

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: AMY LYLE, SUPERVISING PLANNER
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
SUBJECT: DRAFT HOUSING ELEMENT REPORT

AGENDA ACTION: STUDY SESSION

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council receive and provide input on the draft 2023-2031 Housing Element.

EXECUTIVE SUMMARY

Study Session to review the draft 2023-2031 Housing Element. The purpose of this meeting is to provide an overview of the draft Housing Element and receive public comment before the draft is submitted to the State Housing and Community Development Department. The Housing Element includes a housing needs assessment, evaluation of the existing housing element, housing site inventory analysis, fair housing assessment, potential and actual government constraints analysis, analysis of the Growth Management Ordinance, and housing implementation goals, policies, and programs to support housing production, housing affordability, and housing for special needs populations, among other topics. This presentation will include an analysis of how the City will meet objectives of the Regional Housing Needs Allocation.

The Housing Element will come back for final action in January 2023, after the review by the State Housing and Community Development Department has been completed.

BACKGROUND

The existing City Housing Element was adopted on July 29, 2014.

In March 2020 the Planning & Economic Development Department started the Santa Rosa Forward project. This three-year project includes a comprehensive update of the City's existing General Plan and Housing Element.

On March 3, 2020, Council authorized a comprehensive update of the 2035 General Plan, including the Housing Element, for a total contract amount of \$2,500,000 (Professional Service Agreement F002144)

On October 13, 2020, Council amended the General Plan Update Professional Service Agreement to include an update to the Climate Action Plan and increase the total contract amount to \$2,599,909.

On July 20, 2021, the Commission and Council heard met jointly and accepted the General Plan Update Vision Statement.

On Nov 16, 2021, the Commission and Council heard met jointly to hear a study session on the Housing Element process.

On June 3, 2022, the Draft Housing Element was posted for a 30-day public review period.

ANALYSIS

1. Housing Element Update

The Housing Element is one of the eight required elements of the City's General Plan. Because housing affordability and availability is a critical issue with statewide implications, State law requires Housing Elements to be updated on a regular basis.

The City of Santa Rosa is currently part of an 8-year update cycle (2023-2031) and is working to update the Housing Element which is due January 31, 2023. The Housing Element Update must be reviewed and certified by the State Department of Housing and Community Development (HCD).

The Housing Element is required to address the following:

- Assess and address constraints to housing development.
- Provide an assessment of housing needs.
- Analyze progress toward implementing the previous Housing Element.
- Guide future housing development.

2. Regional Housing Needs Allocation

One of the primary purposes of the Housing Element update is to demonstrate that the City can meet its Regional Housing Needs Allocation (RHNA). HCD provides an allocation to the Association of Bay Area Governments (ABAG). ABAG then determines the RHNA for the individual jurisdictions within its planning area. Table 1 provides the City's RHNA allocation for the 2023-2031 planning period.

Table 1: Regional Housing Needs Allocation by Income Group

Income Group	Income Range	RHNA (Units)
Very Low-Income (<50% of Median Income)	\$58,150 or less	1,218
Low-Income (50-80% of Median Income)	\$58,151 – \$93,050	701
Moderate Income (81-120% of Median Income)	\$93,051 – \$123,950	771
Above Moderate Income (>120% of Median Income)	\$123,951 or more	1,995
TOTAL		4,685

The Draft Housing Element includes a Housing Sites Analysis which provides an inventory of land suitable for residential development. State law requires each jurisdiction to demonstrate that sufficient land is zoned to provide housing capacity that is adequate to meet the RHNA for each income level. The Draft Housing Element Sites Analysis demonstrates that an adequate number of appropriately zoned sites exist to meet the City’s RHNA obligation, which is demonstrated through pending and approved residential projects, vacant sites which are zoned for low, medium, and high density housing, and projected Accessory Dwelling Units (ADUs).

Accounting for approved and pending projects, vacant site capacity and projected ADUs, the City has a total surplus of 5,259 units. Breaking this down by income category, the City has a surplus of 821 units in the lower-income (including extremely low-, very low-, and low income) category, a 444 unit surplus in the moderate-income category, and a 3,994 unit surplus in the above moderate-income category. This surplus or buffer is critical to ensure the Draft Housing Element is in compliance with State law if identified sites develop at a different number or income level from what was identified in the Sites Inventory.

On April 18, 2022, and May 20, 2022, the County of Sonoma submitted written correspondence to the City requesting a RHNA transfer of 1,800 units (Attachment 3). In accordance with State law, the transfer of 1,800 units must be proportionate to the income distribution of the County’s allocation (see Table 2), and would be subject to approval by ABAG and HCD.

Table 2: County of Sonoma RHNA Transfer Request

Jurisdiction	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Santa Rosa	1,218	701	771	1,995	4,685
Unincorporated County	1,036	596	627	1,622	3,881
County Request	466	269	298	767	1,800

While the Draft Housing Element demonstrates the City has sites in excess of its RHNA obligation, the transfer of 1,800 units would impact the identified buffer as demonstrated in Table 3. If the Council elects to proceed with this transfer request, the Housing Sites Inventory and Fair Housing Assessment Sections would need to be modified. City staff may need to rezone sites or add a policy into the DSASP requiring a certain percentage of the Floor Area Ratio (FAR) to be dedicated to housing. If the Council directs staff to absorb the County’s RHNA request, this current Draft Housing Element would be submitted to HCD as planned. Over the next 90 days staff can finalize the agreement with the County, apply to ABAG for the RHNA change, and then resubmit the amended version of the Housing Element to HCD in November. This work would require an additional three to five months in total which would delay ultimate adoption and certification, and would require additional funds to support staff and consultant time.

