City of Healdsburg Housing Element Update 2023-2031

*Public Review Draft*
September 2022

Housing Element

> Please note this is a **Public Review Draft**. This version does not yet reflect the final formatting, including final images and other graphics, that will be incorporated in the version to be submitted to HCD. Please submit any comments related to the content of the Public Review Draft Housing Element to Housing Director, Stephen Sotomayor at ssotomayor@healdsburg.gov. In addition, The Planning Commission will hold a public workshop on Tuesday, October 11, 2022, at 6 P.M. to review the Draft Cycle 6 (2023-2031) Housing Element Update and provide an opportunity for public comments.

This chapter of the Healdsburg General Plan presents goals, policies, programs, and supporting information related to the provision of housing for existing and future residents of the City.

State Planning Law (Government Code Section 65580 et seq., as amended) requires that the Housing Element be updated and certified by the State Department of Housing and Community Development (HCD) every eight years.

The existing Housing Element was adopted in 2015 and will expire in 2023; this Housing Element Update, referred to as the '6th Cycle Housing Element Update' will be in effect from 2023 through 2031.

The Housing Element of the General Plan is a detailed statement of the housing goals, policies, programs, and quantified objectives for the City.
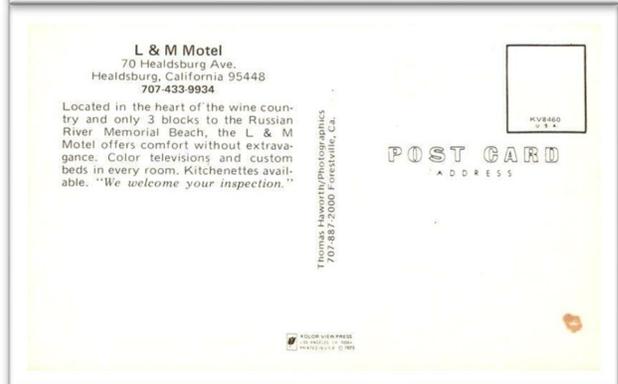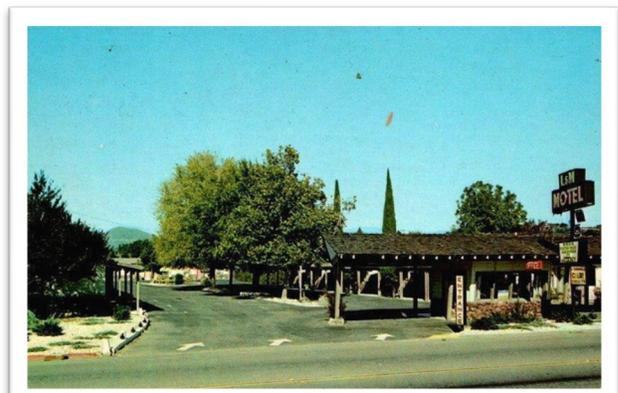
With State funding, the City of Healdsburg acquired the L&M Motel. The L&M Village, which is a partnership between the City of Healdsburg and Reach for Home, will create 22 units for the chronically homeless.

1. Introduction and Summary

The Housing Element of the General Plan is a detailed statement of the housing goals, policies, programs, and quantified objectives for the City. The Element is based on a comprehensive technical assessment of existing housing policies and programs; current and projected housing needs, especially related to low-income households and special needs populations; an analysis of market, environmental, governmental, and other factors that constrain housing production; an assessment of fair housing; an inventory of sites available for housing development; and programs and policies that are intended to enhance housing production and improve access to housing.

The purpose of the Housing Element is to guide decision-making by elected and appointed officials. Specifically, the Housing Element sets forth how the City will address the need for housing, especially by low- and moderate-income families, and special needs families and individuals. The Housing Element also provides housing-related data and information to the public. This element contains:

- An assessment of housing needs in the City;

- An inventory of resources available to the City to meet these needs;

- The identification of constraints upon the maintenance, improvement, and development of housing for all income levels;

- A statement of the community's goals, quantified objectives, and policies related to the maintenance, improvement, and development of housing; and

- An eight-year schedule of actions the City is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element.

Housing Elements not only establish housing production goals and provide a framework for evaluating programs and policies, but much of the State's funding to build affordable housing is conditioned on a jurisdiction having a Housing Element that is certified by the State. Therefore, this document is a mandated necessity in addressing the critical housing shortage in California.

Housing Element Organization

The Housing Element is organized into four main sections

- **Section 1** presents a profile of the Healdsburg community, introduces the overall Housing Element update effort, and provides a summary of housing needs and constraints, and a summary of the Fair Housing Assessment.

- **Section 2** sets forth the City's Housing Strategy, which is comprised of the Goals, Policies, and Programs that it intends to implement over the next 8-year planning cycle. The City's Quantified Objectives are also included in this section.

- **Section 3** describes the City's plan to address its 6th Cycle RHNA.

- **The Technical Background Report** is the fourth section and provides statutorily required data including an assessment of housing needs and programs, an analysis of non-governmental, governmental, and environmental constraints to affordable housing provision, a discussion of special needs populations, and an assessment of fair housing.

Given the detail and lengthy analysis in developing the Housing Element, the Technical Background Report also contains the following appendices:

- **Appendix A.** Community Engagement and Input

- **Appendix B.** Community Survey Results

- **Appendix C.** ABAG Housing Needs Data Packet

- **Appendix D.** Review of 2014 Housing Element and Summary of 5th Cycle Accomplishments

- **Appendix E.** Summary of State Legislation

Community Profile

The land now occupied by Healdsburg was once the center of the thriving indigenous Pomo culture that endured for thousands of years in peace and harmony with the bountiful, natural world. The Spanish Mission and Rancho period that followed during the 19th Century brought devastation to the Pomo culture following its defeat in war by the forces of General Mariano Guadalupe Vallejo. Rancho Sotoyome, encompassing nearly 50,000 acres of Alexander Valley and the Healdsburg area was granted to Don Enrique Domingo Fitch (Henry Delano Fitch) in 1841 by the Mexican government, introducing pastoral agriculture (cattle grazing, etc.) to the area. In 1856, Fitch's widow Josefa Carrillo de Fitch, auctioned part of the Rancho to pay property taxes imposed by the new Anglo County government. Harmon Heald, an Ohio businessman who had been squatting on Rancho Sotoyome since 1850, purchased 100 acres. Heald's small town of Healdsburg was incorporated as a California city in 1867.

Over the following decades, Healdsburg became the hub and commercial service center for a thriving agricultural economy that also included timber and mineral extraction (sand and gravel and geothermal resources) all accessing markets with the Northwestern Pacific Railroad Line that linked San Francisco Bay to Humboldt Bay (Eureka), assembled by the Southern Pacific Railway Company mainly to transport timber. Over the years agriculture production followed market trends and demands but centered on fruits including pears and prunes and grapes that thrived in the warm climate and rich alluvial soils of the Alexander and Dry Creek Valleys. Growth of the Bay Area in the post-World War II period led to urban expansion and growth in Sonoma County, including Healdsburg. By the 1970's concerns about urban growth led to adoption of General Plans by the County and cities that established urban boundaries and protected surrounding agricultural lands. Simultaneously, the wine industry was in the beginning stages of what would be rapid growth in

Sonoma and neighboring Napa County. Soon, the prunes and pears and other crops were being supplanted by wine grapes and the creation of numerous estate wineries.

> *During the past 40 years the City of Healdsburg has transformed from a small town serving the surrounding northern Sonoma County agriculture and other resource-based industries into a vibrant community and center of the County's wine industry, as well as an attraction for destination-based tourism.*

During the past 40 years the City of Healdsburg has transformed from a small town serving the surrounding northern Sonoma County agriculture and other resource-based industries into a vibrant community and center of the County's wine industry, as well as an attraction for destination-based tourism. The growth of the County's wine industry, the City's charming downtown area surrounding a central plaza where award-winning restaurants, destination-oriented retail, and wine tasting shops now dominate retail space, and its pleasant surrounding residential neighborhoods, protected by planning policies and ballot-based growth restrictions, have all contributed to this transformation.

By economic, fiscal, and quality of life measures, the City of Healdsburg has been highly successful -- the vibrant and expanded retail uses, restaurants and lodging have created a stable and growing tax base for the City which supports high levels of municipal services to its residents. Increasing home values have led to substantial re-investment and improvement of the existing housing stock, new development including higher density housing and lodging, and revitalization of existing commercial buildings.

However, this success has created a housing market that has become unaffordable to long-term residents, families with young children, including the City's teachers, first responders, and agricultural and visitor-serving business workers who are increasingly displaced by increasing land prices driven by a supply constrained market. With a continuing decrease in working families and full-time residents, a variety of community demographic effects have set in including an overall aging of the population, a reduction in school-age population and attendance in local public schools, and a decrease in the percentage of Hispanic households, who have over the recent decades become the foundation of the local workforce serving agriculture, construction, retail, and lodging industries and still comprise over 30 percent of the City's population. Along with the reduction of working families able to afford living in Healdsburg comes a reduction of volunteers and support for community-based organizations and activities, and fewer young professional households, and fewer new (non-tourist oriented) employers in the town for lack of affordable housing for their workers.

During the 5th Cycle, the City's residents, the City Council, and City staff began responding to these challenges by expanding their efforts and financial support to increase the supply of housing of all types, including price-restricted affordable housing, moderate-income housing, housing affordable to middle-income families including young families, business owners, and local professionals, and homeless transitional housing. In this way, the City is trying to strike a balance between visitors and local residents and preserving Healdsburg's small town community character and community values.

As the result of these prior or ongoing efforts, the City performed well from a housing perspective during the 5th Cycle that began in 2015. A full review of 5th Cycle Programs, including lessons learned and connections and implications for the 6th Cycle are detailed in **Appendix D**. In summary major 5th Cycle achievements include the following:

1) constructed nearly all the affordable housing units specified in the Regional Housing Needs Allocation (RHNA);

2) set the stage (with the approval of a range of housing development projects) for meeting the RHNA requirements of the 6th Cycle setting construction in motion, not just siting;

3) developed and adopted a Housing Action Plan (HAP) that expanded upon and implemented Housing Element programs; and

4) implemented key Housing Element and HAP programs, as documented in this Update.

However, key challenges persist and must be faced in the coming years:

1) median housing prices continue to increase and are now well beyond the financial ability of most working families;

2) the Growth Management Ordinance, despite amendment, continues to restrain market rate rental or ownership housing construction;

3) the limited amount of land or development capacity restrains market-rate or affordable housing that may otherwise occur;

4) the existing housing supply continues to shift to use as second homes; and

5) high rents and associated loss of community-serving retail uses being displaced by visitor-oriented businesses are altering the community character.

The 6th Cycle 2023-2031 Housing Element Update is intended to meet these challenges in the context of the expanded and rigorous requirements of State Housing Law by going beyond statutory requirements in a variety of ways, particularly to further expand development capacity through intensification and infill development, promoting and requiring development of innovative housing types that meet local housing needs in a cost-effective manner, and expanding housing opportunities for all income groups including the 'missing middle' worker households earning moderate and above moderate family income.

The City is proud of the community's commitment to address these challenges, and with expanded staffing and additional resources, City staff is committed to fulfilling its responsibilities towards RHNA, and, more importantly, meeting the needs of the Healdsburg community.

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State Law and Local Planning

Consistency with State Law

State law establishes detailed requirements for Housing Elements, which are summarized in California Government Code Section 65583 and requires that all local governments adequately plan to meet the housing needs of everyone in the community. The Housing Element contains:

- An assessment of housing needs in the City;

- The identification of constraints upon the maintenance, improvement, and development of housing for all income groups;

- An inventory of sites and development capacity available to the City to meet the housing needs for all income groups sufficient to meet housing needs as required by the Regional Housing Needs Allocation;

- A statement of the community's goals and policies related to the maintenance, improvement, access to, and development of housing;

- A statement for how the City will affirmatively further fair housing for all its residents

- A set of quantified objectives for meeting the Regional Housing Needs Allocation and other needs and specification; and

- An eight-year schedule of programs the City will undertake to implement the policies and achieve the goals and objectives of the Housing Element.

Coordination with the City's Public Works Department and Electric, Water, and Wastewater Department occurred as the Housing Element was prepared. The Departments are aware of their statutory obligation to reserve capacity for affordable units and have confirmed that adequate capacity of these utilities presently exists, and, moreover, various improvements are underway to further expand capacity and conserve water supply.

New Statutory Requirements

During the past decade, multiple statewide bills have been passed by the State Legislature and signed into law by the Governor (see **Appendix E**). This body of legislation reflects heightened concerns at the State level regarding a persistent housing shortage in the State, estimated to be at least 3 million housing units. The lack of affordable housing options has taken a toll on the State's ability to house the working families and the labor force needed to sustain and drive its industries. More importantly, the inability to access homeownership has shortened the economic runway for generational wealth-building for those from marginalized communities and those who identify as ethnic minorities. There have been numerous bills introduced and passed by the State, but at the center of all these initiatives, there is one consistent factor: we need to build housing.

This plan not only incorporates the required State laws but more importantly, it reflects how those laws can be adapted to advance the needs of a community that aspires to address not only the State requirements, but to implement a plan that meets the needs of the Healdsburg community.

General Plan Consistency

State law requires that all cities and counties in the State adopt a General Plan to guide urban and rural development, conservation, infrastructure policy, and related regulations. A General Plan is comprehensive (integrating the various elements), long range (20 years or longer), and policy oriented (excludes specific regulations, etc.). The Healdsburg General Plan contains State mandated elements relating to Land Use, Circulation, Housing, Noise, Conservation and Open Space, and Safety. The Housing Element is the only element that must be certified by the State. The California Government Code Section 65300.5 requires internal consistency among the various elements of the General Plan. The 6th Cycle Housing Element, following certification by the State, will be incorporated into the Healdsburg 2030 General Plan. At which time the City's General Plan is updated, the City must ensure continuing consistency between the updated Housing Element and the new General Plan.

Definition and Purpose

The purpose of the Housing Element of the General Plan is threefold:

1) to assure that adequate development sites and development capacity is available for housing across the range of household income groups as established by the Association of Bay Area Governments through the Regional Housing Needs Allocation (RHNA) process;
2) to present related specified background information, inform and engage the public during preparation and during the term of the Housing Element; and
3) to establish policies and programs that remove identified constraints, affirmatively further fair housing, and support housing development meeting the needs of all household income groups.

The Housing Element presents a detailed statement of the housing goals, policies, programs, and quantified objectives for the City. The Element is based on a comprehensive technical assessment of prior existing housing policies and programs; current and projected housing needs, especially related to low-income households and special needs populations; an analysis of market, environmental, governmental, and other factors which constrain housing production; an assessment of ways that the City can affirmatively further fair housing for its residents; an inventory of sites available for housing construction; and an assessment of new programs and policies that can enhance housing production in the City. The Housing Element guides housing-related decision-making by elected and appointed officials. Specifically, the Housing Element sets forth how the City will address the need for housing, especially by low- and moderate-income families, and special needs families and individuals. The Housing Element also provides housing-related background data and information to the public.

Definitions of Terms

Throughout the Housing Element, a variety of technical terms related to income levels are used in describing and quantifying conditions and objectives. The definitions of these terms follow:

- **Above Moderate-Income Households** – Households earning over 120 percent of the County Area Median Income (AMI), adjusted for household size.

- **Affordable Housing** – Housing which costs no more than 30 percent of a moderate-, low-, very low-, or extremely low-income household's gross monthly income. For affordable rental units, monthly rent is capped at 30 percent of the relevant Area Median Income, divided by 12, with any tenant-paid utilities deducted. For homeownership units, maximum sales price is calculated assuming no more than 30 percent of the relevant AMI household's monthly income shall be spent on the monthly housing payment, which includes mortgage payments, taxes, insurance, and homeowners' dues.

- **Area Median Income (AMI)** – The income figure representing the middle point of County household incomes, adjusted for household size. Fifty percent of households earn more than or equal to this figure and 50 percent earn less than or equal to this figure. For the year 2022, the AMI for a four-person household in County of Sonoma was $112,800.

- **Extremely Low-Income Households (ELI)** – Households earning not more than 30 percent of the AMI, adjusted for household size.

- **Federal Poverty Threshold** – Issued by the Census Bureau and varies by family size, number of children, elderly. There is no geographic variation. For 2021, the poverty threshold for a single person under age 65 was $14,097, for a three-family unit with two children, it was $21,831. (Note: this differs from the Federal Poverty *Guidelines* issued by Health & Human Services).

- **Low-Income Households** – Households earning between 51 and 80 percent of the AMI, adjusted for household size.

- **Lower-Income Households** – Households earning up to 80 percent of the AMI, adjusted for household size, including Extremely Low-income, Very Low-income, and Low-income households.

