

From: [Jen Klose](#)
To: [CityCouncilListPublic](#); [Smith, Maraskeshia](#); [Osburn, Gabe](#)
Subject: [EXTERNAL] Re: Right Size Fees Policy Information
Date: Saturday, April 6, 2024 4:12:33 PM
Attachments: [2024_0406_Gen_H_SRCC_Right_Size.pdf](#)

This time with the slide deck as well.

Jen Klose, J.D. [[she/her](#)] | Executive Director

[Schedule a meeting with me](#)

Click [here](#) to join Generation Housing as a member or renew your membership.

GenerationHousing.org

427 Mendocino Ave, Suite 100 | Santa Rosa, CA 95404

707-900-GENH [4364] v | **310-663-6037 m** | 707-570-8768 f



Did you [read our open letter to the elected leaders of Sonoma County?](#) Your voice has never been more important - [sign the petition today!](#)

On Sat, Apr 6, 2024 at 10:22 AM Jen Klose <jen@generationhousing.org> wrote:



[2024_0404_Gen_H_Right_Size_Fees_SRCC.mp4](#)

Good morning Madames Mayor and City Manager, City Councilmembers, and Director Osburn:

I have recorded a 30 minute video for the Council about the Right Size Impact Fees policy that I hope you can make time to watch before Tuesday's council meeting. It's attached as a Google link because of its size. Let me know if you have trouble

with it.

I have included here the City Manager and Director Osburn both for transparency purposes and because there are some suggested questions to staff that we hope can be answered publicly.

I am also linking [here](#) the spreadsheet we prepared that projects, as closely as possible, the economic investment from the City in this policy if it was backfilled 100%.

Thank you for your consideration,
Jen

Jen Klose, J.D. [[she/her](#)] | Executive Director

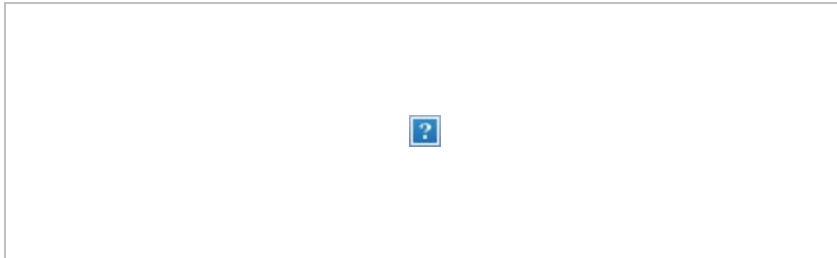
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Can Local Policy Really Move the Housing Needle?



NEIGHBORS ARE NOT THE ONLY SAFE AFFORDABLE HOME

Neighbors for More Neighbors



SHARE OUR C

DENSIFICATION?

SAVE AFFORDABLE HOMES

STOP THE 2040 PLAN!

SPRING 2020

You Betcha!!

LET'S WE A
STO

2017-2022

- 12% increase in housing stock
- 12% reduction in homelessness
- 1% increase in rent, but adjusted for wage increases, a 20% drop in rent

