

North Bay NEXT

Straightforward action steps that our local jurisdictions have the power to take immediately that, **combined**, can have real impact on our housing crisis. With high interest rates and high materials costs here to stay for the foreseeable future, and our housing need only growing, we cannot afford to wait.

Bring Millions to Fund Housing

+ Pass a resolution endorsing the BAHA Bond measure.

The Bay Area Housing Finance Authority (BAHFA) intends to put a \$10-\$20B bond on the 2024 ballot to fund development of necessary housing in the nine county Bay Area. The regional bond will unlock billions of dollars for the construction of up to 45,000 affordable homes serving over 500,000 Bay Area residents over the coming decades. This measure will also raise billions for preservation of existing affordable housing and ensure protection for at-risk tenants.

The Bay Area Housing for All (BAHA) measure is an 80% return to source measure that would bring at least \$403M in total funding for housing in Sonoma County. The remaining 20% BAHFA to fund critical affordable housing and services across all nine Bay Area counties.

This is game-changing money for Sonoma County and we need to do our part to make sure it passes, which means helping to create early momentum through our support.

The money allocated to the counties and cities (in Sonoma County, the County will receive an allocation and the City of Santa Rosa will receive an allocation) will be spent according to expenditure plans developed and approved locally. All bond funds will be subject to independent audits, and audits and required financial reporting must be made available to the public.





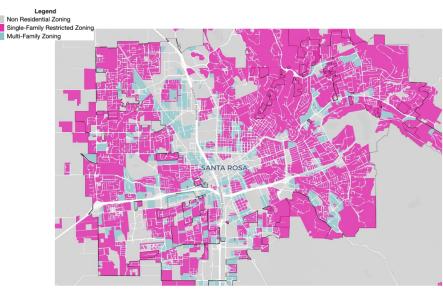
General obligation bonds are funded through ad valorem property taxes and vary depending on the size of the bond. A \$10 billion bond would require a tax of \$10.26 per \$100,000 in assessed value—or about \$100 per year for a million dollar home.

Zone for People

- + Commit to ending Exclusionary Zoning within the year in zones that currently allow only single-family homes:
 - Allow up to 4 plex housing in all single-family zones and up to 6 units within one mile of transit stops
 - Double the area zoned for 7–19 unit Missing Middle small apartment complexes

Nearly five decades of development centered on one primary housing type has narrowed our options on where we live, presenting a one-size-fits-all solution in the form of the single family home. Meanwhile, seniors on a limited budget, families seeking to downsize while they save for a home, or students moving in with roommates are often forced to spend more on bigger homes. We are calling for an end to zoning that excludes multiple housing types and affordability ranges.

A typical single family home is too big and too expensive for many residents. According to the UC Berkeley Terner Center, single-family homes are on average 2.7 times more expensive than units in duplexes or triplexes. "Missing Middle" homes, small plexes with 2-19 units, account for only 12 percent of all homes below 10 units in Sonoma County, are a more attainable housing option to families who



Othering and Belonging Institute at UC Berkeley

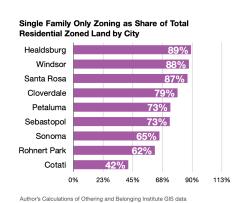




make about 50-110 percent of area median income.

Allowing up to 4 plex housing in all single-family zones and up to 6 units within one mile of transit stop, when paired with FAR, setback, and height standards suited for plex-style housing, has been implemented in Portland, Oregon. Now, nearly half of its yearly permits are for plex-style housing, whereas Sonoma County has only achieved this level of production for smaller ADUs. If we can double the area zoned for 7–19 unit Missing Middle small apartment complexes we will achieve the

land-use flexibility to meet our need for 58,000 homes by 2030.



Ending exclusionary zoning not only works to undo the damage done by previous discriminatory policy and create more fair, more diverse neighborhoods, but it empowers homeowners to maximize their property values and create opportunities for small developers to help chip away at our housing needs.

Fast & Fair

+ Decrease time, add certainty and public transparency by combining Design Review Boards into planning commissions.

More housing is needed now, not in two and one-half years from now. But that is the average time it takes to approve and build in Sonoma County. Top among the factors that add costly time to approval: the segmentation of design review into multiple boards and commissions. Design review boards add time to approval that is not matched by the value added to our housing stock. This adds cost that is passed down to residents. We call on all jurisdictions to adopt a streamlined





discretionary review process modeled on cities like Los Gatos to integrate their Design Review authority into the Planning Department while continuing to foster high quality housing.

Design review boards are a form of discretionary review that doubles the time to approval for multifamily housing, according to a UCLA study. With construction costs rising annually between 9 and 13 percent over the last two years, according to the DGS California Construction Cost Index, Sonoma County's average time of 2.16 years between application and completion for plex-style projects has the potential to add over 20% in costs to gentle density projects.

Consolidating design review boards has no impact on the quality of housing that a city approves. Under the Santa Rosa Resilience City modifications, for example, the city minimized the number of review sessions, reformatted the sequence of the review process, and empowered the Zoning Administrator with final authority to implement Conceptual Design recommendations. This creative foresight contributed to the largest increase in housing production in nearly two decades and demonstrated that our local government's institutional design is not written in stone. Limited review expedited housing without sacrificing quality building. (Projects approved under the auspices of limited review included 420 Mendocino, Stony Point Flats, and most recently 1650 W. Steele Road – all projects that met or exceeded the goals of transit-oriented, multifamily development.) Effective collaboration between Planning Commission staff, Fire, and Engineering departments was the key to ensuring high standards for health and safety were met.

