordable Housing:** Vida Nueva provides a tight-knit community where families help and encourage one another while receiving ongoing guidance and assistance to remain housed. Services include one-on-one counseling, substance abuse prevention, budgeting and credit repair, parenting education, and a free lunch program for children. There are 24 Units in Rohnert Park.
- **Veterans:** COTS focuses part of their program on homeless veterans, through case management by a veteran peer in their Adult Emergency Shelter; preference for veterans in their Permanent Supportive Housing program; and a Street Outreach and Sober Circle Program managed by a veteran peer.
- **Mary Isaak Center in Petaluma:** This shelter has 100 beds for emergency shelter. Supportive services at the shelter include food, clothing, showers, transportation assistance and computer/phone/mail access, case management, mental health and chemical dependency recovery support, job skills training, and benefits advocacy.

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<sup>72</sup> <http://www.cots-homeless.org/> and SCCDC

- **Permanent Supportive Housing Program:** This program is designed for people with a long history of homelessness as well as an existing medical condition. COTS gives preference to veterans in this program, with 18 beds in Rohnert Park, Petaluma, and Santa Rosa.
- **Integrity Houses:** This program is open to Shelter Program graduates. The 9 privately-owned homes in Rohnert Park and Petaluma are self-managed, clean and sober, and democratically run through cooperative decision-making. Support services include case management; support with furnishings; tenant/landlord relations and lease facilitation.
- **Rent Right:** A person making minimum wage in Sonoma County makes just over \$1,600 per month. Rent Right gives program participants the tools and skills to utilize their available resources, manage their money and find housing in an extremely competitive and expensive housing market. By the end of the course, students have developed a comprehensive "renter's portfolio" to present to prospective landlords, which includes a family budget, annotated credit report, and letters of recommendation. The skills learned include budgeting, credit repair, landlord and tenant relations, home maintenance, housing search, and personal presentation.
- **Rapid Re-Housing:** This is part of a federally-funded effort to reduce homelessness across the nation. Through financial assistance and supportive services, Rapid Re-Housing assists families and individuals in becoming stably housed and financially self-sufficient. Applications are only received during open application periods, and are currently closed.

In August 2017 COTS received a \$500,000 grant from Providence St. Joseph Health for an 18-month pilot program that will deploy a “coordinated care team” to house new clients as quickly as possible.<sup>73</sup>

**Cloverdale Community Outreach Committee:**<sup>74</sup>

This is a California non-profit corporation which operates a transitional housing program at the Cherry Creek Property in Cloverdale.

**Fair Housing Advocates of Northern CA:**<sup>75</sup>

This non-profit provides Fair Housing education and enforcement in Marin and Sonoma Counties.

**Legal Aid of Sonoma County:**<sup>76</sup>

This agency's HOME Eviction Prevention Project helps families and individuals avoid homelessness by preventing unlawful evictions. The agency also assists low-income people with substandard housing conditions to ensure safe and habitable homes.

**Reach for Home:**<sup>77</sup>

This fairly new organization, based in Healdsburg, became a non-profit in 2015. They partner with local organizations to operate transitional housing in northern Sonoma County, with 4 units for families and 7 units for individuals in Healdsburg. They assist about 220 people daily with food, transportation to medical appointments, other services, and also provide temporary emergency shelter services in response to extreme weather events. Reach for Home also provides rent stabilization services to income qualified households at risk of displacement.

<sup>73</sup> Press Democrat August 27, 2017 article on new \$500,000 grant for homeless services

<sup>74</sup> Cloverdale's Assistant City Manager/ Community Development Director

<sup>75</sup> SCCDC

<sup>76</sup> <http://legalaids.org/> and SCCDC

<sup>77</sup> <http://www.reachforhome.org>

**Redwood Gospel Mission:** <sup>78</sup>

This is a non-profit, faith based agency. Beginning as a 14 bed shelter in 1963, the Mission now works with the community to minister to the needy through a variety of homeless services, recovery programs, vocational training, jail ministries, outreach events, and thrift store.