- **Missing-Middle Housing** – A range of house-scale buildings with multiple units compatible in scale and form with detached single-family homes. (Source: MissingMiddleHousing.com).

- **Middle-Income Households** – Households earning between 120 and 160 percent of the AMI, adjusted for household size.

- **Moderate-Income Households** – Households earning 81 to 120 percent of the AMI, adjusted for household size.

- **Multiplexes** or **Plexes** – A single structure that contains more than one dwelling unit. The units share common walls, and each typically has an outside entrance. Examples include duplex, triplex, quadruplex, etc.

- **Very Low-Income Households (VLI)** – Households earning between 31 and 50 percent of the AMI, adjusted for household size.

Data Sources

The 2023 Housing Element Update makes full use of the pre-certified data package provided by the Association of Bay Area Governments (ABAG), which is contained in its entirety as an appendix to the Technical Background Report. In addition to the ABAG dataset, the following sources of data were used to help identify historic patterns of segregation, assess constraints to housing and the market conditions in Healdsburg; and to better identify specific housing needs:

- U.S. Census Bureau, Decennial Census; 2010, 2019, 2020

- U.S. Census Bureau, American Community Survey 5-Year Data, 2015-2019

- U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files (Jobs); Residence Area Characteristics (RAC) files (Employed Residents), 2010-2018

- U.S. Department of Agriculture, Census of Farmworkers; 2002, 2007, 2012, 2017

- U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW), 2020 first-quarter industry employment

- U.S. Department of Housing and Urban Development (HUD), Consolidated Housing Affordability Strategy (CHAS), 2013-2017 release

- U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

- U.S. Department of Housing and Urban Development, Section 202/811 Supportive Housing Programs, 2010 Program Fact Sheet

- U.S. Department of Education, National Center for Education Statistics, 2020

- U.S. House of Representatives, US Code Low-Income Housing Preservation and Resident Homeownership, accessed January 1, 2022

- U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019)

- California Tax Credit Allocation Committee, Opportunity Area Index, 2020, 2021

- California Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2022

- California Employment Development Department, Local Area Unemployment Statistics (LAUS), Sub-county areas monthly updates, 2010-2021.

- County of Sonoma, Grand Jury Report, June 2022

- City of Healdsburg, Annual Progress Reports, 2015-2021

- UC Berkeley, Urban Displacement Project

- Redfin Housing Market Trends, May 2022

- Zumper Rental Data, June 2022

- Burbank Housing, 2022

Population Characteristics and Trends

This section explores the characteristics and the housing needs of Healdsburg residents and helps to provide direction in updating the goals, policies, and programs found within this Housing Element. A full analysis of housing needs and demographics is contained in the Technical Background Report, and the ABAG Housing Needs Data Packet is included as **Appendix C**.

Healdsburg's population increased 27 percent, from 9,469 to 12,089 between 1990 and 2020, as shown in **Figure 1**. During the same time period, Sonoma County's population grew 27 percent and the Bay Area's population grew 29 percent. Healdsburg's population increased the most between 1995 and 2005, followed by periodic annual decreases and a slight increase over time. Overall, Healdsburg's population in 2020 was only 4 percent higher than its population in 2005.

**Figure 1   Healdsburg, County, & Regional Population Over Time, 2000-2020**
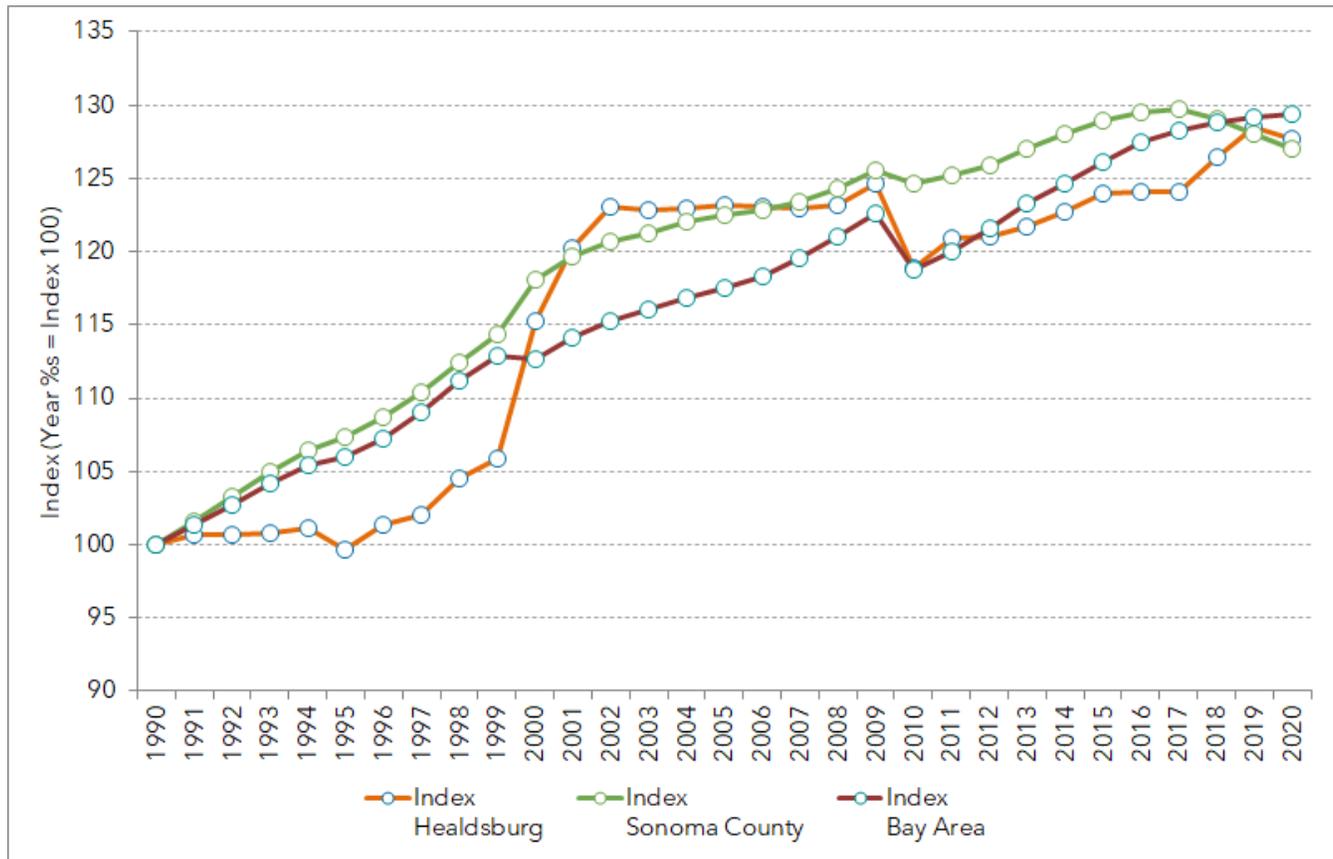
Source: California Department of Finance, E-5 series, 2020[1]

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[1] *Note: DOF uses the decennial census to benchmark subsequent population estimates. Due to this, breaks may appear in this data between estimated data (1999, 2009) and data from the Census count (2000, 2010).*

Housing production trends over a wider timeframe indicate that production has substantially slowed as shown in **Figure 2** below, leading to a modest population increase in the 21st century to date.

Figure 2   Housing Units by Year Structure Built
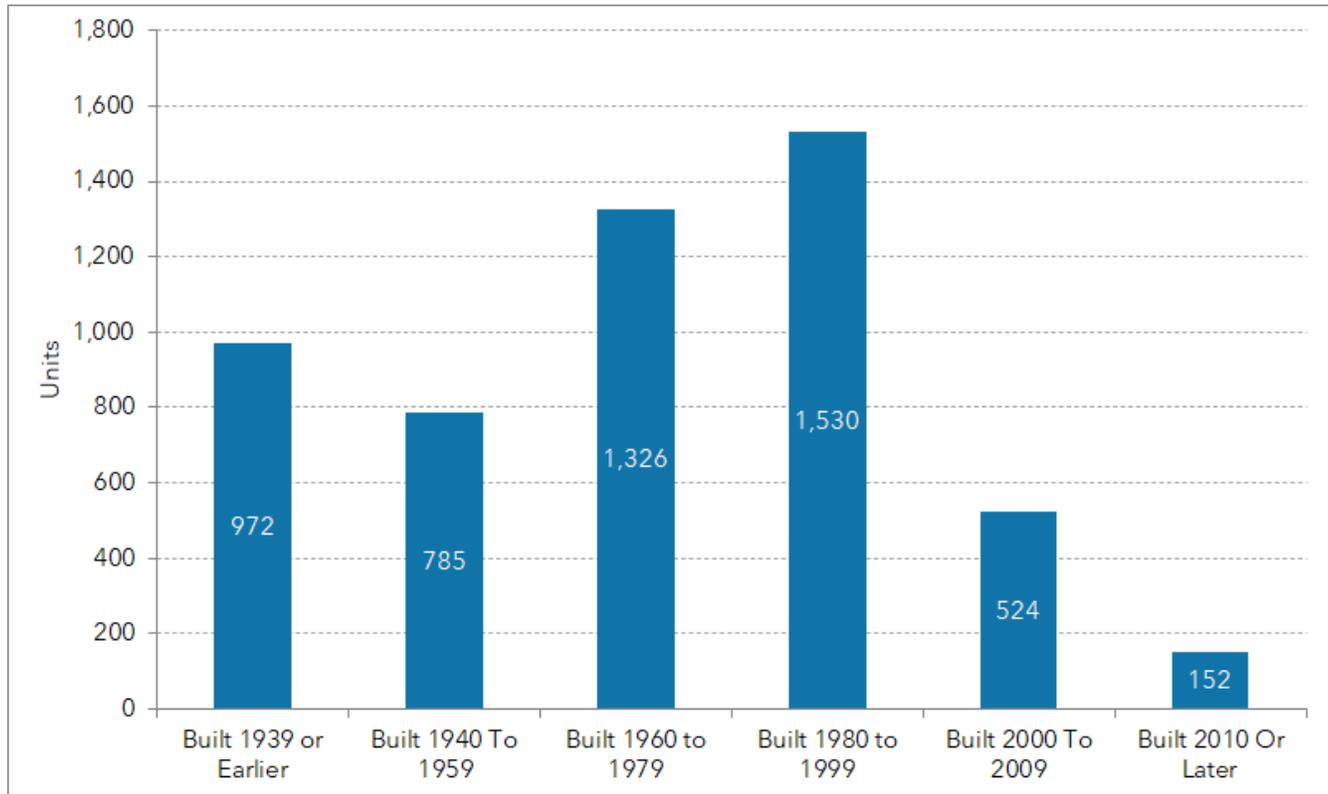
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25034

Community Involvement

Housing issues affect the entire community and are best understood in a community-driven dialogue. The public participation requirement of Housing Element law presents an opportunity to engage constituents in defining housing issues, and in creating solutions that both meet the needs of the community and the requirements of state law.

The 6th Cycle Housing Element Update has been undertaken during the COVID-19 global pandemic. Community engagement had to be adjusted to allow and encourage meaningful public participation and input without requiring community members to meet or gather in-person. Staff and consultants made use of multiple in-person and digital platforms to facilitate public input throughout the update process and carefully considered community input in the development of the Housing Element.

The community engagement process was steered by the Housing Element Working Group (HEWG), a diverse group of community stakeholders convened to guide priorities throughout the preparation

process. The motivation and success of the group organically led to the group building a roadmap for follow-up work in the 6th Housing Element implementation era (2023-2031), as the City's growing housing efforts formalized into a Housing Department.

The greater community was outreached extensively with City correspondence, mailers, door-to-door canvassing, and digital media resources distributed by the City and HEWG. Through this outreach, City staff provided updates to more than 500 contacts signed up to receive emails and received over 500 community survey responses (see **Appendix B**). Commenters emphasized housing affordability and availability as key priorities, particularly for young families and local workers. In addition to surveys, community members participated in a dozen public workshops on the Housing Element Update. Opportunities for public participation were provided throughout the Housing Element process as outlined below:

- January 2022:

  - City Council kick-off (1/3/22), presented by the consultant team and the subregional Napa Sonoma Collaborative
  - Community survey launched, receiving 500 individual responses
  - HEWG Workshop #1 (1/19/22) with project overview
  - HEWG Workshop #2 (1/31/22) on public outreach and housing site analysis

- February 2022:

  - 750 homes canvassed with a door-to-door bilingual flyer promoting the community survey, prioritizing neighborhoods with higher proportions of renters in areas designated Low Resource on TCAC/HCD Opportunity Maps
  - Bilingual mailer sent to all City utility customers to promote community survey
  - HEWG Workshop #3 (2/28/22) on public outreach, housing site analysis, and programs/policies

- March 2022: HEWG Workshop #4 (3/14/22) on housing site analysis and programs/policies

- April 2022:

  - HEWG Workshop #5 (4/11/22) on housing site analysis, public outreach, programs/policies, and scope of future work during the Housing Element implementation phase
  - Housing development stakeholder engagement with survey tailored to inform analysis of governmental and non-governmental constraints

- June 2022: Planning Commission Workshop (6/6/22) on Draft Housing Strategy

- July 2022: HEWG Workshop #6 (7/11/22) on revised Draft Housing Strategy, quantified objectives, and scope of future work during Housing Element implementation phase

- August 2022: HEWG Workshop #7 (8/8/22) on fair housing contributing factors and quantified objectives

- September 2022: Launch of Public Draft Housing Element, distributed to residents and community stakeholders for 30-day public comment period

- October 2022: Planning Commission Workshop (10/11/22) on Public Draft Housing Element

- November 2022: Incorporation of public comment from 30-day public review into draft for submittal to California Housing & Community Development (HCD)

- January 2023 [*planned*]: Planning Commission & City Council adoption hearings

These community outreach efforts and the incorporation of public feedback into the Housing Element are provided in full within **Appendix A** of the Housing Element.

Summary of Constraints

As noted above, Healdsburg's sustained position as a popular Sonoma County visitor-destination continues to drive the second home and vacation rental markets, which, in turn, put pressure on the City's housing inventory. At the same time, Healdsburg's population is generally older, wealthier, and less diverse than other jurisdictions in the County, and there is limited turnover of existing homes. It is challenging for young families to enter the Healdsburg market, much less stay in the community as their families grow and their housing needs change.

These challenges are attributable to both governmental and non-governmental constraints, which directly affect the production and availability of housing, especially affordable housing. The primary constraint in Healdsburg is the Growth Management Ordinance, which limits the number of market-rate units that can be permitted each year. Despite amendments over the years (most recently Measure H, which passed in 2020), the GMO remains a constraint on housing construction in Healdsburg. The community survey found the GMO in the top ten topics across all write-in responses, the HEWG recommended the GMO to be listed as a central contributing factor to fair housing issues (see **The Technical Background Report**), and the survey of development professionals rated the GMO as the primary constraint to development, deemed Highly Prohibitive by a supermajority of respondents.

Secondary constraints include development standards and high (and increasing) direct development costs, including the cost and availability of materials and labor. In a survey of developer stakeholders, 75 percent of respondents indicated that "zoning and permitted uses" in Healdsburg are somewhat or highly prohibitive, and 75 percent of developer stakeholders indicated that the cost of construction materials is somewhat or highly prohibitive.

The plans and programs intended to address these constraints include **Housing Program 4: Expanding Housing Development Capacity** and **Housing Program 7: Removing Housing Constraints**.

Summary of Fair Housing Assessment and Programs

Assembly Bill 686 (Affirmatively Furthering Fair Housing, or AFFH) requires state and local agencies to take proactive measures to correct any housing inequalities related to race, national origin, color, ancestry, sex, marital status, disability, religion, or other protected characteristics. All Housing Elements due on or after January 1, 2021 (like Healdsburg's) must address these new requirements. The City must also ensure that its policies and programs affirmatively further fair housing, and that they take no actions that counter those goals.

Under State law, Affirmatively Furthering Fair Housing means "taking meaningful actions, in addition to combatting discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics." In the context of a community's housing needs, AFFH is not just about the *number* of housing units needed, but also about *where* the units are located and *who* has access to them.

Housing Element law now requires the City to prepare an Assessment of Fair Housing, identify factors that contribute to local fair housing issues, and include meaningful actions within the Housing Element Programs to address those factors. The findings from the Assessment of Fair Housing must also be integrated into the Sites Inventory. Public participation and outreach efforts for the Housing Element update must affirmatively further fair housing. Per HCD Guidance, the Assessment of Fair Housing addresses enforcement and outreach capacity, segregation and integration, disparities in access to opportunity, disproportionate housing needs including displacement, and concentrated areas of poverty and affluence across racial/ethnic groups. The City of Healdsburg commits to embedding the lens of fair housing and equity – racial, social, and economic – throughout this plan.

