

CITY OF PETALUMA

2009-2014

HOUSING ELEMENT

(Chapter 11 of Petaluma's General Plan 2025)



Casa Grande Senior Apartments - Opened January, 2009

JUNE 2009

CITY OF PETALUMA

Pamela Torliatt, Mayor

Councilmembers:

Teresa Barrett
David Glass
Mike Harris
Mike Healy
David Rabbitt
Tiffany Renee

John C. Brown, City Manager



Approved and Adopted by Petaluma City Council – 6/15/2009
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Prepared by City of Petaluma Staff:

Bonne Gaebler, Housing Administrator
Sue Castellucci, Housing Coordinator
Scott Duiven, Senior Planner

The Housing Element of the General Plan is unique in that it is the only chapter which requires outside review and certification by the California State Department of Housing and Community Development (HCD) and is on a state-mandated time frame. Therefore, the Housing Element often is seen as a “stand-alone” document.

Petaluma’s existing Housing Element was certified in 2002 and has resulted in expansion of the City’s affordable housing units and programs, increased housing choice, revitalization of existing housing and neighborhoods, and more energy efficient housing.

1. INTRODUCTION

1.1 A PORTRAIT OF THE COMMUNITY

Petaluma is located 40 miles north of San Francisco in southern Sonoma County, bisected by the Petaluma River and under the backdrop of the Sonoma Mountains. It is a unique, geographically defined community with a distinctive character derived from its geography and physical diversity. Petaluma has a reputation of maintaining a “small town” atmosphere even as its population has grown to nearly 58,000 people.

A brief history of the development of Petaluma shows that the community was incorporated in 1858 and grew steadily following incorporation. There was a notable residential growth spurt following suburbanization from the 1950’s to 1970’s resulting in the adoption of its well-known residential growth management program. Following that legislation, the city slowed its residential growth rate to not exceed 500 units per year through the turn of the 20th century.

During the life of the 2002-2009 Housing Element residential development has fluctuated for a variety of reasons, including a General Plan related report showing an inadequate water supply and the wildly fluctuating real estate market. The annual growth rate during the first five years of the new century was at an annual rate of just 0.8 percent.

The 2009-2014 Housing Element presents a picture of what Petaluma’s population is predicted to look like over the next five years and how the City plans to address the housing needs of that population, particularly its low and moderate income families, seniors, and special needs households.

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1.2 CALIFORNIA HOUSING ELEMENT LAW

State law requires each city to adopt a general plan containing at least seven elements including housing. Unlike the other mandatory elements, the housing element is required to be updated every five years and is subject to detailed statutory requirements and mandatory review by the State Dept. of Housing and Community Development (HCD). This requirement reflects the statutory recognition that the availability of housing is a matter of statewide importance and that cooperation between government and the private sector is critical to attain the State's housing goal of a decent housing and a suitable living environment for every California family." (California Government Code Article 10-6, Sections 65580-65589.5.)

1.2.1 REGIONAL HOUSING NEEDS ANALYSIS

Housing Element law requires local governments to adequately plan to meet their existing and projected housing needs including their share of regional housing need. Housing element law is the state's primary market-based strategy to increase housing supply and choice. The law recognizes that in order for the private sector to adequately address housing needs and demand, local governments must adopt land use plans and regulatory measures that provide opportunities for housing development.

HCD is required to allocate each region's share of the statewide housing need to regional Councils of Governments. For Petaluma, that is the Association of Bay Area Governments (ABAG). The 'fair share' which evolves is based on state population projections and regional population forecasts used in preparing regional transportation plans. ABAG developed a Regional Housing Need Allocation (RHNA) assessment allocating the region's share of the statewide need to the cities and counties within their jurisdiction. The goal of RHNA is to:

- Increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner;
- Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns; and
- Promote an improved intraregional relationship between jobs and housing.

The RHNA process requires local governments to be accountable for ensuring that projected housing needs can be accommodated. The process maintains local control over where and what type of developments should occur in local communities while providing opportunity for the private sector to meet market demand.

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1.2.2 HOUSING ELEMENT COMPONENTS

State law requires that this element must include the following components:

- An evaluation of the 1999-2009 Housing Element
- A housing needs assessment, including the City's share of the regional housing need
- A sites inventory and analysis
- A discussion of governmental and non-governmental constraints on housing
- An inventory of resources available to meet housing needs
- The City of Petaluma's specific housing program goals, policies and programs
- Quantified objectives for the City to use in addressing its housing needs through 2014

1.3 RELATIONSHIP TO PETALUMA 2025 GENERAL PLAN

The Petaluma City Council approved the 2005-2025 General Plan in May, 2008. The policies and programs of the new General Plan support and encourage the development of affordable housing projects and programs. The Housing Element has been deemed to be consistent with the updated General Plan.

1.4 LINKAGE TO OTHER MANDATED HOUSING DOCUMENTS

The Housing Element is one of three mandated housing documents for which the City of Petaluma is responsible. The 2005-2010 Consolidated Plan Strategy is required by the U.S. Department of Housing and Urban Development (HUD) for all entitlement jurisdictions under the Community Development Block Grant Program. As a redevelopment agency, the Petaluma Community Development Commission (PCDC) is required to have in place a five-year Implementation Plan outlining plans for the production, preservation, or rehabilitation of the City's housing stock. Both of these plans have been completed, submitted to the appropriate agencies and are referred to throughout this document. Both documents are particularly important in the section of the Housing Element that addresses the financial plans in place to implement the proposed housing projects and programs.

1.5 COMMUNITY PARTICIPATION

- The City of Petaluma Housing and Block Grant Division has in place a detailed Citizen Participation Plan which contains the city's policies and procedures for

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public involvement in the Housing Program. This Citizen Participation Plan was utilized in completing the 2009-2014 Housing Element.

- A Needs Assessment and Data Collection was implemented in 2008 in anticipation of updating the Housing Element, utilizing a wide range of community-based agencies and committees representing all sectors of the community.
- Public input was solicited during the preparation of the draft Housing Element.
- Other governmental agencies and citizen task forces were contacted to coordinate housing plans and anticipated resources both locally and on an area wide basis.
- The draft Housing Element was made available to allow a public comment period by interested parties.

Because formal public hearings often do not include involvement by the community's low-income households, the Plan provides for and encourages public participation in a small group setting, emphasizing involvement by low- and moderate-income people – especially those living in low- and moderate-income neighborhoods. Also, the City takes whatever actions are appropriate to encourage participation of minorities, people who do not speak English, and people with disabilities.

The following agencies, groups, and organizations were contacted to review the draft housing element:

Boys and Girls Clubs of Petaluma

Buckelew Programs

Burbank Housing Development Corp.

Committee on the Shelterless (COTS)

Disability Services & Legal Center (DSLCL) formerly Community Resources for Independence

Eden Housing, Inc.

Housing Land Trust of Sonoma County

PEP Housing

Petaluma People Services Center

Rebuilding Together Petaluma

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Salvation Army

Senior Advisory Committee (City of Petaluma)

Sonoma County Continuum of Care Committee

Sonoma County Housing Coalition

Sonoma County Community Development Commission

Vietnam Veterans of California

City of Rohnert Park, City of Santa Rosa, County of Sonoma, Association of Bay Area Governments, State of California Dept. of Housing and Community Development

Home Builders Association of Northern California

Petaluma Chamber of Commerce

Petaluma Downtown Association

The Federated Indians of Graton Rancheria

The following comments were submitted:

PEP Housing: 1) minor corrections in number of units, 2) add verbage that Casa Grande Senior Apartments is the first green certified multi-family complex in Sonoma County.

COTS: 1) hard to predict need in current economy; 2) the homeless survey numbers are dated. They are 2007 numbers instead of 2009, 3) minor corrections in wording.

Citizen commented on the inclusion of a specific property in the residential sites inventory analysis.

Planning Commission: 1) clarify replacement language for Community Development Department function; 2) develop a local ordinance regarding the Density Bonus; 3) include Senior Advisory Committee in housing activities; 4) clarify language in 3.3.3; 5) analyze Latino population increase when 2010 census data becomes available.

HCD Review of the City of Petaluma's Draft Housing Element

2. EVALUATION OF EXISTING ELEMENT

The City's initial Housing Element was adopted in 1985 and introduced the policies that have been the foundation of the City's affordable housing program. The consistent goal of Petaluma's decision makers has been to provide a balanced program of safe, sanitary and decent housing for the broad spectrum of our community's very-low, low and moderate-income residents – from those who are homeless to first-time homebuyers. The 2002-2009 Housing Element's philosophy, policies and programs, and the City Council's unwavering commitment to affordable housing have allowed the City of Petaluma to excel in its efforts to house low- and moderate-income persons, including addressing its Regional Housing Needs Allocation.

The housing program is mission driven, flexible, and simple, allowing it to change with the changing needs of the community. The program addresses the wide array of housing needs, including homeless shelters, transitional housing, senior apartments, workforce rentals, special needs units, first time homeowner opportunities, and accompanying support services.

2.1 EFFECTIVENESS OF THE ELEMENT

For a review of the actual results of the 2002-2009 Housing Element goals, objectives, policies, and programs, refer to Appendix B.

Since the 1984 Housing Element and inception of the Housing program, the City has exceeded its original Housing Element mandate, by reaching a 23% share of all new housing as affordable. The City has invested over \$50,000,000 in new construction and rehabilitation of affordable housing (See Table 1) and an annual contribution of \$1.5 million for supportive services. (See Table 2.) The Housing Division has been able to leverage our local funding at a ratio of approximately \$10.00 of outside dollars for every local dollar.

During the life of the 2002-2009 Housing Element, the following has been accomplished:

- Construction of 100 additional shelter beds

- Construction of 35 additional transitional housing beds

- 26 first time homebuyers moved into their homes using the newly instituted Land Trust models and 75 pre-owned homes were re-sold using the City's existing homeownership model

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Construction of 332 rentals apartments for low-income seniors

Construction of 13 apartments for very-low income persons with a mental disability

Rehabilitation of 414 homes of low-income seniors, families, and/or persons with a disability

Ongoing affordable Housing for 600 seniors

Ongoing affordable Housing for 2,000 residents in family communities

Ongoing Housing for 50 special needs residents

Shelter and program assistance for 100 single adults and 35 families every night of every year

Annual rental assistance for 200 households

Fair housing counseling for over 2,500 residents.

2.2 PROGRESS IN IMPLEMENTATION: SIGNIFICANT NEW PROGRAMMATIC COMMITMENTS

In addition to housing-related programs listed in Table 2, the following programs were implemented during the existing housing element tenure which have greatly enhanced the quality of the housing program.

MARY ISAAK CENTER: Completion of the construction of the Mary Isaak Center addressed a long-held goal of the City Council and a goal stated in the existing Housing Element. Opened in 2004, the Mary Isaak Center is a 3-story, 22,000 square foot building housing an emergency shelter and services for 100 single homeless adults on the first floor, transitional housing and services for 30 residents on the second floor and administrative offices on the third floor. Each year the center serves 550 unduplicated individuals, helping them to break the cycle of homelessness by resolving crises and providing basic human needs; helping rebuild shattered homes, and getting people under a roof of their own.

GREEN BUILDING PROGRAM On January 23, 2006, the Petaluma City Council approved the creation of a new, voluntary green building program, authorizing Resource

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Performance Partners, Inc. to develop a program called “Petaluma Build It Green” reflecting the City’s commitment to responsible development and environmental stewardship. The program is now seamlessly integrated into the City’s planning operations.

UNIVERSAL DESIGN Communities are now turning to the new concept of universal design to plan for the entire lifespan of their residents. Instead of isolating the elderly in special housing or designing special services for the disabled, universal design promotes the idea of maximum flexibility and usability by the full spectrum of people. A Petaluma nonprofit, PEP Housing, built the first 100% universally designed multi-family project in Marin and Sonoma Counties. Casa Grande Senior Apartments (see cover photo) not only promotes “aging in place” by independent seniors and persons with disabilities, but will also allow them to retain their independence for much longer periods of time.

FAMILY HOUSING ROUNDTABLE As a result of increasing police presence at one of the properties in 2000, Petaluma’s seven affordable family rental communities now meet on a quarterly basis with City Housing staff, Police staff, and Boys’ and Girls’ Club staff to discuss ongoing site issues, problems, programs, and opportunities to share information and resources. The result has been an almost total absence of police calls and gang activity.