The agency operates the Men's Mission which is an emergency shelter for men experiencing homelessness. The agency also operates The Rose which is an emergency shelter for women, and women with children (girls of all ages, boys ages 11 and under) experiencing homelessness. Both the Men's Mission and The Rose have a Transitional Savings Program, where guests can remain at the shelter for six months to save money, while they put their lives back together and learn the skills necessary to put homelessness behind them.

**SHARE Sonoma County:** <sup>79</sup>

SHARE Sonoma County, in partnership with Petaluma People Services Center, offers a home sharing program for those 60 years and older. SHARE helps facilitate safe homeshares for homeowners and renters who are currently stressed financially, experiencing life transitions, looking for companionship, or needing basic assistance (service in exchange) in order to remain housed and age in place. Through shared expenses the program eases financial burdens, provides companionship and security for anyone afraid to be home alone. While based in Petaluma, the agency facilitates shared arrangements throughout the county.

Home-Sharing is a living arrangement of two or more unrelated people who share a home or apartment for his or her mutual benefit. Each person has his or her own bedroom and possibly bathroom, but shares common living areas.

**Sloan House Women and Children's Shelter:** <sup>80</sup>

This program is operated by Community Action Partnership for Sonoma County, and provides a 22 bed shelter, offering temporary housing and supportive services for women and children. The program serves women with up to 2 children, including boys up to age 5.

The program offers an initial stay of 30 days, with 30-day extensions granted one month at a time. Extensions of the 30-day stays are based upon the participant's commitment to moving forward, with a maximum stay of 180 days. Women are assigned a case manager to meet weekly and create an individualized action plan, designed to move participants towards self-sufficiency. The home is a clean and sober facility with random drug testing. Women must be able to do a daily chore, complete 4 hours of community service each week, and follow shelter rules, policies, and procedures.

**Social Advocates for Youth (SAY):** <sup>81</sup>

This non-profit agency operates a transitional housing program for at-risk youth, and works to place these youth in permanent, affordable housing.

**Sonoma Overnight Support:** <sup>82</sup>

This non-profit was formed in 2003 to serve the Sonoma Valley area. They run a 4 bedroom shelter in Sonoma called The Haven. The organization does lots of fundraising from the local community and receives funding through SCCDC.

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<sup>78</sup> <https://www.srmission.org/>

<sup>79</sup> <http://petalumapeople.org/seniors/share-sonoma-county/> and <http://petalumapeople.org/>

<sup>80</sup> Sonoma County Mental Health

<sup>81</sup> <https://www.saysc.org/housing/>

<sup>82</sup> <http://www.sonomaovernightsupport.org/>

**The Wallace House:** <sup>83</sup>

Operating since 1984, The Wallace House is a transitional housing shelter in the City of Cloverdale, and is the only emergency shelter located between Santa Rosa and Ukiah. Community Outreach Committee provides limited case management services as part of the Wallace house service program.

The Wallace House provides the following services:

- Case management: including assessment, referrals to other appropriate agencies, and financial assistance services to individuals and families in Northern Sonoma County, using an integrated approach to identify the systemic core causes of housing disruption and housing barriers, in order to meet client needs and permanently house them more quickly
- Emergency Shelter: Emergency shelter for up to 6 months
- Transitional housing: temporary housing for up to 2 years, which allows clients sufficient time to gain the necessary traction to stabilize their lives; attend school; or work
- Permanent Supportive Housing: At the Cherry Creek Village site, including permanent housing for disabled individuals and families
- Life skills: including money management, wellness and health, and decision making skills
- SOAR: assists disabled clients through the SOAR process to obtain Social Security Disability benefits. Income stability is a critical and necessary component in the process of moving clients into more permanent housing.
- Employment Readiness: including resume writing and interview skills
- Food Assistance
- Assistance in identifying housing barriers and planning for successful rehousing
- Other related services

**United Way of the Wine Country:** <sup>84</sup>

This agency administers the Local Sonoma County Emergency Food & Shelter Program (EFSP). The local Board evaluates applications annually from local emergency food and shelter service programs to assist people experiencing economic emergencies. EFSP funds originate with the Federal Emergency Management Agency (FEMA), in the U.S. Department of Homeland Security.