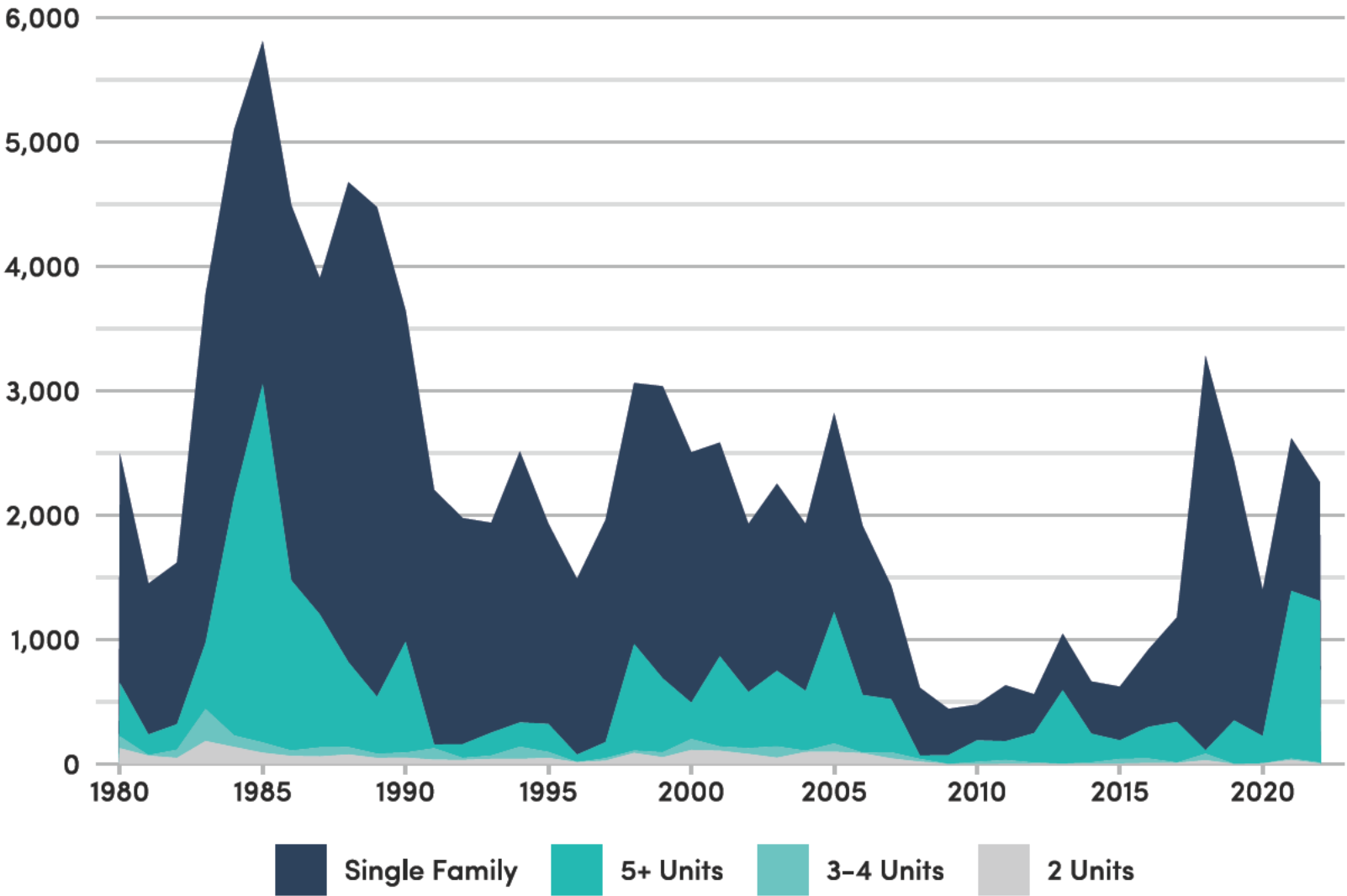
Neighbors for
More Neighbors

SHARE OUR C

SAVE
AFFORDABLE
HOMES

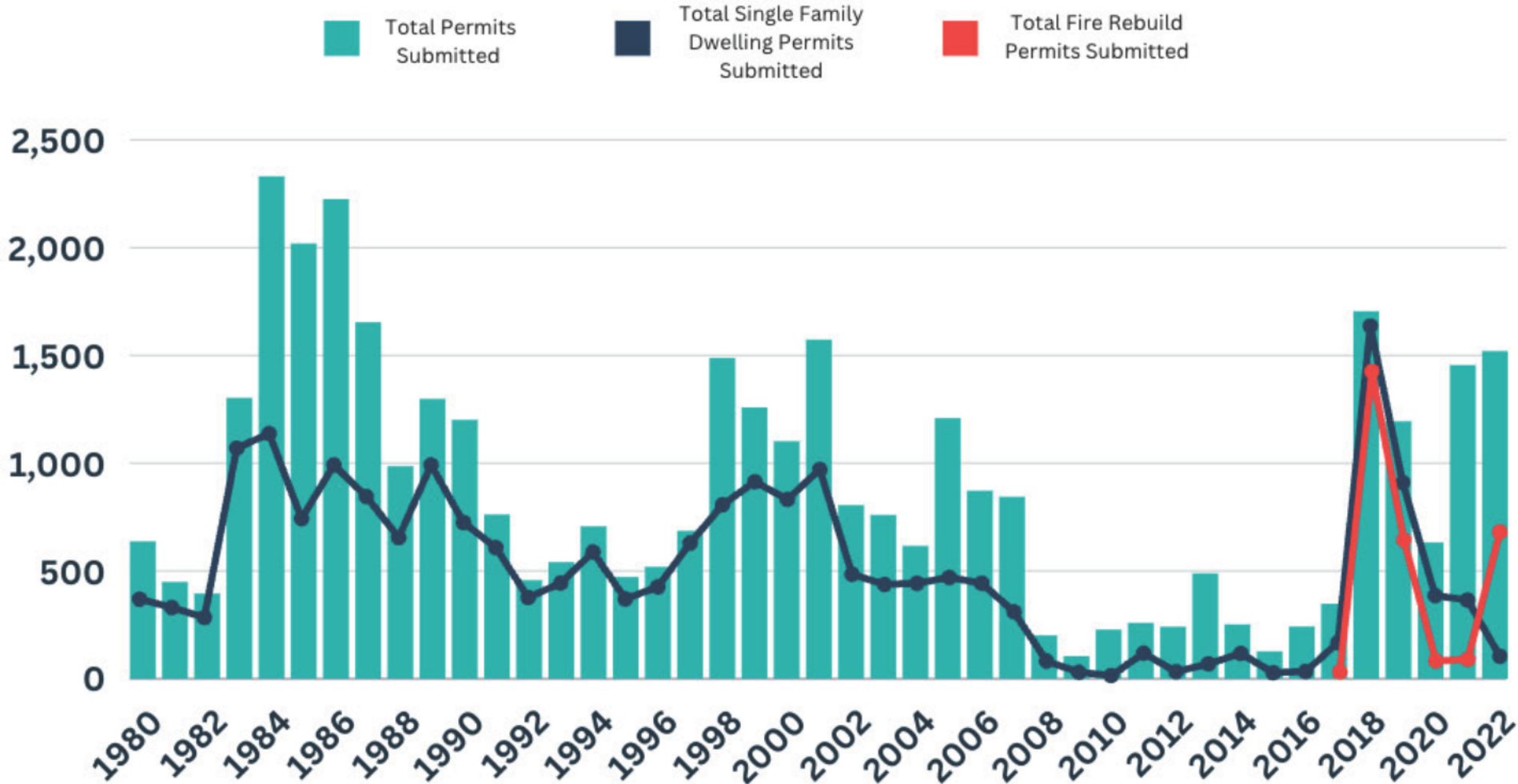
STOP THE 2040 PLAN!

