

# Sonoma County Housing Policy Scan

## Commissioned by Generation Housing

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This report summarizes housing policies in all Sonoma County jurisdictions. It offers a high-level overview of what policies jurisdictions have enacted and whether they are in compliance with relevant state housing laws. It is important to remember that not all policies are appropriate in all areas, so if a city has not adopted a particular policy, it is not necessarily a deficiency.

### Background on Research

To understand how cities in Sonoma County are responding to the region's housing challenges, the Baird + Driskell Community Planning conducted a review of housing plans and policies across jurisdictions to identify which tools are being used in which cities. They conducted online research and phone interviews with planning department staff in 10 jurisdictions about their use and the current status of various policies.

The research focuses on 12 key policy areas – for definitions of these, please see Appendix A:

1. Recent adoption of a Downtown Plan, Transit-Oriented Plan, Specific Plan
2. Housing Element (HE) and annual progress reports (APRs)
3. Density bonus
4. Accessory Dwelling Units (ADUs)
5. Inclusionary zoning and impact fees
6. Commercial linkage fees
7. Flexible parking requirements
8. Reduced fees for affordable housing
9. One-to-one replacement of lost units
10. Tenant relocation assistance requirement
11. Rent stabilization
12. Program to streamline housing approvals

### Findings

A number of cities are implementing effective practices to increase housing production. All jurisdictions have up to date housing elements and have completed their annual housing progress reports. Most are in compliance with state accessory dwelling unit law and density bonus law. However, in some areas, including tenant relocation assistance and required replacement of affordable units lost in the context of development, cities have not put policies in places.

The table below provides a scan of the policies that jurisdictions have in place.

- **GREEN entries** indicate a jurisdiction complies with the minimum standards outlined in state law (columns 2,3, 4) or that a jurisdiction has a basic policy in this category (columns 5-11).
- **BLUE entries** indicate a jurisdiction goes beyond state law to further permit or incentivize housing production (columns 2,3, 4), or that a jurisdiction has an especially strong policy in this category (columns 5-11).
- **RED entries** indicate a jurisdiction does not have a policy in this area.

Jurisdiction	1. Recent Plans Adopted	2. Housing Element & APRs	3. Density Bonus	4. ADUs*	5. Inclusionary Zoning & Impact Fees	6. Commercial Impact Fees	7. AH Fee/ Permit Waivers*	8. Flexible Parking reqs*	9. 1-to-1*	10. Tenant Relo	11. Rent Stabilization
<b>Cloverdale</b>	1	Up to date	Up to 40% bonus	Permit JADUs	>5 units, 15% affordable	No	No	In downtown TOD	No	No	No
<b>Cotati</b>	2	Up to date	State program		15% affordable	Yes	No	In Station Area Plans	No	No	No
<b>Healdsburg</b>	1	Up to date	State program	Beyond state program	SF: >5 units, 20% affordable; MF: >10 units, 10% affordable**	No	No	No	No	No	No
<b>Petaluma</b>	1	Up to date	State program	Permit JADUs	>5 units, 15% affordable	Yes	Fees waived	In Specific Plan	No	No	No
<b>Rohnert Park</b>	1	Up to date	State program	Beyond state program	>50 units, 15% affordable	Yes	No	10-25% citywide	No	No	No
<b>Santa Rosa</b>	3	Up to date	Up to 100% bonus	Beyond state program	15% affordable		Fees waived	50-75% citywide		No	No
<b>Sebastopol</b>	1	Up to date	State program	Permit JADUs	>5 units, 15% affordable	Yes	No	citywide	No	No	No
<b>Sonoma City</b>		Up to date	State program		>5 units, 20% affordable	No	No	citywide	No	No	No
<b>Sonoma County</b>		Up to date	Up to 100% by right	Beyond state program	20% (for sale) / 15% (rental) affordable	Yes	No				No
<b>Windsor</b>	1	Up to date	State program	Permit JADUs	>10 units, 10% affordable	No	No	citywide	No	No	No

\* Beyond the requirements outlined in the state Density Bonus and ADU laws. \*\* SF = single-family housing, MF= multifamily housing. Blank = no information available. Limited data is available about program to streamline housing approvals. It is summarized below.