**West County Community Services:** <sup>85</sup>

This non-profit agency operates a wide range of services in the west county. In the area of housing West County Community Services provides housing and supportive assistance to low-income, disabled and homeless individuals and families. The agency manages several West County housing programs in Guerneville and Sebastopol, including Fife Creek Commons, Mill Street Supportive Housing, Petaluma Avenue Homes, and the West County Winter Shelter.

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<sup>83</sup> <http://wallacehouse.org/> and the Director

<sup>84</sup> SCCDC

<sup>85</sup> <https://www.westcountyservices.org/programs/>

**YWCA of Sonoma County:** <sup>86</sup>

This non-profit agency, while not specifically serving the homeless, is a key player in preventing homelessness. When we looked at who is homeless at the beginning of this report (Part I), we found that 36% are victims of domestic violence. That percentage would be much higher if the YWCA did not operate their therapeutic 60-day residential program known as Safe House. Safe House provides temporary housing to women and children fleeing domestic violence.

**Conclusions**

Due to the emphasis on the “Housing First” approach by funders, many of the non-profits will have to change how they operate. Some are already making this transition. Most of these non-profits are fully aware that the “Housing First” approach to eliminating homelessness will only work if the cities, towns and County of Sonoma take steps to ensure that we have an adequate supply of affordable housing.

A dramatic increase in our affordable housing supply, reliable funding sources and a streamlined, regional approach to providing services, is needed to provide these important agencies with the resources they need to address the challenges our community faces in housing our most vulnerable populations.

Part IV of the report examines what innovations and next steps the local jurisdictions are exploring.

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<sup>86</sup> [http://www.ywcasc.org/site/c.7pLNLVPpEbLWH/b.8279909/k.27BD/What\\_We\\_Do.htm](http://www.ywcasc.org/site/c.7pLNLVPpEbLWH/b.8279909/k.27BD/What_We_Do.htm)

# Sonoma County League of Women Voters Report

## Affordable Housing & Homeless Programs in Sonoma County

### Part IV – WHAT'S NEXT?

If we do not find real solutions to our housing crisis soon, we will see more and more of our younger population and families leaving the area. This will cause the median age to grow higher and higher, until we become primarily a senior community. Already the fastest growing part of the population in Sonoma County is residents ages 65 to 84, which increased by more than 22,000 people between 2006 and 2015.<sup>87</sup>

Where will our businesses find employees? Without enough affordable housing, we lose our ability to have an adequate labor force and a healthy economy.

#### County of Sonoma:

As mentioned in Part II of this report the County of Sonoma's report *Building HOMES: A Policy Maker's Toolbox for Ending Homelessness* has an extensive and thorough discussion of policy options local jurisdictions could implement to address housing needs. The Toolbox report contains a number of specific policy changes to which the County is giving serious consideration. The report urges cities and towns to consider adopting these same policies for consistency throughout Sonoma County.

Below is a brief summary of some of the housing related ideas from the County's Toolbox report:

**Optimize Land Use and Reduce Development Costs:**<sup>88</sup> This strategy asks each jurisdiction to consider to what extent they could approve the following policy, land use, and regulatory incentive changes:

- Establish impact fees that are based on size rather than number of homes.
- Zone appropriate parcels at densities needed to create homes for people who are homeless.
- Require development of multifamily parcels at zoned density levels to avoid “under building.”
- Allow density bonuses based on floor area, rather than number of homes.
- Create housing overlays on commercial or industrial parcels to make more land available for housing units.

**Use of Publicly Owned Properties:**<sup>89</sup> The county, towns and cities could assess whether they own any vacant, underutilized, or surplus properties that could be made available for affordable housing development, either through ground-lease or sale. Such properties would include public facilities that may be good candidates for re-purposing as homes for people who are homeless. Both the County of Sonoma and the City of Santa Rosa have begun this process.