One key aspect of AFFH requirements is to ensure an equitable distribution of sites in the Housing Element Sites Inventory. Since Healdsburg is an affluent community with confluence of both High Resource and Low Resource communities as identified by HCD, this Housing Element plans for equitable distribution of sites including affordable housing in High Resource areas. This sites strategy is paired with programs to ensure that sites in Low Resource neighborhoods are supported by community amenities, infrastructure, and services to prevent segregation in Healdsburg.

Based on data, local knowledge, and analysis, the City has identified the following factors as contributing to local fair housing issues:

- Aging population excludes younger population who need help to enter the housing market

- Lack of affordable, accessible housing in a range of sizes

- Displacement of residents due to economic pressures (priced out, etc.)

- Lack of affordable units appropriately sized for large families

- Growth management ordinance (proposed by HEWG as additional factor)

The City has an ongoing fair housing program that will be expanded to meet the requirements of AB-686 and other new State laws. Key to this expansion is taking a more proactive approach to fair housing administration and addressing the full range of fair housing policy and statutory requirements.

Meaningful actions to affirmatively further fair housing are reflected in **Housing Program 6 – Affirmatively Furthering Fair Housing**. Specific components of Housing Program 6 include:

- Refer Fair Housing Complaints

- Provide Non-Discrimination Clause and Mandate Fair Housing Practices

- Disseminate Fair Housing Information

- Conduct Spanish Language Outreach

- Provide Utility Discounts for Lower-Income Households

- Conduct Code Enforcement

- Improve Infrastructure in Lower Resource Areas

Regional Housing Needs Assessment and Summary of Housing Strategy

The Regional Housing Needs Allocation (RHNA) is a determination of projected and existing housing needs for all jurisdictions in California. State housing law requires that each jurisdiction's Housing Element demonstrate that the jurisdiction has sufficient land zoned for housing and plan to meet its RHNA. The Association of Bay Area Governments (ABAG) conducts the RHNA process for jurisdictions in the San Francisco Bay Area every eight years.

The RHNA methodology applies several factors to further the objectives of State law and meet ABAG's regional goals as outlined in its Plan Bay Area. Because one of the five objectives of State housing law is to ensure that there is not an overconcentration of households by income group, after a RHNA total is calculated, a social equity adjustment is applied. The social equity adjustment is based on household income and access to resources. The social equity adjustment helps ensure that the RHNA methodology does not overburden low-income jurisdictions with more low-income households., The result is that higher income jurisdictions are required to plan for fewer market rate units and more affordable units, while lower income jurisdictions plan for more market rate units and fewer affordable units.

Healdsburg's RHNA for the 6th Cycle Housing Element period (2023 – 2031) is 476 units, divided among each income group as shown in **Table 1**.[2]

Table 1   Healdsburg's 6th Cycle RHNA

Income Group	2023 - 2031 RHNA Allocation
Very Low	190
Low	109
Moderate	49
Above Moderate	128
Total	**476**

Sources: City of Healdsburg; ABAG.

Table 2 summarizes the City's plan to meet its RHNA, which includes currently planned and approved development, projected ADU development, and acquisition and conversion of market rate units into affordable units.

Table 2   6th Cycle Strategy to Address RHNA

Income Group	2023 - 2031 RHNA Allocation	Pending, Approved, or Permitted Units	Acquisition and Converted Units	Projected ADUs	Total Credits	% of RHNA
Lower						
Extremely Low	83	5	22	16	43	
Very Low	107	114	39	16	169	
Low	109	116	0	32	148	
Lower, Subtotal	**299**	235	61	64	360	120%
Moderate	**49**	65		32	97	198%
Above Moderate	**128**	264		10	274	214%
Total	**476**	**564**	**61**	**106**	**730**	**153%**

Sources: City of Healdsburg; ABAG.

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[2] While the RHNA is assigned based on the four income categories above, the law also requires that communities plan for the needs of extremely low-income households, defined as those making less than 30% of the County AMI. The housing need for the extremely low-income group is calculated using U.S. Census Bureau data to calculate the percentage of very low-income RHNA that qualifies for extremely low-income households. In Healdsburg, 970 of Healdsburg's households are 0 to 50% AMI while 425 are extremely low-income. Therefore, extremely low-income households represent 43.8% of households who are 0 to 50% AMI, as 425 divided by 970 is 43.8%.

2. Housing Strategy

The City of Healdsburg, through adopting its 6th Cycle Housing Element, adopts the following Goals and Policies, as well as a set of Implementing Programs to be completed during the timeframe of the 6th Cycle Housing Element.

During the 5th Cycle, the City of Healdsburg enacted aggressive housing policy implementation efforts and is committed to further expanding these efforts and seeking new funding sources to support fair, affordable, and environmentally-sensitive housing.

The collective Goals, Policies and Programs set forth in this Housing Element and as administered by the City of Healdsburg comply with and further the requirements and goals of Government Code Section 8899.50(b), "A public agency shall administer its programs and activities relating to housing and community development in a manner to affirmatively further fair housing and take no action that is materially inconsistent with its obligation to affirmatively further fair housing." As demonstrated throughout the following Goals, Policies and Programs, and in particular in **Goal 6: Affirmatively Furthering Fair Housing** and its related policies, the City is committing to taking meaningful actions to fulfill its obligation to affirmatively further fair housing and will take no actions that would be materially inconsistent with this goal.

The policies associated with each Goal are listed below each Goal, and implementing programs are described in the subsequent section. (Parenthetical notes following Goals, Policies, and Programs explain changes from the 2015 Housing Element.)

Goal

HO-1   Maintain affordable housing sites and expand housing development capacity as needed to accommodate the City's regional housing need throughout the eight-year Planning Period and beyond.

While the City's pipeline of projects is more than adequate to meet Healdsburg's Regional Housing Needs Allocation (RHNA), policies and programs are required to maintain and develop these sites, as well as generally expand affordable and other housing development sites. Specifically, SB 166 (No Net Loss) requires that cities maintain a Sites Inventory to incrementally meet the RHNA, by income category, on an annual basis throughout the Planning Period.

Policies

Policy 1.1   **Maintain the supply of residentially-designated land shown in the Housing Sites Inventory adequate to accommodate Healdsburg's share of the regional housing need allocation during the 6th Cycle.**

(Existing, Modified)

<u>Implementing Program</u>: HP-3 Sustaining and Expanding Housing Sites

Policy 1.2   Prepare and maintain an Administrative Site List that lists and describes additional housing sites with appropriate residential zoning that presently exist or can be added to the City's Housing Sites Inventory if and when an analysis provided through the Annual Progress Report indicates that sufficient sites may not exist to accommodate the City's remaining RHNA, by income level, during the planning period.

(New, assures adequate sites are available)

<u>Implementing Program</u>: HP-3 Sustaining and Expanding Housing Sites

Policy 1.3   Consistent with "no-net-loss" density provisions contained in Government Code Section 65863, consider the potential impact on the City's ability to meet its share of the regional housing need when reviewing proposals that reclassify residentially-designated property to other uses, or assume fewer units for the site than what is reflected in the Housing Sites Inventory.

(Existing, Modified)

<u>Implementing Program</u>: HP-3 Sustaining and Expanding Housing Sites

Policy 1.4   **Facilitate affordable housing opportunities in the City's existing developed neighborhoods by permitting, promoting, and incentivizing construction of ADUs, JADUs, and other accessory units and lot splits as required by Government Code 65852.81 (SB 9).**

<u>Implementing Program</u>: HP-5 Affordable Housing Development Program (New funding required)

Policy 1.5   **Pursue selected rezoning of lower density residential or commercial/industrial parcels to higher density multifamily or mixed-use zoning districts.**

(Existing, Modified)

<u>Implementing Program</u>: HP-4 Expanding Housing Development Capacity

Policy 1.6   **Evaluate and where appropriate increase minimum housing density requirements for residential and mixed-use Land Use Element Designations and corresponding Zoning Districts.**
(Existing, Modified)
Implementing Program: HP- 4 Expanding Housing Development Capacity

Policy 1.7   **Review all Zoning Districts that allow multifamily residential uses and increase allowable maximum densities, established 'by right,' from their existing maximum to 30 units or more per acre as may be appropriate and adjust height limits to allow such higher density.**
(New)
Implementing Program: HP- 4 Expanding Housing Development Capacity

Policy 1.8   **Identify and pursue new Area Plans or Specific Plans in areas where substantial increases in housing development capacity are possible.**
(Existing, Modified)
Implementing Program: HP- 4 Expanding Housing Development Capacity

Policy 1.9   **Identify and evaluate Housing Opportunity Sites, acquire when advantageous, and seek public agency or private partners and initiate planning, development entitlement, and partnership agreements as the Opportunity Sites become available.**
(New)
Implementing Program: HP- 4 Expanding Housing Development Capacity (new funding required)

Policy 1.10   **Assure zoning changes for Area Plans, Specific Plans, and/or Housing Opportunity Sites include set-aside sites for affordable housing and middle-income housing[3] development through site dedication or donation to the City or an affordable housing developer (one acre minimum), offering units with an enduring price or rent control, and offering sites (lots) for sweat-equity ownership projects (e.g., Habitat for Humanity) and similar programs.**
(New)
Implementing Program: HP-3 Housing Sites Inventory

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[3] Middle-income Housing is defined as housing that is affordable to households earning more than 80% AMI and up to 160% AMI.

Goal

HO-2   Remove or mitigate impediments to housing production including both governmental constraints and non-governmental constraints.

Housing development is constrained by both the policies, programs, and regulations imposed by government agencies and by market and natural conditions that influence housing development costs. Accordingly, the following policies address both governmental and non-governmental constraints.

Policies

Policy 2.1   **Reduce the time spent reviewing and acting upon residential development applications to reduce development costs and improve development feasibility.**
(Existing, Modified)
Implementing Program: HP-7 Remove Housing Constraints

Policy 2.2   **Reduce the project review requirements for small subdivisions of residentially-zoned land (10 or fewer units) by comparison to larger, more complex projects.**
(Existing, Modified)
Implementing Program: HP-7 Remove Housing Constraints (Code Amendments)

Policy 2.3   **Streamline permitting for 'multiplexes' (e.g., duplexes, triplexes, etc.) and provide regulatory incentives within single-family designated zoning districts.**
(New)
Implementing Program: HP-7 Remove Housing Constraints

Policy 2.4   **Incentivize affordable and middle-income housing located in single-family neighborhoods by reducing pre-development and construction costs of ADUs by pre-approving prototypical plans and modular units, and by offering construction loans with debt forgiveness provisions in return for longer-term, price restricted rentals.**
(New)
Implementing Programs: HP-7 Remove Housing Constraints (New funding required)

Policy 2.5   **Improve transparency and reduce the scope and discretion in the City's Design Review process by providing consistent and predictable policy direction, adding objective design standards, and reducing the scope of uses requiring a Conditional Use Permit.**
(Existing, Modified)
Implementing Program: HP-7 Remove Housing Constraints (Code Amendments)

Policy 2.6   **Pursue amendments to the City's Growth Management Ordinance with the intent of increasing housing production.**
(Existing, Modified)
Implementing Program: HP-7 Remove Housing Constraints (GMO)

Policy 2.7   **Ensure that aggregate impact fees and related application exactions do not deter new residential development (i.e., target fee burdens that do not exceed 15 percent of the expected retail value (price) of new development) and ensure compliance with AB 602.**
(New, Statutory Compliance)
Implementing Program: HP-7 Remove Housing Constraints (Impact Fee Update)

Policy 2.8   **Explore the efficacy of reducing, or waiving of impact fees to affordable and middle-income housing units required by the Inclusionary Housing Ordinance, density bonus, or City development code provisions and pay for such fee reductions with new funding sources dedicated to incentivizing housing production.**
(New)
Implementing Program: HP-7 Remove Housing Constraints (Impact Fee Update) (new funding required)

Policy 2.9   **Use land-secured and tax increment financing districts (special property taxes, property tax increments) to encourage private infrastructure investment associated with new housing production.**
(New)
Implementing Program: HP-7 Remove Housing Constraints (new funding source)

Policy 2.10   **Create additional Citywide sources of funding to support infrastructure expansion for new housing when needed including use of utility rate-based revenue bonds, general obligation bonds, grants from Federal and State programs, and JPA-issued bonds.**
(New)
Implementing Program: HP-7 Remove Housing Constraints (new funding sources)

Policy 2.11   **Utilize a 'Program EIR' (Public Resources Code Section 15168) for environmental review of all land use plans prepared by the City (area plans and specific plans).**
(New)
Implementing Program: HP-7 Remove Housing Constraints (Code and procedural amendments)

Policy 2.12   **Continue waiver of development standards (e.g., required number of parking spaces) when feasible and where certain criteria are met (e.g., development**

feasibility is improved, project design is improved, and/or specified housing use types are eligible for by-right review pursuant to statutory requirements).
(Existing)
Implementing Program: HP-7 Remove Housing Constraints (Code and procedural amendments)

Goal

HO-3   Preserve and improve the City's existing housing stock and community character in residential neighborhoods, while allowing greater density (e.g., ADUs/JADUs, SB 9, multiplexes).

Existing housing units including both ownership and rental units are not constant. They are affected by aging and deterioration, conversion to other uses, and, with respect to rental units, may be affected by conversion to ownership (condominium) uses.

Policies

Policy 3.1   **Preserve and improve the stock of affordable rental housing units and special needs housing by offering low interest loans and other incentives to rehabilitate and upgrade these properties and continue opportunistic investment (purchase and rehabilitation) of existing market rate multifamily rental buildings for conversion to affordable, price-restricted units.**
(Existing, Modified)
Implementing Program: HP-2 Preserve Housing and Neighborhoods (New funding required)

Policy 3.2   **Measure and Mitigate Loss of Housing Stock to Second Homes.**
(Existing, Modified)
Implementing Program: HP-2 Preserve Housing and Neighborhoods (New funding required)

Policy 3.3   **Vigorously enforce restrictions on vacation rentals and other short-term rentals in the City and identify and amend code restrictions to eliminate loopholes that violate the 30-day minimum rental requirement.**
(Existing, Modified)
Implementing Program: HP-2 Preserve Housing and Neighborhoods

Policy 3.4   **Expand housing opportunities for middle-income housing households.**

(New)
Implementing Program: HP-5 Affordable and Middle-Income Housing Development (New funding required)

Policy 3.5   **Discourage the conversion of existing multifamily rental units to condominium units in order to preserve the supply of rental housing in the City.**
(Existing)
Implementing Program: HP-2 Preserving Housing and Neighborhoods

Policy 3.6   **In cooperation with affordable housing project owners, monitor price-restricted affordable housing programs and projects to ensure their continued occupancy by appropriate individuals and households.**
(Existing, Modified)
Implementing Programs: HP-1 Housing Administration (affordability monitoring)

Policy 3.7   **Control rent increases on mobile home park spaces consistent with local Ordinances and State Law.**
(Existing)
Implementing Programs: HP-2 Preserving Housing and Neighborhoods (Rent Stabilization ordinance)

Policy 3.8   **Sustain long-term maximum rents and sale price restriction contracts on affordable housing units developed with City assistance and also on the inclusionary units provided by private developers, and encourage owners of affordable housing units to preserve affordable housing through refinancing and the extension of affordability covenants.**
(Existing, Modified)
Implementing Programs: HP-2 Preserving Housing and Neighborhoods (new funding may be required)

Policy 3.9   **Provide additional land use and public safety policies and programs as needed to mitigate wildfire hazards and loss of existing housing units in the City.**
(New)
Implementing Programs: HP-2 Preserving Housing and Neighborhoods (Update General Plan Safety Element)

Policy 3.10   **Support and collaborate with local and surrounding neighborhood associations, Fire Safe Councils, and Citizens Organized to Prepare for Emergencies (COPE) organizations to develop area-specific wildfire response plans.**
(New)
Implementing Programs: HP-2 Preserving Housing and Neighborhoods

Policy 3.11 **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.'**
(New)

Implementing Programs: HP-2 Preserving Housing and Neighborhoods (Inter-agency cooperation)

Policy 3.12 **Require and provide technical guidance and financial incentives to homeowners for completing 'defensible space' and fire safe building 'hardening' retrofitting.**
(New)

Implementing Program: HP-2 Preserving Housing and Neighborhoods (new funding may be required)

Goal

HO-4   Support and promote housing production during the Planning Period, emphasizing affordable and middle-income housing needs.

In addition to establishing and maintaining housing sites, removing or mitigating constraints, and creating additional development capacity, it will be necessary to provide additional regulatory and programmatic incentives, as well as subsidies to achieve additional affordable and middle-Income housing production.