REHABILITATION OF AFFORDABLE COMMUNITIES In a City with a mature housing program, such as Petaluma, it has become increasingly important to take care of what we have already built and invested millions of dollars in, while trying to meet future demand and RHNA goals. As an example, Corona Ranch Apartments built in 1994 recently underwent the need for a massive rebuilding of all 74 staircases at a projected cost of \$1.5 million, of which the City will allocate \$500,000.

NEIGHBORHOOD REVITALIZATION On July 3, 2007, the City Council adopted Ordinance 2250, also known as the “Code Enforcement Ordinance”. In adopting this ordinance the council wanted the City to be proactive in enforcing the code and to focus on improving neighborhoods through eliminating blight and other private property nuisances, specifically focusing on neighborhoods in need. As part of the above ordinance, the Neighborhood Outreach Program was started. This program is modeled after similar neighborhood code enforcement programs that exist throughout the state. The goal of these programs is to eliminate blight, crime, and life, health, and safety hazards. These programs have resulted in safer neighborhoods, reduced crime, higher community involvement, and increased property values. A neighborhood outreach program was conducted for one of the city’s older neighborhoods – McDowell Meadows and will be conducting similar outreach projects in the future.

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2.3 APPROPRIATENESS OF GOALS AND /OR PROGRAMS

A modification to the current Element's goals has been in the City's first-time homebuyer program. Due to the volatile housing market, the program will now be operated using the Land Trust Model. Petaluma is one of the first cities to incorporate the land trust model into our first-time homebuyer program. In 2008, 26 homes were built by Delco Builders in partnership with the City and the nonprofit Housing Land Trust of Sonoma County. Homes were sold to families with incomes ranging from 80-120% of AMI. Affordability of the home is preserved for future owners through the implementation of a 99-year ground lease. The homeowner owns the house and leases the land beneath it for \$55/month retaining exclusive rights to the land.



FRATES SQUARE, SOUTHGATE SUBDIVISION

2.4 SUMMARY OF AFFORDABLE HOUSING ACHIEVEMENTS

The City of Petaluma's Housing Program is a mature one. The initial senior project was built in 1980 and the City Council has approved more than 1,200 units to serve the wide spectrum of need since that time. See Appendix D.

Tables 1 & 2 below illustrate the City's production and programmatic achievements. Petaluma has gained recognition both regionally and state-wide for our affordable housing accomplishments.

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2.4.1 AFFORDABLE HOUSING ACHIEVEMENTS: PROJECTS

TABLE 1 illustrates the City's affordable housing stock through June 2009. CONSTRUCTION OF AFFORDABLE HOUSING through 2009

Project/Program Name	Units by Income / Need Group	Funding Source	Funding Amount	Developer /Agency	Year
Daniel Drive Apartments	5 Very Low	Units Donated	\$50,000	PEP	1980
Wilson Street I	10 Very Low	CDBG	\$85,000	PEP	1984
Lindberg Lane Senior Apartments	12 Very Low 4 Low	Units Donated	\$590,000	PEP	1986
Wilson Street II	6 Very Low	CDBG	\$335,000	PEP	1988
Madrone Village	23 Very Low	Hsg Fund LIHTC-9	\$250,000	Burbank	1988
Magnolia Hills (FTHB)Self-Help	32 Low/Mod	Hsg Fund	\$140,000	Burbank	1988
Madison Manor FTHB	8 Low/Mod	CDBG	\$120,000	Burbank	1990
Cherry Hills Townhomes	29 Low/Mod	Hsg Fund	\$580,000	Burbank	1991
Mountain View Senior Apts.	16 VL-Senior 4 Disabled 4 Low-Senior	Hsg Fund CDBG	674,000 155,000	PEP	1991
Caulfield Lane Senior Apts.	22 Very Low Senior	Hsg Fund CDBG LIHTC	400,000 124,500	PEP	1992
Hillview Oaks Townhomes	30 Low / Moderate	Land Don. Hsg Fund	500,000 150,000	Burbank	1992
Washington Creek Apts.	32 Very Low / Low	Hsg Fund LIHTC	320,000	Eden	1993
Corona Ranch	74 Very Low / Low	Land Don. LIHTC-9	720,000	Eden	1994
Corona Crescent	16 Low / Moderate	Land Donation	80,000	Eden	1994
Park Lane Apartments	90 Very Low /Low	Hsg Fund HUD-Title 6	\$295,000	Burbank	1994
Vallejo Street I Senior Apts.	44 Very Low / Low Senior	Hsg Fund LIHTC-9	851,800	PEP	1994

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Project/Program Name	Units by Income / Need Group	Funding Source	Funding Amount	Developer /Agency	Year
Wisteria	28 Low / Moderate	Land Don. Hsg Fund BEGIN	1,100,000 250,000 280,000	Burbank	1996
Round Walk Village Apts.	129 Very Low / Low	Hsg Fund CDBG HOME LIHTC-4	933,000 110,000 930,500	Burbank	1996
Sunrise of Petaluma Sr. Apts.	15 Very Low / Low Senior –	Bond Issue		Private	1997
Vallejo Street II Senior Apts.	40 Very Low / Low Senior	Hsg Fund LIHTC-9	532,900	PEP	1998
Salishan Apartments	13 – Very low – disabled	Hsg Fund CDBG HUD 811	368,380 45,000	NBRS	1999
Vintage Chateau Senior Apartments	240 Very Low And Low	Hsg Fund	\$10,000	USA Prop	2000
Edith Street Senior Apartments	22 – Very low-Seniors	Hsg Fund HOME funds HUD 202	890,000 340,000	PEP	2001
Old Elm Village	87 – Very Low and Low Income	Hsg Fund CDBG HOME LIHTC-9	1,331,600 349,500 800,000	Burbank	2001
Richard S. Lieb Senior Apartments	22 – Very low – seniors	Hsg Fund HOME funds HUD 202	885,000 797,050	PEP	2004
Downtown River Apartments	80 – Very Low and Low income	Hsg Fund HOME Fund LIHTC - 4	3,662,000 3,466,000	Eden	2005
Mc Dowell Blvd. Duplex	2 – Low	Hsg Fund	\$75,000	PEP	2006
Boulevard Apartments	14 – Very low income for mentally disabled	Land Don Hsg Fund HUD 811	480,200	Buckelew Programs	2006
Frates Square	26 – Moderate Income	Land Donation		Delco Bldrs and Housing Land Trust	2007

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Project/Program Name	Units by Income / Need Group	Funding Source	Funding Amount	Developer /Agency	Year
Casa Grande Senior Apartments	57 – Very low and low income-seniors	Hsg Fund HOME HUD 202 LIHTC-4	1,664,000 3,950,000	PEP	2009
Total	1,236 units				

2.4.2 PROGRAMMATIC ACHIEVEMENTS

Table 2 illustrates the housing program accomplishments of the City of Petaluma, which have addressed the identified needs of the entire spectrum of Petaluma's low- and moderate-income residents.

TABLE 2 - Housing Programs

FIRST-TIME HOMEBUYERS ASSISTANCE:					
Program Name	Service Provided	Funding Source	Funding Amount	Agency	Year
Silent Second Mortgage-FTHB	210 Low/Mod	Housing Fund	\$12,059,358	N/A	1988-On-going
Mortgage Credit Certificate	82 Low / Mod.	Housing Fund	\$ 10,000	N/A	1991-On-going
Second Mortgages	18 Low/Mod	Housing Fund	\$376,000	N/A	1991-1998

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CONSERVED UNITS:

Program Name	Service Provided	Funding Source	Funding Amount	Agency	Year
Park Lane Apartments	90 Low	Housing Fund Tax Exempt Bonds	\$295,000	Burbank	1994
Valley Orchards Sr. Apts.	20 Low Senior	N/A	N/A	Private	1993

Program Name	Service Provided	Funding Source	Funding Amount	Agency	Year
Homeless Shelter – Families	35 beds/night	Housing Fund	\$287,000/yr	COTS	On-going
Homeless Shelter – Singles - MIC	100 beds/night 35 Trans. Hsg beds	Housing Fund	462,300/yr	COTS	On-going
Rental Assistance Programs	200 hholds/yr.	Hsg Fund CDBG	141,500/yr	PPSC	On-going
Housing Rehabilitation - Low, moderate, senior	35 hholds/yr.	CDBG	100,000/yr	Rebuilding Together	On-going
M. Home Rent Stabilization	133 units	Hsg Fund	Self-sustaining		On-going
Fair Housing	250 persons	Hsg Fund	45,000/yr.	PPSC	On-going
Meal Program for seniors	197 persons	CDBG	53,000/yr	PPSC	On-going
Boys and Girls Club of Petaluma	250 persons	Hsg Fund	400,000	B&GC	On-going
Housing Rehab. – Disabled	10 units	CDBG	40,000/yr.	DSLCL	On-going
Shared/Transitional Housing	5 households	Hsg Fund	75,000/yr	Salvation Army	On-going

3. HOUSING NEEDS ASSESSMENT

A review of the City’s population, business and housing characteristics helps to identify trends and housing needs. The following analysis shows that although the City of Petaluma has had remarkable success in addressing the City Council’s affordable housing goals, the need for appropriate affordable housing continues to grow. In the midst of a faltering economy and rising foreclosures, there is no sign of lessening needs, particularly for three key populations: children, seniors, and Latinos.

3.1 POPULATION AND EMPLOYMENT TRENDS

The City of Petaluma increased by 3,700 people since the Housing Element was last certified in 2002.

Table 3 - Population Growth Trends

Year	Population	Numerical Change	Percent Change	Average Annual Growth Rate
1990	43,184			
2000	54,548	11,364	20.83%	2.08%
2005	56,632	2,084	3.68%	0.74%
Current – 2007	58,335	1,703	2.91%	1.45%

U.S. Census Bureau – American Factfinder

To the extent that any data or projections are valid in this turbulent era, the Sonoma County Economic Development Board reports in its Local Economic Report (Winter 2009) that Sonoma County’s economy is contracting and will weaken in 2009. Employment has been falling since mid-2008 and the unemployment rate has risen to a 15-year high. The recession in Sonoma County is expected to last through the third quarter of 2009 and subsequent sluggish growth will allow the jobless rate to rise into early 2010.

Retail, technology, and construction trades are projected to slow down substantially.

As a result, tax revenue is faltering at all levels, resulting in local payroll cutbacks. The uncertain employment picture threatens all residents in the City, including those in the

City's affordable rental communities who often comprise those employees most likely to hold unskilled or semi-skilled jobs.

3.2. Household Characteristics

A brief snapshot of Petaluma's household composition shows that the average household size is 2.80 persons; the average family size is 3.16 persons. The average household size of owner-occupied units is 2.75 persons; for rentals, 2.59 persons. These averages are slightly higher than Sonoma County, but lower than California. The majority of Petalumans (70 percent) reside in family households, 77 percent of which are married-couple families. Approximately one-third of family households include children under 18.

3.2.1 Single Parent Households:

Approximately 23 percent of family households with children are headed by single parents. Since a large proportion of single-parent households are low-income and "overpaying" for housing, they are a targeted clientele for our affordable housing communities. Table 5 shows the number of low-income households overpaying (i.e. paying 30% or more of their household income) on housing.

3.2.2 Ethnicity

Recent demographic studies show that the racial and ethnic configuration of Sonoma County, and particularly of Petaluma, has changed dramatically since the certification of the current Housing Element. The proportion of Latinos in Petaluma has increased 59% since 2000, growing from 14.6% of the population to 23.2 percent. That growth rate is more than twice as much as in the County as a whole. The percentage of foreign born residents increased from 14.4% in 2000 to 19.5% in the 2005-2007 period. Over the same period, the percentage of homes where only English is spoken declined from 81.7% to 72.7 percent. Homes speaking Spanish increased from 11.1% to 19.8% in the 2005-2007 period. In response to a 2008 Fair Housing review by HUD, the City of Petaluma incorporated a LEP Plan (Limited English Proficiency) into its housing policies and programs. The City's fair housing plan has taken this population shift into consideration in our efforts to affirmatively further fair housing in Petaluma.

