HEALDSBURG HOUSING ELEMENT

2015 – 2023

ADOPTED NOVEMBER 17, 2014
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Healdsburg General Plan

Housing Element

Planning & Building Department

401 Grove Street

Healdsburg, CA 95448

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Adopted November 17, 2014

Certified by California Department of Housing and Community Development January 8, 2015

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Table of Contents

1 Introduction 1
1.1 Executive Summary 1
1.2 Housing Element Overview 2
1.3 Public Participation 3
2 Community Context and Population Trends 7
2.1 Overview of the City of Healdsburg 7
2.2 Demographic Characteristics 13
3 Existing Housing Needs 17
3.1 Household Characteristics 17
3.2 Housing Characteristics 22
3.3 Housing Costs and Affordability 27
3.4 Fair Housing 38
3.5 Housing Problems 39
3.6 Special Housing Needs 42
3.7 Inventory of Affordable Rental Housing and At-Risk Status 52
4 Projected Housing Needs 58
4.1 ABAG Projections 2013 58
4.2 Regional Housing Need Determination 59
5 Housing Development Constraints 61
5.1 Governmental Constraints 61
5.2 Nongovernmental Constraints 82
6 Housing Opportunities and Resources 88
6.1 Revenue Sources 88
6.2 Residential Development Opportunities 90
6.3 Summary of Capacity to Meet the Regional Housing Need 97
6.4 Adequacy of Public Facilities 97
7 Opportunities for Energy Conservation 103
7.1 State Energy Conservation Requirements 103
7.2 Transit-Oriented Development and Smart Growth 103
8 Housing Plan 105
Goals, Policies, and Programs 105
Quantified Objectives 121
9 Appendices 123
Appendix A: Evaluation of the 2009-2014 Housing Element A-1
Appendix B: Restricted Affordable Housing B-1
Appendix C: Potential Residential Development C-1
Appendix D: Deficient Housing Locations D-1
Appendix E: State Funding Programs E-1
Appendix F: Housing Element Update Public Contact F-1
Appendix G: Summary of Community Workshops G-1

List of Tables

Table 1 Population Change ... 13
Table 2 Age Characteristics and Trends ... 14
Table 3 Race and Ethnicity ... 15
Table 4 Occupations and Wage ... 16
Table 5 Where Healdsburg Residents Work ... 16
Table 6 Household Characteristics ... 17
Table 7 State Income Categories ... 18
Table 8 HCD Income Limits ... 19
Table 9 Household Income Levels ... 19
Table 10 Income Level by Household Type ... 21
Table 11 Housing Unit Types ... 22
Table 12 Housing Units by Type ... 23
Table 13 Housing Tenure ... 23
Table 14 Housing Occupancy and Vacancy Status ... 24
Table 15 Housing Unit Age ... 25
Table 16 Prices of Available Rental Units ... 28
Table 17 HUD Fair Market Rate ... 28
Table 18 Healdsburg, Sonoma County and Fair Market Rent Comparison ... 29
Table 19 Median Sale Price of New and Existing Homes ... 31
Table 20 Median Sales Price Comparisons ... 33
Table 21 Asking Prices for Single Family Units ... 33
Table 22 Housing Cost Limits by Area Median Income Level ... 35
Table 23 Ability to Pay Based on HUD Income Limits ... 36
Table 24 Examples of Average Annual Salaries by Occupation ... 37
Table 25 Housing Overpayment ... 40
Table 26 Household Sizes by Type of Occupancy ... 41
Table 27 Overcrowding by Type of Occupancy ... 41
Table 28 Persons with Disabilities ... 44
Table 29 Restricted Affordable Housing Units ... 53
Table 30 Qualified Entities ... 57
Table 31 Population Projections ... 59
Table 32 Share of Regional Housing Need ... 60
Table 33 Residential Uses Allowed by General Plan Land Use Designations ... 62
Table 34 Density of Affordable Housing Projects Constructed Since 1986 ... 63
Table 35 Residential Uses Allowed by Zoning District ... 66
Table 36 Development Standards for Residential Zoning Districts ... 68
Table 37 Potential Homeless Shelter Sites ... 71
Table 38 Development Fees per Unit ... 78
Table 39 Comparison of Residential Development Impact Fees[1] ... 80
Table 40 Residential Units Under Construction ... 91
Table 41 Approved Residential Units ... 91
Table 42 Acreage of Residentially-Designated Vacant and Underdeveloped Sites ... 93
Table 43 Potential Affordable Housing Sites Summary ... 94
Table 44 Summary of Capacity to Meet 2014-2022 RHNA ... 97

Table 45 Housing Construction Objectives 122
Table 46 Rehabilitated Housing Objectives 122
Table A-1 2009-2014 Housing Program Implementation Status A-3
Table C-1 Residential Development Potential within Healdsburg City Limits C-5
Table C-2 Residential Units Under Construction C-7

List of Figures

Figure 1 Original Town Plat of Healdsburg 8
Figure 2 Residential Development Phases 10
Figure 3 Healdsburg Population Growth 11
Figure 4 Residential Building Permits 12
Figure 5 Income by Tenure 20
Figure 6 Example of Deteriorated Foundation and Siding 26
Figure 7 Median Sale Price of New and Existing Homes 30
Figure 8 Foreclosures 34
Figure 9 Restricted Affordable Housing 55
Figure C Residential Development Areas C-3
Figure D Deficient Housing Locations D-1

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1 Introduction

1.1 Executive Summary

The Housing Element Update is occurring at a time of great reflection and inflection for Healdsburg. As a well known tourist destination that has successfully realized the vision of the Regional/Urban Design Assistance Team (R/UDAT) study completed over 30 years ago, it is now faced with the inevitable tension that comes with that success and recognition. To address these challenges, many new activities and initiatives are underway, including a strategic planning process to develop policies to guide the city toward long-term economic sustainability, significant investment in new infrastructure and a gateway to the downtown as the first step in realizing the vision of the Central Healdsburg Avenue Plan (CHAP), and considerable debate regarding the Growth Management Ordinance. Through all of these initiatives, a common theme of how to provide a diverse range of housing options for multiple lifestyles and household incomes is paramount for maintaining Healdsburg's genuine community feel, while creating a multi-faceted, resilient local economy that will continue to prosper.

As tourism and lifestyle migration takes on an increasingly large role in the city's economy, the city continues to attract more second homeowners who have the economic means to drive up median home prices. This has the unfortunate effect of pricing many others out of the community – long-term residents, their children who might want to stay in the area, teachers and first responders, young professionals attracted to the town, and new employees of desirable employers (software company Métier, as one example). While there is growing demand for new types of housing for aging residents, smaller families and empty nesters, and new lifestyles (i.e., live-work), these housing typologies are not being developed in Healdsburg as economies of scale cannot be achieved given the City's restrictions on annual permit allocations and a traditional home builder industry that has not experimented with new housing forms.

Through the strategic planning process and other community outreach efforts, residents and decision makers have expressed a desire to increase emphasis on attainable workforce housing, in addition to affordable housing for young families and core professionals in town, finding a balance between serving visitors and local residents, and preserving Healdsburg's small town community character as it grows. The Housing Element Update process provides the community and decision makers the opportunity to make important policy decisions about how to accomplish these goals.

The 2015-2023 Housing Element is intended to not only meet the requirements of State law but, more importantly, serve as the City's strategic housing plan. The plan first evaluates the city's housing conditions and needs and provides an inventory of vacant residential land available to meet that need. At the heart of the Housing Element, however, are the goals, policies, and programs, which will guide City investments and land use decisions to address future growth and housing needs.

1.2 Housing Element Overview

Purpose and Content

The housing goal for the State of California is for every Californian to have access to a decent home and suitable living environment. Recognizing the important role that local governments play in pursuit of this goal, the Legislature has mandated that all cities and counties prepare a Housing Element as part of their comprehensive General Plan (California Government Code Section 65302 (c)).

This Housing Element update covers the planning period from 2015-2023. It addresses housing opportunities for present and future residents over the next eight years, and provides the primary policy guidance for local decision making as it relates to housing. The Housing Element has a shorter (eight-year) planning period than the other General Plan elements and is the only General Plan element that requires review and certification by the State of California.

The Housing Element provides a detailed analysis of the city's demographic, economic, and housing characteristics as required by State Law. The Element also provides a comprehensive evaluation of the City's progress in implementing the past policies and programs related to housing production, preservation, and conservation. Based on the community's housing needs, available resources, constraints, and opportunities for housing production and preservation, the Housing Element identifies goals, policies, and programs that address the housing needs of present and future residents. The goals, policies, and programs are included in the Housing Element Policy Document.

Consistency with State Law

This update has been prepared in accordance with the requirements of California Government Code Article 10.6 (commencing with Section 65580) and contains:

- An assessment of housing needs in the city;
- The identification of constraints upon the maintenance, improvement, and development of housing for all income levels;
- An inventory of resources available to the City to meet the housing needs for all income groups;
- 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 will undertake to implement the policies and achieve the goals and objectives of the Housing Element.

Consistency with the General Plan

The California Government Code requires internal consistency among the various elements of the General Plan. Section 65300.5 of the Government Code states that the General Plan's various elements shall provide an integrated and internally consistent and compatible statement of policy. The updated Housing Element will be incorporated into the Healdsburg 2030 General

Plan. The General Plan's Land Use Plan and the policies contained in the Land Use Element were used to determine the location, amount, and type of potential housing. The City will maintain this consistency as future General Plan amendments are processed by evaluating proposed amendments for consistency with all elements of the General Plan.

1.3 Public Participation

Throughout the update of the 2015 Housing Element there were several opportunities for public participation, and the community played an important role in the update. The following is a summary of the meetings held during the Housing Element Update and the input provided by members of the community. This input was critical in defining the housing problems in Healdsburg and crafting solutions tailored to the community.

Community Workshop #1

On May 6, 2014, the City conducted a community workshop on the Housing Element Update. The purpose of the workshop was to educate the community on the Housing Element Update and solicit input on the major housing issues facing the city and potential solutions to address the issues. The workshop was held from 6:00 p.m. to 8:00 p.m. at the Annex at Villa Chanticleer. Over 30 participants attended the workshop.

To advertise the workshop, the City sent an email to several email contact lists announcing the community workshop, including 237 people on the City's e-notify list, 70 people on the Central Healdsburg Avenue Special Study Area list serv, and a list of 42 local and regional housing stakeholders compiled by the City and consultants. The City also posted flyers around the city in both English and Spanish, and a newspaper article was published in the Healdsburg Tribune online edition.

City staff opened the meeting with introductions and an overview of the project. The Housing Element Consultants then made a presentation, describing State law requirements for the Housing Element and preliminary findings from the update to the Housing Element Background Report. Following the presentation, workshop attendees were divided into four groups of 6-7 people and asked to participate in workshop exercises that focused on identifying and prioritizing housing issues and potential policy solutions. Each group elected a "recorder" to write down all the comments and a "reporter" to report out the results at the end of the exercises.

In the first exercise, participants were asked to identify the most significant housing issues in Healdsburg and, as a group, select the top three issues. In the second exercises, participants were asked to brainstorm potential solutions to each of the top issues. In the third exercises, participants were given the opportunity to identify "other big ideas" related to improving housing opportunities in Healdsburg.

The issues that were most commonly identified by participants included the following:

- A need for more "workforce housing;"
- A shortage of rental units;
- The impact of second homes and vacation rentals;
- A lack of diverse housing types; and
- The unintended consequences of the Growth Management Ordinance.

Lack of Workforce Housing

One of the issues that was stated most frequently at the workshop was the lack of affordable "workforce" housing for young families and those who work in the community and earn a moderate income. "Workforce housing" refers to housing that is affordable to the people that provide vital services in a community – school teachers, firefighters, police officers, restaurant and hotel workers, and other service related workers. Many participants expressed concern over the lack of housing options for these middle-income wage earners and their families who are getting "squeezed" out of the housing market as prices continue to rise in Healdsburg.

Participants identified several potential solutions to address the lack of workforce housing, including encouraging more diverse housing types that are affordable by design, such as higher density housing, mixed use development, and live-work units. Others suggested making better use of secondary dwelling units by increasing maximum size. Participants also suggested exploring new funding mechanisms for affordable housing, including reserving a portion of transient occupancy tax (TOT) revenues or development impact fees for affordable housing, or studying creative financing mechanisms. Several participants recognized that the Growth Management Ordinance (GMO) adopted in 2000, has had the unintended consequence of making low- and mid-priced housing more challenging to deliver. Others stated that the GMO was inflating housing prices. One recommendation was to use GMO allocations to direct a higher proportion of construction toward middle priced products.

Shortage of Rental Units

Another significant issue that was discussed at the workshop was the shortage of available rental units in Healdsburg, including deed-restricted affordable rentals. Vacancy rates in the rental market are extremely low or non-existent. Participants suggested providing incentives for rental units and multifamily units, allowing increased densities for multifamily units, and exploring new tools, creative financing models, and other ways to replace funding lost with the dissolution of the Redevelopment Agency. Those who expressed a need for more affordable rentals suggested using deed-restrictions to preserve existing affordable rental units and City support for Senate Bill (SB) 391, the California Homes and Jobs Act of 2013, which would establish a permanent source of State funding for affordable housing. Some participants also suggested the City advocate for a portion of Cap and Trade funding to be reserved for affordable housing and other legislation that would create funding sources for affordable housing.

Impact of Second Homes and Vacation Rentals

The impact of the tourism economy on the local housing market was discussed as a significant issue. Participants stated that buyers of second homes are driving up prices and competing with permanent residents for a limited supply of homes, and the prevalence of short-term vacation rentals are limiting the availability of long-term rentals for city residents. Participants also observed that the growing emphasis on tourism in changing the character of the community.

Some participants expressed a need for the City to enforce existing regulations that prohibit short-term vacation rentals (less than 30 days) in the city, and the need for zoning and regulatory changes. Others felt that encouraging a greater diversity of housing through policy and incentives would help alleviate the issue. One group suggested that the City might restrict some housing for people who intend to live and work in the community.

Lack of Diverse Housing Types

With changing norms in housing size, household make-up, and life stage, many recognized that more contemporary housing forms, such as mixed use, live-work, smaller micro or cottage units, co-housing, and downsized or independent living units are not readily available in Healdsburg. Some participants felt that increasing density to create more cost effective housing types, and more interesting living choices could be offered. Others felt the Growth Management Ordinance should be modified to remove economic and construction phasing barriers for creating larger multifamily housing, which could be inherently less expensive than single family detached products.

Growth Management Ordinance

A topic that was referenced several times throughout the workshop was the GMO. Several participants expressed that the GMO is the most significant barrier to more affordable housing in Healdsburg, because it limits the ability of a developer to gain cost advantages through economies of scale; or it creates a higher price for a limited annual supply of building permits. Many felt that the GMO should be re-examined to encourage the types of housing needed in Healdsburg, with an emphasis placed on infill locations or higher allocations to products that would fulfill pricing for workforce residents.

Community Workshop #2

On July 9, 2014, the City conducted the second community workshop on the Housing Element Update. The purpose of the workshop was to present the Draft 2015-2023 Housing Element and solicit feedback from the community on the proposed policies and programs. The workshop was held from 6:00 p.m. to 8:00 p.m. at the Healdsburg Community Center. Over 30 community members attended the workshop.

To advertise the workshop, the City sent an email to the email contact lists described above and posted flyers on the City website and in public locations around the city in both English and Spanish. A newspaper article was also published in the Press Democrat describing the Draft Housing Element and advertising the workshop.

City staff opened the meeting with introductions and an overview of the project. The Housing Element Consultants then made a presentation, describing the issues identified by the community at the first community workshop and how the Draft 2015-2023 Housing Element addresses those issues.

Following the presentation, workshop participants were asked to provide feedback on the policies and programs contained in the Draft Housing Element. The policies and programs were presented on boards displayed around the room. Each board represented a separate goal section of the Draft Housing Element and displayed all the policies and programs within each goal section. There were three ways for participants to give feedback on the policies and programs:

- **Dot exercise.** Participants were given three different colored dots: green, yellow, and red. Green dots signified support for a policy or program; yellow dots signified support with modifications; and red dots signified that participants did not support the policy or program. Participants placed the dots on the display boards next to the policies and programs that they supported or did not support.

- **White comment cards.** Participants were provided with white comment cards on which they could provide more detailed feedback on specific policies and programs. The cards asked participants to identify the policy or program number and describe: why they would support the policy/program, what they would change about the policy/program, or why they didn't support it.

- **Blue comment cards.** Participants were provided with blue comment cards on which they could describe ideas for new policies or programs.

Appendix G contains a summary of the workshop results with an annotated version of the Draft Housing Plan.

Planning Commission/City Council Study Session

On August 4, 2014, the City held a joint study session with the Planning Commission and the City Council to present the Draft Housing Element and request approval to submit to HCD. The Planning Commission and City Council discussed the Draft Housing Element, provided feedback, and approved submittal to HCD. The meeting included an opportunity for public comment.

2 Community Context and Population Trends

2.1 Overview of the City of Healdsburg

This section provides a historical overview of housing development and population growth trends in the city of Healdsburg.

The area that now comprises Healdsburg and its Planning Area was originally inhabited by Native Americans including Southern Pomo and Wappo tribes in the Dry Creek and Alexander Valleys, respectively.[1] Their populations once numbered close to 10,000 before they were decimated by a small pox epidemic. The Mexican and later Euro-American settlements that were established in the 1850s further contributed to the population decline of those Native Americans. Those who survived were displaced to missions or rancherias.

Early Settlement Era

The majority of Healdsburg's Euro-American settlers came from the southern United States and Missouri, Kansas, and Oklahoma. The first structures built were residences and outbuildings of split-log redwood. No example remains of these early, temporary structures. The first permanent structures were made of adobe, utilizing native clay and local Indian labor. Most of these adobe residences were destroyed or severely damaged in the 1906 earthquake.

Most of the early cabins and houses in and around Healdsburg were modest structures often "designed" and built by amateur carpenters. Residences lined the main street and clustered in the downtown area on the east and south sides of the Plaza.

As shown in Figure 1, the town of "Healdsburg" was mapped and recorded by Harmon Heald on March 5, 1857. The earliest residential section (1850 to 1870) developed close to the commercial core area along North Street (200 and 300 block), Matheson Street (formerly South Street) (200 to 400 block), Tucker Street (200 and 300 block), Haydon Street (100 to 300 block), the south side of Mason Street, University Street (100 to 300 block), Fitch Street (300 block), East Street (200 and 300 block), and Center Street (200 and 300 block). A string of residences also developed very early along the west side of Healdsburg Avenue (formerly West Street) north of Piper Street. Of these early residential sections, the southern end of Center Street appears to be the oldest (1850 to 1860). Other early residences were scattered on larger lots in the area now bounded by Piper Street, Powell Avenue, Healdsburg Avenue, and Brown Street.

FIGURE 1 ORIGINAL TOWN PLAT OF HEALDSBURG

1857

Source: http://www.ourhealdsburg.com/history/heald.htm, accessed April 7, 2014.

Settlers in the early 1850s built simple wood frame "homestead"-style structures. The earliest homestead houses were small single-story, single-gable structures built to shelter the settlers, most of whom were without families. The fact that sawn lumber was still at a premium and nails had to be hand-forged were additional reasons for the relatively small scale of these early buildings.

In the late 1850s and 1860s, houses became bigger in order to accommodate larger families and because sawn lumber and nails were becoming more readily available; the latter being mass-produced. Simplicity and design based on function rather than ornamentation were still the dominant characteristics during this period, reflecting the agricultural emphasis of the survey area and the need to devote available time, energy, and resources to agricultural pursuits.

Late Settlement Era

By what is considered to be the "late settlement" era (1870-1880), the prosperity of businesses and farms began to be reflected in more elaborate local architecture. Several Italianate mansions and larger homes were constructed during this time that incorporated far more ornate features such as balconies, brackets, and grillwork.

The areas south of the Northwestern Pacific Railroad tracks were developed between 1880 and 1890. The houses that were built here are nearly identical modest, single-story Italianates that served as middle class housing and examples of the earliest row or tract housing in the city.

Water mains were first laid in the city in 1876. The Johnson Street area was the first residential section of the city to install electric lights. During that period, Johnson Street was known as "Electric Avenue." The first sewage disposal systems were installed in 1900.

Between 1880 and 1906, construction of residential structures was slow but steady. The residential area in the northeast portion of the city (Knaack's Addition) became more densely populated. A small area west of Healdsburg Avenue, known as West Grant and Grove Streets, was subdivided and new residences built, although the area remained unincorporated. It was not uncommon during this period and later for farm families with residences in outlying agricultural areas to build residences in town to allow their school age children to attend the public school. It also allowed senior family members to retire to a more convenient and social environment.

As the city's population increased toward the end of the 19th century, a substantial middle class developed and a large number of moderately-sized homes were built. The vast majority of these homes were cottages in the Queen Anne style. Even though relatively small, these homes were embellished with verandahs, circular bays, multi-gabled roofs, and other features characteristic of this style.

Twentieth Century Development

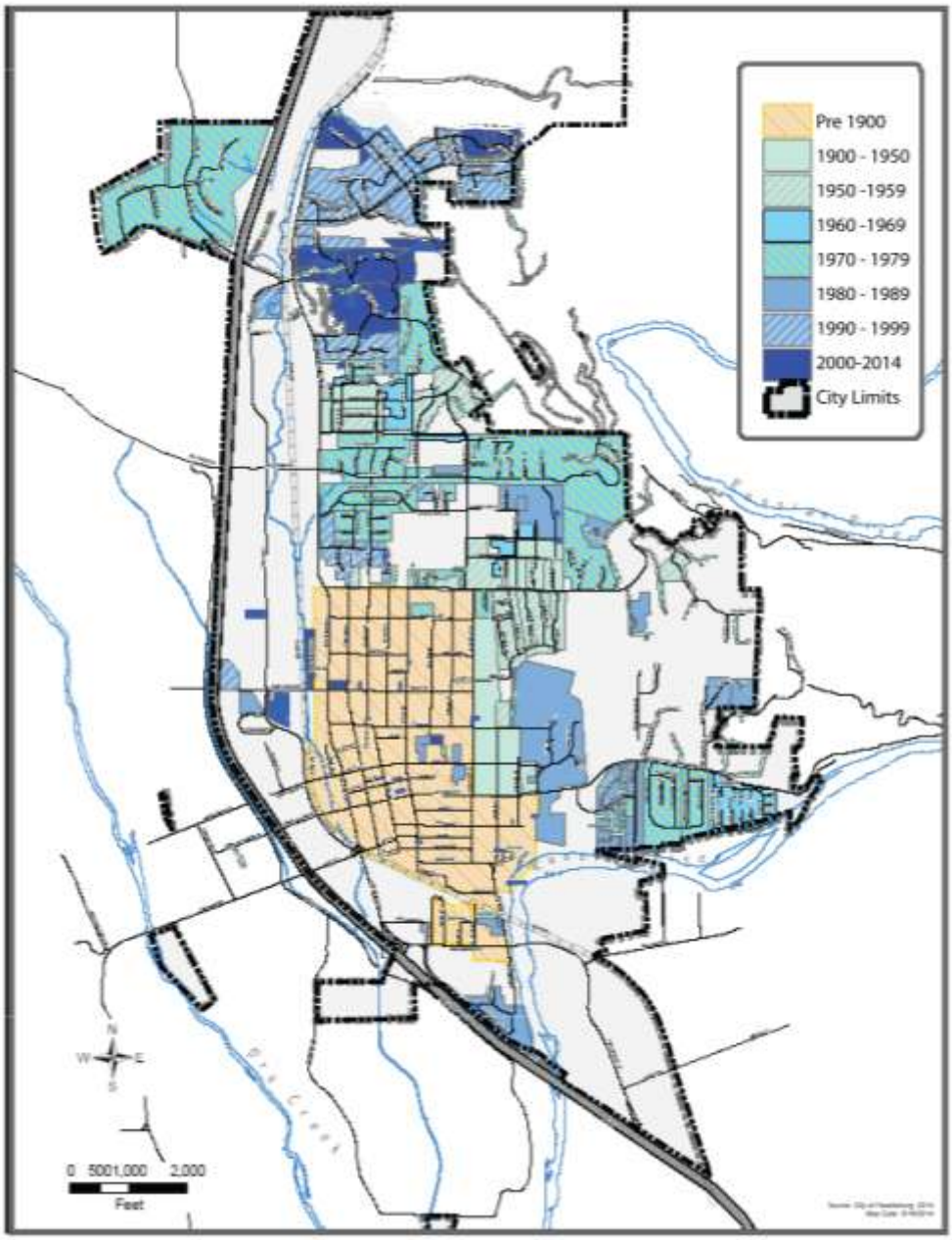
By the turn of the 19th century, the city witnessed new residential construction of a number of Transitional-style homes incorporating influences of both Queen Anne and the Bungalow style. Like the earlier Homestead style, the Transitional style involved less ornamentation, but still used such features as oversized gables and sawn shingles for their decorative effect.

Between 1900 and 1925, two styles of Bungalow, the California Bungalow style and the locally popular Craftsman Bungalow style, became characteristic of the movement away from the excesses of Victorian architecture. Both provided housing for the middle class population, superseding the function of the Queen Anne cottage, and both involved an effort to integrate indoor and outdoor living spaces with the use of sleeping porches and natural wood. The more prevalent Craftsman homes, with their broad-based pillars, overhanging eaves, and exposed beams, made use of somewhat more prominent design features than the simpler bungalow.

The effects of Prohibition brought about a severe depression in the local hop and vineyard industries, and by the mid-1920s this depression severely curtailed residential construction. Consequently, very few examples exist of architectural styles prevalent in other parts of the country during this time, such as the Prairie style, which was very popular in the nearby San Francisco Bay area. Some Mediterranean and Spanish- or Mission-style homes were constructed in the area, generally between 1930 and 1945, exhibiting arches, red tile roofs, and brick walls finished in stucco. Figure 2 illustrates residential development phases between pre 1900 years and 2014.

FIGURE 2 RESIDENTIAL DEVELOPMENT PHASES

Pre 1900-2014



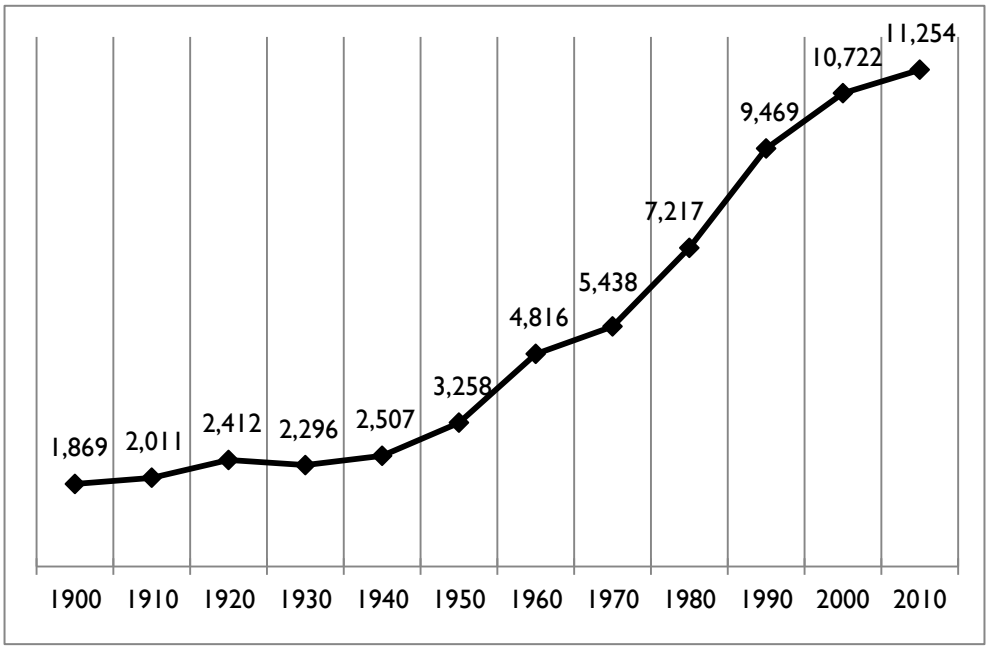
Note: Generalized locations based on final map recordation dates

Healdsburg's population remained at approximately 2,000 from 1880 to 1940. The remarkable stability of the size and population of Healdsburg during this period accounts for the well-preserved condition of the residential areas. The post-war years in Healdsburg, like most other areas in California, was a period of rapid growth. As shown in Figure 3, population increased by 30 percent from 1940 to 1950, and by another 48 percent from 1950 to 1960. The population growth trend slowed to a 12 percent increase between 1960 and 1970, and a 17 percent increase between 1970 and 1980. The 1980s was a period of rapid growth in Healdsburg; from

1980 to 1990, the population increased by 31 percent. From 1990 to 2000, the population growth increased at a slower rate of 13 percent, and from 2000 to 2010, the population increased by only 5 percent.

FIGURE 3 HEALDSBURG POPULATION GROWTH

1900-2010



Source: 2009 Healdsburg Housing Element and 2010 Census.

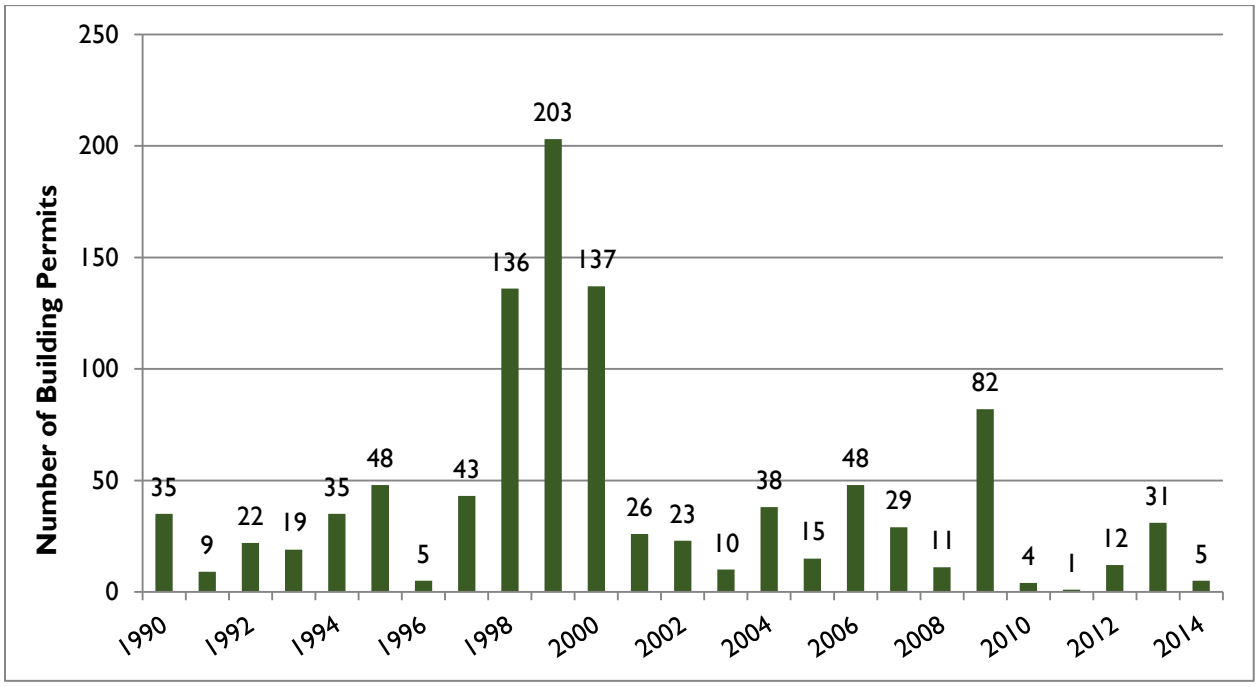
The population growth within the city limits during the 20th century is partially attributable to increased municipal subdivisions and annexations. Between 1947 and 1983, there were 46 separate subdivisions and expansions to the city limits. With few exceptions, these annexations were located to the north and east of the original town. These subdivisions followed the formation of the first city planning commission in 1946.

Figure 4 summarizes the annual number of building permits issued for new dwelling units between 1990 and 2014. Between 1990 and 1997, the annual number of building permits for new dwelling units ranged from as few as five units (1996) to as many as 48 (1995). However, in the three-year period of 1998 and 2000, 476 building permits were issued for new units, primarily in the newly-annexed 231 acres at the north end of the city.

This growth spike led to a local ballot initiative that was approved in 2000 (Measure M) limiting residential growth to an average of 30 building permits per year and 90 building permits over a three-year period, beginning in 2001. Affordable housing and secondary ("granny") units are exempt from this limit. Between 2001 and 2007, residential building permits averaged 16 units per year for market-rate units and 27 per year for both market-rate and affordable units. Between 2007 and the present (2014), the average is 20 permits per year.

FIGURE 4 RESIDENTIAL BUILDING PERMITS

1990-2014



Source: City of Healdsburg, 2014.

2.2 Demographic Characteristics

Population Growth Trends

As shown in Table 1, the population in Healdsburg and Sonoma County has been steadily growing since 1990. Between 1990 and 2000, the county's growth rate (18.1 percent) was higher than the city's growth rate (13.2 percent), with an annual average growth of 1.8 percent and 1.3 percent, respectively. The growth rate slowed between 2000 and 2010 to 5 percent in Healdsburg and 5.5 percent in Sonoma County, while California's growth rate was 10 percent. According to the State Department of Finance (DOF), the city's total population was 11,541 as of January 1, 2014. This represents only a 2.6 percent increase from 2010. Healdsburg's 11,541 residents represented only 2.4 percent of Sonoma County's population in 2014. Although the city has never represented a large proportion of the county's population, its share has been declining since 1940, when the city represented 3.6 percent.

Table 1 Population Change

City of Healdsburg
1990-2014

Population	Estimated Population Counts				Percent Change		
	1990	2000	2010	2014	1990-00	2000-10	2010-14
Healdsburg	9,469	10,722	11,254	11,541	13.2%	5.0%	2.6%
Sonoma County	388,222	458,614	483,878	490,486	18.1%	5.5%	1.4%
California	29,760,021	33,871,648	37,253,956	38,340,074	13.8%	10.0%	2.9%

Sources: 1990-2010 U.S. Census Data and 2014 Department of Finance, Table E-5.

Age Characteristics

Evaluating the age characteristics of a community can help to identify the housing needs of its residents. Table 2 summarizes the age characteristics of Healdsburg residents in 2000 and 2010 and compares this with the county as a whole. Like many communities nationwide, Healdsburg's population is aging. The only age groups that grew between 2000 and 2010 were the 55 to 64 age group (27.4 percent) and the 65 and older aged population (11.7 percent). All other age groups declined in population or remained the same. In 2010 Sonoma County exhibited similar age characteristics as Healdsburg.

These trends in the age structure of Healdsburg's population have several implications for housing. As the children of middle age adults leave home, many of these people may begin to consider moving into smaller dwellings, such as apartments and townhomes, with more limited maintenance requirements. The need for specialized senior housing, such as active adult communities and assisted living facilities, will increase with the continued growth in the city's senior and "frail elderly" population (age 75 and older). And if the City wants to ensure new young families can move into the community, additional affordable housing opportunities for families will be critical.

Table 2 Age Characteristics and Trends

City of Healdsburg, Sonoma County, and California
2000 and 2010

Age Groups	Healdsburg 2000		Healdsburg 2010		Sonoma County 2010		California 2010	
	Persons	Percent	Persons	Percent	Persons	Percent	Persons	Percent
Preschool Age (Ages 0-4)	632	5.9%	634	5.6%	28,199	5.8%	2,531,333	6.8%
School Age (5-17)	2,156	20.1%	1,912	17.0%	78,272	16.2%	6,763,707	18.2%
College Age (18-24)	954	8.9%	925	8.2%	46,081	9.5%	3,922,951	10.5%
Young Adults (25-44)	2,845	26.5%	2,750	24.4%	121,900	25.2%	10,500,587	28.2%
Middle Age (45-64)	2,628	24.5%	3,349	29.8%	142,062	29.4%	9,288,864	24.9%
Senior Adults (65+)	1,507	14.1%	1,684	15.0%	67,364	13.9%	4,246,514	11.4%
Total	**10,722**	**100.0%**	**11,254**	**100.0%**	**483,878**	**100.0%**	**37,253,956**	**100%**

Sources: 2000, 2010 Census.

Healdsburg has a higher median age than California. The median age of Healdsburg residents was 37.7 in 2000 and increased to 40.9 years by 2012. This is in contrast to the slightly lower countywide median age of 39.8 and statewide average of 35.2 in 2012. Factors contributing to this shift in the city's age structure include an aging in place of young adults into the middle age bracket, an increase in the number of seniors, and a decline in the number of new young adults and families.

Race and Ethnicity

Table 3 summarizes the population by race and ethnicity in Healdsburg and Sonoma County. In 2010 the majority of the city and county populations were White, 74 percent and 76.7 percent, respectively. In 2010 Healdsburg had a lower percentage of Asian residents (1.3 percent) compared to Sonoma County (4.1 percent) as well as Black residents (0.5 percent compared to 1.6 percent). Healdsburg's Hispanic/Latino population increased from 3,090 (28.8 percent) in 2000 to 3,820 (33.9 percent) in 2010. In 2010 the city had a higher percentage of Hispanic/Latino residents compared to the county as a whole (33.9 percent for Healdsburg compared to 24.9 percent for Sonoma County). These changes have implications for housing needs to the extent that different racial and ethnic groups may have different household characteristics, income levels, and cultural backgrounds that may affect their needs and preferences for housing. Traditionally, some cultures (such as Asians and Hispanics) are likely to live with extended family members. These households, therefore, tend to be larger and require large homes to accommodate their needs.

According to the 2010-2011 County of Sonoma Local Economic Report, the race/ethnicity distribution in the county as a whole is changing rapidly due to an aging White population and a younger Hispanic/Latino population. More than 70 percent of the Hispanic/Latino population in the county is under the age of 35, whereas more than 60 percent of the White population is over the age of 35. Through 2050 the White population is projected to decrease 8 percent per

decade and the Hispanic/Latino population is projected to increase 7 percent per decade. In 2050 the Hispanic/Latino population is projected to make up over 50 percent of the county's population.

Table 3 Race and Ethnicity

City of Healdsburg and Sonoma County
2000-2010

Racial/Ethnic Group	2000				2010			
	Healdsburg		Sonoma County		Healdsburg		Sonoma County	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Not Hispanic or Latino								
White	7,265	67.8%	341,686	74.5%	7,038	62.5%	320,027	66.1%
Black	35	0.3%	6,116	1.3%	43	0.4%	6,769	1.4%
American Indian and Alaska Native	94	0.9%	3,477	0.8%	66	0.6%	3,584	0.7%
Asian or Pacific Islander	70	0.7%	14,614	3.2%	122	1.1%	19,211	4.0%
Some other race alone	9	0.1%	921	0.2%	17	0.2%	913	0.2%
Two or more races1	159	1.5%	12,289	2.7%	148	1.3%	12,944	2.7%
Sub-Total	*7,632*	*71.2%*	*379,103*	*82.7%*	*7,434*	*66.1%*	*363,448*	*75.1%*
Hispanic or Latino								
White	1,301	12.1%	32,532	7.1%	1,296	11.5%	51,385	10.6%
Black	19	0.2%	406	0.1%	13	0.1%	841	0.2%
American Indian and Alaska Native	99	0.9%	1,912	0.4%	139	1.2%	2,905	0.6%
Asian or Pacific Islander	16	0.1%	418	0.1%	21	0.2%	688	0.1%
Some other race alone	1,432	13.4%	37,796	8.2%	2,116	18.8%	56,053	11.6%
Two or more races	223	2.1%	6,456	1.4%	235	2.1%	8,558	1.8%
Sub-Total	*3,090*	*28.8%*	*79,511*	*17.3%*	*3,820*	*33.9%*	*120,430*	*24.9%*
Total[1]	**10,722**	**100.0%**	**458,614**	**100.0%**	**11,254**	**100.0%**	**483,878**	**100.0%**

Source: 2000 and 2010 U.S. Census.

Employment Characteristics

In 2012 the American Community Survey (ACS) estimated that 5,789 Healdsburg residents were in the labor force, with 5.1 percent unemployment, compared to a countywide unemployment rate of 6.3 percent and a statewide rate of 7.1 percent. Table 4 tabulates occupations held by Healdsburg residents according to the 2012 ACS. Among the employed residents, 12.4 percent held construction and maintenance occupations, which command a moderate salary. Approximately 24 percent of residents were employed in retail sales and office support occupations, which are usually lower paid. Close to 32.3 percent of the employed residents held managerial and professional occupations, which command higher wages in the county.

Table 4 Occupations and Wage

City of Healdsburg
2012

Occupation	Number	Percent of Employed
Management, Business, Science, and Arts	1,721	32.3%
Service	1,146	21.5%
Sales and Office	1,282	24.0%
Natural Resources, Construction, and Maintenance	664	12.4%
Production, Transportation, and Moving Goods	521	9.8%
Total	**5,334**	**100.0%**

Sources: 2008-2012 ACS Data.

As shown in Table 5, in 2012 about 41.9 percent of the city's residents worked within the city and 58.1 percent commuted to work locations outside Healdsburg. Most of those working outside the city were employed elsewhere in the county (50.2 percent). Overall, about 92.1 percent of the city's residents worked in Sonoma County, about 7 percent worked in another part of California, and the balance (0.9 percent) worked outside the state.

Table 5 Where Healdsburg Residents Work

City of Healdsburg
2012

Place of Work	Healdsburg	
	Number	Percent
Healdsburg	2,150	41.9%
Other Sonoma County	2,576	50.2%
Subtotal Sonoma County	4,726	92.1%
Other California	357	7.0%
Outside California	46	0.9%
Total Employed Residents	**5,129**	**100.0%**

Source: 2008-2012 ACS Data.

3 Existing Housing Needs

3.1 Household Characteristics

This section details the various household characteristics affecting housing needs. Household type and size, income levels, the presence of special needs populations, and other household characteristics determine the type of housing needed by residents.

Household Type

The Census defines a "household" as any group of people occupying a housing unit, which may include single persons living alone, families related through marriage or blood, or unrelated persons who share living quarters. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households. Household characteristics are important indicators of the type and size of housing needed in a community.

According to the 2010 U.S. Census, there are 4,378 households in Healdsburg, of which 64.6 percent are families. Families, defined as persons related through marriage or blood, are comprised of families with or without related children as well as other family types, such as female-headed households with children. Non-families, including singles, and other households, make up 35.9 percent of households in Healdsburg. Since 2000 the number of households has increased from 3,968 to 4,378, a 10.3 percent increase. The percentage of families decreased from 68.1 percent in 2000 to 64.6 percent in 2010, while the percentage of non-families increased from 32 percent in 2000 to 35.4 percent in 2010.

Table 6 Household Characteristics

City of Healdsburg
2000 and 2010

Household Type	2000		2010	
	Number	Percent	Number	Percent
Households	3,968	100.0%	4,378	100.0%
Families	2,701	68.1%	2,827	64.6%
With Children	1,309	33.0%	1,222	27.9%
Without Children	1,392	35.1%	1,605	36.7%
Singles	1,026	25.9%	1,205	27.5%
Other	241	6.1%	346	7.9%

Sources: 2000 and 2010 U.S. Census.