Policies

Policy 4.1 **Post an accessible, interactive, and 'user-friendly' version of the City's Housing Sites Inventory that includes site-specific development information to attract, engage and encourage prospective developers.**
(Existing, Modified)

Implementing Program: HP-1 Housing Administration, HP-3 Sustaining and Expanding Housing Sites

Policy 4.2 **Cooperate, partner and provide local matching funds with affordable housing developers to: a) benefit from their expertise and resources available for the development of affordable housing units, and b) support their efforts to secure Low-Income Housing Tax Credits and other development financial assistance.**
(Existing, Modified)

Implementing Program: HP-5 Affordable and Middle-Income Housing Development

Policy 4.3 **Provide regulatory, processing, and financial incentives to developers that provide on-site affordable housing for people with special needs, including**

extremely low-, very low-, and low-income renters and buyers. Such incentives shall include contribution of City-owned sites, modification of development standards, priority processing, and direct financial assistance. Requests for incentives shall be made with the initial project application and shall be determined on a case-by-case basis, consistent with Government Code 65915.

(Existing, Modified)

Implementing Program: HP-5 Affordable and Middle-Income Housing Development

Policy 4.4   **Continue to require on-site production of low- and moderate-income housing units within new residential development projects consistent with the City's Inclusionary Housing Ordinance.**

(Existing, Modified)

Implementing Program: HP-5 Affordable and Middle-Income Housing Development

Policy 4.5   **Grant density bonuses in accordance with State law and continue to grant an additional density bonus when an applicant proposes that 100 percent of the bonus units not restricted to lower-income households will be affordable to moderate- and middle-income households.**

(Existing, Modified)

Implementing Program: HP-7 Remove Housing Constraints (Code amendments)

Policy 4.6   **As a part of future market-rate housing projects involving development agreements, require a substantial portion of housing created to be exclusively available to the local workforce on a continuing basis through title or price restrictions, (e.g., resales must meet first sale price and continuing price restrictions).**

(New)

Implementing Programs: HP-4 Expand Housing Development Capacity, HP-5 Affordable and Middle-Income Housing Development

Policy 4.7   **Provide direct subsidies to middle-income, local workforce households to improve credit worthiness and offset equity requirements using 'silent second mortgages' equity sharing, or other subsidy instruments.**

(New)

Implementing Programs: HP-5 Affordable and Middle-Income Housing Development

Policy 4.8   **Develop moderate- and middle-income ownership 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 middle-income, local workforce families.**

(Existing, Modified)

Implementing Programs: HP-5 Affordable and Middle-Income Housing Development (New funding required)

Policy 4.9   **Promote and incentivize innovative housing types such as accessory dwelling units, multiplexes, co-op housing, micro-units, and other housing innovations to increase affordable rental and homeownership opportunities.**
(Existing, Modified)
Implementing Programs: HP-5 Affordable and Middle-Income Housing Development

Goal

HO-5   Support and promote housing for homeless, special needs, farmworkers, and elderly individuals.

The City of Healdsburg recognizes the needs of its homeless, special needs, farmworkers, and elderly individuals. Building on existing efforts, including the HomeKey Program, the City will continue to pursue policies and programs to provide needed housing and supportive programs within the City through cooperation with County and regional agencies and organizations.

Policies

Policy 5.1   **Quantify the housing needs of people with disabilities, including residents with developmental disabilities, the housing needs of the homeless and those in peril of becoming homeless, and the housing needs of farmworkers.**
(Existing, Modified, and Consolidated)
Implementing Program: HP-8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.2   **Continue current City efforts to address homeless population needs by expanding transitional and supportive housing within Healdsburg and sustaining related services.**
(New)
Implementing Program: HP-8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.3   **Amend multifamily, mixed-use, and nonresidential zoning districts to allow permanent supportive housing and low-barrier navigation centers, pursuant to AB 101 and AB 2162.**
(New, Statutory requirement)
Implementing Programs: HP-4 Expand Housing Capacity, HP-8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.4   **Increase the number of extremely low-income units in affordable housing developments by expanding City subsidies to these projects and including units**

that qualify as a 'housing unit' in future City-sponsored transitional and supportive services projects and pursuing siting, production, rehabilitation, and preservation of housing for extremely low-income households, including non-traditional housing types.
(New)
Implementing Programs: HP-5 Affordable and Middle-Income Housing Development, HP 8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.5   **Encourage and facilitate the transition of homeless residents to permanent housing.**
(New)
Implementing Programs: HP-8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.6   **Collaborate with the County, other cities, and non-profit organizations to meet the needs of the homeless and those at risk of homelessness in Healdsburg.**
(New)
Implementing Programs: HP-8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.7   **Encourage senior housing development, rehabilitation, and preservation, particularly in neighborhoods that are accessible to public transit, commercial services, healthcare, and community facilities.**
(Existing)
Implementing Programs: HP 8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.8   **Continue to encourage the provision of housing to serve people with developmental disabilities in new affordable housing projects by facilitating needed Community Care Housing and Community Development (HCD) licensing, streamlining required land use approvals, requiring affordable housing developers to set aside a portion of their units for the developmentally disabled, and offering available subsidies and granting fee waivers.**
(New)
Implementing Programs: HP-8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.9   **Assist special needs housing project partners by seeking dedicated funding for developmentally disabled affordable housing construction including state and federal grants as they become available, and support construction funding applications for affordable housing projects serving the developmentally disabled.**
(New)
Implementing Programs: HP-1 Housing Administration (funding), HP 8 Extremely Low, Homeless, and Special Needs Housing

Policy 5.10   **Continue to provide individuals with disabilities 'Reasonable Accommodation' through universal design standards and flexibility in zoning and building code regulations as necessary to eliminate barriers to housing.**
(Existing, Consolidated, Modified)
Implementing Program: HP-7 Remove Housing Constraints (Code amendments and procedures)

Policy 5.11   **Require the inclusion of units meeting special needs in affordable housing projects developed with City assistance, where feasible and appropriate.**
(New)
Implementing Programs: HP-5 Affordable and Middle-Income Housing Development, HP-8 Extremely Low, Homeless, and Special Needs Housing

Goal

HO-6   *Affirmatively further fair housing and promote environmental justice for all residents by ensuring fair and equal housing opportunities for all Healdsburg residents regardless of race, color, religion, sex, sexual orientation, age, marital status, national origin, ancestry, familial status, disability, or source of income, and promoting fair housing practices and prohibiting discrimination.*

Healdsburg contains areas designated as Low, Moderate, and High Resource according to HCD's Affirmatively Furthering Fair Housing Opportunity Area Maps. The range of resource designations indicates disparities within Healdsburg neighborhoods in terms of access to economic, educational, and environmental opportunities. AB 686 mandates analysis of segregation patterns in the Housing Element, referred to as Affirmatively Furthering Fair Housing (see Section #). Housing Element policies and programs will reduce the health and safety risks in Low and Moderate Resource areas, notably through access to safe and sanitary housing and the prioritization of these areas for improvements and services. While Affirmatively Furthering Fair Housing is a recurrent goal of the Housing Element, achieved through implementing its full range of goals and policies, the following specific policies are included:

Policies

Policy 6.1 **Ensure compliance with fair housing laws and prohibit discrimination in housing by providing fair housing services that include public information, engagement, counseling, and investigation.**
(Existing, Modified, AFFH)
Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.2 **Actively sanction discriminatory housing practices.**
(Existing, Modified, AFFH)
Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.3 **Affirmatively further fair housing by facilitating deliberate action to address and combat disparities and enhance economic mobility, by fostering inclusive communities and preventing the perpetuation of existing patterns of segregation.**
(New, AFFH)
Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.4 **Ensure that affected residents have the opportunity to participate in decisions that impact their health. Facilitate the involvement of residents, businesses, and organizations in all aspects of the planning process, utilizing culturally appropriate approaches for public participation and involvement.**
(New, AFFH)
Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.5 **Provide all informational documents, web-postings, and related services in English and Spanish, and conduct all outreach multilingually, with reasonable accommodation for people with disabilities.**
(New, AFFH)
Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.6 **Focus affordable housing development in Higher-Resource areas well-served by public transportation, schools, retail, and other services**.
(New, AFFH)
Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.7 **Improve public facilities and municipal services in existing Lower-Resource Areas where deficiencies are shown to exist.**
(New, AFFH)
Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.8 **Provide housing opportunities for all household income cohorts throughout Healdsburg while avoiding or mitigating displacement of existing residents.**

(New, AFFH)
Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.9 **Provide high quality and equitable public services, including public transportation, crime prevention, police protection, street lighting, street cleaning, and recreational facilities and programs, throughout the City.**
(New, AFFH)
Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.10 **Continue to limit regulatory and enforcement actions against tenants in deed-restricted and naturally-occurring affordable housing by providing adequate time or extensions to address violations unless there is an imminent threat to public health and safety.**
(New, AFFH)
Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.11 **Continue to implement the City's Reasonable Accommodations Ordinance to ensure that all persons have access to housing of their choice, regardless of ability.**
(Existing, Modified, AFFH)
Implementing Program: HP-6 Affirmatively Furthering Fair Housing

Policy 6.12 **Ensure that the City's programs and policies continue to improve or eliminate the health disparities of residents in existing disadvantaged communities.**
(New, AFFH)
Implementing Programs: HP-6 Affirmatively Furthering Fair Housing, HP-10 Environmental Quality

Goal

HO-7   *Achieve a high standard of energy efficiency, water conservation, and 'net-zero' carbon footprint throughout the City, including existing and new development.*

This Goal addresses the critical need to assure that both existing and new development reduce and re-source energy supplies, reduce demand for potable water, and reduce aggregate carbon emissions to address climate change and improve environmental quality.

Policies

Policy 7.1 **Expand existing City efforts and vigorously pursue new initiatives to increase water conservation and water supply capacity to both sustain supply for existing rate payers and provide capacity for new housing development.**
(New)
Implementing Program: HP-9 Environmental Quality

Policy 7.2 **Require energy-efficiency performance in new housing and other development that meets or exceeds minimum State building standards.**
(Existing)
Implementing Program: HP-9 Environmental Quality

Policy 7.3 **Expand reliance on renewable energy sources for City utilities including solar, geothermal, and cogeneration sources.**
(New)
Implementing Program: HP-9 Environmental Quality

Policy 7.4 **Provide public information and links to subsidy programs and vendors for energy efficiency improvements and on-site energy saving and production retrofitting options for existing homes.**
(New)
Implementing Program: HP-9 Environmental Quality

Policy 7.5 **Assist homeowners and businesses with conforming to water conservation measures through public information, workshops, access to needed appliances and equipment, and financing.**
(New)
Implementing Program: HP-9 Environmental Quality (new funding may be required)

Policy 7.6 **Expand the inventory of electric vehicle charging stations through public investment and requirements on private parking facilities.**
(New)
Implementing Program: HP-9 Environmental Quality (New funding may be required)

Policy 7.7 **Require energy-efficient site development and waste disposal practices.**
(Existing, Modified)
Implementing Program: HP-9 Environmental Quality

Policy 7.8   **Include facilities for non-automobile transportation as a part of project approvals and plans, including pedestrian ways, access, and interconnections, on street and dedicated bikeways, and transit options.**
(Existing, Modified)
Implementing Program: HP-9 Environmental Quality

Policy 7.9   **Require the planting of drought tolerant street trees as a part of all residential development and parking projects and sustain and expand tree canopy in existing Lower-Resource neighborhoods more susceptible to extreme heat due to a lack of street trees.**
(Existing, Modified)
Implementing Program: HP-9 Environmental Quality

Housing Programs

The Housing Element Goals and Policies will be implemented through a set of Housing Programs, including continuation of existing programs and related efforts by the City to preserve, improve, and expand housing opportunities in the City. The 6th Cycle programs have been consolidated into nine major programmatic efforts that incorporate and expand upon the 49 programs presented in the 5th Cycle Housing Element.

Housing Program 1 – Housing Administration

The City Council has made access to healthy and safe housing for all Healdsburg residents a high priority. To ensure the housing needs of the community are being met, the City has created and funded a Housing Department that administers the City's housing programs and development efforts, including those below. The City will continue to provide the following under Housing Program 1:

1) Sustain Partnerships with Other Agencies. During the 5th Cycle, the City strengthened and formed strategic partnerships with experienced housing service providers including Reach for Home, formerly North Sonoma County Services (NSCS), Housing Land Trust of Sonoma County, Fair Housing Advocates of Sonoma County, Corazón Healdsburg, and others. In partnership, these, and other, service providers assist the City in ensuring residents have direct access to:

   ▪ Financial assistance for low-income tenants at risk of displacement,

   ▪ Fair housing services for tenants and landlords,

   ▪ First-time homebuyer assistance for low-income and moderate-income families, and

   ▪ Emergency and transitional housing services.

2) Continue to Assist Affordable Housing Developers. Efforts will be continued to publicize and provide financial and procedural assistance to affordable housing through land donations and long-term leases, the ongoing fee-deferral program, subsidies for City fees and on- and off-site improvements, loans, and other forms of assistance. Procedural assistance will include publicizing and assisting with available incentives and housing programs, such as the density bonus ordinance, small subdivision ordinance, and Growth Management Ordinance provisions and procedures.

3) Continue to Administer Fair Housing Programs. The City's ongoing efforts to implement fair housing laws will need to be expanded to meet the full requirements of AB-686. A more active and expansive effort will be required demanding additional staff time. Housing Department staff will produce a comprehensive AFFH plan by June 2023, that will include the actionable programs to mitigate the Contributing Factors identified within the Fair Housing Assessment, summarized in Section 1 and detailed in the Technical Background Report.

4) Expand Affordable Housing Monitoring Program. The existing and increasing inventory of affordable housing will require monitoring, typically in cooperation with the developers and owners of the individual affordable housing projects. The objective of this program is to ensure that households continue to qualify for price-restricted rents, consistent with HCD income limits, and that other covenants and obligations are being met.

5) Prepare Annual Housing Report. Review and report annually on the implementation of Housing Element programs for the prior calendar year and present the annual report to the City Council at a public hearing before submitting the annual report to HCD and the Office of Planning and Research (OPR).

6) Sustain and Expand Financial Resources. The City will continue participation in the Joint Powers Authority with Sonoma County and other Sonoma County jurisdictions to further City's eligibility for State and Federal funding (e.g., CDBG and HOME programs). This effort will require applying for regional, State, and Federal funding for affordable housing, providing documentation as needed in support of project applications for State and Federal financial assistance. Continuing prior efforts, the City will continue to evaluate potential new local funding sources, such as JPA and 501(c)(3) bonds for acquisition and new construction and will implement this model in the first two years of the 6th Cycle.

7) Continue to engage and support Housing Element Working Group or other successor community focus groups in Housing Element implementation efforts. The HEWG was convened as a public advisory body in support of the 6th Cycle Housing Element update but may be extended by the City Council to serve as a resource to advance policies, implement programs, and support broader community engagement efforts.

8) Continue to Advocate for Affordable Housing. The State Legislature remains very active with its housing agenda. The Housing Department will continue to advocate to the State and Federal governments to provide additional financial resources for affordable housing. The City will continue to include its housing related advocacy platform in its Legislative Platform which is adopted every two years.

9) Continue to act as Redevelopment Successor Agency. While most of the assets of the Successor Agency and Housing Successor Agency have been utilized, there are ongoing responsibilities and obligations of the former Redevelopment Agency. The Housing Department will continue to fulfill this role.

Responsibility:	Housing Director
Resources:	Additional staffing and financial resources will be needed
Funding:	General Fund, Housing Fund, and grant funding (as available)
Schedule:	Continuing efforts as documented in the Annual Progress Report; Expanded Housing Monitoring Program to be in place by the end of 2024.

Housing Program 2 – Preserving Existing Housing and Neighborhoods

As part of the overall Housing Strategy, preserving existing affordable and market-rate housing is a very high priority because sustaining this housing, both in quantity, quality, and affordability, is generally more cost-effective and less resource-intensive than creating new housing.

1) Acquire Multifamily Housing. Recognizing the relatively large stock of market-rate rental units, continue seeking opportunities to purchase and rehabilitate multifamily rental housing buildings to provide these housing units at prices affordable to households at a variety of income levels.

2) Ensure Replacement Housing. Replace units removed through new development with equivalent housing units, achieving 'No Net Loss' of housing or housing site capacity, consistent with Government Code 65915.

3) Continue to Enforce Mobile Home Park Space Rent Stabilization Ordinance. Continue to enforce the terms of the Mobile Home Park Space Rent Stabilization ordinance (Municipal Code Chapter 2.56) and administer the procedures of the ordinance to ensure the continued preservation of affordability of mobile homes parks within the City.

4) Continue to Restrict Non-Residential Use of Existing Houses. Continue to enforce the terms of the City's prohibition of vacation home rentals (i.e., fewer than 30 days) in residential zoning districts, and conversions of homes to commercial use (offices, etc.).

