

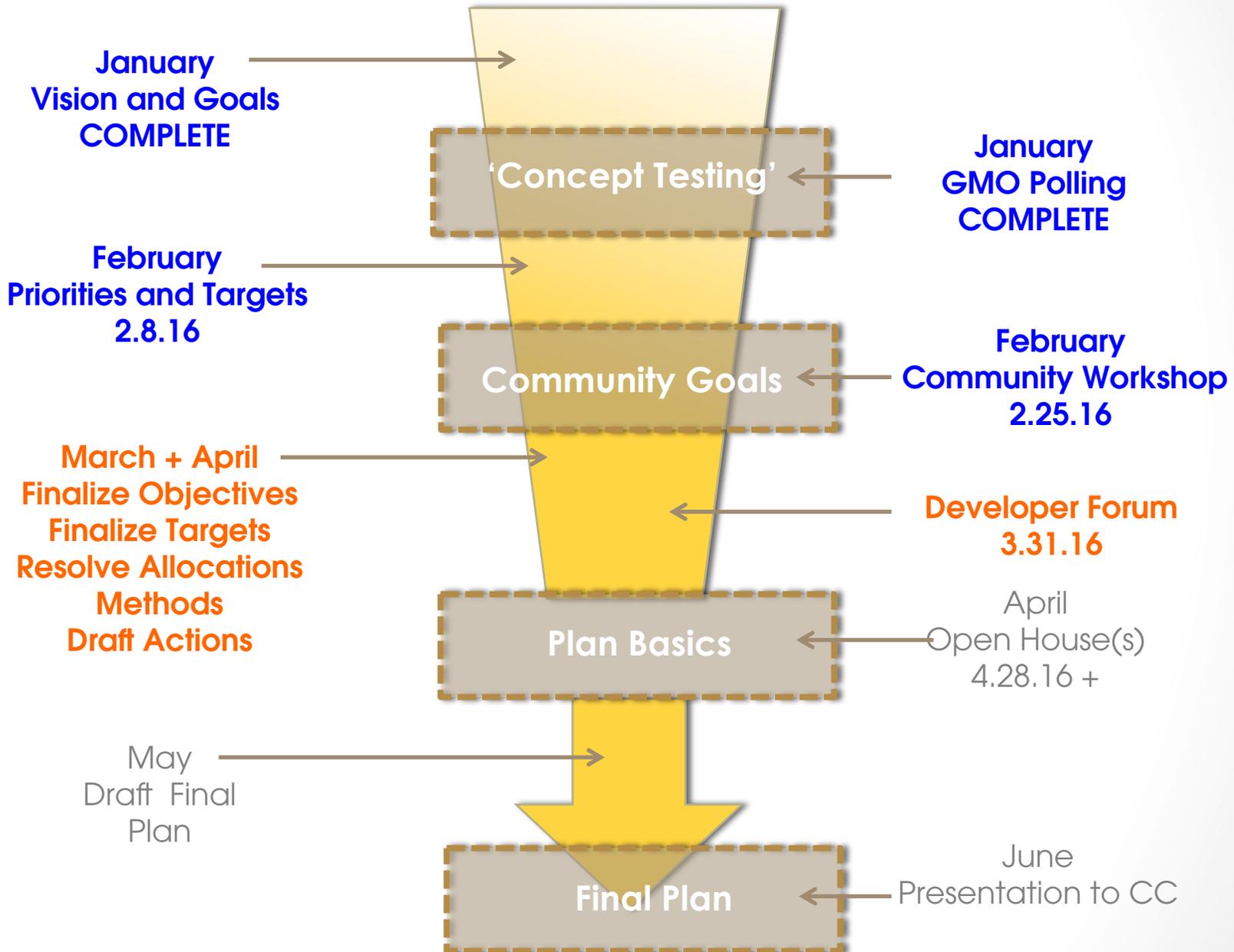
Creating Healdsburg's

2016 HOUSING ACTION PLAN

Community Housing Committee Work Session 2016 - #3
March 14, 2016

COMMITTEE

PUBLIC



What has been accomplished?

- WHY – January – April 2015
- WHAT – July – December 2015
- HOW – January – June 2016

Accomplishments to date

WHY?