Household sizes in Healdsburg experienced a slight decrease between the years 2000 and 2010; the average household size was 2.69 in 2000 and 2.56 in 2010.

Household Income

Household income is a key factor affecting housing opportunity, determining a household's ability to balance housing costs with other basic necessities. Income levels can vary considerably among households based upon tenure, household type, location of residence, and race/ethnicity, among other factors.

Income Definitions

The State and Federal government classify household income into several groupings based upon the relationship to the county area median income (AMI), adjusted for household size. The State of California uses the income groups shown in Table 7. However, Federal housing programs use slightly different income groupings and definitions, with the highest income category generally defined as 95 percent of AMI or greater. For purposes of the Housing Element, the State income definitions are used throughout, except for the data that have been compiled by the Federal Department of Housing and Urban Development (HUD) and is specifically noted.

Table 7 State Income Categories

City of Healdsburg
2014

Income Category	Percent of County Area Median Income (AMI)
Extremely Low	0-30% AMI
Very Low	31-50% AMI
Low	51-80% AMI
Moderate	81-120% AMI
Above Moderate	120% AMI or greater

Source: Section 50093 of the California Health and Safety Code.

HCD establishes household income limits to define households as extremely low-, very low-, low-, or moderate-income level. These income levels vary throughout the state. They are based on the area median income of the region and adjusted based on the number of persons per household. The AMI for a four-person household in Sonoma County is $82,600. The income limits for Sonoma County are shown on Table 8. As shown in the table, a family of three with an annual income of $58,500 or less would be considered a low-income household.

Table 8 HCD Income Limits

Sonoma County
2013

Income Level	Persons Per Household					
	1	2	3	4	5	6
Extremely Low	$17,400	$19,850	$22,350	$24,800	$26,800	$28,800
Very Low	$28,950	$33,050	$37,200	$41,300	$44,650	$47,950
Low	$45,500	$52,000	$58,500	$65,000	$70,200	$75,400
Median	$57,800	$66,100	$74,350	$82,600	$89,200	$95,800
Moderate	$69,350	$79,300	$89,200	$99,100	$107,050	$114,950

Source: California Department of Housing and Community Development, 2013.

Evaluating Healdsburg's income level by household income category from 2000 to 2010 illustrates that lower income households (less than 80 percent AMI) decreased only slightly from 44.5 to 43.8 percent of the city's total households. As depicted in Table 9, the city experienced the most significant growth in extremely low-income households (4.7 percent).

Extremely low income-households – those earning less than 30 percent AMI – face the most significant housing needs. About 40 percent of Healdsburg's 610 extremely low-income households are senior citizens. As seniors are typically on fixed incomes, an increase in rents can have a considerable impact on extremely low-income senior renters. Senior homeowners with extremely low incomes also face significant needs related to maintaining their homes. Note: income as defined does not include other assets.

Table 9 Household Income Levels

City of Healdsburg
2000 and 2010

Income Level	2000		2010	
	Households	Percent	Households	Percent
Extremely Low Income (<30% AMI)	372	9.3%	610	14.0%
Very Low Income (31-50% AMI)	591	14.8%	685	15.7%
Low Income (51-80% AMI)	816	20.4%	615	14.1%
Moderate Income and above >80% AMI)	2,225	55.6%	2,445	56.1%
Total	**4,004**	**100.0%**	**4,355**	**100.0%**

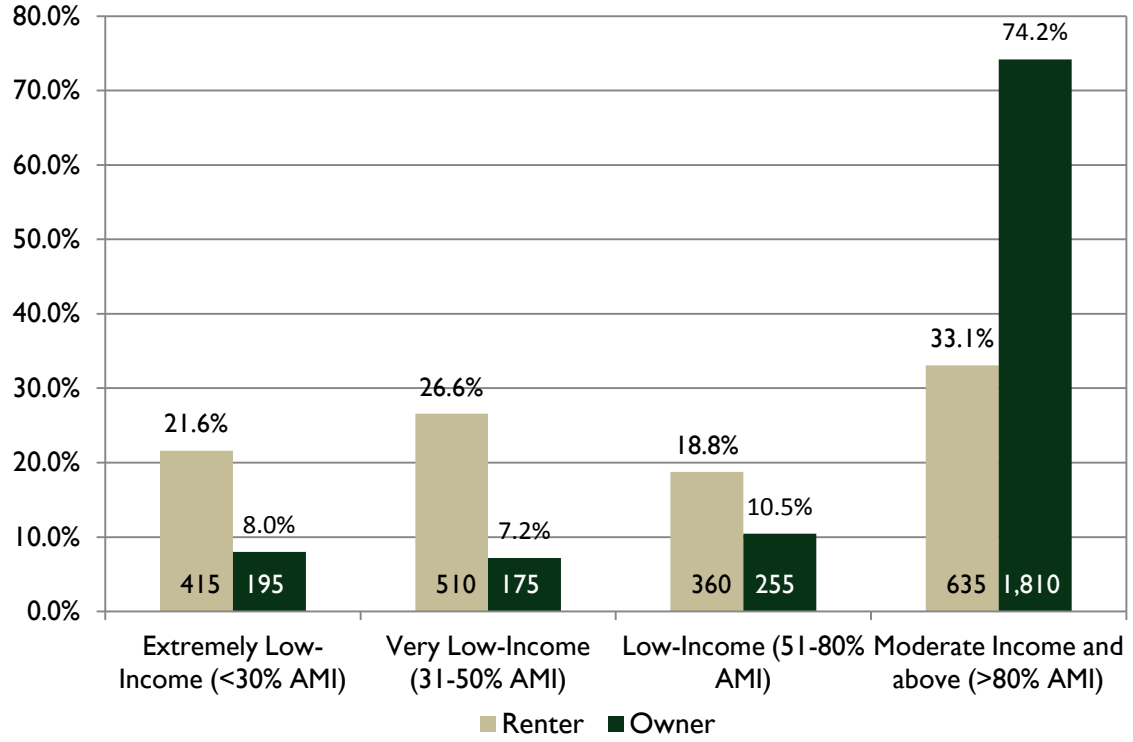
Source: Comprehensive Housing Affordability Strategy, 2000 and 2006-2010.

Income by Household Tenure

Figure 5 shows the income level of Healdsburg residents by household tenure. A significantly higher percentage of renter households (66.9 percent) had lower incomes (less than 80 percent AMI), compared to residents who owned their homes (25.6 percent). The presence of approximately 925 extremely low- and very low-income renter households is of particular significance as market rents in Healdsburg exceed the level of affordability for these households (discussed in greater detail in the Housing Affordability section). A high level of housing overpayment is verified by the 2006-2010 Comprehensive Housing Affordability Strategy (CHAS), which identifies 84.3 percent of extremely low- and very low-income Healdsburg renters as spending greater than 30 percent of their income on housing.

FIGURE 5 INCOME BY TENURE

City of Healdsburg
2010



Source: Comprehensive Housing Affordability Strategy, 2006-2010.

Income by Household Type

While renters were more likely to have lower incomes than owners, there is also significant variation in income levels by household type, as shown in Table 10. About half (49.8 percent) of elderly households in Healdsburg are lower income, with 19.1 percent extremely low income. In contrast, 47.9 percent of other households, 52.6 percent of large families, and 35.8 percent of small families have lower incomes.

Table 10 Income Level by Household Type

City of Healdsburg
2010

Income Level	Elderly		Small Family		Large Family		Other	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Extremely Low Income (<30% AMI)	245	19.1%	119	6.9%	75	19.7%	175	18.2%
Very Low Income (31-50% AMI)	220	17.1%	315	18.2%	10	2.6%	145	15.1%
Low Income (51-80% AMI)	175	13.6%	185	10.7%	115	30.3%	140	14.6%
Moderate Income and above (>80% AMI)	645	50.2%	1,110	64.2%	180	47.4%	500	52.1%
Total	**1,285**	**100.0%**	**1,729**	**100.0%**	**380**	**100.0%**	**960**	**100.0%**

Source: Comprehensive Housing Affordability Strategy, 2006-2010.

3.2 Housing Characteristics

A community's housing stock is defined as the collection of all residential dwelling units located within the jurisdiction. The characteristics of the housing stock, including growth, type, age and condition, tenure, vacancy, costs, and affordability are important in determining the housing needs for the community. This section details Healdsburg's housing stock characteristics in an attempt to identify how well the current housing stock meets the needs of current and future residents of the city.

Housing Unit Types

According to the 2014 estimate prepared by the DOF, there were 4,904 housing units in the city (Table 11). Healdsburg had a slightly higher proportion of single family homes (78.7 percent) than Sonoma County (75.5 percent), but had a similar proportion of multifamily homes of 19.9 percent in Healdsburg and 19.0 percent in Sonoma County. Sonoma County had a larger proportion of multifamily complexes with five or more units (12.5 percent) than the city (9.9 percent). Mobile homes also constituted a larger portion of the county's housing stock (5.5 percent) than in the city (1.4 percent).

Table 11 Housing Unit Types

City of Healdsburg and Sonoma County
2014

Unit Type	Healdsburg		Sonoma County	
	Number	Percent	Number	Percent
Single family Detached	3,653	74.5%	141,417	68.5%
Single family Attached	205	4.2%	14,441	7.0%
2-4 Units	490	10.0%	13,509	6.5%
5+ Units	486	9.9%	25,758	12.5%
Mobile Homes	70	1.4%	11,412	5.5%
Total	**4,904**	**100.0%**	**206,537**	**100.0%**

Source: State Department of Finance, Table E-5, January 1, 2014

Table 12 displays the housing stock by type in 1990, 2000, and 2010. The city's housing stock has remained predominately single family during the past 20 years. Less than 20 percent of units are in multifamily buildings with the largest share in three-four unit buildings. Single family attached and detached housing increased almost 16 percent from 2000 to 2010, while multifamily housing increased 13.3 percent. Mobile home parks decreased from 2000 to 2010 by 14.4 percent from 99 in 2000 to 70 in 2010.

Table 12 Housing Units by Type

City of Healdsburg
1990, 2000, and 2010

Unit Type	1990		2000		2010		Changes 2000-2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Single family	2,941	78.1%	3,287	78.4%	3,812	79.5%	525	16.0%
Multifamily	726	19.3%	805	19.2%	912	19.1%	107	13.3%
Mobile Homes	99	2.6%	99	2.4%	70	1.5%	-29	-29.3%
Total	**3,766**	**100.0%**	**4,191**	**100.0%**	**4,794**	**100.0%**	**603**	**14.4%**

Source: Department of Finance 1990, Table E-8, and 2000 and 2010, Table E-5.

Housing Tenure

According to Census data, Healdsburg is nearly equally split in tenure (57.6 percent owner-occupied units versus 42.4 percent renter-occupied units). As shown in Table 13, between 2000 and 2010 the proportion of owner-occupied households decreased while the proportion of renters slightly increased. The number of owner occupied units increased by 5.4 percent and the number of renter occupied units increased by 17.8 percent.

Table 13 Housing Tenure

City of Healdsburg
2000 and 2010

Tenure	2000		2010		Change 2000-2010	
	Number	Percent	Number	Percent	Number	Percent
Owner	2,392	60.3%	2,521	57.6%	129	5.4%
Renter	1,576	39.7	1,857	42.4%	281	17.8%
Total Occupied Housing Units	**3,968**	**100.0**	**4,378**	**100.0**	**410**	**10.3%**

Source: ABAG Pre-Approved Data Package, U.S. Census, 2000 and 2010.

Vacancy

Vacancy rate can be a good indicator of how effectively for-sale and rental units are meeting the current demand for housing in a community. Vacancy rates of 6 or 7 percent for rental housing and 1 to 2 percent for ownership housing are generally considered optimum, where there is a balance between the demand and supply for housing.2 A higher vacancy rate may indicate an excess supply of units and, therefore, price depreciation, while a low vacancy rate may indicate a shortage of units and escalation of housing prices.

The occupancy and vacancy status of the city's total housing units in 2000 and 2010 is summarized in Table 14. Census data indicated that Healdsburg had a vacancy rate of 4.2 percent for rental housing, which is significantly below the optimum 6 or 7 percent. The vacancy rate for ownership housing was slightly above normal (1.6 percent) with a vacancy rate of 2.7 percent in 2010. Approximately 3.2 percent of the city's total housing units in 2010 were vacant and available for rent or sale. 46 percent of the vacant units were for seasonal, recreational, or occasional use. The city's vacancy rate (8.7 percent) was lower than the county's vacancy rate (9.2 percent) and higher than the state's (8.1 percent)[3].

Table 14 Housing Occupancy and Vacancy Status

City of Healdsburg
2000 and 2010

	2000 Units	**2010 Units**
Occupied units	3,968	4,378
Owner	2,392	2,521
Renter	1,576	1,857
Vacant units	170	416
For rent	34	82
For sale	24	71
Rented or sold, not occupied	30	17
For season, recreational or occasional use	62	190
Other vacant	20	56
Total units	**4,138**	**4,794**

Source: U.S. Census 2000 and 2010 Summary File 1, Tables H3 & H4

Housing Stock Conditions

Generally, housing older than 30 years of age will require minor repairs and modernization improvements. Housing units over 50 years of age are more likely to require major rehabilitation such as roofing, plumbing, and electrical system repairs. Table 15 depicts the statistics on the age of the housing units in Healdsburg. 59.0 percent of housing units in the city are over 30 years of age and 32.3 percent are over 50 years of age.

Table 15 Housing Unit Age

City of Healdsburg
2010

Year Structure Built	Number	Percent of Total
2010 or later	33	0.7%
2000-2000	613	13.0%
1990–1999	499	10.6%
1980–1989	749	16.8%
1970–1979	884	18.7%
1960–1969	378	8.0%
1950–1959	720	15.2%
1940–1949	183	3.9%
1930 and earlier	625	13.2%
Total	4,729	100.0%
30 years or older (built before 1980)	2,790	59.0%
50 years or older (built before 1960)	1,528	32.3%

Source: 2008-2012 ACS Data.

An important indicator of the existing condition of the housing supply is the number of structurally substandard units, or units needing rehabilitation or replacement. While the majority of the housing units within the city are in relatively good condition, as the existing stock ages, the number of housing units needing rehabilitation is expected to increase.

Exterior Conditions

In mid-2008, approximately 2,540 residences in Healdsburg's older neighborhoods were inspected by a "windshield survey." Figure D in Appendix D depicts the survey area boundary.

The overwhelming majority of units surveyed were found to be in "sound" condition, with the appearance of regular maintenance of the home and landscaping. Only 46 units, or 1.8 percent were identified by the survey as "sound deficient," and it appeared that a nominal amount of work would correct all of the deficiencies. The homes in need of repair are scattered throughout the survey area; no single neighborhood was identified as having a concentration of deficient units. Figure D in Appendix D depicts the locations of the deficient units.

FIGURE 6 EXAMPLE OF DETERIORATED FOUNDATION AND SIDING

City of Healdsburg
2008

It should be noted that the housing conditions survey was only an exterior visual inspection, and it is likely that many of the older homes are in need of such maintenance as new roofs and heating systems, as well as energy-saving measures such as insulation, double-pane windows, and weather-stripping. These conditions could only be identified by a thorough on-site inspection.

The generally well-maintained condition of homes and presence of home improvements are evidence of an interest in conserving the city's existing units in the face of limited housing development. There is also a growing recognition and appreciation for the historic qualities of the homes in many of Healdsburg's older neighborhoods.

Structural Integrity

While the occurrence of a large earthquake is rare, Healdsburg would be subjected to very high levels of shaking by a strong earthquake on the Healdsburg-Rodgers Creek fault. The last major earthquake in Sonoma County was a magnitude 5.7 event which occurred in 1969 on this fault. Studies indicate that an earthquake of approximately 7.0 on the Rodgers Creek fault is estimated to have a 30-year probability of 22 percent.[4] The Association of Bay Area Governments (ABAG) estimated in 1996 that at least 7 percent of dwelling units in Sonoma County would be uninhabitable following a magnitude 7.1 event.[5] Mobile homes are particularly susceptible to earthquakes and may become uninhabitable; although mobile homes do not sustain substantial damage, they must be returned to a stable foundation and reconnected to utilities. Multi-story, wood-framed buildings are also at risk of severe damage during a seismic event unless they are reinforced.

Housing Rehabilitation

During the previous Housing Element planning period the City, through the Redevelopment Agency, operated a Neighborhood Improvement Program to assist lower-income senior and disabled residents with exterior home improvements. However, the Healdsburg Redevelopment Agency was dissolved in February of 2012 in accordance with a Supreme Court Order, which eliminated the funding source for this program.

Sonoma County continues to offer a housing rehabilitation loan program to low-income homeowners. From 2008 to April 2014, three units in Healdsburg were rehabilitated with loans from the Housing Rehabilitation Program. Two repairs were earthquake bracing systems and the other was an investor owned 4-plex rehab. The loans are available to low-income households to repair structural, electrical and mechanical deficiencies, improve accessibility and increase energy efficiency. Deferred payments with no monthly expenditures are available, and the program also provides a free on-site evaluation, followed by a written report of items that need to be addressed. Homeowners are assisted in obtaining bids and permits, selecting qualified contractors and managing the project paperwork and budget.

3.3 Housing Costs and Affordability

Affordability is defined as paying 30 percent or less of gross monthly household income on housing costs, based on both State and Federal standards. Housing affordability is a major consideration in providing suitable housing, as housing costs are generally the greatest expense for households. For owner households, housing expenses consist of mortgage and interest payments, insurance, maintenance, and property taxes; some owners may also pay homeowners association dues or a special assessment. The housing cost burden for recent home purchasers is even greater than that of other homeowners, since the relative cost of homeownership decreases over time (i.e., long-term owner costs do not adjust to the market value of housing) and the property tax that has limited increases following the home's purchase is adjusted upwards when the property sells.

For renter households, housing expenses generally consist of a security deposit, rent, and utilities. Rent levels can fluctuate over the course of occupancy unless local rent controls are imposed.

Higher-income households may choose to spend greater portions of their income for housing expenses. However, many low-income households must involuntarily spend a large share of their income on housing.

<u>Rental Housing Affordability</u>

The 2010 Census reported that 1,857 units (42.4 percent of total occupied units) were renter-occupied, a rate that was higher than in 2000 (39.7 percent) and 1990 (38.9 percent). The city's proportion of renter units was somewhat higher than the county-wide average (39.6 percent), but lower than the state-wide average (44.1 percent). Many of the renter-occupied units were likely single family homes, as Healdsburg had only 912 multifamily units (three or more units per structure) in 2010 according to the DOF. The 2008-2012 ACS reported a median rent in Healdsburg of $1,270.

Based on an online search for rental units in April and May 2014, there were 14 listed available rentals in Healdsburg. Most available rentals were single family homes. The average rent was $2,185 and the median rent was $1,944 (Table 16). Rentals ranged from one-bedroom to three-bedroom units with prices ranging from $950 to $4,000.

Table 16 Prices of Available Rental Units

City of Healdsburg
May 2014

Units for Rent	Number of Units Available	Average Rent	Median Rent
1 Bedroom	2	$1,025	$1,025
2 Bedroom	7	$1,941	$1,850
3 Bedroom	5	$2,989	$3,000
Average Rent	**14**	**$2,185**	**$1,944**

Source: Craigslist, OLX.com, April and May 2014

Table 17 shows HUD-defined fair market rent levels (FMR) for Sonoma County for 2013.[6] Fair market rents are gross rent estimates primarily used by HUD to determine payment standard amounts for their various programs. They include the shelter rent plus the cost of all tenant-paid utilities, except telephone, television, and Internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to program participants. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. HUD uses FMRs for a variety of purposes: FMRs determine the eligibility of rental housing units for the Section 8 Housing Assistance Payments program; Section 8 Rental Certificate program participants cannot rent units whose rents exceed the FMRs; and FMRs also serve as the payment standard used to calculate subsidies under the Rental Voucher program.

Table 17 HUD Fair Market Rate

Sonoma County
2013

Bedrooms in Unit	2013 FMR
Studio/Efficiency	$873
One-Bedroom	$1,018
Two-Bedroom	$1,332
Three-Bedroom	$1,963
Four-Bedroom	$2,301

Source: U.S. Department of Urban Development (HUD), 2013.

Table 18 summarizes the range of rents for the available rental units in Healdsburg listed earlier in Table 16, compared to the FMR. While the rental rates for available one-bedroom units were in the range of the FMR, the larger rental units were all listed at rental prices above the FMR.

Table 18 Healdsburg, Sonoma County and Fair Market Rent Comparison

Healdsburg and Sonoma County
2014

Unit Type	Unit Size			
	Studio	1 bedroom	2 bedroom	3 bedroom
Rental	--	$950-$1,100	$1,500-$3,000	$1,995-$4,000
2013 Fair Market Rent	$873	$1,018	$1,332	$1,963

Data compiled during May 2014
Sources: Craigslist, OLX.com, April and May 2014, U.S. Department of Housing and Urban Development, 2013

Calls to several local property management companies revealed more information on rentals in Healdsburg. There is strong evidence of a tight rental market as there is a lack of available rentals. A majority of renters have occupied the existing rental units for many years. Because of their long-term tenure and strong relations with property owners, property management companies claim that they have kept rental prices low and have not increased rents to reflect fair market-rate rental prices. This means that many long-term renters are likely paying less than the current market-rate rental prices.

For example, one property management company that manages 16 fully-occupied apartment units in Healdsburg said that there is very little turnover in their rental units, which tend to be occupied by long-time residents. Because of the long-term relationship with the tenants, rents charged at these apartments tend to be much lower than the market value of the units. Studios rent for about $600; one-bedroom units for $650; and two-bedroom units for $750.

Since 2008, the only multifamily developments built have been deed-restricted affordable housing for lower-income residents (except two duplexes). The Growth Management Ordinance (GMO) exempts affordable housing projects, but requires market rate multifamily to compete for a limited number of allocations. All income-restricted apartments in the city have lengthy waiting lists, with wait times between six months and three years.

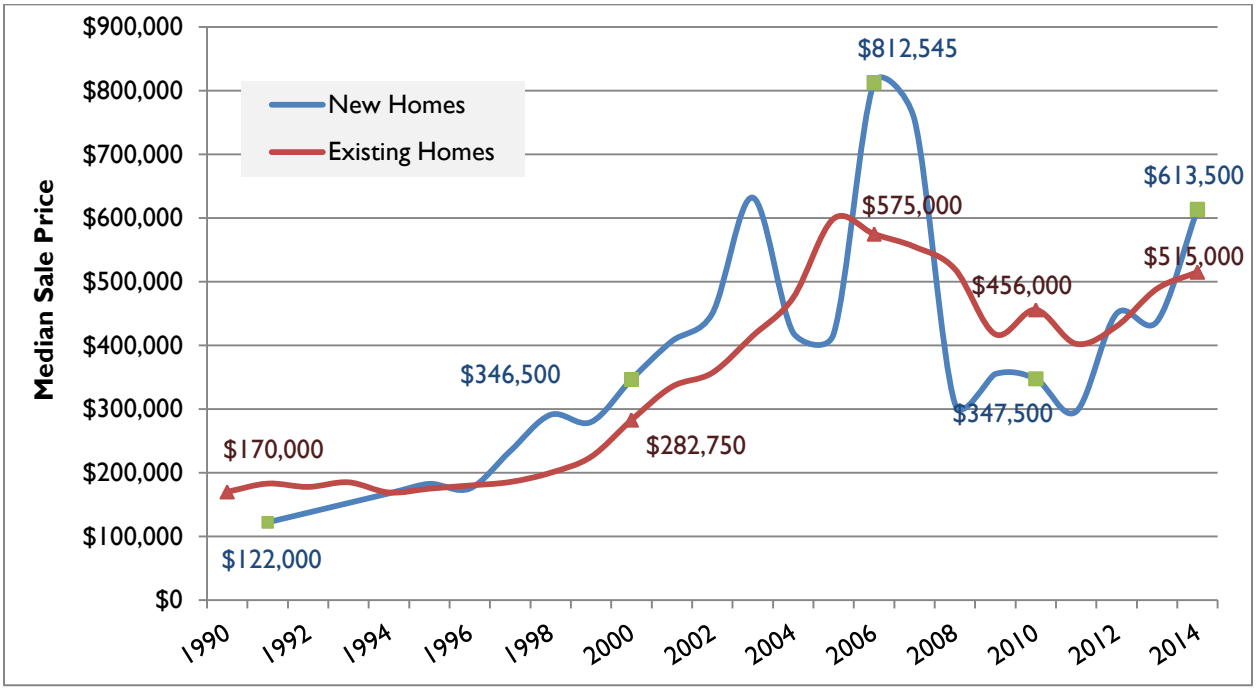
Healdsburg has increasingly become an attractive tourist destination, and while vacation rentals are prohibited within the city limits, some homeowners still choose to rent their homes to vacationers as opposed to permanent residents. Vacation rentals have an impact on the available rental supply as well as the character of neighborhoods. The City enforces vacation rental regulations, but is complaint-based and therefore does not monitor these units. During the Housing Element Community Workshop several residents who attended the Housing Element workshop pointed to the need for more aggressive enforcement of the existing regulations. In April 2014, the City increased the fine to $1,000 per day for illegal vacation rentals.

Ownership Housing Affordability

Figure 7 shows the median sale prices for existing and new homes in Healdsburg between 1990 and 2014. The sale price for existing and new homes increased steadily from 1990 to late 2005 and early 2006. After 2006, the housing market slowdown affected sale prices in Healdsburg. As shown in Table 19, between 2006 and mid-2009, the median sale price for existing homes decreased by 32.8 percent and by over 60 percent for new homes. While this made housing more affordable for some new homebuyers, it left other homeowners with "underwater" mortgages – owing more for their homes than the free-market value. Prices began to rise again in 2011 and have been increasing steadily; the median sales price of existing and new homes was $515,000 and $613,500 respectively in 2014. It is likely that housing prices will continue this upward trend during the Housing Element planning period.

FIGURE 7 MEDIAN SALE PRICE OF NEW AND EXISTING HOMES

City of Healdsburg
1990-2014



Source: DataQuick, May 6, 2014.

Table 19 Median Sale Price of New and Existing Homes

City of Healdsburg
1989-2014

Year	Sales		Median Price		% Change in Price	
	Existing	New	Existing	New	Existing	New
1989	257	1	$166,500	$251,000	--	--
1990	237	--	$170,000	--	2.1%	--
1991	184	12	$183,000	$122,000	7.6%	--
1992	211	--	$177,750	--	-2.9%	--
1993	214	--	$185,000	--	4.1%	--
1994	198	5	$169,000	$167,500	-8.6%	--
1995	160	8	$175,000	$182,500	3.6%	9.0%
1996	200	3	$180,000	$175,000	2.9%	-4.1%
1997	209	8	$185,500	$233,750	3.1%	33.6%
1998	300	7	$200,000	$291,000	7.8%	24.5%
1999	297	40	$225,000	$279,500	12.5%	-4.0%
2000	274	111	$282,750	$346,500	25.7%	24.0%
2001	243	56	$335,000	$406,500	18.5%	17.3%
2002	265	17	$357,000	$450,000	6.6%	10.7%
2003	267	8	$415,000	$632,250	16.2%	40.5%
2004	274	24	$475,000	$420,000	14.5%	-33.6%
2005	279	17	$599,000	$417,500	26.1%	-0.6%
2006	203	7	$575,000	$812,545	-4.0%	94.6%
2007	172	19	$555,000	$755,000	-3.5%	-7.1%
2008	156	10	$520,000	$309,000	-6.3%	-59.1%
2009	150	39	$417,500	$355,000	-19.7%	14.9%
2010	162	19	$456,000	$347,500	9.2%	-2.1%
2011	184	4	$402,500	$296,000	-11.7%	-14.8%
2012	262	3	$430,100	$450,000	6.9%	52.0%
2013	237	20	$489,000	$437,500	13.7%	-2.8%
2014	52	9	$515,000	$613,500	5.3%	40.2%

Source: DataQuick, May 6, 2014.

Even as housing prices plummeted nationally and throughout the state during the recession of the late 2000s, homes in Healdsburg, particularly those near the plaza, retained much of their value. Homes in Healdsburg generally command higher prices than much of California, given the city's desirable climate; its surroundings of vineyards and world-class wineries, wooded hillsides, and the Russian River; its proximity to the San Francisco Bay Area and a full range of services in nearby communities; and its historic small-town character.

Brokers report that demand for housing in Healdsburg is high, and that the market has been more resilient than other parts of Sonoma County. A major portion of demand comes from those looking for vacation homes that can ultimately become a retirement residence. Local realtors have noticed a recent trend of home purchases for use as second (or third) homes by residents of the San Francisco Bay Area, Portland, Seattle, Los Angeles, the East Coast, and foreign countries. These purchases attest to Healdsburg's attractiveness as a weekend and vacation destination as well as the desire for some to own a low-maintenance property for eventual use as a retirement residence. The downtown core is most often cited as the focus area for these potential homebuyers; walking distance to the Plaza and a house with "character" are the top priorities. As more of these types of homeowners dominate the housing market in Healdsburg, less housing is available for permanent residents. If demand for housing continues to be greater than supply, home prices will increase accordingly. This can lead to a "squeezing out" effect where long-time residents can no longer afford to stay in Healdsburg.

An income group whose housing needs have generally not been addressed by public entities in the past are "workforce" or "middle income" households–often with two wage earners, earning between 121 and 180 percent of area median income (the lower end of the above moderate-income group). These households do not typically qualify for the traditional housing assistance programs, but may also have trouble affording market rate housing. As described above, the 2014 median sale price for existing homes in Healdsburg was $515,000, which would require a family of three to have an income equal to over 145 percent of the median income.

Table 20 compares home sale prices in Healdsburg to neighboring communities within Sonoma County. Every community (except Bodega Bay and Kenwood) in Sonoma County experienced an increase in median prices from 2012 to 2013. As shown, Healdsburg had one of the highest median sales price ($475,000) compared to other incorporated cities in Sonoma County. Healdsburg experienced a 10.5 percent increase in median sales price between 2012 and 2013. The unincorporated community of Penngrove exhibited the highest median sales price in the county of $675,000.

Table 20 Median Sales Price Comparisons

Sonoma County and Cities and Unincorporated Communities in Sonoma County
2013 and 2013

Location	Number of Homes Sold in 2013	2012 Median Sales Price	2013 Median Sales Price	Percent Change from 2012 to 2013
Incorporated				
Cloverdale	215	$245,000	$313,750	28.1%
Cotati	107	$271,000	$360,000	32.8%
Healdsburg	255	$430,000	$475,000	10.5%
Petaluma	811	$372,000	$447,500	20.3%
Rohnert Park	487	$249,000	$325,000	30.5%
Santa Rosa	2,613	$295,000	$366,500	24.2%
Sebastopol	328	$450,000	$565,500	25.7%
Sonoma	541	$385,000	$464,500	20.7%
Windsor	403	$341,250	$400,500	17.4%
Unincorporated				
Bodega Bay	67	$638,000	$635,000	-0.5%
Forestville	93	$224,500	$317,500	41.4%
Geyserville	19	$325,000	$352,500	8.5%
Guerneville	136	$201,500	$275,000	36.5%
Kenwood	24	$825,000	$536,000	-35.0%
Penngrove	44	$574,500	$675,000	17.5%
The Sea Ranch	99	$520,000	$549,000	5.6%

Source: dqnews.com, accessed May 6, 2014.

As shown in Table 21, 38 single family homes were offered for sale in Healdsburg in May 2014. Asking prices ranged from $350,000 to $3,725,000.

Table 21 Asking Prices for Single Family Units

City of Healdsburg
2014

Price Range	Number of Properties
$300,000 - $499,999	16
$500,000 - $799,999	7
$800,000 – $1 million	4
$1 million to $2 million	7
>$2 million	4

Source: Movoto.com, accessed May 23, 2014.

Foreclosures

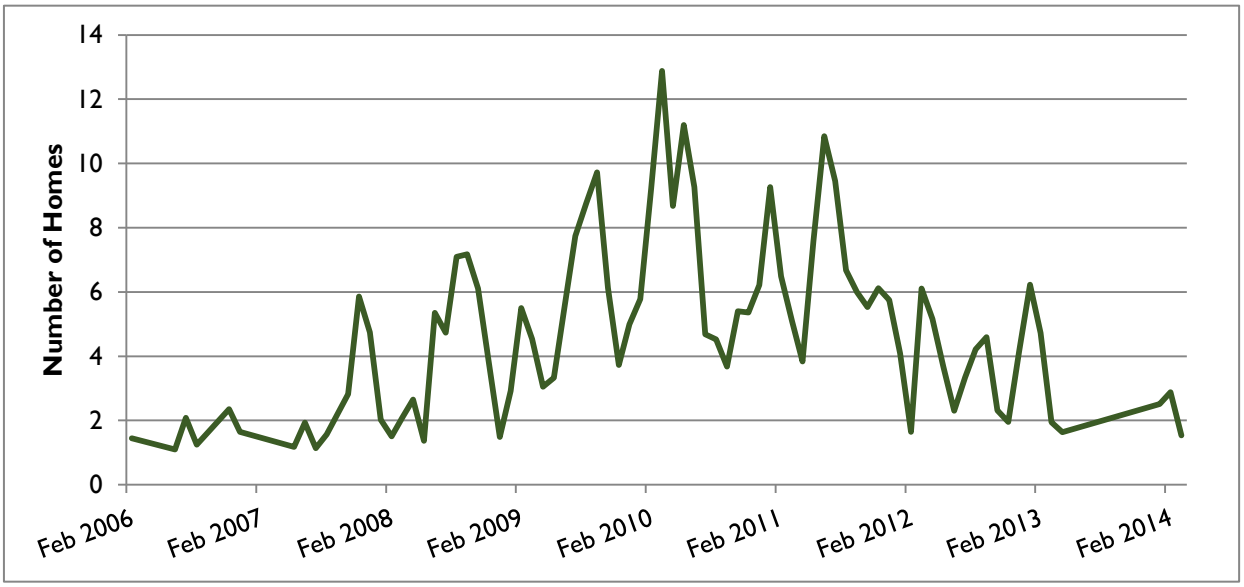
With low interest rates, "creative" financing (e.g., zero down, interest only, adjustable loans), and predatory lending practices (e.g., aggressive marketing, hidden fees, negative amortization), many households nationwide purchased homes that were beyond their financial means in the

early to mid 2000s. Under the assumptions that refinancing to lower interest rates would always be an option and home prices would continue to rise at double-digit rates, many households were unprepared for the hikes in interest rates, expiration of short-term fixed rates, and decline in prices set off in 2006. Suddenly faced with significantly inflated mortgage payments, and mortgage loans that are larger than the worth of the homes, foreclosure was the only option available to many households.

In 2008 the number of foreclosures peaked in Sonoma County with 2,820 homes in foreclosure. In 2013 Sonoma County foreclosures dropped to their lowest level in seven years; 499 county homeowners lost properties at foreclosure auctions last year. In April 2014, RealtyTrac reported that there were 24 properties in some stage of foreclosure in Healdsburg: pre foreclosure (16.7 percent), auction (66.7 percent), or bank owned (16.7 percent).[7] This is equivalent to one in every 1,283 homes. Figure 8 shows historical foreclosure data for Healdsburg from zillow.com. The number of foreclosures has been decreasing in the past few years and is now similar to pre-2006 rates.

FIGURE 8 FORECLOSURES

City of Healdsburg
2006-2014



Source: zillow.com, accessed May 2014

Housing Affordability

Table 22 shows the affordable housing cost guidelines established in Section 50052.5 and 50053 of the California Health and Safety Code. The guidelines are based on the median income calculated by HCD income limits. As described earlier, the generally accepted definition of housing affordability is for a household to pay no more than 30 percent of its gross annual income on housing. It should be noted that moderate-income households and above have more

money to cover other expenses; therefore, the threshold for affordability is higher, at 35 percent of their income.

Table 22 Housing Cost Limits by Area Median Income Level

City of Healdsburg
2014

Income Level	Income Limit	For Sale	Rental
Extremely Low	0-30% AMI	30% of 30% of AMI	30% of 30% of AMI
Very Low	31-50% AMI	30% of 50% of AMI	30% of 50% of AMI
Low	51-80% AMI	30% of 70% of AMI	30% of 60% of AMI
Moderate	81-120% AMI	35% of 110% of AMI	35% of 110% of AMI

Note: Affordability levels should be adjusted for household size.
Source: HCD Income Limits.

Table 23 shows the 2013 HCD-defined household income limits for very low-, low-, and moderate-income households in Sonoma County (including Healdsburg) by the number of persons in the household. It also shows maximum affordable monthly rents and maximum affordable purchase prices for homes. For example, a three-person low-income household with an income limit at 60 percent of the area median could afford to pay a monthly gross rent (including utilities) of up to $1,039. A three-person low-income household with an income limit at 70 percent of the area median could afford to purchase a house priced at or below $195,702.

Table 23 Ability to Pay Based on HUD Income Limits

Sonoma County
2013

Extremely Low-Income Households at 30% of 2013 Area Median Income (AMI)						
Number of Persons	1	2	3	4	5	6
Income Level	$16,150	$18,450	$20,750	$23,050	$24,900	$26,750
Max. Monthly Gross Rent (1)	$404	$461	$519	$576	$623	$669
Max. Purchase Price (2)	$65,234	$74,524	$83,815	$93,105	$100,577	$108,050
Very Low-Income Households at 50% of 2013 AMI						
Number of Persons	1	2	3	4	5	6
Income Level	$26,900	$30,750	$34,600	$38,450	$41,550	$44,600
Max. Monthly Gross Rent (1)	$673	$769	$865	$961	$1,039	$1,115
Max. Purchase Price (2)	$108,656	$124,207	$139,758	$155,309	$167,831	$180,151
Low-Income Households at 70% of AMI For Sale and 60% of AMI for Rental						
Number of Persons	1	2	3	4	5	6
Income Level for Sale (70% MFI)	$37,700	$43,050	$48,450	$53,850	$58,150	$62,450
Income Level for Rental (60% MFI)	$32,300	$36,900	$41,550	$46,150	$49,850	$53,500
Max. Monthly Gross Rent (1)	$808	$923	$1,039	$1,154	$1,246	$1,338
Max. Purchase Price (2)	$152,280	$173,890	$195,702	$217,514	$234,883	$252,252
Median-Income Households at 100% of 2013 AMI						
Number of Persons	1	2	3	4	5	6
Income Level	$53,850	$61,500	$69,200	$76,900	$83,050	$89,200
Max. Monthly Gross Rent (1)	$1,346	$1,538	$1,730	$1,923	$2,076	$2,230
Max. Purchase Price (2)	$217,514	$248,414	$279,517	$310,619	$335,460	$360,302
Moderate-Income Households at 120% of 2013 AMI						
Number of Persons	1	2	3	4	5	6
Income Level	$64,600	$73,800	$83,050	$92,300	$99,650	$107,050
Max. Monthly Gross Rent/Payments (1)	$1,884	$2,153	$2,422	$2,692	$2,906	$3,122
Max. Purchase Price (2)	$304,425	$347,780	$391,370	$434,961	$469,597	$504,470

[1]Assumes that 30 percent (35 percent for moderate) of income is available for either: monthly rent, including utilities; or mortgage payment, taxes, mortgage insurance, and homeowners insurance.
[2]Assumes 96.5 percent loan at 4.5 percent annual interest rate and 30-year term; assumes taxes, mortgage insurance, and homeowners' insurance account for 21 percent of total monthly payments.
[3]2014 State Area Median Income for Sonoma County $76,900
Source: California Department of Housing and Community Development, 2013, http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k13.pdf; Mintier Harnish, 2014.

As shown in Table 24, many of the jobs in Healdsburg and the region have salaries within the low-income range. These include jobs in the service sector, such as waiters, cooks, and food preparation workers. In many cases, even the combined wages of two workers result in a lower-income household.

Table 24 Examples of Average Annual Salaries by Occupation

Santa Rosa – Petaluma MSA
2013

Occupation	Annual Income	Affordable Rent	Affordable Purchase Price
Very Low Income (Limit $26,900)			
Dishwasher	$20,051	$501	$80,991
Waiters and waitresses	$22,318	$558	$90,148
Farmworker/laborer, crop	$22,568	$564	$91,158
Food preparation worker	$22,838	$571	$92,249
Hairdresser/cosmetologist	$24,232	$607	$97,879
Home health aide	$23,920	$598	$96,619
Low Income (Limit $37,700 for Sale and $32,300 for Rental)			
Maid/housekeeper	$27,560	$689	$111,322
Hotel/motel clerk	$29,182	$730	$117,874
Child care worker	$26,541	$664	$107,206
Retail Salesperson	$28,330	$708	$114,432
Moderate (Limit $59,200)			
Construction laborer	$45,219	$1,119	$213,093
Dental assistant	$44,907	$1,310	$211,623
Truck driver	$46,654	$1,361	$219,855
Medical assistant	$40,310	$1,176	$189,960
Firefighter	$57,158	$1,667	$269,355
Mail carrier	$54,142	$1,579	$255,142
Above Moderate Income			
Accountant/auditor	$72,571	$2,117	$341,988
Police officer	$89,003	$2,596	$419,424
Civil engineer	$93,350	$2,723	$439,909
Registered nurse	$104,395	$3,045	$491,958

Notes: Affordable rent calculation assumes that 30 percent (35 percent for moderate) of income is available for either: monthly rent, including utilities; or mortgage payment, taxes, mortgage insurance, and homeowners insurance.
Affordable purchase price calculation assumes 96.5 percent loan at 4.5 percent annual interest rate and 30-year term; assumes taxes, mortgage insurance, and homeowners' insurance account for 21 percent of total monthly payments.
2014 State Area Median Income for Sonoma County $76,900
Affordability limits based on a one-person household.
Source: California Department of Housing and Community Development, 2013, http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k13.pdf; Mintier Harnish, 2014. Employment Development Department, Labor Market Information, 2014

Based on the prices described in this section, most lower-income households would not be able to afford housing in Healdsburg. Rental housing, although units are scarce, is generally

affordable to the median-income households shown above. Single-wage householders with moderate incomes would have trouble finding affordable for-sale housing in the city.

3.4 Fair Housing

Affordability, availability, and accessibility are key issues in providing and maintaining fair housing choices. Since its adoption in 1968, the Fair Housing Act has made it illegal to discriminate on the basis of race, color, religion, gender, national origin, familial status, and disability.

There is little evidence of recent housing discrimination in Healdsburg. According to the Office of Fair Housing and Equal Opportunity of the U.S. Department of Housing and Urban Development, only one complaint was filed in Healdsburg in 2013. The complaint was related to disabilities. [8] The Petaluma People Services Center has not received any complaints since they began providing fair housing services to Healdsburg during the 2011 and 2012 fiscal year.

