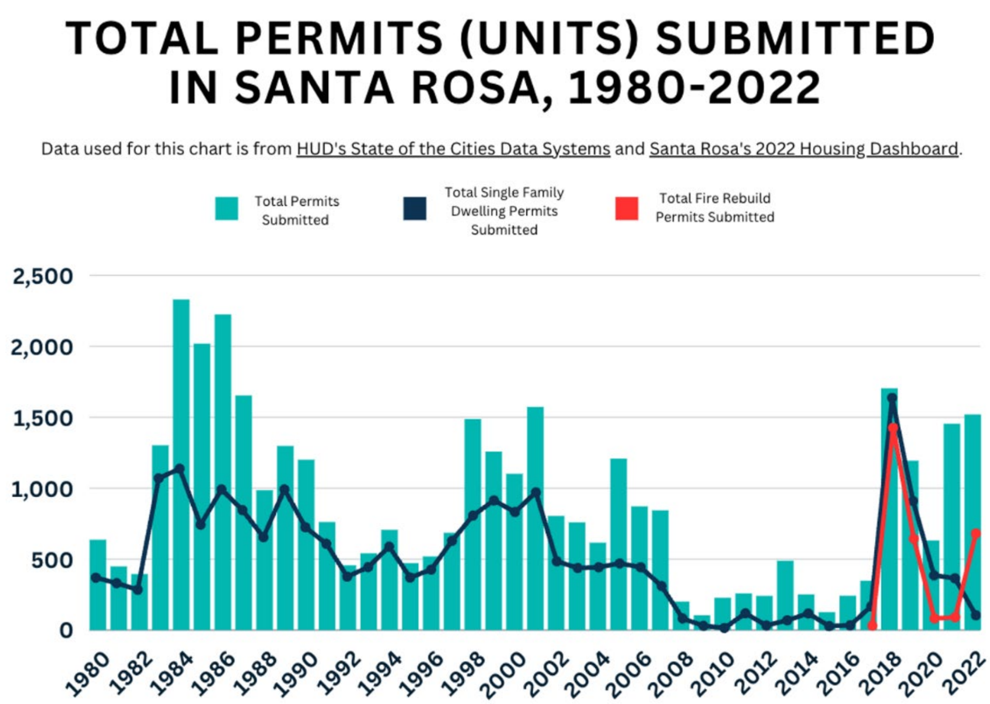
Take a Deeper Dive:

Why is NOW such a critical time? I see lots of new construction! What are we worried about?



We do have lots of new construction, and that's great! But **(1) it's not quite as much as you think!** Our production rates are slightly better than average compared to times prior to the Great Recession. We just forgot what new construction looks like! **(2) Without new efforts, it will be just a temporary boom.** Much of that new construction was the result of one-time funds received as part of state and federal investment in our wildfire recovery efforts, so it's not indicative of a trend. **(3) Economic forces threaten to produce a long slump without action.** While we are not in a defined recession, the combination of materials costs and high interest rates have made home building in Sonoma County financially currently infeasible and new housing project applications have slowed to a trickle and already approved projects are waiting in limbo. If we heed the lessons of the Great Recession, we know that a short halt in construction can stretch longer than intended. Notice in the chart for Santa Rosa permits pulled (permits can serve as proxy for units built) that

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there was very little construction between 2008 and 2018. Remember that the Great Recession was only about 2 ½ years long, with housing prices, jobs, and the stock market all recovering in the following 2 years. We are in an economic boom again about 5 years later! But it took another 5 years for housing production to come back. Why? The homebuilding industry was decimated. Contractors and developers went out of business, or left to places that had not been hit as hard, like Nevada, Arizona, or Texas. A whole industry is not able to start and stop on a dime. Sitting out interest rates will not be a temporary lull.

What the heck is Regional Housing Needs Assessment (RHNA)?

RHNA is the Association of Bay Area Government (ABAG) assessment that produces regional, sub-regional and local targets for the amount and type of homes needed over a seven-year period, based on new growth. RHNA takes into account anticipated housing demand generated by employment growth and population increase, but it is, is not enforceable, which has led to the Bay Area vastly under-producing housing for lower income individuals and families. RHNA also does not take into account prior unmet housing needs, which leads to the Bay Area falling farther and farther into a housing deficit.

You can follow our jurisdictions' progress on Generation Housing's RHNA Dashboard.

Tell me more about the Right Size Impact Fee program:

The Right Size policy is intended to:

- Provide the greatest incentives for the most deeply affordable housing
- Capture those missed by Affordable Housing eligibility standards by incentivizing multifamily affordable-by-design housing for workforce households

- Support the development of a more diverse housing system that meets the needs of all levels of our workforce and the housing needs of individuals and families as they evolve over time
- Facilitate an equitable share of fee contribution from homes that strain infrastructure and contribute most significantly to local greenhouse gas emissions by imposing graduated increases
- Increase revenue streams to offset the investment in this program and provide reliable funding for needed infrastructure, specifically through (1) property tax income from new affordable-by-design multifamily projects that might not otherwise be financially feasible; and (2) fee increases for midsize and large single family homes proportional to square footage (other than fire rebuilds)

The Right Size Policy:

Enact an emergency ordinance to remain in place until the later of three years or a jurisdiction's 6th Cycle Regional Housing Needs Allocation ("RHNA") obligations are met, that establishes an impact fee structure, applicable to all fees under the Mitigation Fee Act, as well as Water and Sewer fees, that:

(1) reduce impact fees for multifamily housing to the following portions of current fees according to unit size: 4›

	600 ft^2 Studio or 1 BR	800 ft^2 or 2 BR	1000 ft^2 or 3BR
Deed Restricted Affordable Housing under 80 AMI	20% (of current fees)	30%	40%
Deed Restricted Affordable Housing 81-120 AMI	30%	40%	50%
Affordable Housing-by-Design[1]	55%	65%	75%

[1] Affordable by Design projects are multifamily units that are smaller, more efficient, or have fewer amenities. The goal is to enable housing that can be brought to market at prices affordable to households earning between 120 percent and 150 percent of Sonoma County.

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2) increase impact fee rates for single family homes (SFHs), other than fire rebuilds, based on the proposed proportions, excluding Enterprise Funds (e.g. sewer and water)

	SFHs of 1000 ft^2 and below	SFHs of 2500 ft^2 and above	SFHs between 1001 ft^2 and 2499 ft^2
Proposed Fee Increase	assessed fees at the current value	assessed fees at the maximum allowable value based on the jurisdiction's most recent nexus study	assessed proportional to size between the current rate and allowed maximum