Total Permits (Units) Submitted in Sonoma County, 1980-2022



TOTAL PERMITS (UNITS) SUBMITTED IN SANTA ROSA, 1980-2022

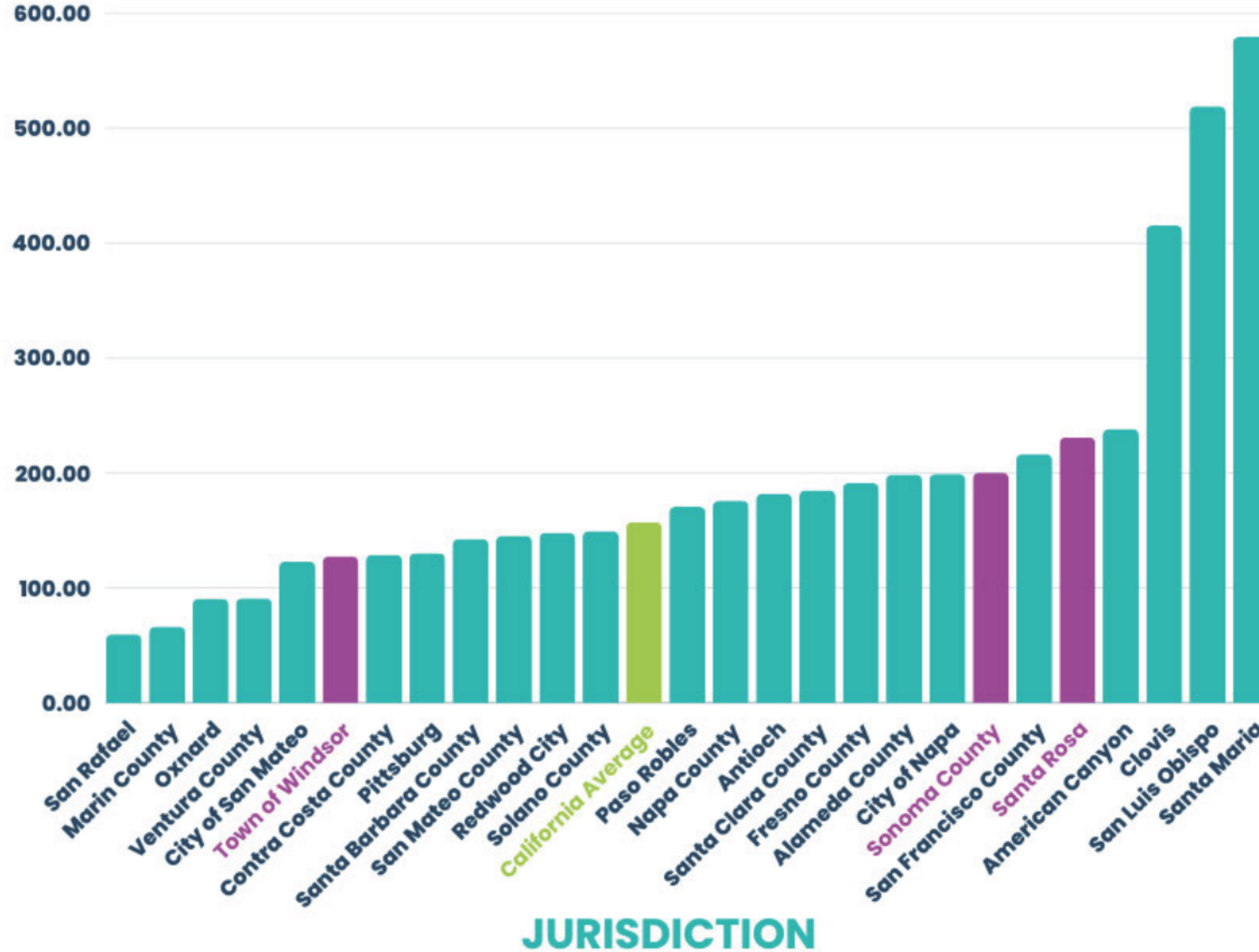
Data used for this chart is from [HUD's State of the Cities Data Systems](#) and [Santa Rosa's 2022 Housing Dashboard](#).



HOUSING PERMITTING 2018-2022

WITH FIRE REBUILDS

UNITS
PER
10,000



HOUSING PERMITTING 2018-2022

WITHOUT FIRE REBUILDS

UNITS
PER
10,000



NORTH BAY NEXT

5 Action Steps for a Vibrant, Prosperous Community

Spur Production | Incentivize Affordability

Support near-term construction of Affordable and affordable-by-design workforce housing by adopting the **Right Size Impact Fee** ordinance, which imposes fees proportional to size, reduces impact fees for all multifamily housing under 1000 ft³, offering the steepest reductions for the most deeply affordable

Right Size Impact Fee Policy

	600 ft ² Studio or 1 BR	800 ft ² or 2 BR	1000 ft ² or 3BR
Deed Restricted Affordable Housing under 80 AMI	20% (of current fees)	30%	40%
Deed Restricted Affordable Housing 81-120 AMI	30%	40%	50%
Affordable Housing-by-Design ²	55%	65%	75%

	SFHs of 1000 ft ² and below	SFHs of 2500 ft ² and above	SFHs between 1001 ft ² and 2499 ft ²
Proposed Fee Increase	assessed fees at the current value	assessed fees at the maximum allowable value based on the	assessed proportional to size between the current rate and allowed maximum