Existing fair housing practices of the City of Healdsburg include:

- Mandating the implementation of fair housing practices in contracts with affordable housing developers.
- Disseminating fair housing information through posters, brochures, forms, and landlord/tenant handbooks from the State Department of Fair Employment and the Petaluma People Services Center Fair Housing of Sonoma County in public locations.
- Referring fair housing complaints to the State Department of Fair Employment and Housing and the Petaluma People Services Center Fair Housing of Sonoma County.
- Conducting outreach efforts for the City's affordable housing programs in Spanish as well as English and publicizing the programs through such organizations as churches.
- Using the Uniform Housing Code standards for maximum occupancy of dwelling units, which has no limit on the number of residents in a dwelling unit, as long as minimum floor area requirements are met.
- Providing equitable public services throughout the city, including public transportation, crime prevention, police protection, street lighting, street cleaning, trash collection, recreational facilities and programs, and schools; and providing for the development of commercial centers in all neighborhoods.
- Promoting the provision of housing affordable to lower-income households, which affirmatively furthers fair housing because minority families and persons with disabilities are disproportionately represented among those that would benefit from low-cost housing.

3.5 Housing Problems

Overpayment for Housing

The State of California considers a lower-income household (i.e., 80 percent or less of area median income) that pays more than 30 percent of its income for housing (rent or mortgage payment plus utilities) to be living in unaffordable housing and "overpaying" for housing. Based on this standard and 2006-2010 ACS data, approximately 990 Healdsburg homeowners (40.7 percent of all homeowners) and 1,160 renters (60.4 percent of all renters) overpaid for housing in 2010 (Table 25).

However, the 30 percent standard is deceptive because, for many low-income families, spending 30 percent on housing costs leaves very little for other necessities, whereas for middle-income families, it is an appropriate expenditure level. In 2010 there were a total of 626 lower-income homeowners, of which 59.9 percent experienced overpayment. Nearly 78 percent of all lower-income renters (1,285) overpaid for housing.

Households that spend 50 percent or more of their income are considered "extremely cost burdened." As expected, a higher percentage of lower-income households fall into this category (approximately 45.5 percent of all lower-income homeowners and 44.0 percent of all lower-income renters) than higher-income households (only 5.3 percent of higher-income homeowners and 1.6 percent higher-income renters).

Table 25 Housing Overpayment

City of Healdsburg
2010

	Renters		Owners	
	Number	**Percent**	**Number**	**Percent**
Extremely Low Income (<30% HAMFI)				
Total	**415**	**100.0%**	**195**	**100.0%**
With cost burden >30%	315	75.9%	185	94.9%
With cost burden >50%	290	69.9%	150	76.9%
Very Low Income (30%-50% HAMFI)				
Total	**510**	**100.0%**	**175**	**100.0%**
With cost burden >30%	465	91.2%	95	54.3%
With cost burden >50%	210	41.2%	60	34.3%
Low Income (50%-80% HAMFI)				
Total	**360**	**100.0%**	**255**	**100.0%**
With cost burden >30%	220	61.1%	95	37.3%
With cost burden >50%	65	18.1%	75	29.4%
All Lower Incomes (<80% HAMFI)				
Total	**1,285**	**100.0%**	**626**	**100.0%**
With cost burden >30%	1,000	77.8%	375	59.9%
With cost burden >50%	565	44.0%	285	45.5%
Higher Incomes (>80% HAMFI)				
Total	**635**	**100.0%**	**1,809**	**100.0%**
With cost burden >30%	160	25.2%	615	34.0%
With cost burden >50%	10	1.6%	95	5.3%
Total (All Households)				
Total	**1,920**	**100.0%**	**2,435**	**100.0%**
With cost burden >30%	1,160	60.4%	990	40.7%
With cost burden >50%	575	29.9%	380	15.6%

Note: HAMFI stands for Household Area Median Family Income

Source: Comprehensive Housing Affordability Strategy (CHAS) Data, based on 2006-2010 ACS.

Overcrowding

High housing costs can force lower-income households to share living accommodations with extended family and friends, or rent out rooms in their homes, leading to crowded living conditions. Large household sizes, multi-generational households, high numbers of children per household, low incomes, and the limited availability of large rental units are all related to overcrowding. In 2010, renter households in Healdsburg had a larger household size (2.81 persons per household) than owner-occupied units (2.38 persons per household). The percentage of renter households with five or more persons was 18.8 percent, which was three times that of the percentage owner households (6.6 percent) (Table 26).

Table 26
Household Sizes by Type of Occupancy

City of Healdsburg
2010

Household Size	Owner occupied		Renter occupied	
	Households	Percent	Households	Percent
1-person household	634	25.1%	571	30.7%
2-person household	1,073	42.6%	465	25.0%
3-person household	374	14.8%	243	13.1%
4-person household	273	10.8%	229	12.3%
5-person household	97	3.8%	177	9.5%
6-person household	30	1.2%	92	5.0%
7+ person household	40	1.6%	80	4.3%
Total units	**2,521**	**100%**	**1,857**	**100%**

Source: U.S. Census 2010, Summary File 1.

In 2010, only 175 (4 percent) of occupied housing units in the city had more than one person per room (excluding kitchens and bathrooms) and were therefore considered "overcrowded" (Table 27). The level of overcrowding in Healdsburg was significantly lower than the statewide level of 8.2 percent.

Less than 1 percent of all units were severely-overcrowded (over 1.5 persons per room). Overall, renter-occupied units made up the entirety of the overcrowded and severely-overcrowded units.

Table 27 Overcrowding by Type of Occupancy

City of Healdsburg
2010

Occupants per room	Owner occupied		Renter occupied		Total Units	
	Units	Percent	Units	Percent	Units	Percent
≤0.50	2,144	82.1%	849	47.3%	2,993	67.9%
0.51 - 1.00	466	17.9%	771	43.0%	1,237	28.1%
1.01 - 1.50	0	0.0%	141	7.9%	141	3.2%
1.51 - 2.00	0	0.0%	34	1.9%	34	0.8%
≥2.01	0	0.0%	0	0.0%	0	0.0%
Overcrowded	0	0.0%	175	9.7%	175	4.0%

Source: 2008-2012 ACS

3.6 Special Housing Needs

Housing Element law requires the consideration of housing needs of "special needs" persons and households. Certain groups have greater difficulty finding decent, affordable housing due to their special circumstances. Special circumstances may be related to one's employment and income, age, family characteristics, or disabilities. As a result, certain segments of Healdsburg's population may experience a higher prevalence of overpayment, overcrowding, housing cost burden, or other housing problems.

State Housing Element law identifies the following "special needs" groups: elderly households; disabled persons, including those with developmental disabilities; large households; female-headed households; families and persons in need of emergency shelter; and agricultural workers.

The Elderly

Elderly households are defined as those with a householder 65 years or older. The 2010 Census reported 863 ownership units and 284 rental units with a householder 65 years or older.[9] A large share of elderly households in Healdsburg owned their homes (75.2 percent). While only 15 percent of the total city population was aged 65 or over, 26 percent of households were headed by persons 65 and over, which demonstrates that a large share of residents that are 65 years and over live by themselves.

Elderly Housing Needs

Some elderly homeowners are not physically or financially able to maintain their homes. While younger homeowners can usually perform routine home repairs themselves, elderly homeowners are often too frail to do so and must rely on others for assistance. They may also not be able to afford modifications that are needed to ensure their safety and improve their mobility, such as grab bars and ramps.

Younger homeowners may be more willing to move out of a home if they no longer consider its features adequate. Elderly people are often less willing to move, despite the physical condition of their homes. Most often the home is paid for, so it is more cost effective to stay in the home.

The majority of the elderly are on fixed incomes such as pensions, Social Security, and/or personal savings, which can result in an excessive proportion of their income going towards housing, especially lower-income elderly households that do not qualify for Section 8 rental assistance. According to 2010 CHAS data, the percentage of elderly renters paying more than 30 percent of their income for housing costs in 2010 was greater than that of Healdsburg renters in general (70.0 percent versus 60.4 percent). However, the percentage of elderly homeowners paying more than 30 percent of their income for housing costs in 2010 was less than that of Healdsburg homeowners in general (37.6 percent versus 40.6 percent), which may be due to the fact that many elderly households no longer have mortgage payments. Additionally, the 2010 ACS reports only 4.0 percent of elderly Healdsburg householders had incomes below the poverty level in 2010, compared to 9.3 percent of households citywide.

For the elderly who cannot live independently, congregate or group housing provides small individual units without kitchens or with minimal provision for cooking. Some common facilities and services are also provided, including shared arrangements for meals and housekeeping services. Congregate care housing is particularly attractive to older persons, as building design and services can be tailored to their specific needs.

Life care facilities can also provide all levels of care on the same site to meet the progressively greater needs of the elderly. These facilities often have apartments, congregate housing, an infirmary, and nursing home in the same complex. Elderly persons buy into a life care project with an initial fee, and then pay a monthly fee thereafter. The fee usually guarantees occupancy in a particular size of apartment and one meal a day. Tenants may also move into a "personal care" unit or nursing facility if health support needs change.

House sharing can provide older homeowners with revenue, as well as added security and companionship, and provide renters with affordable housing. Secondary units, which are separate units within a home or on the same site as a single family home, offer the same advantages plus privacy.

Existing Housing and Assistance for the Elderly

More than 350 units concentrated in the southeast portion of the city are restricted to occupants 55 years and older. Fitch Mountain Terrace I and II have 59 rental units that are restricted to very low- and low-income householders aged 62 years and over. In 2016 Fitch Mountain Terrace I will be losing Rental Housing Construction Program Rural Rental Assistance (RHCP-RRA); all 30 very low-income units will convert to low-income. However, each of these projects, Fitch Mountain Terrace I and II, has about 15 to 20 people on their waiting list, with a wait time of one to three years. Another 23 units restricted to very low-income senior households are located at Park Land Senior Apartments, at the north end of the city.

Healdsburg Senior Living Community is licensed for 110 clients and provides skilled nursing, assisted living, and dementia care. The community's current population is an even mix of people who formerly lived elsewhere in Healdsburg and parents of current Healdsburg residents. Occupancy of the assisted living units is currently at 92 percent, and the City of Healdsburg has approved a master plan that would allow expansion of the facility. In addition to this facility, a senior care home located at 121 Fitch Street is licensed for 19 residents.

The Senior Center provides information on local subsidized senior housing and fair housing assistance, as well as copies of the screened list of senior housing providers compiled by the Sonoma County Area Agency on Aging. Other housing-related inquiries at the Senior Center are from widows who are living with family members and wish to find independent local housing, but do not qualify for Section 8 housing assistance because of their income.[10]

<u>The Disabled</u>

Persons with physical, visual, hearing, and mental disabilities have special housing needs. These needs can include ramps instead of stairs, elevators for units with two or more stories, modified bathrooms, wider doorways, lower shelves, and other modifications. State law

requires all new multifamily construction to be accessible to persons with disabilities, but existing housing units are often not accessible or designed for the disabled. Many persons with disabilities also have fixed incomes, which can limit housing options.

The 2008-2012 ACS reported a total of 1,351 Healdsburg residents in all of the disability categories described above, representing 12 percent of the city's civilian non-institutionalized population. However, the ACS does not quantify the number of persons whose disability affected their ability to live in conventional housing or to afford housing. Nearly 31 percent of disabled residents were aged 65 years or older, which is double the percentage that they represent in the city's population as a whole. Most elderly residents with a disability had a hearing disability.

As shown in Table 28, youth under the age of five did not experience any disabilities. Cognitive disabilities were more common in youth 5-17 years of age, affecting 72.3 percent of those who reported a disability. For adult residents (18-64 years of age), cognitive, ambulatory, and independent living disabilities were the most prevalent. Seniors were more frequently affected by ambulatory disabilities.

Table 28 Persons with Disabilities

City of Healdsburg
2012

Disability	Age <5	Age 5-17	Age 18-64	Age 65+	Total
Number of Persons with a Disability	0	130	648	573	1,351
Hearing Disability	0.0%	9.2%	28.7%	60.6%	40.3%
Vision Disability	0.0%	18.5%	17.6%	23.9%	20.4%
Cognitive Disability	--	72.3%	45.3%	28.8%	40.9%
Self Care Disability	--	23.1%	35.5%	28.8%	31.5%
Ambulatory Disability	--	23.1%	56.2%	57.4%	53.5%
Independent Living Disability	--	--	42.0%	51.7%	42.0%

Note: A person can report multiple disabilities; therefore, totals within each age group may exceed 100 percent.
Source: 2008-2012 American Community Survey.

SB 812, which took effect in January 2011, amended State housing element law to require an evaluation of the special housing needs of persons with developmental disabilities. A "developmental disability" is defined as a disability that originates before an individual becomes 18 years old, continues or can be expected to continue indefinitely, and constitutes a substantial disability for that individual. This includes Mental Retardation, Cerebral Palsy, Epilepsy, and Autism.

The North Bay Regional Center, which serves the developmentally disabled under contract with the California Department of Developmental Services, reported that 77 of their clients lived in Healdsburg as of January 2014. Of the total, 51.9 percent of disabled persons are 18 or older. Most developmentally-disabled residents in Healdsburg have an intellectual disability (55.8 percent) and many are autistic (15.6 percent)

Few developmentally-disabled Healdsburg residents receiving services from the North Bay Regional Center lived in a group home facility (fewer than 10). Most developmentally-disabled

individuals lived at home (83.1 percent). Many developmentally-disabled persons are able to live and work independently. However, more severely disabled individuals require a group living environment with supervision, or an institutional environment with medical attention and physical therapy. Because developmental disabilities exist before adulthood, the first housing issue for the developmentally disabled is the transition from living with a parent/guardian as a child to an appropriate level of independence as an adult.

According to Becoming Independent, a Sonoma County organization that works with persons who have developmental disabilities, Healdsburg is an ideal setting for some clients because of the small-town atmosphere and open-minded attitudes of residents. Many clients do not drive, so the fact that parts of Healdsburg are walkable is very beneficial.

Disabled Housing Needs

According to the 2010 Sonoma County Consolidated Plan, the housing needs of persons with disabilities are similar to those of seniors. As reported in the Plan, a survey of many nonprofits and social service agencies indicated that the disabled need low-cost, accessible housing close to public transportation, shopping, and medical facilities. The provision of accessibility modifications in the existing housing stock, as well as new accessible housing units for disabled households, is a growing need as more disabled persons are striving to lead independent and productive lives.

Developmentally disabled and mentally disabled individuals require a variety of supportive living arrangements. Becoming Independent staff identified a need for small, affordable studio apartments, apartments that accept Section 8 vouchers, apartments located on the first floor, housing located near public transportation, and housing located in mixed used developments.

The Community Support Network, a private non-profit organization located in Santa Rosa, operates several housing facilities in the region designed to serve the needs of people with emotional, mental, or developmental disabilities. Demand for their facilities is great, turnover is rare, and the vacancy rates are zero. There are no Community Support Network facilities located in Healdsburg. Facilities are needed in Healdsburg to allow people with disabilities to remain in their own community where their social networks are strongest and most familiar. Foss Creek Court Apartments operates five supportive housing units for the mentally disabled.

Besides the construction of new accessible housing, the needs of individuals with limitations can sometimes be met by retrofitting existing housing to transform conventional units into suitable housing. This is perhaps the least costly way to provide housing specifically for individuals with special limitations.

State and Federal Requirements

In response to the serious lack of accessible housing in the United States, the Fair Housing Act of 1988 and the Americans with Disabilities Act require that all ground floor dwelling units in buildings of four or more units without elevators and all dwelling units in elevator buildings of four or more units include the following basic features of accessible and adaptive design:

- Public and common areas must be accessible to persons with disabilities.
- Doors and hallways must be wide enough for wheelchairs.
- All units must have:
  - An accessible route into and through the unit;
  - Accessible light switches, electrical outlets, thermostats and other environmental controls;
  - Reinforced bathroom walls to allow later installation of grab bars; and
  - Kitchens and bathrooms that can be used by people in wheelchairs.

In the case of persons with a physical or mental disability (including hearing, mobility, and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex, and mental retardation) that substantially limits one or more major life activities, landlords may not:

- Refuse to let tenants make reasonable modifications to their dwelling or common use areas, at their expense, if necessary for the disabled person to use the housing; or
- Refuse to make reasonable accommodations in rules, policies, practices, or services if necessary for the disabled person to use the housing.

Furthermore, State and Federal laws prohibit housing discrimination against the disabled in land use practices and decisions, such as applying special requirements that limit the ability of disabled individuals to live in the residence of their choice. Local governments must also make reasonable accommodations when necessary to afford persons with disabilities the opportunity to use and enjoy a dwelling.

State law prohibits the City from treating facilities that provide permanent or transitional group living environments for persons with a physical and/or mental disability differently from other housing types without a compelling reason. State law requires local jurisdictions to make reasonable accommodations for these facilities in its land use policies and decisions. Furthermore, licensed group homes and residential care facilities with six or fewer residents must be considered a residential use and the occupants must be considered a family. Group homes must be allowed in any area zoned for residential use, and the City may not place requirements or standards on these homes in addition to or different from those placed on other family dwellings of the same type in the same zone. Larger facilities are also entitled to reasonable accommodations and may not be denied or be subject to conditions of approval based solely on the fact that the home will be occupied by persons with mental or physical disabilities.

The Healdsburg Zoning Ordinance defines family as "An individual or two or more persons living together in a dwelling unit as a single housekeeping unit and in compliance with the provisions of the California Uniform Housing Code." This definition is not restrictive.

The City's building codes incorporate the latest State and Federal requirements for disabled-accessible housing. There have been no code amendments that would diminish the City's ability to accommodate persons with disabilities.

Reasonable Accommodation

Both the Federal Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Ordinance to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances.

In 2010 the City amended its Zoning Ordinance to include a reasonable accommodation review process that provides flexibility when necessary to eliminate barriers to housing opportunities. The Reasonable Accommodation Ordinance contains a formal procedure for an individual with a disability seeking equal access to housing to request reasonable accommodation.

City Support for the Disabled

Disabled-accessible units were provided in multifamily projects constructed in Healdsburg during the 1999-2006 period, including Canyon Run Apartments and Oak Grove Apartments. All but four of the Park Land Senior Apartments are accessible or can be adapted for disabled.

According to the California Department of Social Services, there are no licensed group homes or adult residential facilities in Healdsburg that provide 24-hour, non-medical care and supervision in a supportive living environment for the physically handicapped, developmentally disabled, or mentally disabled. However, the Salvation Army operates a "transitional living program" in a Healdsburg home for six single males recovering from alcoholism or addiction. The Healdsburg Zoning Ordinance was recently amended to add transitional housing and supportive housing as a permitted or conditionally-permitted use in all zones allowing residential uses.

Large Households

Large households are defined by State Housing Element Law as households with five or more members. According to the 2010 U.S. Census, there were 516 such households, or 11.8 percent of all households in Healdsburg. Of these, 167 (32.4 percent) lived in owner-occupied units and 349 (67.6 percent) occupied rental units.

Large Family Housing Needs

Large households require housing units with more bedrooms than typical housing units. In general, housing for these households should provide safe outdoor play areas for children and should be located to provide convenient access to schools and childcare facilities. These types of needs can pose problems particularly for large families that cannot afford to buy or rent

single family houses, as apartment and condominium units are often developed with childless or smaller households in mind.

Lower-income, large households generally have difficulty locating appropriately-sized housing. Very few market-rate rental projects offer three- or four-bedroom units. Whereas 77.4 percent of owner-occupied units in Healdsburg contained three or more bedrooms in 2012, only 37.4 percent of renter-occupied units were as large.

Existing Housing for Large Families

The City worked with its affordable housing partners, including the developers of the Harvest Grove and Riverfield Homes projects, to ensure the inclusion of larger units. Four-bedroom units were also included in the following affordable housing projects developed between 1999 and 2014: Canyon Run Apartments (6 units), Quarry Ridge (5 units), and Oak Grove Apartments (16 units).

Female-Headed Households

The 2010 Census documented 465 Healdsburg families (258 with own children under 18 years) that were headed by a female with no husband present (21.1 percent of all families with children). In 2012 147 female-headed households, or 24.7 percent, lived below the poverty level, all of which had children under 18 years. Female-headed households represent approximately 55 percent of all Healdsburg families living in poverty. Due to lower incomes, female-headed households often have more difficulty finding adequate, affordable housing than families with two adults. Also, female-headed households with young children may need to pay for childcare, which further reduces disposable income. This special needs group would benefit generally from expanded affordable housing opportunities.

Farmworkers

Although there is a limited amount of land within the city limits devoted to agricultural uses, an important part of the city's economy is related to the viticulture that surrounds the community. Visitors drawn to the region's vineyards and wineries patronize the city's tasting rooms, wine bars, and wine shops, as well as its restaurants, retail establishments, and overnight accommodations. The 2008-2012 ACS reported that 346 city residents were employed in farming, fishing, and forestry occupations in 2012.

Farmworker Housing Needs

Farmworkers have a difficult time locating affordable housing in Sonoma County. Due to a combination of limited English language skills and very low household incomes, the ability to obtain housing loans for home purchase is extremely limited. For the same reasons, rentals are also difficult to obtain.

Housing needs include permanent family housing as well as accommodations for migrant single men, such as dormitory-style housing, especially during peak labor activity in September and October. If this housing is not available, then individuals and families are forced to crowd into rental units and unconventional forms of housing such as converted motels.

The lack of adequate migrant farmworker housing results in homelessness among farmworkers who come to the Healdsburg area during the summer and harvest months. North County Community Services (NCCS), a non-profit organization based in Healdsburg, reports that the number of calls from farmworkers surges during the summer months.

Existing Housing for Farmworkers

Housing in Healdsburg specifically for farmworkers includes the U.S. Department of Agriculture (USDA)-subsidized Harvest Grove Apartments, which provides 44 units to very low-income farmworker households. This project was constructed in 1996 on property zoned Multifamily Residential. As of May 2014, there are 20 families on the waiting list for the complex. Its manager, the non-profit Burbank Housing Development Corporation, reports that it is difficult to find qualified tenants because of occupancy restrictions tied to the USDA funding: the primary household wage earner must be working legally in the United States and must be employed in qualified farm labor (i.e., working directly with raw agricultural products). It is particularly difficult to find tenants for the four-bedroom units, because larger households tend to have income levels that exceed the maximum allowed by occupancy restrictions.

Additional agricultural worker housing in Healdsburg includes the 20 units at Quarry Ridge, an ownership project financed partially by the USDA and constructed on a 8.66-acre site in the Parkland Farms area. The site was rezoned to Planned Development to allow a modification to Zoning Ordinance development standards, including minimum lot size (the lots range in size from 2,420 to 4,120 square feet), side and rear yard setbacks, and minimum lot width. The initial purchasers contributed their own "sweat equity" to the construction of their home. The project's program also includes a reduced mortgage loan, favorable loan terms, and reduced cash down payment requirements.

North County Community Services (NCCS), a local non-profit group, refers many calls from farmworkers for housing assistance to Santa Rosa-based California Human Development, which has Spanish-speaking staff and runs a rental assistance program.

<u>The Homeless</u>

A person or family is considered homeless if they lack a fixed and regular nighttime residence, or have a primary nighttime residence that is a supervised, publicly-operated shelter designated for providing temporary living accommodations. A person or family is also considered homeless if they are residing in a public or private place not designated for, or ordinarily used as a regular sleeping accommodation for human beings (e.g., the street, abandoned buildings, vehicles, encampments).

Reasons for homelessness include:

- Insufficient income
- Personal emergencies
- Inadequate support systems
- Chronic substance abuse
- Spousal/partner abuse or abandonment

- Physical or mental illness
- A lack of life skills
- Loss of employment

Populations at risk of becoming homeless also include those living in subsidized housing units if their subsidies are discontinued, and those who have fixed or low incomes facing rent increases.

It is very difficult to reliably estimate the numbers of homeless. The Sonoma County Task Force on the Homeless conducted a "point in time" count of the county's homeless between January 26 and 31, 2013[11], to which the City of Healdsburg contributed funding. The count identified 59 homeless persons in Healdsburg during this time (1.7 percent of the countywide number); 24 were considered unsheltered and 35 were sheltered. This is less than the 2011 count of 112 homeless persons in Healdsburg.[12]

In July 2008 the Healdsburg Police Department reported three homeless camps within the city limits that had 10 to 12 residents each, 90 percent of whom were male. There were also six transient individuals, two of whom had a mental disability. In 2014 the Department has observed more encampments than reported in 2008; however, each encampment has fewer homeless persons living in them. Since March 2013 the Department has tracked 15 different encampment locations, however, some of the same persons have been visited in multiple locations as they move their encampments. The North County Community Services (NCCS) reported in May 2014 that the majority of the homeless population in Healdsburg were male (30), and five were female. They also estimated that there are approximately three homeless families, and that this number is increasing.

The number of homeless persons in Healdsburg could actually be higher than those identified by the 2013 count or the Police Department or NCCS. Based on information from service providers, many of Healdsburg's homeless are itinerant farmworkers, whose population peaks in September through October.

Homeless Housing Needs

Housing needs of the homeless are wide-ranging; this group includes persons who are homeless for many different reasons, as described above. Some need assistance with covering first and last rent payments and security deposits. The mentally and physically disabled need support services such as counseling, along with housing. Historically many social service organizations and resources have been provided in Santa Rosa, approximately 15 miles south of Healdsburg. Service providers emphasize the need for services within the city of Healdsburg.

Sonoma County's 10-Year Homeless Action Plan (2007)[13] identified local investment in assistance for the homeless and capacity building in Healdsburg as critical to enable local service providers to own and operate housing at the scale needed. The Plan calls for Healdsburg to add at least six emergency shelter beds.

Local Assistance for the Homeless

In 2002 the City of Healdsburg purchased and rehabilitated a deteriorated four-unit apartment building, Victory Apartments, at 308 East Street in downtown Healdsburg to be used as a

transitional housing facility for up to 16 very low-income persons, including children. Transitional housing bridges the gap between homelessness and permanent housing. It is typically a temporary shared living environment with the provision of supportive services that are designed to help persons transitioning from homelessness to maintain stability and to prevent repeated homelessness. The City leases the Victory Apartments building to NCCS to operate and maintain this facility.

NCCS also operates the Spare Room, an emergency shelter located in St. Paul's Episcopal Church. The facility has two sets of bunk beds to accommodate one to four people for one to three nights. In emergencies, two additional people can be accommodated. Staff reports that it is always full and that many guests stay at the shelter multiple times during a single month. Guests are accepted on a first-come, first-served basis, with women and children receiving first preference. NCCS provides sheets and toiletries. St. Paul's Church also makes a shower available to the general homeless population, providing approximately 100 showers per month. In 2008, 2009, and 2013 St. Paul's received grant funding totaling $8,925 related to shelter services.

Additionally, NCCS provides: Holbrook Apartment, a transitional housing unit for families and Victory Studios, a seven-plex for single occupancy transitional housing.

According to a NCCS representative, the city of Healdsburg needs a permanent shelter for the homeless population with support services, including counselors and case workers.

Homeless Housing Opportunities

Few buildings in Healdsburg could be readily and economically converted into a conventional emergency shelter. Given high apartment occupancy rates and the fact that local motels are thriving, there may not be an opportunity to develop emergency housing in this manner. There are also no residential hotels, rooming houses, or similar buildings that lend themselves to conversion to a traditional emergency shelter.

If a conventional emergency shelter were established in Healdsburg, it would probably be in a newly-constructed building. The shelter should be located close to public services and facilities, including transportation, and easily accessible from areas where homeless persons congregate.

Homeless shelters are defined by the Healdsburg Zoning Ordinance as "a facility for the shelter and feeding of persons who lack a fixed, regular, and adequate nighttime residence for up to 30 consecutive days, where such shelter is operated by a public or non-profit agency." They are permitted in Service Commercial (CS) and Public Districts. Shelters located in residential districts, when not developed in an individual dwelling unit format, are not subject to the underlying zoning district's maximum unit density standard, but the number of beds is limited to three times the maximum number of dwelling units that would otherwise be permitted.

The City Council recently (July 2014) approved a new definition of transitional housing that more fully complies with State law. The new definition reads as such: "transitional housing is rental housing operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

Transitional housing units are residential units subject only to those requirements and restrictions that apply to other residential uses of the same type in the same zone." Transitional housing is permitted the same as other residential uses of the same type in all zones allowing residential uses; the amendment also allows transitional housing in PR and I zones, where it previously had not been permitted.

3.7 Inventory of Affordable Rental Housing and At-Risk Status

Long-Term Affordable Housing

In addition to market-rate housing that is affordable to lower- and moderate-income households by virtue of characteristics such as amenities, location, condition, and age, there are currently 387 units (8 percent of total units) within the city whose long-term affordability to these households is assured through deed restrictions and other agreements (see Table 29 and Figure 9). Beginning in 1986, the City of Healdsburg has worked with for-profit and non-profit developers to provide a range of housing types targeted to meet the needs of families, seniors, farmworkers, and the homeless. Appendix B provides details on each of these affordable projects.

Table 29 Restricted Affordable Housing Units

City of Healdsburg
2014

Project	Year	Tenure	Sponsor	Location	Units	Income Group(s)[1]	Target Groups	Exp. Date	City/RDA Contributions[2]	Other Subsidies[3]
Canyon Run Apartments	2001	Rental	Burbank Housing	1671-1687 Canyon Run	51	14 Very Low, 36 Low, 1 Mod. (mgr)	Families	2056	Land donation, Loans, Covered parking waiver	CalHFA, Tax credits, HOME, AHP, FHRCAC
Fanny Hill	2009	Owner	Private developer	Rosewood Drive	1	1 Low	Families	2054	Inclusionary housing program	
Fitch Mt. Terrace I	1986	Rental	Burbank Housing	710 S. Fitch Mountain Road	40	40 Very Low	Seniors	2099	Land donation, Pre-development loan	FmHA/515, RHCP, USDA Rural Dev.
Fitch Mt. Terrace II	1990	Rental	Burbank Housing	713 Heron	20	6 Very Low, 14 Low	Seniors	2089	Land donation, Construction loan, On- & off-site improvements	CalHFA, SCCDC, Tax credits
Foss Creek Court Apartments	2009	Rental	Eden Housing	20 West Grant Street	64	63 Very Low	Large Family	2064	RDA funds	LIHTC
Foss Creek Villas	2008	Owner	Private developer	Foss Creek Circle	2	2 Moderate	Families	2028	Condition of approval for condo conversion	
Grove Lofts	2007	Owner	Private developer	W. Grant St. Grove Street	2	2 Low	Families	2053	Inclusionary housing program	
Habitat for Humanity Project	2011	Owner	Habitat for Humanity	513 University Ave.	2	2 Low	Families	Unknown	Development fees, Lot purchase, Loans	Local contributions
Harvest Grove Apartments	1996	Rental	Burbank Housing	205-292 W. Grant Street	44	43 Very Low, 1 Mod. (mgr)	Farmworker families	2026	Loan	CDBG, USDA, FmHA
Healdsburg Commons	2008	Owner	Private developer	Healdsburg Ave.	2	1 Low, 1 Moderate	Families	2053	Inclusionary housing program	
Oak Grove Apartments	1999	Rental	Private developer	1570-1592 Grove Street	81	40 Very Low, 41 Low	Families	2055	Affordable housing overlay, Covered parking waiver, Reduced riparian setback, Fire truck purchase	Tax credits, CalHFA
Palomino Court	2004	Owner	City of Healdsburg	1716-1748 Palomino Court	15	3 Low, 12 Moderate	Families	2049[4]	Land donation, Modifications to development standards, 2nd mortgages	
Park Land Senior Apartments	1999	Rental	Burbank Housing	1651-1669 Rosewood Drive	23	22 Very Low, 1 Mod. (mgr)	Seniors	2054	Land donation, Loan, Modifications to development standards	HOME, CDBG, AHP, CalHFA, Tax

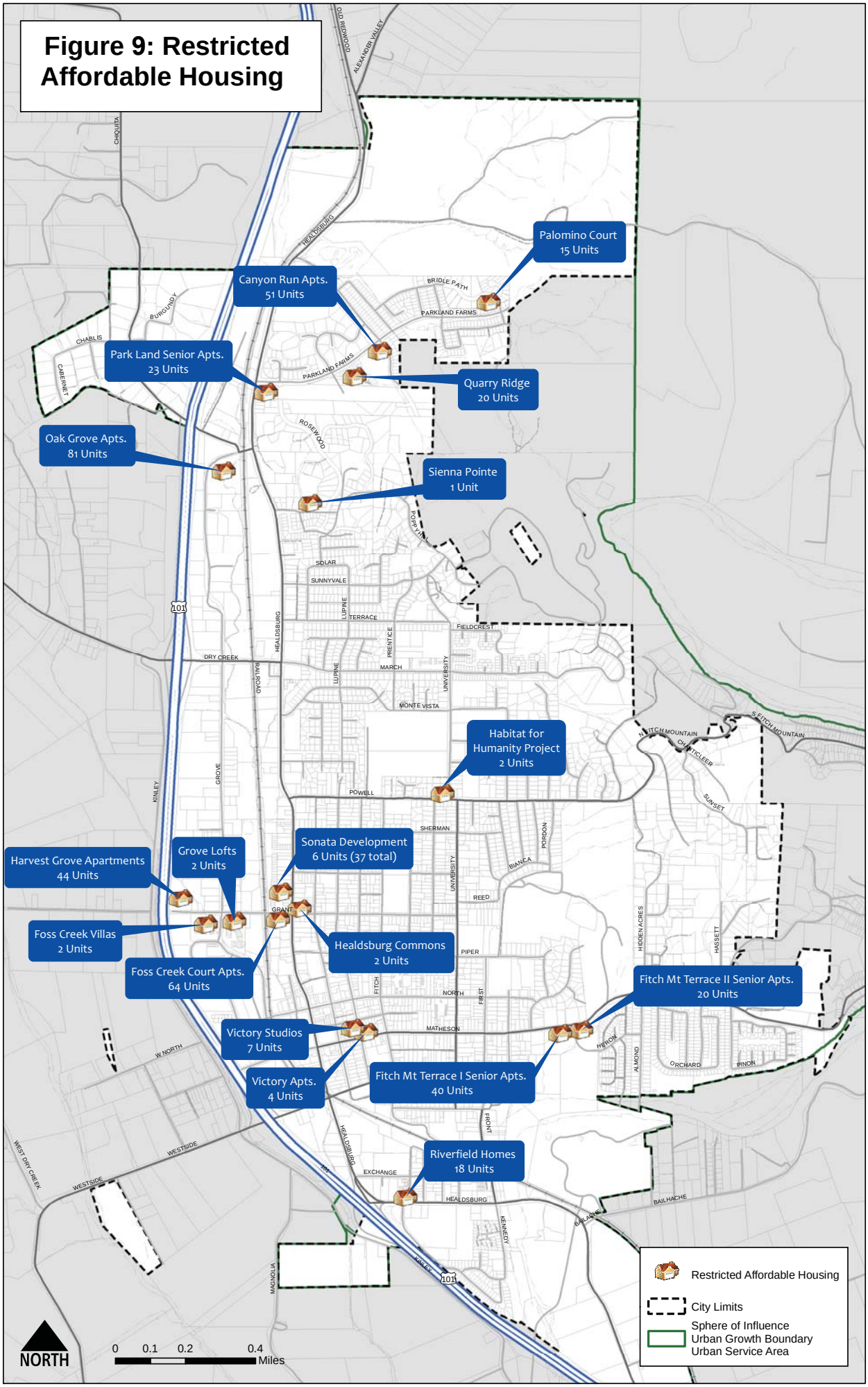
Table 29 Restricted Affordable Housing Units

City of Healdsburg
2014

Project	Year	Tenure	Sponsor	Location	Units	Income Group(s)[1]	Target Groups	Exp. Date	City/RDA Contributions[2]	Other Subsidies[3]
										credits, RHCP
Quarry Ridge	2001	Owner	Burbank Housing	141-197 Quarry Ridge	20	Low	Families	varies	Modifications to development standards, loan	USDA, HCD, SHOP
Riverfield Homes	1995	Rental	Riverfield Homes	1-35 Adeline	17	4 Very Low, 13 Low	Families	2044	Density bonus, Loans	CDBG, HOME, Tax credits
Sienna Pointe	2005	Owner	Private developer	Paul Wittke Drive	1	1 Low	Families	2035	Inclusionary housing program	
Sonata Development	2010	Owner	Private Developer	607-703 Larkspur Dr	37	6 Low	Families	In perpetuity	Inclusionary housing program	
Victory Apartments	2002	Rental	City of Healdsburg	308 East St.	4	Very Low	Homeless	2057	Site purchase and funding for property rehabilitation	CDBG
Victory Studios	2009	Transitional	St. Paul's Episcopal Church	306 East St.	7	Very Low	Homeless	2054		

[1] Very Low-Income - 50% of area median income (AMI) or below, Low-Income - between 51% and 80% of AMI, Moderate-Income - between 81% to 120% of AMI
[2] See Appendix B for details on City of Healdsburg and Healdsburg RDA contributions
[3]Programs: AHP: Federal Home Loan Bank Board Affordable Housing Program, CalHFA: California Housing Finance Agency State Housing Program, CDBG: US Department of Housing and Urban Development Community Development Block Grant entitlement program, FHRCAC: Farmworker Housing Rural Communities Assistance Corp., FmHA/515: Farmers Home Administration Section 15, HCD: State of California Housing and Community Development Department, HOME: California HOME Investment Partnership Program, MCC: Mortgage Credit Certificate Program, SHOP: Self-Help Homeownership Opportunity Program, SCCDC: Sonoma County Community Development Commission
Source: James Pappas, Housing Policy and Preservation Associate, California Housing Partnership, obtained April 24, 2014, and the City of Healdsburg http://www.ci.healdsburg.ca.us/Modules/ShowDocument.aspx?documentid=4635, 2012

Figure 9: Restricted Affordable Housing



Source: City of Healdsburg, 2014
Map Date: 5/16/2014

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At-Risk Housing

An affordable rental housing development is a development where all or a portion of the housing units must be rented at affordable levels to extremely low-, very low-, and low-income households. The units are made affordable for an extended period of time by subsidy contracts, deed restrictions, and/or development agreements. When the contracts, deed restrictions, and development agreements expire, the units can be rented at market rates to any household. State housing element law requires an analysis of the affordable housing developments to determine if there are any affordable units that are at risk of being converted to market rate units. The "at-risk" analysis must cover a period of 10 years.

None of the affordable units shown in Table 29 are at risk of converting to market rate within the 10-year period of 2015 to 2025.

California Government Code Section 65863.10 requires that owners of Federally-assisted properties provide notices of intent to convert their properties to market rate 12 months prior and again at 6 months prior to the expiration of their contract, opt-outs, or prepayment. Owners must provide notices of intent to public agencies, including HCD and the local public housing authority, as well as to all impacted tenant households. The six-month notice must include specific information on the owner's plans, timetables, and reasons for termination. Under Government Code Section 65863.11, owners of Federally-assisted projects must provide a Notice of Opportunity to Submit an Offer to Purchase to Qualified Entities, non-profit or for-profit organizations that agree to preserve the long-term affordability if they should acquire at-risk projects, at least one year before the sale or expiration of use restrictions. Qualified entities have first right of refusal for acquiring at-risk units. HCD keeps a current list of all of the qualified entities across the state. The qualified entities that HCD lists for Sonoma County are found in Table 30.

Table 30 Qualified Entities

Sonoma County
2013

Organization	City	Phone Number
Affordable Housing Foundation	San Francisco	(415) 387-7834
Burbank Housing Development Corporation	Santa Rosa	(707) 526-9782
Christian Church Homes of Northern California, Inc.	Oakland	(510) 632-6714
Community Home Builders and Associates	San Jose	(408) 977-1726
Divine Senior Apartments	Occidental	(707) 874-3538
Eden Housing, Inc.	Hayward	(510) 582-1460
Nehemiah Progressive Housing Development Corp.	Sacramento	(916) 231-1999
Pacific Community Services, Inc.	Pittsburg	(925) 439-1056
Petaluma Ecumenical Properties, Inc.	Petaluma	(707) 762-2336
Sonoma County Community Development Commission	Santa Rosa	(707) 565-7505

Source: California Department of Housing and Community Development, <www.hcd.ca.gov/hpd/hrc/tech/presrv/hpd00-01.xls>, accessed December 30, 2013.

4 Projected Housing Needs

4.1 ABAG Projections 2013

The Association of Bay Area Governments (ABAG) is the official comprehensive planning agency for nine Northern California counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma. Among other responsibilities, ABAG prepares bi-annual, long-term forecasts of population, households, and employment. The most recent edition of ABAG's long-term forecast was prepared in 2013. The forecast recognizes emerging trends in markets, demographics, and local policies that promote infill development and transit-oriented development, but is also designed to realistically assess growth in the region. ABAG expects the Bay Area's population to grow by about 2 million people between 2010 and 2040, which makes population growth and how it will shape the region in 2040 central to the forecast.

According to the 2013 ABAG projections, Healdsburg's population is estimated to grow by 333 residents between 2010 and 2020 and 733 residents between 2010 and 2030.

Table 31 compares the population projections for the city of Healdsburg to other cities within Sonoma County for the years 2010 to 2030. Healdsburg is expected to experience the smallest percent change in population (6.5 percent), while Cloverdale is expected to experience the highest population growth of 21.8 percent. Sonoma County as a whole is expected to grow by 14.8 percent. According to the 2008-2012 ACS, the average household size in Healdsburg is 2.54. If the average household size remains constant between 2010 and 2030, the projected population increase would require 217 new housing units.

Table 31 Population Projections

City of Healdsburg
2010-2030

Jurisdiction	2010	2020	2030	Percent Change 2010-2030
Healdsburg	11,267	11,600	12,000	6.5%
Cloverdale	8,618	9,500	10,500	21.8%
Cotati	7,265	7,700	8,200	12.9%
Petaluma	57,941	60,600	63,600	9.8%
Rohnert Park	40,971	44,300	47,900	16.9%
Santa Rosa	167,816	184,100	201,800	20.3%
Sebastopol	7,379	7,700	8,200	11.1%
Sonoma	10,648	11,100	11,500	8.0%
Windsor	26,787	28,800	31,100	16.1%
Sonoma County	483,878	517,700	555,300	14.8%

Source: Association of Bay Area Governments, 2013.

According to ABAG, there were 6,440 jobs in the city of Healdsburg and 192,010 jobs in Sonoma County in 2010. Healdsburg has 3.4 percent of the jobs in the county. ABAG projects that the city of Healdsburg will add 1,770 new jobs between 2010 and 2040, increasing from 6,440 to 8,210 jobs. This represents a 27.5 percent increase in local jobs, or an annual average increase of 0.9 percent. Between 2010 and 2030, jobs in Healdsburg are projected to increase 18.3 percent; however, population is only projected to grow by 6.5 percent. This projected growth scenario might indicate a growing commuter workforce, especially if the types and amount of housing built do not meet the needs of the growing workforce.

