Executive Summary: 2023 Housing Element Update

INTRODUCTION

The Sonoma County 2023-2031 Housing Element is a plan for meeting the housing needs of Unincorporated Sonoma County over the next eight years and into the future. The Housing Element describes and analyzes existing and future housing needs and issues; presents specific goals, policies, and implementation actions to address these needs; and ensures that the County maintains its eligibility for State funding for housing, infrastructure, and transportation projects.

The County of Sonoma is committed to improving access to high-quality housing for residents of all abilities and income levels. The Housing Element lays out a plan to remove barriers to housing production and to better match production with identified housing needs. Some of these strategies include promoting a diversity of housing types, increasing the feasibility of new development of infill and underused sites throughout the County, and focusing the greatest amount of new housing in urban areas near transit and

ORGANIZATION OF THE HOUSING ELEMENT

<u>The Housing Element</u> contains three main sections:

Section I introduces the overall Housing Element update effort, provides a summary of key findings, and a review of progress in addressing housing needs.

Section II discusses the County's Housing Goals, Policies and Programs.

Section III presents the Housing Site Inventory, demonstrating that the County will have sufficient properly zoned land for development to meet housing needs.

The Technical Background Report of the Housing Element includes an assessment of housing needs & programs, an analysis of constraints to affordable housing, a discussion of special needs populations, and the Assessment of Fair Housing.

<u>The Housing Element Appendices</u> provide additional detail and documentation to support the Housing Element.

jobs. Through the Housing Element, the County strives to address local needs and affirm that housing is a basic human right for all residents.

LOCAL CONDITIONS

By broad economic, fiscal, and quality of life measures, the County has been successful in attracting new businesses and residents, yet *A Portrait of Sonoma County 2021* delivers a mixed picture of health and well-being in the County. Taken as a whole, people in Sonoma County live longer, earn more money, stay in school, and earn college degrees at higher rates than in other counties across California and the United States. However, the report also reveals widely varying conditions of health and well-being for many people and

neighborhoods in Sonoma County. While many neighborhoods in Sonoma County have seen improvements since 2014, the report also reveals growing disparities across gender, racial groups, ethnic groups, and individual communities. This is emphasized by the finding that 36% of residents are housing cost burdened, meaning that they spend over 30% of household income for housing costs.

Sonoma County lacks sufficient affordable rental housing to meet local needs. This Housing Element provides an approach to solve these problems.

PUBLIC PARTICIPATION

Public engagement for the Housing Element update focused on equity and the experiences of residents, renters, nonprofits, those vulnerable to housing instability, and builders. The County's public participation plan prioritized strategies to engage and learn from diverse communities, including a Housing Advisory Committee, the subregional Equity Working Group, focus groups with historically underserved communities, and multiple community-

wide surveys.

Through this outreach, the community identified housing affordability and availability as the greatest needs. Other recurring themes include concerns about natural disasters, accessibility, lack of infrastructure, construction costs, permitting fees, second homes or vacation rentals, and awareness of tenants' rights. This input was integrated throughout the analysis of housing needs, constraints, and



Focus Group at Graton Day Labor Center

considered when developing the Housing Strategy and the Housing Action Plan. The <u>Housing Element Appendices</u> contain more information on public participation efforts during the Housing Element update.

HOUSING DATA AND DEMOGRAPHICS

The Housing Element seeks to provide and maintain safe, decent housing for all of Sonoma County's present and future residents. Analysis of demographic, socioeconomic, and housing characteristics assists in identifying local housing needs and allows the County to effectively target its programs and resources toward households with the greatest need.

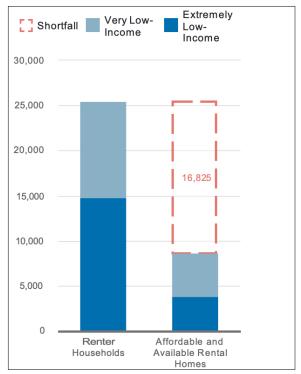
Key population findings include:

 As of 2019, Sonoma County had a population of 449,772 with over a quarter of its residents living in its unincorporated areas.