## Notes on Policies

### 1. Recent adoption of a Downtown Plan, Transit-Oriented Plan, Specific Plan

All jurisdictions interviewed have at least one recently adopted specific plan that provides for greater density and, in many cases, eased parking rules in the downtown area. Some of the programs have been quite successful. In 2013, for example, anticipating the planned expansion of Sonoma Marin Area Rail Transit (SMART) service to Downtown Windsor Station, the town of Windsor adopted a Station Area Specific Plan to promote transit-oriented development and housing. Despite the plan's modest footprint of a half-mile radius, zoning and other changes laid out in the plan have generated 387 units of new rental housing since the plan's adoption. However, there is likely room for additional plans. *Encouraging cities to create Specific Plans with CEQA (environmental) analysis is one of the most effective ways to encourage new housing, especially if there is an organized pro-housing advocacy network.*

### 2. Housing Element (HE) and annual progress reports (APRs)

All jurisdictions have certified Housing Element and are up to date on their Annual Progress Reports. *Since cities in Sonoma County are currently compliant with Housing Element law there is not opportunity for improvement. However, when new Housing Elements are being written, starting around 2021, there will be a good opportunity for discussions about how to create more housing.*

### 3. Density bonus

All jurisdictions follow the state's Density Bonus Program, which allows for an increase of 20-35% density and other incentives in exchange for 5-40% of units set aside for very-low, low-, or moderate-income residents or seniors. (The exact percentage is complicated and follows a formula described in state law.) Several jurisdictions go beyond the state program. Santa Rosa has the most generous density bonus law in the county, providing for a full 100% bonus (or 65 percentage points above the state bonus) within the Downtown Station Area Specific Plans and North Santa Rosa Station Area Specific Plan. In Cloverdale, the city may grant developers a 40% bonus (5% above the state bonus) if 50% of the units are affordable to low- and very-low income residents. Sonoma County offers up to 100% bonus and by right approval. *Supporting density bonuses, particularly those that go beyond State minimum, are an effective strategy to encourage more housing.*

#### 4. Accessory Dwelling Units (ADUs)

Nine of 10 jurisdictions are compliant with the new state law easing restrictions on ADUs, and six go beyond state law to permit even smaller accessory units called Junior ADUs. A number of jurisdictions provide fee waivers or other incentives beyond what is required for state law as well. A recent report by the Turner Center for Housing Innovation at UC Berkeley created a statewide index ranking 220 jurisdictions on the permissiveness of their ADU regulations. Four Sonoma jurisdictions provided enough data to researchers to be included in the index. On a scale of 1-5 (1 being highest, 5 being lowest), Healdsburg and Sebastopol received rankings of 1, Rohnert Park received a ranking of 2. Santa Rosa received a ranking of 4, but this might be due to missing data. *Accessory dwelling units are a promising strategy and significant work including policy review/reform, homeowner outreach/education, and exploration of financing options is being funded by the Community Foundation to increase their production in Sonoma County.*

#### 5. Inclusionary zoning and impact fees

Many Sonoma County jurisdictions have Inclusionary Housing ordinances requiring affordable housing production. All jurisdictions for which we have current information have inclusionary zoning laws that require at least 10% affordable units. Most require 15% of units be affordable, with the city and county of Sonoma requiring the highest number of affordable units at 20%. *Most cities have adopted these policies, and there is likely only modest room for increasing the requirements. A feasibility study would indicate if the market is strong enough to bear higher requirements.*

