

Comment on the City of Sonoma draft 6th Cycle Housing Element

September 15, 2022

Sonoma Valley Collaborative is a forum of community leaders from a wide range of sectors across Sonoma Valley, finding solutions and taking action to address our community's biggest challenges.

Since 2018, Sonoma Valley Collaborative (SVC) has been primarily focused on housing affordability, because community listening sessions and the SVC's Council members found that that issue was causing the most harm across all of Sonoma Valley's sectors and subcommunities. SVC's Housing Declaration is,

Sonoma Valley suffers from a housing affordability crisis that affects every aspect of our community. We pledge to work together, across boundaries, to increase, improve, and preserve housing that is affordable, for people who live or work in Sonoma Valley, within already developed areas, to create diverse, safe, complete neighborhoods.

Sonoma Valley Collaborative Housing Policy Platform

Over several months of deliberation, the members of SVC's Council developed a consensus housing policy platform. Every statement in today's letter was derived from this consensus platform.

- a. Rescue expiring subsidies for dozens of homes. (applies to county areas of Sonoma Valley)
- b. Ease approvals and reduce costs for projects that meet Housing Declaration standards.
- c. Physically and visually integrate households of varying incomes and sizes.
- d. Reduce the number of whole-house vacation rentals over time.
- e. Reduce the number of second or empty homes over time.
- f. Provide protection against involuntary displacement of moderate, low, and very low income residents, including mobilehome residents.

- g. Reduce or eliminate parking requirements for new or redeveloped residential projects. At the least, "unbundle" the cost of parking at multi-unit projects so residents can choose whether to pay for parking space.
- h. Rationalize and improve the mapping of priority housing opportunity areas using best available data sources and science, for example related to fire risk.
- i. Expand requirements for inclusionary units and disincentivize off-site units and in-lieu fees.
- j. Maximize the percentage of planned housing at SDC that is affordable to households making middle incomes and less. (not applicable to 6th cycle Housing Elements)
- k. Of new below-market units built, to balance out past patterns of building, more need to be for extremely low, very low, and low income households, and fewer for moderate income households.
- l. Allow small plexes in all residential zones.
- m. Allow diverse types of homes (mobilehomes, manufactured, prefab, tiny, etc) in all residential zones.
- n. City of Sonoma should annex land to build 100% affordable homes in the direction of the Springs.
- o. Use thoughtful tenant protections (rent stabilization and just cause eviction policies) to retain low- and middle-income residents, with reasonable protections for small-time, good-behavior landlords.

General comments

SVC asks that the objectives and timelines in the Housing Programs section be revised so they are specific, measurable, and occur faster. In most programs, multiple milestones should be listed under the timeline to assure timely implementation.

A reader cannot tell what the City's specific commitments are, because the tasks, outcomes, and timelines to Affirmatively Further Fair Housing (Table 1, p. HP-20) are not consistent with the objectives and timelines in the Housing Programs section. Please clarify which takes precedence, Table 1 or the Housing Programs. Please make Table 1 and the Housing Programs consistent, number the Table 1 rows so it's easier to reference them, and use the same Program names in both sections.

Some policies appear to lack program implementation measures. For example, Policy H-2.1 is about nonprofit developers converting existing market-rate apartments into affordable apartments, but there is no program that enacts this strategy. Policy H-2.4 is about mortgage counseling, but mortgage counseling does not appear in any program.

The statement on p. HBR-140 "that there are no known historic patterns of segregation by race and ethnicity, persons with disabilities, familial status, age or income" is incorrect. The deeds of many Sonoma parcels still retain their racially restrictive provisions in writing, though these provisions are no longer enforceable. Sonoma needs not to be defined by this history, but should acknowledge it and commit to policies that will achieve a fair housing future.

Please add a commitment for Sonoma to pursue a <u>Prohousing Designation from HCD</u>. City leaders often say the main thing holding Sonoma back from having more affordable housing is a lack of funding. Obtaining a Prohousing Designation would give Sonoma 10 additional points on grant applications to well-funded state programs such as Affordable Housing & Sustainable Communities, Infill Infrastructure Grant, and Transformative Climate Communities.

Program 1, Inclusionary Housing

SVC supports Sonoma's high inclusionary requirement. Please add language in line with these comments from Housing Land Trust of Sonoma County:

- 1) Require all inclusionary ownership units to be "affordable in perpetuity so that a one time investment can serve generations of households."
- 2) For both rental and ownership units, "inclusionary units [shall be] scattered throughout a development and comparable in size, basic finish options, construction quality and exterior design to market rate units so that they are truly indistinguishable from the rest of the development."
- 3) "Inclusionary units should be constructed onsite whenever possible. Affordable homeownership units that are onsite encourage community and economic integration, reduce emissions, and commute time. They stem the cycle of income inequality that can occur when affordable housing is relegated to lower resource areas; instead, they create a cycle of upward mobility. Studies show the poverty rate in neighborhoods where one grew up is a stronger indicator of mobility than the parent's education level or occupation."