- Unincorporated Sonoma County's population is rapidly aging: from 2000 to 2019, the population age 65 or greater increased by 77%, while the population under age 25 decreased by 26%. As of 2019, almost a quarter of the Unincorporated County's population was age 65 or older.
- The population of Unincorporated Sonoma County is primarily white, and the Latino population is the second largest and fastest growing racial/ethnic group. In terms of race and ethnicity, the population of Unincorporated Sonoma County is slightly less diverse than the population of the entire County, and significantly less diverse than the Bay Area region.
- Agriculture is an essential part of the Sonoma County economy, and it depends on the labor of farm workers. In 2017 there were 6,715 permanent farmworkers and 7,664 seasonal farmworkers in Sonoma County as a whole. Most seasonal workers come for harvest season between August and October. Census data shows that the percentage of workers who live permanently in the area has steadily increased as seasonal workers have decreased, but by 2017 there were still more seasonal workers (hired for up to 150 days per year) than permanent year-round workers. Interviews with stakeholders and service providers indicated that the number of year-round workers has increased substantially since 2017, and there may now be more permanent residents engaged in agriculture.

Key housing facts include:

- Sonoma County (including its cities) lacks sufficient affordable rental housing to meet local needs. Many households are cost-burdened due to stagnant wages and increased housing costs. Across the County, there are 16,825 more very lowincome renter households than affordable available rental homes.
- The amount of housing stock in Unincorporated Sonoma County declined 4.1 percent from 2010 to 2020 due to the annexation of Roseland in 2017 and the loss of over 2,500 homes to wildfires between 2017 and 2020.
- In the past year, 316 housing permits received final approval; 74% of those are single-family dwellings.
- In Unincorporated Sonoma County, rates County Housing Needs Report 2020 of homeownership are high. However, over the last decade this trend has shifted and those who moved into homes in the Unincorporated County recently were more likely to rent than own.



Source: California Housing Partnership, Sonoma

- More housing was built in Unincorporated Sonoma County before 1980 than has been built since. Housing production has not kept pace with the rate of population growth.
- As of 2019, there were 11,500 vacant units in Unincorporated Sonoma County, a significantly higher vacancy rate than in the County as a whole (including the 9 cities) or in the Bay Area region. Of these vacant units, 63% were held for seasonal, recreational, or occasional use. This is also a significantly higher rate than in the County as a whole or the Bay Area.

SUMMARY OF CONSTRAINTS TO HOUSING

Non-Governmental Constraints

- <u>Housing and Land Costs</u>: The costs of land, plus the costs of materials and labor to produce housing, reached their highest rates in 2021-2022.
- <u>Lack of Available Land with Access to Sewer Service:</u> Due to soil and drainage characteristics across much of the County, densities of more than about two units per acre cannot be achieved without public sewer. This means that all land zoned for higher-density affordable housing must be in areas where sewer is available, but these areas are very limited in the Unincorporated County.
- <u>Environmental Conditions:</u> Environmental constraints like high wildfire areas, lack of
 ground water availability, steep slopes, earthquake and landslide hazard zones, flood
 hazard zones, and environmental protection for special status species and habitats
 also act as constraints to housing development. Most of Sonoma County's rural lands
 are impacted by one or more of these environmental constraints.

Governmental Constraints

- Access to Funding: The current Low-Income Housing Tax Credit program scoring
 system was identified by several non-profit developers as a significant constraint to
 the provision of affordable housing because the scoring system favors funding
 projects in higher resource areas, which are very few in the unincorporated urban
 areas of Sonoma County.
- <u>Permit Processing</u>: Local developers identified extended review times (especially for septic review, which is not applicable to affordable housing projects) as a constraint to development because longer review times add costs and uncertainty to projects. The County is implementing changes to permit processing practices to address this constraint.
- <u>State and Regional Regulations</u>: Regulations imposed by higher levels of government, such as minimum requirements for septic systems and restrictions on building within floodways and wildfire areas, limit the County's authority to remove some constraints that add to the cost of housing.

AFFIRMATIVELY FURTHERING FAIR HOUSING

Affirmatively Furthering Fair Housing (AFFH) means "taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics." In the context of a community's housing needs, AFFH is not just about the number of housing units needed, but also about where the units are located and who has access to them. Core elements include analyses of segregation, integration, disparities in access to opportunity, and disproportionate housing needs.



Despite historical inequities, the County of Sonoma has made significant strides in affirmatively further fair housing including:

- Eliminating single-family zoning in most urban areas,
- Facilitating the development of affordable housing and farmworker housing,
- Establishing the Office of Equity to recognize and celebrate the County's powerful role in unseating racial inequity in its communities, and
- Increasing outreach efforts.