4.2 Regional Housing Need Determination

The State of California requires each jurisdiction to plan for its share of the state's housing need for all income levels. HCD and ABAG, the regional planning agency, determine the Regional Housing Need Allocation (RNHA), assigning each community a share of the region's housing need for an approximately eight-year period. The regional housing needs process addresses one of the most significant problems facing the state, region, and community: a lack of affordable housing for people of all income levels. The RHNA aims to increase the supply, diversity, and affordability of housing; promote infill development and more efficient land use patterns; promote an improved intraregional relationship between jobs and housing; protect environmental resources; and promote socioeconomic equity.[14]

For the 2014 to 2022 projection period, HCD has identified a need for 187,990 housing units in the entire ABAG region. This determination is based on population projections produced by the California Department of Finance (DOF) and ABAG. HCD adjusted the final count to account for abnormally high vacancies and unique market conditions due to residual recessionary effects, high unemployment, and unprecedented foreclosures.

The assigned need is broken down by income categories: very low, low, moderate, and above moderate. It is this RHNA that communities must use when making adequate provision for their housing needs in their housing elements.

Table 32 shows the RHNA for new construction in Healdsburg during the planning period, adjusted to include its need for extremely low-income housing. State law requires that the City determine the subset of the very low-income regional need that constitutes the community's need for extremely low-income housing. Local governments can either identify their own methodology for calculating the need or presume that the need is 50 percent of the total very low-income need. (The City of Healdsburg has chosen the latter method to estimate its extremely low-income need.)

Table 32 Share of Regional Housing Need

City of Healdsburg
2014-2022[1]

Income Group[2]	No. of Units	Share of Total	Annual Average
Extremely Low (≤30% of AMI)	15	10%	2
Very Low (31–50% of AMI)	16	10%	2
Low (51–80% of AMI)	24	15%	2
Moderate (81–120% of AMI)	26	17%	3
Above Moderate (≥120% of AMI)	76	48%	8
Total	**157**	**100%**	**16**

Note: Numbers may not add up due to rounding
[1]Planning period includes 1/1/2014 through 10/31/2022
[2]Area median income established by HUD on an annual basis
Source: ABAG Regional Housing Needs Allocation, July 2013.

As discussed later in Section 6.2, the City must demonstrate that there is adequate land within the city to accommodate this projected housing need.

5 Housing Development Constraints

Constraints to the provision of adequate and affordable housing are created by market, governmental, infrastructure, and environmental factors, among others. These factors may constrain the development of housing, particularly housing affordable to lower-income households. Constraints can generally be divided into "governmental constraints" – those that are controlled by Federal, State, and local governments – and "nongovernmental constraints" – factors that are not generally created or cannot be affected by government controls. An analysis of these factors can help in the development of programs that lessen their effect on the supply and cost of housing.

5.1 Governmental Constraints

Governmental regulations and exactions are designed to achieve desirable land use patterns, coordinate development with infrastructure expansion, finance capital improvements, equitably distribute the cost of public services, maintain the ambiance of existing neighborhoods, improve the urban environment, and preserve open space and unique ecosystems.

However, they should be evaluated to determine whether they are excessive and represent an unnecessary constraint on the availability or affordability of housing being built, or contribute to the loss of existing affordable housing.

Healdsburg 2030 General Plan

In addition to the Housing Element, the Land Use Element of the General Plan directly affects the location and type of housing that may be developed. The Land Use Element's land use designations provide for a variety of housing types with the density parameters shown in Table 33. Minimum densities are required for most of the designations in order to maximize residential development on a limited supply of land and achieve a balance and variety of housing types.

Table 33 Residential Uses Allowed by General Plan Land Use Designations

City of Healdsburg
2009

General Plan Designation	Unit Types Allowed	Density (units/acre)
Very Low Density Residential (VLR)	Single family dwellings	up to 1
Low Density Residential (LR)	Single family dwellings	1 – 3
Medium Density Residential (MR)	Single family dwellings, small lot subdivisions	3 – 6
Medium High Density Residential (MHR)	Single family dwellings, small lot subdivisions	6 – 10
High Density Residential (HR)	Single family dwellings, multi-family dwellings, mobile home parks	10 – 20
Downtown Residential (DR)	Single family dwellings, multi-family dwellings, small lot subdivisions	3 – 8
Transit Residential[2]	Single family dwellings, multi-family dwellings, mobile home parks	10 – 30
Office/High Density Residential (O/HR)	Single family dwellings, multi-family dwellings	10 – 16
Mixed Use (MU)	Single family dwellings, multi-family dwellings, mobile home parks subordinate to commercial	up to 16
Grove Street Mixed Use (GMU)	1 single family dwelling or duplex per lot	0 – 7
Service Commercial (SC)	Single family dwellings, multi-family dwellings, mobile home parks subordinate to commercial	10 – 16
Downtown Commercial (DC)	Single family dwellings, multi-family dwellings	10 – 16
Industrial (I)	Multi-family – including live-work facilities, single room occupancy units and efficiency units – for owners and/or employees of on-site uses	up to 16

[1]Single room occupancy units and efficiency apartments of 500 square feet or less are counted as one-half unit for purposes of calculating density
[2]Transit Residential is a new designation that the Council adopted in 2014.
Source: Healdsburg 2030 General Plan.

According to State law, the density that is deemed appropriate for affordable housing to be feasible in Healdsburg is 20 dwellings per acre. The City amended its General Plan in 2010 to increase the allowed maximum density in the HDR land use designation from 16 to 20 units per gross acre for projects targeted to lower-income households. In combination with the density bonuses required by state law, the density achieved by affordable housing projects could exceed 27 units per acre, which is considered to be fairly dense in Sonoma County. In past or recently-

constructed affordable housing projects, the City's density limitations have not posed any constraint to such housing development. The actual development densities of all affordable housing projects constructed in Healdsburg since 1986 are shown in Table 34. The average density of 15 affordable multi-family housing projects constructed in Healdsburg since 1986, nearly all of which were targeted at very low- and low-income households, is 15.9 units per acre.

Table 34 Density of Affordable Housing Projects Constructed Since 1986

City of Healdsburg
1986 to 2014

Project	No. units	Net acreage	Density (du/ac)	Target income group(s)
Fitch Mountain Terrace I	40	3.97	10.0	Very low
Foss Creek Villas[1]	40	3.01	13.2	Moderate
Foss Creek Court	64	3.18	20	Low income
Fitch Mountain Terrace II	20	1.55	12.9	Very low
Riverfield Homes	18	1.02	18.0	Very low, low
Habitat for Humanity	2	.14	14.3	Very low
Healdsburg Commons	16	.94	17.0	Low, above moderate
Harvest Grove Apartments	44	3.03	14.5	Very low
Palomino Court	15	2.56	5.9	Low income, moderate
Parkland Senior Apartments	23	1.33	17.3	Very low, moderate
Quarry Ridge	20	1.93	10.3	Low income
Oak Grove Apartments	81	5.86	13.8	Very low, low
Canyon Run Apartments	52	4.25	12.0	Very low, low
Victory Apartments and Victory Studios	11	0.25	44	Extremely low, very low
Total	446	Average	15.9	

Source: 2030 General Plan

There is a recent trend towards higher-density affordable housing projects in the city. The 64-unit Foss Creek Court apartment project, has a density of 20 units per acre, which included a 25 percent density bonus. The project was approved with no reduction in density or number of units from those initially requested by the non-profit developer. In fact, the City encouraged the developer to include as many units in the project as feasible. The City Council also approved an effective density of 44 units per acre for the Victory Apartment and Studios project in 2006.

The Healdsburg Zoning Ordinance also allows the approval of a greater density bonus than mandated by state law. In 2006, the City approved a 48 percent density bonus for the Chiquita

Grove project with 66 units of affordable housing (with a density of almost 24 units per acre) but the developers dropped the project. Now Chiquita Grove will consist of 28 units, including four inclusionary units. The City also approved a 54 percent density bonus for the Habitat for Humanity project in 2008 for two homes on University Street for four adults and 10 children.

This "track record" demonstrates that the maximum density provided by the Healdsburg General Plan for the six land use designations that allow high density residential – up to 20 units per acre for High Density Residential and up to 16 for others – can readily accommodate and facilitate the construction of lower-income housing. On the other hand, allowing density higher than 20 units per acre as a matter of right has not been demonstrated to be necessary and could result in increased neighborhood or community opposition to new housing projects based on traffic, infrastructure limitations, or environmental concerns.

A limited number of market rate multi-family units have been built in Healdsburg. While funding assistance in terms of both provision of land and subsidies have facilitated affordable housing projects for lower-income housing, there have been no similar economic incentives to build market rate housing on higher-density residentially-zoned land. Despite adequate acreage for higher-density residential development, both the absence of funding assistance or subsidies as well as historical market conditions favoring single family housing development over multi-family housing development has resulted in a lack of any market rate multi-family housing development being built in recent years in any zones that allow higher densities. The allocation limitations imposed by the Growth Management Ordinance, discussed in the Non-Governmental Constraints section, are also thought to be a hindrance to multifamily housing development.

The Land Use Element includes the following provisions to promote affordable housing:

- Residential uses are promoted in mixed-use projects by exempting the residential floor area from the calculation of a project's maximum floor area ratio.
- In the mixed-use and commercial land use designations, single room occupancy units and efficiency apartments of 500 square feet or less are counted as one-half unit for purposes of calculating density.
- Small lot subdivisions for affordable housing are allowed on property designated Medium Density, Medium High Density, or Downtown Residential. The enacting provisions in the Healdsburg Zoning Ordinance allow lots as small as 2,000 square feet as well as alternative lot configurations, such as zero lot lines, angled Z lots, zipper lots, alternative-width lots, quad lots, and motor court lots.

The Land Use Element requires the preparation of specific plans prior to development of areas outside of the city limits and within the Healdsburg Sphere of Influence. While this requirement lengthens the review and approval process for development, it is necessary to ensure that it occurs in a manner that is consistent with land use and design criteria, environmentally sensitive areas are conserved and adequate infrastructure is provided. Development Sub-Areas B is remaining outside of the city limits and within the Healdsburg Sphere of Influence. The Sub-Area has environmental characteristics that severely constrain development, including earthquake faults, steep slopes, landslides, oak woodlands, high wildland fire hazard zones, scenic ridgelines, and riparian corridors. The maximum potential residential development for

Sub-Area B is only 41 units (see Appendix C), which are not needed to help fulfill the City's projected housing needs (see Section 4.2).

Healdsburg Zoning Ordinance

The Healdsburg Zoning Ordinance specifies the zoning districts in which residential development may occur and under what circumstances.

Zoning Districts

Residential uses are allowed in all zoning districts with the exception of the Public, Open Space and Medical Office Districts (Table 35). In some cases, approval of a conditional use permit is required to ensure compatibility between residential and non-residential uses. The Zoning Ordinance does not differentiate between farmworker housing and other types of housing in terms of permitted or conditionally-permitted uses.

Table 35 Residential Uses Allowed by Zoning District

City of Healdsburg
2014

	Districts											
Residential Uses	**R-1**	**RM**	**DR**	**ORM[1,2]**	**PR**	**CD**	**CS**	**GMU**	**MU**	**I**	**P**	**O**
Boarding houses	C	C	C	C	-	-	-	C	-	-	-	-
Duplex	-	-	C	-	-	-	-	P	-	-	-	-
Employee housing for six or fewer employees	P	-	P	-	-	-	-	P	-	-	-	-
Homeless shelters	-	-	-	-	-	-	P	-	-	-	P	-
Live-work facilities	-	-	-	-	-	P	P	-	-	C	-	-
Caretaker residences	-	-	-	-	-	-	-	-	-	C	C	-
Mobile home parks	-	C	-	C	-	-	-	-	-	-	-	-
Multi-family dwellings	-	P	P	P	C[2]	P	P	-	C[3]	-	-	-
Residential care, general	C	C	C	C	-	C	C	C	C	-	-	-
Residential care, limited	P	P	P	P	-	P	P	P	C[3]	-	-	-
Secondary dwelling unit, one per lot	P	-	-	-	-	-	-	P	-	-	-	P
Single family dwelling, detached	P	-	P	-	-	-	-	P	-	-	-	P
Single family dwelling, attached	P	-	-	-	-	-	-	-	P	-	-	-
Single room occupancy unit	-	-	-	-	C[2]	P	P	-	-	-	-	-
Supportive housing	P	P	P	P	P	P	P	P	P	P	-	-
Transitional housing	P	P	P	P	P	P	P	P	P	P	-	-
Work force housing	-	-	-	-	-	-	-	-	-	C	-	-

[1]Any residential use permitted in Article IV, RM District, subject to the regulations of the RM District.
[2]Residential uses may be combined with non-residential uses on the same site.
[3]Multifamily dwellings and SROs located on the same site as a commercial use - above ground floor
[4]Residential uses as part of a mixed use development are conditionally permitted

The Zoning Ordinance seeks to preserve the city's existing housing stock by prohibiting short-term (less than 30 days) rentals of a complete residential unit as vacation homes for transient lodging purposes and with no on-site management. Vacation rental homes are conditionally permitted in the Downtown Commercial (CD) districts. The City enforces rental regulations by responding to complaints, and does not actively monitor advertisements. The City recently (April 2014) increased the fine; if homeowners are found to be in violation of the ordinance prohibiting rentals in residential areas they are subject to a $1,000 per day fine.

Residential Development Standards

The Zoning Ordinance prescribes minimum standards for residential lot sizes, yards, and open space per unit, and maximum standards for lot coverage and building height (Table 36). These standards are typical of many California communities and contribute to the protection of the public health, safety and welfare, and the maintenance of the city's quality of life.

Height limits have not been a constraint to the development of housing for any income groups, including affordable housing projects. The Oak Grove Apartments affordable housing project has three stories and the recent Foss Creek Court affordable apartment project has three stories. Note that the Healdsburg Zoning Ordinance measures building height to half the distance between the ridge and eave on a gable roof, rather than to the highest point of the roof, thereby allowing additional height for sloped roofs.

The Zoning Ordinance also provides for Planned Development and Residential Master Plan overlay zoning districts in which the development standards may be specifically tailored to the project that is proposed. Healdsburg Commons and Sonata projects have substantially reduced setbacks and private open space, as well as significantly higher lot coverage than is typically allowed for residential development. Consistent with the General Plan, the Zoning Ordinance allows small lot subdivisions for affordable housing in the R-1 and DRD districts on lots as small as 2,000 square feet and no required setbacks. These provisions were recently used in approving a low-income Habitat for Humanity project that created two 3,500-square foot lots from a 7,000-square foot lot.

Table 36 Development Standards for Residential Zoning Districts

City of Healdsburg
2014

Zoning District	Minimum Lot Requirements			Minimum Yards			Max. lot coverage	Max. height
	Area	Width	Depth	Front	Side	Rear		
R-1-3,500	3,500 sq. ft.	40 feet	None	10 feet, 20 feet garage	Street side: 10 feet	None	50%	35 feet[1]
R-1-6,000	6,000 sq. ft.	50 feet	90 feet	20 feet	1 story: 5 feet 2 stories: 10 ft. 3 stories: 15 ft. 10 feet street side corner lot	20 feet	35%	35 feet[1]
R-1-12,500	12,500 sq. ft.	70 feet	100 feet	25 feet		25 feet	30%	35 feet
R-1-20,000	20,000 sq. ft.	100 feet	120 feet	30 feet		30 feet	25%	35 feet
R-1-40,000	40,000 sq. ft.	150 feet	150 feet	30 feet		30 feet	25%	35 feet
RM	6,000 sq. ft., 3,000 sq. ft./ multi-f. unit	50 feet (increased by 10% on corner lots)	90 feet	20 feet		20 feet	40%	40 feet
DR	6,000 sq. ft., 4,500 sq. ft./ multi-f. unit	50 feet, (increased by 10% on corner lots)	90 feet	20 feet		20 feet	40% 60% for small lot subdivisions	35 feet[1]

[1]Maximum height of 25 feet for small lot subdivisions
Source: City of Healdsburg, 2014

Parking Standards

The Zoning Ordinance prescribes minimum parking requirements for residential uses. For single family houses and condominium (ownership) townhouses, two spaces are required per unit, one of which must be covered. For multifamily rental housing units, 1.5 parking spaces are required per unit, including one covered space. The guest parking requirement is one uncovered space per three units. Homeless shelters require one space per residential family, 0.35 spaces per bed, plus one space per maximum number of staff on site. Trailer and mobile home parks require one space per unit plus one guest space per three units. In July 2014, the City established a parking in-lieu fee for the downtown area to provide more flexibility in the provision of parking. Applicants for new developments or businesses can now either provide required parking on-site or pay an in-lieu fee ($29,800) for each required space that cannot be provided onsite. Shared use of parking facilities is allowed for mixed-use projects, which can reduce the number of overall required parking spaces.

The Planning Commission may waive the requirement for covered parking for senior and affordable housing developments if this will reduce development costs or improve the design of a project, and may reduce the overall amount of required parking for senior housing. These requirements have often been modified in the past. The Commission has waived the covered parking requirement for the Park Land Senior Apartments, Oak Grove Apartments, Canyon

Run Apartments, Eden Family Housing Apartments (20 West Grant Street) and Chiquita Grove affordable housing projects.

The Commission also reduced the required amount of parking for the Park Land and Chiquita Grove projects. In the case of the Eden Family Housing Apartments project, the developer voluntarily provided 1.78 parking spaces per unit, 18 more spaces than required by the Zoning Ordinance, while still offering rents affordable to extremely low- and very low-income households.

Modifications to the Zoning Ordinance parking location standards have also been approved for affordable projects. For example, tandem parking arrangements were approved for the Quarry Ridge and Grant Street Village projects, and the Habitat for Humanity project was allowed to locate required parking within the front yard setback.

Design Standards

The review of project site plans, elevation drawings, and landscaping plans is guided by the Healdsburg Design Review Manual, which promotes both variation in design and compatibility with the desirable qualities of existing development. There are also specific design standards for multi-family housing intended to encourage designs that maximize common space, blend with the surrounding community, limit views of parking facilities from public streets, provide architectural compatibility of accessory buildings, and direct on-site lighting on driveways and walkways and away from adjacent properties. All of these standards are compatible with the typical design of recently constructed affordable housing projects. The Design Review Manual also provides guidelines for residential development that occurs in the eight Urban Design Districts in order to promote compatible design.

The Zoning Ordinance includes design standards for manufactured homes to ensure that they are compatible with conventionally built residential structures in the surrounding area. These standards do not exceed the limitations prescribed by State law and design review is not required for manufactured homes.

<u>Provisions for a Variety of Housing Types</u>

Manufactured Homes/Mobile Homes

Mobile homes are considered single family detached dwelling when they are on a permanent foundation. This means they are allowed in the same zones as single family housing. They may also be used as secondary dwelling units so long as they conform to all provisions relating to secondary dwelling units and to all provisions of Section 20.20.020.

Second units

A "second unit" is an additional residential unit on the same lot as a primary single family dwelling that provides complete, independent living facilities for one or more persons. Second units are usually considered to be housing that is affordable to lower-income households because there are no land costs associated with their development and they frequently rent for less than comparably-sized apartments. They may also occupy unused space in large homes, and

by supplementing the income of the homeowner, allow the elderly to remain in their homes or make it possible for lower-income families to afford homes.

The State of California has determined that second units are a valuable form of housing in the state for extended family members, students, the elderly, in-home health care providers, the disabled, and others. State law provides that any regulations adopted by the City to regulate second units cannot be so arbitrary, excessive, or burdensome so as to unreasonably restrict the ability of homeowners to create second units.

One second dwelling unit is allowed by the Healdsburg Zoning Ordinance in all zoning districts that allow single family residences. Lots that are 4,500 to 6,000 square feet may have a 640-square foot unit; those greater than 6,000 square feet may have units of up to 850 square feet. The City also facilitates the development of second units by waiving the covered parking requirement, by not requiring that the property owner live on-site, and by allowing the units to be located in the required rear yard setback. Second units are also exempt from the City's growth management program. Between 1999 and 2013, about 40 second units were constructed in Healdsburg an indication that the City's regulations encourage, rather than constrain, their development.

A survey of second units in Healdsburg during July 2008 showed that approximately half were being rented out (the other half were occupied by relatives or guests). Of these, approximately three-quarters were rented at rates affordable to lower-income households (adjusted for household size) and one-quarter were affordable to moderate-income households.

Farmworker Housing

The Healdsburg Zoning Code makes available zoning to accommodate various housing types to address the needs of farmworkers. As previously discussed, manufactured homes are considered single family homes or second units and as such are permitted in residential districts, and multi-family units are permitted in many districts. Employee housing for six or fewer employees is permitted in R-1, DR, and GMU districts. Harvest Grove Apartments and Quarry Ridge are examples of affordable housing mainly for farmworker families.

Homeless Shelters

State Housing Law requires that cities allow homeless shelters by-right in at least one zone and describe the capacity within the zone(s) to accommodate the City's homeless needs. The Healdsburg Zoning Ordinance allows homeless shelters in the CS and P districts as permitted uses. Homeless shelters are defined as, "a facility for the shelter and feeding of persons who lack a fixed, regular and adequate nighttime residence for up to 30 consecutive days, where such shelter is operated by a public or non-profit agency." As described in Section 2.6, the City supports the operation of a homeless shelter at St. Paul's Episcopal Church.

Table 37 identifies sites where homeless shelters would potentially be allowed as a permitted use. All of the sites have water and sewer services available as well as public transit.

Table 37 Potential Homeless Shelter Sites

City of Healdsburg
2014

APN	Address	Site Area (acres)	Zoning District	Existing Use
002-361-001	900 Powell Ave.	2.0	Public	Vacant armory
002-491-010- 002-491-010	1504-1508 Healdsburg Ave	0.5	CS	Vacant Land
003-030-006	1525 Healdsburg Ave	5.9	CS	Underutilized, MIX Garden Materials
003-020-013	1405 Healdsburg Ave	3.5	CS	Underutilized, parking lot on about half
003-020-011	1239 Healdsburg Ave	0.4	CS	Vacant
003-010-018	1221 Healdsburg Ave	1.1	CS	Vacant
Total		**13.4**		

Source: City of Healdsburg, 2014

Transitional Housing/Supportive Housing

State law provides that the City must treat proposals for supportive housing for target populations (such as those with mental disabilities, substance abuse, and chronic health conditions) and transitional housing for the homeless in the same manner as other residential uses allowed in the same zone. In July 2014, the City approved new definitions of both transitional and supportive housing; the City is now in compliance with State law. The new definitions read as such:

- Transitional housing is "rental housing operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance. Transitional housing units are residential uses subject only to those requirements and restrictions that apply to other residential uses of the same type in the same zone.
- Supportive housing is "housing with no limits on length of stay that is occupied by the target population (as defined in California Government Code Section 65582) and that is linked to on- or off-site services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. Supportive housing units are residential uses subject only to those requirements and restrictions that apply to other residential uses of the same type in the same zone."

The Healdsburg Zoning Ordinance was recently amended to add transitional and supportive housing as a permitted use in all zones where residential uses are allowed including, R-1, RM, DR, MU, GMU, CD, CS, PR, and I, as shown in Table 35.

SRO

Single Room Occupancy (SRO) residences are small, one-room units occupied by a single individual, and may either have a shared or private kitchen and bathroom facilities. SROs are rented on a monthly basis typically without a rental deposit, and can provide an entry point into the housing market for extremely low-income individuals, formerly homeless, and disabled persons.

Single-room occupancy units are allowed in the CD and CS districts by right; however, the units must be located on the same site as a commercial use. Single-room occupancy units are conditionally permitted in the PR district if located on the same site as a commercial use and above the ground floor.

Article 34 Authority

Article 34 of the California Constitution requires that when the City develops, constructs, or acquires a rental housing project targeted towards lower-income households, its qualified electors must approve the project by a majority. This requirement can pose a constraint to the production of affordable housing, since the process to seek ballot approval for affordable housing projects can be costly and time consuming, with no guarantee of success.

The provisions of Article 34 allow local jurisdictions to seek voter approval for "general authority" to develop low-income housing without identifying specific projects or sites. If the electorate approves general parameters for certain types of affordable housing development, the local jurisdiction will be able to move more quickly in response to housing opportunities that fall within those parameters.

There has been no vote taken for such action to date in the City of Healdsburg. However, by partnering with non-profit and for-profit developers that have used federal and state funding to construct hundreds of affordable housing units, the lack of Article 34 authority has not proved to be a hindrance to the City.

Density bonuses and other affordable housing incentives

State law requires the City to adopt an ordinance that specifies the method of providing density bonuses and other incentives for the development of affordable and senior housing units. The City complies with the provisions of State density bonus law. In fact, the City exceeds the requirements of State law for projects that provide 100 percent affordable units. Zoning Ordinance Section 20.20.035 provides the procedures and standards for granting a density bonus. In addition to those concessions and incentives required by State law, Section 18125.2 also allows the City to approve the following incentives:

- The City may grant an additional density bonus when an applicant proposes a project in which 100 percent of the remaining units not restricted to lower-income households will be affordable to moderate-income households.
- The City Council may grant financial incentives or concessions that result in identifiable cost reductions needed to make a qualifying project economically feasible, such as City subsidies for off-site improvements or land, City subsidies for development fees, and/or City sponsorship of mortgage bond financing.

Development Review and Approval Procedures

Developers must negotiate several steps to secure all necessary approvals to build housing on a given parcel of land. From the standpoint of the City, this process is necessary to ensure that new development adequately complies with local regulations that are meant to ensure the health, safety, and welfare of the entire community. From the developer's standpoint, this process can complicate and lengthen the development process, increasing the difficulty and cost to develop new housing. The following is a brief description of the process to obtain entitlements to construct housing on vacant land in Healdsburg.

Subdivision Approval

The subdivision approval process in Healdsburg includes the filing of an application, payment of a deposit for application processing, staff review for completeness, and public hearings before the Planning Commission and City Council. The Planning Commission action is advisory to the City Council, which has final authority over subdivisions. Depending on the size of the subdivision and specific site development issues, varying levels of environmental review are also required. Small subdivisions are generally exempt from the CEQA process under an infill development exemption; larger subdivisions typically require an initial study and negative declaration or environmental impact report. For projects processed with a mitigated negative declaration, a typical small lot subdivision takes about four months' processing time from complete application to approval.

Design Review for Residential Units and Projects

Chapter 20.28 Article IV of the Zoning Ordinance includes requirements and procedures for the design review of new development. Design review is not required for residential projects involving only one unit, with the exception of single family dwellings in certain specific plan areas as noted below. The Planning and Building Department Director is empowered to grant minor design review approval for the following types of residential development applications:

- All signs that are not part of a larger project subject to design review by the Planning Commission.
- Construction of or an expansion greater than 500 square feet to a one-family dwelling on a site uphill and visible from a scenic highway or road, or located within a scenic ridgeline corridor designated by the General Plan as determined by the Planning and Building Director.
- Construction of one single family dwelling within the Grove Street Neighborhood Plan.

The Planning Commission conducts major design review for the following types of residential development applications:

- Commercial, industrial, office, and residential projects (two or more residential units per site) which involve the development of vacant land with site and building improvements or involving major changes or additions to a previously developed site.
- Applications involving a change of use that requires substantial changes to the site and proposals for exterior building modifications.

- Projects subject to development approval by the Planning Commission, such as subdivisions, use permits and projects requiring the approval of variances.
- Signs that are part of a larger project subject to design review by the Planning Commission.

Potential applicants are encouraged to submit their preliminary plans for review by City department representatives and/or the Planning Commission. For a fee of $896 and $640, the applicants obtain feedback from the Planning Commission and the Project Review Committee, respectively, that can be readily incorporated into the final project design. The City also offers a "one-stop" where potential applicants can receive feedback/comments on proposed projects from each department (e.g., PW, fire, building, planning, electric). One-stop is offered Tuesday and Thursday afternoons and is a free service.

The design review process often results in an improved design that benefits both future project residents as well as neighbors.

The Commission must make several general findings in approving a design review application:

- The proposed development or use is consistent with all applicable policies and requirements of the General Plan and Zoning Ordinance.
- The proposed design of the development or use, and all appurtenant structures, is consistent with the policies set forth in the City of Healdsburg Design Review Manual.
- The proposed development or use is consistent with the purposes of the zoning district in which it is located.
- The proposed development or use is consistent with all other conditions imposed by the Planning Commission or City Council with respect to any matter related to the purpose of design review.

The design review approval process is typically completed within four to six weeks, which is considered very short when compared with other Sonoma County jurisdictions. For example, the Planning Commission reviewed the preliminary plans and approved the final design for a 64-unit, very low-income rental project (Foss Creek Court) within the space of eight weeks.

Conditional Use Permits

Many uses require a conditional use permit, including multifamily housing projects in the DR District. They are subject to the approval of a conditional use permit by the Planning Commission. Chapter 20.28, Article V in the Zoning Ordinance prescribes the procedures for obtaining a conditional use permit. Briefly, these procedures include submittal of a complete application (planning permit application form, application fees ranging from $889 to $2,201, site photographs, a written statement, a site plan, an area plan, and a floor plan) followed by a public hearing before the Planning Commission. Upon receipt of a complete application, action is generally taken on major use permits in four to six weeks.

The Commission must make a few broad findings in approving a conditional use permit application:

- The proposed location and operation of the conditional use is in accord with the Healdsburg General Plan, objectives of the Zoning Ordinance, and the purposes of the district in which the site is located.
- The proposed location of the conditional use and the conditions under which it would be operated or maintained will not be detrimental to the public health, safety, or welfare, or materially injurious to properties or improvements in the vicinity.
- The proposed conditional use will comply with each of the applicable provisions of the Zoning Ordinance.

Building Permits

A permit is required before construction of, alteration to, addition to, or demolition of any structure within the jurisdiction of the City of Healdsburg. It is probable that alterations changing the exterior appearance of commercial buildings, multi-family dwellings, and certain other structures, will need Design Review approval by the Planning Department or the Planning Commission before commencement of any such alterations.

Upon submittal of a complete set of plans, a typical single family plan check is conducted and a building permit is issued within approximately two to four weeks, and about four to six weeks for a typical multifamily plan check. The City contracts with a consultant for more complex plan checks in order to expedite their review; however, such plan checks are done on a time and materials basis to minimize the cost. As an example, the building plan check fee for the Foss Creek Court Apartments project equaled only $609 per unit. Projects within Zone Two or Three on the General Plan Slope Stability Map require a geotechnical report that is subject to geotechnical peer review by the City Geology per City of Healdsburg Resolution No 147-86 (with an associated review fee of $1,800).

In summary, Healdsburg's processing and permit procedures are reasonable and more expeditious compared to those in many other California communities. The permit process only increases in complexity and duration when the circumstances of individual projects warrant extra consideration on the part of staff and officials. This is especially true of the environmental review component of the process, yet the City of Healdsburg has little flexibility to change this, since the California Environmental Quality Act specifies procedures that local jurisdictions must observe in reviewing the impacts of development projects.

<u>Adopted Codes</u>

The City has adopted the 2013 editions of the California Building Code, California Residential Code, California Green Building Standards Code, California Fire Code, California Electrical Code, California Plumbing Code, and the California Mechanical Code.

The City has amended these codes in a few instances when necessary to protect the health, safety, and welfare of its residents. For example, the Healdsburg Building Code includes additional requirements for concrete slab floors to mitigate local expansive soil conditions. Lighted address numbers are required to improve identification of homes by emergency personnel. Smoke detectors are required in single family homes and automatic fire alarm systems must be provided in multi-family complexes, apartment complexes, and condominium complexes. Automatic fire suppression systems must be installed in new residential structures

and substantially-remodeled dwelling units. While these measures result in higher initial housing costs, they are offset over the long run by savings on homeowners insurance and property damage.

California Green Building Standards (CALGreen)

The City of Healdsburg was an early adopter of in sustainability. In November 2008, the City adopted a framework for implementation of the Healdsburg Green City Program to promote environmentally sound practices, develop green and sustainable alternatives, and reduce greenhouse gas emissions. The City had to demonstrate in the 2002 Housing Element that this program did not constrain development, because it was a local standard.

In 2010, the State of California Building Standards Commission published and mandated CALGreen, which the City has adopted, with local amendments, in place of the city's prior Green Building Ordinance. The 2013 California Green Building Standards Code ("CALGreen") became effective throughout the state on January 1, 2014. CALGreen creates uniform regulations for new residential and non-residential California buildings that are intended to reduce construction waste, make buildings more efficient in the use of materials and energy, and reduce environmental impacts during and after construction.

Residential buildings subject to CALGreen include multi-family residences and one-and two-family dwellings that have three or fewer stories. The City of Healdsburg has expanded the scope of CALGreen to also apply to:

- Additions of 500 square feet or more of conditioned space to dwellings.
- Construction of and additions of 500 square feet or more of conditioned space to residential accessory structures.
- Conversion of 500 square feet or more of unconditioned space in an existing dwelling to conditioned space.
- Additions of 5,000 square feet or more of conditioned space to non-residential buildings.
- Conversion of 5,000 square feet or more of unconditioned non-residential space to conditioned space.
- Reconstruction of residential buildings of any size.
- Reconstruction of non-residential buildings containing 5,000 square feet or more.

The City of Healdsburg City Council also adopted CALGreen Appendix Chapters A-4 and A-5 Tier 1 requirements for new residential buildings over 3,000 square feet and for non-residential buildings over 10,000 square feet. Applicants for CALGreen Tier 1 projects are required to hire an approved third party CALGreen specialist for plan review, inspections, and documentation.

While green building requirements add to construction costs, the City's standards are an important measure to achieve the City's overall goal to reduce greenhouse gas emissions by conserving energy.

Code Enforcement

Code enforcement is generally undertaken in response to a complaint filed with the City. This effort serves to maintain the conditions of the city's housing stock and does not constrain the production or improvement of housing in the city. The Healdsburg Municipal Code also establishes standards for the maintenance of properties regarding the accumulation of trash and debris, overgrown vegetation, and abandoned vehicles and equipment in order to protect property values.

On- and Off-Site Improvements

For minor residential streets, the Circulation Plan of the Healdsburg General Plan calls for a 50-foot wide section that provides two travel lanes with parking lanes, curbs and gutters, sidewalks and utility easements on either side. This design is intended to adequately accommodate traffic, parking, pedestrians, and drainage. These standards may be modified if warranted by individual circumstances, and therefore are not a constraint on development.

Additional requirements in the City's development standards include the planting of street trees and, in some cases, the installation of utility lines underground. These amenities greatly enhance the appearance of residential neighborhoods, thereby adding to the value of homes.

The City also routinely reimburses residential developers who construct off-site improvements, using development impact fees that have been collected from other development (see discussion in following section), or by establishing a reimbursement fund that subsequent developers in the area pay into.

Development Fees

The City assesses capacity charges and impact fees on residential development projects to pay for the system capacities and services required to serve the development. While these fees may affect housing prices, the only alternatives would be their payment by existing Healdsburg taxpayers or no further residential development, either of which is infeasible.

In accordance with California Government Code Section 66001(a) the City does all of the following for any fee that is established, imposed or increased:

- Identify the purpose of the fee;
- Identify the use to which the fee is to be put;
- Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed;
- Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed; and
- Determine that there is a "reasonable relationship" between the specific amount of the fee imposed as a condition of approval on a particular development project, and the cost of the public facility attributable to that project.

Typical development fees for residential units are summarized in Table 38.

Table 38 Development Fees per Unit

City of Healdsburg
2014

Type of Fee	Fee for Single Family Unit[1]	Fee for Multifamily Unit[2]
Water System	$5,681	$3,408
Sewer System	$9,422	$8,480
Streets & Traffic Controls	$2,991	$2,991
Park System	$2,057	$2,057
Storm Drain System[3]	$3,222	$917
School District Fees	$5,940[4]	$2,376[4]
Fire System Development Impact	$193	$193
Electrical Development Fees	$975[5]	$780[5]
Total	**$30,343**	**$22,202**

[1] Assumes a 4 bedroom, 2 bath single family detached home of 2,000 square feet on a 6,000-square foot lot valued at $650,000.
[2] Assumes a 20-unit multifamily development, with units of 800 square feet.
[3]$1.32 per sq-ft of hard surface Hard surface refers to anything not covered by vegetation. It varies by lot size and shape as well as by zoning requirements (setback, etc). The 2008 64-unit Foss Creek Court Apartment paid $917 per unit in storm drainage fees, which was used to estimate the fee for a typical multifamily developments.
[4]$2.97 per sq-ft or $5.25 per sq-ft (properties within Area A)
[5]Electrical development fees for single family are $975 per unit up to 125 amps, $1,473 per unit up to 200 amps, and $2,975 per unit up to 400 amps. For multifamily, fees are $975 per unit for 2-8 units, $780 per unit for 9-50 units.
Source: City of Healdsburg January 2014

As shown in Table 38, a standard single family dwelling unit (four bedrooms, two baths, 2,000 square feet) would cost an estimated $30,343 in development impact fees. Development impact fees for a multifamily development with twenty 800-square-foot units would be an estimated $22,202 per unit, for a total estimated cost of about $444,000 for the development. In addition to the fees shown in the table, developers of small-scale (i.e., six or fewer) market-rate housing that is subject to the City's inclusionary requirement have an option to pay the in-lieu affordable housing fee. Fees are based on square footage and can range from $2,455 for a 1,300 square foot unit to $15,000 for any unit more than 2,300 square feet. Units less than 1,300 square feet in a project with six or fewer units are exempt from the inclusionary requirement. The 2,000-square foot home described above would be required to pay an inclusionary in lieu fee of $10,940, which would make the total fees $41,283, or about 10 percent of total development costs.

A comparison of the development impact fees charged by Healdsburg with other Sonoma County jurisdictions is shown in Table 39. Healdsburg's impact fees (not including electrical) total $34,506 for a single family dwelling (four bedrooms, two baths, 2,000 square feet), a total that is lower than the average of jurisdictions in Sonoma County.

The estimated development impact fees for the 2008 Foss Creek Court apartment project, (which was not subject to the in-lieu affordable housing fee), were $34,375 per unit, representing approximately 8.7 percent of a project unit's total development cost. These fees are representative of what would be paid for both affordable and market-rate multi-family projects.

Table 39 Comparison of Residential Development Impact Fees[1]

Sonoma County Jurisdictions
2011/2014

Jurisdiction	Water	Sewer	Traffic	Parks	Drainage	Misc.	Affordable Housing[2]	Total Fees	Rank
Cotati	$8,306	$14,529	$250	$12,106	$0	$5,510	$23,400	$64,101	1
Sebastopol	$3,970	$2,040	$4,040	$6,500	$0	$1,070	$44,480	$62,100	2
Cloverdale	$5,823	$9,035	$2,548	$3,480	$206	$4,637	$32,239	$57,968	3
Petaluma	$3,488	$7,166	$18,978	$7,207	$0	$5,339	$9,022	$51,200	4
Windsor	$7,548	$10,560	$11,060	$9,318	$3,275	$4,799	$4,600	$51,160	5
Rohnert Park	$8,858	$12,420			$14,000	$3,250	$9,022	$47,550	6
Santa Rosa	$6,353	$11,034	$5,520	$7,387	Included as a part of Traffic fee		$16,250	$35,510	7
Healdsburg	$5,681	$9,422	$2,991	$2,057	$3,222	$193	$10,940	$34,506	8
Sonoma	$5,900	$10,119				$1,580	$9,022	$26,621	9
[3]Sonoma County	$4,000	$2,000	$6,778	$3,165	$0	$0	$7,364	$23,307	10
Average									$45,402

Disclaimer: The fees in this table for the other Sonoma County jurisdictions may not be the most current fees collected by the jurisdictions in Sonoma County. They are based on online searches and conversations with local jurisdiction representatives in 2011 or 2014. Fees for Healdsburg are the most current (2014) fees.

[1]Assumes a 4-bedroom, 2-bath single family detached home of 2,000 square feet on a 6,000-square foot lot valued at $650,000. Does not include fees resulting from special assessment districts (e.g., sewer, utilities, traffic).

[2]The Cities of Rohnert Park and Sonoma do not have an Affordable Housing in-lieu fee for fractional units. In order to compensate for this inconsistency, the least expensive Affordable Housing fee for the various jurisdictions (i.e., $9,022) was used.

[3]Unincorporated Sonoma County Assumes 1,500 square foot or 3 bedroom single family home.

Source: Healdsburg Public Works Department. The highlighted information was updated in September 2011. Data that Public Works was unable to update is from December 2007.

Utility Charges

In addition to a mortgage or rent payment, housing costs usually include payment for utilities. The City discounts its monthly electric and sewer utility charges to 137 lower-income households and tenants of affordable residential projects by 20 percent. Water bills can be discounted by 15 percent, and monthly storm drainage maintenance fee are also discounted by 20 percent for these households.

City Housing Programs

The City's inclusionary housing requirement is a critical component of the City's housing program and an active means of providing affordable units to households typically shut out of the housing market. Developers of residential projects with seven or more units are required to rent or sell 15 percent of the units at prices or rents affordable to lower- and moderate-income households. The units must be reserved for occupancy by the targeted household for at least 20 years for ownership units and 55 years for rental units. If the project is six or fewer units, the developer can decide to fulfill the inclusionary requirement through in-lieu fees, the dedication of land, or another equivalent method. As previously stated, units less than 1,300 square feet in a six or fewer unit development are exempt from the fee.

The inclusionary requirement is intended to offset the negative effects of new market-rate housing on the provision of non-market rate housing. The inclusionary program is also intended to promote the economic integration of lower- and moderate-income households in neighborhoods and the dispersion of such units throughout the city. The construction of above-moderate income housing depletes the amount of available residential land, while contributing to rising land prices because of a greater scarcity of developable sites. Market-rate housing development also exacerbates the affordable housing problem by creating greater needs for goods and services typically provided by low-income employees.

As an alternative to providing the inclusionary units on the project site, the developer may construct them elsewhere at the discretion of the City Council. Additionally, if the Planning Commission or City Council finds that the construction of the units is not feasible or appropriate, the developer may be allowed to pay in-lieu fees, dedicate land, or other equivalent methods.

Sales prices and rents for inclusionary units are limited to 30 percent of the gross annual household income of the target group. For example, a four-person low-income family with a gross annual income of $46,150 should pay no more than $1,154 per month for housing. For rental units, total housing costs include the monthly rent payment and utilities. Total housing costs for ownership units include the mortgage payment (principal and interest), homeowner's association dues, taxes, mortgage insurance, and any other related assessments.

There has been extensive debate over the question of who bears the cost of an inclusionary requirement. Depending on the relative strength of the housing market, the costs may be incurred by:

- Land owners, who may receive a lower price for their land if developers are expecting a lower profit margin from the inclusionary requirement
- Developers, who may have to accept lower profits, if housing prices cannot be raised.
- The purchasers of market-rate units, who may have to pay higher housing prices if the local and regional housing supply is limited and prices are at least as high in areas outside the city.

In a strong housing market, it is possible that all three groups will share the costs of the inclusionary housing requirement.

This requirement does not act to divert residential development to other Sonoma County jurisdictions, since inclusionary requirements have been adopted by all of its cities as well as the County of Sonoma.

