Key Healdsburg Housing Element Policy Themes & Programs

1. <u>**Meeting 6th Cycle RHNA requirements**</u>

A central issue for the Housing Element Update is assuring adequate housing development capacity. Fortunately, the City has a set of projects that are under construction or in the 'pipeline' that nearly meet the RHNA requirements. Continuing effort will be needed to assure creation of Extremely Low Income (ELI) units.

| **Creating Extremely Low Income (ELI) units** | **Option 1 -** | Increase number of extremely low family income units in pending affordable housing developer projects by increasing City subsidy to these projects |
| | **Option 2 -** | Modify ongoing and future transitional and supportive services projects to include units that qualify as a 'housing unit', e.g., L&M motel project |

2. <u>**Assuring balanced geographic distribution of Affordable Housing Sites and Projects**</u>

Affirmatively Furthering Fair Housing statutes are implemented through all components the Housing Element, i.e., affordable housing sites must not be overly concentrated in 'low-resource' areas, rather, be distributed throughout the community. At the present time the majority of 6th Cycle Affordable Housing Sites (excluding ADUs) in the City are located in areas designated 'High Resource Areas' in the City. A continuing effort will be needed to assure a balanced distribution.

Achieving equitable geographic distribution of housing	**Option 1 -**	Increase affordable housing opportunities in the City's existing developed neighborhoods by allowing, facilitating, and incentivizing construction of ADUs, JADUs, and other 'second units' as required by SB-9
	Option 2 -	Streamline permitting and incentivize 'multiplexes' (duplexes, triplexes, etc.) within some or all single family designated zoning districts
	Option 3 -	As part of incentives for increasing housing in single family areas, offer construction loans with forgiveness provisions offered in return for long-term commitment to rent new units created at price-restricted rate
	Option 4 -	Reduce pre-development and construction costs of ADUs by pre-approving prototypical plans and modular units
	Option 5 -	Continue to improve public facilities, community conditions, and public services in all portions of the City designated 'low resource'
	Option 6 -	Prioritize development of affordable housing opportunity sites located in the City's 'high resource' areas

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3. <u>Going beyond RHNA Requirements</u>

The Housing Element will contain 'Quantitative Objectives' for housing production including the RHNA specified units and also must include objectives for housing preservation and rehabilitation. The Quantified Objectives can also include objectives for homeless facilities, safe parking sites, and middle housing units. The City's *Housing Action Plan* contains these broader objectives that can be updated and incorporated into the Housing Element Update.

Providing Transitional and Supportive Housing	**Option 1 -**	Continue current City efforts to address homeless population needs by expanding transitional and supportive housing within Healdsburg and sustaining related services
	Option 2 -	By statute, the city must now amend its residential zoning districts, to allow 'by-right', supportive housing, and low barrier navigation centers.
	Option 3 -	Expand participation in the Countywide efforts supporting additional homeless facilities in the City and in neighboring communities
Preserving Existing Multifamily Housing	**Option 1 -**	Continued opportunistic investment (purchase and rehabilitation) of existing market rate multifamily rental buildings to be added to City's price-restricted affordable housing stock
	Option 2 -	Create low interest loans and other incentives for multifamily rental housing to rehabilitate and upgrade their properties
Expanding Affordable Housing to include families with incomes up to 150 percent of median income	**Option 1 -**	As a part of future market-rate housing projects involving development agreements require a substantial portion of housing created to be exclusively available to local workforce families on a continuing basis through title or price restrictions (i.e., resales must meet first sale price restrictions).
	Option 2 -	Provide direct subsidies to middle income local workforce families to improve credit worthiness and offset equity requirements (using 'silent second mortgages' equity sharing, or other subsidy instruments)
	Option 3 -	Develop ownership Middle Housing in concert with the Housing Land Trust of Sonoma County (or other similar organizations) specifically targeted at providing home ownership opportunities to moderate and above moderate (up to 150 percent of median income) local workforce families.

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4. Expanding Development Capacity

While there are adequate development sites to meet 6th Cycle RHNA requirements, there will be future Housing Element cycles that will require adequate affordable housing sites and, additionally, there is the need as expressed in the adopted *Housing Action Plan* t preserve and expand housing attainable by the local workforce with moderate and middle incomes up to 150 percent of median family income. All efforts to expand development capacity will require planning, environmental review, and discretionary approval by the City Council.