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According to local service providers, more Latino youth are utilizing shelters. There is an expanding number of single Latina mothers with children among the homeless and an increasing number of migrant families are permanently moving to Sonoma County (instead of individual workers moving here seasonally).



3.2.3 Age

The age distribution of the City's population also affects the type of housing that is needed.

Children under 5 years comprise approximately 6.4% of Petaluma's population and school age children 5-19 years comprise approximately 21 percent. Adults aged 20-60 comprise 57 percent of the city's population.

The preeminent fact about the elderly population is its size and comparative rapid growth. Slightly more than 16 percent of Petaluma's citizens are over 60 years of age; the fastest growing age group is 85 and over. One in eight Americans is a senior citizen today, compared to 1 in 25 at the dawn of the 20th Century and it is anticipated that during the life of this Housing Element, nearly one in five residents will be seniors. Extending out to 2020, the number of residents 60+ will increase by 34%.



Lieb Senior Apartments – 22 units

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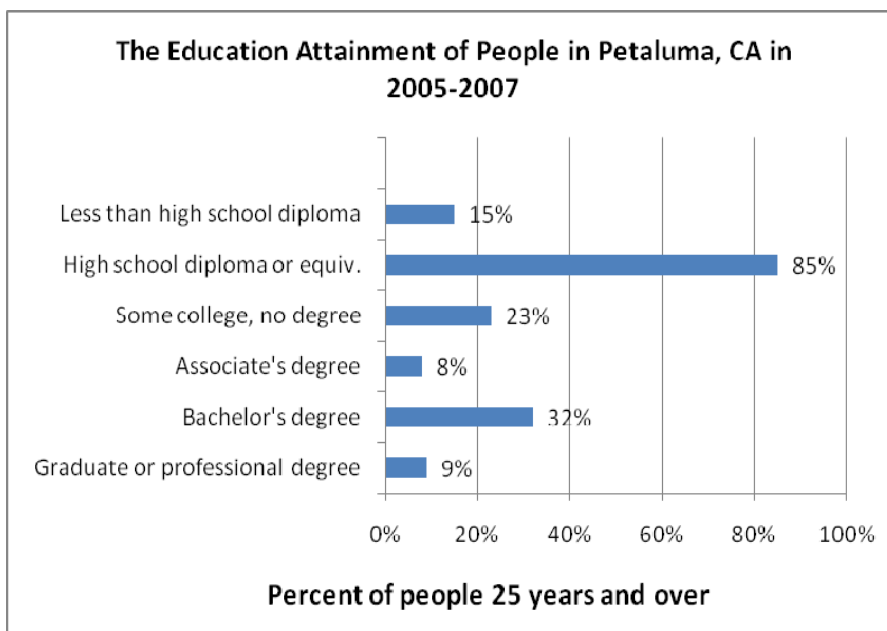
Census data indicates that 5.9% of seniors live at the poverty level, and almost 10% live just slightly above. Older women are two times more likely to live in poverty compared to their male counterparts and older Blacks and Latinos are far more likely to be living in poverty than Caucasian seniors. Local service providers are observing a noticeable increase in the number of homeless people who are over age 55, particularly females.

The City's affordable housing strategy has taken the dynamic growth of the aging population into consideration in planning future properties.

3.2.4 Educational Attainment

The City has seen a remarkable increase over the last 30 years in the educational attainment of its residents, reflecting the change from an agricultural- and service-based economy to a more technical one. In 1970, nearly 32 percent of adults over 24 years of age were not high school graduates, while only 10 percent had earned a college or advanced degree. These proportions are now essentially reversed, with more than 30 percent possessing a bachelor's degree or higher. Only 15 percent had not graduated from high school, according to the American Community Survey, 2005-2007.

Table 4 – Education Attainment of People in Petaluma



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Higher levels of education generally correlate with higher income levels, allowing residents to more readily afford to move into ownership housing. The City's affordable housing strategy has developed an improved first-time homebuyer program to accommodate this clientele. (See the Land Trust model, page 9)

3.2.5 NEEDS FOR ALL INCOME LEVELS

Section 65583(a)(1) requires an analysis of population and employment trends and documentation of projections and a quantification of Petaluma's existing and projected needs for all income levels.

The Element must also quantify existing and projected extremely low income (ELI) households (incomes with 30% or below the AMI) and analyze their housing needs in accordance with Chapter 891, Statutes of 2006.

Table - 5 - Housing Problems for All Households

	Total Renters	Total Owners	Total Households
Household Income <=30% MFI	886	629	1,515
% with any housing problems	78.70%	73.80%	76.60%
% Cost Burden >30%	77.50%	73.80%	76.00%
% Cost Burden >50%	59.70%	54.80%	57.70%
Household Income > 30% to <= 50% MFI	1,638	1,589	3,227
% with any housing problems	85.40%	59.60%	70.90%
% Cost Burden > 30%	82.20%	58.80%	69.00%
Household Income > 50% to <= 80% MFI	1,200	1,759	2,959
% with any housing problems	71.00%	47.10%	56.80%
% Cost Burden > 30%	56.40%	46.90%	50.80%

Source: State of the Cities Data Systems: Comprehensive Housing Affordability Strategy (CHAS) Data

Of the 1,515 ELI households in Petaluma, the City projects that there will be a need for an additional 265 units for extremely low income households from 2009-2014 (utilizing the ABAG RHNA numbers, 50% of the Very Low allocation). Approximately 50% of that need will be addressed with the following projects already in the pipeline:

- Casa Grande Senior Apartments – Opened 1/1/09

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- Vintage Chateau – Phase II – construction to begin 10/1/2009
- Logan Place – In Development
- Wood Sorrel Senior Apartments

Policies to encourage and facilitate housing for extremely low income are found in Chapter 6 of this Housing Element. Those policies include:

Policy 2.1 – Promote a range of housing type to meet the housing needs of all Petalumans including extremely low income households; Policy 3.1 Minimize constraints on housing development to expedite construction and lower development costs; Policy 4.1 – Promote the development of affordable housing to extremely low, very low, low- and moderate income households; Policy 5.1 – Preserve the City’s existing affordable housing and ensure the long-term affordability of new below-market rate units. Petaluma’s existing affordable housing stock includes approximately 30% of the units affordable to extremely low income households; Policy 6.1 – Support efforts to prevent homelessness; and Policy 7.1 – Discourage discriminatory housing practices.

3.3 HOUSING STOCK CHARACTERISTICS

As of this writing, the number of new residential construction permits is at a record low and the median home sales price is falling at an accelerating pace, particularly at the low end of the market, where affordability has been dismal. The median sales price has fallen approximately 55% from its peak since 2005. Prices need to fall at least 10% more before they are in balance with household incomes.

3.3.1 Existing Housing Supply

Petaluma is a community that offers a wide variety of housing. Although single-family detached homes make up the majority of the housing stock, the City has nearly 3,000 multi-family units and more than 900 mobile homes. The 2008 housing unit count of 22,067 represented an increase of 1,727 units since the 2002-2009 Housing Element.

A 2008 survey showed a for-sale unit vacancy rate of 1.4 percent (compared to .5 for the last Housing Element) and a 3.2 percent vacancy rate for rental units. The rate is substantially lower than the five percent level that HCD finds is needed to allow adequate mobility within the housing market.

3.3.2 Occupancy Type

Approximately 70 percent of the City's units are owner-occupied, a high level compared to 64 percent for Sonoma County and 57 percent statewide. Since the last Housing Element was certified, federal, state, and local policies which favored homeownership often resulted in public and private lending practices which allowed sub-prime and other risky loans to be offered to residents unable to sustain them. The negative fallout from those practices is now being felt and the City's affordable housing program will emphasize the production in rental housing for the near future.

3.3.3 Age and Condition of Housing

Petaluma's housing stock is considerably newer than in California as a whole. Almost 24 percent of its units have been constructed since 1990. However, 11 percent were constructed prior to 1940, compared to 9.4 percent statewide. Older housing stock is typically in greater need of maintenance and rehabilitation.

The most recent available reliable data regarding housing conditions is the 2000 Census, which identified 124 units as lacking complete plumbing facilities and 191 as lacking complete kitchen facilities. As part of the 2002-2009 Housing Element, a survey was completed of three older Petaluma neighborhoods with the condition of each housing units classified as: sound, sound deficient, deteriorating, or dilapidated. Rebuilding Together Petaluma then targeted those neighborhoods with the highest level of need for rehabilitation. A total of ten projects were completed. One neighborhood was the target of a weekend code enforcement "check-up" by City staff. (see Code Enforcement)

Code Enforcement

Since the previous Housing Element, the City has hired a full-time code enforcement/neighborhood preservation enforcement officer. This appointment of an experienced enforcement officer has allowed a neighborhood preservation effort to operate concurrently with code enforcement. Using both of these functions, staff has implemented a pilot neighborhood outreach program in the Old McDowell Neighborhood, one of Petaluma's oldest tract house subdivisions. Using a somewhat restrictive code enforcement ordinance, staff was able to make great progress in getting property owners to clean up their front and side yards which had become neglected and, in some instances, consumed by illegal structures. The City is considering a consolidated version of a property maintenance code, which utilizes numerous building, fire, health and safety, and housing code minimum standards.

Staff researched what other cities were doing to address to address housing conditions. Those cities that were most successful, created their own property maintenance code

based on current local and state regulations, the IPMC, and most of all what their community was asking for. The intention of creating a new ordinance was to take generic code enforcement regulations and make them more specific, allowing staff to pinpoint each violation on a property.

Rehabilitation

The City's rehabilitation partner is "Rebuilding Together - Petaluma," a community-based non-profit agency that rehabilitates approximately 25-50 homes in the city annually. The program solicits applications through information printed on city water bills, and targets households with incomes of 70 percent or less of the area median income, the elderly and disabled, single parents and large families. Using 400 community volunteers and donated materials, the program undertakes a wide range of repairs for each house that can include painting, new roofs, wheelchair ramps, electrical rewiring, new bathrooms, replacement flooring, plumbing repairs, furnace and hot water heater installation, smoke detector installation, landscaping, and window and door replacement. An annual allocation is provided to this project from the Low- and Moderate-Income Housing Fund.

3.4 HOUSING AFFORDABILITY

3.4.1 Housing Costs

For Sale: Unlike information provided in the last Housing Element, which discussed escalating home prices and the resulting lack of affordability, the housing market in Sonoma County continues to rebalance in the midst of the current housing crisis. Most real estate economists aver that a healthy real estate market exists when the median home price is no more than 3-4 times the amount of the median family income. Median homes prices were as high as 8-9 times the median household income in the last Housing Element cycle.

Home prices in Petaluma are falling and the median sales price is down by over 55% from its peak in 2005. As of this writing, the median price home is \$325,000 or slightly more than four times the median household income (for a household of four). One of the major reasons for this substantial devaluation of properties is that foreclosure sales have increased to more than half of all home sales, driving down prices, especially at the lower end of the market. Falling prices and a paucity of new construction have improved affordability, although at a slower rate than in the neighboring counties of Napa and Solano.

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Credit conditions remain weak, with delinquencies as a percent of all home loans more than double their rate at the beginning of 2007. It is predicted that rising unemployment will increase the number of distressed mortgages and foreclosures in 2009-2014.

For Rent: Fair Market Rent (FMR) is a HUD classification. It includes shelter rent and the cost of utilities, except telephone and cable, for the median priced apartment. HUD's affordability guidelines recommend that an individual spend no more than 30% of his/her income on housing and related costs. To afford the FMR in Petaluma, applying that guideline, an individual would be required to earn between \$17.50 to \$37.00 per hour, depending on the number of bedrooms. Lack of affordable rental housing can lead to overcrowding, household stress, and even homelessness.

3.4.2 Overpayment for Housing

Table 6 presents the gap that exists between the cost of housing and the ability to pay by our low- and moderate-income residents.

Table 6 – Percentage of People “Overpaying” for Housing

Owner-Occupied Units		
Households with incomes less than 80% AMI	Paying 30% or More of HH Income	Percent
3,343	1,955	58.48%
Renter-Occupied Units		
Households with incomes less than 80% AMI	Paying 30% or More of HH Income	Percent
3,386	2,132	62.97%

HUD establishes annual income limits in various categories that are used in the administration of its programs. The 2009 income limits for Petaluma are listed in Appendix C. Petaluma's area median income is \$80,200 for a family of four. HUD's goals and guidelines state that the maximum monthly housing cost that households in each income category should bear should not be more than 30 percent of a family's income, which includes utilities.