Right Size Impact Fee Policy Cost

	Total Cost	Annual Cost	% Budget Adjustment
Santa Rosa 4,685 units	\$60M	\$7.5M	1.39%
County of Sonoma 3,881 units	\$47M	5.9M	1.46%
Town of Windsor 994 units	\$17.1M	\$2.1M	2.74%

Santa Rosa

Right Size Rates for Santa Rosa 6th Cycle RHNA

Income Category	2023–2031 RHNA	Right Size Program Type	Right Size Rate
Very Low	1,218	Deed-Restricted, <80% AMI	30%
Low	701	Deed-Restricted, <80% AMI	30%
Moderate	771	Deed-Restricted, 80–120% AMI	40%
Above Moderate	1,995	Affordable-by-Design	65%
Total	4,685		

RHNA Goals: p.6, [2023 – 2031 Santa Rosa Housing Element Summary](#)

Assumes that all units are 800 sq ft at a density of 18–30+ units/acre ("Medium-High

Right Size Policy Cost Detail

Fee Revenue Projections for Santa Rosa 6th Cycle RHNA

Status Quo Revenue (8 Years)	Annual Status Quo Revenue	Right Size Revenue (8 Years)	Annual Right Size Revenue	Total Delta (8 Years)	Annual Delta	% of FY 2023-24 Budget
\$ 29,652,210	\$ 3,706,526	\$ 8,895,663	\$ 1,111,958	\$ 20,756,547	\$ 2,594,568	0.48%
\$ 17,065,845	\$ 2,133,231	\$ 5,119,754	\$ 639,969	\$ 11,946,092	\$ 1,493,261	0.28%
\$ 18,769,995	\$ 2,346,249	\$ 7,507,998	\$ 938,500	\$ 11,261,997	\$ 1,407,750	0.26%
\$ 48,568,275	\$ 6,071,034	\$ 31,569,379	\$ 3,946,172	\$ 16,998,896	\$ 2,124,862	0.40%
\$ 114,056,325	\$ 14,257,041	\$ 53,092,793	\$ 6,636,599	\$ 60,963,532	\$ 7,620,441	1.42%

Fee Schedule: pp.7-21, [Fee Schedule | City of Santa Rosa](#)

Budget: \$536,900,000. [FY 2023-24 Budget at a Glance](#)

ensity") and located in the Southeast Quadrant.

Questions for Staff:

- **Have new project applications cooled?**
- **Is there grant money for infrastructure and how does that availability compare to housing grant money?**
- **What is the one-time economic impact of construction and the ultimate economic impact of new housing units based on the recent EPS Report**
- **Do developers pay for infrastructure connected to a project?**
- **Do we need a nexus study to reduce fees or only to increase fees beyond the current maximum?**

**What is your role as a
policymaker?**

The City Manager is responsible for the overall management and administration of the City of Santa Rosa, based upon the City Charter and the policy direction provided by the City Council.



Who are your people?

- **1300 Staff Members**
- **178,221 Santa Rosans**
- **92,675 Santa Rosas cost burdened**
- **44,555 Santa Rosans severely cost burdened**
- **80% of Santa Rosans earning less than \$50,000 cost burdened**

- **You can pay to invest in housing.**
- **Or you can pay the price for the outcomes of a housing crisis.**

What do you choose?

**What kind of leader
do you want to be?**

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From: [Eris Weaver](#)
To: [City Council Public Comments](#)
Cc: [Sonia Byck-Barwick](#); calum@generationhousing.org; [Jen Klose](#); [Board of Directors](#)
Subject: [EXTERNAL] Public Comment: Agenda Item 4.0
Date: Monday, April 8, 2024 12:51:42 PM
Attachments: [image002.png](#)
[image003.png](#)
[Affordable Housing.pdf](#)

Dear Mayor Rogers and Councilmembers:

While the Sonoma County Bicycle Coalition does not generally take a position on measures outside of our mission, we enthusiastically support the work of Generation Housing.

Housing, land use, and transportation are inextricably linked. Decades of autocentric planning, zoning that distances job centers from housing, and fees and permitting practices that favor single family homes have synergistically resulted in our current situation: expensive housing, long commutes, and autocentric streets that discourage active transportation and contribute to greenhouse gas emissions.

Incentivizing infill development of affordable multifamily housing with improved bike and pedestrian facilities advances the mission of both our organizations. Of Generation Housing's five policy platforms, three intersect with ours:

- People and Planet Before Parking
- Zone for People
- Incentivize Affordability

The staff report on impact fees appears to pit funding for affordable housing against funding for bicycle and pedestrian infrastructure. We reject that as a false dichotomy, as our transportation and housing problems are intertwined.

Thank you for your consideration.

Eris Weaver



Eris Weaver, Executive Director
Sonoma County Bicycle Coalition
eris@bikesonoma.org
707-545-0153 office • 707-338-8589 cell
www.bikesonoma.org
[Book time to meet with me](#)



I'm riding 120 miles to raise money
for SCBC – [DONATE HERE](#)



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(employers listed for identification purposes only)

EXECUTIVE DIRECTOR

Eris Weaver

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EMAIL

info@bikesonoma.org

WEB

www.bikesonoma.org



April 8, 2024

Santa Rosa City Council
100 Santa Rosa Avenue
Santa Rosa, CA 95404

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The staff report on impact fees appears to pit funding for affordable housing against funding for bicycle and pedestrian infrastructure. We reject that as a false dichotomy, as our transportation and housing problems are intertwined.