By limiting the inclusionary requirement to 15 percent of a project's units and providing alternative means of compliance, such as land dedication, in-lieu fees, and other equivalent means, the program is not seen as an undue or onerous constraint on the provision of market-rate housing. Additionally, the City has adjusted the program over time to facilitate its use, maximize its effectiveness, and respond to changing market conditions. For example, the period of price restriction for an affordable ownership unit was reduced recently (in 2008) from 45 years to 20 years. An exception to the requirement that purchasers of inclusionary units be first-time homebuyers was recently added for homeowners who owned a home during the previous three years but have been displaced and have or are expecting one or more minor children. The City has also helped the potential purchasers of inclusionary units secure affordable financing, such as through the CalHFA program.

Furthermore, fulfillment of the inclusionary housing requirements usually qualified a project for a density bonus, which helps to offset the subsidy needed for the affordable prices or rents.

5.2 Nongovernmental Constraints

Nongovernmental constraints are those that are not created by local governments, but may be lessened through their actions.

Urban Growth Boundary

The Healdsburg Urban Growth Boundary (UGB) was adopted by city voters in 1996 and is coterminous with the City's Sphere of Influence and Urban Service Area boundaries. It represents the allowed extent of urban uses in the Healdsburg Planning Area by the year 2030. The UGB promotes a compact urban form that ensures the efficient provision of services while preserving agricultural and open space outside of the boundary. The boundary can only be enlarged by a majority vote of city voters, although it can be reduced by the City Council.

Although the UGB contains properties outside of the current city limits that could be used for future housing development, neither annexation of these areas, nor expansion of the UGB, is needed to provide adequate sites for accommodating the City's regional housing needs during this Housing Element planning period (see Section 4.2). Furthermore, the provisions of the UGB allow the City to provide services and utilities outside the UGB in order to permit the construction of affordable housing.

Growth Management Program

Measure M, a residential growth management program, sponsored by a private citizen and approved by city voters in 2000, limits the number of building permits for new residences to an average of 30 per year and no more than 90 in any three-year period. The adopted "Policies and Procedures" for this growth management program exempts housing units restricted for occupancy by very low-, low-, and moderate-income households (up to 120 percent of median income), secondary dwelling units, homeless shelters, elderly care facilities, nursing homes, sanitariums, and community care and health care facilities, including housing for the disabled. The Policies and Procedures are reviewed on an annual basis and adjusted to maximize the efficiency of the program's administration. This program can only be repealed or amended by a majority vote of city voters.

Beginning in 2001, the City of Healdsburg has administered this program by awarding 30 allocations per year to approved residential projects on a first-come, first-served basis. Applicants for allocations are charged a processing fee.

Ten units are set aside each year for projects with four or fewer units ("Category A"); to date, five is the most allocations that have been issued in a single year to Category A units. Unused Category A allocations are assigned to projects that involve five or more dwelling units ("Category B"). Recipients of Category B allocations can request that their allocations be phased over more than one year for a maximum of two additional years, limited to no more than a total of 10 per year. Unused or lapsed allocations may be carried over an additional two years within any three-year period.

While the GMO limits growth in Healdsburg to about 30 market rate dwelling units per year, allocations for dwelling units have not been reaching the imposed limits. Since 2001, the City has issued 331 allocations, 44 of which were reassigned and 69 expired. On average, 24 building permits were issued per year. Most allocations were for small-scale, single family development.

While the GMO allocation limits have not been reached, there continues to be a perception that the GMO had a dampening effect on development in Healdsburg, wherein fewer projects are being proposed simply because the GMO is in place. Although it is not possible to precisely say what the actual impact of the GMO is, it is clear that few larger housing developments, including market-rate multi-family projects, are being proposed in Healdsburg. This may be because the limits established under the GMO, have turned away developers of multifamily projects because they would need to be phased over several years, eroding construction cost efficiencies. Additionally, extending a larger project's timeline increases risk for the developer and makes it more challenging to obtain financing. In addition, one larger project will impact

what happens elsewhere in the City, limiting what other development can happen for the duration of the project's development period.

Several participants in the Housing Element community workshop expressed concern that the growth management program has had several unintended consequences, including limiting housing opportunities for workforce housing for Healdsburg's middle-income residents.

While the GMO is, by its nature, a constraint on housing production, it will not necessarily limit the City's ability to meet the RHNA for this Housing Element planning period. The growth management program may in fact encourage affordable housing construction by constraining market rate housing that would otherwise occupy or compete for the same site. Since the ordinance exempts affordable housing development from its provisions, it could allow a given site to be developed earlier than for a project required to obtain a growth management allocation. And while the program could affect the rate at which above moderate-income, market-rate housing units are developed, more than 240 growth management allocations would be available during this Housing Element planning period to accommodate the City's regional housing need of 76 above moderate-income housing units (see Section 5.4). The biggest potential impact of the GMO on the City's ability to meet its RHNA will be on the moderate income category.

There has been substantial debate in the city in recent years about whether or not to revise the growth management ordinance to more deliberately focus on infill, workforce, or market-rate development. The discourse around the growth management ordinance is partially the result of the Central Healdsburg Avenue Special Study, which established a vision for redeveloping the Central Healdsburg gateway into a vibrant high-density, mixed-used district. The high-density housing envisioned in the Central Healdsburg Avenue Plan will be difficult to achieve under the current growth management program, as it inherently requires higher site densities to support land costs and housing typologies envisioned by the plan.

Construction Costs

Housing prices are influenced partly by the types of construction materials used. Homes in Healdsburg are generally of wood frame construction and finished with stucco or wood siding. This type of construction is the least expensive conventional method (brick, stone and concrete block are more costly). Composition shingle and built-up roofs, which are found on a large share of the community's homes, are also the least expensive, followed by wood shingle, wood shake, concrete tile, metal tile, and clay tile.

The cost of lumber and wood products accounts for one-third of the costs of materials used to build a home. A typical 2,000-square foot home uses nearly 16,000 board feet of lumber and 6,000 square feet of structural panels, such as plywood[15], and every $1 increase in the average wholesale price of 1,000 board feet of lumber increases the cost of a typical home about $20.[16] The composite price for lumber has increased with the increase in housing prices from under $300 per 1,000 board feet for much of 2007 and 2008 to $394 per 1,000 board feet in 2013 and $400 per 1,000 board feet in 2014. In 2014 RS Means (a reliable published source for construction industry costs) estimated that the hard construction costs in the Santa Rosa area were $186 per square foot for a typical one- to three-story multi-family residential

construction with wood framing. Based on the International Code Council Building Valuation Data, a one- and two-family residential construction would cost approximately $118 per square foot. This equals a rough estimate of $186,000 in construction costs for a 1,000 square foot apartment and $236,000 for a 2,000 square foot single family home.

Over the long term, direct construction costs (including materials and labor) have decreased as a proportion of total costs due to a dramatic drop in the number of person-hours required to construct a unit, and the use of less-skilled (and therefore, lower-paid) workers because of a greater use of pre-fabricated materials.

However, labor costs are still the single biggest expense after land. Community members have stated that there is a labor shortage in Healdsburg, which leads to increased labor costs. Construction worker laborer salaries in Healdsburg are 8 percent higher than nationwide.[17]

The City can minimize construction costs by not requiring more costly kinds of building materials on residences, such as clay tile roofs. However, there is little within the City's power to affect the availability and cost of skilled labor.

Design and Location Preferences

Housing costs are affected in part by a residence's design, including the number and type of amenities, location, and size.

There has been a dramatic change over the last 20 to 30 years in the United States in the size of housing units and the amenities provided to them, which has resulted in higher prices for housing. According to the U.S. Census Bureau,[18] in 2013:

- The average single family house completed had 2,598 square feet, 878 more square feet than in 1977.
- 41 percent of new single family homes completed had four or more bedrooms, almost double the rate of 20 years ago, despite the drop in average household size. The larger number of rooms was partly due to the rise of specialty rooms such as home offices, sunrooms, media rooms, and exercise rooms.
- In single family homes with four or more bedrooms, over half (60 percent) had three bathrooms or more.
- 33 percent of new single family homes sold had three or more bathrooms, triple the rate from 1987.
- 89 percent of all single family homes completed had air conditioning, compared to 36% in 1971.
- 21 percent of new single family homes sold had at least a three or more car garage.
- Across the country, less than half of all single family homes sold had at least one fireplace, compared to 61 percent in 1978.

In a 2013 nationwide survey,[19] 67 percent of potential buyers report wanting an environment-friendly home or being concerned about the environment in general. Most home buyers want all the energy-saving features listed in the survey: 94 percent want energy-star rated windows (36 percent of them think they are essential) and 91 percent want an energy-star rating for the

whole home (28 percent think this is essential). But at the same time would not pay more for such a home.

In previous surveys, proximity to work and shopping was rated as a major factor by survey respondents in choosing a neighborhood. While potential buyers were willing to cut personal spending and sacrifice comfort to purchase a home, few respondents were willing to take on a longer travel time or give up proximity to public transportation.

Land Costs

Approximately 25 percent of housing costs are attributable to land costs in most real estate markets. A major component of this cost is land speculation. Land costs are also affected by such factors as zoning density, the availability of infrastructure, the existence or absence of environmental constraints, and the relative amount of similar land available for development.

The cost of land is a major factor in the cost of housing. The City has facilitated the development of affordable housing in the past through the donation or sale of project sites to non-profit developers, and it is likely that similar assistance in the future could prove useful to the development of such housing. In 2003, the City of Healdsburg purchased 3.2 acres of property at a cost of $1.554 million for the 64-unit Foss Creek Court project, which equates to more than $24,000 per unit in land costs for high-density rental housing.

Based on information gathered from local realtors, five vacant lots were sold in Healdsburg from January 2009 to May 2014. Prices ranged from $314,900 for a 0.21 acre lot ($1,499,523 per acre) to $949,000 for a 3.31 acre lot ($286,706 per acre). The average price per acre was $598,348. There were 29 lots zoned for residential available for sale on in May 2014. Lot price ranged from $61,904 to $725,000. Lot size ranged from 0.13 acres to 5.01 acres. Price per acre ranged from $24,861 to $12,225,412 with an average cost per acre of $522,727[20].

Land costs are a major factor in the cost of new housing. The land cost per developed unit can be lowered through the development of high-density housing.

Financing Costs

Home Financing

Interest rates are historically low. The average rate on a 30-year fixed mortgage is around 4.2 percent in 2014, much lower than 6.41 in 2006 or 8.05 in 2000. Besides lowering monthly interest payments for new buyers, low interest rates allow existing homeowners to refinance their homes, thereby lowering monthly housing costs and perhaps preserving their ownership status.

However, mortgages for homes above the half-million-dollar mark can be more difficult to obtain, even for well-qualified buyers, although as of 2014 lenders seem more willing to provide "jumbo mortgages." The use of so-called "jumbo mortgages," defined as loans that exceed $520,950, which is the conforming limit in Sonoma County, is one way to measure this. Only 16 percent of the borrowers who applied for a jumbo mortgage in 2012 were denied a loan, according to the Home Mortgage Disclosure Act database. The denial rate on jumbo mortgage

applications has fallen consistently since 2008, when about 3 in 10 jumbo loan applications were denied. The average interest rate for a 30-year fixed jumbo mortgage is now comparable to the rate on a conventional loan.

Mortgage credit is the most difficult to obtain for first-time buyers and tighter lending standards also hinders the ability of households at the low and middle tiers to move up.

Many major financial institutions and mortgage lenders that finance housing have offices in Healdsburg. Additional financial institutions and mortgage lenders that lend in Healdsburg have offices located in nearby Santa Rosa or Petaluma. The large number of active real estate lenders in Healdsburg indicates a strong real estate market. The Bank of America has listed the Healdsburg area as one of the most attractive places in the world in which to live, and tabbed the area as a prime real estate investment opportunity. Consequently, a relatively large number of financial institutions invest in local real estate. Homes sales are occurring in all parts of the community, and there is no evidence of mortgage-deficient areas in the community for new construction or rehabilitation loans.

During the 1999-2006 planning period, the City of Healdsburg assisted first-time homebuyers in the Palomino Court project as well as school, hospital, and City employees by providing low-interest second mortgages. The interest charge is due upon resale, or is completely forgiven if the purchasers remain in the homes longer than 10 years.

The ability to accumulate a down payment remains a formidable barrier to many potential homebuyers. Low-income households find it difficult to make the transition from rental to ownership units because they cannot accumulate a down payment while renting. While the recent trend of requiring minimal or no down payments aided these households in purchasing a home, this practice has changed in response to the recent foreclosure crisis.

Construction Financing

Overall, construction financing usually represents a small contribution to total housing costs (for example they represented only 4.5 percent of the total unit cost for the Foss Creek Court Apartments project). Financing costs for construction are affected partly by how early in the development process loans must be taken out and how long the loans must be carried. Project delays can increase total interest payments, as well as create greater financial risk for a project.

Construction financing for higher-density infill projects is generally harder to obtain than for conventional single family construction. According to the National Association of Home Builders-Wells Fargo Housing Market Index, Western builder confidence in the rental apartment market dipped in the second quarter of 2008 amid concerns of a slowing overall economy and continuing trouble in other sectors of the housing market. However, the economy has been improving and builder confidence has risen back to 2006 levels[21]

6 Housing Opportunities and Resources

While the City of Healdsburg is beginning the 2015-2023 Housing Element planning period with limited financial resources, the City is fortunate to have strong leadership and community support to accomplish its housing goals, including:

- A City Council that strongly supports affordable housing and community development activities to assist persons of low and moderate incomes.
- Limited number of residents who represent a "Not in My Backyard!"attitude
- A spirit of collaboration and cooperation among the governmental jurisdictions and non-profit agencies.

The City's housing accomplishments have been possible because of the Council's far-sighted decision to develop collaborative partnerships with professional, experienced, highly-skilled non-profit housing developers and service providers. Through partnerships with Healdsburg Shared Ministries, Burbank Housing Development Corporation, Habitat for Humanity, St. Paul's Episcopal Church, Riverfield Homes, Eden Housing, and private developers, 433 affordable and special needs housing units have been constructed or are under construction.

6.1 Revenue Sources

The City's Housing Program uses the following primary sources of revenue to fund its projects and programs. Affordable and special needs projects and programs are almost always made feasible by using funding in a combination of ways.

Local funding

Healdsburg In-Lieu Housing Deposit Account

The Healdsburg In-Lieu Housing Deposit Account is generated by payments from the developers of small residential projects in-lieu of providing inclusionary affordable units and is used to subsidize affordable housing. About $360,000 is held in Inclusionary Deposit Account 101-0000-227.19-00 in the General Fund, $90,000 of which has been designated to serve as a Transition Reserve for Fitch Mountain Terrace.

Healdsburg Housing Successor Agency Fund

The City assumed the responsibilities as the Housing Successor Agency on January 27, 2012. The Housing Successor Agency currently has $160,000 available for projects.

State and Federal Funding

Funding available from the State of California and the Federal government is in a constant state of flux. The three programs described below are long-standing sources. Appendix E includes details of State funding programs that are currently (2014) available and may be used in the development of affordable and special needs in Healdsburg.

Community Development Block Grant Program

The Community Development Block Grant Program (CDBG) is the largest Federal housing-related program for affordable housing. It is a "pass-through" program that allows local governments to use Federal funds to alleviate poverty and blight.

The U.S. Department of Housing and Urban Development allocates CDBG funding based on a formula that takes population, poverty, and housing distress into account.

CDBG funds are used for a variety of housing efforts, including activities aimed at reducing costs for private development, housing acquisition and rehabilitation through short- and long-term loans, and fair housing activities. Historically, Healdsburg has received between $75,000 and $100,000 annually in CDBG funding.

The City has used CDBG funds in the past in combination with other subsidy sources for such projects as Riverfield Homes, Harvest Grove Apartments, and Park Land Senior Apartments. Since 2010 the Community Development Block Grant and CDBG-R funds have been used to replace curb ramps at 22 intersections in the downtown residential area during 2010. The City has applied for $100,000 of CDBG funding for FY 2014-2015 for the installation of ADA ramps. However, the amount of CDBG funding available during the remainder of the planning period is unknown, as the City must compete with other small jurisdictions in Sonoma County.

California HOME Investment Partnership Act

The California HOME Investment Partnership Act is a formula-based block grant program similar to CDBG. HOME funds are intended to provide incentives for the acquisition, construction, and rehabilitation of affordable rental and ownership units. The City is required to provide matching funds. HOME funds were used in Healdsburg for the Riverfield Homes, Park Land Senior Apartments, and Canyon Run Apartments projects.

Low Income Housing Tax Credit Program

The Low Income Housing Tax Credit (LIHTC) Program is a Federal and State housing subsidy program that provides tax credits to the private sector for the construction or acquisition and rehabilitation of affordable rental housing. To be eligible for a tax credit, 20 percent of the units in a housing development must rent to very low-income households earning less than 50 percent of area median income, or 40 percent of the units must rent to households with incomes of less than 60 percent. Federal law requires that developments maintain the restrictions for 30 years or longer; however State law in California requires that developments retain these levels of affordability for at least 55 years. To be successful, tax credit projects require an additional subsidy that can include no- or low-cost land, local government contributions, or density bonuses and other concessions. There have been 87 projects built in Sonoma County from 1987 to 2013, with a total of 5,817 low income units built using LIHTC funds since its inception. Affordable housing projects in Healdsburg to which tax credits were awarded include Fitch Mountain Terrace II, Riverfield Homes, Park Land Senior Apartments, Oak Grove Apartments, and Canyon Run Apartments. The State awarded $15 million in tax credits to the Foss Creek Court apartment project, one of only two projects in the eastern and northern portions of the San Francisco Bay Area to receive such funding for 2009.

Prior to 2008, approximately 130,000 affordable rental housing units were produced each year nationally under two programs: the "9 percent" Low Income Housing Tax Credit Program which produced roughly 70,000 units in each of 2006 and 2007 and Tax-Exempt Bonds combined with the "4 percent" LIHTC produced roughly 60,000 units in each of 2006 and 2007. Unfortunately, the availability of tax credit funding was significantly reduced in 2008 because of the mortgage crisis. Tax credit pricing fell from $1.00–$1.20 to $0.70–$0.80 or less. New multifamily rental starts fell more than 50 percent to approximately 90,000 in 2009 and approximately 100,000 in 2010[22]. However, the economy is improving and over the past three years, investor demand has sharply rebounded. With demand now at historically high levels, average tax credit pricing routinely exceeds $0.90 per dollar of credit, with housing credits trading well in excess of $1 per dollar of credit for projects located in hot Community Reinvestment Act (CRA) markets.[23]

Section 8 Housing Choice Vouchers

The Federal Section 8 program provides rental assistance to very low-income households in need of affordable housing by paying the difference between 30 percent of the gross household income and the cost of rent. Section 8 assistance is structured as vouchers; this allows the voucher recipients to choose housing that may cost above the fair market rent as long as the recipients pay for the additional cost.

The Sonoma County Community Development Commission (SCCDC) acts as the Sonoma County Housing Authority, which operates the Section 8 program. The Sonoma County Housing Authority assists 120 households in Healdsburg through the Section 8 Housing Choice Voucher (HCV) program. Of these households, 62 include a disabled family member, 38 include minor children, and 52 include a senior age 65 or older. The head of household in 114 HCV households is identified as white, 2 as Black/African American, 3 as American Indian/Alaskan Native, and 1 as Asian; 24 HCV heads of household identify as Hispanic.

6.2 Residential Development Opportunities

This section summarizes residential units under construction since the beginning of the planning period (i.e., January 1, 2014), approved residential development projects, vacant and underdeveloped sites that are available for residential development during the planning period, and potential development sites that could be available for long-term housing development. Appendix C identifies all residentially-designated properties within the Healdsburg Sphere of Influence that are available for residential development. Only sites that are within the current (2014) city limits are counted towards the RHNA for this planning period.

<u>Under Construction</u>

The City of Healdsburg has several new housing units for which building permits have been issued and construction is underway. Table 40 summarizes the units that have building permits as of March 2014. For a detailed list of all units under construction, see Appendix C, Table C-2. There are 27 single family homes, which are inventoried as above moderate units, and two second units, which are inventoried as lower-income.

According to a 2008 survey conducted of existing secondary units, slightly more than half are rented out and relatives or guests occupy the remainder. Of those that are rented, approximately one-third are rented at prices affordable to moderate-income households and two-thirds are rented at levels affordable to low-income households (including one that was rented at a very low-income level). Therefore, the two second units under construction are inventoried as low-income units.

Table 40 Residential Units Under Construction

City of Healdsburg
March 2014

Project	Income Group					Total
	Extremely Low	Very Low	Low	Moderate	Above-Mod.	
Single Family Homes					27	1
2nd units			2			
Totals			**2**		**27**	**29**

Source: City of Healdsburg, 2014

Approved Projects

As shown in Table 41, several housing projects totaling 180 units have been approved and will be or could be constructed during the RHNA period that ends on October 31, 2022.

Table 41 Approved Residential Units

City of Healdsburg
March 2014

Project	Unit Type	Household Income Group				Total	Notes	Map No(s)[1]
		Very Low	Low	Moderate	Above Mod.			
Chiquita Grove	Condos	1	2	1	24	28	4 inclusionary units	D-14
Midtowne Healdsburg	Single Family Development	2	2	2	28	34	6 inclusionary Units	E-2
Powell Place	Single Family Development		1	1	10	12	2 inclusionary units	E-17
Sub-Area A	Single Family Development				36	36	Approved subdivisions	A-1/A-8, A-11/A-13
Saggio Hills Market Rate	Single Family Development				70	70	Approved project	C-1
Totals		**3**	**5**	**4**	**168**	**180**		

[1]See Figure C
Source: City of Healdsburg, 2014

Chiquita Grove

Chiquita Grove is a 2.78-acre project located at the southwest corner of Chiquita Road and Grove Street. The site is currently a single family home, various outbuildings, and grazing fields surrounded by fencing. The Chiquita Grove Residential Master Plan, approved in 2012, describes the amount and types of homes that will be built on the project site. The approved project includes a total of 28 single family units. The affordable housing agreement for the project stipulates that three units will be affordable to lower-income households and one unit will be affordable to moderate-income households.

Midtowne Healdsburg

Midtown Healdsburg, located at 1136 Healdsburg Avenue, fronts Healdsburg Avenue, the city's primary thoroughfare. This 3.2-acre project includes 34 two-story single family homes, including 6 inclusionary units, and a park that would be used only by residents. The project was approved by the City Council on July 7, 2014. The project includes a zoning change from Multifamily Residential to Residential Master Plan, allowing for the development of single family residences. Of the 34 total units, 28 are inventoried as above moderate income units and the 6 inclusionary units are evenly split between very low, low, and moderate income units.

Powell Place

Powell Place is an approved subdivision with 12 total units. The applicant has elected to build the inclusionary requirement of two deed-restricted affordable units on-site. One unit is inventoried as a low-income unit, one as a moderate-income unit, and 10 as above moderate income units.

Sub-Area A Subdivision

Sub-Area A Subdivision, a part of the Area A Specific Plan (last revised in 1995), is generally located about two miles north of Healdsburg Plaza. The Specific Plan area originally covered the area immediately north of the city limits, but was annexed by the City in 1994 and approved for residential development. Out of the 44 subdivisions, 8 are under construction (counted in Table 40), and 36 have not yet obtained building permits. All 36 of these units will be single family homes and are inventoried as above moderate income units.

Saggio Hillis

The Saggio Hills project area is a 259-acre property located east of Healdsburg Avenue just north of Parkland Farms that was annexed to the city in 2009. The Plan Area is the last large undeveloped property with significant development potential remaining within the city limits and comprises the majority of what is known in the Healdsburg 2030 General Plan as Development Subarea C. The Saggio Hills Area Plan was prepared to ensure that future development in the Plan Area is consistent with the Healdsburg 2030 General Plan goals and policies. The Saggio Hills Area Plan was revised in October 2010 and approved by the Healdsburg City Council in January 2011.

The project is approved for a full-service resort hotel, resort residences and villas, affordable housing, open space, and a community park. The proposed 130-room resort facility and 70 single family residences would be located on approximately 91 acres of the Plan Area. As part

of the project, 14.16 acres in the southeast portion of the Plan Area is dedicated to the City of Healdsburg for future development of up to 150 units of affordable housing. The actual number of affordable units that will be developed will be determined by a separate entitlement process through the City of Healdsburg. Other developer requirements include a $1 million contribution to the City's in-lieu housing fund to assist in the development of housing on the site and preparation of the site for construction, including grading, the installation of a 12-inch water main and an 8-inch water main, and the provision of joint trench improvements for gas, electricity, communications and cable television services. The developer is also required to reimburse the City for costs (up to $50,000) associated with the preparation of a site development analysis to determine the appropriate type, density, and related characteristics of the housing to be developed. The Development Agreement approves 70 single family residences that are inventoried as above moderate income units.

Vacant and Underdeveloped Sites

Table 42 provides a summary of the vacant and underdeveloped acreage for sites designated as residential by the General Plan Land Use Element. (Refer to Appendix C for a complete listing of potentially-developable parcels and their land use designations.)

Table 42 Acreage of Residentially-Designated Vacant and Underdeveloped Sites

City of Healdsburg
2014

General Plan Land Use Designation	Density Range (units/acre)	No. of parcels	No. of acres	Potential Units		Inventoried Income Category
				Low end of range	High end of range	
Very Low Density Residential (VLR)	up to 1	2	19.10	8	18	Above Moderate
Low Density Residential (LR)	1–3	4	16.12	8	15	Above Moderate
Grove Street Mixed Use (GMU)	up to 3.5	15	11.81	38	62	Above Moderate
Medium Density Residential (MR)	3 - 6	32	27.41	90	145	Above Moderate
Downtown Residential (DR)	3 - 8	1	0.52	4	4	Above Moderate
Medium High Density Residential (MHR)[1]	6 - 10	1	14.16	86	150	Lower-income
High Density Residential (HR)	10 - 20	3	3.91	39	78	Lower-income
Transit Residential (TR)	10 - 30	2	5.63	56	169	Lower-income
Office/High Density Residential (O/HR)	10 - 16	3	0.97	11	15	Above Moderate
		Totals	**99.6**	**340**	**656**	

[1]This parcel is the Saggio Hills Affordable Housing site. For more information, see the affordable housing sites section below.

Source: City of Healdsburg, 2014

There are 63 vacant or underutilized, residentially-designated sites that are within existing city limits and could be developed during the planning period (see Table C-1 for a detailed inventory of these sites and Figure C for their locations). Based on the low- and high-density

ranges allowed by the applicable General Plan land use designations, approximately 340 to 656 units could be developed on these sites.

The actual timing of development will depend on several factors, including the market demand for housing and preparation and approval of specific plans. The potential units identified in Table C-1 do not include the secondary units that could be developed on many existing city lots, particularly in the older neighborhoods where properties tend to be larger in area.

Affordable Housing Sites

The need for lower-income housing can be accommodated on the five properties identified in Table 43 (and included in Table 42), all of which are located within the city limits. Three of the sites are designated High Density Residential by the Healdsburg General Plan and are zoned Multifamily Residential (RM). The HR designation allows up to 20 units per acre, which is the "default density standard" deemed appropriate for lower-income housing in Healdsburg. One of the sites is designated Transit Residential by the Healdsburg General Plan and zoned Multifamily Residential (RM). The Transit Residential designation allows up to 30 units per acre, which meets the default density standard for lower-income housing as well. The fifth site is part of the Saggio Hills approved project and is a site that will be dedicated to the City for the purpose of building affordable housing. The potential total of 181–397 units that could be developed on these properties is based on the low and high end of the allowable density ranges, but could be increased significantly through the granting of density bonuses. An overview of each site follows. In addition to the development of these sites, lower-income units will also be provided during the planning period through the City's inclusionary housing requirement and the construction of secondary residential units.

Table 43 Potential Affordable Housing Sites Summary

City of Healdsburg
2014

Address	Map No.[1]	GP Designation/ Zoning	Allowable Density (units/acre)	Acres	Potential Units
1034 Healdsburg	E-3	High Density Residential / RM	10–20	1.52	15–30
88 & 90 Front Street	F-11	High Density Residential / RM	10–20	1.14	11–23
3 Healdsburg Ave.	I-9	High Density Residential / RM	10–20	1.25	13–25
Opperman Property (north)	I-10	Transit Residential / RM	10-30	5.63	56-169
Saggio Hills Affordable Housing Site	C-2	Medium High Density Residential / R-1-3,500	6 –10	14.16	86–150
Totals				**23.7**	**181–397**

[1]See Figure C-1
Source: City of Healdsburg, 2014

1034 Healdsburg Avenue

This 1.52-acre property is located directly south of the 1136 Healdsburg Avenue site. The site fronts Healdsburg Avenue, the city's primary thoroughfare, and is located less than one-half mile from a large neighborhood commercial center and is within easy walking distance of the Healdsburg Elementary, Junior High, and High School campuses. The property's frontages are fully improved and utilities are readily available. The site is vacant and supports no significant vegetation.

88 and 90 Front Street

These two properties front on the Russian River and are located between a mobilehome park and an apartment complex. They are owned by the same property owner, with a single family home on the southern lot. Development of the lots would be subject to a 100-foot setback from the top of the river bank; however, it is possible that a reduced setback would be approved, given the lack of riparian vegetation within most of the setback and the shorter setbacks approved for the adjoining properties. These properties are located less than one-quarter mile from the Healdsburg Intermodal Transit Center and one-half mile from the downtown.

3 Healdsburg Avenue

This 1.25-acre site at the southwest corner of Healdsburg Avenue and Kennedy Lane is currently developed with five single family homes. However, the property could be redeveloped with up to 15 additional affordable units.

Opperman Property

The Opperman Property site includes two parcels within the Central Healdsburg Avenue Plan (CHAP), which was approved by the City Council on July 7, 2014. These parcels, totaling 5.63 acres, are designated Transit Residential in the General Plan and zoned RM. The CHAP describes the Transit Residential designation as providing for attached residential units at a density of 10 to 30 units per acre. Existing uses on the site are largely industrial, but the CHAP anticipates redevelopment of much of the Plan Area. Using the low end of the density range, the two Opperman Property parcels provide capacity for 56 affordable units.

Saggio Hills Affordable Housing Site

The approved Saggio Hills project includes a 14.16-acre affordable housing site that is designated Medium High Density Residential and zoned R-1-3,500. While the Development Agreement states that the site can accommodate 150 units of affordable housing, it does not guarantee that all 150 will be built. The Development Agreement also requires mass grading, funding of an affordable housing site feasibility analysis, and contribution of $1,000,000 toward design and development of the project from the developer. The minimum allowable density for the Medium High Density general plan designation is six units per acre. Using this conservative minimum density, the affordable housing site will yield a minimum 86 units. For the purposes of the RHNA, the Saggio Hills affordable housing site is inventoried as a range with a minimum of 86 lower-income units and a maximum of 150 lower-income units.

Potential Long-Term Redevelopment

The City's regional share of housing for the planning period is provided within the current city limits. There is additional capacity for redevelopment beyond what is included in the inventory.

Central Healdsburg Avenue Plan

The Central Healdsburg Avenue Plan (CHAP) establishes a set of guiding principles and design frameworks for the development of public infrastructure and private investment in the Central Healdsburg Avenue and depot area. The Plan Area is generally located south of Mill Street between Highway 101 and the Russian River (See Figure C). The CHAP envisions redevelopment of the largely industrial area centered on Healdsburg Avenue.

The CHAP includes a build-out estimate that assumes 100 percent redevelopment within the Plan Area. If the proposed land use designations and zoning are put in place, redevelopment could result in 331 new residential units; 105 of these units would be located within the mixed use designation at a density of 16 units per acre and 226 would be located within the Transit Residential and Medium Density Residential designations at a density of 30 and 6 units per acre, respectively. There are currently 14 units within the Plan Area, so build-out would result in 317 net new residential units.

The Opperman Property, which includes two parcels totaling 5.63 acres, is the only parcel within the CHAP area included in the vacant land inventory above. This site is the only area within the Plan designated Transit Residential. Capacity in the rest of the Plan Area is not included in the inventory, but the City anticipates that the CHAP will be a key housing growth area in the future.

Potential Redevelopment

The City has seen the continuous re-use of properties over the past 150 years and an increase in its housing stock through the redevelopment of lots originally used for non-residential purposes and/or lower-density residential. A recent example is the development of the 16-unit Healdsburg Commons project on a site that was created by combining three lots that were developed with a gas station and seven units. Also, the Eden Family Housing affordable apartments is the former site of a propane storage operation. Since residential uses are allowed in most of the City's commercial/industrial zoning districts, there are also a number of sites within the city that could be redeveloped with residential uses in combination with commercial or industrial uses. However, this potential is too hypothetical to quantify.

6.3 Summary of Capacity to Meet the Regional Housing Need

Table 44 summarizes the City of Healdsburg's capacity to meet the RHNA for the 2014-2022 RHNA planning period. After accounting for capacity from units under construction, approved projects, and vacant and underutilized sites, the City of Healdsburg has a surplus of 136 lower-income units and 278 above moderate-income units. While none of the vacant sites are inventoried as having capacity for moderate-income housing, the surplus of lower-income units can be used to meet the remaining obligation of 22 moderate-income units.

Table 44 Summary of Capacity to Meet 2014-2022 RHNA

City of Healdsburg
2014

	Household Income Category					
	Extrem. Low Income	**Very Low Income**	**Low Income**	**Moderate Income**	**Above Mod. Income**	**Total**
2014-2022 Regional Housing Need	**15**	**16**	**24**			
	Total "Lower-Income": 55 units			**26**	**76**	**157**
Units Under Construction[1]	0	0	2	0	27	29
Approved Units[2]	0	3	5	4	168	180
Vacant and Underutilized Sites (low end of range)[3]	181			0	159	340
Total Capacity	**191**			**4**	**354**	**549**
Surplus/(Deficit) of Housing Units	**136**			**0**[4]	**278**	**392**

[1] See Table 40
[2] See Table 41
[3] See Tables 42 and 43
[4] Surplus units from the lower-income categories can be used to satisfy the deficit of 22 moderate-income units.
Source: City of Healdsburg, 2014

6.4 Adequacy of Public Facilities

According the Environmental Impact Report for the Healdsburg 2030 General Plan,[24] buildout under the General Plan, including the potential residential development described in the previous section, will be adequately served by all utilities. This includes a sufficient supply of water, electricity and natural gas, and adequate wastewater treatment and solid waste disposal capacity.

Water Supply

The City's water system is supplied from three well fields: one on Dry Creek with five operational wells (three generally in operation) and two on the Russian River (Fitch and Gauntlett well fields) with a total of eight operational wells. Distribution system facilities include

eight storage tanks serving six separate pressure zones within the distribution system, five pump stations (only four are generally used), and the necessary water mains and appurtenances for purveying water within the service area. Storage capacity totals 7.9 million gallons. Daily use ranged from 1.1–1.3 million gallons daily (MGD). Total water use in Healdsburg's urban service area during 2013 was approximately 680 million gallons.

The Gauntlett/Fitch Water Treatment Facility provides micro-filtration for water produced from the Gauntlett wells, allowing the wells to be used year-round. In the next five years (before 2020), there is a plan to construct a package plant for the Fitch well field so it can operate year round. Currently the use (3 cubic feet per second) is restricted to dry periods.

The City presently holds three water right permits: two on the Russian River and one on Dry Creek for up to 3,665 acre feet per year (AFY). The City also has petitions pending with the State Water Resources Control Board (SWRCB) for its two Russian River Water Right Permits to extend the deadline for putting the water to full beneficial use. The Board has determined that the water for these rights falls under a 10,000 acre-foot per year reservation of "project water" made available from Lake Mendocino. Satisfying upstream demands that fall under this reservation is a condition of the Sonoma County Water Agency's (SCWA) water rights permits. Approval of the petitions is likely in less than a year (before April 2015) and the City's environmental analysis and planning forecast assume full beneficial use under the permits.

In addition to these rights, the City has a contractual agreement with the SCWA that allows the City to divert up to 4,440 AFY under the Agency's water rights permits if appropriated water is not available under the City's own water rights. The contract will be extended for another year, until April 2015 when the petition referenced above is approved as a backup plan for emergency water situations. However, the City has no plans to rely on the agreement in the near future because its own water rights are adequate.

Supply availability to the City's water customers is not expected to decrease in single- or multiple-year drought scenarios, primarily because the SCWA is required to meet minimum flows at three points on the Russian River, all downstream of the Dry Creek and Russian River confluence; therefore, downstream of all City well fields. The water rights permits held by the City presently do not require diversion reductions during droughts. Notwithstanding that fact, in past dry years, the City has achieved significant water use reductions through mandatory conservation efforts. Only recycled water is authorized for construction, agricultural, and urban uses. The City has shown a 20 percent reduction in water consumption from the previous three years.

Buildout of the Healdsburg SOI under the General Plan could increase the SOI population to 14,468, which is less than the 14,900 population projected for 2025 by the 2003 Water System Master Plan and the 2005 UWMP. The projected population includes the increase that could occur in association with the development of housing affordable to lower-income households. Assuming that the same proportion of water demand among residential, commercial, industrial, and landscape uses occurring in 2004 occurs in the future, the UWMP concluded that with a total projected 2025 water supply of 4,179 acre-feet/year, the total 2025 projected water demand (3,372 acre feet per year) would leave a surplus of 807 acre feet per year (19 percent).

Even if no additional water rights were approved, the City's existing water rights total 3,665 AFY, which is more than adequate to meet the projected water demands described above. Therefore, there is adequate water supply to accommodate the increased demand associated with additional residential development during the Housing Element planning period (i.e., 2015 - 2023). Further, it is not anticipated that the City would have grounds to deny water service to a proposed development that includes affordable housing because of an insufficient water supply, a water shortage, insufficient water treatment or distribution capacity, or a compliance order issued by the State Department of Health Services prohibiting new water connections.

A number of pumps boost water from the well fields to eight reservoirs and tanks, located in six different locations. Besides providing a combined storage capacity of 7.9 million gallons, the tanks and reservoirs, due to their elevations, create water pressure for users, including pressure for fire hydrant flows. The older and smaller Sunset and Cadoul tanks can supply fire flows of up to 1,000 gallons per minute by a combination of pumping and use of storage. This capacity does not currently meet Insurance Service Office guidelines. The long term plan (next five years) is to work with Russian River Utility to potentially join forces to build a much larger tank in order to meet Insurance Service Guidelines and to reduce outdated reservoirs. Although the tanks are inadequate, they would not serve potential development areas.

Portions of Sub-Areas B and C are above the highest elevation that can be served by the City's Gauntlett reservoirs. The construction of a pump station to serve certain portions of the Saggio Hills project site (Sub-Area C) was required as part of the Saggio Hills Area Plan. Any future development in Sub-Area B will be assessed at a project level at the time of application for such development and/or annexation to identify pumping and storage requirements that are adequate to provide the pressure and flow capacity needed to meet health and safety requirements.

Existing water distribution mains are adequately sized to accommodate all anticipated growth in the city's north area and along Grove Street. The Grove Street corridor includes an existing 16-inch water main. The Parkland Farms area is also connected directly to the Gauntlett Reservoirs by a 12-inch main, which feeds water to the subdivision. In addition, the recent Rosewood Drive extension provided another water line connection to the Parkland Farms area, completing a looped main. These two water mains are expected to be adequate for the development of Sub-Areas B and C.[25] The *Healdsburg 2030 General Plan Background Report* recommends a number of distribution system improvements, consisting mostly of water main replacements that will improve the system's ability to deliver water during peak demand and fire flow conditions. Several are designed to improve the delivery of water from the Gauntlett/Fitch Water Treatment Facility. These replacements will occur over time and do not affect the City's ability to supply water to existing or potential development.

Wastewater Service

The sewage collection, treatment, and disposal facilities that serve the city are owned and operated by the City of Healdsburg. The City's wastewater treatment plant was recently upgraded to the Advanced Treatment Nutrient Removal Disinfectant Tertiary Wastewater Treatment level and is designed for an average daily flow of 1.6 MGD. The equalization basins

and wet-weather treatment capacity together are sized to accommodate a storm event producing wet weather flows of up to 9.3 MGD.

The wastewater treatment plant has a permitted dry-weather capacity of 1.4 MGD, and the City has not requested an increase in this permitted capacity. Taking the highest dry weather flow (ADWF) between 2000 and 2008 (0.98 MGD) as the base year, the unused capacity available to accommodate development and growth under General Plan buildout is a minimum of 0.42 MGD.

The wastewater collection system encompasses a network 42 miles of sewer mains and collector lines of various sizes, nine small lift stations in various locations throughout the city, and a major lift station on Magnolia Drive that conveys the entire city's wastewater approximately 3,500 feet through parallel 14" force mains to the treatment facility on Foreman Lane. Local lift stations have been upgraded one by one as part of the City's Capital Improvement Program. All of these lift stations are located in areas that are nearly built-out, and therefore can be expected to have adequate capacity for any in-fill projects.[26] A large portion of the city is sewered 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 City of Healdsburg recently completed a major upgrade of its wastewater treatment plant, which began operation in April 2008. The new $32 million upgraded treatment plant produces highly treated wastewater using a state-of-the-art membrane bioreactor (MBR) treatment process. The effluent meets "unrestricted disinfected tertiary effluent" requirements, as defined by Title 22 of the California Code of Regulations.

The Magnolia Lift Station was upgraded in 2000 to replace aging and outdated electrical equipment and to improve its overall reliability. Daily wet weather flows, which include inflow and infiltration, peaked at approximately 7.18 MGD in 2013. The lift station has a capacity of approximately 8.6 MGD and experiences maximum daily flows of about 0.9 MGD. Therefore, the system has the hydraulic capacity to accommodate the peak wet weather flows as well as additional flows.

Recent major upgrades to the sewer collection system included replacement of a critical section of trunk sewer main on the south end of Healdsburg Avenue in 2003. The replacement sewer was adequately sized to allow for an eventual tie-in for the industrial development in Sub-Area J east of the Russian River. Development of Sub-Area J, which is currently unsewered, will also require construction of collection facilities and a new sewer lift station to pump wastewater from the east side of the River. There is also a plan to add a pipeline to the Memorial Bridge in the next five years. One existing sewer line along Grove Street between Dry Creek Road and Chiquita Road is operating at near capacity, and may need to be replaced to accommodate future development in the area. This replacement is likely in the next five years

Buildout under the General Plan is anticipated to generate an estimated wastewater flow of 0.428 MGD within the city. The projected demand includes the increase that could occur in association with the development of housing affordable to lower-income households. When

added to the highest historic ADWF (0.98 MGD) as the base year, the total sewage average flow would increase to approximately 1.41 MGD, which is less than one percent above the treatment plant's permitted capacity.

However, there are several mitigating factors regarding the treatment plant's actual capacity. For the purpose of measuring permitted dry weather capacity, average dry-weather flow is defined as the average flow when inflows to the treatment plant have reached their annual minimum, which typically occurs in late fall. The ADWF is intended to be a measure of the true load connected to the sewer system, after the influence of any infiltration has diminished. The City of Healdsburg ADWF is defined in its National Pollutant Discharge Elimination System permit as the minimum running 30-day average. While a treatment plant may be nominally designed for a certain ADWF, the actual capacity is typically much greater because it must be able to accommodate peaking events, including higher wet-weather flows in the winter, and higher solids loadings that can occur at any time of the year.