**Sale of Public Lands:**<sup>90</sup> when public entities wanted to sell surplus land that they no longer needed, they were required to offer it first for affordable housing use. Until recently, the land could not be sold or leased at a below market price. The opportunity for new affordable housing development was often lost because it was not financially feasible when acquiring the land at market value.

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<sup>87</sup> 2017 Sonoma County Economic & Demographic Profile, Sonoma County Economic Development Board

<sup>88</sup> *Building HOMES: A Policy Maker's Toolbox for Ending Homelessness*

<sup>89</sup> *Building HOMES: A Policy Maker's Toolbox for Ending Homelessness*

<sup>90</sup> *Building HOMES: A Policy Maker's Toolbox for Ending Homelessness*

A new State law (AB 2135), enacted in 2014, continues to require surplus land to be offered first for affordable housing development, but now allows below market sales, or leasing, if at least 25% of the homes will be offered to low-income households for 55 years.

AB 2135 also requires that, if the land is not sold to an affordable housing developer through this first offer process, and is subsequently used for development of more homes, at least 15% of the new homes must be affordable to low-income households.

In 2017, county officials indicated they will be moving forward with studying efforts to build housing on several sites currently owned by the county. Development on such sites would include some affordable housing units.

One site is the former water agency headquarters on West College Ave., which has been sold to the Sonoma County Community Development Commission (SCCDC) and up to 170 housing units could be built on the site.

Another site is the 82 acres of county owned land on Chanate Road, which is being sold to a developer who has tentative plans to build as many as 800 housing units, with 20% designated as affordable.

A possible future site is the county owned land at the old Los Guilicos juvenile hall complex off Hwy 12, but there are no specifics at this time. In the long term the county may look at building housing on part of the County Administration complex, but there are no specifics at this time.<sup>91</sup>

**Development Readiness Measures:**<sup>92</sup> The county's housing element identifies 136 vacant and underutilized residential-zoned properties in unincorporated areas that have adequate infrastructure to support urban densities for residential uses. Similar sites that are appropriately zoned for housing are identified in the housing elements of the cities, as well. The County, towns and cities could assess whether any of these parcels, currently zoned for housing development, would be more likely to be developed if needed infrastructure improvements are first made by the jurisdiction. This strategy would effectively steer development to sites that are considered suitable by the locality and expedite the pace at which affordable development occurs.

**Pilot Projects:**<sup>93</sup> Pilot projects can be a useful strategy to confirm the feasibility of a new concept before making long-term policy changes or investing large sums of resources. Many of the alternative housing types discussed in the Toolbox are as yet untried in Sonoma County, and are new even in other areas of the country. One such idea is using tiny homes for temporary or permanent homes for people who are without permanent housing. Cost estimates indicate that use of tiny homes carries a modestly higher cost, and their single-story, single-family configuration requires more land per-unit than apartment construction. However, that configuration makes them a more suitable option for those people who are homeless and for whom group living is an obstacle. This may outweigh the higher cost factor. County staff is currently working to assess this strategy's potential utility as part of the broader effort to end homelessness.

**Housing Trust Fund:**<sup>94</sup> The Toolbox report suggests establishing a housing trust. All local jurisdictions could join together with businesses and private investors to establish a countywide public/private housing trust fund for homeless-dedicated and workforce housing anywhere in Sonoma County. Its funding source might include redevelopment residual receipts, Transitory Occupancy Tax (TOT) from vacation rentals, or a new countywide revenue commitment. A countywide fund could benefit the effort to end homelessness, as the large number of homes to be created would need to be distributed throughout all areas of the county.