Thank you for your consideration.

Eris Weaver, Executive Director

From: [Alexandria F](#)
To: [_CityCouncilListPublic](#)
Subject: [EXTERNAL] Please support Generation Housing's Proposal
Date: Monday, April 8, 2024 3:01:01 PM

Dear City Council,

We urgently **need to build more affordable, multi-family housing in our community**. Rent prices continue to soar, and families are paying an unprecedented amount of their earnings on housing.

By now we should all know that **sprawling suburban infrastructure [bankrupts cities](#)**. Building more multifamily housing will bring more economic activity and provide a sustainable source of property tax revenues for Santa Rosa.

I urge you to **adopt Generation Housing's Right Size Impact Fee program** as an emergency ordinance effective until the later of three years or the City's 6th Cycle Regional Housing Needs Allocation ("RHNA") obligations are met.

Thank you for reading,

Alex

From: [Jen Klose](#)
To: [_CityCouncilListPublic](#); [Smith, Maraskeshia](#)
Subject: [EXTERNAL] Agenda Item 4.1 - Support for the Right Size Impact Fee Policy
Date: Monday, April 8, 2024 4:24:23 PM
Attachments: [2024_0408_North_Bay_NEXT_Petition_Signatures.pdf](#)
[2024_0409_Santa_Rosa_Coalition_Letter_Support_for_Right_Size_Impact_Fee_Affordable_Housing_Incentivization_Program.pdf](#)

Dear Mayor Rogers, Councilmembers, and City Manager Smith,

Please find attached two letters in support of action to Right Size Impact Fees.

1. A coalition letter signed by 40 of our community partners. We are still collecting signatures from organizations as it makes its way through their approvals processes and will update you should anyone else sign on
2. All 225 signatures of our North Bay NEXT petition, calling for immediate action on housing, including our Right Size Fee program. We intentionally include signatures across Sonoma County, as we believe housing issues do not begin and end at jurisdictional boundaries, and that as the seat of Sonoma County, any action in Santa Rosa will have positive ripple effects across the County.

We look forward to seeing you tomorrow afternoon,

Jen Klose, J.D. [[she/her](#)] | Executive Director

[Schedule a meeting with me](#)

Click [here](#) to join **Generation Housing** as a member or renew your membership.

GenerationHousing.org

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Did you [read our open letter to the elected leaders of Sonoma County?](#) Your

voice has never been more important - [sign the petition today!](#)

5 April 2024

An open letter to the elected leaders of Sonoma County,

We have a disaster on our hands. Housing scarcity and high rents are causing families to forgo healthcare, increasing our community-wide stress, stifling the local economy, and forcing some out of the county altogether. Homeownership has become elusive if not impossible for most.

Interest rates and material costs have skyrocketed, and the one-time funding responsible for much of the construction happening today is gone. Inaction will sink us deeper into a deficit; bold action is necessary to prevent homebuilding from slowing again to recession-era rates.

But we can fix this; we have done it before. After the 2017 wildfires, our local leaders acted immediately to get people back into their homes. It was bold, fast, and decisive—and it worked.

This is not news to any of you, and that's why each of our ten jurisdictions list housing as a top priority. It's time to take action in line with those stated priorities.

We are calling on you to once again respond boldly, decisively, and quickly. North Bay NEXT is Generation Housing's policy platform designed to accelerate housing production by flexing our local governmental muscles to create the housing we need, and fast.

We call upon local jurisdictions to take these five straightforward action steps that will jumpstart local homebuilding immediately.

Vibrant, prosperous communities where everyone can contribute to an equitable, healthy, and resilient North Bay begins with homes. We cannot afford to wait.

North Bay NEXT: 5 Action Steps

Bring Millions to Fund Housing: Pass a resolution endorsing the BAHA regional bond measure to bring at least \$403M to Sonoma County, and \$179M to Napa County, for housing production and preservation.

Zone for People: End exclusionary zoning. Create more diverse and more affordable housing by allowing up to 4-plex housing in single-family zones and expand zoning for Missing Middle small apartment complexes. This also

empowers homeowners to maximize the value of their property, and takes a step toward righting the wrong of decades of discriminatory zoning practices.

Fast & Fair: Streamline housing development by integrating Design Review Boards into Planning Commissions. This accelerates housing projects while still ensuring transparency and accountability in decision-making.

Incentivize Affordability: Right Size Fees: Support near-term construction of Affordable and affordable-by-design workforce housing by right sizing fees and adopting fees based on square footage. This is an imperative offset to current economic forces making development financially infeasible.

People & Planet over Parking: Let developers and their tenants make climate-smart decisions on parking needs by eliminating costly and heavy-handed parking mandates. This promotes a more sustainable approach to housing without passing on additional costs to residents.

Local policies aren't unchangeable laws of nature; they are guidelines created by people, and they are not written in stone. YOU have the POWER to rewrite them.

We call on you to be bold, decisive leaders, and to ACT swiftly, in alignment with your housing priorities, by taking these five actions to move us toward a healthy, prosperous, sustainable, North Bay NEXT.

