

27 August 2021

Via E-Mail Only

Re: Council Goals & Priorities

Dear Mayor Rogers, Vice Mayor Rogers, Councilmembers, and Mr. City Manager:

As you undertake your goal-setting process, Generation Housing writes to encourage you to continue to make "Housing & Affordable Housing Development" and "Homelessness" top priorities and to give staff direction to be bold in their policy and practice solutions.

The housing deficit is significant, and while the City is making progress in accelerating production, production must ramp up much more significantly to meet the demand for units and reduce housing costs. We encourage you also to recognize that housing, particularly affordable housing, is a thread that runs through most of your priorities:

- + While there must clearly be action to manage the current challenges presented by people experiencing homelessness, the ultimate solution to homelessness is housing;
- + We can **reduce our carbon footprint and make progress on our climate action goals** by developing more energy-efficient multifamily housing, in job and transit rich areas, and by encouraging alternatives to personal automobile use through parking requirement reform;
- + We can **build our economic resilience** by investing in homebuilding a powerful economic engine and job creator, increasing housing stock at all income levels will help keep businesses in and attract business to the area and alleviate the workforce shortages; increasing "Missing Middle" housing and homeownership, a powerful family economic stability and wealth-building tool; reducing the percentage of income our residents are spending on housing will increase discretionary income available to support local businesses and decrease strain on our social safety net; and
- + **Building organizational diversity, equity & inclusion** can be reflected in housing policy and practice decisions that reduce the disproportional impact of our housing scarcity and affordability crisis on our communities of color, people living with disabilities, and other marginalized populations.



Policy & Practice Recommendations

Our housing scarcity and affordability crisis is so severe, that prioritizing and making progress on "Housing & Affordable Housing" requires all the tools in the tool box. Generation Housing's general categories of policy and practice reform are as follows:

1. End Exclusionary Zoning.

Exclusionary zoning laws do exactly that — **they exclude**. They cluster multi-family homes in certain areas, keeping families from moving into neighborhoods with more resources and opportunities for them and their kids. Exclusionary zoning has been primarily responsible for the driving and maintaining of community-damaging ethnic and income segregation.

Creating policy that allows property owners the freedom to build 'Missing Middle' multi-unit "plexes" can increase housing supply in resource-rich areas, create income opportunities for homeowners, increase homeownership opportunities, combat local segregation, and increase diversity in and quality of our local schools.

Relying on the State, through SB9, to end exclusionary zoning is not enough. Even if it passes, an analysis by UC Berkeley's Terner Center for Housing Innovation, shows that this bill, which allows by-right duplexes, will have only a modest impact on development. And that's if the opportunity is seized. A more aggressive rezoning that allows larger projects, from tri- to eight-plexes, which can be more economically rewarding, would more strongly incentivize property owners.

2. Prioritize High-Resource Areas for Affordable, Multi-Family Opportunities.

We need affordable, multi-family homes in all neighborhoods to combat geographical and educational income and ethnic segregation, which are significant in Santa Rosa. Policies that provide expedited review processes and reduce fees can incentivize this valuable development.



3. Build Smart: A Diversity of Homes for All Incomes Near Transit & Jobs with Minimal or Eliminated Parking Requirements.

Climate change is here, and a primary driver of our carbon footprint are vehicle emissions, which can be reduced by building near transit, jobs, and cultural hubs, and reducing parking requirements, both of which incentivize use of public and self-propelled transportation.

4. Reduce Time & Expense of Building.

There is no question that the time and expense of development continues to be a barrier to local development. Possible policies and practices to reduce these burdens include: decreasing or waiving impact fees for favorable projects; donation of surplus land; providing a low-interest loan program for homeowners to develop ADUs or owner-occupied deed-restricted missing middle housing housing; creation of an EIFD; promotion of innovative housing types that reduce cost; and creating pre-approved or prototype plans for missing middle housing types.

Right now, there is an opportunity to pick some low-hanging policy fruit, in **reducing, or eliminating impact fees for permanent supportive housing and deed-restricted affordable housing.** The City's fee schedule currently levies development impact fees on a 'per unit' basis citywide, regardless of square footage, available supportive services, number of bedrooms, or affordability level. For example, a 200 ft² Permanent Supportive Housing unit is hit with the **same** fee amount-per-unit as a brand-new luxury condominium of 2000-3000 ft². Santa Rosa can and should end this regressive policy.

HCD's Prohousing Designation

The California Dept. of Housing and Community Development (HCD) has created a new "Prohousing Designation" program that rewards qualifying local governments with increased access to valuable state grant programs, including the Affordable Housing & Sustainable Communities; Infill Infrastructure Grant (IIG); and Transformative Climate Communities grants.



Certain local policies, practice, and results that are consistent with the Prohousing program principles are assigned point values, and a total of 30 points garner a jurisdiction the "Prohousing Designation." These efforts are arranged by five buckets - Zoning and Land Use, Accelerate Production, Reduce Costs, Financial Subsidies, and Other Enhancements. Each of Generation Housing's priority recommendations fall into these buckets and could help Santa Rosa earn this valuable designation.

Water

Obviously, drought is here, and real, and requires substantial attention and action by all. It's also clear that we are likely in for more drought in the future. But please resist fear-based knee-jerk reactions, or the NIMBYs' argument *du jour* for halting residential development due to drought.

First, county officials have made clear that our water supply and infrastructure can handle increased growth (the combined General Plans show capacity for nearly 52,000 units). Whether this current prediction holds true is of no matter, we simply cannot throw up our hands, and instead need to be solution-minded.

Drought does not reduce the rent burden of our residents, proportionately the highest in the entire Bay Area. It does not alleviate the problem of low wage workers spending hours in a car to support our hospitality and agriculture industries. It does not help the family paying 50 percent of its income on housing who cannot afford medicine, dental care, tutors, or to save for emergencies. It does not help businesses struggling because of workforce shortages. These are problems that cannot be ignored; halting development is not a solution. Drought does not reduce our population, or stop babies from being born.

To build or not to build in the face of drought is a false dichotomy. There must be, and is, a third option: build for, and enact policies that promote, water conservation and environmental sustainability. New and multi-family housing is built to be significantly more sustainable both in water and energy use. And development or no development, it would be prudent to embark on incorporating innovations in water harvesting, recovery, and use management.



Equity

Generation Housing brings a commitment to equity in its work. We applaud this Council for prioritizing "Organizational Diversity, Equity, and Inclusion" in the past, and encourage the Council to double-down on this goal. Increasing DEI in the City as an organization, will increase opportunity for the City to *put equity into practice* through its outward facing policies and practices. This commitment to equity thus does and should be embedded in everything the City does, both internally and externally. To this end, we encourage the City to follow the County's lead in creating an equity department and director-level equity officer, by elevating the city's DEI officer to an Assistant City Manager level with their own department.

Conclusion

We recognize the difficulty of balancing needs and priorities and budgeting time and resources, because housing is intersectional and inextricably linked to our community's health in the broadest sense, addressing this crisis can leverage our investment to advance our goals. We urge you to continue to prioritize housing, and to be bold in your support for solutions.

Respectfully,

Jen Klose

Executive Director, Generation Housing