According to state and federal law, a lower-income (i.e., less than 80% of median income) household that pays more than 30 percent of its income for housing is living in unaffordable housing. These households are classified as “overpaying” for housing.

To address the issue for mobile home residents, the City adopted a Rent Stabilization Ordinance in 1993. At that time, a survey of mobile home park tenants reported that just over half of the respondents reported they paid more than 30 percent of their income for

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housing expenses. About 40 percent reported paying more than 35 percent of their income for housing.

3.4.3 Overcrowding

The current housing crisis with record numbers of foreclosures may 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 all are factors in overcrowding.

Table 7 - Overcrowded Households – 2000

Persons Per Room	Owner		Renter		Total Overcrowded	
	Households	Percent	Households	Percent	Households	Percent
1.00 or less	13,764	98.40%	5,182	86.80%	18,946	94.90%
1.01 to 1.50	130	0.90%	320	5.30%	450	2.30%
1.51 or more	100	0.70%	469	7.90%	569	2.80%
TOTAL	13,994	100.00%	5,971	100.00%	19,965	100.00%
% Overcrowded by Tenure		1.60%		13.20%		5.10%

Source: Census 2000, Summary File 3 - H 34 - Year structure built

The latest data shows that slightly more than 1,100 of the city’s occupied dwelling units had more than one person per room (excluding kitchens and bathrooms) and were therefore considered “overcrowded.” These units represented five percent of total occupied units, which is a slight increase over the 2000 rate. Only 2.8 percent of the units were severely-overcrowded (over 1.5 persons per room), however this is more than double the 1990 rate.

The city’s five percent level of overcrowding is significantly lower than that of California which stood at 15.2 percent of total households.

3.5 SPECIAL HOUSING NEEDS

3.5.1 HOMELESSNESS

The U.S. Department of Housing and Urban Development (HUD) defines the homeless as persons who are:

- Sleeping in places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings.
- Sleeping in emergency shelters.
- Living in transitional or supportive housing for homeless persons but who originally came from streets or emergency shelters.
- Being evicted within the week from private dwelling units and no subsequent residences have been identified and they lack the resources and support networks needed to obtain access to housing.
- Being discharged within the week from institutions in which they have been residents for more than 30 consecutive days and no subsequent residences have been identified and they lack the resources and support networks needed to obtain access to housing.

Reasons for homelessness in Petaluma include:

- The lack of permanent affordable housing
- The current foreclosure crisis
- A low rental vacancy rate of 3.2%
- Personal emergencies
- Cutbacks in federal housing assistance
- Chronic substance abuse
- Insufficient support systems
- 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 with fixed or low incomes facing rent increases.

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Extent of Need

Chapter 633, Statutes of 2007 (SB2) amends housing element law regarding planning and approval for emergency shelters and transitional and supportive housing. This section describes in detail how the City of Petaluma has met our need to not just encourage, facilitate and zone for emergency shelters, but to actually construct emergency shelters, supportive and transitional housing and to design and implement state-of-the art programs for addressing the critical needs of homeless persons in our community. As required by SB 2, the following table presents the required analysis of homeless population needs in Petaluma. This information was provided by our local nonprofits who state that numbers are fluid and change weekly.

Table 8 – Petaluma’s Homeless Population Needs Assessment

COTS	Emergency Shelter		Transitional		Supportive	
	Single	Family	Single	Family	Single	Family
Need	150	50	40	30	75	100
Supply	100	35	20	10	75	100
Balance	50	15	20	10	0	0

Petaluma has two state of the art homeless shelters, one serving families and one serving singles. Of the 50 unserved singles – 25 are seasonal (winter clients) who do not choose to utilize shelter services except during inclement weather. These clients are served by providing, cots, blankets, and food in the community room at the Mary Isaak Center. The other 25 unserved singles are homeless persons who are unwilling or unable to conform to shelter management rules, standards, and procedures. Those clients are referred to shelters with more lenient management standards.

Of the 15 families who are not served by the family shelter are directed to the Petaluma’s faith-based family homeless program, a series of rotating volunteer churches. The City also provides “upstream support” by funding homeless prevention programs such as Petaluma People Services Center Rental Assistance program and the new Stimulus Homeless Prevention funds.

The need for transitional housing is being planned for by restructuring our existing facilities. Committee on the Shelterless (COTS) owns and operates seven transitional

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houses called Integrity Houses which are self-managed. These units provide the flexibility to accommodate the unmet need. Supportive services are provided to Integrity houses by “mainstream” agencies such as County Mental Health Department, Alcohol and Other Drug Abuse (OADA) programs, veteran services, etc.

HUD requires all entitlement jurisdictions to participate in the Continuum of Care program and all Continuum of Care participants are required by HUD to complete a bi-annual “point-in-time survey”. The 2007 homeless count in Sonoma County inclusive of Petaluma shows the following data: (2009 homeless count data is not yet available)

- 1,974 homeless individuals (including 284 children and juveniles living on their own) were identified countywide (January 2007)
- More than one-half of the homeless were located in Santa Rosa. Nineteen percent, or 379 persons, were located in the south area of the county, including the cities of Petaluma, Cotati and Rohnert Park.
- Approximately one-third of the homeless adults were women.
- Twenty-six percent of the homeless adults received wages. Nineteen percent had a fixed income, such as SSI, SSDI, SDI, Social Security or a pension and nineteen percent had income from Public Aid or other income. Thirty-five percent had no income.
- Approximately 10% of the homeless population are veterans.
- Forty-one percent of the homeless adults had special needs associated with drugs or alcohol or mental health issues. Thirty-one percent were disabled.
- Fifteen percent of the individuals were identified as being without a stable home and were “at risk” of being homeless.

The “street” category included camping in areas not designated for camping, e.g., along a river or creek, near railroad tracks, and under bridges or sleeping in cars, substandard buildings or on the sidewalk.

Based on these surveys, the “typical” respondent could be characterized as a single male between 25 and 45 years of age, originally from outside of Sonoma County, who had lived in Petaluma for at least two years, had been homeless for more than one year, and had not slept in the Petaluma Shelter during the previous month.

Existing Homeless Facilities

The City of Petaluma has undertaken a number of successful projects and programs that address the needs of the local homeless population. It is estimated that over 65,000 bed-nights of shelter are provided annually through these programs.

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Petaluma has two emergency shelters operated by COTS (Committee On The Shelterless). The year-round family shelter with 35 beds (equating to 12,775 bed-nights annually) provides shelter, food, and staffed intensive case management services for up to 60 days. The family shelter receives approximately \$287,000 in funding from the City annually.

MARY ISAAK CENTER provides a broad array of services to the homeless, including life skills workshops, counseling services, referrals, showers, lockers, mail, laundry facilities, telephone, and message services.

COTS has been recognized with the Van Loben Sels Foundation Model Practices Award to fund the creation of a manual for other homeless services organizations, and has received numerous United Way Community Impact Awards. Staff from regional shelter programs and programs in Sacramento, Boise, Cleveland and Albany have traveled to COTS to learn more about COTS' uniquely effective integral trauma-informed approach. MIC is supported with \$462,000 in funding from the City annually.



Mary Isaak Center, Opened in November 2004

The MIC provides a 24-hour-a-day, year-round full-service, supervised homeless facility which consolidated the winter shelter, Opportunity Center, and the Petaluma Kitchen (which annually provides over 100,000 hot meals and over 500,000 pounds of food delivered in the community).

The Mary Isaak Center has been constructed on city-owned property and includes an 22,000-square foot, three-story building. The first floor includes a 100-bed dormitory, a health clinic, a large training/service kitchen, a living room, a conference/counseling room, a laundry room, offices, lockers, and men's and women's bathroom facilities with showers. Space for a vegetable garden and recreation area has been provided. The recreation area includes activities such as basketball, volleyball, calisthenics, and weight training.

The second story offers a transitional housing program to which clients can advance. It has 12 rooms, each of which can be shared by two to four people.

All clients participate in a multi-level case management and goal-setting program that helps clients with basic needs and access to social services. Members receive increasing

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support as they complete goals. Mental and physical health, substance abuse, and domestic violence assistance services, as well as job training, among others, will be offered on-site.

The facility opened in 2004, funded with \$1 million from the Petaluma Community Development Commission, \$1 million in forgivable loans through the state's Emergency Housing Assistance Program, and \$400,000 from the Continuum of Care.

Existing Transitional and Shared Housing

After homeless families have left the family shelter, many are not ready to return to independent housing. The City's shared housing program assists those families by providing homes in single-family neighborhoods that are designed to provide three or four mostly single parents and their children with an atmosphere of normalcy while providing intensive budget, employment, child-rearing and other services. COTS was awarded a \$250,000 McKinney Homeless Fund grant to support this program, which is matched with a \$7,500 contribution from the Low- and Moderate-Income Housing Fund.

The City's transitional housing program is designed to serve those families requiring a lower level of service provision. The post-homeless families live in an independent, subsidized setting and receive the necessary support services to enable their return to self-sufficiency. The shared and transitional housing programs currently provide fifteen homes and approximately 100 beds.

The Petaluma Salvation Army administers the Petaluma Area Transitional Housing (PATH) program that includes private landlords willing to rent units to program clients as long as they participate in the program. Many of those served are COTS graduates. The Salvation Army provides intensive support activities and structure, with particular emphasis on assisting people in their transition from welfare-to-work and from homelessness to independent living. This program is funded by a \$75,000 contribution from the City's Community Redevelopment Agency's Low- and Moderate-Income Housing Fund.

The LMI Fund supported COTS with funding for the purchase and renovation of a residence at 98 N. McDowell Blvd for transitional housing for single men.

In addition, the City continues to support the Vietnam Veterans of California in the operation of a four-bedroom house on Rocca Drive as a transitional home for homeless male veterans who are enrolled in the Agency's Employment and Training Program.

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Transitional housing may be located in any zoning district that allows residential uses. There is no special permit or approval process required for proposed facilities. (See Table below)

TABLE 9 - HOUSING TYPES PERMITTED BY ZONING DISTRICT														
RESIDENTIAL USE	IMPLEMENTING ZONING ORDINANCE											SMART CODE		
	RR	R1	R2	R3	R4	R5	MH	MU1 A	MU1 B	MU1 C	MU2	T4	T5	T6
Emergency Shelter*	-	-	-	-	-	-	-	-	-	-	-	CUP	CUP	CUP
Transitional Housing**	P	P	P	P	P	P	P	P	P	P	CUP	P	P	P
Supportive Housing**	P	P	P	P	P	P	P	P	P	P	CUP	P	P	P

P=Permitted CUP=Conditional Use A= Accessory Use

S=Permit Required in Specific Use Regulations - = Use Not Allowed.

*Use not explicitly defined in Implementing Zoning Ordinance. See Policy 3.1, Program 3.2.

**Use not explicitly defined in zoning ordinance. Recognized as residential uses and subject to those restrictions on residential uses contained in each respective zone. See Policy 2.2, Program 2.3.

Homeless Prevention

The Fund also provides funding to the Petaluma People Services Center (PPSC) Homeless Prevention Program, which since 1989 has provided financial assistance for housing and critical needs to families and individuals who are homeless or threatened with homelessness. A list of the top ten needs of the homeless population in Sonoma County included in a survey conducted by the Sonoma County Task Force on the Homeless listed rental assistance and security deposit assistance as the second- and third-highest needs.

The Agency's funding provides administrative and operational support to two components of the Homeless Prevention Program. The Mediated Assistance Program assists Petaluma individuals and families seeking to retain affordable housing by making a one-time payment of rent or mortgage on their behalf.

The Renters Assistance Program is a grant program for the up-front costs of renting a home. Clients also receive information, referrals and counseling services to prevent future threats to their stability.

Typical clients served by these programs are normally self-sufficient families with children whose incomes are less than 50 percent of the median and who are faced with unplanned financial emergencies. These emergencies include medical crises, break-up of the family unit, steep increases in rent or utilities, or other unforeseen financial burdens that result in their postponing rent payments. The PPSC provides timely assistance to residents who have exhausted all other avenues and are facing eviction.