<u>Program 2, Housing Affordability and Program 6, Affordable Housing Funding Sources</u> Meeting with affordable housing developers is not sufficient. Please add new objectives that are measurable, such as reporting annually on the number of funding applications submitted, the dollar amount of submitted funding applications, the dollar amount awarded, and the number of affordable units entitled.

Program 3, Adaptive Reuse

Please add new objectives that will actually produce feasible development plans for prioritized parcels. Eight years is plenty of time to go beyond "Develop[ing] innovative strategies". Please expand the described approaches to include re-use of entire commercial shopping centers and conversion of ground-floor commercial uses to residential. Please add timeline items to show development of strategies occurring early, such as 2023, and amending the Development Code by 2024. Unless more compelling commitments are added here, adaptively reused parcels should not be counted toward the City's RHNA numbers.

Program 4, Alternative Housing Models

Please correct an error: the timeline item shown is mistakenly copied from that of the previous program. Please add objectives that are specific, measurable, and occur faster. Objectives should include numbers of "alternative" units that are created or allowed. Please add interim timeline milestones so that progress can be evaluated.

Program 5, ADUs

SVC echoes the comments you have received from the Napa-Sonoma ADU Center. Please review their detailed, balanced, experience-based input and integrate their recommendations into the next version of this program.

New program under Goal H-1, Housing Diversity

Please add a program to reduce the number of second or empty homes over time, via disincentives that help fund affordable housing. Potential objectives and timelines are:

2023: Assessment: Quantify the impact of second homes, vacation rentals, and vacant homes on the City's housing stock, and evaluate programs in other cities, such as the property tax in Oakland, or a real-estate transfer tax.

2024: Make recommendations on policies to reduce second and vacant homes and support housing affordability

Program 7, Affordable Housing Impact Fees

SVC supports this objective and the fast timeline.

Programs 8 through 11

No comment.

New program under Goal H-2, Housing Affordability

Please add a program to retain renters in the City using informed tenant protection policies such as rent stabilization and just cause eviction protections.

Rent stabilization background: Last year alone, rent prices on listings for Sonoma County rose 13% (despite price gouging protections limiting rent increases to 10% starting from October 2019). Rent stabilization preserves existing non-subsidized affordable housing stock and affirmatively furthers fair housing, by limiting how much a landlord can raise the rent on an existing tenant each year, by tying the allowable increase to inflation. Unaffordable rent hikes disproportionately impact protected classes and members of our special needs populations. Rent stabilization has existed in cities across the country for many decades and has a track record of success. The existing statewide Rent Cap under the Tenant Protection Act of 2019 ("TPA") provides insufficient tenant protections. It prevents sudden rent spikes, but not unaffordable rent hikes every year. Rent stabilization ensures that rents do not rise faster than inflation. It provides long term stability, preserving rental affordability so that residents who are most vulnerable can remain securely housed here.

Just cause eviction protections background: Statewide just cause protections (AB1482) leave tenants vulnerable to arbitrary evictions in the first year of their tenancy. Tenants who rent certain types of homes (like duplexes where the landlord lives in one of the units) are not covered. The TPA's "substantial remodel" loophole allows landlords to evict a tenant, remodel their unit, and the tenant is not allowed to return. Certain no-cause evictions are routinely abused, especially those sought through the Ellis Act, where the landlord appears to be withdrawing a unit from the rental market. A local ordinance closing that loophole is authorized in the Ellis Act. Petaluma recently passed a just cause ordinance. Potential objectives and timelines are:

2023: review rent stabilization and just cause eviction policies from comparable jurisdictions, including reasonable protections for small-time, good-behavior landlords. Make recommendations.

2025: adopt tenant protection policies.

Program 12, Preservation of Assisted Rental Housing

SVC is relieved to see the data showing that no subsidized multi-family homes are at risk of converting to market-rate homes, or to non-residential uses, until after 2050. Please add data showing the level of risk of conversion for non-multi-family units, such as, potentially, the homes next to Vintage House.

Program 13, Monitoring and Reporting

We suggest the City look into using a rental registry to help achieve its housing goals. A rental registry can store the data required to enact meaningful policies to prevent tenant displacement, collect data on evictions, identify a multitude of issues with rental housing, including rental rates and increases, facilitate a proactive rental inspection program to address maintenance and preservation of rental housing, and support eviction protections. More info here.

Program 14, Design Guidelines and Design Review

In order to more quickly streamline approvals and reduce costs for projects providing housing that is affordable, please revise the timeline earlier, such as 2023 for determining if changes are needed, and 2024 for making those changes.

Program 15, Development Code Amendments

Please clarify if amendment A is applicable or not.

Please add an amendment to reduce or eliminate parking requirements for new or redeveloped residential projects. At the least, "unbundle" the cost of parking at multi-unit projects so residents can choose whether to pay for parking space.

Please add an amendment to require that inclusionary units meet the standards recommended above under Program 1.

Program 17, Growth Management Ordinance

No comment.