5) Measure and Consider Strategies to Mitigate Loss of Housing Stock to Second Homes. As part of implementing this housing program, measure and track the number of second-home conversions and report annually as part of the Annual Housing Report, beginning no later than 2024. Identify and consider options for mitigating loss of housing to second homes.

6) Continue to Reduce Wildfire Risk. In collaboration with the City Fire Department, regional agencies, CalFire, and organized property owner groups, adopt and implement programs that reduce wildfire hazards, consistent with any future General Plan Safety Element update.

Responsibility:	Housing Director, Housing Department, and Community Development Department
Resources:	Ongoing effort, non-residential use restrictions will require legal and technical support
Funding:	General Fund, Housing Fund, and new local funding
Schedule:	Continuing, as documented in the Annual Progress Report, and as noted above

Housing Program 3 – Sustaining and Expanding Housing Sites

The primary intent of the State Housing Law that requires adoption of Housing Elements by cities and counties is assuring adequate sites for a prescribed (through the Regional Housing Needs Allocation) amount of housing affordable to the full range of household income categories.

1) <u>Maintain Adequate Residential Sites to Assure "No Net Loss"</u>. Monitor the supply of residential sites and related development projects to ensure that sufficient developable sites and units are available to meet the 6th Cycle RHNA requirement. Building upon the existing effort, maintain and expand a detailed listing of sites available for housing development and use this list to assure RHNA requirements are met and also to attract residential developers to the City. Also, assure 'No Net Loss' of residential units by disallowing or mitigating any loss of housing due to redevelopment of existing areas containing housing units.

2) <u>Pursue Housing Site Acquisition/Land Banking</u>. On an opportunity basis, purchase sites or otherwise acquire sites with housing potential as part of efforts to partner with affordable housing developers and consider formation of a Housing Trust and/or Community Development Corporation to facilitate such transactions.

3) <u>Provide Public Information on ADUs, SB 9, and Other Legislative Opportunities for Homeowners to Increase Housing Onsite</u>. In addition to promoting ADUs, provide information about SB 9, which allows property owners to split a single-family lot into two lots. The City will prepare and distribute informational brochures and update the City's website on the permitting procedures, requirements, and support available by 2024.

Responsibility:	Housing Director, Housing Department, and Community Development Department
Resources:	Ongoing effort
Funding:	General Fund and Housing Fund
Schedule:	Continuing, as documented in the Annual Report on Housing Element

Housing Program 4 – Expanding Housing Development Capacity

While the existing inventory of housing sites has been shown to be adequate to meet the 6th Cycle RHNA requirements, the City is committed to expanding development capacity to meet current and future housing needs. A range of opportunities exist for expanding housing development potential even within the confines of the City's Urban Growth Boundary (UGB).

1) <u>Conduct Development Capacity Study</u>. Conduct a 'development capacity and opportunity study' for the City that identifies existing housing development opportunities and visually demonstrates how zoning and other legislative and regulatory tools can unlock development opportunities.

2) <u>Adopt Development Code Amendments</u>. There are a variety of opportunities to amend the City's land Use Code that can expand housing development capacity and reduce constraints,

including the following: increase maximum density of selected base zoning districts to 30 units (or more) per acre to better reflect the density needed for multifamily rental housing.

- Strengthen 'use-by-right' provisions of all zoning districts and limit use of conditional use permits; replacing them with ministerial objective design standards
- Review and update parking requirements for all residential districts.
- Update the City's Density Bonus Ordinance to conform to current State Law and provide additional local bonus provisions to incentivize moderate and middle-income housing projects.
- As an alternative to increasing maximum densities on selected parcels, create an overlay district for areas suitable for higher-density multifamily housing development.
- Prepare and adopt code amendment to assure mandatory allowance of permanent supportive housing and low barrier navigation centers by-right.

3) <u>Rezone existing sites with housing potential</u>. Rezone properties to allow higher density housing where such development is compatible with surrounding uses.

4) <u>Prepare and Adopt Area Plans and/or Specific Plans</u>. Evaluate and prioritize preparation and implementation of Area Plans or Specific Plans for portions of the City where such planning can substantially add to the housing development capacity. These areas include:

- Central Healdsburg Area
- North Healdsburg Avenue Area
- South Entry Area

As these plans are complex and require substantial policy, technical, review, and implementation efforts, schedule the completion of those plans selected in priority order.

5) <u>Pursue Development of 'Housing Opportunity Sites' through Partnership with Other Public or Private Entities</u>. Identify and evaluate potential sites (e.g., Foss Creek Community Center site, Healdsburg Hospital site, Station Area site, and other City-owned property) for potential development partnerships that focus on providing local employee housing. If feasible, civic functions (e.g., a community center, recreation facilities, libraries, etc.) that are adjacent to or incorporated as part of the site plan may enhance amenities.

Responsibility:	Community Development Department
Resources:	Substantial costs will be incurred to complete the technical, planning, and environmental review required to implement this Program
Funding:	General Fund, Housing Fund, and land/developer-based sources
Schedule:	Development Capacity Study, Code amendments completed during the 6th Cycle; rezoning and plans initiated during 6th Cycle.

Housing Program 5 – Developing Affordable and Middle-Income Housing

During the 5th Cycle, the City not only maintained sufficient sites and development capacity to achieve RHNA, the City focused on getting affordable units built and largely met the 5th Cycle RHNA requirements and the Quantified Objectives.

1) <u>Continue to implement the Inclusionary Housing Ordinance (IHO)</u>. Continue to implement the IHO and consider revisions to the inclusionary housing requirements that incentivize middle-income units.

2) <u>Manage Construction of Affordable Housing Development</u>. The development of price-restricted affordable housing projects requires considerable planning review, transactional support, and administrative effort. Fortunately, many of the projects that will be completed during the 6th Cycle have already been planned and funded, reducing this effort. However, there will be ongoing management efforts to ensure the projects are completed as expected. The City may contract with organizations or consulting firms that assist with construction management and administration of affordable housing projects and tenanting.

3) <u>Incentivize Affordable Accessory Dwelling Units</u>. Create an affordable accessory dwelling unit incentive program to encourage property owners to deed-restrict secondary dwelling units as affordable rental housing for lower- or moderate-income households. As part of the program, the City will establish long-term affordability requirements and a monitoring program to ensure the long-term affordability is maintained. The program will focus on lowering ADU costs though pre-approved plans, modular units, and financing programs.

4) <u>Develop Middle-Income Housing</u>. Creating middle-income housing is challenging due to the high costs of development, particularly in Healdsburg with its high median housing prices and high land cost. It is also the case that necessary price restrictions associated with public subsidies can deter market attractiveness of such homes. This program has the following elements:

   - **Expand Affordable Housing Projects to include 'mixed-income' housing projects**. Existing partnerships with affordable housing developers could be expanded to include 'mixed-income' units that would be affordable to middle-income households.
   - **Utilize Land Trust Model**. Expand cooperation with the Housing Land Trust of Sonoma County (or similar organizations) that use a land trust-based financing model to promote opportunities for ownership housing.
   - **Employer-Provided Housing**. Consider options for creating, in partnership with local employers, employer-provided or subsidized housing for local workers, including teachers, public safety employees, medical staff, etc.
   - **Developing Subsidy Options**. In most cases, substantial, local sources of funding and financial subsidies will be required to achieve middle-income housing objectives. There are a range of techniques used including 'silent second mortgages,' equity

sharing agreements, lease-purchase options, etc., that can be explored and shaped to meet local circumstances.

- **Target Opportunity Sites for Middle-Income Housing**. One or more of the Opportunity Sites that have been identified for affordable housing could be developed for middle-income housing, all or in part (mixed-income).

Responsibility:	Housing Director, Housing Department and Community Development Department
Resources:	Ongoing effort
Funding:	General Fund, Housing Fund
Schedule:	Continuing, as documented in the Annual Progress Report

Housing Program 6 – Affirmatively Furthering Fair Housing

The City has an ongoing fair housing program that will be expanded to meet the requirements of AB-686 and other new State laws. Key to this expansion is taking a more proactive approach to fair housing administration and addressing the full range of fair housing policy and statutory requirements.

1) Refer Fair Housing Complaints. Refer fair housing complaints to the State Department of Fair Employment and Housing, Fair Housing Advocates of Northern California, and legal services.

2) Provide Non-Discrimination Clause and Mandate Fair Housing Practices. Provide non-discrimination clauses in rental agreements and deed restrictions for housing constructed with City subsidy or through the IHO, and mandate the implementation of fair housing practices in contracts with affordable housing developers.

3) Disseminate Fair Housing Information. Disseminate fair housing information through multilingual posters, brochures, forms, and landlord/tenant handbooks from the State Department of Fair Employment and Housing and Fair Housing Advocates of Northern California in public locations and provide links on the City's website.

4) Conduct Spanish Language Outreach. Conduct outreach efforts for the City's affordable housing programs in Spanish as well as English and publicize the programs through organizations representing Spanish-speaking residents. Additionally, seek bilingual staff to support the Housing Department in outreach.

5) Provide Utility Discounts for Lower-Income Households. Continue to discount the electric, water and sewer utility and storm drainage maintenance charges to lower-income households and affordable residential projects.

6) Conduct Code Enforcement. Continue to investigate complaints and take action concerning Code Enforcement violations to encourage rehabilitation of substandard residential

properties by homeowners and landlords and improve overall housing quality and conditions in the City.

7) Improve Infrastructure in Lower Resource Areas. Continue street, sidewalk, recreation and other infrastructure improvements and maintenance in low- and moderate-income neighborhoods of the City.

Responsibility:	Housing Director, Community Development Department
Resources:	Expansion of City AFFH efforts will require additional staffing and support from collaborating agencies
Funding:	General Fund and Housing Fund
Schedule:	Service expansion to begin in FY 22-23

Housing Program 7 – Removing Housing Constraints

Both governmental and non-governmental constraints limit housing development potential, increase costs, and inhibit the development of housing at all income levels. This Program seeks to remove these constraints through regulatory reform, infrastructure investments, and broadening the sources of funding available to remove constraints and incentivize housing production.

1) Update and Reform Development Impact Fees and Charges. Review and update City Development Impact Fees and Connection Charges. Conduct economic analysis to determine the burden that such fees place on new development and seek ways, consistent with AB-602, to reduce the burden, particularly on affordable and middle-income housing development.

2) Promote and Utilize Exemptions to the Growth Management Ordinance. The GMO, as currently configured, exempts affordable housing units and allows construction of rental housing above its 30 unit per year limit on market rate housing. In addition, developments of ten or fewer units through SB 10 are exempt from the GMO.

3) Evaluate Potential Amendments to the Growth Management Ordinance. Explore amendments to the GMO to add further exemptions or increase the development cap above 30 units per year. The City will evaluate and consider specific amendments that further reduce constraints imposed by the GMO and thus promote housing availability and affordability.

4) Evaluate Infrastructure Readiness and Capacity. Conduct evaluation of roads, utilities, and other infrastructure needed to support expanded development capacity, as proposed in this Housing Element Update, and add required projects to the City's long-range capital improvement plans or the Capital Improvement Program.

5) Prepare Program-Level Environmental Impact Reports. Develop procedures for preparing 'program environmental impact reports' (EIRs). Such program EIRs can reduce the time and

expense of preparing project-level EIRs by limiting the scope of environmental review on individual projects covered by the program EIR. Program EIRs are suitable where one large project, such as an area or specific plan, can be characterized geographically. The project may involve a chain of subsequent individual projects carried out under the same authorizing statutory or regulatory authority which may have generally similar environmental effects and which can be pre-mitigated in similar comprehensive ways.

Responsibility:	Community Development Department, Public Works and Utility Departments, City Council
Resources:	Additional staff or technical consultant effort required along with potentially substantial capital improvements to improve development readiness
Funding:	General Fund, Road Fund, Utility Funds, and new Citywide sources
Schedule:	Continuing, as documented in the Annual Report on Housing Element

Housing Program 8 – Extremely Low-Income, Homeless, and Special Needs Housing Program

Diligent efforts are required to meet the needs of extremely low-income, homeless, and special needs individuals and households. The City, in cooperation with County and regional agencies, has an active Program that can be expanded as technical and financial resources are made available.

1) Develop Extremely Low-Income Housing. Promote housing for extremely low-income households by encouraging and supporting funding applications for developers of permanent supportive housing, and by continuing to provide for housing with supportive services, single-room occupancy housing, and shared housing in the Zoning Ordinance.

2) Provide Disabled-Access Units. Enforce Building Code requirements for the inclusion of accessible units in multifamily development projects that are subject to such requirements.

3) Provide Emergency and Transitional Housing. Work with appropriate agencies and groups to provide temporary and transitional housing and support services for the homeless in Healdsburg.

4) Provide Farmworker Housing. Work with appropriate agencies and groups to provide housing and support services for farmworkers in Healdsburg. Evaluate the community's farmworker population including farmworker jobs within the community to identify the need for farmworker housing by type and size and establish outreach to farmworker employers to match potential tenants to housing opportunities.

5) Publicize Senior Housing Resources. Provide information to the public on resources available to seniors, including local subsidized senior housing, senior housing providers, and fair housing assistance.

6) <u>Participate in Countywide Homeless Survey</u>. Participate in periodic comprehensive surveys of the County's homeless population.

7) <u>Implement Countywide Homeless Plan</u>. Participate in the Sonoma County Continuum of Care Strategic Planning process and continue to implement the strategies outlined in the Northern Sonoma County Homelessness Plan.

8) <u>Develop Housing for Persons with Disabilities</u>. Reach out annually to developers of supportive housing to encourage development of projects targeted to persons with disabilities, including developmental disabilities. Support applications for County, State, and Federal funding for housing construction and rehabilitation for persons with disabilities, including developmental disabilities.

9) <u>Coordinate with the North Bay Regional Center</u>. Work with the North Bay Regional Center to implement an outreach program informing residents of the housing and services available for persons with developmental disabilities. Make information available on the City website.

10) <u>Provide Incentives for Disabled Access</u>. Adopt incentives for accessory dwelling units that are designed to be accessible for people with disabilities. Incentives may include, but are not limited to: universal design, first floor bedroom/bathroom configurations, reduced setbacks, and/or reduced fees.

11) <u>Allow Employee Housing</u>. Amend the Zoning Ordinance to allow employee housing for six or fewer employees as a permitted use in the City's Mixed Use and Office zones to comply with California Health and Safety Code 17000, et seq.

12) <u>Eliminate Constraints to Emergency Shelters</u>. Review and amend parking standards for emergency shelters to ensure compliance with SB 2 and mitigate potential constraints to the development of emergency shelters. As necessary, the City will conduct outreach to relevant stakeholders such as service providers.

Responsibility:	Housing Director, Housing Department, and Community Development Department
Resources:	Continuation of existing efforts
Funding:	General Fund, Housing Fund, and Grants
Schedule:	Continuing, as documented in the Annual Progress Report

Housing Program 9 – Environmental Quality and Conservation Program

This Program encompasses continuing efforts to assure a high level of environmental quality in the City while recognizing and respecting the costs that may be imposed as part of this effort.

1) <u>Implement CalGreen Program</u>. Ensure that the designs and construction practices for new residences and additions to existing residences comply with the California Green Building Standards Code.

2) <u>Provide Solar Access</u>. Include an evaluation of consistency with Subdivision Map Act Section 66473.1 in staff reports to ensure residential subdivision applications provide for solar access.

3) <u>Provide and Publicize Energy Audit Program</u>. Continue to provide and publicize the Energy Audit Program services to homeowners and landlords.

4) <u>Provide and Publicize Energy Efficiency Rebate and Weatherization Programs</u>. Continue to publicize and administer State rebates for energy-efficient lighting fixtures and light bulbs, electric water heaters, air conditioners, heat pumps, appliances and photovoltaic systems, water storage, greywater systems, and weatherization of existing homes.

5) <u>Construct Pedestrian and Bicycle Facilities</u>. Include projects in the annual Capital Improvement Program and apply annually for CDBG funding to support projects that provide safe walking and bicycling facilities between housing and commercial, educational, and transit destinations.

Responsibility:	Community Development Department, Public Works Department, Utilities Department
Resources:	Continuation of existing efforts
Funding:	General Fund and Housing Fund
Schedule:	Continuing, as documented in the Annual Progress Report

Quantified Objectives

The Housing Element is required by State statute to include 'quantified objectives' that estimate and set targets for the number of units likely to be constructed, rehabilitated, and conserved/preserved by income level during the planning period. Beyond addressing RHNA site capacity requirements, quantified objectives can include targets for actual construction of housing units, specifying the types of housing units, objectives for preserving and conserving existing affordable housing units, and objectives for meeting other housing needs. The quantified objectives do not represent a ceiling, but rather set numerical objectives for the City to achieve.