The estimated additional wastewater generation associated with potential future development is derived from unit flow factors that are intended to estimate flows for an individual customer during the summer peaking period (July through October). Peak uses for individual users throughout the system never occur simultaneously, and flows during the period when ADWF is determined are typically far lower, typically at least 15 percent below the summer peaking period. For this reason, the aggregated peak demand could not be expected to cause a corresponding increase in ADWF. The expected ADWF generation would reasonably be expected to be at least 15 percent lower (i.e., 0.364 MGD). The total resulting flow of 1.34 MGD at buildout would leave an unused capacity of 0.06 MGD.

Therefore, there is adequate wastewater treatment capacity to accommodate the increased demand associated with additional residential development during the planning period. Further, it is not anticipated that the City would have grounds to deny sewer service to a proposed development that includes affordable housing because of insufficient treatment or collection capacity, or an order issued by the regional water quality control board that prohibits new sewer connections.

Electric Service

The City owns and operates its own electric distribution system. The City's Electric Department is responsible for the operation and maintenance associated with the reliable distribution of electricity to residential and commercial customers within the Planning Area except for the Grove Street neighborhood and the Fitch Mountain area, which are served by Pacific Gas & Electric (PG&E). The Healdsburg 2030 General Plan states that in the summer of 2007, the system's peak demand was 20.6 megawatts.

The City acquires wholesale-priced power through the Northern California Power Agency (NCPA). The City's electrical system is linked to its power sources through an interconnection with the PG&E 60,000-volt transmission line at the City's Badger Electric Substation. The substation is currently operating at about one-half of its capacity. The Electric Department is confident that the substation does not require any improvements to be able to adequately meet the needs of the city.

Two main feeders extend from the substation south along First Street and south to the industrial area along Healdsburg Avenue. Two additional feeders extend northerly to the main part of the city through Tayman Park Golf Course. The main feeders are adequately sized for all potential infill in the city's developed areas. Rebalancing of the feeders has been sufficient to account for the small percentage change in load from year to year.

Energy demand in Healdsburg could grow by 15 to 20 percent in the next few years, primarily because of growth in the northern area of the city. After buildout of this area, however, growth will be more limited. Sufficient electric power is available to serve future development through purchase power contracts with the NCPA, possible future additional NCPA generation projects, conservation and load management programs, small self-generation projects, and purchase power contracts through private qualifying facilities.

The City's electric utility provides a 20 percent rate subsidy to lower-income households and all affordable residential projects.

7 Opportunities for Energy Conservation

7.1 State Energy Conservation Requirements

The City has implemented the provisions of Title 24, Part 6 of the State Building Code that require new residential buildings to meet a comprehensive set of standards for energy conservation. Builders of these units may achieve compliance either by calculating energy performance in a prescribed manner or by selecting from alternative component packages that prescribe a fixed method of compliance. All proposed residential units are checked by the Building Department to ensure that their design and construction complies with Title 24 energy standards. Additions and alterations must also meet these standards if they increase the heated or cooled floor space of a building. The City has not adopted any restrictions on the design or placement of photovoltaic energy systems on residential property.

Opportunities for improving energy conservation in the design of residential development include ensuring the consistency of tentative tract maps with Section 66473.1 of the Subdivision Map Act, which requires the designs of subdivisions to provide for future passive or natural heating or cooling opportunities. The City also requires the planting of trees along streets and in parking lots to reduce heat island effects. Funding for tree planting is available from the City's Tree Planting and Maintenance Fund, which collects in-lieu fees for the planting of heritage tree replacements and is designated for the purpose of planting and maintaining trees throughout the city.

7.2 Transit-Oriented Development and Smart Growth

Voters in Marin and Sonoma Counties approved funding for a passenger train that will run along a 70-mile corridor between Cloverdale, in northern Sonoma County, and Larkspur, where the Golden Gate Ferry connects Marin County to San Francisco. It will serve 14 stations along the corridor, including the historic train depot in Healdsburg. It was initially planned to be completed in 2014, but was delayed due to the economic downturn, increased costs, and the difficulty of obtaining permits. An initial segment will be completed by late 2016 as part of Phase 1, serving 10 stations along a 43-mile stretch between the Sonoma County Airport and San Raphael is anticipated to be completed by late 2016. Phase 2, which will expand service to the north, through Healdsburg to Cloverdale, and to the south to the Larkspur Ferry, will begin once funding has been secured. As of 2013, 16.8 miles of mainline track has been rebuilt from Santa Rosa to Petaluma; 25 grade crossings rebuilt; four bridge repairs complete; two bridge replacements complete; and five stations platform footings/walls completed.

When fully complete, sixteen north- and south-bound trains would stop in Healdsburg on weekdays, and eight on weekends. Approximately 413 Healdsburg residents are expected to patronize the train each weekday for commuting (approximately 43 percent of total riders) and other purposes; of these, approximately 72 percent are expected to walk to the depot from surrounding neighborhoods.[27] County and local bus transit will stop at the depot as well. In 2011, County supervisors committed $195,450 in local Transit Development Act funds toward

construction of a 47-space commuter "Park and Ride" lot at the historic Healdsburg depot site. A second lot with 26 parking spaces may be added in the future.

There may be an opportunity to encourage transit-oriented development (TOD) in the vicinity of the Healdsburg depot. TOD refers to the creation of a compact, walkable community centered on a high quality passenger train system that reduces the need for driving. Most of these types of developments have high residential densities and include commercial uses that serve the residents. There may be an opportunity to redevelop some of the industrial properties within one-half mile of the depot with these types of uses. There are a number of factors to consider in planning TOD in Healdsburg, including the large number of older, single family developments in the vicinity and the Growth Management Program, which limits building permits for market-rate housing to an average of 30 per year.

The City has recently seen a number of "smart growth" projects that reduce reliance on personal vehicle travel by being located near transit and services. For example the Healdsburg Commons and Foss Creek Court projects are located on infill sites near the downtown and are within easy walking distance to local and regional bus lines, shopping, personal services and schools. The Central Healdsburg Avenue Plan, adopted in 2013, establishes principles and design frameworks for the development of public infrastructure and private investment in the Central Healdsburg Avenue and depot area. It is intended to promote a broad mix of land uses, foster a diversity of housing options, and improve access to the transit center for all modes of travel, including pedestrians, bicyclists, shuttles, transit vehicles, and automobiles.

8 Housing Plan

Goals, Policies, and Programs

The following goals, policies, and programs are intended to address existing and future housing needs as well as minimize constraints on housing development during the January 31, 2015 – January 31, 2023, planning period. The status of each program will be evaluated on an annual basis to determine its effectiveness in meeting these needs.

GOAL H-A ACCOMMODATION OF HOUSING DEVELOPMENT

Maximize opportunities for the development of a variety of housing types to accommodate anticipated growth, facilitate mobility within both the ownership and rental markets, and encourage a diverse community.

Policies

H-A-1 Maintain a supply of residentially-designated land that is adequate to accommodate Healdsburg's share of the regional housing need and facilitate residential turnover with relative ease.

H-A-2 Encourage residential projects to develop at the higher end of the allowable density range.

H-A-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 to downzone residential properties, reclassify residentially-designated property to other uses, or develop a residential site with fewer units than what is assumed for the site in the Housing Element sites inventory.

H-A-4 Provide a wide range of housing opportunities for all economic segments of the community, while maintaining a mix of housing types in Healdsburg.

H-A-5 Ensure that specific plans allow the development of a range of housing types, to the extent feasible.

H-A-6 Encourage the retention and development of rental units.

H-A-7 Avoid concentrations of lower-income households to promote social and economic integration.

H-A-8 Encourage residential development in the Central Healdsburg Avenue Special Study Area consistent with the vision in the Central Healdsburg Avenue Area Plan.

Programs

H-1 **Adequate Residential Land.** Monitor the supply of residential land to ensure that sufficient developable land is planned and zoned for single family and multifamily residential development.

Responsibility: Planning & Building Department
Funding: General Fund
Schedule: Included in annual report on Housing Element

H-2 **Implement the Central Healdsburg Avenue Plan.** Amend the General Plan and Zoning Ordinance to incorporate the Mixed Use, Transit Residential, and Medium Density Residential land use designations envisioned in the Central Healdsburg Avenue Plan.

Responsibility: Planning & Building Department, Planning Commission, City Council
Funding: General Fund
Schedule: Fiscal Year 2014/2015

H-3 **Annual Progress 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 the California Department of Housing and Community Development (HCD) and the Office of Planning and Research (OPR).

Responsibility: Planning & Building Department, City Council
Funding: General Fund
Schedule: Annually, prior to April 1

H-4 **Standards for Live-Work Units.** Amend the Zoning Ordinance to allow more flexibility in the development of live-work units, such as allowing residential uses in separate structures.

Responsibility: Planning & Building Department, City Council
Funding: General Fund
Schedule: Fiscal Year 2015/2016

GOAL H-B MINIMIZATION OF GOVERNMENTAL CONSTRAINTS
Minimize governmental constraints on the development of housing for households of all income levels.

Policies

H-B-1 Minimize the length of the review process for residential development applications to the extent feasible in order to minimize development costs.

H-B-2 Lessen the City's Growth Management Program as a constraint on the development of multifamily and live-work housing, as feasible.

H-B-3 Continually strive to minimize the time needed for the City to review and act on applications for small subdivisions of residentially-zoned land.

H-B-4 Endeavor to provide consistent and predictable policy direction for residential project applicants through development and design standards and decision making.

H-B-5 Continue to reduce the required number of parking spaces and waive the requirement for covered parking for senior and affordable housing developments, as feasible, if this will reduce development costs or improve the design of a project.

Programs

H-5 **Maintain Adequate Staffing.** Maintain City staffing and/or contracted services at levels adequate to ensure the prompt consideration of residential development applications.

Responsibility: City Council
Funding: General Fund
Schedule: Annual budget adoption

H-6 **Monitor and Amend the Growth Management Ordinance.** Continue to monitor the impacts of the Growth Management Ordinance (GMO) on the provision of housing to meet the city's share of the regional housing need and provide for a variety of housing types. Consider further amendments to the GMO in order to facilitate the production of multifamily and/or live-work units.

Responsibility: Planning & Building Department, City Council
Funding: General Fund
Schedule: Report annually on the impacts as part of the annual Housing Element report; continue to monitor

GOAL H-C PROVISION OF AFFORDABLE HOUSING
Facilitate the provision of affordable housing for those who live and work in Healdsburg.

Policies

H-C-1 Maintain an adequate supply of land appropriate in terms of density and location for the development of housing affordable to lower- and moderate-income households.

H-C-2 Work with non-profit organizations to benefit from their expertise and the resources available to them for the development of affordable housing and its ongoing support.

H-C-3 Facilitate the development of housing affordable to lower- and moderate-income households, including first-time homebuyers.

H-C-4 Support the efforts of partners in local affordable housing projects to secure financial assistance.

H-C-5 Continue to require the provision of low- and moderate-income housing within residential development projects subject to the Inclusionary Housing Program.

H-C-6 Defer certain fees on affordable housing developments until issuance of a Certificate of Occupancy (COO) to help offset development costs for affordable housing.

H-C-7 Approve density bonuses and other affordable housing incentives in accordance with State law and continue to grant an additional density bonus when an applicant proposes a project in which 100 percent of the remaining units not restricted to lower-income households will be affordable to moderate-income households.

H-C-8 Strive to provide housing opportunities that are affordable to the local workforce.

H-C-9 Consider establishing a Workforce Housing Linkage Fee to generate funding for new affordable housing that serves the needs of the local workforce.

H-C-10 Support the Community Land Trust model of providing affordable homeownership for the local workforce.

H-C-11 Explore creative housing types such as accessory dwelling units, co-op housing, micro units, and other flexible housing types to increase opportunities for affordable rental and homeownership.

Programs

H-7 **Provide City Assistance.** Provide financial assistance to developers of 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. The City shall consider its unmet regional housing needs, including those of extremely low-income households, when providing such assistance.

Responsibility: Planning & Building Director, City Council
Funding: Housing Successor Agency Fund, Inclusionary Housing In Lieu Fees, General Fund
Schedule: Provide feasible assistance as requested and reach out to developers biannually

H-8 **Pursue Funding.** Apply for regional, State, and Federal funding for affordable housing and provide documentation as needed in support of partner applications for State and Federal financial assistance.

Responsibility: Planning & Building Department, City Council
Funding: General Fund, General Fund
Schedule: Research funding opportunities and pursue funding as opportunities arise, and reach out to developers biannually

H-9 **Extremely Low Income Housing.** Promote housing for extremely low-income households through the resources identified in Program H-7, 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.

Responsibility: Planning & Building Department, City Council
Funding: Housing Successor Agency Fund, Inclusionary Housing In Lieu Fees, General Fund
Schedule: Provide feasible assistance as requested and reach out to developers biannually

H-10 **Housing Program Administration.** Contract with the Housing Land Trust of Sonoma County or another suitable organization or consulting firm if needed to administer affordable housing programs within the city.

Responsibility: Planning & Building Director, City Council
Funding: General Fund
Schedule: Ongoing

H-11 **Maintain Eligibility for Funding.** Participate in the Joint Powers Authority with Sonoma County and other Sonoma County jurisdictions in order to continue the City's eligibility for State and Federal funding (e.g., CDBG and HOME programs).

Responsibility: City Council
Funding: Housing Successor Agency Fund, General Fund
Schedule: Ongoing

H-12 **Inclusionary Housing Program.** Continue to implement the Inclusionary Housing Program. Consider revisions to the inclusionary housing requirements, including a revision to include an inclusionary housing obligation for units under 1,300 square feet, which are currently (2014) exempt, and revisions to the current fee structure to be on a per-square-foot basis.

Responsibility: Planning Commission, City Council
Funding: General Fund
Schedule: Consider revisions in FY 2016/17

H-13 **Workforce Housing Linkage Fee.** Conduct a jobs/housing nexus study to analyze and document the link between non-residential development and the housing demand that it creates. The study shall analyze thresholds of significance, standards, and different criteria for the various types of employment uses that attract lower-wage jobs to the city. Based on the findings of the study, the City shall consider adopting an appropriate Workforce Housing Linkage Fee.

Responsibility: Planning & Building Department, City Council
Funding: General Fund
Schedule: 2015

H-14 **Affordable Secondary Dwelling Unit Incentive Program.** Develop an affordable secondary 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 shall establish long-term affordability requirements and a monitoring program to ensure the long-term affordability is maintained. The City shall impose a small monitoring fee to cover program costs. Incentives may include but are not limited to:

- An increase in the maximum allowed size of second units;
- A reduction in the minimum lot size on which second units are allowed;
- Reduced setbacks and/or other property development standards; and/or
- Permit and development fee modifications.

Responsibility: Planning & Building Department, City Council
Funding: General Fund
Schedule: 2016

H-15 **Provide Information on Secondary Dwelling Units.** Promote the development of second dwelling units by preparing and distributing an informational brochure on the permitting procedures and other requirements for building secondary dwelling units in the city.

Responsibility: Planning & Building Department
Funding: General Fund
Schedule: Fiscal Year 2016/2017

H-16 **Saggio Hills Affordable Housing.** Develop the Saggio Hills affordable housing site with a range of housing types and target income groups. Necessary steps to its development include preparation of an analysis to determine the housing needs and preferences of potential future residents, preparation of a site master plan based on a community planning process and any necessary environmental documents, review through the City entitlement process and partnering with one or more developers.

Responsibility: Planning & Building Department, Planning Commission, City Council
Funding: Saggio Hills Development Agreement
Schedule: The schedule is dependent on the developer initiating the project as required by the Development Agreement

H-17 **Meetings with the Development Community.** Conduct annual meetings with the development community to publicize available incentives and housing programs, such as the density bonus ordinance, small subdivision ordinance, and Growth Management Ordinance exemptions.

Responsibility: Planning & Building Department, City Council
Funding: General Fund
Schedule: 2015, and annually thereafter

H-18 **Legislative Advocacy for Affordable Housing.** Actively advocate for the State and Federal governments to provide additional financial resources for affordable housing.

Responsibility: City Council
Funding: General Fund
Schedule: Ongoing

H-19 **Update Density Bonus Ordinance.** Update the Affordable Housing Incentives Ordinance (aka Density Bonus Ordinance) to fully comply with State law requirements for review procedures for Density Bonus applications. The City shall review the ordinance in light of recent case law and determine whether or not the Density Bonus Ordinance must be updated to allow affordable units that created pursuant to the Inclusionary Housing Ordinance, regardless of whether they are on-site or off-site, to be considered restricted affordable units for the purposes of determining whether the housing development qualifies for a density bonus. Based on the findings of the review, the City may amend the Ordinance.

Responsibility: Planning & Building Department, City Council
Funding: General Fund
Schedule: Fiscal Year 2014/2015

GOAL H-D PRESERVATION OF EXISTING HOUSING AND NEIGHBORHOODS
To encourage the conservation and maintenance of the existing housing stock and residential neighborhoods in Healdsburg.

Policies

H-D-1 Promote the preservation of the community's housing stock, especially affordable and special needs housing.

H-D-2 Monitor affordable housing projects to ensure their continued occupancy by appropriate individuals and households.

H-D-3 Control rent increases on mobilehome park spaces.

H-D-4 Maximize the length of time that affordable housing is available to lower- and moderate-income households.

H-D-5 Continue to impose long-term restrictions on the maximum rents and sale prices of affordable housing that is developed with City assistance as well as inclusionary units provided by private developers.

H-D-6 Discourage the conversion of multifamily rental units to condominium units in order to preserve the supply of rental housing in the city.

H-D-7 Protect residential neighborhoods from the negative effects of commercial uses.

Programs

H-20 **Act as Redevelopment Successor Agency.** Act as the Successor Agency and Housing Successor Agency and carry out the responsibilities and obligations of the former Redevelopment Agency.

Responsibility: Oversight Board for the Redevelopment Successor Agency
Funding: General Fund
Schedule: Ongoing

H-21 **Monitor Affordability.** Monitor long-term affordability of affordable housing projects developed with City assistance by requiring them to file an annual report to the City that demonstrates compliance with any occupancy requirements.

Responsibility: Planning & Building Department
Funding: General Fund
Schedule: Annually

H-22 **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.

Responsibility: City Administration
Funding: General Fund
Schedule: Ongoing

H-23 **Strengthen the Condominium Conversion Ordinance.** Review and revise, as necessary, the condominium conversion ordinances (Ordinance Nos. 701 and 873) with the intent of discouraging conversion of rental units to condominiums, including mobilehome park conversions, and strengthening the tenant protection provisions. Potential tenant protections to be considered may include but are not limited to:

- Limitations on the number of rental units that can be converted in a calendar year;
- Discounts for existing tenants on the sale price of the property;
- Requirement for replacement units;
- Requirements for a certain percentage of converted condominiums be deed-restricted affordable units;
- Mandatory payment of a tenant relocation fee; and/or
- Requiring majority support by mobilehome park residents in the conversion of a mobilehome park from rental to owner-occupied.

Responsibility: City Administration
Funding: General Fund
Schedule: 2017

H-24 **Publicize Rehabilitation Programs.** Disseminate information about available housing rehabilitation loan programs to qualifying households.

Responsibility: Planning & Building Department
Funding: General Fund
Schedule: Within six months of Housing Element adoption

H-25 **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.

Responsibility: Planning & Building Department
Funding: General Fund
Schedule: Ongoing

H-26 **Improve Infrastructure.** Continue street, sidewalk, and other infrastructure improvements and maintenance in low- and moderate-income neighborhoods.

Responsibility: Public Works Department
Funding: Street Fund, CDBG Funds
Schedule: Include in City's annual Capital Improvement Program and apply annually for CDBG funds

H-27 **Enforce Vacation Rental Prohibition.** Strengthen enforcement of the City's prohibition of vacation home rentals (i.e., fewer than 30 days) in residential zoning districts in order to protect neighborhood character and ensure the housing stock is available for long-term residents.

Responsibility: Planning & Building Department
Funding: General Fund
Schedule: Ongoing

GOAL H-E PROVISION OF SPECIAL NEEDS HOUSING
To provide a range of housing opportunities for Healdsburg residents with special needs, including the elderly, people with disabilities, single parent-households, large households, farmworkers, extremely low-income residents, and the homeless.

Policies

H-E-1 Address the housing needs of the disabled, including residents with developmental disabilities.

H-E-2 Address the housing needs of the homeless and those in peril of becoming homeless.

H-E-3 Address the housing needs of transient single farmworkers.

H-E-4 Promote the siting, production, rehabilitation, and preservation of housing for extremely low-income households, including non-traditional housing types.

H-E-5 Encourage development, rehabilitation, and preservation of senior housing, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities.

H-E-6 Continue to provide individuals with disabilities reasonable accommodation through flexibility in the application of land use and zoning regulations when necessary to eliminate barriers to housing opportunities.

H-E-7 Require the inclusion of units meeting special needs in affordable housing projects developed with City assistance, where feasible.

H-E-8 Enforce Building Code requirements for the inclusion of adaptable disabled-accessible units in multifamily development projects that are subject to such requirements.

H-E-9 Support the efforts of partners in special needs housing projects to secure financial assistance.

Programs

H-28 **Funding for Special Needs Housing** Apply for State and Federal funding for special needs housing, when available.

Responsibility: Planning & Building Director, City Council
Funding: General Fund
Schedule: Annual basis

H-29 **Disabled-Access Units.** Enforce Building Code requirements for the inclusion of adaptable disabled-accessible units in multifamily development projects that are subject to such requirements.

Responsibility: Chief Building Official
Funding: General Fund
Schedule: Ongoing

H-30 **Emergency and Transitional Housing.** Work with appropriate agencies and groups to provide temporary and transitional housing and support services for the homeless in Healdsburg.

Responsibility: Planning & Building Department, Planning Commission, City Council
Pot. Funding: State funding (e.g., EHAP, MHP,), Federal funding (e.g., ESG)
Schedule: Initiate coordination in 2016

H-31 **Farmworker Housing.** Work with appropriate agencies and groups to provide housing and support services for farmworkers in Healdsburg.

Responsibility: Planning & Building Department, Planning Commission, City Council
Funding: State funding (Joe Serna, Jr. Farm Workers Housing Grant Program)
Schedule: Initial outreach within one year of Housing Element adoption and biannually thereafter

H-32 **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.

Responsibility: Community Services Department
Funding: Community Services Fund
Schedule: Post information on websites and in public locations by 2016

H-33 **Countywide Homeless Survey.** Participate in comprehensive surveys of the county's homeless population.

Responsibility: Community Services Department
Funding: Community Services Fund
Schedule: 2015 and biennially thereafter

H-34 **Countywide Homeless Plan.** Participate in the Sonoma County Continuum of Care update to the County's 10-Year Homeless Action Plan.

Responsibility: Community Services Department
Funding: Community Services Fund
Schedule: Update anticipated in 2017

H-35 **Development of Housing for Persons with Disabilities.** 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.

Responsibility: Planning & Building Department
Funding: General Fund
Schedule: Annual contact with developers; support applications as opportunities arise

H-36 **Coordinate with the North Bay Regional Center.** 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.

Responsibility: Community Services Department
Funding: Community Services Fund
Schedule: Initiate contact in 2015

H-37 **Incentives for disabled access.** Adopt incentives for second units that are designed to be accessible for people with disabilities. Incentives may include, but are not limited to: larger maximum unit sizes, reduced setbacks, and/or reduced fees.

Responsibility: Planning & Building Director, City Council
Funding: General Fund
Schedule: Fiscal Year 2016/17

H-38 **Employee Housing.** Amend the Zoning Ordinance to allow employee housing for six or fewer employees as a permitted use in the MU and O zones to comply with California Health and Safety Code 17000, et seq.

Responsibility: Planning & Building Department
Funding: General Fund
Schedule: 2015

H-39 **Emergency Shelters.** 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: Planning & Building Department, City Council
Funding: General Fund
Schedule: Within two years of Housing Element adoption

GOAL H-F PROMOTION OF FAIR HOUSING PRACTICES
To ensure equal housing opportunities for all Healdsburg residents regardless of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, disability, or source of income.

Policies

H-F-1 Discourage discriminatory housing practices.

H-F-2 Provide guidance to the public about fair housing practices.

H-F-3 Provide equitable public services throughout the city, including public transportation, crime prevention, police protection, street lighting, street cleaning, and recreational facilities and programs.

Programs

H-40 **Disseminate Fair Housing Information.** Disseminate fair housing information through posters, brochures, forms, and landlord/tenant handbooks from the State Department of Fair Employment and Housing and Fair Housing of Sonoma County in public locations.

Responsibility: Planning & Building Department
Funding: General Fund
Schedule: Ongoing

H-41 **Refer Fair Housing Complaints.** Refer fair housing complaints to the State Department of Fair Employment and Housing and Fair Housing of Sonoma County.

Responsibility: Planning & Building Department staff
Funding: General Fund
Schedule: Ongoing

H-42 **Non-Discrimination Clause and Mandatory Fair Housing.** Provide non-discrimination clauses in rental agreements and deed restrictions for housing constructed with City subsidy, as well as mandate the implementation of fair housing practices in contracts with affordable housing developers.

Responsibility: Planning & Building Director, City Council
Funding: General Fund
Schedule: Ongoing

H-43 **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 the Hispanic community.

Responsibility: Planning & Building Director
Funding: General Fund
Schedule: Ongoing

GOAL H-G CONSERVATION OF ENERGY
To promote energy conservation in residential development and reduce greenhouse gas emissions.

Policies

H-G-1 Promote energy efficiency and conservation measures in existing housing.

H-G-2 Require energy-efficiency performance in new housing that meets or exceeds minimum State standards.

H-G-3 Promote energy-efficient residential site development practices.

H-G-4 Reduce residential cooling needs associated with the urban heat island effect.

H-G-5 Accommodate pedestrians, bicyclists, and transit in new residential development.

H-G-6 Provide safe routes for bicycling and walking between housing and transit stops, commercial services, and schools.

H-G-7 Promote infill development to maximize the use of existing infrastructure and encourage patronage of alternative transportation modes.

H-G-8 Require the planting of street trees as a part of all residential development projects.

H-G-9 Require the perimeter and interior of parking lots associated with residential development to be landscaped with shrubs and shade trees.

Programs

H-44 **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.

Responsibility: City Council
Funding: Electric Fund, General Fund
Schedule: Ongoing

H-45 **Green City Program.** Ensure that the designs and construction practices for new residences and additions to existing residences comply with the CalGreen.

Responsibility: Planning & Building Department
Funding: General Fund
Schedule: Ongoing

H-46 **Solar Access.** Include an evaluation of consistency with Subdivision Map Act Section 66473.1 in staff reports to ensure residential subdivision applications provide for solar access.

Responsibility: Planning & Building Department
Funding: General Fund
Schedule: January 1, 2007 – June 30, 2014

H-47 **Energy Audit Program.** Continue to provide and publicize the Energy Audit Program to homeowners and landlords.
Program outcome: Reduced energy consumption

Responsibility: Electric Department
Funding: Electric Fund
Schedule: Ongoing

H-48 **Energy Efficiency Rebate and Weatherization Programs.** Continue to publicize and provide rebates for energy-efficient lighting fixtures and light bulbs, electric water heaters, air conditioners, heat pumps, appliances and photovoltaic systems; and weatherization of existing homes.

Responsibility: Electric Department
Funding: Electric Fund
Schedule: Ongoing

H-49 **Pedestrian and Bicycle Facilities.** 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: Public Works Department
Funding: General Fund, CDBG Funds
Schedule: Include in the annual CIP and apply annually for CDBG funds

Quantified Objectives

The following quantified objectives are based on the Housing Element's identification of existing and projected housing needs, potential housing development sites and financial resources, and the Element's analysis of constraints to the development and maintenance of housing. This information has been used to establish reasonable estimates of what these programs and policies can accomplish.

The tables below estimate the number of units likely to be constructed, rehabilitated, and conserved/preserved during the planning period (January 31, 2015 through January 31, 2023). The quantified objectives do not represent a ceiling, but rather set a goal for the City to achieve, based on needs, resources and constraints.

Construction Objectives

The quantified objectives for housing construction are the number of new units that potentially may be constructed in the City of Healdsburg Planning area by the City with its non-profit partners and by private developers. They are based on the regional housing needs allocated to the City for the planning period by the Association of Bay Area Governments.

Table 45 Housing Construction Objectives

Target Income Group	Number of Units	Share of Total	Annual Average
Extremely Low (≤30% of AMI[1])	15	10%	2
Very Low (31 - 50% of AMI)	16	10%	2
Low (51 - 80% of AMI)	24	15%	2
Moderate (81 - 120% of AMI)	26	17%	3
Above Moderate (≥120% of AMI)	76	48%	8
Total	**157**	**100%**	**16**

[1] Area median income

Rehabilitated Housing Objectives

The rehabilitated housing objectives are the number of units that potentially may be rehabilitated during the planning period. They are based on the programs described in the Background Report.

Table 46 Rehabilitated Housing Objectives

	Units
Sonoma County Community Development Commission Rehabilitation Program	16 (2 per year)

Conserved Affordable Housing Objectives

The conserved affordable housing objectives are the number of units whose affordability will be preserved during the planning period. There are no affordable units in Healdsburg at risk of converting to market rate within the 10-year period of 2015 to 2025. The Housing Element includes programs that will help to conserve the 900 multifamily rental units (Program H-23 Strengthen the Condominium Conversion Ordinance) and the 70 mobile homes (Program H-22 Mobile Home Park Space Rent Stabilization Ordinance), which are important sources of non-deed-restricted affordable housing in the community. While important for conserving housing, the actual number of units that might be conserved through these programs is difficult to quantify.

9 Appendices

Appendix A: Evaluation of the 2009-2014 Housing Element

Appendix B: Restricted Affordable Housing

Appendix C: Potential Residential Development

Appendix D: Deficient Housing Locations

Appendix E: State Funding Programs

Appendix F: Housing Element Update Public Contact

Appendix G: Summary of Community Workshops

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Appendix A: Evaluation of the 2009-2014 Housing Element

This section reviews and evaluates the City's progress in implementing the 2009 Housing Element. It reviews the results and effectiveness of programs for the previous Housing Element planning period.

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Table A-1 2009-2014 Housing Program Implementation Status

City of Healdsburg
2014

2009-2014 Housing Element Program	2009-2014 Housing Element Objective	Timeframe	Status of Program Implementation	Recommendation
H-1 Monitor the supply of residential land to ensure that sufficient developable land is planned and zoned for single family and multifamily residential development.	H-A-1 Maintain a supply of residentially-designated land that is adequate to accommodate Healdsburg's share of the regional housing need and facilitate residential turnover with relative ease.	Ongoing	The City has prepared a list of available residentially-designated sites that can accommodate the City's regional housing needs and is the list is available for review at City Hall.	Maintain
H-2 Consider the potential impact on the achievement of the City's quantified housing objectives when reviewing proposed residential development projects and proposals to downzone residential properties or reclassify residentially-designated property to other uses.	H-C-1 Maintain an adequate supply of land appropriate in terms of density and location for the development of housing affordable to lower- and moderate-income households.	Ongoing	No proposed residential development projects or proposals to downzone residential properties or reclassify residentially-designated property to other uses were reviewed during the planning period.	Maintain
H-3 Maintain City staffing and/or contracted services at levels adequate to ensure the prompt consideration of residential development applications.	H-B-1 Minimize the length of the review process for residential development applications to the extent feasible in order to minimize development costs.	Annual budget adoption	Although reduced, City staffing levels were maintained at levels adequate to promptly consider residential development applications. Generally, subdivision map applications received during 2012 were approved within 8-12 months of a complete application (sometimes within five weeks); design review approval was granted by staff within 3 weeks of a complete application (sometimes within three days); and applications subject to Planning Commission review were approved within 4 weeks.	Maintain
H-4 Explore the possibility of sponsoring a ballot measure that exempts housing units included in mixed-use buildings from the Growth Management Program.	H-B-2 Lessen the City's Growth Management Program as a constraint on the development of multifamily housing, if feasible.	In process	The City is currently considering a ballot measure to amend the Growth Management Ordinance. This is still in process.	Replace with program to monitor and propose further amendments to the GMO
H-5 Revise the Subdivision Ordinance to grant to the Planning Commission authority for final action on applications for subdivisions of four or fewer parcels that do not require the acceptance of dedications.	H-B-3 Minimize the time needed for the City to review and act on applications for small subdivisions of residentially-zoned land.	Complete	Implementation completed in 2009.	Remove program
H-6 Amend the Zoning Ordinance to delete the conditional use permit requirement for multifamily housing projects in the Downtown Residential District.	H-B-1 Minimize the length of the review process for residential development applications to the extent feasible in order to minimize development costs.	Complete	Implementation completed in 2010.	Remove program
H-7 Complete construction of the Eden Housing Apartments project.	H-C-2 Work with non-profit organizations to benefit from their expertise and the resources available to them for the development of affordable housing and its on-going support. H-C-3 Facilitate the development and occupancy of housing affordable to lower- and moderate-income households, including first-time homebuyers.	Complete	Implementation completed in 2010. The Foss Creek Court project includes 19 extremely low-, 32 very low-, and 13 low-income units.	Remove program
H-8 Complete the Victory Studios project.	H-C-3 Facilitate the development and occupancy of housing affordable to lower- and moderate-income households	Complete	Implementation completed in 2009. The Victory Studios project includes 7 extremely low-income units.	Remove program

Table A-1 2009-2014 Housing Program Implementation Status

City of Healdsburg
2014

2009-2014 Housing Element Program	2009-2014 Housing Element Objective	Timeframe	Status of Program Implementation	Recommendation
H-9 Develop the Saggio Hills affordable housing site.	H-C-3 Facilitate the development and occupancy of housing affordable to lower- and moderate-income households	Undetermined	This program is dependent on the project's development. Saggio Hills did not develop during the planning period. The project was re-approved in January 2011 and is expected to develop during the 2015-2023 planning period.	Maintain
H-10 Require the provision of low- and moderate-income housing within projects subject to the Inclusionary Housing Program.	H-C-3 Facilitate the development and occupancy of housing affordable to lower- and moderate-income households.	Ongoing	No housing projects subject to the Inclusionary Housing Program were reviewed between 2010 and 2011. In 2012, the Sonata and Chiquita Grove subdivisions were required to comply with the inclusionary housing provision. The Sonata project included 6 affordable units, and the Chiquita Grove project provided 4 affordable units.	Maintain
H-11 Acquire sites suitable for the development of affordable housing.	H-C-1 Maintain an adequate supply of land appropriate in terms of density and location for the development of housing affordable to lower- and moderate-income households.	Ongoing	The City continues to own two vacant suitable sites, however, due to the elimination of Redevelopment, no funds are available to acquire potential affordable housing sites.	Remove program
H-12 Provide financial assistance to developers of affordable housing.	H-C-3 Facilitate the development and occupancy of housing affordable to lower- and moderate-income households	Ongoing	The City provided financial assistance to the Habitat for Humanity affordable housing project during 2011. The City contributed funds to DR Horton for two "for sale" affordable housing units in the Sonata project in 2012.	Maintain
H-13 Provide assistance with home purchases to low- and moderate-income households, including first-time homebuyers.	H-C-3 Facilitate the development and occupancy of housing affordable to lower- and moderate-income households	Ongoing	No loans were made to low- and moderate-income households to assist with home purchases because funds have been eliminated with the dissolution of Redevelopment in 2012.	Remove program
H-14 Approve density bonuses and other affordable housing incentives in accordance with state law.	H-C-3 Facilitate the development and occupancy of housing affordable to lower- and moderate-income households	Ongoing	No housing projects requesting a density bonus or other affordable housing incentives were submitted during the planning period.	Maintain
H-15 Promote housing for extremely low-income households	H-C-3 Facilitate the development and occupancy of housing affordable to lower- and moderate-income households	Ongoing	During the planning period, 12 new units for extremely low-income households were built at Foss Creek Court and Victory Studios and Apartments.	Maintain
H-16 Amend HDR land use designation to allow a minimum density of 20 units per gross acre for projects targeted to lower-income households on a long-term basis. Amend Zoning Ordinance to adjust minimum site area per unit in RM Zoning District to reflect this density.	H-C-1 Maintain an adequate supply of land appropriate in terms of density and location for the development of housing affordable to lower- and moderate-income households.	Complete	Implementation completed in 2010.	Remove program
H-17 Establish agreements or contracts with the County Housing Authority or another suitable organization or consulting firm if needed to administer affordable housing programs within the city.	H-D-1 Monitor affordable housing projects to ensure their continued occupancy by appropriate individuals and households.	Ongoing	City staff was able to administer affordable housing programs between 2010 and 2011 without outside assistance, and with assistance from the Housing Land Trust of Sonoma County starting in 2012.	Maintain; modify to make reference to the Land Trust of Sonoma County.
H-18 Impose long-term restrictions on the maximum rents and sale prices of affordable housing that is developed with City assistance as well as inclusionary units provided by private developers.	H-D-3 Maximize the length of time that affordable housing is available as such to lower- and moderate-income households.	Ongoing	The City continues to maximize affordability restrictions, as feasible. For example, the inclusionary housing agreement for the Sonata project stipulates that the affordable units may only be resold as affordable units in perpetuity.	Maintain

Table A-1 2009-2014 Housing Program Implementation Status

City of Healdsburg
2014

2009-2014 Housing Element Program	2009-2014 Housing Element Objective	Timeframe	Status of Program Implementation	Recommendation
H-19 Ensure that affordable housing projects developed with City assistance file an annual report that demonstrates compliance with any occupancy requirements.	H-D-3 Maximize the length of time that affordable housing is available as such to lower- and moderate-income households.	Ongoing	Annual reports demonstrating compliance with occupancy requirements were received from all restricted affordable housing projects.	Maintain
H-20 Enforce the terms of the mobile home park space rent stabilization ordinance.	H-D-2 Control rent increases on mobilehome park spaces.	Ongoing	No rent increases were requested by mobile home park owners.	Maintain
H-21 Enforce the tenant protection provisions of the condominium conversion ordinances (Ordinance Nos. 701 and 873).	H-D-3 Maximize the length of time that affordable housing is available as such to lower- and moderate-income households.	Ongoing	No applications for condominium conversions were received.	Maintain
H-22 Discount the electric, water and sewer utility and storm drainage maintenance charges to lower-income households and affordable residential projects.		Ongoing	The City continues to discount these charges to lower-income households and affordable residential projects.	Maintain
H-23 Complete construction of the Eden Housing Apartments project.	H-E-1 Address the housing needs of the disabled. H-E-2 Address the housing needs of the homeless and those in peril of becoming homeless.	Complete	Implementation completed in 2010. The project includes the following special needs housing: 5 units for the mentally-disabled, 5 transitional units for the homeless, 5 disabled-accessible units, 25 disabled-adaptable units, and 2 units for the hearing-impaired.	Remove program
H-24 Complete the Victory Studios project.	H-E-1 Address the housing needs of the disabled. H-E-2 Address the housing needs of the homeless and those in peril of becoming homeless.	Complete	Implementation completed in 2009. The project includes the following special needs housing: 7 transitional housing units for extremely low-income homeless individuals and households and those at risk of becoming homeless; 4 disabled-accessible units; and 3 disabled-adaptable units.	Remove program
H-25 Require the inclusion of units meeting special needs in affordable housing projects developed with City assistance, where feasible.	H-E-1 Address the housing needs of the disabled. H-E-2 Address the housing needs of the homeless and those in peril of becoming homeless.	Ongoing	No affordable housing projects were applied for between 2010 and 2012 specifically for special needs residents.	Maintain
H-26 Enforce Building Code requirements for the inclusion of adaptable disabled-accessible units in multifamily development projects that are subject to such requirements.	H-E-1 Address the housing needs of the disabled	Ongoing	No multifamily housing developments were applied for during the planning period.	Maintain
H-27 Amend Zoning Ordinance to a) allow homeless shelters as a permitted use in at least one zoning district with sufficient potential sites to meet identified needs, b) allow transitional housing in all zoning districts that allow housing and c) provide objective standards for homeless shelters	H-E-2 Address the housing needs of the homeless and those in peril of becoming homeless.	Complete	Implementation completed in 2010. Homeless shelters are a permitted use in the CS (Commercial Service) and P (Public) zoning designations. The City amended the Zoning Ordinance to allow transitional and supportive housing in zones allowing residential uses, consistent with State law, but is currently making further amendments to the definitions and allowed zones to fully comply with State law. The City Council approved these amendments in July 2014.	Remove program
H-28 Work with appropriate agencies and groups to provide temporary and transitional housing and	H-E-2 Address the housing needs of the	Initial outreach – 2010. Ongoing.	The City began discussions with California Human Development Corporation in 2010 and continued through 2012, regarding the development of a farmworker	Maintain

Table A-1 2009-2014 Housing Program Implementation Status

City of Healdsburg
2014

2009-2014 Housing Element Program	2009-2014 Housing Element Objective	Timeframe	Status of Program Implementation	Recommendation
support services for the homeless, including farmworkers, in Healdsburg.	homeless and those in peril of becoming homeless. H-E-3 Address the housing needs of transient single farmworkers.		housing project.	
H-29 Provide information to the public on resources available to seniors.	H-E-1 Address the housing needs of the disabled.	Ongoing	The City continues to provide information about these resources through the City offices, City website, and senior center.	Maintain
H-30 Participate in comprehensive surveys of the county's homeless population.	H-E-2 Address the housing needs of the homeless and those in peril of becoming homeless.	Ongoing	The City participated in a countywide homeless survey in 2013.	Maintain
H-31 Amend the Zoning Ordinance to allow residential care homes and supportive housing facilities as permitted uses in districts that allow residential uses.	H-E-1 Address the housing needs of the disabled.	Complete	Implementation completed in 2010.	Remove program
H-32 Amend the Zoning Ordinance to include a "reasonable accommodation" review process that provides flexibility when necessary to eliminate barriers to housing opportunities.	H-E-1 Address the housing needs of the disabled.	Complete	Implementation completed in 2010.	Remove program
H-33 Apply for state and federal funding for affordable and special needs housing, when available.	H-F-1 Pursue county, state and federal programs and funding sources that provide housing opportunities for lower- and moderate-income households, as well as special needs households.	Ongoing	There were no opportunities to apply for such funding during the planning period given staff limitations.	Maintain
H-34 Provide documentation as needed in support of partner applications for state and federal financial assistance.	H-F-2 Support the efforts of partners in local affordable and special needs housing projects to secure financial assistance.	Ongoing	No housing partners requested documentation during the planning period.	Maintain
H-35 Participate in the Joint Powers Authority with Sonoma County and other Sonoma County jurisdictions in order to continue the City's eligibility for state and federal funding.	H-F-1 Pursue county, state and federal programs and funding sources that provide housing opportunities for lower- and moderate-income households, as well as special needs households.	Ongoing	The City continued to participate in the Joint Powers Authority during the planning period and received CDBG funding.	Maintain
H-36 Amend the Zoning Ordinance to incorporate the provisions of the California Employee Housing Act regarding housing for agricultural employees.	H-E-3 Address the housing needs of transient single farmworkers.	Complete	Implementation completed in 2010.	Remove program
H-37 Ensure that specific plans allow the development of a range of housing types, to the extent feasible.	H-G-1 Provide a wide range of housing opportunities for all economic segments of the community, while maintaining a mix of housing types in Healdsburg.	Ongoing	The approved Saggio Hills Area Plan includes single family housing and an affordable housing site that will likely be developed with a mix of housing types.	Maintain
H-38 Implement the Inclusionary Housing Program.	H-G-1 Provide a wide range of housing opportunities for all economic segments of the community.	Ongoing	The Inclusionary Housing Program was implemented with the Sonata and Chiquita Grove projects in 2012.	Maintain
H-39 Accommodate a range of housing types and target income groups within the affordable housing to	H-G-1 Provide a wide range of housing opportunities for all economic segments of the	Undetermined	This measure is dependent on the project's development. Implementation of the Saggio Hills project was delayed during the planning period, but is anticipated to	Maintain, but combine with Program H-37