The Housing Sites Inventory also identifies sites to accommodate Moderate and Above-Moderate units within the Wildland Urban Interface (WUI). Many of these sites are rebuild sites which can be included to meet RHNA. While no sites identified in this Draft Housing Element are proposed for an increased residential density and have development rights whether or not they are included in the Sites Analysis, the sites may be removed from the inventory if requested by Council. Table 3 below shows the impact to the City’s buffer if sites identified from the WUI are removed.

Table 3: DRAFT Modified Capacity to Meet RHNA with County Transfer

Income Category	6 th Cycle RHNA	Total Capacity	Surplus (Buffer)	Units in WUI	Buffer after Removal of WUI Sites	County RHNA Request	Buffer with County RHNA Addition	Buffer with County RHNA + Removal of WUI Sites
Very Low	1,919	2,740	821 (43%)	0	821 (43%)	735	86 (4%)	86 (4%)
Low								
Moderate	771	1,215	444 (58%)	143	301 (39%)	298	146 (19%)	3 (0.4%)
Above Moderate	1,995	5,990	3,995 (200%)	969	3,026 (152%)	767	3,228 (162%)	2,259 (113%)
Total	4,685	9,945	5,260	1,112	4,148	1,800	3,460	2,348

3. Recent Changes in State Law

Recent changes in State Housing Element law require additional analysis and programs to be included as a part of the Housing Element update.

AB 879 and AB 1397 – require substantial additional analysis to justify sites as suitable and available for development within the planning period. Additional analysis is required for the following:

- Non-vacant sites, small sites (<0.5 acres), and large sites (>10 acres)
- Vacant sites included in the prior two housing elements to accommodate lower income households, or non-vacant sites included in the prior element, cannot be used in future housing elements unless zoning allows for development by-right if at least 20% of units are affordable to lower income households.
- Site capacity calculations must be based on the following factors: a) land use controls and site improvements; b) realistic capacity of site; c) typical densities; and d) environmental and infrastructure constraints.

SB 166 – “No Net Loss” Law requires enough sites be maintained to meet the RHNA for all income levels throughout the planning period. This also prevents downzoning or reduction in density, requiring jurisdictions ensure there is sufficient allowable density to meet the RHNA and without a reduction in the total allowable units.

AB 686 – requires the City to conduct an analysis of indicators of fair housing issues, access to opportunity and resources such as employment opportunities and safe housing conditions, and analyze whether the sites inventory combats existing patterns of fair housing issues and fosters an inclusive community moving forward.

The Assessment of Fair Housing required under AB 686 must identify specific actions the City will take to combat fair housing issues throughout the planning period.

SB 9 – requires jurisdictions to ministerially approve up to two units on all lots in existing single-family zones and/or allow urban lot splits. Jurisdictions may not require development standards that prevent the construction of two units on either of the parcels resulting from urban lots split that conform with SB 9 criteria; however, allows jurisdictions to prohibit more than two units on the resulting parcels, including ADUs, Junior ADUs, and primary dwelling units.

SB 35 – requires streamlined approval processes in jurisdictions where the number of building permits issued is less than the share of the RHNA by income category for the planning period. If the jurisdiction has not met the above moderate-income RHNA, projects in which 10 percent of units are for low-income households are eligible for streamlining. If the low-income RHNA has not been met, projects in which 50 percent of the units are for low-income households are eligible for streamlining. Jurisdictions must establish their own SB 35 application process or rely on the process provided by HCD.

SB 330 – is intended to reduce approval time for housing developments in California. Under this bill, jurisdictions must remove barriers to development and prohibits downzoning that results in a loss of allowable residential density in the jurisdiction. Developers may submit a preliminary application under SB 330 that must be deemed complete if all required items are included. Once deemed complete, the project is only subject to the ordinances, policies, and standards and place at the time the preliminary application was submitted. Under both SB 35 and SB 330, jurisdictions must have objective standards in place for review of projects.

FISCAL IMPACT

There is no fiscal impact related to this item as the funding has already been allocated to the Santa Rosa Forward project. The Housing Element update is a component of the authorized work plan.

ENVIRONMENTAL IMPACT

This Study Session is exempt from the California Environmental Quality Act (CEQA) because it does not have potential for resulting in either a direct, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On June 9, 2022, the Draft Housing Element was presented during a Joint Study Session of the Planning Commission and Housing Authority. No formal recommendation was required at this time. During this meeting, several Planning Commissioners expressed concern regarding the County's proposed RHNA transfer and the impact on staff resources, budget, and timing of the Housing Element adoption. One Commissioner was open to the RHNA Transfer. All commissioners present were okay with housing inventory sites remaining within the Wildland Urban Interface areas.

ATTACHMENTS

Attachment 1 – [Draft Housing Element](#)
Attachment 2 – Housing Survey Results
Attachment 3 – Public Correspondence

CONTACT

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