Healdsburg has set forth Quantified Objectives that exceed its RHNA, as shown on **Table 3**.

Table 3   Summary of Quantified Objectives

Income Category	New Construction [1]	Rehabilitation [2]	Conservation/ Preservation [3]	Total
Extremely Low	21	22	20	63
Very Low	130	39	25	194
Low	147		25	172
Moderate	136			136
Above Moderate	312			312
TOTALS	**746**	**61**	**70**	**877**

[1] New construction includes pending, approved, or permitted units (564 units), projected ADUs (106 units), and above-and-beyond objectives for middle-income ownership housing (27 units, split between Moderate-income and Above Moderate-income), and small-lot infill and second housing units (50 units, split between Moderate-income and Above Moderate-income).
[2] Rehabilitation includes the L&M Village (22 units) and the Scattered Sites Project (39 units).
[3] Conservation/Preservation includes conserving 70 existing, affordable mobile home units in the City that are not part of the City's RHNA strategy but are includes as a Quantified Objective.

Objective 1 – Maintain Housing Sites
Maintain adequate sites and development capacity documented in this Housing Element Update as necessary to accommodate, at a minimum, Healdsburg's RHNA throughout the Planning Period, including site capacity for 190 extremely-low and very low-income units, 109 low-income units, 49 moderate-income units, and 128 above moderate-income units for a total of 476 units.

- The Sites Analysis (see Section 3) documents that sites necessary to meet the RHNA presently exist in the City and, moreover, are largely already in the development pipeline. This favorable situation reflects the earlier efforts by the City to secure housing sites and also process several large-scale development projects.

- The Housing Programs that support this Objective include Housing Program 3 -- Sustaining and Expanding Housing Sites, in recognizing that housing sites to meet the 6th Cycle RHNA

requirements are secure, entitled, or under construction focuses on assuring 'no net loss' of sites, further efforts to secure future housing sites, and expanding efforts to promote ADU construction; and Housing Program 4 – Expanding Housing Development Capacity, which focuses upon development code amendments, area and specific plans, and development of selected opportunity sites.

Objective 2 – Construct New Housing Units to Exceed RHNA

Construct the number of units equaling or exceeding the quantities by income group specified in the City's RHNA, as assigned to the City by the Association of Bay Area Governments.

- The quantified objectives for housing construction encompass the new units that will be constructed in the City of Healdsburg by the City through cooperation with non-profit developer partners, by market-rate housing developers, and by homeowners who construct new ADUs or other secondary units. On average, approximately 84 units are needed in each of the eight years of the Planning Period to achieve the 670-unit Objective for New Construction, shown in **Table 3**.

- Housing Programs that support this Quantified Objective include Housing Program 5 – Affordable and Middle-Income Housing Development, which among other efforts focuses upon managing housing construction projects in the 'development pipeline' to assure that overall production and price-restricted affordable units are completed as planned and approved.

Objective 3 – Permit and incentivize a diversity of housing types and development strategies

Meeting the housing construction objective shown in **Table 3** will involve construction of a variety of housing types meeting the needs of each of the income groups as reflected in the RHNA requirement. However, in addition to meeting the RHNA numerical requirements, the City envisions 'going beyond' the RHNA, particularly to meet the pressing housing needs of moderate and middle-income households. **Table 4** shows housing quantitative objectives by housing type totaling 746 units, which exceeds RHNA.

- Setting quantified objectives for these housing types and is in the spirit of the City's Housing Action Plan and provide the City with an important guideline and targets for future planning regulatory reform, rezonings and specific plans and individual housing project development. In addition to new housing units intended to meet the RHNA-based construction objectives, these housing types advance the City's goals to build more housing appropriate for the missing middle-income households.

- The Housing Programs that support this Quantitative Objective include Housing Program 4 – expanding Housing Development Capacity which explicitly requires that development code amendments, plans, and City-sponsored projects all focus on creating a diversity of housing types serving the full range of income category households, and Housing Program 5 – Affordable and Middle-Income Housing Development, which comprises efforts to incentivize and subsidize needed affordable and middle-income household housing units.

Table 4   New Construction by Housing Type

Housing Type	Income Group Targeted	Number of Units	Percentage Total Units	Annual Average	Housing Program Linkage
Price-restricted Multifamily Rental Units [1]	Primarily Low- and Very Low- Income Households	234	31%	29	**Housing Program 5** – Affordable and Middle-Income Housing Development
Market-rate Multifamily Rental Units (including senior housing) [2]	Middle Income Households (80% to 160% AMI)	306	41%	38	**Housing Program 5** – Affordable and Middle-Income Housing Development
Middle-income Ownership Housing [3]	Middle Income Households (80% to 160% AMI)	50	7%	6	**Housing Program 5** – Affordable and Middle-Income Housing Development
Accessory Dwelling Units [4]	Extremely Low, Very Low, Low, Moderate-Income Households	106	14%	13	**Housing Program 3** – Sustaining and Expanding Housing Sites
Small lot Infill and Second Housing Units [5]	Middle Income Households (80% to 160% AMI)	50	7%	6	**Housing Program 3** – Sustaining and Expanding Housing Sites
Total		746	100%	93	

[1] Includes pending, approved, or permitted rental units affordable to lower-income households.

[2] Includes pending, approved, or permitted rental units affordable to Moderate-income and Above Moderate-income households.

[3] Includes pending, approved, or permitted ownership units affordable to Moderate-income and Above Moderate-income households, plus 27 additional above-and-beyond objectives.

[4] Includes ADUs credited towards RHNA.

[5] Reflects the City's above-and-beyond objective.

Objective 4 – Conserve and Preserve Affordable Units

Conserve 70 existing affordable units and preserve affordability restrictions.

- This Quantified Objective includes a number of opportunities, including 1) conserving the 70 mobile homes protected by the City's Mobile Home Park Space Rent Stabilization Ordinance, which are important sources of non-deed-restricted affordable housing in the community, and 2) monitoring and extending, where feasible, the affordability restrictions of units at risk of converting to market rate during the eight-year planning period (2023-2031). There are not any units at risk of converting to market rate during the planning period, but the City will monitor closely.

- This Quantified Objective is supported by Housing Program 2 -- Preserve Housing and Neighborhoods, which focuses upon replacing any housing units lost due to commercial or

institutional construction, maintaining restrictions on mobile home site rents, and restricting conversion of existing homes to commercial or lodging uses.

Objective 5 – Rehabilitate Existing and Newly-Acquired Units

Rehabilitate a minimum of 60 existing housing units during the Planning Period (on average, 7 or 8 units per year during the Planning Period) so that existing and newly acquired affordable units remain affordable and habitable.

- This Quantified Objective can be met in several ways, including 1) acquisition of existing market rate multifamily housing on an opportunistic basis; 2) agreements to make improvements to units remaining in private ownership with the condition of a price-restriction; and 3) acquisition and conversion of motel/hotel units. The City has a relatively large quantity of older multifamily units but fewer motel properties to consider

- Rehabilitation of existing or newly-acquired units can be an important way to expand provision of supportive and transitional housing. Housing the City's homeless and extremely low-income households is costly and challenging and generally requires special City sponsored projects created and maintained in cooperation with State programs and regional partners. The recently created project involving conversion of an older motel property to transitional housing (the L&M Village project) provides an example of how such units can be created.

- This Quantified Objective is supported by Housing Program 2 -- Preserve Housing and Neighborhoods, which includes an effort to acquire additional existing multi-family residential properties for rehabilitation and offering as price-restricted housing, as well as Housing Program 8 – Extremely Low-Income, Homeless, and Special Needs Housing Program. Housing Program 8 focuses upon creating additional supportive and transitional housing units both as part of its low-income tax credit projects and special projects, as exemplified by the recently completed conversion of the L&M Motel into transitional housing units administered by the City.

3. Housing Sites Identification and Analysis

Consistent with Government Code §65583(a)(3), a major component of the Housing Element is the identification of sites for future housing development and evaluation of the adequacy of these sites for fulfilling the City's fair share of regional housing needs, which is based on ABAG's Regional Housing Needs Assessment (RHNA).

Table 5   Healdsburg's 6th Cycle RHNA

Income Group	2023 - 2031 RHNA Allocation
Very Low	190
Low	109
Moderate	49
Above Moderate	128
Total	**476**

Sources: City of Healdsburg; ABAG.

Sites identified to address RHNA can include vacant sites zoned for residential use, vacant sites that allow residential development, and underutilized sites that are capable of being redeveloped to increase the number of residential units. These sites must have the realistic potential for new residential development within the Housing Element planning period. Of particular relevance in Healdsburg, planned, approved, and pending residential units may be credited toward fulfilling the City's RHNA, as may a limited number of accessory dwelling units (ADU) and junior accessory dwelling units (JADU).

While the City plans to continue to aggressively pursue new housing opportunities throughout the City in the coming years, the City will meet its 6th Cycle RHNA through a combination of the methods listed below, which are summarized in **Table 6** and further described in the following narrative:

The Planning Period is the time period between the due date for one housing element and the due date for the next housing element (Government Code §65588(f)(1)). ABAG's 6th Cycle Planning Period is January 15, 2023 to January 15, 2031.

The Projection Period is the time period for which the regional housing need is calculated (Government Code §65588(f)(2)). ABAG's 6th Cycle Projection Period is June 30, 2022 to December 31, 2030.

A. Pending, approved, or permitted residential projects

B. Acquisition of non-deed restricted units and conversion to 55-year deed restricted, affordable units

C. Accessory dwelling unit (ADU) and junior accessory dwelling unit (JADU) development projections

This strategy means that this section is less focused on inventorying and analyzing potential opportunity sites and more focused on evaluating the pending, approved, and permitted project sites to ensure the City is conforming to the Affirmatively Furthering Fair Housing (AFFH) requirements and furthering AFFH objectives.

Table 6   6th Cycle Strategy to Address RHNA

Income Group	2023 - 2031 RHNA Allocation	Pending, Approved, or Permitted Units	Acquisition and Converted Units	Projected ADUs	Total Credits	% of RHNA
Lower						
Extremely Low	83	5	22	16	43	
Very Low	107	114	39	16	169	
Low	109	116	0	32	148	
Lower, Subtotal	**299**	235	61	64	360	120%
Moderate	**49**	65		32	97	198%
Above Moderate	128	264		10	274	214%
Total	**476**	**564**	**61**	**106**	**731**	**154%**

Sources: City of Healdsburg; ABAG.

A. Pending, Approved, or Permitted Projects

Housing units that are pending, approved, or permitted can be credited towards meeting the City's 6th Cycle RHNA. These units can count towards the RHNA based on affordability and unit count, provided it can be demonstrated that the units can be built within the planning period. Affordability (income category) is based on the actual or projected sales prices, rent levels, or other mechanisms establishing affordability of the units within the project, including affordability requirements achieved through the City's inclusionary housing program and/or project entitlement negotiations. **Table 7** presents a summary of each project, and a brief description of each project follows.

While pending projects are located in both Low-resource areas and High-resource areas, the Housing Element includes programs to help address and ensure access and mobility for those units pending in Low-resource areas.

Table 7   Summary of Pending, Approved, or Permitted Projects,   as of 7/1/2022

Project Name	Number of Units [1]						Resource Area Designation	Status	Anticipated Occupancy
	Total	ELI	VLI	LI	MI	AMI			
111 Sawmill	41		24	16	1		Low	Under Construction	est. 2023
155 Dry Creek	58	5	52	0	1		High	Plans Submitted	est. 2024
Saggio Hills	110		10	90	10		High	Plans Submitted	est. 2025
3 Healdsburg	30		2		1	27	Low	Planning Commission Workshop Completed	est. 2025
Enso Village	221		20		10	191	High	Plans Submitted	est. 2024
Comstock	80		6	9	39	26	High	Plans Submitted	est. 2024
Farmstand	24			1	3	20	Low	Under Construction	2022 - 2026
TOTAL	**564**	**5**	**114**	**116**	**65**	**264**			

[1] For each of these projects, the actual number of units and/or the afforability distribution may vary slightly. Any updates will be reflected in the City's Annual Progress Reports.

111 Sawmill

In 2017, Replay Resorts submitted an application to the City for the development of a mixed-use project named the Mill District, the final iteration of which includes construction of a 53-room hotel, approximately 15,000 square feet of commercial space, public improvements and open space, and up to 208 residential units, broken down by affordability level as follows:

- up to 138 multifamily condominium units, to be sold at "market rate" prices

- 30 multifamily residential units, to be sold or leased to persons whose household income is Above Moderate (i.e., between 120% and 160% of area median income)

- 41 affordable multifamily residential units, to be leased to income-qualifying households

  - 24 Very Low-income units

  - 16 Low-income units

  - 1 Moderate-income unit

The affordable units are being constructed by Eden Housing on a separate 0.86-acre parcel within the property. Eden Housing applied for and received consideration under the City's density bonus program as the project had 24 units of Very Low-income units deed restricted for a 55-year period. The density of the Affordable project is 48 units per acre. The affordable housing component of the Mill District is currently under construction. Occupancy is expected in 2023.

On January 8, 2019, the City's Planning Commission approved Resolution No. 2019-02, approving Master Conditional Use Permit CUP 2017-12, the Developer's application for a density bonus, concessions, and waivers pursuant to Density Bonus Law, Historic Demolition Permit MISC 2017-01, and Heritage Tree Removal Permit HT 2017-02 for the Project and recommending that the City Council approve a tentative map and a development agreement for the project.

On March 11, 2019, the City Council adopted Resolution No. 42-2019, approving Tentative Map TM 2017-01 for the Project, and on April 1, 2019, adopted Ordinance No. 1184, approving the Development Agreement for the Project. The overall Project will be constructed in phases over a period of several years, and the affordable units are currently under construction.

155 Dry Creek

The project at 155 Dry Creek Road is a 58-unit affordable project under development by Burbank and subject to an Exclusive Negotiating Agreement (ENA) with the City. The overall site is 3.52 acres, and the project is achieving a density of 16.5 units per acre. Five of the units are being provided to Reach for Home, a non-profit homelessness and housing service provider, and will be available to households exiting from homelessness (Extremely Low-income households). In total, the project will provide five Extremely Low-income units, 52 Very Low-income units, and one Moderate-income unit. Occupancy is expected in 2024.

Saggio Hills

In March 2011, the City of Healdsburg and Sonoma Luxury Resort, LLC ("Developer") entered into a Development Agreement (DA) pertaining to the development of a 258.5-acre property located in the northeast corner of the City. In conjunction with the DA, the City certified a Final Environmental Impact Report, adopted the Saggio Hills Area Plan, and approved a Tentative Subdivision Map for the Saggio Hills development project which includes: a 130-key luxury resort with meeting rooms, event and recreation facilities, a spa, restaurants and related amenities; 70 detached residences (market rate); a 36-acre community park; a fire substation; a water pump station; and conveyance of 14.16 acres of land to the City of Healdsburg for development of affordable housing.

The first Final Map for the Saggio Hills development project was approved by the Healdsburg City Council in April 2016 and recorded in May 2018. The first Final Map establishes eleven parcels, including Parcel 5 (7.02 acres) and Parcel 6 (5.45 acres) which comprise the "Affordable Housing Land." The developer provided the 14.16-acre area to the City graded and with infrastructure and roadways installed to serve the site.

The affordable housing project at Saggio Hills is a 100 percent affordable, 118-unit project on a 14.16-acre site being developed by Freebird Development Company as part of a Development Agreement. Freebird Development Company was selected through an RFQ process in February of 2021. The project consists of 10 Very Low-income units, 90 Low-income units, and 10 Moderate-income units. The 10 Very Low-income units will be available to those with Developmental Disabilities. The Saggio Hills project will also offer a for-sale component as a part of the development with at least 10 units offered for sale. The overall density is 8 units per acre. Freebird Development formally submitted its project for design review in May of 2022 and construction will begin in 2024. Occupancy is anticipated in 2025.

3 Healdsburg

The project at 3 Healdsburg is a 30-unit project being developed by KHE Holdings, LLC, of which three affordable units are being provided onsite through the City's inclusionary program. Overall, there will be two Very Low-income units, one Moderate-income unit, and 27 Above Moderate-income units on a 1.25-acre site, achieving a density of 24 units per acre. This project used the State Density Bonus. Occupancy is expected in 2025.

Comstock/North Village

The property owner and project applicant, Comstock Healdsburg, is proposing a redevelopment of a former lumber yard site at the northern edge of the City of Healdsburg, within the North Entry Area Plan area. The site is proposed to be redeveloped with a new Mixed-Use development that provides a gateway into Healdsburg from the north. Part of the project includes the development of multifamily housing that will be available to a range of affordable income categories.