Table A-1 2009-2014 Housing Program Implementation Status

City of Healdsburg
2014

2009-2014 Housing Element Program	2009-2014 Housing Element Objective	Timeframe	Status of Program Implementation	Recommendation
be constructed at Saggio Hills.	community, while maintaining a mix of housing types in Healdsburg. H-G-3 Avoid concentrations of lower-income households to encourage social and economic integration.		be built during the 2015-2023 planning period.	
H-40 Enforce the condominium conversion ordinances (Nos. 701 and 873).	H-G-2 Encourage the retention and development of rental units in order to maintain and expand the housing supply available to households with resources insufficient to purchase housing.	Ongoing	No applications for condominium conversions were received during the planning period.	Maintain, but combine with Program H-21
H-41 Monitor the subdivision of the River View Estates Mobilehome Park.	H-G-1 Provide a wide range of housing opportunities for all economic segments of the community, while maintaining a mix of housing types in Healdsburg.	Complete	Implementation completed. The subdivision's final map was approved in 2009.	Remove program
H-42 Give priority in outreach efforts for City- and Redevelopment Agency-assisted housing programs to: • Essential community services employees, including those working for the local police and fire departments, schools and the hospital; • Those living and/or working in the City of Healdsburg; and • Those living and/or working in Sonoma County.	H-H-1 Give priority to the housing needs of local residents and employees.	Ongoing	Priority was afforded to City employees during the planning period. A significant local outreach to fill vacancies at the newly-competed Foss Court Project was conducted by Eden Housing prior to publicizing them to the public at large.	Maintain
H-43 Continue the Neighborhood Improvement Program to assist lower-income, senior and disabled households by providing exterior house and landscape maintenance work and other neighborhood preservation measures.	H-I-1 Promote the preservation of the community's housing stock, especially affordable and special needs housing.	Discontinued	12 lower-income and special needs households were assisted by the Neighborhood Improvement Program in 2010; 19 lower-income and special needs households were assisted by the Neighborhood Improvement Program in 2011. The Program was suspended in 2012 with the elimination of Redevelopment, which was the funding source for this program.	Remove program
H-44 Apply for funding to rehabilitate the residences of low- and moderate-income households.	H-I-1 Promote the preservation of the community's housing stock, especially affordable and special needs housing.	Ongoing	The rehabilitation program is operated by the County.	Remove program
H-45 Disseminate information about available housing rehabilitation loan programs to qualifying households.	H-I-1 Promote the preservation of the community's housing stock, especially affordable and special needs housing.	Within 6 months of Housing Element adoption	The City made information available to the public about the County's rehabilitation program.	Maintain
H-46 Continue street, sidewalk and other infrastructure improvements and maintenance in low-	H-I-1 Promote the preservation of the community's housing stock, especially affordable	Ongoing	The Grant Street sidewalk and bridge project was completed in 2010 to link a farmworker housing project with schools and commercial services. Community	Maintain

Table A-1 2009-2014 Housing Program Implementation Status

City of Healdsburg
2014

2009-2014 Housing Element Program	2009-2014 Housing Element Objective	Timeframe	Status of Program Implementation	Recommendation
and moderate-income neighborhoods.	and special needs housing.		Development Block Grant and CDBG-R funds were used to replace curb ramps at 22 intersections in the downtown residential area during 2010. Sidewalks, storm drains and curb ramps were installed on Mill Street in the downtown residential area during 2011. In 2012, the City performed the following: Installed 16 ADA curb cuts at various locations; In the downtown area 1,500 linear feet of water main, 1,400 linear feet of storm drain, and 344 linear feet of sewer main were installed. Additionally the Center Street Storm Drain Project installed 160 linear feet of storm drain and two ADA ramps and 170 linear feet of sidewalk with retaining walls. On Heron Drive 800 linear feet of force sewer main was replaced. The City installed 1,350 linear feet of sidewalk with the West Grant Street SR2S project (this project specifically linked low income housing with commercial areas).	
H-47 Enforce the City's prohibition of vacation home rentals in residential zoning districts.	H-I-2 Protect residential neighborhoods from the negative effects of commercial uses.	Ongoing	The City continues to enforce its prohibition of vacation home rentals during the planning period, and substantially increased the fines for operating illegal vacation rentals.	Maintain
H-48 Disseminate fair housing information through posters, brochures, forms and landlord/tenant handbooks.	H-J-1 Discourage discriminatory housing practices. H-J-2 Provide guidance to the public about fair housing practices.	Ongoing	The City continues to distribute fair housing information through the City offices, City website, and the Senior Center.	Maintain
H-49 Refer fair housing complaints to the State Department of Fair Employment and Housing and the Petaluma People Services Center Fair Housing of Sonoma County.	H-J-1 Discourage discriminatory housing practices. H-J-2 Provide guidance to the public about fair housing practices.	Ongoing	The City continues to refer fair housing complaints to the Petaluma People Services Center (aka Fair Housing Sonoma County).	Maintain
H-50 Provide non-discrimination clauses in rental agreements and deed restrictions for housing constructed by the City or when Redevelopment Agency participation occurs.	H-J-1 Discourage discriminatory housing practices. H-J-2 Provide guidance to the public about fair housing practices.	Ongoing	Such clauses were included within the housing agreements for the Sonata and Chiquita Grove projects in 2012.	Modify to remove reference to Redevelopment Agency
H-51 Mandate the implementation of fair housing practices in contracts with affordable housing developers.	H-J-1 Discourage discriminatory housing practices. H-J-2 Provide guidance to the public about fair housing practices.	Ongoing	Such mandates were included within the housing agreements for the Sonata and Chiquita Grove projects in 2012.	Maintain
H-52 Conduct outreach efforts for the City's affordable housing programs in Spanish as well as English and publicizing the programs through organizations representing the Hispanic community.	H-J-1 Discourage discriminatory housing practices.	Ongoing	Outreach was achieved in 2012 with various handouts and flyers available at City Hall. As part of the Sonata project, Sonoma Land Trust provided outreach to drive interest in selling affordable housing units. Eden Housing outreach to fill vacancies at the newly-competed Foss Court Project was also conducted in Spanish and through local Hispanic organizations and religious institutions.	Maintain
H-53 Provide equitable public services throughout the City.	H-J-1 Discourage discriminatory housing practices.	Ongoing	The City continues to provide equitable public services, including road and other infrastructure maintenance.	Maintain

Table A-1 2009-2014 Housing Program Implementation Status

City of Healdsburg
2014

2009-2014 Housing Element Program	2009-2014 Housing Element Objective	Timeframe	Status of Program Implementation	Recommendation
H-54 Ensure that the designs and construction practices for new residences and additions to existing residences comply with the City's Green City Program.	H-K-1 Promote energy efficiency and conservation measures in existing housing. H-K-2 Require energy-efficiency performance in new housing that meets or exceeds minimum state standards.	Ongoing	The Building Department administered the City's Green City Program between 2010 and 2012.	Maintain
H-55 Include an evaluation of consistency with Subdivision Map Act Section 66473.1 in staff reports for residential subdivision applications.	H-K-3 Promote energy-efficient residential site development practices.	Ongoing	This evaluation was included in staff reports for residential parcel map applications reviewed during the planning period. The Sonata and Chiquita Grove subdivision were consistent with the Subdivision Map Act.	Maintain
H-56 Require the planting of street trees as a part of all residential development projects.	H-K-4 Reduce residential cooling needs associated with the urban heat island effect.	Ongoing	The City continues to require the planting of street trees. Street trees were required as a condition of approval for the Sonata and Chiquita Grove projects.	Maintain
H-57 Require the perimeter and interior of parking lots associated with residential development to be landscaped with shrubs and shade trees.	H-K-4 Reduce residential cooling needs associated with the urban heat island effect.	Ongoing	The City continues to require the planting of shrubs and street trees. Landscape plans were required as a condition of approval for the Sonata and Chiquita Grove projects.	Maintain
H-58 Continue to provide and publicize an Energy Audit Program to homeowners and landlords.	H-K-1 Promote energy efficiency and conservation measures in existing housing.	Ongoing	The City continues to provide and publicize an Energy Audit Program.	Maintain
H-59 Continue to publicize and provide rebates for energy-efficient lighting fixtures and light bulbs, electric water heaters, air conditioners, heat pumps, appliances and photovoltaic systems; and weatherization of existing homes.	H-K-1 Promote energy efficiency and conservation measures in existing housing.	Ongoing	The City continues to publicize and provide rebates.	Maintain
H-60 Provide safe walking and bicycling facilities between housing and commercial, educational and transit destinations.	H-K-5 Accommodate pedestrians, bicyclists and transit in new residential development. H-K-6 Provide safe routes for bicycling and walking between housing and transit stops, commercial services and schools.	Ongoing	The City completed a segment of the Foss Creek Pathway during 2010, providing a cycling and walking link between an affordable housing project and commercial services. The Grant Street sidewalk and bridge project was completed in 2010 to link a farmworker housing project with schools and commercial services. The City completed Segment 3 of the Foss Creek Pathway during 2011, providing a cycling and walking link between Front Street and the future Intermodal Transportation Center. The City is now working on improvements as part of implementation of the Central Healdsburg Avenue Plan.	Maintain
H-61 Initiate a planning process for transit-oriented development within walking distance of the Intermodal Transportation Center.	H-K-7 Promote infill development to maximize the use of existing infrastructure and encourage patronage of alternative transportation modes.	Within five years of Housing Element adoption	The City established the Central Healdsburg Avenue Special Study Area Plan Committee during 2010, hired a consulting team and conducted public workshops, which provided input for an area plan that includes the Intermodal Transportation Center. The City was awarded station area plan grant funding in 2011 to prepare the Plan's environmental document. The Central Healdsburg Avenue Plan contains recommendations, planning processes, and recommended areas for transit oriented development.	Replace with a program to implement the CHAP

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Appendix B: Restricted Affordable Housing

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Canyon Run Apartments

1671-1687 Canyon Run

No. of units	51
Project area	6.47 acres
Density	7.9 units per acre
Type	Rental
Target	Families
Affordability	14 very low-income 36 low-income 1 moderate-income
Year occupied	2001
Developer	Burbank Housing
Amenities	• 4-bedroom units (6) • Community building • Playground
City contributions	• Acquired site • Loans for site purchase & project construction ($1.64 million)
Other subsidies	CalHFA, LIHTC, HOME, AHP, FHRCAC

Playground

Community building

Fitch Mountain Terrace I

710 S. Fitch Mountain Road

No. of units	40
Project area	4.14 acres
Density	10 units per acre
Type	Rental
Target	Senior & disabled
Affordability	Very low-income
Year occupied	1986
Developer	Healdsburg Shared Ministries, Burbank Housing
Amenities	• Community room • Adjacent to Badger Park and dog park
City contributions	• Land donation • Pre-development loan ($93,200)
Other subsidies	FmHA/515, RHCP, USDA Rural Development

Community building

Fitch Mountain Terrace II

713 Heron Drive

No. of units	20
Project area	1.55 acres
Density	13 units per acre
Type	Rental
Target	Senior & disabled
Affordability	Very low-income
Year occupied	1990
Developer	Burbank Housing
Amenities	• Community room • Community garden • Adjacent to Badger Park and dog park
City contributions	• Land donation • Construction loan ($800,000) • On- & off-site improvements ($147,350)
Other subsidies	CEF, CalHFA, SCCDC, LIHTC

Community garden

Foss Creek Court Apartments

40-62 W. Grant Street

No. of units	64
Project area	3.2 acres
Density	20 units per acre
Type	Rental
Targets	Families Transitional families (5) Mental health disability (5)
Affordability	19 Extremely low-income 32 Very low-income 13 Low-income
Year occupied	2010
Developer	Eden Housing
Amenities	• Play yards • Laundry rooms • Community building with computer lab • Community garden
City contributions	• Acquired site for $1.554 million; granted long-term lease to developer for $1/year • Granted $3.4 million pre-development loan • Granted 25% density bonus • Waived covered parking requirement
Other subsidies	LIHTC ($15 million), HOME, AHP

Foss Creek Villas

Foss Creek Circle

No. of units	40
Type	Owner
Targets	Families
Affordability	2 Moderate-income
Year occupied	2008
Amenities	• Community pool and club house • Carport and additional assigned parking space • Installed washer/dryer • Pool
City contributions	• Condition of approval for condominium conversion

Habitat for Humanity Project

513 University Avenue

No. of units	2
Type	Owner
Target	Families
Affordability	2 Low-income
Developer	Habitat for Humanity
City contributions	• Development fees • Lot purchase • Loans

Harvest Grove Apartments

205-293 W. Grant Street

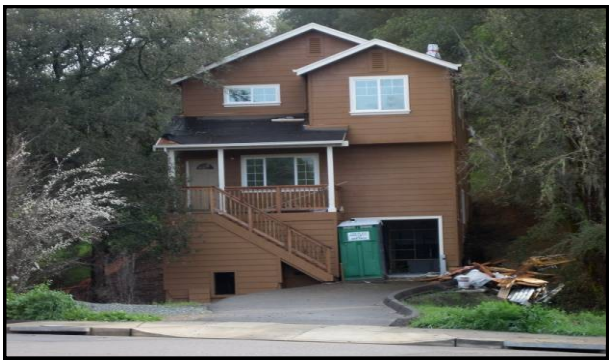
No. of units	44
Project area	3 acres
Density	14.7 units per acre
Type	Rental
Target	Farmworker families Disabled (3 units)
Affordability	43 Very low-income 1 Moderate-income
Year occupied	1996
Developer	Burbank Housing
Amenities	• Covered parking • Community building • Playground • Community garden • 4-bedroom units (12)
City contributions	• Pre-development loan ($45,000) • Site acquisition & construction loan ($440,000)
Other subsidies	CDBG, USDA, FmHA

Community garden

Playground and community building

Inclusionary Housing Units

Project	Fanny Hill
No. of units	1
Type	Ownership
Target	Families
Affordability	Low-income
Year occupied	2009



Project	The Grove Lofts
No. of units	2
Type	Ownership
Target	Families
Affordability	1 Low income 1 Moderate income
Year occupied	2008/2009

Project	Healdsburg Commons
No. of units	2
Type	Ownership
Target	Families
Affordability	2 Low income
Year occupied	2008/2009

Project	Sienna Pointe
No. of units	1
Type	Ownership
Target	Families
Affordability	Low income
Year occupied	2005

Oak Grove Apartments

1570-1592 Grove Street

No. of units	81
Project area	5.86 acres
Density	14 units per acre
Type	Rental
Target	Families
Affordability	41 very low-income 40 low-income
Year occupied	1999
Developer	Alpha Group
Amenities	• Pool • Playground • Community building
City contributions	• Applied affordable housing overlay to site • Waived covered parking requirement • Reduced riparian setback • Paid for fire truck to serve three-story buildings
Other subsidies	CalHFA, LIHTC

Playground

Pool

Community building

Palomino Court

1716-1748 Palomino Court

No. of units	15
Project area	2.56 acres
Density	5.9 units per acre
Type	Owner
Target	Families
Affordability	3 Low-income 12 Moderate-income
Year occupied	2004
Developer	City of Healdsburg
Amenities	• Garages • Front yards • Fenced rear yards
City contributions	• Acquired site • Rezoned site to R-1-3500 to allow small lots, reduced setbacks & lot widths • Solicited developer • Granted second mortgages ($100,500 per unit)
Other subsidies	USDA, HCD, SHOP

Park Land Senior Apts.

1651-1669 Rosewood Drive

No. of units	23
Project area	1.34 acres
Density	17 units per acre
Type	Rental
Target	Seniors
Affordability	22 Very low-income 1 Moderate-income
Year occupied	1999
Developer	Burbank Housing
Amenities	• Community building • Patios
City contributions	• Acquired site and donated to developer • Solicited developer • Construction loan ($633,500) • Density bonus (18%) • Granted setback variance • Reduced parking and waived covered requirement
Other subsidies	HOME, CDBG, AHP, CalHFA, LIHTC, RHCP

Community building

Quarry Ridge

141-197 Quarry Ridge

No. of units	20
Project area	1.93 acres
Density	10.4 units per acre
Type	Owner
Target	Farmworker families
Affordability	Low-income
Year occupied	2001
Developer	Burbank Housing
Amenities	• Garages • Front yards • Fenced rear yards
City contributions	• Acquired site & sold to developer for $300,000 • Rezoned site to PD to allow small lots, reduced setbacks & lot widths, tandem parking • Worked with original families who contributed sweat equity
Other subsidies	USDA, HCD, SHOP

Riverfield Homes

1-35 Adeline Way

No. of units	18
Project area	.92 acres
Density	18.5 units per acre
Type	Rental
Target	Families
Affordability	17 Low-income 1 Moderate-income
Year occupied	1995
Developer	Riverfield Homes
Amenities	• Covered parking • Common open space • Playground
City contributions	• Density bonus • Loan ($135,000) • Deferred mortgage loan ($253,000)
Other subsidies	CDBG, HOME, LIHTC

Sonata Development

607-703 Larkspur Drive

No. of units	37
Type	Owner
Targets	• Families
Affordability	6 Low-income
Year occupied	2010
Developer	DR Horton

Victory Apartments

308 East Street

No. of units	4
Project area	.25 acres
Type	Rental
Targets	• Homeless families and families in danger of becoming homeless • Female-headed households
Affordability	Extremely low-income Very low-income
Year occupied	2002
Developer	City of Healdsburg
City contributions	• RDA funds used to acquire site ($400,000) • Obtained CDBG funding ($210,000) • Rehabilitated 4 existing apartments • Partnered with North County Community Services (NCCS) to identify families in need and manage project

Victory Apartments before rehabilitation

Victory Apartments following rehabilitation

Victory Studios

306 East Street

No. of units	7
Project area	.25 acres
Density	44 units per acre
Type	Rental
Targets	• Homeless families and families in danger of becoming homeless • Disabled individuals
Affordability	Extremely low-income Very low-income
Year occupied	2010 (anticipated)
Developer	City of Healdsburg
City contributions	• RDA funds used to prepare plans and construct project ($696,000) • Will partner with North County Community Services to identify families in need and manage project

Appendix C: Potential Residential Development

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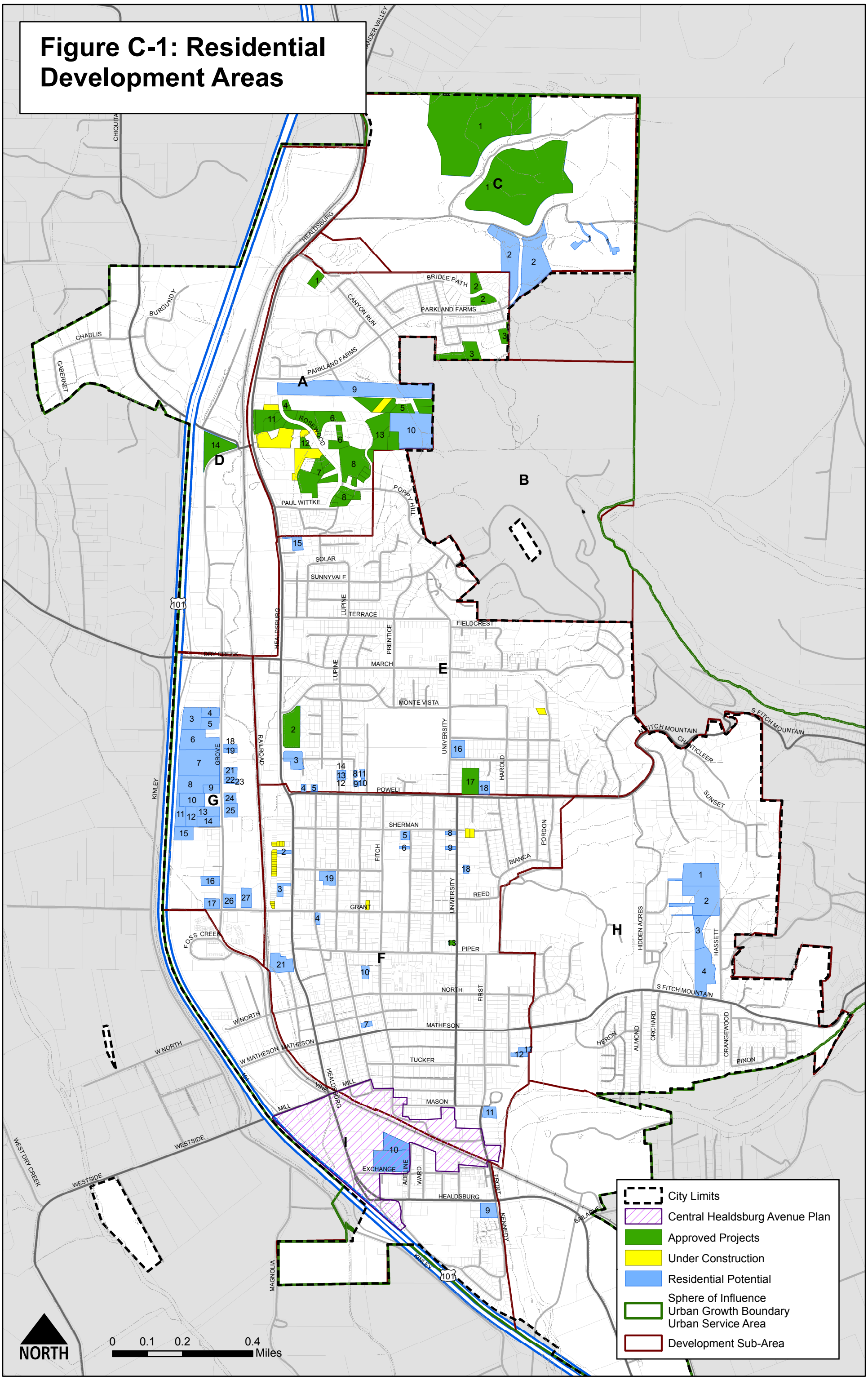
Figure C-1: Residential Development Areas



Source: City of Healdsburg, 2014
Map Date: 5/16/2014

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Table C-1 Residential Development Potential within Healdsburg City Limits

Map No.	APN(s)	Address or Project Name	Site area	GP	Potential Units Min. Den.	Potential Units Max. Den.	Zoning	Existing Uses	Site Constraints
A-9	091-040-071	Banducci	11.68	VLR	5	11	R-1-40000	vacant	trees, slopes
A-10	003-210-013	Canyon Run Hills II	7.42	VLR	3	7	R-1-40000	vacant	trees, slopes, faults, wetlands
C-2	091-040-004, 061	Saggio Hills Affordable Housing Site	14.16	MHR	86	150	R-1-3500	vacant	creek setback
E-3	002-850-042	1034 Healdsburg	1.52	HR	15	30	RM	vacant	noise
E-5	002-850-041	119 Powell	0.22	MR	1	2	R-1-6000	vacant	none
E-8	002-850-043	973 Linda View	0.12	MR	1	1	R-1-6000	vacant	none
E-9	002-850-044	968 Linda View	0.13	MR	1	1	R-1-6000	vacant	none
E-10	002-850-047	974 Linda View	0.18	MR	1	1	R-1-6000	vacant	none
E-11	002-850-048	980 Linda View	0.18	MR	1	1	R-1-6000	vacant	none
E-12	002-470-039	972 Lupine	0.16	MR	1	1	R-1-6000	vacant	none
E-13	002-470-040	974 Lupine	0.16	MR	1	1	R-1-6000	vacant	none
E-14	002-470-041	976 Lupine	0.16	MR	1	1	R-1-6000	vacant	none
E-15	003-050-051	1566 Healdsburg	0.16	MR	1	1	ORM	vacant	none
E-16	002-433-005	1010 University	1.43	MR	4	8	R-1-6000	vacant	none
E-18	002-432-036	541 Powell	0.73	MR	3	4	R-1-6000	vacant	none
E-19	002-470-014, 015	205, 215 Powell	0.65	MR	2	4	R-1-6000	2 SFD	none
F-2	002-043-007	715 Healdsburg	0.25	O/HR	2	4	ORM	vacant	none
F-3	002-093-007	627 Healdsburg	0.46	O/HR	7	7	ORM	vacant	none
F-4	002-111-026	126 Grant	0.27	O/HR	2	4	ORM	vacant	none
F-5	002-051-013	733 College	0.37	MR	1	2	R-1-6000	vacant	none
F-6	002-051-005	725 College	0.15	MR	1	1	R-1-6000	vacant	none
F-8	002-062-017	743 University	0.17	MR	1	1	R-1-6000	vacant	none
F-9	002-062-011	731 University	0.17	MR	1	1	R-1-6000	vacant	none
F-10	002-161-024	Alley 4	0.52	DR	4	4	DRD	vacant	none
F-11	002-281-019, 020	88, 90 Front	1.14	HR	11	23	RM	SFD	river setback, access
F-12	002-221-019	210 Second	0.36	MR	1	1	R-1-6000	vacant	trees
F-17	002-221-002	218 Second	0.42	MR	1	1	R-1-6000	vacant	none
F-18	002-061-019	706 University	0.15	MR	1	1	R-1-6000	vacant	none
F-19	002-091-015	639 Johnson	1.07	MR	3	6	R-1-6000	vacant	none
F-20	002-011-028/030	514, 518, 524 Sherman	0.62	MR	3	3	R-1-6000	vacant	none
G-3	089-081-010	15119 Grove	2.16	MR	6	11	R-1-6000	SFD	none
G-4	089-081-006	15135 Grove	1.00	GMU	3	5	MU	SFD	none
G-5	089-081-007	15105 Grove	1.13	GMU	3	5	MU	SFD	none
G-6	089-081-013	1069 Grove	2.86	MR	8	14	R-1-6000	SFD	none
G-6	089-081-013	1069 Grove	0.92	GMU	3	5	MU	vacant	none
G-7	089-120-004	979 Grove	3.41	MR	10	17	R-1-6000	vacant	none
G-7	089-120-004	979 Grove	1.67	GMU	5	10	MU	SFD	none

Map No.	APN(s)	Address or Project Name	Site area	GP	Potential Units Min. Den.	Potential Units Max. Den.	Zoning	Existing Uses	Site Constraints
G-8	089-120-067	795 Grove	3.46	MR	10	17	R-1-6000	vacant	none
G-8	089-120-067	795 Grove	0.70	GMU	2	4	MU	vacant	none
G-9	089-120-066	14915 Grove	0.69	GMU	2	4	MU	SFD	none
G-10	089-120-070	14983 Grove	1.79	MR	5	9	R-1-6000	2 units	none
G-11	089-120-074	845 Grove	0.50	MR	2	5	R-1-6000	SFD	trees
G-12	089-120-073	14833 Grove	1.15	MR	4	6	R-1-6000	SFD	none
G-13	089-120-071	14851 Grove	1.17	GMU	3	6	MU	SFD	none
G-14	089-120-072	14831 Grove	1.15	GMU	3	6	MU	SFD	none
G-15	089-120-040	no address	1.30	MR	5	10	R-1-6000	vacant	none
G-16	089-130-009	14685 Grove	0.99	MR	3	5	R-1-6000	SFD	none
G-17	089-130-006	14615 Grove	0.92	MR	3	5	R-1-6000	2 units	trees
G-18	089-082-031	1040 Grove	0.30	GMU	2	2	MU	vacant	none
G-19	089-082-032	1020 Grove	0.30	GMU	2	2	MU	vacant	none
G-21	089-120-080	14984 Grove	0.54	GMU	2	2	MU	SFD	none
G-22	089-120-047	14960 Grove	0.41	GMU	2	2	MU	vacant	none
G-23	089-120-021	14936 Grove	0.36	GMU	2	2	MU	SFD	none
G-24	089-120-062	900 Grove	0.56	GMU	2	2	MU	SFD	none
G-25	089-120-078	14850 Grove	0.92	GMU	2	5	MU	SFD	none
G-27	002-101-001	25 W. Grant	1.09	MR	3	3	R-1-6000	B&B	trees
H-1	002-610-018		4.35	LR	1	2	R-1-20000	vacant	trees, slopes, aesthetics, utilities
H-2	002-610-017	622 Coghlan	5.01	LR	2	5	R-1-20000	vacant	
H-3	002-640-009	456 Hidden Acres	2.72	LR	1	2	R-1-20000	vacant	
H-4	002-640-014		4.04	LR	4	6	R-1-20000	vacant	
I-9	088-170-003	3 Healdsburg	1.25	HR	13	25	RM	5 units	river setback
I-10	002-261-020 002-303-010	Opperman Property	5.63 4.00	TR TR	16 40	49 120	RM	Industrial	none
				Totals	**340**	**656**			

Table C-2 Residential Units Under Construction

Project	Unit Type	Income Group				Total
		Very Low	Low	Moderate	Above Moderate	
235 Clear Ridge	SFD				1	1
233 Grant Street	2nd unit		1			1
607 Larkspur Drive	SFD				1	1
611 Larkspur Drive	SFD				1	1
627 Larkspur Drive	SFD				1	1
667 Larkspur Drive	SFD				1	1
671 Larkspur Drive	SFD				1	1
675 Larkspur Drive	SFD				1	1
679 Larkspur Drive	SFD				1	1
683 Larkspur Drive	SFD				1	1
703 Larkspur Drive	SFD				1	1
711 Larkspur Drive	SFD				1	1
719 Larkspur Drive	SFD				1	1
723 Larkspur Drive	SFD				1	1
727 Larkspur Drive	SFD				1	1
735 Larkspur Drive	SFD				1	1
270 Long Acres	SFD				1	1
45 Marigold Way	SFD				1	1
55 Marigold Way	SFD				1	1
65 Marigold Way	SFD				1	1
75 Marigold Way	SFD				1	1
85 Marigold Way	SFD				1	1
122 Moonlight Drive	SFD				1	1
1593 Rosewood Drive	SFD				1	1
1589 Rosewood Drive	SFD				1	1
1572 Rosewood Drive	SFD				1	1
518 Sherman Street	SFD				1	1
120 Sienna Ct	SFD				1	1
1113 Sunnyside Drive	2nd unit		1			1
Totals			**2**		**27**	**29**

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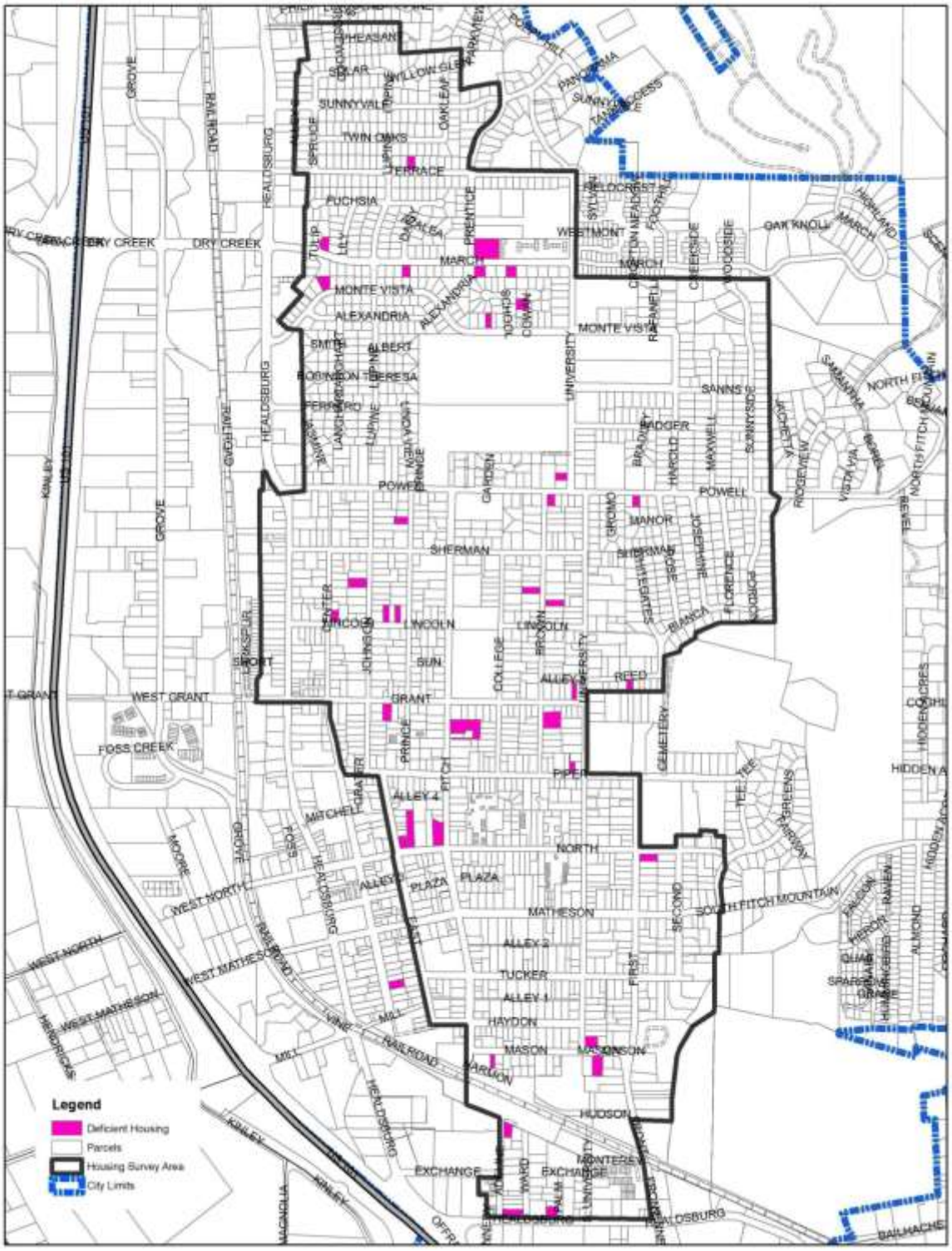
Appendix D: Deficient Housing Locations

FIGURE D DEFICIENT HOUSING LOCATIONS



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Appendix E: State Funding Programs

CalHOME Program

Purpose	Enable low and very-low income households to become or remain homeowners.
Assistance Type	Grants to local public agencies and nonprofit developers to assist individual households with deferred-payment loans. Direct, forgivable loans to assist development projects involving multiple ownership units, including single family subdivisions.
Terms	*Grants* to local public agencies or nonprofit corporations for first-time homebuyer down payment assistance, home rehabilitation, including manufactured homes not on permanent foundations, acquisition and rehabilitation, homebuyer counseling, self-help mortgage assistance programs, or technical assistance for self-help homeownership. All funds to individual homeowners will be in the form of loans. *Loans* for real property acquisition, site development, predevelopment, construction period expenses of homeownership development projects, or permanent financing for mutual housing and cooperative developments. Project loans to developers may be forgiven as developers make deferred-payment loans to individual homeowners. Assistance to individual households will be in the form of deferred-payment loans, payable on sale or transfer of the homes, or when they cease to be owner-occupied, or at maturity.
Eligible Activities	Predevelopment, site development, and site acquisition for development projects. Rehabilitation, and acquisition and rehabilitation, of site built housing. Purchase of mobile homes and manufactured homes, including the land beneath the home, and the rehabilitation, repair and replacement of manufactured homes. Down payment assistance, mortgage financing, homebuyer counseling, and technical assistance for self-help projects.
Eligible Applicants	Local public agencies and nonprofit corporations.
Application Procedure	Applications will be invited through the issuance of Notices of Funding Availability (NOFAs).
Contact	(916) 327-3646 or http://www.hcd.ca.gov/fa/calhome

Emergency Housing and Assistance Program Capital Development (EHAPCD)

Purpose	Fund capital development activities for emergency shelters, transitional housing and safe havens that provide shelter and supportive services for homeless individuals and families.
Assistance Type	Deferred payment loans at 3 percent simple interest, forgiven when loan term is complete. Term ranges from 5 to 10 years based on the development activity.
Terms	A competitive application process is announced annually via a Notice of Funding Availability (NOFA). Eighty percent of the total allocation is available to urban counties, and 20 percent to non-urban counties.
Eligible Activities	Acquiring, constructing, converting, expanding or rehabilitating emergency shelter or transitional housing sites, major equipment purchase, and administration of the award (limited to 5 percent).
Eligible Applicants	Local government agencies and nonprofit corporations that shelter the homeless on an emergency or transitional basis, and provide support services.
Application Procedure	When funds are available, applications are invited through issuance of Notices of Funding Availability (NOFAs). In some counties, Designated Local Boards (DLBs) develop local capital development priorities and advise HCD on the relative merits of applications in their counties. Applications are rated and ranked competitively when the demand for funds exceeds the annual allocation. HCD enters into Standard Agreements with the sponsors of successful applications.
Contact	(916) 445-0845 or e-mail homeless@hcd.ca.gov

Emergency Housing and Assistance Program Operating Facility Grants (EHAP)

Purpose	Provide facility operating grants for emergency shelters, transitional housing projects, and supportive services for homeless individuals and families.
Assistance Type	Grants
Terms	Fourteen-month grants. Each county receives a formula grant allocation. Twenty percent of the total allocation is available to non-urban counties, and 80 percent to urban counties.
Eligible Activities	Providing direct client housing, including facility operations and administration, residential rental assistance (move-in deposits and eviction prevention), leasing or renting rooms for provision of temporary shelter, capital development activities of up to $20,000 per site, and administration of the award (limited to 5 percent).
Eligible Applicants	Local government agencies and nonprofit corporations that shelter the homeless on an emergency or transitional basis, and provide supportive services.
Application Procedure	Applications are requested through Notices of Funding Availability (NOFAs). In some counties, Designated Local Boards (DLBs) develop local strategies to allocate EHAP funding, and rate and recommend applications. Where no DLB exists, applications are submitted directly to HCD/EHAP. Contact EHAP staff to determine where applications should be sent.
Contact	(916) 327-3607, or e-mail homeless@hcd.ca.gov

Federal Emergency Shelter Grant Program (FESG)

Purpose	Fund emergency shelters, services and transitional housing for homeless individuals and families.
Assistance Type	Grants
Terms	One- or two-year grants. HCD distributes FESG funds to shelter providers.
Eligible Activities	Shelter maintenance, operating costs, rent and essential services such as transportation, life skills, legal aid and counseling, to help the homeless transition into permanent housing and independent living. Renovation and rehabilitation funds are also available.
Eligible Applicants	Local government agencies and nonprofit organizations in communities that do not receive shelter funds directly from the U.S. Department of Housing and Urban Development (HUD). Local nonprofit shelter and service organizations may also receive funds as service providers working in cooperation with local government agency applicants.
Application Procedure	When HUD allocates funds to the state FESG program, applications are invited through issuance of a Notice of Funding Availability (NOFA). Typically, NOFAs are issued in February or March and awards are announced in August or September.
Contact	(916) 445-0845 or e-mail homeless@hcd.ca.gov

HOME Investment Partnerships Program (HOME)

Purpose	Assist cities, counties and nonprofit community housing development organizations (CHDOs) to create and retain affordable housing.
Assistance Type	Assist cities, counties and nonprofit community housing development organizations (CHDOs) to create and retain affordable housing.
Terms	A 25 percent match is required, unless waived. Maximum grants are: • $4 million for rental projects that do not propose using 9 percent Federal Low Income Housing Tax Credits; • $2 million for rental projects that propose using 9 percent tax credits; • $5 million for rental projects that include deep targeting per the 2005 Rental Project NOFA; • $2 million for home ownership projects; • $800,000 for multi-activity HOME programs; • $150,000 for American Dream programs only. At least 50 percent of funds will be awarded to rural applicants. Most assistance is in the form of loans by city or county recipients to project developers, to be repaid to local HOME accounts for reuse. Rental developments are subject to the HCD Uniform Multifamily Regulations (UMRs), Title 25, sections 8300-8316. At least 15 percent of total state HOME funds are set aside for CHDOs.
Eligible Activities	Rehabilitation, new construction, and acquisition and rehabilitation of single family and multifamily housing projects, and predevelopment loans by CHDOs. All activities must benefit lower-income renters or owners.
Eligible Applicants	Cities and counties that do not receive HOME funds directly from the U.S. Department of Housing and Urban Development (HUD), and current state-certified CHDOs proposing activities in eligible communities.
Application Procedure	Applications are invited through issuance of Notices of Funding Availability (NOFAs).
Contact	(916) 322-0356 or home@hcd.ca.gov

Joe Serna, Jr. Farmworker Housing Grant Program (Serna): Rental Component

Purpose	Finance the new construction, rehabilitation, and acquisition of rental housing units for agricultural workers, with a priority for lower-income households.
Assistance Type	Grants and loans to assist the development or rehabilitation of rental housing projects for agricultural worker households. A match of at least 100 percent is required for the primary program.
Terms	*Rental New Construction or Rehabilitation Grants:* Lien restrictions for assisted units are required for 40 years. If assisted units are sold for other than farmworker housing before the 40th year, under most circumstances the grant must be repaid in full. *Rental New Construction or Rehabilitation Loans:* Lien restrictions for assisted units are required for 55 years. Loans may be made only in conjunction with low-income tax credit financing.
Eligible Activities	Activities incurring costs in the development of rental housing for agricultural workers, including land acquisition, site development, construction, rehabilitation, design services, operating and replacement reserves, repayment of predevelopment loans, provision of access for the elderly or disabled, relocation, homeowner counseling, and other reasonable and necessary costs.
Eligible Applicants	Local government agencies; nonprofit corporations; cooperative housing corporations; limited partnerships where all the general partners are nonprofit public benefit corporations, limited liability companies or a combination of nonprofit public benefit corporations and limited liability companies; limited liability companies where all the members are nonprofit public benefit corporations; and federally recognized Indian tribes. Eligible beneficiaries of grants or loans are households with at least one person who derives, or previously derived, a substantial portion of their income from agricultural employment.
Application Procedure	Applications are invited by issuance of a Notice of Funding Availability (NOFA), and are either received and reviewed on a continuous basis, or rated and ranked on a competitive basis as set forth in the NOFA.
Contact	(916) 445-0110 or http://www.hcd.ca.gov/fa/fwhg/

Multifamily Housing Program: General Component (MHP-General)