These programs are projected to assist approximately 200 Petaluma households (450 residents) in FY 2008 and were supported with \$141,800 of city housing funds in FY 2008.



Sunrise of Petaluma Senior Apartments

3.5.2 Elderly

Today's elderly population in the United States is expected to double by 2030, expanding at a rate of almost 3 percent each year to almost 70 million people and that the ranks of the oldest Americans – those 85 years and older - are swelling much more rapidly than those of the “young” elderly.

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Extent of Need

The American Community Survey 2005-2007 reported 9,113 city residents age 60 or over (16 percent of the population), and 4,826 households headed by persons 65 and over (22.9 percent of total households). This proportion of elderly population falls between that of Sonoma County, which is somewhat higher, and the state. Of the total elderly households, 2,942 were owner-occupied units (21.1 percent of all owner households) and 825 were renter households (13.8 percent of all renter households). Individuals living alone and who were 65 years of age or over accounted for 1,818 of the city's households in 2000 (9.1 percent of total households).

The Census also reported 4.5% of the households had grandparents who were responsible for grandchildren under 18 years of age.

As citizens get older, their housing needs change. Special housing needs of the elderly include smaller and more efficient housing to minimize maintenance and barrier-free designs to accommodate restricted functions.

The majority of the elderly are on fixed incomes such as pensions, social security, and personal savings. Many elderly households pay an excessive proportion of their income for housing because their incomes are low. The American Community Survey 2005-2007 identified 347 residents over the age of 65 living in poverty, which is approximately 5.6%.



Vallejo Street Senior Apartments

Low-income elderly homeowners face special challenges to live in and maintain their homes. While many younger homeowners can perform routine home repairs themselves, many elderly homeowners are often too frail to do so and must rely on others for help. They may also not be able to afford modifications that are needed to their homes to

ensure their safety and improve their mobility, such as grab bars and ramps.

Many single elderly homeowners may be especially dependent on professional or other outside assistance for home repairs. Some have no or few companions or nearby relatives who can help them care for their homes, and some elderly widows come from

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generations where women traditionally relied on their spouses or other family members for the major upkeep of their homes.

Younger homeowners may be more willing to move out of a home if they no longer consider its features adequate. Elderly people are 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 that they may have lived in 30 or more years.

House sharing can provide older homeowners with revenue, as well as added security and companionship, and provides renters with affordable housing. Accessory apartments, which are separate units within a home, offer the same advantages as well as privacy.

Efforts are needed to help the elderly maintain independent life styles. Housing locations near public transit are needed for senior citizens because they may not drive. The elderly need additional auxiliary services such as housecleaning, health care, and grocery delivery when illness and disability limit their capacity to fend for themselves.

As it becomes increasingly difficult for the elderly to live independently, there is a need for congregate or group housing that provides small individual units without kitchens or with minimal provision for cooking, and some common facilities and services, 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. Providing housing that will allow seniors to “age-in-place” will become increasingly important for our non-profit senior housing partners.

Existing Senior Housing and Services

Since 2002 when the previous Housing Element was completed, the Petaluma Community Development Commission contributed more than \$2 million to construct 82 affordable senior rentals in three projects, bringing the total number of senior units to 528 units. Another 67 units are in the planning process (Vintage Chateau II).

There are 14 residential care for the elderly facilities licensed in the City, ranging from small residential care homes that can accommodate three to six elderly individuals, to larger facilities such as Adobe House (capacity of 80) and Sunrise of Petaluma (capacity of 89).



Vintage Chateau Senior Apartments

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To help address the needs of this special population, the City of Petaluma supports Rebuilding Together Petaluma, a non-profit, non-denominational volunteer organization that provides home repair services to low-income Petalumans, many of whom are elderly, during its annual rebuilding day in April. The program has repaired and rehabilitated over 350 Petaluma households since its inception in 1997 and will be supported with \$225,000 in PCDC funds in fiscal year 2009.

The elderly own a large percentage of the mobile homes in Petaluma. Mobile homes meet the needs of many seniors because they provide an independent living environment with smaller yards and homes requiring lower levels of maintenance. The City's Mobile Home Rent Control Program provides rent stabilization for approximately 300 very low- and low-income mobile home park residents.

3.5.3 Disabled

Census 2000 defines a disability as a long-lasting physical, mental, or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.



Salishan Apartments

In response to the serious lack of accessible housing in the United States, the Fair Housing Act requires 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:
 1. An accessible route into and through the unit
 2. Accessible light switches, electrical outlets, thermostats and other environmental controls
 3. Reinforced bathroom walls to allow later installation of grab bars and
 4. Kitchens and bathrooms that can be used by people in wheelchairs.

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Extent of Need

The census identified 13,687 Petaluma residents between the ages of 5 and 64 as having a disability, while 4,494 residents 65 years and over were disabled (32.83 percent of total).

Table 10 - Persons with Disabilities by Disability Type

	Number	Percent
Total Disabilities	13687	----
Total Disabilities for Ages 5-64	9193	67.17%
Sensory disability	654	4.78%
Physical disability	1795	13.11%
Mental disability	1477	10.79%
Self-care disability	489	3.57%
Go-outside-home disability	1463	10.69%
Employment disability	3315	24.22%
Total Disabilities for Ages 65 and Over	4494	32.83%
Sensory disability	730	5.33%
Physical disability	1536	11.22%
Mental disability	651	4.76%
Self-care disability	557	4.07%
Go-outside-home disability	1020	7.45%

Source: Census Bureau (2000 Census, SF 3: P41)

The City has funded both new construction, rehabilitation of existing facilities and implemented programs and policies (See Policy 6.5 and related programs) to address existing and projected needs of our disability community.

The City of Petaluma follows state and federal regulations which require that any new residential construction of three or more apartments of four or more condominium units be accessible and/or adaptable to disabled persons. Petaluma implements and enforces Chapter 11, 1998 California Code. The City provides information to all interested parties regarding accommodations in zoning, permit processes, and application of building codes for housing for persons with disabilities.

Zoning and Other Land Use Regulations

As part of a FHEO Voluntary Compliance Agreement completed in 2008, the City conducted a comprehensive review of its zoning laws, policies and practices for compliance with fair housing laws. The City has not identified any zoning or other land-use regulatory practices that could discriminate against persons with disabilities and impede the availability of such housing for these individuals.

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Examples of the ways in which the City facilitates housing for persons with disabilities through its regulatory and permitting processes are:

- The City allows some variation from the application of its parking standards, for example, the reduction of parking spaces for a unique use such as a senior housing project or other special needs.
- The City permits group homes of all sizes in all residential districts. All of the City's commercial zones also allow group homes. The City has no authority to approve or deny group homes of six or fewer people, except for compliance with building code requirements, which are also governed by the State.
- The City does not restrict occupancy of unrelated individuals in group homes and does not define family or enforce a definition in its zoning ordinance.
- The City permits housing for special needs groups, including for individuals with disabilities, without regard to distances between such uses or the number of uses in any part of the City. The Land Use Element of the General Plan does not restrict the siting of special need housing.

Permits and Processing

The City does not impose special permit procedures or requirements that could impede the retrofitting of homes for accessibility. The City's requirements for building permits and inspections are the same as for the other residential projects and are straightforward and not burdensome. City officials are not aware of any instances in which an applicant experienced delays or rejection of a retrofitting proposal for accessibility to persons with disabilities.

Existing Housing and Services

The 13-unit Salishan Apartments project for persons with a developmental disability was constructed at 780 Petaluma Boulevard South by North Bay Rehabilitation Services, supported with \$368,380 of PCDC housing funds, \$45,000 in CDBG funds, and a HUD 811 grant. The property has been very successful in serving our most low income disabled community. The City has also completed a property with Buckelew Programs, a non-profit organization for person with a mental disability. The property includes 14 units for very low-income persons who have a mental illness. The project was awarded \$480,000 in PCDC housing funds and was opened in July of 2006.

The Fair Housing Act requirements for accessible housing are included in California's Title 24 regulations, which are enforced by the City through its building codes, building

plan review, and site inspections. All city-assisted housing is compliant with both Title 24 regulations and the Americans With Disabilities Act. All senior units developed with city assistance are disabled-accessible. Additionally, Old Elm Village, an 88-unit affordable family rental project that opened in 2002 with support from the City, has six accessible units in a range of sizes.

The City also continues to fund Disability Services and Legal Center, formerly Community Resources of Independence, to remove physical barriers in homes occupied by persons with a disability. DSCL evaluates homes for needed improvements, such as the construction of ramps, installation of grab bars, and installation of devices for people with hearing or sight impairments, and then contracts to have the work completed. An annual allocation of CDBG funds are allocated to this program.

3.5.4 Farmworkers

The California Department of Economic Opportunity estimates that California is able to adequately house only about 30 percent of its migrant workers. According to Sonoma County housing information, the annualized average employment in farm production and services is approximately 6,750. The majority of farmworkers live in the unincorporated County.

Extent of Need

The 2000 Census identified only 175 Petaluma residents who were employed in the farming, fishing, or forestry occupations.

However, farmworker housing remains a regional need, as described in the Sonoma County Consolidated Plan 1997/2000 prepared by the Sonoma County Community Development Commission.

Agriculture is an important industry in Sonoma County and farmworkers are an important part of the community. The California Human Development Corporation, a nonprofit agency dedicated to bettering the lives of farmworkers and other low-income persons, reported that there are 4200 documented farmworker households in Sonoma County. Approximately 75 percent of farmworkers reported U. S. citizenship or permanent resident alien status. In addition, there is a seasonal migrant worker population. The majority of the migrant workers are young, single males traveling alone who are here for the harvest. Many of the migrant workers are here illegally.

Farmworkers have a difficult time locating affordable housing in Sonoma County. Due to a combination of limited English language skills and low household incomes, the ability

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to obtain housing loans for home purchase is extremely limited. For the same reason, rentals are also very difficult to obtain.

More than one-half of the large family, farmworker households live in one or two bedroom units, resulting in overcrowding. Approximately 12 percent of these households have five or more members. The percentage of large families reported for farmworker households is five times the percentage of large families countywide. Much of the housing occupied by farmworker households is old and in need of repairs.

Another unique factor of the farming community is that most migrant farmworkers are single men who leave their families behind to work in the fields, and who have no adequate housing. These men live in fields, shacks, barns, or other unsuitable places. Although there is some overlap in many need areas, the housing needs of the migrant male differ markedly from the housing needs of farmworker families.

Existing Housing

All of the city's affordable units help to address the housing needs of farmworker households, especially larger rental units. Approximately 15 farmworker households live in two recent affordable projects, Old Elm Village and Round Walk Village Apartments.



Round Walk Village Affordable Apartments

3.5.5 Large Families

Large families are defined as households with six or more members. A typical indicator of problems associated with housing large families is overcrowding and housing discrimination.

Extent of Need

The 2000 Census reported only 477 large owner-occupied households (3.4 percent of total) in Petaluma, but a higher percentage for large renter households (363 households, 6.1 percent of total). 2009-2014 Housing Element policies (Policy 6.6) will encourage larger units to match the emerging demographics which show a substantial increase in large (particularly Latino) families.

Existing Housing

In the past, the Low-Income Housing Tax Credit Program encouraged the production of affordable housing with a relatively higher proportion of four-bedroom units. As indicated above, the City also promotes the inclusion of larger units. Examples include the 74-unit Corona Ranch project, which has 32 three-bedroom and 10 four-bedroom units and Round Walk Village, which has 47 three-bedroom and 6 four-bedroom units. Logan Place, a proposed 66-unit family rental will include units for large families.



Corona Ranch Lower-Income Family Units

3.5.6 Female-Headed Households

The incomes of female-headed households are typically lower than those of other types of families. The largest housing obstacle for these families is the escalating cost of housing and the vacancy rate in our rental market.

Extent of Need

In the 2005-2007 American Community Survey, it was reported that 1,824 Petaluma households (9 percent) were comprised of female householders with no husband present and children residing with them under 18 years of age. This is a 3% increase from the 2000 Census. The median earnings in 2008 for full-time female householders were \$36,413, compared with \$50,232 for full-time males. Female-headed households represented more than 40 percent of all Petaluma families living in poverty in 2007.

Existing Housing and Services

The chief beneficiaries of the PPSC's homeless prevention programs described earlier are single mothers, who continue to represent the fastest-growing component (currently 80 percent) of the nation's population of homeless families.