#### 6. Commercial linkage fees

Five of the 10 jurisdictions require impact fees for commercial developments. A sixth, Healdsburg, is currently considering an impact fee for hotels, which are becoming more common in the city. *Commercial linkage fees are most applicable in cities with strong office markets. It may be worth studying the County to see if there are opportunities to raise revenue in this way without adversely impacting new developments. There may be the greatest opportunity for hotel fees. A Countywide study would cost approximately \$30,000-\$60,000 depending on the number of variables analyzed.*

#### 7. Flexible parking requirements

Most jurisdictions in the County offer reductions in minimum parking requirements that go beyond those outlined in state law. Of these, almost all allow shared parking for uses with different peak hours. Cloverdale and Cotati only permit flexibility in parking requirements within their Station Area or Downtown Specific Plan areas. Rohnert Park allows reduced parking in areas with ride-share or other transportation management programs, while Santa Rosa maintains discretion to waive or reduce requirements for high density projects near transit. At least one city indicated that parking standards may be higher than necessary. *A more in-depth analysis of parking would be helpful to see if it is an obstacle in other cities.*

## 8. Reduced fees for affordable housing

Santa Rosa is the only city that reported a policy to waive fees for affordable housing development. Windsor said they have granted a fee deferment at the request of affordable housing developers on two occasions, while Sonoma County has a Fee Deferral program for affordable housing developers. While Sebastopol does not waive or reduce fees, they do streamline affordable housing development by allowing it outright (without Conditional Use Permit) in some zoning areas. *Since cities typically provide funding to affordable developments, it is logical and a best practice in most areas to have a policy that waives fees.*

## 9. One-to-one replacement of lost units

No jurisdictions require replacement of deed-restricted units lost to new development, beyond those listed in the state's Density Bonus law that apply to developments utilizing the program. *Likely, there are not that many older deed restricted units so it is not a major concern and not likely a major source of preserving affordable housing. None the less, it is a best practice in many communities to have such a policy.*

## 10. Tenant relocation assistance requirement

No jurisdictions require landlords to provide assistance to tenants who are forced to leave units, with some exceptions in the case of mobile home park conversions. *Tenant relocation is an important way to provide a cushion for people being displaced. It does not generate new housing, but is a main stream, important policy in many places.*

## 11. Rent stabilization

No jurisdictions have a rent stabilization ordinance in place at this time. In the last couple of years, voters in Santa Rosa failed to pass a rent control ballot measure, while Sebastopol's City Council passed a temporary 3% cap on rent increases that expired at the end of 2018. *Whether to adopt rent stabilization is more a political question than a best practice question. It is the most effective way to protect tenants. However, landlords, many of whom depend on the rental income (and eventual building sale) for their livelihood, are strongly opposed.*

## 12. Program to streamline housing approvals

While we found no programs specifically designed for this purpose (beyond the policies listed in the table), some jurisdictions spoke of administrative practices they have put in place to streamline applications. Santa Rosa, for example, requires pre-application meetings to identify jurisdiction priorities and concerns, reducing the likelihood of delays along the way. Likewise, with projects utilizing the density bonus, Rohnert Park does regular "plan checks" with developers during the development process to ensure projects move forward with minimal delays. Planning staff at both Windsor and Santa Rosa said their staff prioritize plans and applications that contain affordable housing. *Programs that add certainty to the development process have been very successful in getting more housing built in other cities.*

### Other Notable Policies

Below are two additional policies to highlight as potential levers for housing production:

- In an effort to incentivize the development of smaller rental units, Sonoma County recently introduced a “microunit” or Density Unit Equivalent framework that would, for example, allow for three studios apartments to be considered equivalent to a three-bedroom unit under the allowable bulk and density.
- The city of Minneapolis recently made history by eliminating single-family zoning to allow duplexes and triplexes in areas formerly zoned as single-family. According to 2017 ACS data, the percentage of housing stock in Sonoma County jurisdictions that is comprised of single-family detached homes (excluding mobile homes) ranges from 51 in Rohnert Park to 86 in Windsor, with an average of 67% countywide. Enabling the creation of duplexes and triplexes in areas zoned for single-family housing would open new opportunities for much-needed housing at a range of income levels. This housing is often relatively inexpensive to build.