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<sup>91</sup> Press Democrat April 9, 2017, article on Board of Supervisors' property in Santa Rosa & *Building HOMES: A Policy Maker's Toolbox for Ending Homelessness*

<sup>92</sup> *Building HOMES: A Policy Maker's Toolbox for Ending Homelessness*

<sup>93</sup> *Building HOMES: A Policy Maker's Toolbox for Ending Homelessness*

<sup>94</sup> *Building HOMES: A Policy Maker's Toolbox for Ending Homelessness*

The models that would work best for Sonoma County's affordable housing needs would need to be determined. The Sonoma County Community Development Commission (SCCDC) plans to explore this strategy further in coming months. The City of Santa Rosa is also studying this idea.

The estimated cost of creating the needed affordable housing significantly exceeds currently available resources. The Toolbox report identifies possible revenue sources. Local jurisdictions will need to consider whether one or more of the revenue streams listed below, and described further in the financing options section of the Toolbox Report, would be viable options for Sonoma County. Some of these might be pursued on a countywide basis, while others represent options requiring action by individual entities.

Some of the revenues raised through these strategies could be deposited in the countywide housing trust funds, while others must remain in the control of the specific jurisdiction from which they are derived.

- Inclusionary Housing Fees
- Commercial Linkage Fees
- Redevelopment Residual Receipts
- Transient Occupancy Taxes
- Housing Revenue Bonds
- Enhanced Infrastructure Financing Districts
- Pay for Success / Social Impact Bonds<sup>95</sup>

For the County of Sonoma Policies on Homelessness and a link to the Toolbox report go to <http://www.sonoma-county.org/cdc/cdhomeless.htm>

## **Efforts being considered by the various local jurisdictions:**

### **City of Cloverdale:** <sup>96</sup>

Cloverdale is studying the possible adoption of a commercial linkage fee. Several other cities already have such a fee. The fee would be collected to mitigate the housing impacts of new, changed or expanded commercial, retail or industrial development. Cloverdale is also looking at waiving or delaying impact fees for affordable housing units.

### **City of Cotati:** <sup>97</sup>

Cotati is exploring a shared housing program similar to that offered in Petaluma. Cotati is studying development of a sliding scale for permit processing fees that rewards and incentivizes projects with significant affordable housing units. It is also exploring adoption of local regulations regarding ADUs.

### **City of Healdsburg:** <sup>98</sup>

In July 2017 the City Council established a seven member Community Housing Committee tasked with making recommendations on how to continue to address workforce and affordable housing challenges. The Committee is reviewing a number of the city's housing policies, including the Housing Action Plan, Inclusionary Housing Ordinance, ADU Ordinance, Growth Management Ordinance Policies and Procedures, and alternative funding sources to bring more affordable housing to the community.

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<sup>95</sup> *Building HOMES: A Policy Maker's Toolbox for Ending Homelessness*

<sup>96</sup> Cloverdale's Housing Element & Housing policy and Assistant City Manager/Community Development Director

<sup>97</sup> Cotati's Housing Element and Community Development Director

<sup>98</sup> Healdsburg's Housing Element and Development Director

In addition, Healdsburg is working with Reach for Home and the county to identify a regional approach to homeless services that would include all of the northern Sonoma County service providers, cities and the county to identify a regional solution to the homeless challenges faced in the North County.

**City of Petaluma:**<sup>99</sup>

Petaluma's Housing Element identified fifty-one sites that were vacant or underutilized and could accommodate the development of 4,384 housing units. Of the fifty-one housing sites identified, six sites are in process of development and six sites have already been developed for 725 future housing units and 321 completed housing units.

Petaluma is:

- Gathering data for a nexus study to establish a Housing Impact Fee to generate funding for new affordable housing; and is reviewing their Housing Commercial Linkage Fee ordinance
- Revising Chapter 7.030 of the Implementing Zoning Ordinance, Accessory Dwellings, to conform to recent state legislation aimed at reducing development barriers and expanding potential capacity to building ADUs
- Beginning the process of reviewing proposals on a city-owned property for the development of affordable housing
- Continuing its efforts to encourage developers to include on-site units in their developments and try to identify new revenue sources for affordable housing projects

**City of Rohnert Park:**<sup>100</sup>

The city faces some unique challenges. The growing student population at Sonoma State University (SSU) and the influx of Graton casino employees have increased the demand for affordable housing, and have brought vacancy rates to an all time low. The casino opened in November of 2013 and created approximately 2000 permanent jobs. The casino is currently expanding operations, which will create additional permanent jobs.