3.5.7 First-Time Homebuyers

Low- and moderate-income households often need assistance to purchase their first home. The City of Petaluma has participated in the federal Mortgage Credit Certificate Program since 1993, during which time more than 90 first-time low- and moderate-income homebuyers have been able to purchase a home in Petaluma. Under this program the IRS allows eligible homebuyers with a MCC to take 20 percent of their annual mortgage interest as a dollar-for-dollar tax credit against their federal personal income tax. This enables first-time buyers to qualify for a larger mortgage than otherwise possible, and can thus bring homeownership within their reach. The MCC program is administered locally by the Community Development Commission of Sonoma County;



Hillview Oaks Townhomes - Affordable Multi-Family Residential

Petaluma contributes \$2,000 annually for program administration.

Since 1988, the City has contributed \$3.2 million to assist in the development of 169 single-family homes and townhomes in seven projects that were sold to first-time low- and

moderate-income homebuyers. In addition to supporting their construction, the City also provided downpayment assistance through “silent second” mortgages that require no loan payments until the house is sold. Over the last five years, 50 homeowners have paid off their loans and 39 new loans were issued for over \$4,900,000. Due to the downturn in the real estate market in 2008, there are no funds allocated to subsidize the silent second mortgage program.

The newest subdivision in our First-Time Homebuyer program is Frates Square which is a 26 unit development using the Land Trust model. The City of Petaluma partnered with Sonoma Housing Land Trust and a private developer, Delco Builders, to build the homes to sell to low and moderate income families. There were no “silent second” loans on the 26 homes that were purchased by the homeowners.

3.6 PROJECTED HOUSING NEEDS

The Housing Element must make “adequate provision for the existing and projected housing needs of all economic segments of the community.” Communities are not obligated to actually produce housing to all in need, but to utilize the Housing Element as a planning document to plan for meeting its “fair share” of the regional housing needs.

Every five years, coinciding with the five-year housing element cycle, the California Department of Housing and Community Development (HCD) is required to determine the projected regional housing need for every regional Council of Governments (COG). The COG covering the Bay Area is the Association of Bay Area Governments (ABAG). ABAG then allocates to each jurisdiction its “fair share” of the existing and projected new construction need for the next housing element period, taking into account:

- Market demand for housing
- Employment opportunities
- Availability of suitable site and public facilities
- Commuting patterns
- Type and tenure of housing need
- Loss of assisted units

The most recent HCD determination of housing needs covers a five year period, from July 1, 2009 to June 30, 2014.

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

Table 10 shows the ABAG Regional Housing Needs Allocation for new construction in Petaluma during the planning period.

Table 11 - Regional Housing Need Allocation

Income Category	New Construction Need
Very Low (0-50% of AMI)	522
Low (51%-80% of AMI)	352
Moderate (81%-120% of AMI)	370
Above Moderate (over 120% of AMI)	701
TOTAL UNITS	1945

Association of Bay Area Governments

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In addition to addressing the new construction needs as enumerated in the RHNA chart above, state statute requires that each jurisdiction quantify its housing objectives for new construction, rehabilitation, and conservation/preservation to address the needs of extremely low income, very low and low income households. Table 11 illustrates the City's projections to meet those needs. Policies and programs as well as available sites are in place to facilitate and encourage these activities.

Table 12 – Quantified Objectives			
Income Category	New Construction	Rehabilitation	Conservation preservation
Extremely Low	261	120	0
Very Low	261	120	0
Low	352	146	0
Moderate	370	0	0
Above Moderate	701	0	0
TOTAL	1,945	386	0*

*See Analysis of At-Risk projects in 3.7

3.7 ANALYSIS OF AT-RISK PROJECTS

Petaluma's policy of requiring that affordable units developed with city assistance be reserved in perpetuity for target households ensures that they will not be converted to market-rate units.

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There are no assisted affordable housing developments in Petaluma that are at risk of converting to market-rate rents during the next ten years due to termination of subsidy contract, mortgage pre-payment, or expiration of restrictions on use during the next ten years (beginning in 2009). This includes multi-family rental housing that receives governmental assistance under federal program, state and city multi-family revenue bond programs, city redevelopment programs, the CDBG program, and in-lieu fees, as well as inclusionary and density bonus units.

The City currently promotes the long-term affordability of non-restricted residential units through the following actions:

The Redevelopment Agency is contributing \$29,400 from the Low- and Moderate-Income Fund to offset a portion of the North McDowell Blvd. Street improvements assessment for two properties that contain six units that are affordable to low-income households.

The LMI Fund also provides \$70,000 annually to support the administration of the Mobile Home Rent Control Program that was implemented to provide rent stabilization for approximately 300 very low- and low-income mobile home park residents, most of whom are elderly.

4 HOUSING OPPORTUNITIES AND RESOURCES

4.1 RESOURCES TO ACCOMPLISH GOALS

The City of Petaluma is fortunate to have many resources that will be used to accomplish its housing goals:

- A City Council that supports affordable housing and community development activities to assist persons of low and moderate incomes. The City has exceeded its goal of ensuring that 10 to 15 percent of new units are affordable and has reached 22 percent.
- The Petaluma Community Development Commission (Redevelopment Agency) that has actively worked to allocate 100 percent of its Low- and Moderate-Income Housing Fund to housing projects within our community
- Many non-profits in Petaluma and Sonoma County that serve Petalumans with a wealth of energy and expertise
- Few residents who present the view of “Not In My Backyard!”
- A spirit of collaboration and cooperation among the governmental jurisdictions and nonprofit agencies
- Multiple and diverse funding sources with which to address problems
- A collaboration of the county’s three entitlement jurisdictions and homeless service providers to address the issues of homelessness

4.1.1 Fiscal Resources and Leveraging History

The City’s Housing Program utilizes the following primary sources of revenue to fund its projects and programs:

- The In-Lieu Housing Fund is generated by payments from developers in-lieu of providing inclusionary affordable units. It is used to subsidize affordable housing through land acquisition and assistance to non-profit developers with pre-development costs and subsidies for on- and off-site improvements. The In-Lieu fund has decreased due to the economic condition and no development in the City of two years.
- The Petaluma Community Development Commission (Redevelopment Agency) Low/Moderate Income Housing Fund is equal to 20 percent of the CDC’s gross tax increment (less certain adjustments), which will be nearly \$3.0 million in FY 08-09. Monies deposited to the Fund are required by state law to be used in the development, improvements, and preservation of affordable housing. References to how these funds are used by the City are

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found throughout this document. Table 13 illustrates some of the uses of Petaluma's 20% set-aside.

Table 13 – Low-Mod Housing Fund Revenues and Uses

Anticipated Revenues	2009	2010	2011	2012	2013	2014
	\$3.0 M	\$2.8 M	\$2.6 M	\$2.7 M	\$2.7 M	\$2.7M
Site Acq/new construction	1.0 M	75,000	Unknown	Unknown	Unknown	Unknown
Pre-development	750,000	150,000				
Rental Assistance	142,000	250,000				
Rehabilitation	550,000	410,000	▼	▼	▼	▼

- The Community Development Block Grant Program (CDBG) 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 makes allocations 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, housing acquisition and rehabilitation through short- and long-term loans, and fair housing activities.

The City has used CDBG funds in the past for Housing Rehabilitation for the disabled, and housing rehabilitation for low income seniors and families. The City's CDBG allocation during the planning period is estimated to range between \$325,000 and \$375,000 per year.

- 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. Petaluma received \$830,000 HOME funds for Lieb Senior Apartments; \$3,400,000 for Downtown River Apartments; \$3,950,000 for Casa Grande Senior Apartments, and has a pending application for 2008-2009 for the Logan Place development.
- The Low Income Housing Tax Credit (LIHTC) Program is a large federal and state housing subsidy program that provides tax credits to the private sector for the construction or acquisition and rehabilitation of very 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. State law also 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.

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Petaluma was one of the first cities to take advantage of this program, beginning with the Madrone Village project in 1987. Since then, tax credits have been awarded to the Round Walk Village, Old Elm Village, Vintage Chateau, Vallejo Street Apartments I and II, Corona Ranch, Washington Creek Apartments, Caulfield Lane Apartments, Downtown River Apartments and Casa Grande Senior Apartments.

- The Commercial Linkage Fee: In 2004, Petaluma adopted an Ordinance (No. 2171 N.C.S.) implementing a commercial linkage fee for nonresidential development to mitigate the impacts on affordable housing linked to nonresidential development. Following a study completed by Economic and Planning systems, Inc., the City Council found that the construction or expansion of industrial, retail, or commercial development is a major factor in attracting new employees to the City and that a substantial number of those employees and their families seek residence in the city and place a greater strain on an already impacted housing stock.

The fee was implemented on January 1, 2005, and increased in cost per square foot each year until it reached its maximum amount of \$2.08/sq/ft/ for commercial; \$3.59/sq.ft. for retail, and \$2.15/sq.ft. for industrial construction or expansion. The fund has grown to approximately \$200,000.

Affordable and special needs projects and programs are almost always made feasible by utilizing funding in a combination of ways, as shown earlier in Table 1. Our past history has shown that we have been able to leverage our local dollars at a ratio of 10:1.

4.1.2 Political Will

Petaluma decision-makers have steadfastly supported funding and approvals of housing developments and programs for those people in our community most in need. The emphasis has been on increasing the supply of new units, while maintaining strong programmatic support and property management.

4.1.3 Partnerships

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. Partnerships with Burbank Housing Development Corporation, Eden Housing, Petaluma Ecumenical Properties; and USA Properties have produced more than 1,169 affordable and special needs housing units in Petaluma since 1991. More than 133 additional partnership units are currently in the planning process.

4.1.4 Article 34 Authority

Article XXXIV of the California Constitution requires that when the City develops, constructs, or acquires a housing project targeted towards lower-income households, its

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qualified electors must approve the project by a majority. The City has secured Article 34 authority for elderly affordable housing (up to 5 percent of the total housing stock) and has been otherwise effective in providing affordable housing to lower-income households by partnering with non-profit developers.

4.2 RESIDENTIAL DEVELOPMENT OPPORTUNITIES

To address the housing supply/demand issue, California Government Code Section 65583 and 65583.2, require a parcel specific inventory of lands suitable for residential development to accommodate a range of housing opportunities for all income groups. For more detail, see “**APPENDIX A - Residential Sites Inventory Analysis (May 2009).**”

This section summarizes:

- Residential units that have been constructed since the beginning of the planning period (January 1, 2007) or are under construction;
- Approved residential development projects that could be constructed by the end of the planning period (June 30, 2014);
- Pending applications for residential development that have been submitted for review and possibly approval by the City;
- Projects that are in the planning stages;
- Other sites, both vacant and underutilized, not included in the above categories that are available for residential development.

The total amounts of units that have been constructed during the planning period and have been approved for construction by the City are also compared to the City’s Regional Housing Needs Allocation.

Please Note: The following tables contain site identification numbers which correlate to the map exhibit contained in Appendix A.

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4.2.1 New Construction

More than 450 units (Table 14) have been approved and or constructed since the beginning of the planning period (January 2007), including a number of affordable and market-rate apartments. Two of these projects also meet the special needs of seniors (PEP Casa Grande), and moderate-income households (Frates Square). All units within the senior projects are also designed to be handicapped-accessible.

Table 14: Residential Units – Built Since 2007 by Income Category

Site #	Project Name	Status	Total Units	Units by Income Level			
				VL	L	M	AM
13	PEP Casa Grande	Built.	58	44	14	0	0
15	Frates Square	Built	26	0	0	26	0
18	Azure (Park Square)	Built	154	0	0	0	154
56	Sweed School	Built	15	0	0	0	15
57	Theater Square	Built	56	0	0	0	56
58	Waterfront Apts.	Built	90	0	0	0	90
69	West Haven	Built	62	0	0	0	62
		TOTAL	461	44	14	26	377

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4.2.2 Units Under Construction

Close to 400 units are currently under construction and should be completed during the planning period. They include a large number of for sale units and are all expected to fall within the above moderate income category. Due to the current downturn in the housing market some of these projects have ceased construction pending improvements in the economy. However, it is reasonable to expect that they will be completed within the planning period.