Purpose	Provide low-interest loans to developers of affordable rental housing developments. Funds may be used for permanent multifamily rental and transitional housing projects involving new construction, rehabilitation, acquisition and rehabilitation, or conversion of nonresidential structures. Special allocations are made for units that are lawfully restricted to senior citizens. Priority points will be given to projects using sustainable building methods that are established in state regulations.
Assistance Type	Deferred payment loans
Terms	Loans will have a 55-year term, and bear simple interest at the rate of 3 percent per year. For the first 30 years, annual interest payments of 0.42 percent of the outstanding principal balance will be required. The annual payment amount for the next 25 years will be set by HCD in year 30, at the minimum amount necessary to cover HCD monitoring costs. Unpaid principal and interest will be due at the end of the loan term.
Eligible Activities	MHP funds will be provided as permanent financing only. Eligible costs include project development capital costs, including child care, afterschool care and social service facilities integrally linked to the restricted housing units. Capital costs may involve real property acquisition; refinancing to retain affordable rents; necessary onsite and offsite improvements; reasonable fees and consulting costs; and capitalized reserves.
Eligible Applicants	Sponsors and borrowing entities may be organized on a for-profit or not for-profit basis. Any individuals, public agency or private entity capable of entering into a contract is eligible to apply, provided they or their principals have successfully developed at least one affordable housing project.
Application Procedure	Applications are invited through the issuance of Notices of Funding Availability (NOFAs).
Contact	(916) 323-3178 or http://www.hcd.ca.gov/fa/mhp/

Multifamily Housing Program: Supportive Housing Component (MHP-SH)

Purpose	Provide low-interest loans to developers of permanent affordable rental housing developments that contain supportive housing units. Funds may be used for new construction, rehabilitation, acquisition and rehabilitation, or conversion of nonresidential structures. Priority points will be given to projects using sustainable building methods that are established in state regulations. The number of supportive units in a project must equal the greater of five, or 35 percent of the total units, and they must have associated supportive services for households who are currently homeless, moving from shelters or transitional housing, or who are at risk of homelessness, and have disabilities.
Assistance Type	Deferred payment loans
Terms	Loans will have a 55-year term, and bear simple interest at the rate of 3 percent per year. For the first 30 years, annual interest payments of 0.42 percent of the outstanding principal balance will be required. The annual payment amount for the next 25 years will be set by HCD in year 30, at the minimum amount necessary to cover HCD monitoring costs. Unpaid principal and interest will be due at the end of the loan term.
Eligible Activities	MHP-SH funds will be provided as permanent financing only. Eligible costs include project development capital costs, including child care, after-school care and social service facilities integrally linked to the restricted housing units. Capital costs may involve real property acquisition; refinancing to retain affordable rents; necessary onsite and offsite improvements; reasonable fees and consulting costs; and capitalized reserves.
Eligible Applicants	MHP-SH funds will be provided as permanent financing only. Eligible costs include project development capital costs, including child care, after-school care and social service facilities integrally linked to the restricted housing units. Capital costs may involve real property acquisition; refinancing to retain affordable rents; necessary onsite and offsite improvements; reasonable fees and consulting costs; and capitalized reserves.
Application Procedure	Applications are invited through the issuance of Notices of Funding Availability (NOFAs).
Contact	(916) 323-3178 or http://www.hcd.ca.gov/fa/mhp/

Predevelopment Loan Program (PDLP)

Purpose	Provide predevelopment capital to finance the start of low-income housing projects.
Assistance Type	Short-term loans
Terms	Three percent simple annual interest loans for up to two years. Maximum loan amount–except for site option or site purchase–is $100,000. The maximum amount committed to any one borrower at any point in time is announced in each Notice of Funding Availability (NOFA).
Eligible Activities	Three percent simple annual interest loans for up to two years. Maximum loan amount–except for site option or site purchase–is $100,000. The maximum amount committed to any one borrower at any point in time is announced in each Notice of Funding Availability (NOFA).
Eligible Applicants	Local government agencies, nonprofit corporations, cooperative housing corporations, limited partnerships where all the general partners are nonprofit public benefit corporations, or limited liability companies where all members are nonprofit public benefit corporations.
Application Procedure	Applications are accepted and evaluated, and funds awarded, on a continuous basis as funds are available.
Contact	(916) 445-0877 or http://www.hcd.ca.gov/fa/pdlp/

State Community Development Block Grant Program (CDBG): General, Native American and Colonias

Purpose	Provide Federal CDBG program benefits to non-entitlement cities and counties. Funds housing activities, public improvements, public facilities, and public service projects serving lower-income people in small, typically rural communities.
Assistance Type	Grants
Terms	Maximum grant amount is $1.5 million, not including additional amounts available under the Native American and Colonias Allocations. Grants must address one of three national objectives: Benefit to low and moderate income persons, Aid in the prevention or elimination of slums and blight, or To meet an urgent need.
Eligible Activities	*Housing,* including single and multifamily rehabilitation, rental housing acquisition or homeownership assistance, and activities that support new housing construction. *Public Improvements,* including water and wastewater systems, rural electrification, and utilities such as gas services. *Public Facilities,* including day care centers, domestic violence shelters, food banks, community centers, medical and dental facilities, and fire stations. *Public Services,* including staff and operating costs associated with the community facilities.
Eligible Applicants	*State CDBG General Allocation:* non-entitlement jurisdictions, cities with populations under 50,000 and counties with populations under 200,000 in unincorporated areas that do not participate in the U.S. Department of Housing and Urban Development (HUD) CDBG entitlement program. *Native American Allocation:* non-entitlement jurisdictions that apply to assist non-federally recognized Native American communities. *Colonias Allocation:* distressed jurisdictions within 150 miles of the California-Mexico border that contain colonias areas as defined by the National Affordable Housing Act of 1990.
Application Procedure	Applications are invited through annual Notices of Funding Availability (NOFAs).
Contact	(916) 552-9398 or cdbg@hcd.ca.gov

California Homebuyer's Downpayment Assistance Program (CHDAP)

Purpose	Provide down payment assistance for first-time homebuyers who meet specified moderate income limits.
Assistance Type	Deferred-payment junior loan
Terms	Up to 3 percent of the purchase price, or appraised value, whichever is less–to qualified borrowers to be used for their down payment or closing costs. This junior loan may be combined with a CalHFA or non-CalHFA first mortgage loan. Sales price subject to CalHFA's published sales price limits for the county in which the property is located.
Eligible Activities	Purchase of a primary residence intended for owner-occupancy, including detached and attached single family residences.
Eligible Applicants	First-time homebuyers who meet specified moderate income limits. A borrower is considered a first-time homebuyer if they have not owned and occupied a home in the past three years. Homebuyer must be a U.S. citizen, permanent resident alien or other qualified alien, if using in conjunction with a CalHFA first mortgage.
Application Procedure	Available through CalHFA-approved lenders
Contact	(877) 922-5432 or homeownership@calhfa.ca.gov

Appendix F: Housing Element Update Public Contact

Group	Area of interest
Sonoma County Housing Advocacy Group	Affordable housing advocacy
Accountable Development Coalition	Affordable housing advocacy
North Bay Housing Coalition	Affordable housing advocacy
National Housing Law Project	Affordable housing advocacy
New Economy Working Solutions	Affordable housing advocacy
Face to Face Sonoma Co. AIDS Network	Disabled
North Bay Regional Center	Disabled
Disability Services & Legal Center	Disabled
Healdsburg Unified School District	Employer
Healdsburg Senior Living Community	Employer
Healdsburg District Hospital	Employer
Alliance Medical Center	Employer
California Human Development Corporation	Farmworkers
United Winegrowers for Sonoma County	Farmworkers
Working Group on Farmworker Housing	Farmworkers
Sonoma County PRMD	Government agency
Sonoma County Task Force on the Homeless	Homeless
YWCA Women's Emergency Shelter Program	Homeless
North County Community Services	Homeless
InterFaith Shelter Network	Homeless
North Coast Builders Exchange	Housing construction
Home Builders Assn. of Northern California	Housing construction
North Bay Labor Council	Housing construction
Sonoma County Alliance	Housing construction
California Housing Council	Housing construction
Bay Area Council	Housing construction
North Bay Association of Realtors	Housing construction
State Building & Construction Trades Council	Housing construction
Eden Housing	Housing developer, non-profit
BRIDGE Housing Corporation	Housing developer, non-profit
Habitat for Humanity of Sonoma County	Housing developer, non-profit
Community Housing Development Corp. of Santa Rosa	Housing developer, non-profit
Ecumenical Association for Housing	Housing developer, non-profit
Non-Profit Housing Assn. of Northern California	Housing developer, non-profit
Burbank Housing	Housing developer, non-profit
Housing Land Trust of Sonoma County	Housing developer, non-profit
Healdsburg Chamber of Commerce	Local interests
Healdsburg Tribune	Local interests
The Town Meeting	Local interests
NAACP	Minority
Indian Education and Development	Minority
Filipino Community Center	Minority
Hispanic Chamber of Commerce of Northern California	Minority
Sonoma County Housing Authority	Non-profit services provider
Community Action Partnership	Non-profit services provider
Community Support Network	Non-profit services provider
Fair Housing of Sonoma County	Non-profit services provider
Sonoma Co. Community Services	Non-profit services provider

Group	Area of interest
The Wellness and Advocacy Center	Non-profit services provider
City of Healdsburg Senior Services	Non-profit services provider
Sonoma County Human Services Dept.	Non-profit services provider
Sonoma County Area Agency on Aging	Non-profit services provider
Greenbelt Alliance	Regional interests
Healdsburg–Sotheby's International Realty	Real Estate Professional
Coldwell Banker, Giovannoni & Cooper Realty	Real Estate Professional
Minuskin Realty	Real Estate Professional
Dayton & Cross Real Estate	Real Estate Professional

Appendix G: Summary of Community Workshops

The following is a summary of the feedback on the Draft Housing Element received during the two community workshops.

Healdsburg Housing Element Update

Community Workshop #1 Summary

May 6, 2014

Workshop Overview

On May 6, 2014, the City conducted a community workshop on the Housing Element Update. The purpose of the workshop was to educate the community on the Housing Element Update and solicit input on the major housing issues facing the city and potential solutions to address the issues. The workshop was held from 6:00 p.m. to 8:00 p.m. at the Annex at Villa Chanticleer. Over 30 participants attended the workshop.

To advertise the workshop, the City sent an email to several email contact lists announcing the community workshop, including 237 people on the City's e-notify list, 70 people on the Central Healdsburg Avenue Special Study Area list serv, and a list of 42 local and regional housing stakeholders compiled by the City and consultants. The City also posted flyers around the city in both English and Spanish, and a newspaper article was published in the Healdsburg Tribune online edition.

City staff opened the meeting with introductions and an overview of the project. The Housing Element Consultants then made a presentation, describing State law requirements for the Housing Element and preliminary findings from the update to the Housing Element Background Report. Following the presentation, workshop attendees were divided into four groups of 6-7 people and asked to participate in workshop exercises that focused on identifying and prioritizing housing issues and potential policy solutions. Each group elected a "recorder" to write down all the comments and a "reporter" to report out the results at the end of the exercises.

In the first exercise, participants were asked to identify the most significant housing issues in Healdsburg and, as a group, select the top three issues. In the second exercises, participants were asked to brainstorm potential solutions to each of the top issues. In the third exercises, participants were given the opportunity to identify "other big ideas" related to improving housing opportunities in Healdsburg.

The issues that were most commonly identified by participants included the following:

- A need for more "workforce housing;"
- A shortage of rental units;
- The impact of second homes and vacation rentals;
- A lack of diverse housing types; and
- The unintended consequences of the Growth Management Ordinance.

Lack of Workforce Housing

One of the issues that was stated most frequently at the workshop was the lack of affordable "workforce" housing for young families and those who work in the community and earn a moderate income. "Workforce housing" refers to housing that is affordable to the people that provide vital services in a community – school teachers, firefighters, police officers, restaurant and hotel workers, and other service related workers. Many participants expressed concern over the lack of housing options for these middle-income wage earners and their families who are getting "squeezed" out of the housing market as prices continue to rise in Healdsburg.

Participants identified several potential solutions to address the lack of workforce housing, including encouraging more diverse housing types that are affordable by design, such as higher density housing, mixed use development, and live/work units. Others suggested making better use of secondary dwelling units by increasing maximum size. Participants also suggested exploring new funding mechanisms for affordable housing, including reserving a portion of transient occupancy tax (TOT) revenues or development impact fees for affordable housing, or studying creative financing mechanisms. Several participants recognized that the Growth Management Ordinance (GMO) adopted in 2000, has had the unintended consequence of making low- and mid-priced housing more challenging to deliver. Others stated that the GMO was inflating housing prices. One recommendation was to use GMO allocations to direct a higher proportion of construction toward middle priced products.

Shortage of Rental Units

Another significant issue that was discussed at the workshop was the shortage of available rental units in Healdsburg, including deed-restricted affordable rentals. Vacancy rates in the rental market are extremely low or non-existent. Participants suggested providing incentives for rental units and multi-family units, allowing increased densities for multi-family units, and exploring new tools, creative financing models, and other ways to replace funding lost with the dissolution of the Redevelopment Agency. Those who expressed a need for more affordable rentals, suggested using deed-restrictions to preserve existing affordable rental units and City support for Senate Bill (SB) 391, the California Homes and Jobs Act of 2013, which would establish a permanent source of State funding for affordable housing. Some participants also

suggested the City advocate for a portion of Cap and Trade funding to be reserved for affordable housing and other legislation that would create funding sources for affordable housing.

Impact of Second Homes and Vacation Rentals

The impact of the tourism economy on the local housing market was discussed as a significant issue. Participants stated that buyers of second homes are driving up prices and competing with permanent residents for a limited supply of homes, and the prevalence of short-term vacation rentals are limiting the availability of long-term rentals for city residents. Participants also observed that the growing emphasis on tourism in changing the character of the community. Some participants expressed a need for the City to enforce existing regulations that prohibit short-term vacation rentals in the city, and the need for zoning and regulatory changes. Others felt that encouraging a greater diversity of housing would alleviate the issue. One group suggested that the City might restrict some housing for people who intend to live and work in the community.

Lack of Diverse Housing Types

With changing norms in housing size, household make-up, and life stage, many recognized that more contemporary housing forms, such as mixed use, live/work, smaller micro or cottage units, co-housing, and downsized or independent living units are not readily available in Healdsburg. Some participants felt that increasing density to create more cost effective housing types, and more interesting living choices could be offered. Others felt the Growth Management Ordinance should be modified to remove barriers for multi-family housing.

Growth Management Ordinance

A topic that was referenced several times throughout the workshop in relation to the other issues discussed above was the Growth Management Ordinance. Several participants expressed that the GMO is the most significant barrier to more affordable housing in Healdsburg, because it limits the ability to construct housing types that benefit from economies of scale; or it creates a higher price for a limited annual supply of building permits. Many felt that the Growth Management Ordinance should be reexamined to encourage the types of housing needed in Healdsburg, with an emphasis placed on infill locations or higher allocations to more workforce priced housing products.

<u>Summary of Workshop Exercises</u>

Group 1

Exercise 1: Major Housing Issues

- Housing for young families
- Affordable workforce housing for existing residents
- Affordable workforce housing for projected residents
- Rising construction costs, including land

- Shortage of rental units
- Impact of vacation rentals
- Impact of 2nd and 3rd homes

Top 3 Issues

1. Affordable workforce housing

2. Shortage of rental units

3. Impact of 2nd and 3rd homes

Exercise 2: Solutions to Housing Issues

1. Affordable workforce housing for existing residents

    a. Aspirational housing models that attract new industries

    b. More live/work units

    c. Consider height, density, and other requirements (exceptions)

    d. Creative financing models

    e. Encourage mixed-use

2. Shortage of rental units

    a. Revisit requirements, provide incentives

    b. Creative financing

    c. Keep affordable housing in affordable stock

    d. Impact of 2nd and 3rd homes

    e. Enforce regulations for vacation rentals

    f. Develop political will for solutions

    g. Develop creative partnerships

Exercise 3: Other Big Ideas

- Encourage co-housing
- Develop creative partnerships
- Incentives for reuse or renovations
- Diversity of housing types

Group 2

Exercise 1: Major Housing Issues

- Overcrowding within dwelling units
- Affordable of all types/ workforce (lack of flexible models)
- Lack of housing for cooperative option/ flexibility
- Maintain quality of life while addressing affordability
- Growth management ordinance as a barrier
- Perception of scarcity of housing/ quality and scarcity drive values up–occasional users competing for stock
- Absentee ownership impacting housing stock and prices
- Real vs. small/ livability
- Broad definition of affordability
- Substandard housing (especially apartments)
- Alternative housing types

Top 3 issues:

1. Lack of broader definition of housing quality and flexibility/diversity

2. Growth management ordinance: unintended consequences, hidden barrier

3. Real vs. small absentee ownership

Exercise 2: Solutions to Housing Issues

1. Lack of broader definition of housing quality and flexibility/diversity

    a. Policy allowing/encouraging greater flexibility (height, density, code)

    b. Co-housing/ common area–financing problem

    c. Modeling solutions to the public

    d. More multifamily, greater density (GMO, absentee)

    e. Creative financing

2. Growth management ordinance: unintended consequences, hidden barrier

    a. Ballot measure

    b. Process oriented vs. outcome oriented

3. Absentee ownership/real vs. small

    a. Scarcity: hotel rooms, housing, Air BNB

    b. Need a greater supply of housing, diversity of housing types

Group 3

Exercise 1: Major Housing Issues

- No rentals, no vacancies
- Little middle-income housing
- Very-low income housing exists
- No workforce housing
- Wine industry-low-no diversity
- Can't rent, can't afford to buy
- Missing middle-income housing
- Professional housing lacking
- Vacation rentals–can't enforce ban on rentals
- Preserving affordability
- Aging population–can't downside (nothing available)
- Renting vs. ownership–need both
- Healdsburg has senior/low income housing but still missing middle income housing
- Supply–permits limited
- $$
- Deferred money–need funding sources

Top 3 Issues

1. Missing middle (workforce) housing

2. Lack of long-term rentals

3. Non-community absorption of our housing stock

Exercise 2: Solutions to Housing Issues

1. Missing middle (workforce) housing

    a. Since GMO inflates housing prices, consider increasing number of permits

    b. Building costs, prevailing wages because of government funding

    c. Change GMO to encourage workforce housing

d. Need mechanism for permanent affordability

e. Public sector for financing redevelopment

2. Lack of long-term rentals

a. $$ Redevelopment Agency

b. City support effort for SB 391 (permanent source)–$7,500

c. Deed restrictions to preserve rental units

3. Non-community absorption of our housing stock

a. Tighten down on transient (hotel tax) vacation rental (under 30-day)

b. Enforce policy

c. Emphasis on tourism is changing community, change zoning regulatory constraints

d. Does not address local citizen's need, limit type of business (tasting rooms)

Exercise 3: Other big Ideas

- Support efforts for more $$ Tiny houses–for ownership
- More infill
- Need a new source of funding for RDA not tied to State government
- Linkage fee
- Need a bond guarantee agency to support workforce housing projects
- Creative with housing stock (different types)
- Use Land Trust for co-housing

Group 4

Exercise 1: Major Housing Issues

- Segment for moderate-income to very low-income housing not available
- Lack of affordable houses to buy
- Lack of affordable rentals
- Difficulty in locating and building concentrated affordable housing

Top 3 Issues

1. Not enough moderate-low-income housing and rentals

2. Lack of funding for affordable development

3. GMO is restricting housing development

Exercise 2: Solutions to Housing Issues

1. Not enough moderate-low-income housing and rentals

    a. Encourage 2nd units–lower recently raised City fees

    b. Use increasing TOT fees (and building fees) to seed affordable housing development

    c. City could restrict housing to those who intend to either live here or rent

2. Lack of funding for affordable development

    a. Advocate for SB 391; 20% of cap and trade and other legislation that brings money back to our county

3. GMO is restricting housing development

    a. Modify GMO to allow projects to be developed

Exercise 3: Other Big Ideas

- More publicity for meetings on this subject
- Put back RDA for affordable housing
- Increase size of second units
- Lower taxes/permit fees for moderate housing
- "Tiny house" housing projects
- Sensitive planning related to affordable housing lots; not in industrial zones

Healdsburg Housing Element Update

Community Workshop #2 Summary

July 9, 2014

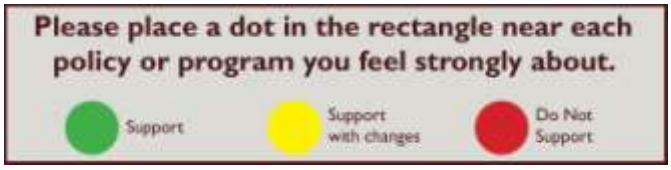
Workshop Overview

On July 9, 2014, the City conducted the second community workshop on the Housing Element Update. The purpose of the workshop was to present the Draft 2015-2023 Housing Element and solicit feedback from the community on the proposed policies and programs. The workshop was held from 6:00 p.m. to 8:00 p.m. at the Healdsburg Community Center. Over 30 community members attended the workshop.

To advertise the workshop, the City sent an email to several email contact lists announcing the community workshop, including 237 people on the City's e-notify list, 70 people on the Central Healdsburg Avenue Special Study Area list serv, and a list of 42 local and regional housing stakeholders compiled by the City and consultants. The City also posted flyers on the City website and in public locations around the city in both English and Spanish, and a newspaper article was published in the Press Democrat describing the Draft Housing Element and advertising the workshop.

City staff opened the meeting with introductions and an overview of the project. The Housing Element Consultants then made a presentation, describing the issues identified by the community at the first community workshop and how the Draft 2015-2023 Housing Element addresses those issues.

Following the presentation, workshop participants were asked to provide feedback on the policies and programs contained in the Draft Housing Element. The policies and programs were presented on boards displayed around the room. Each board represented a separate goal section of the Draft Housing Element and displayed all the policies and programs within each goal section. There were three ways for participants to give feedback on the policies and programs:



1. Dot exercise. Participants were given three different colored dots: green, yellow, and red. Green dots signified support for a policy or program; yellow dots signified support with modifications; and red dots signified that participants did not support the policy or program. Participants placed the dots on the display boards next to the policies and programs that they supported or did not support.

2. White comment cards. Participants were provided with white comment cards on which they could provide more detailed feedback on specific policies and programs. The cards asked participants to identify the policy or program number and describe: why they would support

the policy/program, what they would change about the policy/program, or why they didn't support it.

Housing Element Update Workshop #2
Comment Card

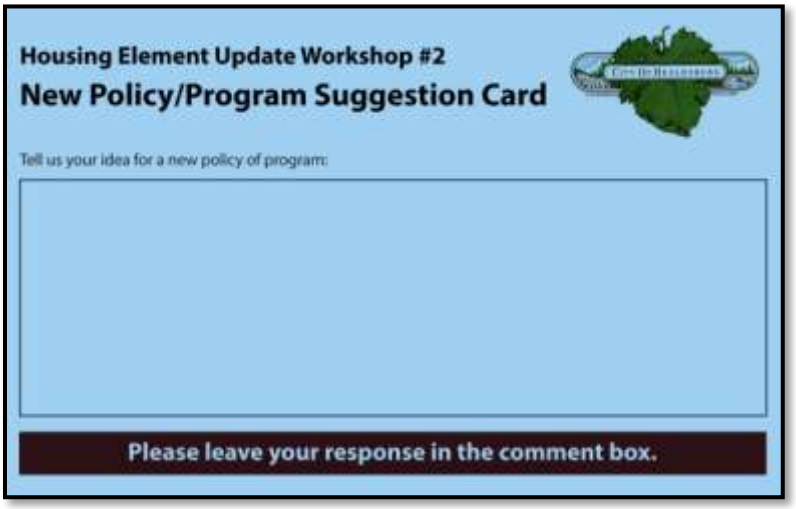
Policy/Program Number:

☐ Support ☐ Support, but doesn't go far enough ☐ Support, but goes too far ☐ Do not support

Tell us why you support this policy/program or how you would change it:

Please leave your response in the comment box.

3. Blue comment cards. Participants were provided with blue comment cards on which they could describe ideas for new policies or programs.


Housing Element Update Workshop #2
New Policy/Program Suggestion Card

Tell us your idea for a new policy of program:

Please leave your response in the comment box.

Summary of Feedback

The following is an annotated version of the Draft Housing Plan (Section 8 of the Housing Element). The comments received on individual policies and programs are described in light blue boxes below, and the number of green, yellow, or red dots placed next to each policy or program are tallied below the policies and programs. The participants' ideas for new policies and programs are described at the end of the summary.

Note this is not the final Housing Plan, which can be found in Section 8.

GOAL H-A ACCOMMODATION OF HOUSING DEVELOPMENT

Policies

H-A-1 Maintain a supply of residentially-designated land that is adequate to accommodate Healdsburg's share of the regional housing need and facilitate residential turnover with relative ease.
Support: 5

H-A-2 Encourage residential projects to develop at the higher end of the allowable density range.
Support: 5 Modifications: 1

H-A-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 to downzone residential properties, reclassify residentially-designated property to other uses, or develop a residential site with fewer units than what is assumed for the site in the Housing Element sites inventory.
Support: 3

H-A-4 Provide a wide range of housing opportunities for all economic segments of the community, while maintaining a mix of housing types in Healdsburg.
Support: 5

H-A-5 Ensure that specific plans allow the development of a range of housing types, to the extent feasible.
Support: 4 Modifications: 1

H-A-6 Encourage the retention and development of rental units.
Support: 7

H-A-7 Avoid concentrations of lower-income households to promote social and economic integration.
Support 6:

H-A-8 Encourage residential development in the Central Healdsburg Avenue Special Study Area consistent with the vision in the Central Healdsburg Avenue Area Plan.
Support: 8 Modifications: 1 Do Not Support: 1

Programs

H-1 **Adequate Residential Land.**
Support: 6

H-2 **Implement the Central Healdsburg Avenue Plan.**
Support: 8 Modifications: 2

H-3 **Annual Progress Report.**
Support: 4

GOAL H-B MINIMIZATION OF GOVERNMENTAL CONSTRAINTS

Policies

H-B-1 Minimize the length of the review process for residential development applications to the extent feasible in order to minimize development costs.
Support: 6

H-B-2 Lessen the City's Growth Management Program as a constraint on the development of multifamily and live-work housing, as feasible.
Support: 6 Modifications: 5 Do Not Support: 1

H-B-3 Continually strive to minimize the time needed for the City to review and act on applications for small subdivisions of residentially-zoned land.
Support: 5

H-B-4 Endeavor to provide consistent and predictable policy direction for residential project applicants through development and design standards and decision making.
Support: 5

H-B-5 Continue to reduce the required number of parking spaces and waive the requirement for covered parking for senior and affordable housing developments, as feasible, if this will reduce development costs or improve the design of a project.
Support: 5 Modifications: 5

Programs

H-4 **Maintain Adequate Staffing.**
Support: 5 Modifications: 5

H-5 **Monitor and Amend the Growth Management Ordinance.**
Support: 8 Modifications: 3 Do Not Support: 3

Comment: **Do not support.**
How would this GMO expansion ensure what permits would be approved by planning and what type of housing could be built.

GOAL H-C PROVISION OF AFFORDABLE HOUSING

Policies

H-C-1 Maintain an adequate supply of land appropriate in terms of density and location for the development of housing affordable to lower- and moderate-income households.
Support: 4 Modifications: 2

Comment: **Support, but does not go far enough.** Expand upon location to exclude industrial, Lt. Ind. and commercial zones. Buffer ALL housing zones. Ask yourself, "would I want to live there/here?"

H-C-2 Work with non-profit organizations to benefit from their expertise and the resources available to them for the development of affordable housing and its ongoing support.
Support: 6

H-C-3 Facilitate the development of housing affordable to lower- and moderate-income households, including first-time homebuyers.
Support: 5

H-C-4 Support the efforts of partners in local affordable housing projects to secure financial assistance.
Support: 3

H-C-5 Continue to require the provision of low- and moderate-income housing within residential development projects subject to the Inclusionary Housing Program.
Support: 5 Modifications: 2

H-C-6 Defer certain fees on affordable housing developments until issuance of a Certificate of Occupancy (COO) to help offset development costs for affordable housing.
Support: 8

H-C-7 Approve density bonuses and other affordable housing incentives in accordance with State law and continue to grant an additional density bonus when an applicant proposes a project in which 100 percent of the remaining units not restricted to lower-income households will be affordable to moderate-income households.
Support: 8

H-C-8 Strive to provide housing opportunities that are affordable to the local workforce.
Support: 5

Comment: Second home and house flippers dominate this market, raise prices, abuse what workforce buyers can afford. Yet this city continues to encourage second house buyers (tourists mostly) to come to town.

H-C-9 Establish a Workforce Housing Linkage Fee to generate funding for new affordable housing that serves the needs of the local workforce.
Support: 5 Modifications: 2 Do Not Support: 2

H-C-10 Support the Community Land Trust model of providing affordable homeownership for the local workforce.
Support: 9

H-C-11 Explore creative housing types such as accessory dwelling units, co-op housing, micro units, and other flexible housing types to increase opportunities for affordable rental and homeownership.
Support: 5 Modifications: 1

Comment [C4]: Educate and develop policy or homeowners regarding TIC (tenant-in-common) agreements as a means to share/divide a single home

Programs

H-6 **Provide City Assistance.**

Support: 7

H-7 **Pursue Funding.**

Support: 6

H-8 **Extremely Low Income Housing.**

Support: 7

H-9 **Housing Program Administration.**

Support: 4

H-10 **Maintain Eligibility for Funding.**

Support: 3

H-11 **Inclusionary Housing Program.**

Support: 5

H-12 **Workforce Housing Linkage Fee.**

Support: 4 Modifications: 3

Comment: Don't tax businesses for housing. They won't come to Healdsburg.

H-13 **Affordable Secondary Dwelling Unit Incentive Program.**

Support: 5 Modifications: 6

Comment 1: **Support, but does not go far enough.**
Linking second dwelling units (SDU) to a 20, 30, or 40 year deed restriction is not realistic. Look at housing costs 40 years ago. Fees for SDU should be at least half of a single family dwelling unit. Any fees charged simply get added on to any 15, 20, or 30 year mortgage.

Comment 2: **Support, but goes too far.**
A developer may be required to make small percent of units as affordable then a homeowner is asked to make 100 percent of their additional units affordable for 40 years. If 40 years is negotiable lets discuss it. Seems unfair. Bring fees down to encourage infill – this is mining what we already have rather than requiring new land.

Comment 3: **Support, but does not go far enough.**
Incentivize infill with fee reduction on 2nd units in residential neighborhoods. Expand incentives without linking necessarily to affordability deed restrictions.

Comment 4: **Support, but does not go far enough.**
Bring the fees down on granny units to facilitate more housing within families free of incentive program option.

Comment 5: **Support, but does not go far enough.**
I'd incentivize existing 2nd units as well to stay or become affordable.

H-14 **Saggio Hills Affordable Housing.**

Support: 7 Modifications: 2

H-15 **Meetings with the Development Community.**

Support: 6 Modifications: 1

H-16 **Legislative Advocacy for Affordable Housing.**

Support: 3 Modifications: 1

GOAL H-D PRESERVATION OF EXISTING HOUSING AND NEIGHBORHOODS

Policies

H-D-1 Promote the preservation of the community's housing stock, especially affordable and special needs housing.
Support: 4

H-D-2 Monitor affordable housing projects to ensure their continued occupancy by appropriate individuals and households.
Support: 4 Modifications: 1

H-D-3 Control rent increases on mobilehome park spaces.
Support: 2 Modifications: 1

H-D-4 Maximize the length of time that affordable housing is available to lower- and moderate-income households.
Support: 2 Modifications: 1

H-D-5 Continue to impose long-term restrictions on the maximum rents and sale prices of affordable housing that is developed with City assistance as well as inclusionary units provided by private developers.
Support: 1 Modifications: 2

> Comment: **Support, but does not go far enough.**
> Exclude secondary dwelling from long term (15 years) restrictions. Reduce city fees = more affordable housing.

H-D-6 Discourage the conversion of multifamily rental units to condominium units in order to preserve the supply of rental housing in the city.
Support: 4 Modifications: 2

H-D-7 Protect residential neighborhoods from the negative effects of commercial uses.
Support: 2 Modifications: 4

> Comment 1: Create transition zones for housing.
> Additional comments:
> Saggio Hills - create a range of housing (not limited to 2-10 acre GFD "lodges" and affordable apartments); Other than live-work, no housing in industrial areas. Without waiver of noise complaint, traffic, issues etc.
>
> Comment 2: **Support, but does not go far enough.**
> Create buffer zones to neighborhoods. No housing next to freeways, industrial.

<u>Programs</u>

H-17 **Act as Redevelopment Successor Agency.**
Support: 3

H-18 **Monitor Affordability.**
Support: 3 Modifications: 3

H-19 **Mobile Home Park Space Rent Stabilization Ordinance.**
Support: 4 Modifications: 1

H-20 **Strengthen the Condominium Conversion Ordinance.**
Support: 4 Modifications: 1

H-21 **Publicize Rehabilitation Programs.**

Support: 3

H-22 **Code Enforcement.**

Support: 3

H-23 **Improve Infrastructure.**

Support: 4

H-24 **Enforce Vacation Rental Prohibition.**

Support: 2 Modifications: 6 Do Not Support: 4

GOAL H-E PROVISION OF SPECIAL NEEDS HOUSING

Policies

H-E-1 Address the housing needs of the disabled, including residents with developmental disabilities.
Support: 3 Modifications: 1

H-E-2 Address the housing needs of the homeless and those in peril of becoming homeless.
Support: 3

H-E-3 Address the housing needs of transient single farmworkers.
Support: 5

H-E-4 Promote the siting, production, rehabilitation, and preservation of housing for extremely low-income households, including non-traditional housing types.
Support: 1 Modifications: 1

H-E-5 Encourage development, rehabilitation, and preservation of senior housing, particularly in neighborhoods that are accessible to public transit, commercial services, and health and community facilities.
Support: 3

H-E-6 Continue to provide individuals with disabilities reasonable accommodation through flexibility in the application of land use and zoning regulations when necessary to eliminate barriers to housing opportunities.
Support: 2 Modifications: 1

H-E-7 Require the inclusion of units meeting special needs in affordable housing projects developed with City assistance, where feasible.
Support: 1 Modifications: 1

H-E-8 Enforce Building Code requirements for the inclusion of adaptable disabled-accessible units in multifamily development projects that are subject to such requirements.
Support: 1

H-E-9 Support the efforts of partners in special needs housing projects to secure financial assistance.
Support: 3

Programs

H-25 **Funding for Special Needs Housing**
Support: 4

H-26 **Disabled-Access Units.**
Support: 2 Modifications: 1

H-27 **Emergency and Transitional Housing.**
Support: 2

H-28 **Farmworker Housing.**
Support: 6

H-29 **Publicize Senior Housing Resources.**
Support: 3

H-30 **Countywide Homeless Survey.**
Support: 2

H-31 **Countywide Homeless Plan.**
Support: 2

H-32 **Development of Housing for Persons with Disabilities.**
Support: 3 Modifications: 2

Comment: **Support, but does not go far enough.**
Reach out to existing homeowner as well and facilitate with information and upgrade cost saving incentives (walk in showers, universal design elements)

H-33 **Coordinate with the North Bay Regional Center.**
Support: 1 Modifications: 2

H-34 **Incentives for disabled access.**
Support: 3

GOAL H-F PROMOTION OF FAIR HOUSING PRACTICES

Policies

H-F-1 Discourage discriminatory housing practices.
Support: 5

H-F-2 Provide guidance to the public about fair housing practices.
Support: 4 Modifications: 1

H-F-3 Provide equitable public services throughout the city, including public transportation, crime prevention, police protection, street lighting, street cleaning, and recreational facilities and programs.
Support: 5

> Comment: **Support, but does not go far enough.**
> Specific provision of recreation opportunities for "elderly" – e.g. bocce, lawn bowling, table tennis, not more ball fields.

Programs

H-35 **Disseminate Fair Housing Information.**
Support: 3

H-36 **Refer Fair Housing Complaints.**
Support: 3

H-37 **Non-Discrimination Clause and Mandatory Fair Housing.**
Support: 2

H-38 **Spanish Language Outreach.**
Support: 6

GOAL H-G CONSERVATION OF ENERGY

Policies

H-G-1 Promote energy efficiency and conservation measures in existing housing.
Support: 6

H-G-2 Require energy-efficiency performance in new housing that meets or exceeds minimum State standards.
Support: 4 Modifications: 1

H-G-3 Promote energy-efficient residential site development practices.
Support: 5

H-G-4 Reduce residential cooling needs associated with the urban heat island effect.
Support: 3

> Comment on Policies H-G-1 through H-G-4: **Support, but goes too far.** Have you looked at UBC/CalGreen Requirements? Construction requirements, energy requirement, etc. will affect the number of moderate housing units built. Cost going up.

H-G-5 Accommodate pedestrians, bicyclists, and transit in new residential development.
Support: 5

H-G-6 Provide safe routes for bicycling and walking between housing and transit stops, commercial services, and schools.
Support: 5

H-G-7 Promote infill development to maximize the use of existing infrastructure and encourage patronage of alternative transportation modes.
Support: 6

H-G-8 Require the planting of street trees as a part of all residential development projects.
Support: 2 Modifications: 4

H-G-9 Require the perimeter and interior of parking lots associated with residential development to be landscaped with shrubs and shade trees.
Support: 3 Modifications: 3 Do Not Support: 1

> Comment: Not a housing element but available public parking in Healdsburg would increase with planting of street trees – take a look in summer time, people look for shady street parking. (H-G-9)

<u>Programs</u>

H-39 **Utility Discounts for Lower-Income Households.**
Support: 5

H-40 **Green City Program.**
Support: 5 Modifications: 2

H-41 **Solar Access.**
Support: 3 Modifications: 1

H-42 **Energy Audit Program.**
Support: 6

H-43 **Energy Efficiency Rebate and Weatherization Programs.**
Support: 6

H-44 **Pedestrian and Bicycle Facilities.**

Support: 6

New Policy/Program Suggestions (Blue Cards)

- Use percent of TOT and TOX income from Saggio Hills (I.5 million over number of years) to offset some fees/costs of building fair market multi-family housing of 5 or more units. Some recoupment of source of money for loss of redevelopment funds.
- Follow the housing plan with a market based strategic plan for delivery on the housing objectives.
    - Resources available to meet
    - Additional funding required
    - Market cost of building houses for different income levels.
- Provide expanded definition of live-work for industrial zoned property – model on European "estate" manufacturing prevalent in England/Switzerland.
- Promote conversion of non developable industrial zoned land by giving credits on city fees to include multi-family "worker" housing.
- Healdsburg should set its goal for affordable housing at 15 percent of the total number of units by 2023.
- The City ordinance implementing the GMO needs to be revised to encourage the allocation of permits to multi-family market rate, moderate income projects, particularly in Central Healdsburg.
- Facilitate existing homeowners to participate in creating 2nd dwelling units (educate, provide guidelines). Inspire. Housing element language is biased to developers.
- Please include information on existing standing stock of housing; regarding disabled housing (ADA) compliant), low, extremely low, very low income, vs. moderate and market rate housing. Please also include studies for your housing demand relative to these households. Please also indication your current and projected homeless population.

[1] Adapted from *Healdsburg Cultural Resource Survey, Final Report*, 1983 and www.ourhealdsburg.com, Hannah Clayborn, 2003.

[2] Giang Hoang-Burdette, Nobody's Home: California Residential Vacancy Rates, May 9, 2012; Joan C. Fahrenthold, Associated Press, America's Sickest Housing Markets, 2012; Emett Pierce, San Diego Union Tribune, Uptick in County Rental, Vacancy Rates, Tenants Together, June 6, 2008; William Poe, Area Landlords High on Healthy Rental Market, July 27, 2012; Housing New York City, 2008; Mary Ellen Podmolik, Chicago's a Renter's Market, but Vacancies, Delinquencies on Rise, Census Paints a Bleak Picture of Arizona Housing, 2011; Rolf Boone, The Olympian, Thurston Apartment Vacancy Rates Up a Bit, 2012; Bill Conerly, Housing Recovery Progressing Very Slowly, Businomics, 2011.

[3] Census 2000 Summary File 1, Table H3 and H4.

[4] Sonoma County GP 2020 Draft EIR, Sonoma County General Plan Draft EIR, 1986

[5] Association of Bay Area Governments, *Shaken Awake,* 1996.

[6] The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard quality rental housing units in the FMR area. The basic standard for the FMR figures is the 40th percentile. However, in some areas HUD sets the level at the 50th percentile to give lower-income families who participate in the voucher program access to a broader range of housing opportunities. The FMR figures that apply to Sonoma County are set at the 40th percentile of rents in the area. In other words, 60 percent of the rents in Sonoma County are above the figures shown and 40 percent are below.

[7] Realtytrac.com, accessed April 16, 2014.

[8] Email correspondence with Vicki A. Gums, HUD, Office of Fair Housing and Equal Opportunity, April 14, 2014.

[9] Census 2010, Summary File 1, Table H2.

[10] Sonja Drown, Healdsburg Senior Center, personal communication, June 2008.

[11] Sonoma County Task Force for the Homeless, *Homeless in Sonoma County 2007 – The Sonoma County Point in Time Homeless Count*, May 2007.

[12] For the purposes of this survey, a homeless person was defined as anyone without a place to live to which they had a legal right, and included "at risk" and "precariously housed" people staying temporarily in a motel or with friends or relatives. The count also included those individuals in jails, hospitals, and treatment facilities who would be released within one week.

[13] Sonoma County Continuum of Care Planning Group, *A Roof Over Every Head: Sonoma County's 10-Year Homeless Action Plan*, January 2007.

[14] http://www.abag.ca.gov/planning/housingneeds/pdfs/2014-22_RHNA_Plan.pdf

[15] National Association of Home Builders

[16] Ibid.

[17] http://www.indeed.com/salary/q-Construction-Worker-Laborer-I-Healdsburg,-CA.html

[18] U.S. Census, *Highlights of Annual 2013 Characteristics of New Housing*.

[19] National Homebuilders Association, *What Home Buyers Really Want*, May 1, 2013. http://www.nahb.org/fileUpload_details.aspx?contentTypeID=3&contentID=206669&subContentID=506992&channelID=311

[20] Provided by John Dayton of Dayton and Tremont Real Estate in Healdsburg, May 2014

[21] http://www.nahb.org/reference_list.aspx?sectionID=134, May 2014

[22] Mississippi Home Corporation Annual Affordable Housing Conference, February 2013

[23] *How Long Can Current LIHTC Prices Last?* Affordable Housing Finance. April 22, 2014.

[24] Christopher A. Joseph & Associates, Draft Environmental Impact Report, Healdsburg 2030 General Plan Update, January 2009.

[25] *Healdsburg 2030 General Plan Draft Background Report*, January 2009.

[26] Ibid.

[27] SMART Revised Travel Demand Forecasting Report, June 2006.