Rohnert Park is:

- Working with developers on different affordable housing solutions including: graded building pads complete with utilities ready-to-go for affordable housing and plans for affordable single family homes interspersed throughout project sites
- Working on a procedure to provide expedited review, where possible, for affordable housing developments (such as projects in which all units are affordable to moderate-, low-, very low-, or extremely low-income households)
- Looking into the feasibility of providing financial resources and assisting owners with funding applications and providing ongoing technical assistance and education to affected tenants and the community at-large on the need to preserve at-risk affordable housing units

Rohnert Park has identified projects sites, which are vacant and underutilized, as candidates for potential development, but do not yet have approved development applications. There are four potential sites with capacity for 304 units, which may be developed in the future.

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<sup>99</sup> Petaluma's Housing Element and Housing Administrator

<sup>100</sup> Rohnert Park's Housing Element; Aug. 9, 2016, City Council Agenda Report: Update on Existing and Planned Housing Inventory and Programs; and the City Manager

## City of Santa Rosa:<sup>101</sup>

According to Santa Rosa's Housing Element, the city has enough vacant land to accommodate the development of 13,080 new housing units within the urban growth boundary. An additional 829 units affordable to lower-income households could also be provided on underutilized sites located in Santa Rosa.

On February 23, 2016, the Santa Rosa City Council considered two housing related items: Housing Report 1, focused on program and funding approaches, and Housing Report 2, on proposed development review and processing improvements.

As a result of the reports and public hearings the Santa Rosa City Council directed that staff proceed by:

- Sustaining General Fund support for housing
- Increasing housing impact fees (inclusionary fees), offset by regulatory and financial incentives, to assist for-sale affordable housing
- Conducting a commercial linkage fee nexus study and consider imposing a fee at a level deemed not to inhibit development
- Seeking voter approval of a tax measure providing support for housing programs and homeless services
- Considering short term investments in housing programs and planning services with high potential to stimulate production and economic development
- Considering increased housing funding using an Enhanced Infrastructure Financing District or similar mechanism
- Considering a non-discrimination ordinance for Veterans' Affairs Supportive Housing, HUD, and other voucher users

Santa Rosa is analyzing offering the following additional incentives to developers to include affordable housing in the new developments:

- Exemption from Housing Allocation Plan impact fees on all units
- Waiver or reduction of city's development impact fees on affordable units
- Acquisition of affordability contracts when shown to be cost-effective
- Fast track approval and plan review for exemplary housing projects that meet high development standards
- Higher density allowances than are required by state law

Santa Rosa is considering:

- Revising Single Room Occupancy (SRO) standards to determine if changes, such as eliminating conditional use permit requirement, would facilitate construction
- Adding staff to the planning department to expand the hours of service, reducing the wait period for approval of projects, streamlining the permit process, and enabling fast tracking of affordable housing developments
- Amending hillside development standards to add flexibility, while maintaining the purpose of respecting natural features and terrain

Santa Rosa is looking at disposal of city owned property and including a requirement for provision of at least 15% of units affordable to low income households. It may purchase (or otherwise acquire) private land suitable for housing development and then offer these lands to affordable housing developers or resell the lands and use the proceeds to fund affordable housing programs.

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<sup>101</sup> Santa Rosa's Housing and Community Services website; Santa Rosa City Council meeting agendas and supporting documents; Santa Rosa's Housing Element, Housing Action Plan; and Santa Rosa's Planning & Economic Development Director

Yet another use of public lands might be a mitigation land bank comprised of existing public lands suitable for mitigation purposes for use in association with housing projects. Approximately 73% of all pending or approved housing units, an estimated 2,900, mostly located in northwest and southwest Santa Rosa are not proceeding to development due to the costs of meeting critical habitat mitigation requirements. A mitigation land bank could help move these projects forward.