Recognized that today's housing challenges could not be resolved with yesterday's tools

- Community recognized that we were not getting the housing that is needed or desired
- City Council and Community (via 2015 workshops) saw revising the GMO as the first step to creating a 'systemic, long term solution'
- Committee recognized that the revised approach needed ability to adapt over the long term, while providing necessary clarity and certainty in the short term

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Accomplishments to date: WHAT?

Craft a New Approach to GMO

- Ability to **MANAGE** growth, not just Control it
- Establish a parameter of 1% annual growth to adjust total allocations at start of each cycle
- Create category of Directed Allocations to 'signal' to market what we want built
- Permit allocations to come forward within a given Housing Cycle provide developers certainty needed to foster housing that people said they want
- Adopt Housing Action Plan process to inform and shape Housing Cycle priorities

Accomplishments to date: WHAT?

Define Middle Income Housing

121-160% of AMI (salary of ~\$125,000)

Local employment

Local residents

Bracketed level of need

To maintain current 33% requires = 156 units this cycle

To achieve 40% requires = 444 units this cycle

Accomplishments to date: WHAT?

Foster an Understanding of Growth

91% of attendees wanted new growth

	2015 Workshop
Desired new residential units	By 2025
Average	388
Low	264
High	552

**Existing GMO
limited
growth to 300
units**

Accomplishments to date: WHAT?

Understanding Growth

	2015 Workshop	2016 Workshop
Desired new residential units	By 2025	By 2022
Average	388	583
Low	264	330
High	552	890

Accomplishments to date: WHAT?

Understanding Growth

TOTAL MARKET RATE UNITS	TOTAL MIDDLE HOUSING UNITS	TOTAL AFFORDABLE HOUSING UNITS	TOTAL SDU'S
135	135	50	40
135	135	40	No cap
135	135	70	220
160	110	50	25
125	145	75	75
108	163	75	100
80	190	220	400
85	185	75	100
125	85	75	No cap
135	135	50	10
122	142	78 (+125 in pipeline)	121

Accomplishments to date: WHAT?

Understanding Growth

2022 HOUSING CYCLE TARGETS			
Deed Restricted (Affordable and Missing Middle)	340	58.2%	79.0%
Affordable by Design (SDU)	121	20.8%	
Market Rate	122	21.0%	21.0%
TOTAL HOUSING UNITS	583	100.0%	100.0%

Numbers are an example only to illustrate process and potential outcome

Accomplishments to date: WHAT?

Understanding Capacity

Last fall CHC asked staff to determine what is 'our capacity' for new housing?

How does available sites shape the scale and character of future growth?

Enter next stage

HOW?

To implement what we have envision

Community Goal clearly stated around 200 units of affordable housing, mostly built by the public sector by 2022⁽¹⁾

HOW DO WE ACHIEVE OUR GOAL?

	PRIVATE		PUBLIC	
	Pipeline	Potential	Pipeline	Needed
TARGET	23	20⁽²⁾	100-125	57-32
Land	\$0 By developer		City owned	Needs to be acquired
Subsidy	\$0- Minimal None needed		\$50k per unit ⁽³⁾	\$50k per unit

(1) Exceeds number delivered in any of the prior three decades

(2) 15% of 135 Open Allocations (i.e. market rate)

(3) Per Burbank Housing

Numbers are an example only to illustrate process and potential outcome

Enter next stage

HOW?

Do we Close the Gap?

Potential Federal and State Resources

- *Sustainable Communities Grants*
- *Cap and Trade for Affordable Housing*
- *Federal Tax Credit Program*

Potential City Resources

- *Existing Funds Reserved for Affordable Housing - \$3.2m*
- *Measure V*
- *Dedicated component of Transient Occupancy Tax*
- *Real Estate Transfer Tax*
- *Commercial Linkage Fees*
- *Other*

EXAMPLE

Numbers are an example only to illustrate process and potential outcome

TONIGHT'S DISCUSSION of the **HOW**

1. Review Version 4.0 of HAP Objectives and emerging targets

2. Address Ballot Language Recommendation – What gets encoded? What is left for future leadership to adapt

3. Discuss HAP Objectives 5-8

- *How do we maintain and respect the scale and character of our neighborhoods?*
- *What criteria can we use to prioritize affordable and middle income housing, so as to not add unintended costs to residents?*
- *How do we reduce the cost of building new housing, and reduce the TOTAL cost of occupancy?*
- *How do we address the ongoing concerns re: second homeownership?*

4. Refine/ approve V4.0 of HAP Objectives and emerging targets

THE VISION

"In 2022, Healdsburg is a diverse, thriving, community evidenced by a wide diversity of housing – both type and price.