Local fair housing issues include displacement related to economic factors, racial and income segregation, and racial disparities in access to higher resourced areas include racially concentrated areas of affluence. Based on analysis of data and local knowledge, the County and its public and stakeholder partners identified and prioritized factors that contribute to local fair housing issues ("contributing factors") and outlined strategies to affirmatively further fair housing during the implementation of the Housing Element. These contributing factors are:

- Displacement of residents due to economic pressures (Highest Priority)
- Lack of affordable, accessible housing in a range of unit sizes (Moderate Priority)
- Lack of investment in specific neighborhoods, including services or amenities (Moderate Priority)
- Lack of regional cooperation (Moderate Priority)
- Lack of affected populations on boards and committees (Lower Priority)
- Lack of funding for local fair housing outreach and enforcement (Lower Priority)

Community opposition (Lower Priority)

PROGRESS IN MEETING PREVIOUS GOALS AND OBJECTIVES

Sonoma County's last Housing Element contained policies and programs to preserve and expand the supply of housing at all income levels, and most were successfully achieved by the County. Sonoma County has an excellent record of adopting and implementing creative housing programs to address its identified housing needs. During the last eight years, the County completed the following actions to address local housing needs:

- Affordable Housing Information. The County developed and maintained an online public information center to provide a wide range of affordable housing referrals, resources, and information. The County also increased staff training related to County and State housing regulations and increased coordination with the Community Development Commission.
- <u>Staff Assistance to Developers</u>. Permit Sonoma staff have and will continue to
 provide dedicated staff assistance to developers interested in developing housing on
 any of the County's Urban Residential parcels. Assistance includes meetings with
 interested parties, dissemination of site-specific parcel information for all Urban
 Residential parcels in the County's Site Inventory, and referrals for possible funding
 sources for affordable projects.



Two Habitat for Humanity homes in Green Valley Village, 2019

- Fast-Tracking of

 Affordable Housing Projects.

 Permit Sonoma will continue
 to fast-track applications for
 development projects with an
 affordable housing
 component, achieving
 processing time reductions of
 up to one-half the normal
 processing time, and seeks to
 decrease processing times for
 all housing projects.
- Maintain County Fund for Housing. Between 2015 and 2021, the County deposited over \$30 million into the County Fund for Housing
- (CFH). CFH funds are generated by fees collected on market-rate housing and commercial development projects, and used for site acquisition and development costs for housing projects around the County.
- Regional Cooperation. The County co-founded a joint powers authority, the Renewal Enterprise District ("RED") with the City of Santa Rosa to accelerate housing production following the 2017 wildfires and provided a \$10 million forgivable loan

(matched by \$10 million non-forgivable loan from Santa Rosa) to a related entity, the RED Housing Fund, to provide starting capital for a fund with the goal of accelerating higher density, multifamily housing production.

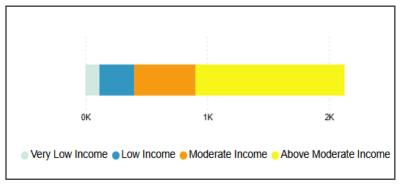
PROGRESS IN MEETING REGIONAL HOUSING NEED

The County projected that the programs outlined in the 2014 Housing Element would result in the production of 936 new units, including 347 units affordable to lower-income households. These quantified objectives were consistent with the number of units needed to meet the County's Regional Housing Need Allocation (RHNA). Since 2014, 2,289 housing units were permitted in the unincorporated areas of the County, including 466 units for

The County also met its objectives for other types of housing, such as emergency shelter beds and farmworker bunkhouses.

lower-income households.

Appendix C provides a programmatic summary of the County's progress, success, and lessons learned in implementing the 2014 Housing Element.



Housing Permits approved from 2014-2021 in Unincorporated Sonoma County

2023 HOUSING STRATEGY

The updated Housing Strategy is an important part of the Housing Element and forms the housing policy roadmap for Unincorporated Sonoma County. It integrates data, trends, community opinions, and input received from the Housing Advisory Committee, the Planning Commission, the Board of Supervisors, and the public.

The Housing Strategy keeps many of the same goals, policies, and programs that were successful in the last Housing Element, with new policies and programs proposed to meet changing needs and new legal requirements. Most ongoing policies and programs were highly successful and are continued in the Housing Element update. Limited-term programs that were accomplished have been removed; the updated Housing Element includes 32 action programs to ensure the policies are effective. A brief summary of the proposed policy changes and additions are listed below:

Goal 1: Sustain Existing Housing Programs and Housing Units

- Most of the County's housing programs have been successful and will continue as the basis of the County's affordable housing programs.
- The County will implement new strategies to preserve the condition and affordability
 of existing housing units, including apartments and homes owned by families with
 lower incomes.
- It will be important to identify and maintain funding sources for the County's

housing efforts throughout the implementation period.

