

Housing Series – Report 5

Draft Housing Action Program

City Council

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Housing Action Plan: Housing for All

- **DEFINITION:**

The need for **housing at all household income levels**, addressing existing deficiencies and future housing demand

- **PERFORMANCE MEASURES:**

- **Quantifying existing** housing needs and deficiencies
- **Estimating future** demand
- **Production of housing** at each income level
- **Documenting “return on investment”** from City investments in housing

- **APPROACH:**

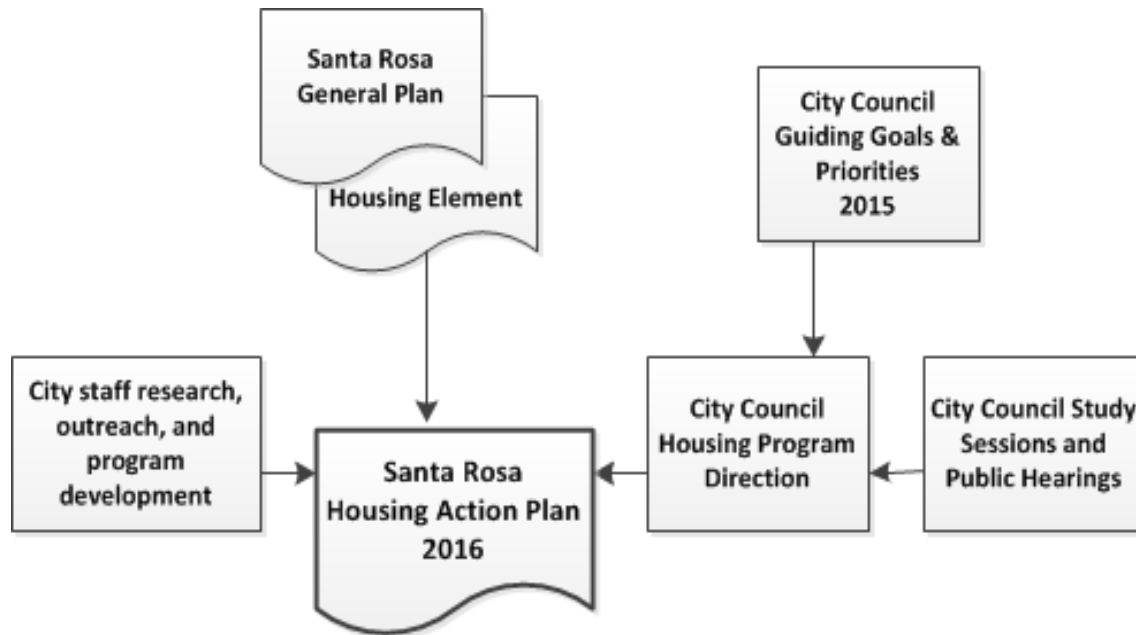
Cost-sensitive and cost-effective – maximizing housing production within realistic fiscal commitments

Housing Action Plan: Mission

The City of Santa Rosa will facilitate the construction of **Housing for All**; specifically, meeting the housing needs of the full spectrum of household income groups including those currently living in the City and those relocating to the City in the future.

Housing For All: Plan Development

City has prepared the *Housing Action Plan* over the past six months with a concerted interdepartmental technical effort, stakeholder outreach, and City Council public meetings.



Housing For All: Council Direction

1. Sustain **General Fund support** for housing;
2. Conduct a **commercial linkage fee** nexus study and consider imposing a fee at a level deemed not to inhibit development;
3. Consider **short term investments** in housing programs and planning services with high potential to stimulate production and economic development;
4. Increase **housing impact fees**, offset by regulatory and financial incentives, to assist for-sale affordable housing;
5. Seek voter approval of a **tax measure** providing support for housing programs and homeless services;
6. Consider increased housing funding using an **Enhanced Infrastructure Financing District** or similar mechanism;
7. Consider a **non-discrimination ordinance** for Veterans' Affairs Supportive Housing, HUD, and other voucher users.