Individuals at different life stages and economic levels participate active, welcoming neighborhoods, which together make up our larger community."

Housing Action Plan Objectives V4.0

HAP-Objective 1:

Increase quantity and quality of deed-restricted Affordable Housing, at all levels, from Extremely Low to Moderate income categories.

2022 Target = 200 new units by 2025 (~125 in pipeline already)

HAP-Objective 2:

Develop deed-restricted Middle Income Housing across a range of product types including multi-family and single family homes, and designed for a range of households, including families, individuals and seniors.

2022 Target = 135 new units by 2025

HAP-Objective 3:

Encourage, facilitate and incentivize the development of creative density housing types including but not limited to small lot, cottage court, micro-housing, and co-housing

2022 Target = X% of all new units built

Housing Action Plan Objectives V4.0

HAP-Objective 4:

Encourage and facilitate private development of secondary dwelling units (SDU's).

2022 Target = 125 new units by 2025

HAP-Objective 5:

Encourage appropriately scaled and well-designed products in all new development

Action – updated design guideline to focus on XXX

HAP-Objective 6:

Site and build affordable housing proximate to existing or planned services

Action – prioritize site acquisition and new IHO units to be build within ¼ mile of XXX

HAP-Objective 7:

Address the role and impact of Second Home ownership on the community's housing stock and neighborhood dynamics.

Action – ?????

Discussion Item 1:

BALLOT LANGUAGE RECOMMENDATION

Creating Certainty for Today, while maintaining Flexibility for Future Cycles to Adapt.

Option 1:

Create Open and Directed Allocations

The ballot would only **enable** Directed and Open Allocations with no specific numbers

Example: 'the GMO shall have Directed and Open Allocations'

Option 2:

Create Open and Directed Allocations and establish a MINIMUM number of Directed Allocations for all future cycles

Example: 'the GMO shall have Directed and Open allocations' with Directed Allocations never being less than 30% of all Allocations'

Option 3:

Create Open and Directed Allocations and establish specific percentages for both

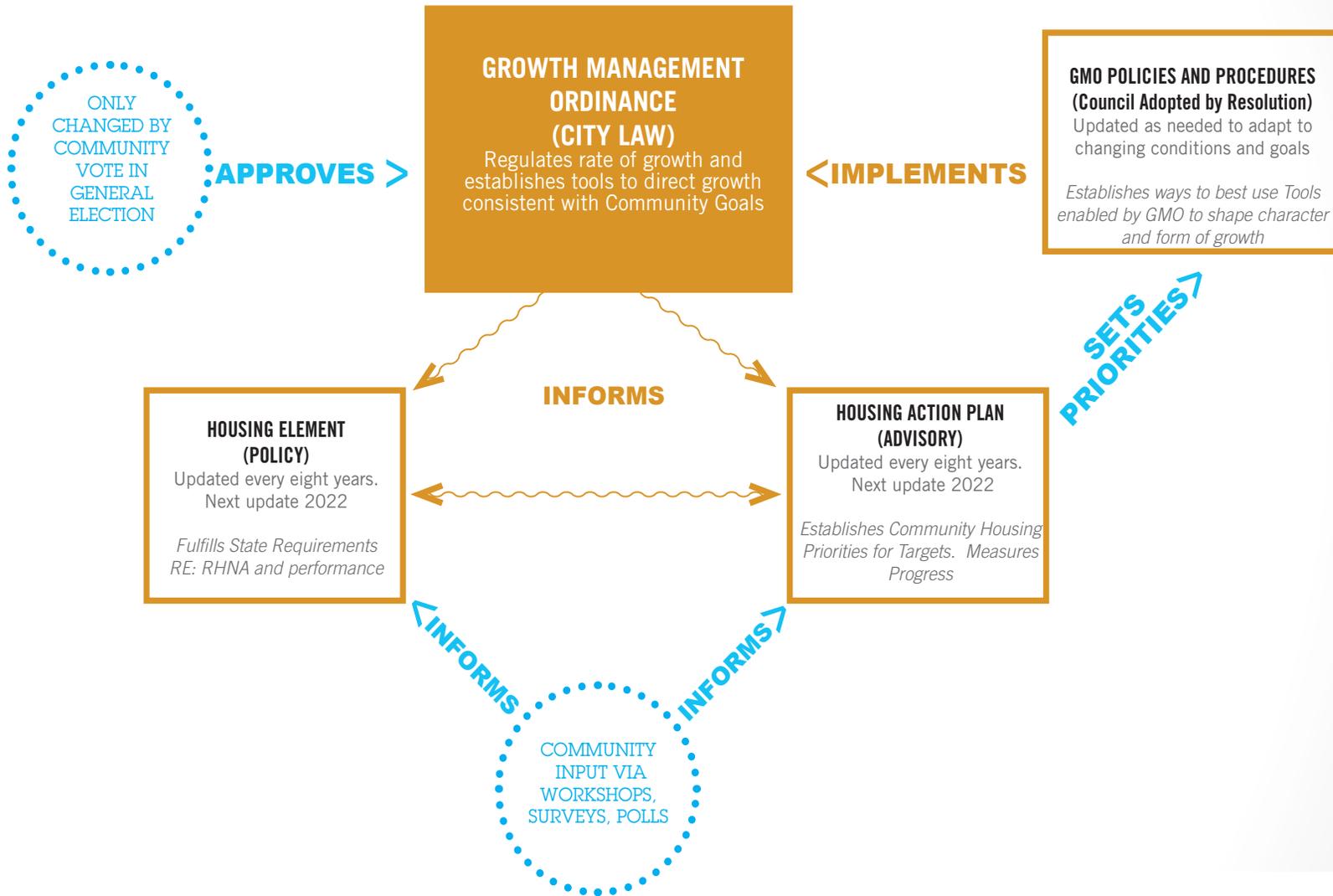
Example: 'the GMO shall have Directed and Open Allocations in equal proportions of 50% each'

Option 4:

Create Open and Directed Allocations and establish specific percentages for both, and specific use of Directed Allocations

Example: "the GMO shall have Directed and Open Allocations in equal proportions of 50% each and Directed Allocations shall always be used for Middle Income Housing"

How the Process Could Work



What You Said

Option	Committee Preferences
Option 1: Define Open and Directed (% and use TBD by Housing Action Plan)	3
Option 2: Establish Open and Directed, with a 'Floor' of Directed	2
Option 3: Establish Open and Directed, Fix the % of Each in Perpetuity	2
Option 4: Establish Open and Directed, With Specific Percentages and Uses in Perpetuity	1

Discussion Item 2:

HAP OBJECTIVE 5

Protecting the Scale and Character of our Neighborhoods

Design Requirements vs. Design Guidelines

Determining what is important?

Scale the required review to the likelihood of development.

Accomplishments to date: WHAT?

Understanding Capacity

Category	Number of Sites	Average Size
Projects currently under review	10	17 units
Scattered Potential projects	19	11 units
Scattered Lots	31	2 units
'Large' projects		
- Saggio Resort		70 Units
- Saggio Affordable		100 Units
- Central Healdsburg Avenue Plan		331 Units
- Quaker Hill		251 Units
		1249 Units*

**Totals vary due to rounding*

Discussion Item 2:

HAP OBJECTIVE 6

Develop new affordable housing 'Proximate' to services

Discussion Item 3:

HAP OBJECTIVE 7

*Reduce the Total Cost of
Housing*

Discussion Item 2:

HAP OBJECTIVE 8

Reduce the impact of Second Homes on neighborhoods and community housing stock

What's Next?

Community Forum Thursday, March 31st

- 6:00 – 8:00pm
- Panel discussion of Developers to talk about HOW we get what we want