In partnership,

Tami Alexander, *City of Santa Rosa*
Rocky Alexander, *City of Santa Rosa*
Frederick Allebach, *City of Sonoma*
Ximena Alvarez, *City of Santa Rosa*
Ingrid Anderson, *City of Santa Rosa*
Abby Arnold, *City of Santa Rosa*
Nichole Bankson, *City of Santa Rosa*
Vanessa Barajas, *City of Santa Rosa*
Dan Barwick, *City of Healdsburg*
Jessica Bautista, *City of Santa Rosa*
Laurie Bayen, *City of Cotati*
Kimberly Bender, *City of Sebastopol*
Ernest Berghof, *City of Santa Rosa*

Darryl Berlin, *Unincorporated County of Sonoma*
Olive Blain, *City of Santa Rosa*
John Boarman, *City of Santa Rosa*
Bill Bolster, *Unincorporated County of Sonoma*
Amy Christopherson Bolten, *Unincorporated County of Sonoma*
Eli Booker, *City of Santa Rosa*
Stephanie Bowen, *City of Santa Rosa*
Violet Bowser, *City of Santa Rosa*
David Brown, *City of Santa Rosa*
Steven Brown, *Unincorporated County of Sonoma*

Ryan Buxbaum, *City of Santa Rosa*
Sonia Byck-Barwick, *City of
Healdsburg*
Dave Cade, *Town of Windsor*
Ivy Cao, *City of Santa Rosa*
Lisa Carreno, *Unincorporated County
of Sonoma*
Dahlia Castro, *City of Santa Rosa*
Ann Ceglia, *City of Petaluma*
Sonu Chandi, *City of Santa Rosa*
Jennifer Chelini, *City of Santa Rosa*
Caitlin Childs, *City of Santa Rosa*
Ysabella Clark, *City of Santa Rosa*
Ahlina Climaco, *City of Santa Rosa*
Alissa Coenen, *City of Sebastopol*
Mary Condon, *City of Santa Rosa*
Fred Conklin, *City of Santa Rosa*
Janet Connors, *Unincorporated County
of Sonoma*
Angela Conte, *City of Santa Rosa*
Zoey Cook, *City of Santa Rosa*
Tony Crabb, *Unincorporated County of
Sonoma*
Gina Cuclis, *Unincorporated County of
Sonoma*
Sara Cummings, *City of Petaluma*
Wendy Davies, *Unincorporated County
of Sonoma*
HARRY Davitian, *Unincorporated
County of Sonoma*
Amanda De Witt, *City of Santa Rosa*
David Delasantos, *City of Petaluma*
Delaney Detrick, *City of Santa Rosa*
Harman Dhillon, *City of Santa Rosa*
Jamie Diaz, *City of Santa Rosa*
Eugene Dilan, *Unincorporated County
of Sonoma*

Angie Dillon-Shore, *Unincorporated
County of Sonoma*
Katy Dillwood, *City of Santa Rosa*
Ana Diogo-Draper, *City of Santa Rosa*
John & Sara Donnelly, *City of Sonoma*
Alison Dykstra, *City of Santa Rosa*
Christine Ellis, *City of Sebastopol*
Todd Everett, *City of Healdsburg*
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Belinda Fernandez, *City of Santa Rosa*
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Nida Firdaws, *City of Sonoma*
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Paul Fritz, *City of Sebastopol*
Lauren Fuhry, *City of Santa Rosa*
Jaime Gage, *City of Santa Rosa*
Hilary Garcia Mejia, *City of Santa Rosa*
Fran Gast, *Unincorporated County of
Sonoma*
Ali Gaylord, *City of Petaluma*
JOHN GEARY, *City of Santa Rosa*
Gina Giacone, *Unincorporated County
of Sonoma*
Kelly Gilligan, *City of Santa Rosa*
Melissa Gomez, *City of Petaluma*
Ivette Gonzales, *City of Santa Rosa*
Anaid Gonzalez, *City of Santa Rosa*
Kathy Goodacre, *City of Santa Rosa*
Matt Goodacre, *City of Santa Rosa*
Kristofor Graber, *City of Santa Rosa*
Tammy Griffiths, *City of Santa Rosa*
Constance Grizzell, *Unincorporated
County of Sonoma*
Vicki Groninga, *City of Santa Rosa*
Gale Grubb, *City of Santa Rosa*