To find out more about Santa Rosa's efforts to address homeless issues go to <https://srcity.org/2485/Homelessness-Solutions>. The site has an open letter from the Mayor and updates on Santa Rosa's activities on homelessness. You can also subscribe to receive updates on this issue.

### **City of Sebastopol:**<sup>102</sup>

Sebastopol is considering the following:

- Allowing inclusionary requirement to be fulfilled through fee payment, instead of units built
- Reducing fees for specific types of housing, such as multifamily and second units, and developing a fee structure for market-rate housing based on size or valuation
- Making changes to its Subdivision Ordinance in order to reduce land requirements for new housing development including small lot sizes
- Permitting small and tiny housing in single family zoning for seniors and low income residents
- Modifying zoning regarding height limit, parking requirements, and higher density
- Establishing a downtown parking structure that could help alleviate issues around increasing housing density downtown with reduced parking requirements
- Investigating a tiny house/micro-house pilot project or demonstration project, possibly with reduced impact fees
- Investigating the feasibility of creating a City Employee Assistance Program to purchase affordable housing, possibly to include local teachers

Sebastopol is developing design guidelines for higher density housing and encouraging live-work space/design. It is studying ways to streamline and reduce processing time for permits.

### **City of Sonoma:**<sup>103</sup>

Sonoma aims to provide financial assistance to development partners, once new funding sources are secured. The potential release of bond funds (now held by the California Department of Finance) from an issuance by Sonoma's former redevelopment agency would result in \$1.45 million available for affordable housing that has been designated for the Housing Opportunity site located on Broadway.

Sonoma is proactively seeking out new models and approaches in the provision of affordable housing, including junior second units and cottage housing, and is considering prohibiting vacation rental of second units.

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<sup>102</sup> Sebastopol's Housing Element and Director of Housing

<sup>103</sup> Sonoma's Housing Element

## **Town of Windsor:**<sup>104</sup>

Windsor has completed, or is in the process of completing, the following:

- Award of \$1.1 million in inclusionary housing funds for construction of up to 46 lower income units
- An update to the Town's ADU Ordinance to relax ADU development standards such as parking and setback requirements and reduction or elimination of development impact fees on Accessory Dwelling Units and consideration of regulations allowing for "Junior" ADUs
- Comprehensive update of the Inclusionary Housing Ordinance, including consideration of a higher affordability requirement for projects within the Station Area/Downtown Specific Plan planning boundary
- Proactive outreach and assistance to affordable housing developers in locating new projects within the Town of Windsor

## **Schools:** <sup>105</sup>

Many challenges remain to recruiting and retaining high-quality teachers. A key challenge to retention is the cost of living in Sonoma County. The median home cost in the county is now more than \$600,000. The median teacher salary is about \$64,000, making saving for a down payment and meeting monthly mortgage costs nearly impossible. The median salary for beginning teachers is even lower.

In the coming months, the Sonoma County Superintendent of Schools office will be addressing the affordability and availability of housing for teachers through three initiatives.

In the first initiative, the County Superintendent is asking local zoning authorities (city councils) to partner with the Housing Land Trust to dedicate a percentage of each new development into the Land Trust, thus increasing the number of workforce housing units for teachers, police, firefighters and nurses.

The second opportunity is a model established by a Silicon Valley startup called Landed. In this system, investors make an equity contribution to a fund that helps teachers make a standard down payment, thereby minimizing mortgage payments. In return, they get a modest return on their investment in the form of a share of the house's appreciation when the home is sold or refinanced.

The Superintendent is planning to identify four to six local investors who can place \$50,000 to \$100,000 in a portfolio that will be used to help home buying teachers make a down payment. He hopes to help facilitate this investment option through the Sonoma County Office of Education (SCOE) and is seeking a local bank or credit union to help coordinate the effort.