Amending existing Zoning Districts to increase allowable housing density	**Option 1 -**	Increase allowable density in existing zoning districts that allow multi-family housing from the existing maximum density to 30 units or more per acre, as may be appropriate and adjust height limits to allow such higher density.
	Option 2 -	Pursue selected rezoning of lower density residential or commercial/industrial sites to higher density multifamily or mixed use zoning districts
Pursuing area plans and specific plans that expand housing capacity within existing City boundaries	**Option 1 -**	Update the *Central Healdsburg Area Plan* and related rezoning focused on increasing capacity for multifamily housing
	Option 2 -	Prepare area or specific plan for the *Healdsburg South Entry Area*
	Option 3 -	Prepare area or specific plan for the *North Healdsburg Avenue Area*
Pursuing development of key housing 'opportunity sites' through partnerships with other public or private entities	**Option 1 -**	Evaluate Housing Opportunity Sites (e.g., Foss Creek Community Center site, Healdsburg Hospital site, Station Area site) and seek public agency or private partners to pursue housing development
	Option 2 -	Initiate planning, development entitlement, and partnership agreements on Opportunity Sites as they come available
Assuring that any development capacity increases come with regulatory requirements that provide capacity or units available for lower and middle income families	**Option 1 -**	Review and update the Inclusionary Housing Ordinance, as may be necessary
	Option 2 -	Require setting aside (dedicating) development sites for affordable housing projects within all new area plans and specific plans to achieve an achievable percentage minimum (e.g., 40 percent) of all units for affordable and middle housing
	Option 3 -	Update and provide density bonus provisions above and beyond the current State required density bonus provisions to expand affordable and middle housing units

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5. Affirmatively Furthering Fair Housing

In addition to assuring distribution of sites, State law has been amended to Affirmatively Further Fair Housing. AB-686 (2018) requires increased information, outreach, and support for tenants and tenant organizations regarding violations of State fair housing law. (*note: these policy options are preliminary, awaiting advice of counsel to the Napa Sonoma Housing Collaborative*)

Proactively informing tenants regarding their rights	**Option 1 -**	Disseminate fair housing information through posters, brochures, forms, and landlord/tenant handbooks from the State Department of Fair Employment and Housing and Fair Housing of Sonoma County on City's Website and in public locations. In all instances provide Spanish language translations in all written and audio media
Providing support and legal services to tenants	**Option 1 -**	Seek out and refer fair housing complaints to the State Department of Fair Employment and Housing and Fair Housing of Sonoma County.
Assuring non-discrimination in all housing transactions	**Option 1 -**	Provide nondiscrimination clauses in rental agreements and deed restrictions for housing constructed with City subsidy, as well as mandate the implementation of fair housing practices in contracts with affordable housing developers, in English and Spanish language versions
	Option 2 -	Require bilingual access to all rental applications and agreements in English and Spanish
Providing all fair housing-related information, outreach and services in Spanish	**Option 1 -**	Conduct all outreach and public information efforts for the City's affordable housing programs in Spanish as well as English and publicize the programs through organizations representing the Hispanic community
Offering discounted utility rates to lower income families as may be requested by qualifying rate-payers	**Option 1 -**	Continue program of discounting the electric, water and sewer utility and storm drainage maintenance charges to lower income households and affordable residential projects assuring that all households are aware of the program through annotation of utility bills, in English and Spanish language.

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6.	**Removing or Mitigating Governmental Constraints** In pursuit of other policies or inadvertently, governments impose constraints on housing development. Some, such as administration of State laws such as CEQA or building standards that increase development costs, cannot be addressed locally but others, such as extended and costly entitlement proceedings, limitations on infrastructure or service capacity, high development impact fees and connection charges, or regulations that restrict growth that would otherwise occur must be addressed as part of the Housing Element.

Amending or repealing the City's existing Growth Management Ordinance	**Option 1 -** Pursue a ballot initiative that reduces Growth Management Ordinance limitations on housing production, as example: 1) exempting market rate projects that provide an achievable percentage of their units as price restricted middle housing units; 2) exempt market rate multifamily rental housing units from annual unit permit restrictions, 3) increasing the number of annual housing permits allowed
	Option 2 - Pursue a ballot initiative that would repeal the existing Growth Management Ordinance as it is presently configured
	Option 3 - Using provisions of SB-10, exempt selected geographic areas (e.g. area or specific plan areas) from the GMO annual permit restrictions
Amending the City's Development Code to remove or mitigate regulatory constraints	**Option 1 -** Update the City's Density Bonus Ordinance to be consistent with State law and to include bonus provisions above and beyond those minimally required by the State law
	Option 2 - Selectively amend Zoning Ordinance to increase housing unit densities, by right, to 30 units or more per acre in all zones allowing multifamily housing devel
	Option 3 - Create a multifamily housing 'overlay district' that selectively (area-by-area) allows increased multifamily housing density
	Option 4 - Maximize 'by-right' provisions in the Zoning Ordinance, reduce the number of uses requiring 'conditional use permits', and minimize discretion in design review through use of 'objective design standards'