Table 15: Residential Units – Under Construction

Site #	Project Name	Status	Total Units	Units by Income Level			
				VL	L	M	AM
19	Southgate	Const.	216	0	0	0	216
33	Martin Farm	Const.	20	0	0	0	20
35	Lindberg Circle	Const.	37	0	0	0	37
46	Celsius 44	Const.	44	0	0	0	44
54	River View	Const.	63	0	0	0	63
		TOTAL	380	0	0	0	380

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4.2.3 Approved Units

A number of housing projects totaling 520 units have been approved and are likely to be constructed during the planning period. They include single-family detached homes, market-rate apartments targeted to above-moderate income households, affordable senior apartments and multi-family affordable housing community.

Table 16: Residential Units –Approved

Site #	Project Name	Status	Total Units	Units by Income Level			
				VL	L	M	AM
11	Vintage Chateau II	Appr.	68	48	19	1	0
26	Logan Place	Appr.	66	66	0	0	0
39	Water Street North	Appr.	107	0	0	0	107
45	River Lofts	Appr.	18	0	0	0	18
49	Quarry Heights	Appr.	250	0	0	0	250
68	Pinnacle Ridge	Appr.	11	0	0	0	11
		TOTAL	520	114	19	1	520

4.2.4 Projects Undergoing City Review

As part of a larger mixed use development, North River Landing is proposing 80 assisted-living units and 115 apartments. The applicant states that of these 195 units, 15% would be affordable units.

Table 17 Residential Projects Submitted to City

Project	Proposed Units
North River Landing	195 SFD
Haystack Mixed Use	101 MFD
Totals	296 Units

4.2.5 Residential Projects in Design Stage

The following projects involving potential residential development are in the planning stages. Several will be submitted to the City for review in the near future, while others are part of a long-term planning effort.

- Petaluma Ecumenical Properties purchased two parcels on North McDowell Blvd. totaling 1.7 acres and 1 parcel on Petaluma Blvd. South at 1.3 acres for future affordable housing projects for seniors.
- The Central Petaluma Specific Plan (June 2003) encompasses nearly 400 acres in the central portion of the city adjacent to downtown and extending along the river. The area includes an active rail corridor with future rail transit planned and an extensive resource of vacant and underutilized land. A range of commercial and industrial uses is currently found in the area. The specific plan supports the City's goal of city-centered growth. Most of the planning area falls within the bounds of the redevelopment district.

A key land use objective of the specific plan is to establish a significant component of new housing near the downtown and a proposed transit center. It is anticipated that most of the residential development will occur in a mixed-use configuration with retail and/or office uses and can include live/work housing. The plan allows for more intense development than found elsewhere in the city through densities of up to 60 units per gross acre, floor area ratios of up to 5.0, a maximum building height of 75

feet, and the development of common parking facilities. Although the land use and development regulations could potentially result in nearly 6,500 new residential units, a cap of 25 percent of the maximum potential residential development was proposed or 1,617 new units.

The Specific Plan utilizes a form-based code which emphasizes the physical relationships between, buildings, public spaces, and people with less emphasis on use. To date, the CPSP has resulted in several mixed use projects and proposals as noted below. However, with an emphasis on form over use, there is a risk that projects may not meet the overall vision of the plan as shifts in the market result in different types of projects/proposals.

The Specific Plan was adopted in June 2003. Since its adoption several significant projects have been built, are under construction, or proposed which carry out the goal of city-centered growth.

- The Theatre District redeveloped 6 blocks immediately adjacent to downtown Petaluma, creating 270 rental apartments, and over 200,000 square feet of retail and office space, and a 14-screen cinema.
- Downtown River Apartments, 80 units of affordable housing.
- Celsius 44 is finishing construction of 44 townhomes.
- The Haystack Mixed Use project proposes 101 townhomes and 44,000 square feet of commercial space.
- North River Landing is a proposal for 80 units of assisted-living, 115 apartments, and 20,000 square feet of commercial space.
- Water Street North is an approved project consisting of 107 apartments and 15,000 square feet of commercial space. The project has not begun construction.
- Petaluma River Lofts is another project which has been approved but not constructed; it consists of 18 residential condominiums and 3,000 square feet of commercial.

As evidenced by the above projects the Central Petaluma Specific Plan has and continues to be a catalyst for mixed use projects within the central portion of the City and in close proximity to services and transit.

4.2.6 Other Development Opportunities

Vacant and Underutilized Sites:

Sites classified as High Density Residential or Mixed Use and that are vacant or largely vacant represent the greatest potential for development of affordable housing to very low- and low-income households. The High Density and Mixed Use classifications allow densities of up to 30 du/acre and 60 du/acre respectively. Per Section 65583.2(c)(3)(B) of the Government Code, the City's land use and zoning are consistent with the standard of

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20 du/acre for suburban jurisdictions and thus these sites are considered appropriate for accommodating affordable housing. These sites are included in Table 18 below.

Table 18: Vacant and Underutilized Sites

Site #	Project Name	Status	Total Units
2	Brody Ranch	Underutilized	300
3	Drew Property 1	Underutilized	105
4	Drew Property 2	Underutilized	75
10	Deer Creek	Vacant	*
17	Baywood Equities	Vacant	100
19	Royal Tallow	Vacant	250
27	Stonitsch Properties	Underutilized	*
32	Trautwein Property	Vacant	10
34	Regency Properties	Vacant	*
36	Old Silk Mill	Underutilized	30
37	Riverfront LLC	Vacant	350
40	De Carli Property	Underutilized	50
41	Golden Eagle	Underutilized	250
43	SMART Property	Vacant	170
44	Lind et al. Properties	Vacant	75
50	South Petaluma Part.	Vacant	45

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51	Wind River Part.	Underutilized	40
52	Royal Petroleum	Underutilized	35
53	State of California	Underutilized	30
60	Husary Property	Underutilized	35
			1,950

* Anticipated mixed use project with no proposed residential units.

Note: This table contains key sites to accommodate low- and moderate- income housing. **See the Sites Inventory Analysis in Appendix A** for a more comprehensive list of vacant and underutilized lands suitable for residential development.

4.2.7 Progress Made Towards Fulfilling Regional Housing Need

A comparison of the City’s regional housing need for the planning period 2007-2014 to the residential units constructed since 2007 and currently under construction shows that progress has been made in the affordable housing categories while the above moderate income category has already been exceeded.

The remaining need for very low-income, low-income, and moderate-income units will be partially met by currently proposed projects but a large need will remain. While there is adequate, appropriately zoned land available to meet Petaluma’s fair share of the Regional Housing Needs Allocation, there is a challenging fiscal reality involved in meeting the City’s RHNA assignment. The 2008 estimated cost per unit of building affordable units is \$350-400,000; the following table shows the cost to accommodate Petaluma’s “fair share,” using an average cost of \$375,000/unit:

<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>	<u>Total</u>
\$196 Million	\$132 Million	\$139 Million	N/A*	\$467 Million

***The City does not allocate funds for above moderate priced housing.**

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Looking at the revenue side of the ledger even if the City continues our current ability to leverage outside dollars to local dollars at a rate of 10:1 (as we have done in the past), the City would need \$46 Million (10% of \$467 Mill) of local housing dollars between 2009 and 2014. Housing revenues (from all funds) are estimated to be \$29 Million, showing an obvious gap of \$28 Million. And this assumes that ALL housing funds would be allocated to new development, allowing no rehabilitation; no rent subsidies; no programs.

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Table 19 Remaining Regional Housing Need (May 2009)

	Very Low Income	Low Income	Moderate Income	Above- Mod. Income	Total
Units Constructed Since 2007	44	14	26	377	461
Units Under Construction	0	0	0	380	380
Subtotal	44	14	26	757	841
Reg. Housing Need Allocation	522	352	370	701	1,945
Remaining Need Subtotal	478	338	344	(56)	1,160*
Approved Units	114	19	1	386	520
Remaining Housing Need	364	319	343	(442)	1,026
Site Inventory Capacity	784	456	473	1,984	3,697
*Total does not include number of above moderate units built beyond need.					

4.3 INFRASTRUCTURE AND ENVIRONMENTAL CONSTRAINTS

4.3.1 City Water and Wastewater:

Water and wastewater in Petaluma have become inextricably linked (See Chapter 8: Water Resources Element of the General Plan 2025). The City of Petaluma's primary source of water is Russian River water purchased from the Sonoma County Water Agency (SCWA). Regulatory and environmental issues have delayed the SCWA's expansion of its water transmission system, limiting the amount of water the SCWA can provide. The City completed an analysis of water supply and demands based on build out of the General Plan 2025 and compared them to the available SCWA supply. The analysis showed that projected demands exceed the amount of water the SCWA can provide based on current agreements. In response, the City completed the Water Supply

and Demand Analysis Report (June 2006) establishing a long-term plan that increases the use of recycled water to offset potable water use, greatly expands water conservation programs, and includes a moderate use of groundwater to meet increasing potable water demands through 2025.

The City is nearing completion of its Ellis Creek Water Recycling Facility (WRF) which will replace the City's aging wastewater treatment plant on Hopper Street. All of Petaluma's wastewater will be conveyed to this new facility. The facility has been designed to handle future wastewater demands through the build out of the General Plan 2025 and beyond. When complete the WRF will be capable of providing up to 5.4 million gallons per day of tertiary recycled water that will be reused for a variety of applications such as pasture, edible crops, vineyards, golf courses, playing fields, parks and at the WRF itself. If needed, the system can be expanded to process as much as 6.7 mgd of recycled water.

The distribution of water and collection of wastewater throughout the system is generally adequate but there are certain lines that require reinforcement and/or replacement. The City's Department of Water Resources and Conservation maintains an active program of infrastructure maintenance and capital improvement projects for the entire distribution and collection system.

The SCWA system is currently limited in terms of total system capabilities as well as the hydraulic capacity of the aqueduct that directly supplies Petaluma. Current aqueduct capacity is not sufficient to meet current peak summer time demands. The SCWA is implementing improvements in water supply and transmission to increase the capacity of the system. The City has made it a priority to work with the SCWA on the South Transmission System Project which will address capacity issues through a parallel aqueduct.

4.3.2 Transportation Infrastructure

The General Plan 2025's Mobility Element (Chapter 5) identifies long-range transportation infrastructure needs for moving people and goods in and around Petaluma. Several major infrastructure projects related to cross-town connectivity and improved access to the U.S. Highway 101 corridor are identified to meet increased demand due to new development.

Additional mobility priorities include an improved transit system that is convenient and provides more frequent, regular service along major City corridors while coordinating the local transit system schedule and service with regional transit, local paratransit services, and school schedules. In November 2008 Sonoma and Marin County voters approved a sales tax increase to fund the development and implementation of passenger rail service

on the Northwestern Pacific Railroad corridor called SMART (Sonoma Marin Area Rail Transportation). The City of Petaluma has two proposed stations and through the Central Petaluma Specific Plan and the General Plan 2025 has designated the parcels surrounding those sites with land uses appropriate to support transit-oriented development.

In addition to vehicular and transit improvements, the Mobility Element calls for the creation of a pedestrian environment that is safe, attractive, encourages walking and is accessible to all; as well as the implementation of a bicycle network free of gaps that permits easy bicycle travel to all schools and major City destinations.

4.3.3 Opportunities for Energy Conservation & Green House Gas Emissions Reduction

Housing has a large role to play in energy conservation and the reduction of green house gas emissions in terms of both its location and its construction methods. Petaluma is committed to lessening the impact of greenhouse gas emissions by reducing emissions and conserving resources through the implementation of the goals, policies and programs outlined in the General Plan 2025. Throughout this General Plan are far-reaching goals and policies in such key areas as land use, conservation, systems efficiency, safety and mobility which in addition to housing, serve the dual purpose of implementing the City's long range goals while requiring that growth occurs in ways that reduce the City's contribution of green house gas emissions. In particular see Section 2.3 – Green Building in the Land Use, Built Environment and Green Building element, section 4.5 – Green House Gas Emissions in the natural Environment element and Chapter 5 – Mobility.

The transportation sector is the largest contributor to green house gas emissions. By focusing on infill development, transit-oriented development, and mixed-use development, the location of housing can have a significant effect on reducing vehicle miles travelled and the associated emissions.

The City has implemented the provisions of Title 24 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.