## Appendix A: Policy and Plan Definitions

### 1. Recent adoption of a Downtown Plan, Transit-Oriented Plan, Specific Plan

Local governments can write a plan to encourage new development in select areas. These are often called Neighborhood Plans, Transit-Oriented Plans, Downtown Plans or, more generally, Specific Plans. These plans are a comprehensive way to examine the current rules governing development and consider changes. They often include the necessary environmental analysis for future development, making approvals significantly easier. Specific plans may change density, parking, height, setbacks or other rules. They often also examine public facilities, transportation and other needs.

### 2. Housing Element (HE) and annual progress reports (APRs) up to date

The state of California requires all cities and counties to adopt Housing Elements or housing plans outlining their plans to meet the housing needs of their residents. Most Housing Elements cover an 8-year timeframe. Local governments are required to report annually on progress toward their housing goals – both the number of units slated for construction and at what income levels – in an Annual Progress Report.

### 3. Density bonus

To incentivize affordable housing production, Density Bonus laws allow developers to build more units on a given parcel than existing zoning code would allow. In exchange for this added density, developers agree to make a percentage of the overall units affordable to people with very-low, low, and/or moderate incomes. State law requires cities to offer up to 35% density bonus, but some cities offer additional incentives. Density bonus policies can also be tailored to priority development areas – such as areas near transit, jobs, and other amenities.

### 4. Accessory Dwelling Units (ADUs)

ADUs – also known as second units, in-law units, or granny flats – are housing units that have been added on the same lot as an existing dwelling. They may be attached or detached, above a garage or behind a primary structure. In recent years, both local and state governments have eased restrictions on ADUs in the interest of increasing the availability of housing stock at a range of prices and income levels.

### 5. Inclusionary zoning and impact fees

Inclusionary zoning or inclusionary housing policies aim to promote the creation of new below-market-rate units by either requiring developers to build them directly as part of a new construction or charging fees which are added to a jurisdiction's affordable housing fund. These policies may also allow developers to transfer land to the jurisdiction as an alternative.

## 6. Commercial linkage fees

Similar to the in-lieu fees described above, commercial linkage or impact fees are paid to a jurisdiction as part of new commercial development to offset the housing burden created by the development. They exist in addition to capital facilities fees or park fees or similar fees typically collected by a local government and go into to the city's affordable housing fund.

## 7. Flexible parking requirements

A city's zoning code outlines the number of parking spaces required for a given land-use. In order to increase density, promote mixed uses, and make neighborhoods more walkable, cities often reduce these requirements as part of Area Plans or Specific Plans or under certain conditions in their zoning codes.

## 8. Reduced fees for affordable housing

Some jurisdictions reduce or waive the fees typically collected during the construction permitting and approval process for affordable housing developers.

## 9. One-to-one replacement of lost units

These laws require developers of new construction that includes the demolition of deed-restricted affordable housing units to replace those units in the new construction on a 1-for-1 basis.

## 10. Tenant relocation assistance requirement

These laws require landlords to provide financial assistance to tenants who are displaced from their units due to an action by the landlord – whether a renovation, owner move-in, or other no-fault eviction.

## 11. Program to streamline housing approvals

In order to incentivize and expedite the creation of new units of housing, some cities have special programs that eliminate certain requirements for the development of new housing. For example, reducing the number of hearings, providing environmental pre-clearance, or providing objective design guidelines can all help projects get approved.

## 12. Rent stabilization

Rent stabilization laws set a maximum percentage by which landlords can raise rents in a given year. Due to the state's 1995 Costa-Hawkins law, cities with rent stabilization (of which there were 15 at that time) could only apply their laws to units built before the law was passed. Costa-Hawkins prohibits single-family homes and condominiums from being subject to rent control, as well as allows landlords to raise rents to market rate when tenants vacate their units.