Housing Action Plan: Objectives

- Build **5,000** housing units in the current **Housing Element Cycle**
- Construct **2,500** affordable housing units, including
 - **30 percent** of the total (approximately 1,500 units) for **lower income** households, and
 - **20 percent** of the total (approximately 1,000 units) for **moderate income** households
- Preserve the **4,000 existing affordable housing units**.
- Achieve **1,000** housing units ready for **Building Permit issuance** in 2016
- Facilitate revitalization of **previously entitled** housing unbuilt projects containing an estimated **2,000** housing units

THE ORGANIZATIONAL PLAN:

- Departmental **Reorganization** and **Capacity Improvements**
- Interdepartmental **Coordination** and **Leadership**
- **Priority Setting** assuring optimal use of funding
- **Partnerships** with public agencies and affordable housing developers

THE OPERATIONAL PLAN:

Program 1 – Increase inclusionary affordable housing

Program 2 – Achieve “affordability by design” housing

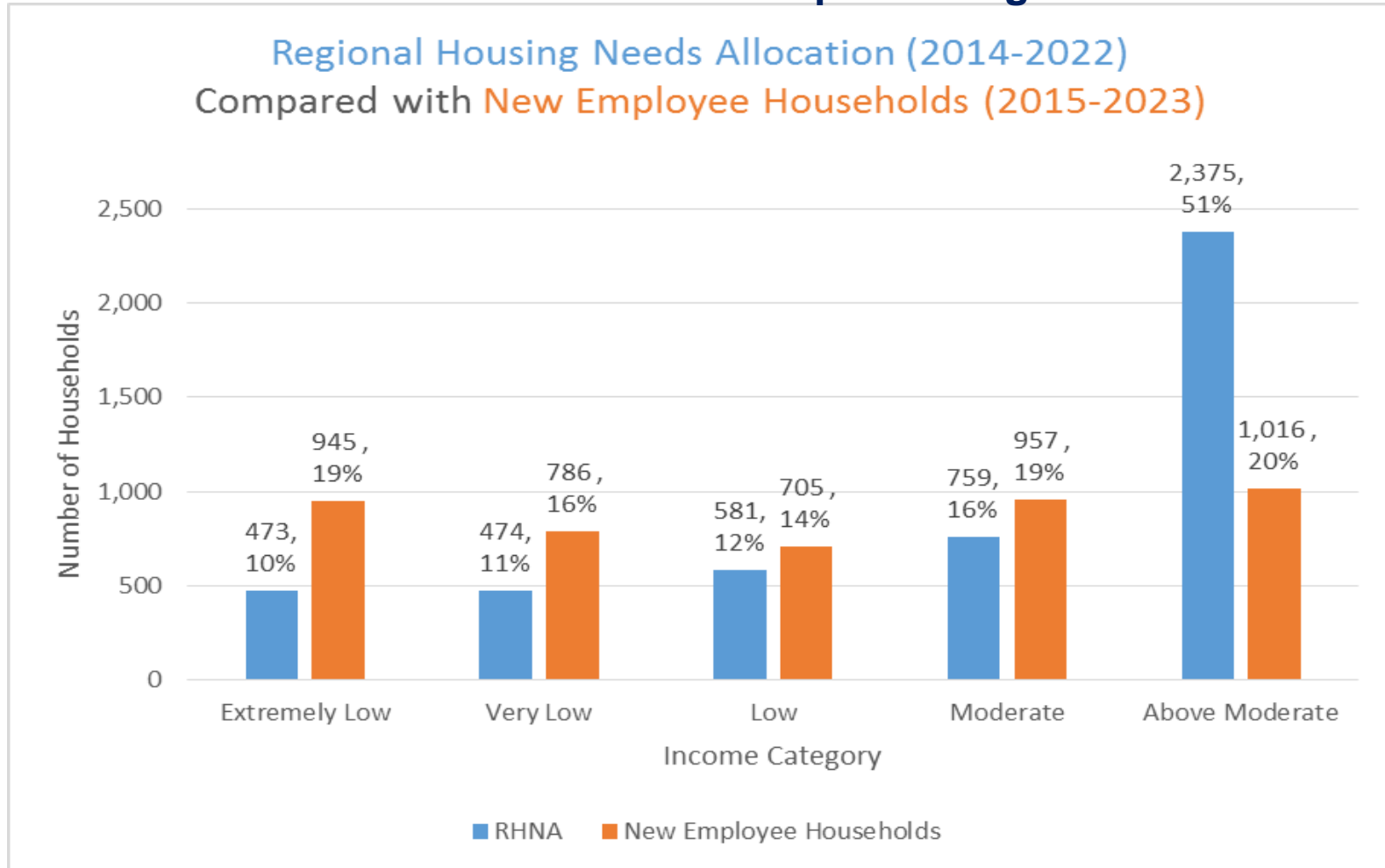
Program 3 – Assemble and offer public land for housing development

Program 4 – Improve development readiness of opportunity sites

Program 5 – Increase housing investment and developer partnerships

Housing Action Plan: Housing Needs

Estimated Numbers Representing:



Housing Action Plan: Operation

| Housing Program | Household Income Level | | | | |
|--|------------------------|-----------------|------------|-----------------|-----------------------|
| | Extremely Low Income | Very Low Income | Low Income | Moderate Income | Above Moderate Income |
| Program 1 -- Increase inclusionary affordable housing | | | ✓ | ✓ | |
| Program 2 -- Achieve “affordability by design” in market-rate projects | | | ✓ | ✓ | |
| Program 3 -- Assemble and offer public land for housing development | ✓ | ✓ | ✓ | ✓ | |
| Program 4 -- Improve development readiness | | | ✓ | ✓ | ✓ |
| Program 5 – Increase affordable housing investment and partnerships | ✓ | ✓ | ✓ | | |

Program 1:

Increase Inclusionary Affordable Housing

- a. Housing Allocation Plan Impact Fee Changes
- b. Inclusionary Units in For Sale Housing Projects
- c. Regulatory and Financial Incentives
- d. Local Density Bonus Ordinance Amendments

Program 2:

Achieve Affordability by Design

- a. Modify definition of “qualifying units” in the Growth Management Ordinance
- b. Reduce barriers to Second Dwelling Unit construction
- c. Single Room Occupancy Projects
- d. Create partnerships with developers of Modular Housing

Program 3:

Assemble and offer public land for housing development

- a. Affordable housing in public land disposition projects
- b. Identification of public parcels with development potential
- c. Strategic acquisition and “banking” of affordable housing parcels
- d. Revision of policies and procedures for vacation of public rights-of-way

Program 4:

Improve Development Readiness of Sites

- a. Housing Opportunity Site Identification and Assessment
- b. Rezoning and other regulatory changes on Opportunity Sites
- c. Specific Plan Infrastructure Improvement Programs
- d. Programmatic Approach to Critical Habitat Mitigation
- e. Permit Streamlining for Planning Entitlements
- f. Hillside Ordinance Revisions
- g. Design Review Process Streamlining

Program 5:

Increase Affordable Housing Investment and Developer Partnerships

- a. Sustain City Homeless Facilities and Programs
- b. Expand affordable Housing Subsidies and Partnerships
- c. Acquisition of Affordable Housing Contracts
- d. Developer and Landlord Partnerships

Marketing and Public Relations Plan

Education – Accessibility – Inclusivity – Cooperation

- Public outreach and engagement
 - Presentations | Social Media | Boards & Commissions
Advertising | Media Releases/Outreach/Interviews
- Housing Industry Outreach and Collaboration
- Social service, environmental and neighborhood outreach and collaboration
- Enhancements to City web site and social media platforms

Estimated Cost of Implementation

A Combination of:

- Existing staff and capacity
 - Program action implementation efforts
 - Targeted housing production incentives
 - Affordable housing subsidies
- **Availability of funding** determines the time required to implement HAP.
 - Estimated \$500,000 one-time and sustainable funds needed for costs associated with Housing Program Action implementation.
 - Additional staff resources would expedite implementation and reduce need for consultant support

Funding Sources: Current + Proposed

1. Initial investments and incentives from General Fund
2. Staffing support from increasing City service charges and fees
3. Leveraging of City funding with Federal and State programs and grants
4. New dedicated funding sources for affordable housing
5. Long term housing funding commitments linked to housing production forecasts, economic growth, and related estimates of City funding available

Initial Funding Resources

1. Sustain current level of General Fund support for homeless and affordable housing programs
2. Sustain current levels of funding for PED
(including the mid-year FY 2015/16 Budget increases)
3. Provide Targeted Housing Action Plan Program funding

Ongoing Housing Funding Sources

1. Increases in PED permit and processing fees as housing production and other construction activity increases
2. Future increases in General Fund support for affordable housing programs proportional to increases in housing production and related City revenue increases
3. Federal and State programs (e.g., LIHTC), grants, and subsidies

Secure New Dedicated Affordable Housing Funding

1. Housing impact fees and Commercial linkage fee
2. City-wide Enhanced Infrastructure Financing District adoption
3. Voter approved affordable housing tax measure

Initiate Priority Implementing Actions

- Initiate regulatory reforms creating housing incentives
- Housing Allocation Plan Ordinance revisions
- Additional permit streamlining for planning entitlements
- Hillside Ordinance revisions
- Design Review process streamlining
- Acquisition of affordable housing contracts
- Developer and landlord partnerships

Next Council Report

Economic – Fiscal – Social Impact Analysis:

- Cumulative *Housing Action Plan* investments and accomplishments to date
- Expected “return on investment” from *Housing Action Plan* implementation
- Further evaluation and forecasting of existing and new dedicated affordable housing funding sources
- Implementation Work Plan and Budget

RECOMMENDATION

It is recommended by the Housing and Community Services and Planning and Economic Development Departments that the Council, by motion, accept the *Housing Action Plan* and authorize staff to develop the Work Plan for prioritizing and implementing its Housing Program Actions.