The third initiative is the Teacher Housing Act of 2016, which became law in January. This option allows school districts to establish housing specifically for teachers and other school employees on district-owned property, while still providing federal and state tax credits for affordable housing. It allows public-private partnerships to keep teachers in their communities. To encourage investment, private investors and developers are eligible for the Low-Income Housing Tax Credit, where they previously were not. SCOE has 2½ acres off Dutton Avenue in southwest Santa Rosa that could provide 60 units of housing for educators. The County Superintendent is seeking community-minded investors to partner in converting this land into affordable rental units for local teachers.

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<sup>104</sup> Town of Windsor's Housing Element and Community Development Director

<sup>105</sup> Steve Harrington, Superintendent of Schools

## Recommendations

The towns, cities, and the County would benefit from sharing information and best practices and working together to coordinate the preservation of the existing affordable housing units, and develop additional affordable, safe housing, sufficient to meet the need for housing of local residents, while balancing such need with land use, transportation, the preservation of natural resources, and job development through the following steps:

- Identify surplus land on a master list with coordinated planning for future development
- Approve communities with a wide range of housing unit types intermixed to serve all income levels; and encourage inclusionary housing, which has been shown to benefit low income children and their families
- Adopt additional incentives for developers to provide affordable housing for people experiencing homelessness, seniors, veterans, and people with disabilities
- Assist developers by adopting uniform rules, regulations and ordinances on housing development issues, including inclusionary housing, zoning, density bonuses, Additional Dwelling Units, and infill housing
- Increase density bonuses and height limitations for affordable housing unit developments located near, or adjacent to, public transportation.
- Identify and secure adequate funding sources for affordable housing, including federal, state, local and private partnerships, grants, loans, tax incentives, trusts, tax measures and other means to encourage housing construction and rehabilitation

## How Can I Help?

- Contact your state and local elected representatives to support additional funding for affordable housing.
- Volunteer with an organization that provides services to homeless individuals and families. (See Part III)
- Donate money, food and/or clothing to organizations in Sonoma County that work to reduce homelessness. (See Part III)
- Attend and participate in City Council, Board of Supervisors, or Community Advisory Board meetings on homelessness and/or affordable housing.
- Get involved with local advocacy groups that are working to help reduce homelessness.
- Participate in neighborhood or community clean-ups. Contact your local city or town for details.
- Consider renting out a room in your home and/or participating in the SHARE program for seniors. (See Part III for more information on SHARE.)

## **Glossary of Abbreviations**

ABAG	Association of Bay Area Governments
ADA	Americans with Disabilities Act
ADUs	Accessory Dwelling Units (Also know as Granny Units)
AMI	Annual Area Median Income
CCOC	Cloverdale Community Outreach Committee
CDA	Cloverdale Community Redevelopment Agency
CDBG	Community Development Block Grant
CEQA	California Environmental Quality Act
CHAP	Community Homeless Assistance Program
CHPC	California Housing Partnership Corporation
CHF	California Homebuyers Fund
COTS	Committee on the Shelterless
CSF	County Community Service Fund
DOF	California Department of Finance
ESG	Emergency Solutions Grant
HCD	California Department of Housing and Community Development
HIV	Human Immunodeficiency Virus
HLTSC	Housing Land Trust of Sonoma County
HOME	HOME Investment Partnership
HOST	Homeless Services Outreach Team
HUD	United States Department of Housing and Urban Development
IHO	Inclusionary Housing Ordinance
LAO	Legislative Analyst's Office
PTSD	Post Traumatic Stress Disorder
RC	Resilient City
RHNA	Regional Housing Need Allocation
RHNP	Regional Housing Need Plan
SAHA	Satellite Affordable Housing Associates
SAY	Social Advocates for Youth
SCCDC	Sonoma County Community Development Commission
SCOE	Sonoma County Office of Education
SRO	Single Room Occupancy
SSU	Sonoma State University
TOT	Transient Occupancy Tax
UGB	Urban Growth Boundary
VA	Veterans Administration
WCCS	West County Community Services
YWCA	Young Women's Christian Association