Program 18, Parking

SVC advocates reducing or eliminating parking requirements for new or redeveloped residential projects. Each new parking space costs tens of thousands of dollars. This raises the cost of housing development and makes it hard to meet production goals. Reducing parking

and simultaneously providing incentives to drive less (Transportation Demand Management) helps create connected and healthy communities, meet climate goals, reduce congestion, improve air quality along bus routes where lower-income people and children live, grow the constituency for transit, and foster more, more diverse, and more affordable housing. Therefore, please add the following objectives and timelines:

2022: Require unbundled parking for multi-unit projects near bus routes, so residents can choose whether to pay for parking space. Encourage or require developments to subsidize transit passes in return for reduced parking provision.

2023: Assess potential parking reforms for their impacts on housing, transportation, tourism, and other goals. Examples: Consider a "Shared Parking" program, which can provide private parking spaces that are often underutilized during the work day, after hours, and on weekends. This is easier for building managers to implement now with new parking tech tools like Parkade (not an endorsement, just an example). Create an incentives-based program that encourages owners of multi-unit properties to open them to the public through Parkade or a similar tool.

2026: Make parking policy and program recommendations.

Program 19, Density Bonus

It is not clear whether every qualifying application for density bonus is approved. Please add language affirming that density bonus will be approved for any project meeting the criteria in any zone that allows residential uses.

Program 20, Fair Housing Services

No comment.

Program 21, Affirmatively Further Fair Housing

SVC members place a high value on integrating all types of households into all neighborhoods. Therefore:

Please add a row in Table 1 (and an objective in Program 15) to make smaller multi-unit buildings (duplexes up to 5-plexes) allowable in all residential zones. This policy is key to creating a better city.

Please add provisions to the Housing Element so that subsidized units for Low and Very Low income households are fairly distributed across all neighborhoods, all residential zones, instead of clustering almost all of them in three locations on Sonoma's busiest, noisiest streets in commercial areas, as is shown in the current draft.

the last row of Table 1 (Displacement Protection), the analysis of displacement risk only covers lower-income residents in "mixed-use, Housing Opportunity, and high density residential" areas. Please extend the displacement risk analysis and subsequent protections to all residential settings, including single-family homes, non-subsidized housing units, and ADUs.

Program 22, Universal Design

SVC suggests the City add an objective to follow Petaluma's lead and adopt an ordinance requiring visitability standards in all new and remodel residential construction. The costs are negligible. Visitability would allow more people to age in place. More information is here.

Program 23, Reasonable Accommodation

No comment.

Program 24, Homeless Services and Shelter

No comment.

Program 25, Mobilehome Park Senior-Only Occupancy Restrictions

In recognition of the important role that mobile homes make to Sonoma's affordable housing stock, SVC supports these provisions and echoes the comments from member Sonoma Valley GSMOL: please add an objective to integrate closure and conversion protections from AB 2782 into the City's existing ordinance.

Program 26, Affordable Housing Resources for Renters and Owners

SVC members and other community organizations should be named here, to participate in the development of this program, so that it will be successful. Materials and events should be designed from the start in both English and Spanish.

Program 27, Monitor Residential Capacity (No Net Loss)

No comment.

Program 28, Replacement of Units on Sites

SVC supports the draft provisions and asks that they be strengthened to achieve the intent of not displacing lower-cost housing situations. Please add here the protections against displacement of existing residents with incomes below moderate, that are described in Program 11 for mobile home residents; that is, Section 19.65.030 of the Development Code,

including tenant noticing, relocation provisions, and right of first purchase or rental at a cost that does not create a rent burden.

Program 29, Sonoma Water Action Plan and Conservation Incentives

SVC members understand that water supply limitations due to drought and climate change are compatible with building new infill affordable housing, which is smaller, more efficient, and has less landscaping than older or single-family housing. Across Sonoma County, including its cities, water consumption per person has dropped while the population has grown. For example, Rohnert Park halved its per-person water consumption since 1997.

Programs 30-31

No comment. Note that Program 31 is mistakenly labeled as Program 29.

The members of Sonoma Valley Collaborative represent many of your constituents. We are united in urgently calling for a new commitment to affordably housing our fellow community members. We look forward to reviewing the next iteration of the City of Sonoma's Housing Element.

Boys & Girls Club Of Sonoma Valley/Teen

Services Sonoma

Disability Services & Legal Center

F.I.S.H. Sonoma Valley

Impact100 Sonoma

Hanna Institute

Homeless Action Sonoma

La Luz Center

Midstate Construction

Sonoma Community Center

Sonoma Ecology Center

Sonoma Overnight Support

Sonoma Valley Chamber of Commerce

Sonoma Valley Climate Coalition

Sonoma Valley Community Health Center

Sonoma Valley Education Foundation

Sonoma Valley Golden State

Manufactured-Home Owners League

Sonoma Valley Hospital

Sonoma Valley Housing Group

Sonoma Valley Mentoring Alliance

Sonoma Valley Vintners and Growers

Alliance

Sonoma Valley Visitors Bureau

Transition Sonoma Valley

Valley Bar + Bottle

Winery Sixteen 600

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