In addition to slowing the process, design review boards introduce personal preference into a policy problem that is best served by objective solutions. Granting a veto on new housing to unelected volunteers based on their personal aesthetic taste is not only inefficient but lacks accountability. Currently, only 15% of currently serving members are non-white, and only 5% are Latino, making these boards unrepresentative of the communities they serve. At a time when counties have moved towards diversifying its class of electeds, these appointed boards remain unrepresentative and place too much authority in the hands of volunteers who are typically more insulated from the effects of the housing shortage.





Cotati, Petaluma, and Healdsburg have already made progress by collapsing DRBs into their planning commissions. This accelerates housing projects while still ensuring transparency and accountability in decision-making.

Incentivize Affordability

Offer 3-year Temporary Fee Relief:

- + Waive all Impact Fees on Affordable Housing projects
- + Immediate adoption of AB 602's assessment of fees by square footage rather than unit total through updated nexus study
- + Adopt a unit equivalency definition for all studios, one bedrooms and other microunits that count them as 0.5 units when assessing fees

Impact fees are how cities recoup costs spent on planning and servicing new housing. But as currently designed, impact fees are calculated for new units regardless of who they serve, how big they are, and whether or not they are intended to be affordable. This approach means that the housing we need most – denser, more affordable housing for our workforce residents – is proportionally charged the most.

The first step to make more affordable housing projects financially feasible is to reverse this fee structure. We call on all jurisdictions to temporarily waive impact fees on all affordable housing projects for a period of three years. Crucially, it supports the development of affordable housing at a time when high interest rates threaten to make upcoming projects financially impossible. The city of Petaluma - recognizing that it was underperforming in its permitting of affordable housing units - voted to waive all impact fees on affordable housing in 2020. Impact fees amount to less than 2% of our cities' revenue. If housing is our top priority, a 2% budget adjustment is a reasonable action in line with that priority.

Dense, workforce housing that is affordable by design deserves a fee rework as well. Our current impact fee system, that charges projects by unit rather than by square footage, is backwards. A single family home pays less in per-unit impact fees than a





multifamily home even if they have the same exact square footage. Studies have found that housing impact fees charged on a per unit basis account for roughly 5% of the cost of building a large home, but 25% of the cost of a studio or one bedroom apartment. Instead, cities should charge impact fees by square footage.

Until cities redo their nexus studies in order to comply with AB 602's standards for size-based fees, they can take other steps. Sonoma County introduced its unit equivalency rules which allowed studios, one bedrooms and other microunits to count as fractions of units when assessing fees, thus incentivizing the development of smaller apartments. Santa Rosa has applied square footage rules to several of its fees and in select areas, incentivizing new forms of development and with minimal impact on its revenues. This is a revenue-neutral solution that affirms our priority for affordable, multifamily housing.

Supporting near-term construction of Affordable and affordable-by-design workforce housing by offering a three-year temporary fee waiver and adopting fees based on square footage is an imperative offset to current economic forces making development financially infeasible.

People & Planet Over Parking!

+ Eliminate parking minimums city wide on all residential developments

We envision a Sonoma County whose climate, amenities, and great downtowns are on full display for residents and visitors alike. But this vision has been threatened by decades of land use policy that put parking first—building cities for cars, not for people. If we want to reverse that







hierarchy we have to start now, by changing the way we build our housing.

Parking minimums on new residential construction are a staple of every municipal code in the county. According to TransForm, at least one parking space is mandated for each new housing unit, and often the mandate rises to 1.5 or 2 spaces per unit. This parking is not free: its cost is hidden in the price of development and bundled into rents and sale prices. A national survey of rental units found that the bundling of garage parking into tenants' overall rental costs increased rents by 17%. Meanwhile in Minneapolis, cuts and eliminations to parking minimums alone drove down rents on new studio apartments from \$1,200 per month to less than \$1,000. Removing minimums doesn't just

bring down the costs of new housing. It also saves projects that would Dot color represents the extent of the elimination of parking minimums. For example, San Francisco (colored in red) eliminated parking minimums citywide.

otherwise never get built at all, thanks to parking mandates that make the project financially infeasible or take up too much physical space on the lot.

Letting developers and their tenants make climate-smart decisions on parking needs by eliminating costly and heavy-handed parking mandates promotes a more sustainable approach to housing without passing on additional costs to residents. While some local merchants will raise concerns on the impact to local business, studies have found the opposite. The San Francisco County Transportation Authority uncovered that travelers who used public transit or walked in downtown centers spend more per month than those who traveled by car. While the amount that transit users and walkers spent at area businesses on each trip was less than the average car driver's spending, the transit users and walkers made more trips per month, which added up to higher spending overall. Cities like Fayetteville, Arkansas have revitalized their downtown businesses by making their city centers more accessible to pedestrians.

Santa Rosa and Healdsburg have already eliminated parking minimums for new residential and commercial construction in the city center. AB 2097, signed into law in 2022, eliminated minimums within half a mile of a transit stop statewide. Cities across the country have eliminated minimums, from Buffalo, NY to Minneapolis, MN to Portland, OR, and closer to home, San Jose, San Francisco, and Berkeley.