The North Village project is an 80-unit project with six Very Low-income units, nine Low-income units, 39 Moderate-income units and 26 Middle-income units (120-160% AMI). The site is 7.6 acres and is being developed at a density of 10.5 units per acre. Occupancy is expected in 2024.

Enso Village

The Enso Village project is a Zen-inspired senior living project being developed by Kendal Corporation, located within the North Entry Plan area and part of the North Village project. The project will create 221 units, including 20 Very Low-income units and 10 Moderate-income units, with the remainder Above Moderate-income. There will be a mix of independent living units, assisted living units and memory support units in support of the City's special needs housing goals. Occupancy is expected in 2024.

Farmstand

Farmstand is a 30-lot subdivision project located between US Highway 101 and Grove Street, south of Dry Creek Road consisting of a total of 8.9 acres (formerly assessor parcel numbers 089-081-013 and 089-120-004). An overall density of 3.4 units per acre is achieved. To meet its inclusionary housing requirement, the project is providing with one low-income unit and three moderate income units The remaining units are above moderate-income. An affordable duplex (one low-income unit and one moderate-income unit) is currently under construction. The remaining two moderate-income units will be for-sale units, ground leased through the Housing Land Trust.

Occupancy of the initial 24 units is expected in late 2022. The affordable units are treated as "milestones" that are required prior to issuing building permits on the market-rate lots.

Map of Pending, Approved, and Permitted Sites

Pursuant to Government Code §65583.2(b)(7), a map **(Figure 3)** of the pending, approved, or permitted sites summarized in **Table 7** is provided below.

Figure 3   Map of Pending Project Sites
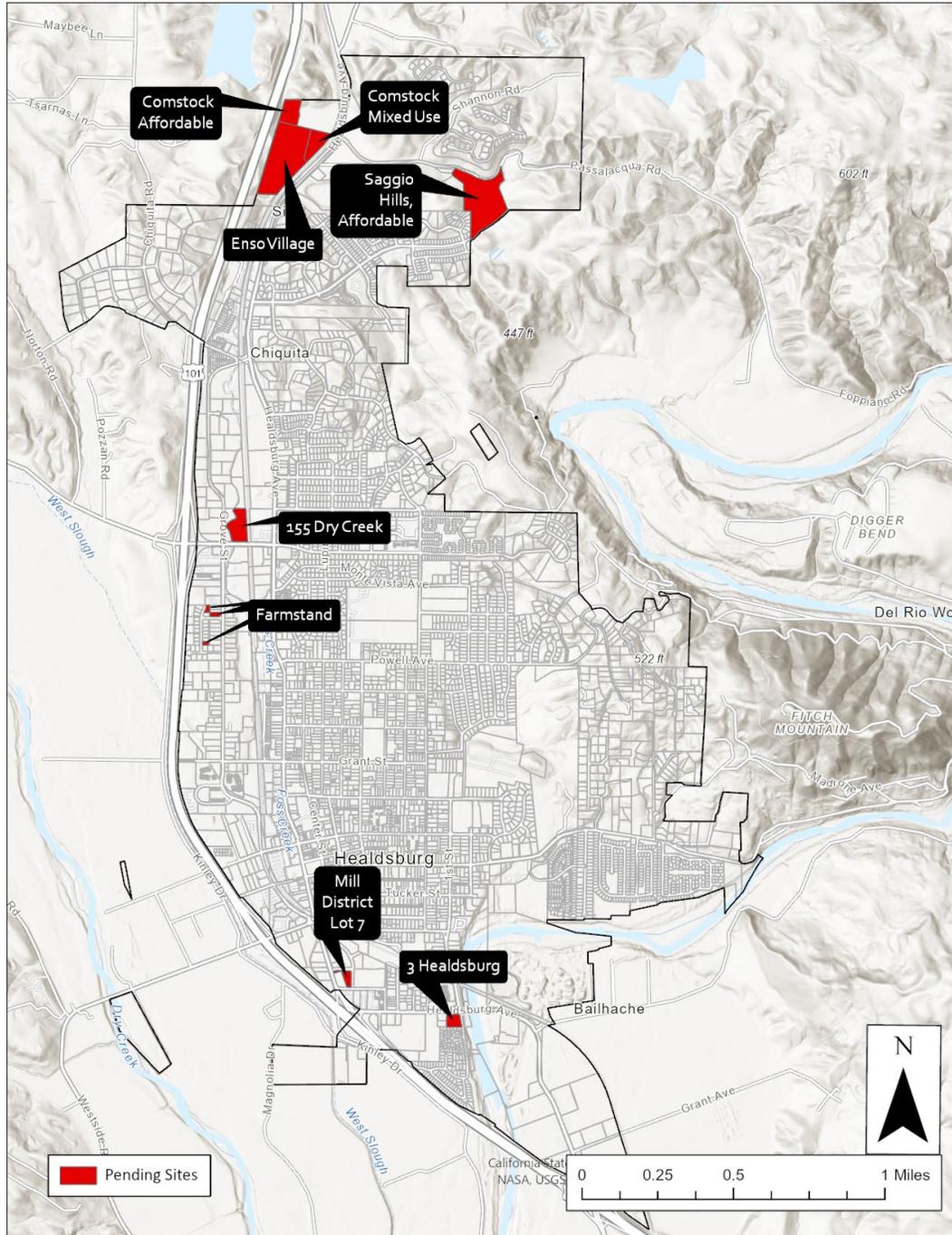
B. Acquisition of Non-deed Restricted Units and Conversion to Affordable Units

L&M Village

The L&M Village which is a partnership between the City of Healdsburg and Reach for Home, will create 22 units for the chronically homeless, addressing the Extremely Low-income cohort. In January 2022, the Healdsburg City Council unanimously approved the purchase/sale agreement for the L&M Motel and accepted a $7.2 million-Project HomeKey grant for the provision of interim housing at the former L&M Motel. The project is a collaboration between the City, Reach for Home, and Burbank Housing. Occupancy is targeted for November of 2022.

Scattered Sites Project

The Scattered Sites Project is a City-initiated project through which non-deed restricted units were bought at market rate and are being converted to 55-year deed restricted units. The project includes 39 units that will be affordable to Very Low-income households. These units are identified in **Table 8** and on **Figure 4** below. Of the 39 units, 23 are located in Low resource areas and 16 are located in High resource areas. The renovation work is underway and occupancy is expected in late 2022.

Table 8 Summary of Acquisition and Conversion Projects

Project Name	Number of Units						Resource Area Designation	Status	Anticipated Occupancy
	Total	ELI	VLI	LI	MI	AMI			
L&M Village	21	21					Low	Plans Submitted	August 2022
The Scattered Sites Project									
Monte Vina	23		23				Low	Renovations Underway	Summer 2022
University	8		8				High		
Piper	8		8				High		
TOTAL	**60**	**21**	**39**	**0**	**0**	**0**			
Total Acquisition/ Conversion Units in Areas Designated High Resource	*16*	*0*	*16*	*0*	*0*	*0*			

Figure 4   Map of Acquisition and Conversion Project Sites
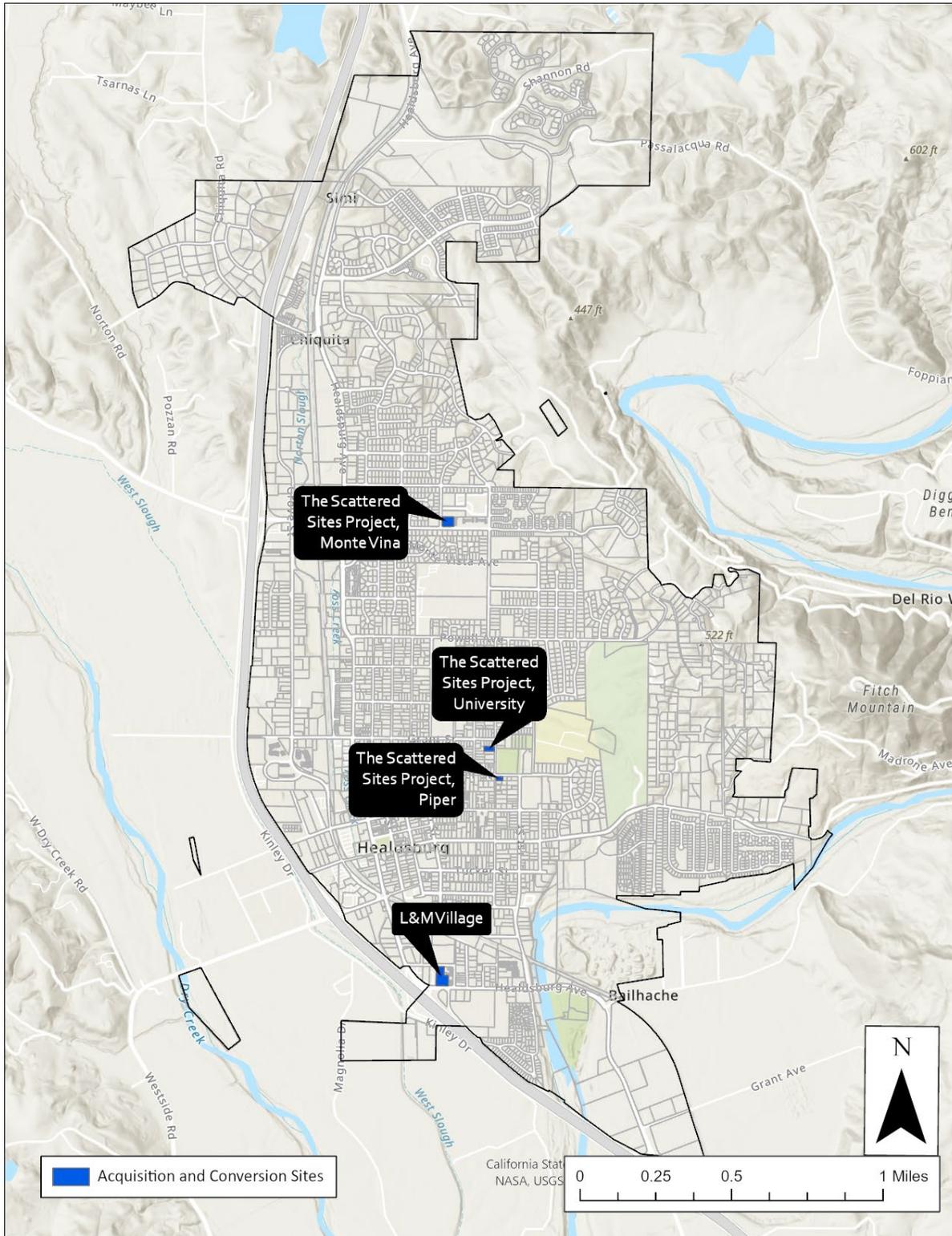
C. Accessory Dwelling Units and Development Assumptions

Accessory dwelling units (ADUs) are small (no larger than 1,200 square feet), self-contained units that provide living, sleeping, and kitchen areas. The unit can be attached to the main home with a separate entrance or can be a small detached unit in the rear yard or above a garage, for example. Junior accessory dwelling units (JADUs) are no more than 500 square feet and contained entirely within a proposed or existing single family home. A JADU has its own entrance and includes an efficiency kitchen; it may have its own bathroom or it can share with the primary residence.

Because of their small size, ADUs/JADUs typically rent for less than single-family homes or larger apartments. They can provide affordable rental options for smaller households, and can provide rental income for the homeowner. Between 2017-2019, the State adopted a series of additional requirements for local governments related to ADU ordinances. In response to these new ADU laws, Healdsburg has continually updated its ordinance to align with state law and better facilitate the production of ADUs and JADUs.

Healdsburg has been successful in its efforts, with 53 building permits issued for ADUs between 2018 and 2021, an average of 13 ADUs per year. Pursuant to AB 671, the Housing Element includes a program to further incentivize the production of affordable ADUs through the creation of architect-designed ADU construction plans that can be pre-approved and customizable at minimal cost to the applicant.

Given Healdsburg's growing track record in producing ADUs and relying on HCD's safe harbor ADU assumptions, the sites inventory projects a minimum of 13 new ADUs to be produced annually, or 106 during the 6th Cycle Planning Period (2023-2031). The projected affordability of these ADUs is allocated 30 percent to Very Low, 30 percent to Low, 30 percent to Moderate, and 10 percent to Above Moderate based on ABAG's ADU Affordability study. These projected units may be credited towards Healdsburg's RHNA. The City will continue to monitor the extent of ADU production to ensure that the program is being successful and that the Housing Element goals and RHNA production can be met. Additional measures (e.g., outreach and marketing) will be taken within six to 12 months if ADU production are falling below projections.

Consistency with Affirmatively Furthering Fair Housing

Pursuant to AB 686, sites must be identified throughout the community in a manner that affirmatively furthers fair housing opportunities per Government Code §65583(c)(10). Affirmatively Furthering Fair Housing means "taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and fosters inclusive communities free from barriers that restrict access to opportunity based on protected characteristics."

For purposes of the housing element sites inventory, this means that sites identified to accommodate the lower-income need are not concentrated in low-resourced areas (lack of access to

high performing schools, proximity to jobs, location disproportionately exposed to pollution or other health impacts) or areas of segregation and concentrations of poverty. Instead, sites identified to accommodate the lower income RHNA must be distributed throughout the community in a manner that affirmatively furthers fair housing.

In the context of AFFH, the site identification requirement must analyze whether the identified sites serve the purpose of affirmatively furthering fair housing by replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity.

The City's map of sites is overlayed on the California Tax Credit Allocation/California Department of Housing and Community Development Opportunity Map (see **Figure 5**). The analysis shows that more than 70% of the lower income RHNA are located in areas of the City designated high resource (208 pending lower-income units divided by the lower-income RHNA of 299 = 70%). In addition, future ADUs are likely to be developed in areas where there are existing single family homes in high-resource areas. This analysis is summarized in **Table 9** below.

More than 70% of the lower income RHNA are located in areas of the City designated high resource.

Table 9 Summary of Pending Units by Resource Area Designation

Project Name	Total	ELI	VLI	LI	MI	AMI	Resource Area Designation	Status	Anticipated Occupancy
111 Sawmill	41		24	16	1		Low	Under Construction	est. 2023
155 Dry Creek	58	5	52	0	1		High	Plans Submitted	est. 2024
Saggio Hills	110		10	90	10		High	Plans Submitted	est. 2025
3 Healdsburg	30		2		1	27	Low	Planning Commission Workshop Completed	
Enso Village	221		20		10	191	High	Plans Submitted	
Comstock	80		6	9	39	26	High	Plans Submitted	
Farmstand	24			1	3	20	Low	Under Construction	2022 - 2026
L&M Village	22	22					Low	Plans Submitted	
The Scattered Sites Project									
Monte Vina	23	0	23	0	0	0	Low		
University	8	0	8	0	0	0	High	Renovations Underway	
Piper	8	0	8	0	0	0	High		
TOTAL	**625**	**27**	**153**	**116**	**65**	**264**			
Total Pending, Approved, or Permitted Units in Areas Designated High Resource	469	5	104	99	60	217			
			208						
Lower-income RHNA	299								
Percent of Pending Lower-income Units as a Percentage of Lower-income RHNA	70%								

For those units that will be located in Low-resource areas of the City, the Housing Element includes policies to ensure access to resources and opportunities to avoid exacerbating concentrations of lower-income units.

Opportunity Areas
HCD and TCAC have created opportunity maps to identify areas throughout the state whose characteristics support positive economic (low poverty, high employment, high median household income), educational (reading and math proficiency, high school graduation rates, low student poverty rates), and environmental outcomes (low exposure to pollution) for low-income families, particularly long-term outcomes for children. The HCD/TCAC Opportunity Areas Map ranks Census tracts in Highest Resource to Low Resource based on these outcomes. A Census tract with a designation of High Resource would indicate that the Census tract has strong educational and economic opportunities for current and future residents.

The City limits partially or fully encompasses three Census tracts (11 Census Block Groups), which are categorized by the 2021 TCAC/HCD Opportunity Map as a mix of low to high resources areas. No Census Block Groups were identified as exhibiting "High Segregation & Poverty."

Of the seven (7) housing sites identified to address the lower-income RHNA, four (4) are in high resource areas. The majority of the unit capacity for lower-income sites are located in high or higher resource areas. Of Healdsburg's lower-income RHNA of 299 units, 192 pending units are in high resource areas. The two acquisition and conversion projects represent 60 additional lower-income units, of which 16 are located in high-resource areas. The combined result is that 70% of Healdsburg's lower-income RHNA is addressed through credited units in high resource areas. In addition to providing an equitable distribution of sites throughout the City, Healdsburg has committed to infrastructure improvements such as sidewalks and sewer upgrades in Low Resource areas in conjunction with developments such as L&M Village.