Betsy J. Guillen Sanchez, *City of Santa Rosa*

Mark Hale, *City of Santa Rosa*

Riley Hallin, *City of Santa Rosa*

Ann Hamilton, *City of Sebastopol*

Simone Harris, *City of Santa Rosa*

Rachel Harstad, *City of Santa Rosa*

Antony Hawke, *Unincorporated County of Sonoma*

Meghan Hawley, *City of Santa Rosa*

Julie Heredia, *Unincorporated County of Sonoma*

Daniela M. Hernandez, *Unincorporated County of Sonoma*

Joceliny Hernandez-Sanchez, *City of Petaluma*

Gene Hottel, *Unincorporated County of Sonoma*

Jorge Inocencio, *City of Santa Rosa*

Bryce Jones, *Unincorporated County of Sonoma*

Gail Judge, *Unincorporated County of Sonoma*

Ali Kalia, *City of Santa Rosa*

Akash Kalia, *Unincorporated County of Sonoma*

Sarah Kelley, *City of Santa Rosa*

Gillian Kendall, *City of Cotati*

Cynthia King, *City of Santa Rosa*

David Kittelstrom, *City of Santa Rosa*

Marie Kobus, *City of Santa Rosa*

Patricia Kuta, *City of Santa Rosa*

Ryan LaFrance, *City of Santa Rosa*

Mike Lagoyda, *Unincorporated County of Sonoma*

John Lane, *City of Santa Rosa*

Jasper Langberg, *City of Sebastopol*

Jason Lea, *Unincorporated County of Sonoma*

Gary Lentz, *City of Santa Rosa*

Steve Leonard, *City of Sebastopol*

Hayley Lewis, *City of Santa Rosa*

Ryder Lewis, *City of Santa Rosa*

Gary Lindsay, *City of Santa Rosa*

Jennifer Litwak, *City of Santa Rosa*

Jennifer Litwak, *City of Santa Rosa*

Graves Liza, *Unincorporated County of Sonoma*

Iris Lombard, *Unincorporated County of Sonoma*

Judy Loomis, *City of Santa Rosa*

Kelly Lopez, *City of Santa Rosa*

Mike Lopez, *City of Santa Rosa*

Jennell Lucich, *City of Santa Rosa*

Daniel Lyke, *City of Petaluma*

Nicole MacDonald, *City of Cotati*

Catherine Madonia, *City of Petaluma*

Shan Magnuson, *City of Santa Rosa*

Ingrid Maltrud, *City of Healdsburg*

Anthony Marcelli, *City of Santa Rosa*

Lynne Margolies, *Unincorporated County of Sonoma*

Charlene Marie, *City of Petaluma*

Amy Marshall, *City of Santa Rosa*

Deborah Martin, *City of Santa Rosa*

Bobby McGovern, *City of Santa Rosa*

Lily Medin, *City of Santa Rosa*

Michael Menendez, *City of Santa Rosa*

Tomas Mercado, *City of Santa Rosa*

Dominic Milan, *City of Santa Rosa*

Stacie Miller, *City of Santa Rosa*

Elise Mitchell, *City of Santa Rosa*

Tiffani Montgomery, *City of Santa Rosa*

Ty Mooney, *City of Rohnert Park*

Cassaundra Morales, *City of Santa Rosa*

Shawna Morales, *City of Cloverdale*

Olivia Morris, *City of Santa Rosa*

Walter Muelken, *City of Sebastopol*

Tamara Murrell, *Unincorporated County of Sonoma*

kathleen Needels, *City of Rohnert Park*

Marina Nunez, *City of Santa Rosa*

Jessica ODonnell, *City of Santa Rosa*

Disns ODonohue, *City of Santa Rosa*

Danielle Onesto, *City of Santa Rosa*

Scott Ormerod, *Unincorporated County of Sonoma*

Natalie Ortiz, *City of Santa Rosa*

Robert Pendoley, *City of Santa Rosa*

Dawn Peterson, *City of Santa Rosa*

Dawn Peterson, *Unincorporated County of Sonoma*

Hailey Phalavong, *City of Santa Rosa*

Ellen Picard, *City of Santa Rosa*

Katherine Pitts, *City of Santa Rosa*

dennis pocekay, *City of Petaluma*

Penelope Porch, *City of Santa Rosa*

Diahanna Post, *Unincorporated County of Sonoma*

Bertha Powell, *City of Santa Rosa*

Karen Preuss, *City of Cotati*

Valeria Reyes, *City of Santa Rosa*

Dominique Ridley, *City of Sebastopol*

Ashley Rochman, *City of Santa Rosa*

Antoine Rochman, *City of Santa Rosa*

Naomi Ruiz, *City of Santa Rosa*

Cooper Russell, *City of Santa Rosa*

Sunny Sabbini, *City of Cotati*

Tricia Savelli, *City of Petaluma*

Jennie Schultz, *City of Santa Rosa*

Emily Shartin, *City of Cotati*

Maayan Simon, *City of Sebastopol*

Brenda Smith, *City of Rohnert Park*

Dmitra Smith, *Unincorporated County of Sonoma*

Aaron Smith, *Unincorporated County of Sonoma*

lyla snyder, *City of Santa Rosa*

Cecilia Sofranko, *City of Santa Rosa*

namai sonekeo, *City of Santa Rosa*

Ryan Sonnevill, *City of Santa Rosa*

David Stanek, *City of Cotati*

Scott Starr, *City of Santa Rosa*

Robin Stephani, *Unincorporated County of Sonoma*

Shannon Strong, *City of Santa Rosa*

Sydney Stroud, *City of Santa Rosa*

Sonya Tafejian, *City of Cotati*

Sonya Tafejian, *Unincorporated County of Sonoma*

Lauren Taylor, *City of Santa Rosa*

Nael Tesfamariam, *City of Santa Rosa*

Abby Torrez, *City of Rohnert Park*

Katherine Tuidier, *City of Healdsburg*

Alia Van Hoorn, *City of Sebastopol*

Stefanny Vargas, *City of Sonoma*

Kaya Vomvolakis, *City of Santa Rosa*

Alexander Wallace, *City of Santa Rosa*

Tracey Walsh, *Unincorporated County of Sonoma*

Eris Weaver, *City of Cotati*

Calum Weeks, *City of Santa Rosa*

Marion Weinreb, *City of Petaluma*

Heather Welch, *City of Santa Rosa*

Abbie Welsh, *City of Santa Rosa*

Megan White, *City of Rohnert Park*



Lisa Wittke Schaffner, *City of Healdsburg*
Oren Wool, *City of Santa Rosa*
Amber Young, *City of Santa Rosa*
Susy Zelaya, *City of Healdsburg*
Eric Ziedrich, *City of Healdsburg*

427 Mendocino Ave, Suite 100
Santa Rosa, CA 95404
(707) 900-4364
info@generationhousing.org





9 April 2024

Re: Support for the Immediate Adoption of Generation Housing’s Right Size Impact Fee Affordable Housing Incentivization Program at the April 9, 2024 Santa Rosa City Council Meeting

Dear Mayor Rogers, City Councilmembers, and City Manager Smith:

We write today as a unified voice to urge: immediate adoption of Generation Housing’s Right Size Impact Fee program as an emergency ordinance effective until the later of three years or the City’s 6th Cycle Regional Housing Needs Allocation (“RHNA”) obligations are met.