Goal 2: Promote the Use of Urban Housing Sites

- The County will ensure that it can identify enough housing sites to meet local housing needs through the entire planning period.
- The County will expand its outreach to developers and provide information about available housing sites and development opportunities.
- The County will continue prohibitions on Accessory Dwelling Units as vacation rentals and will consider other measures to curtail the loss of existing housing stock and urban housing sites to visitor-serving uses.

Goal 3: Increase Production of Affordable Housing Units

- Changes will be made to the County's Zoning Code to expand allowance for nontraditional housing and eliminate unnecessary regulatory constraints to the production of affordable housing, including infill housing.
- The County will continue implementing its successful programs, including the Housing Opportunity Area programs and the Affordable Housing and Workforce Housing combining districts.

Goal 4: Maintain Funding for Affordable Housing

- The County will maintain its County Fund for Housing and continue to use these funds to assist in the production, conversion, and rehabilitation of affordable housing units.
- The County will continue giving funding priority for affordable housing projects to nonprofit organizations in order to increase the likelihood that units will remain affordable for a longer period of time.

Goal 5: Promote and Expand Housing for Special Needs

- The County will continue implementing its reasonable accommodations ordinance.
- In order to allow a variety of housing types to meet a variety of needs, the County
 will revise its Zoning Code to provide more opportunities for the development of
 farmworker housing, housing for large families, supportive housing, and housing for
 people with disabilities.
- The County will continue to support regional coordination for the development of affordable and special needs housing projects in the County and its cities and strive to focus these housing types near areas well-served by the appropriate amenities.

Goal 6: Encourage Equitable and Sustainable Housing

- The County will continue its efforts to promote conservation and sustainability in housing development.
- The County will expand its efforts to address fair housing issues, such as displacement, access to opportunity, and segregation.

The County will include residents, businesses, and organizations in all aspects of the
planning process, and utilize multilingual, culturally appropriate approaches to
provide information, conduct outreach, and facilitate public participation, with
reasonable accommodations for people with disabilities.

ADEQUATE SITES TO MEET REGIONAL HOUSING NEED

A critical part of the Housing Element is the Housing Site Inventory, which demonstrates that the County has identified enough sites zoned for residential development to meet its Regional Housing Need Allocation, or RHNA. The RHNA is assigned by the Association of Bay Area Governments (ABAG) based on State population projections and approved by the State. The 2023-2031 RHNA for Unincorporated Sonoma County is 3,824 units, which is more than 650% greater than the 515 units required in the 2014-2022 Housing Element period. In order to demonstrate that it has an adequate Housing Site Inventory, the County must identify and rezone sites as a part of the Housing Element update. This includes an analysis of zoning, development standards, infrastructure capacity, and fair housing considerations.

The Housing Site Inventory was developed by identifying:

- Accessory dwelling units (ADUs) assumed to be built during the planning period;
- Planned, proposed, and approved developments that will be ready for occupancy during the planning period; and
- Sites suitable for residential development, including sites proposed to be rezoned.

PLANNED, PROPOSED, AND APPROVED DEVELOPMENTS

The County has identified 1,253 units in 14 projects that have already been planned, approved, or proposed but are not yet completed. Of these, three projects are 100 percent affordable, 10 projects have some affordable units, and four projects have solely market-rate units.



Rendering of Verano Family Housing, an approved affordable housing development.

ACCESSORY DWELLING UNITS

The number of ADUs and junior accessory dwelling units (JADUs) built in the County has increased since 2016 legislation that reduced regulatory barriers to the development of

these units. The County approved an average of 74 ADU permits per year between 2018 and 2021. Given this average, the Housing Element anticipates 586 ADUs will be developed over the next 8 years.

SITES SUITABLE FOR HOUSING

The Housing Site Inventory lists vacant and underutilized sites and estimates the realistic capacity of each site, based on an analysis of local development trends. To meet the County's housing needs and provide adequate sites for housing, the County will rezone up to 54 sites for up to 2,533 housing units as a part of the Housing Element update.

GET INVOLVED!

The Sonoma County Draft Housing Element is available for public review beginning November 3, 2022. Comments will be accepted until December 3, 2022. During this time, members of the public are encouraged to provide feedback. After the public review period, input received through December 3 will be considered and incorporated into an updated version of the Housing Element.

More information is available on the County's Housing Element website.