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6. Removing or Mitigating Governmental Constraints, continued

Completing improvements to infrastructure and extension of municipal services needed to support new housing development	**Option 1 -** Continued reliance on impact fees, project-specific exactions, and development agreement terms to create needed infrastructure while keeping aggregate fee burdens within acceptable limits. **Option 2 -** Use land secured financing districts (special property taxes) to leverage private infrastructure investment resulting in housing production **Option 3 -** Create additional Citywide sources of funding to support infrastructure expansion including use of utility rate-based revenue bonds, general obligation bonds, grants from federal and State programs, and considering forming a City Charter to provide more flexibility in public financing (e.g., use of real estate transfer taxes) **Option 4 -** Vigorously expand water conservation and capacity measures and investments to sustain supply for existing rate payers and provide capacity for new housing development
Reducing the costs of development impact fees and other pre-development costs and entitlement time delays	**Option 1 -** Adopt additional strategies to 'streamline' and reduce time required to grant development entitlements for housing projects **Option 2 -** As required by AB-602, update all development impact fee ordinances to create 'graduated' fees based on housing unit size and other statutory provisions **Option 3 -** Conduct review of aggregate development impact fee and utility connection charges and amend or discount fees to keep their 'aggregate burden' within an affordable range (i.e., not exceeding 15 percent of development costs) **Option 4 -** Make public financing options available to all developers in the City that allow payment of fees and exaction with special tax bonds issued by the City or through the Statewide Community Infrastructure Program (SCIP) **Option 5 -** Maximize the use of 'Program Environmental Impact Reports' to minimize and streamline environmental review needed at the project level

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7. **Removing or Mitigating Non-Governmental Constraints**

As is the case with other desirable 'destination-oriented' (i.e., resort) communities, visitors attracted by the City's charm, small size, profusion of wine-oriented businesses and other recreational amenities create demand for second homes and vacation rentals that reduces affordability to local working families who are 'priced-out'. Wildfire risks also pose a constraint on preserving and creating additional housing.

Subsidizing the cost of sites available for affordable and middle income housing	**Option 1 -**	In addition to existing inclusionary housing ordinance requirements create additional workforce housing sites through public acquisition, partnering with other public agencies, and dedication requirements within new area or specific plans or large development approvals involving development agreements.
	Option 2 -	Expand City (or new non-profit community development corporation) acquisition of 'housing opportunity sites' to achieve future RHNA (affordable housing) requirements and to expand rental and ownership housing opportunities for the City's working families.
Regulating and mitigating the impacts of second home and vacation rental units	**Option 1 -**	Establish and vigorously enforce restrictions on vacation rentals (VRBO) in the City
	Option 2 -	Ban (through amendment to the Zoning Ordinance) conversion of the City's housing stock to visitor-service uses including "interval" or "shared" ownership business models.
	Option 3 -	Set aside a portion of housing portion of TOT and create new funding sources to be used to mitigate the loss of housing stock to vacation or second unit home use; i.e., support for middle-income families
	Option 4 -	Adopt a new community services special property tax that exempts owner- and long term renter-occupied units. Funding derived from such a vacant unit tax could be used to mitigate the impacts of loss of resident-occupied housing including provided needed subsidies to build and sustain 'missing-middle' priced housing units.
Reducing the City's risk of wildfires given its proximity to areas of Extreme Wildfire Hazard	**Option 1 -**	Require and provide financial incentives for fire safe building 'hardening' retrofitting
	Option 2 -	Working with neighborhood associations and Fire Safe and COPE organizations to develop area-specific wildfire response plans
	Option 3 -	Reduce wildfire hazards on lands surrounding the City, particularly on the eastern edge through cooperation with landowners, the Northern Sonoma County Fire Protection District, Cal Fire, and other entities to reduce fuel and create fire resistant 'buffer zones'.