Figure 5 shows the distribution of pending projects and acquisition/conversion units in relation to the TCAC Opportunity Areas.

Figure 5 **Map of Pending and Acquisition and Conversion Project Sites in Relation to TCAC Opportunity Areas**
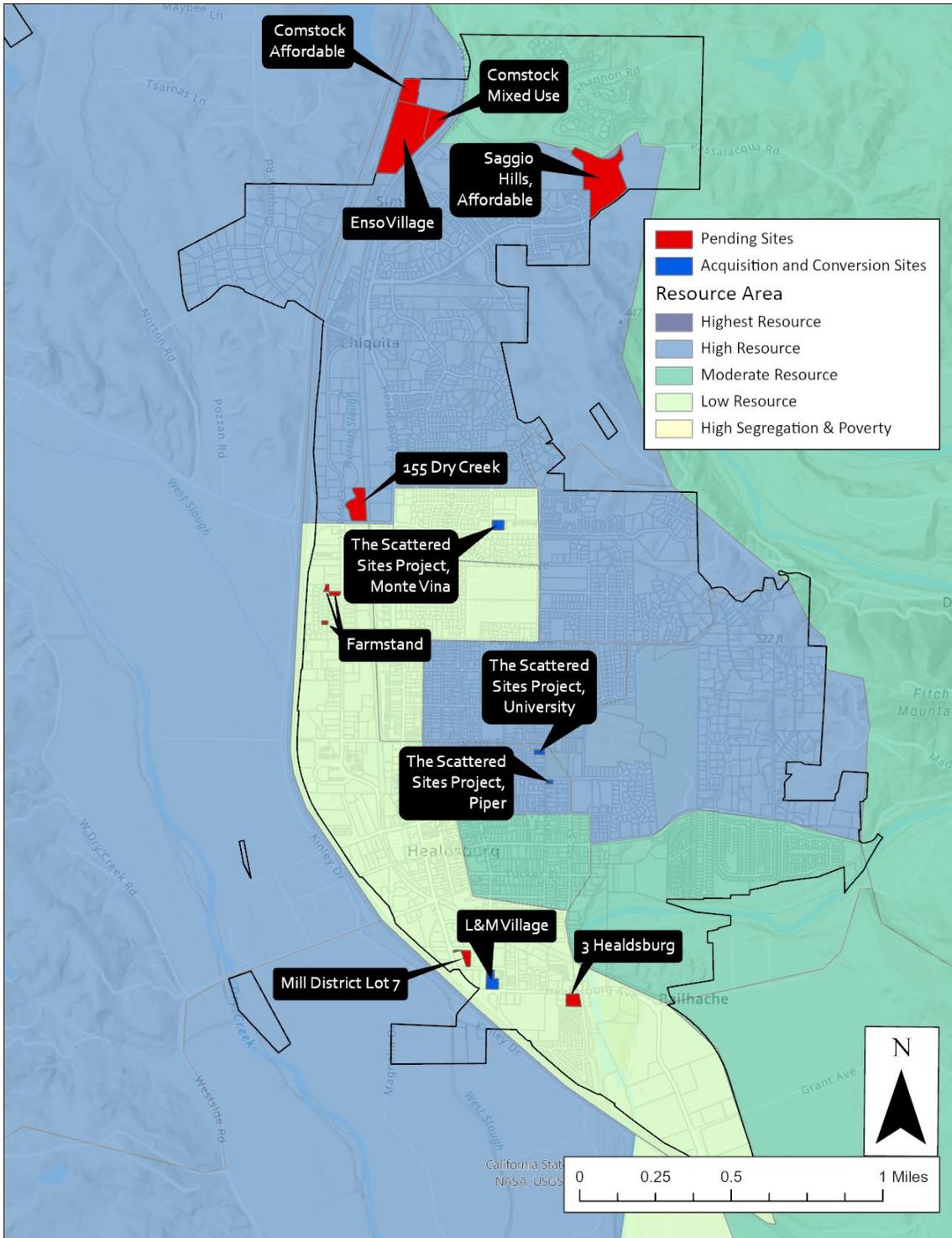
Improved and Exacerbated Conditions

Improved Conditions

By meeting 70% of the lower income RHNA in high-resource areas, Healdsburg is affirmatively promoting integration, balancing the distribution of residential development, and improving access to resources for the City's lower-income families. In addition, sites for all income levels are scattered throughout the City. There is no significant concentration of one income category in any one area included in the inventory.

Exacerbated Conditions

Three pending projects, representing 43 units affordable to lower-income households are located in a Census Block Group that is considered low-resource partially due to its low "Environmental Domain" score. Due to the redevelopment of the City's central lumber mill and further deindustrialization through infill housing development, this score is likely to improve through the planning cycle. In addition, the acquisition of the L&M Motel for conversion to 22 deed-restricted affordable units is located in the same low-resource Census Block Group. One of the three Scattered Sites properties, representing 23 Very Low-income units, is located in a different, but adjacent, low-resource Census Block Group. In total, these projects represent 87 units that will be located in low-resource areas.

To ensure these sites do not exacerbate current conditions, these sites are accompanied by place-based strategies within policies and programs to improve conditions in these areas. Housing Program 6 – Affirmatively Further Fair Housing includes an initiative to invest in street, sidewalk, recreation and other infrastructure improvements and maintenance in low- and moderate-income neighborhoods of the City. One example of furthering this goal is that as a part of the L&M Village project, the City added sidewalks and sewer upgrades as a part of the project's scope of work to not only provide 22 units of interim housing, but to also to improve the neighborhood's infrastructure.

Several other programs are aimed at improving access to fair housing resources and providing information and engaging in outreach in Spanish. Together these programs are designed to invest in the area to better meet the needs of the community while reducing the risk of displacement. At the same time, the pending projects and the acquisition/conversion projects will bring investment and a more diverse set of housing choices to the neighborhoods.

Fair Housing Assessment and Distribution of Sites

Additional analysis of each Census tracts was conducted in support of the Fair Housing Assessment. Select factors are described below and summarized on **Table 10**.

Integration and Segregation: Race and Income

The Census tract with the highest concentration of Hispanic residents and low-to-moderate households (LMI) populations are located in Census tract 1539.02, which is located at the western boundary of the City and stretches east across Healdsburg Avenue, from the southern end of the City north to Dry Creek Road. Of the 95 units pending in this Census tract, approximately one-half

will be Above-Moderate units, indicating that new housing for all incomes is distributed throughout the City. More specifically, the pending lower-income units are not concentrated in the City's Census tract with the highest concentration of Hispanic residents and low-to-moderate households pending lower-income units. These sites represent a mix of vacant and underutilized sites.

Racially/Ethnically Concentrated Areas of Poverty and Affluence

While Healdsburg has no racially/ethnically concentrated areas of poverty (per HUD's definition), there is one Census tract (Census tract 1539.02) in the central part of the City with a higher concentration of minorities and LMI populations. The City's other two Census Tracts have large proportions of white populations and the highest ranges in median income in the City and may be considered a concentrated area of affluence. Sites are spread around the City and lower- and moderate- income sites are located in both areas with higher concentrations of minorities and LMI populations as well as within concentrated areas of affluence, promoting integration and balanced living patterns.

Access to Opportunity

The City boundary partially or fully encompasses three Census tracts and 11 Census Block Groups. Nearly half of the Census Block Groups are categorized as high resource while the balance is split between low and moderate resource areas (See Figure 18 and Figure 19 above). Housing units are spread across different resource areas.

Disproportionate Housing Needs

The fair housing assessment identifies an ongoing need for more affordable housing in the City's higher-resource areas. The City incentivizes the development of extremely low-, very low-, low-, and moderate-income housing while including programs to prevent displacement (Program HP-6 Affirmatively Furthering Fair Housing). The Sites Inventory includes pending units and acquisition/conversion units within these areas that can assist in addressing these needs.

Table 10 AFFH Indicators by Census Tract

| Census Tract | Existing Household Count | RHNA Credit Projects (Units) | | | AFFH Indicators | | | | | CalEnviro-Screen Pollution Burden Percentile |
		Lower-Income	Moderate-Income	Above Moderate-Income	Percent Non-White	TCAC Opportunity Area	Percent Overpayment by Renters	Percent Overcrowded Households	Displacement Sensitivity	
06097153902	1,744	88	5	47	23.2%	Low Resource	41.1%	5.6%	Vulnerable	46.08
06097153903	1,546	16	0	0	15.8%	High Resource	27.3%	1.7%	Other	20.25
06097153904	940	0	0	0	8.9%	Moderate Resource	41.4%	0.0%	Other	23.85
06097153905	1,310	192	60	217	16.3%	High Resource	53.0%	0.4%	Other	23.85
06097154000	1,028	0	0	0	10.7%	High Resource	32.0%	1.5%	Other	19.10
Total	**6,568**	**296**	**65**	**264**						

Data Source:	ACS	ACS	TCAC/HCD	ACS	ACS	AFFH	AFFH
Data Year:	2020	2020	2022	2020	2020	2017	2021

Source: Source: California Tax Credit Allocation Committee (TCAC)/California Housing and Community Development (HCD), Opportunity Maps (2022); California Department of Housing and Community Development, Affirmatively Furthering Fair Housing Data and Mapping Resources (AFFH); U.S. Census Bureau, American Community Survey(ACS) 5-Year Estimates (2016-2020); Economic & Planning Systems

No Net Loss

State law (SB 166), the "No Net Loss" law, requires jurisdictions to maintain adequate sites to address their RHNA throughout the 8-year Housing Element planning period. If sites are developed with fewer units, or are developed at a higher affordability level than assumed in the Housing Element, the jurisdiction needs to adopt findings that adequate sites are still available to meet the remaining RHNA by income category; if such a finding cannot be made, the jurisdiction is required to rezone an additional site(s) within 6 months to make up the sites shortfall.

Because of this requirement, HCD recommends an increased buffer of at least 15 to 30 percent more capacity than required, especially for the lower-income RHNA, or projecting a lower density capacity than is allowed. Additionally, programs are included within the Housing Element to ensure the City complies with new 'No Net Loss' requirements and maintains sufficient sites in inventory.

This Sites Inventory includes a 120% buffer for lower-income units, a 198% buffer for Moderate-income units, and a 215% buffer for Above Moderate-income units. An overall buffer of 153% is demonstrated.

Programs to Ensure Continued Adequate Sites (No Net Loss)

To ensure the development capacity anticipated as part of the pending projects continues to be available for development, especially for lower income housing, programs have been included to maintain an adequate Sites Inventory, throughout the 8-year planning period. Housing Program 3 is focused on Sustaining and Expanding Housing Sites and is summarized here:

1) Maintain Adequate Residential Sites to Assure "No Net Loss". Monitor the supply of residential sites and related development projects to ensure that sufficient developable sites and units are available to meet the 6th Cycle RHNA requirement. Building upon the existing effort, maintain and expand a detailed listing of sites available for housing development and use this

list to assure RHNA requirements are met and also to attract residential developers to the City. Also, assure 'No Net Loss of Residential Units' by disallowing or mitigating any loss of housing due to redevelopment of existing areas containing housing units.

2) <u>Pursue Housing Site Acquisition/Land Banking</u>. On an opportunity basis, purchase sites or otherwise acquire sites with housing potential as part of efforts to partner with affordable housing developers and consider formation of a Community Development Corporation to facilitate such transactions. In addition, the City will explore the creation of a Housing Trust Fund that will meet State requirements for matching funding.

3) <u>Provide Public Information on ADUs and other Accessory Dwelling Units</u>. In addition to promoting ADUs, promote the development of accessory dwelling units (as permitted by SB-9 and ADU laws) by preparing and distributing an informational brochure on the permitting procedures, requirements, and support available for building accessory dwelling units in the City.

Infrastructure Considerations

A review of the City's Water Management Plan and discussions with the City's Public Works Department indicates that there is sufficient infrastructure in place to accommodate all the sites identified to address RHNA. All of the identified sites are infill sites and public services are available.

Water

In 2020, the City adopted an updated Water Management Plan, which indicates the City of Healdsburg's water supply is derived from surface water primarily through water rights but also includes a backup supply of contracted water. The City serves as the water provider within the municipality's water service area. The service area is approximately four-square miles and serves primarily residential and commercial customers. The potable water distribution system contains eight pressure zones (Tayman, Panorama, Sunset, Cadoul, Montage, Latimer, Hidden Acres, Iverson) that are each served by one or more of the six storage reservoirs (Iverson, Panorama, Tayman (2), Cadoul, Sunset) named for the zone they serve. Other zones are served by pressure regulating valves (Latimer, Hidden Acres) or a booster pump station (Montage). The City is a wholesaler to the Fitch Mountain Service area (CSA41). The principal water mains in the distribution system range in size from 4 to 16 inches in diameter. Most of the distribution piping in the older areas of the City range in size from 1-1/2 to 4 inches, while the newer areas are served by pipes 6 to 16 inches in diameter.

The City has a recycled water distribution system outside of the water service area. The recycled water transmission main extends north from the Water Reclamation Facility (WRF) following the West Slough and terminating at a recycled water dispenser on Kinley Drive, southwest of Highway 101. Another segment of recycled water pipe extends south from the WRF to multiple vineyard properties, extending approximately 18,300 feet south of the WRF. The recycled water distribution system can reach approximately 850 acres. The City is in the process of extending the recycled water

pipeline into the City to offset potable water demand by irrigating parks and athletic fields with recycled water instead.

Domestic water supply is not expected to limit development. However, the impacts of climate change must be considered. Due to climate change and more severe weather patterns, the City can expect adverse and variable impacts to its water supply and demand:

- Water Demand: Hotter days and nights will result in a longer irrigation season and therefore increase landscaping and irrigation water needs.

- Water Supply: More frequent and exacerbated weather events such as longer drought periods and higher temperatures can impact water supply and supply reliability.

- Natural Disaster: Wildfires are predicted to increase in intensity and frequency, droughts may become longer and more severe, and floods are expected more frequently.

Wastewater

The City of Healdsburg Department of Public Works and Utility Department operate and maintain a total of 50.2 miles of collection system gravity main piping, eleven (11) lift stations, and 3.0 miles of force main. Sewage flows by gravity to the Magnolia Lift Station, which pumps all the City's flow to the Wastewater Reclamation Facility (WRF). The northern area of the City is served by the relatively new North Trunk Sewer, which was constructed in 1995.

This trunk sewer was constructed to serve the areas of the City where nearly all significant new non-infill growth was expected to occur. The 33-inch Magnolia Trunk sewer collects all wastewater within the City near the south end of Healdsburg Avenue, where it runs under Highway 101 and flows another 4,400 linear feet south to the Magnolia Lift Station, located near the Foss Creek/Dry Creek confluence. After flowing through a grinder, flow enters the wet well at the Magnolia Lift Station and is then pumped approximately 3,500 linear feet through parallel 14-inch diameter force mains to the WRF.

The other 10 lift stations serve smaller areas within the City, two of which are located in the Corporation Yard. The Orangewood, Mountain View, and Heron Drive lift stations serve the southeastern portion of the City between South Fitch Mountain Road and the Russian River, and isolated areas north of South Fitch Mountain Road. All flows from the Orangewood and Mountain View lift stations are directed through the Heron Drive lift station.

Based on the preceding analysis and discussions with the Public Works Department, the units identified to address RHNA will have access to water and wastewater services.

Environmental Considerations

While the City of Healdsburg, as documented in its General Plan Safety Element is subject to portions of the City being flooded by episodic winter storm-related high flows of the Russian River, is

proximate to earthquake faults capable of damaging buildings, and is adjacent to lands designated as 'high' and 'extremely high wildfire hazard, there are ongoing programs in place to reduce these risks. None of these risks uniquely or disproportionately affect the City's under-resourced areas. A more detailed discussion of environmental constraints is included within the Technical Background Report.

Fire Hazards

As noted and addressed in the Goals and Policies and the related Programs, the City is located adjacent to wildland areas particularly to its east and western borders, that are designated 'high' and 'extremely high' wildfire hazard by CalFire. The City has active efforts underway to reduce the potential of fires in these adjacent areas from burning into the City.

Seismic Hazards

The City does not lie within active faults but is near to several known active and potentially active earthquake faults. The nearest fault zone is the Healdsburg-Rodgers which lies approximately 5 miles to the east of the City. Seismic hazards do not impede housing development in the City.

Flood Hazards

Significant portions of the City are located within the 100-year floodplain of the Russian River. Episodic flooding, typically associated with 'atmospheric river' storm events affecting the West Coast can cause flooding in the City. Local tributary creeks such as Foss Creek, are also subject to flooding. Flooding that occurs is typically a short-term inconvenience and can cause some damage to low-lying homes and businesses. Flood hazards do not impede housing development, as planned in the General Plan, from occurring.