We are at an inflection point with respect to housing development. There is a **significant risk** that interest rates and materials costs could halt already sluggish development, and we have a **tremendous opportunity** in the Bay Area Housing Regional Finance Authority (“BAHFA”) bond measure, but we’ll have to compete for developers and resources to ensure that projects do not languish in the pipeline even when there is available funding. **The Right Size Fee Program is specifically responsive and targeted to meet the challenges presented by the current economic climate and can help deliver the affordable housing we need**—the very housing that supports the people keeping the engine of Sonoma County roaring.

The Right Size program is a more strategic and efficient approach to housing investment than direct investment. Adopting this programmatic approach can offer the following outcomes:

- ✦ **Streamlined Resource Utilization:** It makes effective use of city resources, optimizing the allocation and impact of resources.
- ✦ **Reduced Staff Burden:** Significantly minimizes the need for staff engagement in complex NOFAs or RFPs, easing administrative burdens.
- ✦ **Readiness for Development:** Targets developers who are ready to proceed with projects, differentiating from those still involved in finalizing finance packages or in the entitlement process, expediting impact. This ensures timely use of funds, requires no ongoing staff oversight, and eliminates the risk of returned funds.



- ✦ **Proven Incentive for Affordable Housing:** Demonstrates a proven capacity to incentivize deed restricted Affordable housing and affordable-by-design workforce housing, effectively bridging financial gaps in a resource-efficient way.

Our call to action is supported by the 2021-2022 Sonoma County Civil Grand Jury Report, "[Affordable Housing: Past, Present, and Future](#)," which spotlighted the need for county-wide action and by the just-released Sonoma County Economic Development Board March 2024 Quarterly Economic Outlook report, which states:

The largest obstacle that Sonoma County continues to face is its demographic challenges. Sonoma County has now shed residents in six consecutive years, leaving the population 4% smaller than it was in 2016. This puts Sonoma County's population losses among the 20 largest of metro areas and divisions nationally. Yet this is still milder than in neighboring Napa County and San Francisco. The chief reason for the net out-migration of residents stems from affordability challenges. Housing affordability in Sonoma County ranks among the lowest nationally; its high costs have pushed residents to relocate in lower-cost areas in the state and region.

Sonoma County Economic Development Board March 2024 Quarterly Outlook prepared by Moody's Analytics, available [here](#).)

The **deepening impacts of limited affordable housing stock** that Generation Housing daylighted in their "[Making the Rent: The Human Price of Housing Cost Burden](#)" report reinforces the need to **take bold action now**. Passage of this Right Sized program will catalyze the affordable housing, workforce housing, and market rate housing production needed to meet the City's RHNA allocation and generate direct and positive impacts for Santa Rosa households, such as:

- ✦ **Catalyze Economic Growth and Foster Community Resilience through Affordable Housing and Diverse Housing:** The stress of high housing costs not only impacts individual health and family stability but also affects the broader economy, limiting spending in local businesses and constraining economic mobility. Housing construction itself produces a net economic effect, and increasing housing stock and housing type options will help to attract new businesses and high wage jobs to Santa Rosa.
- ✦ **Increase Reliable and Stable City Revenue Streams:** The Right Sizing program will increase revenue streams to offset the investment in this program, specifically through property tax income from new affordable-by-design multifamily projects that might not otherwise be financially feasible
- ✦ **Empowering Economic Mobility through Affordable Housing:** Nearly half of Sonoma County households are cost-burdened, spending more than 30% of income on housing, with a quarter being severely burdened, dedicating over 50% of income. This disparity is most pronounced among low-income earners, particularly affecting Latino communities, indicating a clear need for diverse and affordable housing options to support economic vibrancy.
- ✦ **Strengthening Families with Access to Stable Housing:** Families, especially those with young children, face significant stress and instability due to housing costs. The report highlights that young families are more susceptible to severe cost burdens, impacting their health, educational opportunities, and overall well-being.
- ✦ **Enhancing Health and Education Outcomes:** Severe housing cost burdens force families to cut back on essential services including healthcare and education, exacerbating existing disparities and hindering community resilience.
- ✦ **Promoting Inclusivity through Affordable Housing for LGBTQIA+ Communities:** The LGBTQIA+ community, particularly nonbinary individuals, reports higher levels of financial stress due to housing costs, underscoring the importance of inclusive, affordable housing policies.

We urge the Council to prioritize affordable housing production in line with its stated vision. It can do so—efficiently, and with immediate impact—through a targeted fee reduction model on all new affordable housing projects serving residents up to 120 percent of AMI and a targeted fee reduction model on Affordable by Design projects based on square footage. We look forward to seeing **action on**



this policy solution. Crises demand immediate response and the power to enact **immediate** and **impactful fee reform** rests in the hands of you — the elected leaders of our community.

We cannot wait for change while thousands of families sit on waitlists for affordable homes. We must incentivize affordability NOW.

Together, we stand ready and willing to support your bold and decisive action around this proposal.

We thank you for your service and continued commitment to ensuring all members of our community enjoy the benefits of a safe, stable, and affordable home.

In partnership,

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Director



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Building community from the heart

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