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

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passive or natural heating or cooling opportunities, and requires the planting of trees along streets and in multi-family parking lots to reduce heat.

In 2006, the City of Petaluma adopted a green building program – “Petaluma Build It Green”. Petaluma Build It Green is a voluntary, points-based program designed to stimulate and support green building in Petaluma. The City of Petaluma’s Build It Green program awarded our newest affordable senior property – Casa Grande Senior Apartments (opened in 2009) – with 103 Green Points, twice as many as the 50 minimum to be Green Point rated. This project has a wide spectrum of green features, most notably the solar photo-voltaic system which augments the community’s site electrical power, the metal stud construction to conserve natural resources, and pervious concrete in all the pathways which prevents run-off flooding and returns rainwater to the water table. The City is currently working on developing a mandatory green building program. In addition, Petaluma is working with the County of Sonoma on implementation of AB 811, allowing property owners to finance programs for energy-efficiency projects and efficiency improvements such as insulation, dual-pane windows, solar panels, and efficient heating and air equipment systems through secured assessments on their property tax bills.



5. CONSTRAINTS TO MEETING HOUSING NEEDS

A number of factors may constrain the development of housing, particularly housing affordable to lower-income households. These factors can generally be divided into “governmental constraints,” or those that are controlled by federal, state, or 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.

5.1.1 General Plan Policies

In addition to the Housing Element, two of the General Plan’s other elements directly affect the location, type, and timing of housing that may be developed: the Land Use, Growth Management, and the Built Environment Element (Chapter 1), and the Community Design, Character, and Green Building Element (Chapter 2).

Land Use, Growth Management, and the Built Environment Element

The Land Use, Growth Management, and the Built Environment Element establishes eight residential land use classifications, with the density ranges shown in Table 20. High-density residential uses are also allowed under the Mixed Use designation.

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Table 20 - Residential Land Use Designations

General Plan Designation	Type of Uses	Density (units/acre)
Rural Residential	Single-family dwellings	0.1 – 0.6
Very Low Density Residential	Single-family dwellings	0.6 – 2.5
Low Density Residential	Single-family dwellings	2.6 – 8.0
Diverse Low Density Residential	Single-family dwellings, duplexes, multi-family dwellings	6.1 – 12.0
Medium Density Residential	Single-family dwellings, duplexes, multi-family dwellings	8.1 – 18.0
High Density Residential	Multi-family dwellings	18.1 –30.0
Mobile Homes	Mobile Homes	8.0 – 18.0
Mixed-Use	Multi-family dwellings and non-residential uses such as retail and office	up to 60.0

Minimum densities are included in the residential classifications in order to maximize residential development on a limited supply of land, and achieve a balance and variety of housing types.

The City of Petaluma is considered a suburban jurisdiction. Government Code Section 65583.2(c)(3)(B) states that sites allowing at least 20 units per acre are deemed appropriate to accommodate housing for lower income households. In Petaluma, sites classified as High Density Residential or Mixed Use meet this definition and represent the greatest potential for development of affordable housing to very low- and low-income households.

In May 2008, the City adopted the Petaluma General Plan 2025. The General Plan 2025 included a comprehensive, parcel specific review of land use and infrastructure capacity and serves as the foundation for this Housing Element update. In addition, the City adopted the Central Petaluma Specific Plan (CPSP) in June 2003. The new General Plan 2025 coupled with the CPSP increases the city’s inventory of residential land through a combination of reclassified lands, particularly Mixed Use, and increased densities – ensuring an adequate supply of residential land to achieve long-term housing goals.

Community Design, Character, and Green Building Element

The Community, Design, Character, and Green Building Element of the General Plan is intended to strengthen Petaluma's unique identity, preserve and strengthen the quality of life in Petaluma, and preserve and enhance views of dominant features. The element divides the community into fourteen planning subareas providing more detailed policies specific to those subareas. The final section of the element relates to green building, currently a voluntary program, which City Council has directed staff to develop as mandatory program.

5.1.2 Zoning Ordinance Provisions

In conjunction with the adoption of the General Plan 2025, the City adopted an Implementing Zoning Ordinance designed to carry out the policies of the Petaluma General Plan by classifying and regulating the uses of land and structures within the City, consistent with the new General Plan. Providing consistency between land use and zoning facilitates residential development by eliminating the need for costly and time consuming General Plan amendments and/or rezoning. Since adoption of the new General Plan, a comprehensive revision of the zoning regulations, subdivision standards and guidelines, landscaping standards, public improvement standards, etc. is being incorporated into a single, comprehensive set of new development regulations for Petaluma termed the Development Code.

The Central Petaluma Specific Plan (CPSP) is incorporated by reference into the recently adopted General Plan 2025. Lands within the CPSP area are regulated through the SmartCode© rather than the Implementing Zoning Ordinance. The SmartCode© is a form-based zoning code with an emphasis on the physical relationship between people, buildings, and public spaces. The CPSP covers approximately 380 acres of mostly underutilized land immediately east of and adjacent to the City's historic downtown core. The intent of the plan is to redirect development from the fringes of the City to the central core; accommodate greater diversity and intensity of development and activities; and give the area identity and interest. To that end, the plan calls for mixed use development with residential densities up to 60 units per acre; building heights up to 6 stories; limited and flexible parking requirements; and opportunities for multi-modal transportation options; including a station site on the SMART rail corridor and the City's bus transit mall.

Residential Zoning Districts

The City's Implementing Zoning Ordinance specifies the zoning districts in which residential development may occur and under what circumstances.

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RR (Rural Residential) zone. The RR zone is applied to areas of single dwelling development with a minimum lot size of 2 acres. This zone would be applied primarily to areas at the western perimeter of the City along the Urban Growth Boundary that are developed with single dwellings at densities ranging from 0.1 to 0.6 units per acre. This zone is intended to maintain a rural character and provide a transition to unincorporated rural and agricultural lands. The RR zone is consistent with and implements the Rural Residential land use classification of the General Plan.

R1 (Residential 1) zone. The R1 zone is applied to areas of single dwelling development, primarily the western hillsides, with densities ranging from 0.6 to 2.5 units per acre, and larger lots required for sloped sites. The R1 zone is consistent with and implements the Very Low Density Residential land use classification of the General Plan.

R2 (Residential 2) zone. The R2 zone is applied to areas previously developed and intended for detached single dwellings on individual lots, at densities ranging from 2.6 to 8.0 units per acre. The R2 zone is consistent with and implements the Low Density Residential land use classification of the General Plan.

R3 (Residential 3) zone. The R3 zone is applied to the older neighborhoods surrounding the downtown that are characterized by a variety of housing types and densities in a walkable context. Densities range from 6.1 to 12.0 units per acre. The R3 zone is consistent with and implements the Diverse Low Density Residential land use classification of the General Plan.

R4 (Residential 4) zone. The R4 zone is applied to areas intended for a variety of housing types ranging from single dwellings to multi-unit structures. Densities range from 8.1 to 18.0 units per acre. The R4 zone is consistent with and implements the Medium Density Residential land use classifications of the General Plan.

R5 (Residential 5) zone. The R5 zone is applied to areas intended for the most urban housing types at densities ranging from 18.1 to 30.0 units per acre, but where existing lower density housing is considered conforming. The R5 zone is consistent with and implements the High Density Residential land use classification of the General Plan.

MH (Mobile Home) zone. The MH zone is applied to existing mobile home parks throughout the City. The MH zone is consistent with the Mobile Home land use classification of the General Plan.

MUIA, MUIB, MUIC (Mixed Use 1) zone. The MU1 zone is applied to areas intended for pedestrian-oriented, mixed-use development with ground-floor retail or office uses adjacent to the Downtown Core, and in other areas of the city where existing auto-oriented commercial areas are intended for improvement into pedestrian-oriented mixed

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use development. The MU1 zone is consistent with and implements the Mixed Use land use classification of the General Plan, which establishes a maximum floor area ratio of 2.5 for both residential and non-residential uses within the classification, and a maximum density of 30 units per acre for residential.

Note:

- Mixed Use 1A zone. This zone is applied to parcels located along the East Washington Street, Petaluma Boulevard North and Lakeville Street corridors. The parcels in these zones vary in size and are typically located adjacent to residential zones.
- Mixed Use 1B zone. This zone is applied to larger parcels located primarily along major arterial roadways. The larger parcel size should allow for a mix of uses on the site.
- Mixed Use 1C zone. This zone is applied to smaller parcels located in West Petaluma. Most of these parcels are located in residential areas and the intensity of the uses permitted in this zone is limited.

MU2 (Mixed Use 2) zone. The MU2 zone is applied to the Petaluma Downtown and adjacent areas that are intended to evolve into the same physical form and character of development as that in the historic downtown area. The MU2 zone is consistent with and implements the Mixed Use land use classification of the General Plan, which establishes a maximum floor area ratio of 2.5 for both residential and non-residential uses within the classification, and a maximum density of 30 units per acre for residential.

T4 (General Urban); T5 (Urban Center); T6 (Urban Core) Mixed Use Zones. These zones apply to lands within the CPSP and are subject to the development standards as defined in the SmartCode© allowing for a mixture of uses and residential density of up to 60 units per acre.

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Table 21 – Development Standards

Zone District	Bldg Height	Lot Width	Minimum Yard Setback				Minimum Lot Area (sq. ft.)	Lot Area Per DU (sq. ft.)	Parking Spaces Per DU	Minimum Open Space (sq. ft.)
			Front	Side	Rear	Front				
RR	25	150	40	20	40		2 acres	2 acres	3	NA
R1	25	100	30	15	30		20,000	20,000	3	NA
R2	25	50	20	5	20		6,000	6,000	3	NA
R3	25	40	15	3	15		4,000	4,000	3	600
R4	35	35	10	0	10		3,500	NA	1.5	300/unit
R5	45	NA	0	0	0		1,500	NA	1.5	400/unit
MU1	30	NA	0	0	0		NA	NA	1.5	30/unit
MU2	45	NA	0	0	0		2,000	NA	1.5	30/unit
T4	3 stories	NA	0	5	20		4,000 avg.	NA	1	NA
T5	4 stories	NA	0	0	20		2,000	NA	1	NA
T6	4 stories	NA	0	0	20		2,000	NA	1	NA

*Standards reflect typical lots, additional standards apply to corner lots or other less common situations.

Residential Development Standards

The Implementing Zoning Ordinance and SmartCode® prescribe minimum standards for residential lot sizes, yards, and open space per unit, and maximum lot coverage (Table 20). The Table also illustrates housing types permitted by zoning districts. These standards are typical of many California suburban communities and contribute to the protection of the public health, safety, and welfare; and the maintenance of the city's quality of life. Combined with the General Plan 2025 land use classifications, minimum density requirements, and adequately zoned residential sites to meet RHNA; Petaluma's development standards do not represent a constraint or barrier to developing affordable housing.

Parking Standards

Minimum residential parking standards in the Implementing Zoning Ordinance are as follows:

- Single-family dwellings (including condominiums and townhouses): 1 covered space plus two spaces which may be uncovered and located in the driveway.
- Duplexes: 1 covered space plus one space which may be uncovered and located in the driveway.
- Multi-family units: 1 space per bedroom, studio, or efficiency unit. In no case shall a project provide an overall parking ratio of less than 1.5 spaces per unit.
- Mobilehome parks and trailer parks: 2 spaces per unit.
- Elderly housing and retirement homes: Parking requirements may be modified by the Zoning Administrator (Director) where it can be demonstrated that automobile use or ownership is significantly lower than for other dwellings or lodging houses.

The Ordinance also allows existing covered parking facilities to be converted into living quarters if the covered parking space is replaced with a paved space (that may be uncovered). A few of these conversions are approved each year.

These parking standards are much lower than similar suburban communities and are not considered a constraint to housing development. The multi-family parking requirement correlates with the size of the units rather than applying a uniform standard for all units regardless of the number of bedrooms, as is done in some communities. This requirement has been reduced for affordable rental projects in the past where it can be demonstrated that automobile use or ownership for a project will be significantly lower. Specifically, the parking requirement for the Downtown River Apartments and Old Elm Village Apartments was recently reduced to 1.5 per unit.

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Projects within the Central Petaluma Specific Plan area, recognizing the opportunity for transit-oriented development and walkability, have a considerably lower parking requirement of one space per residential unit and one space per 300 square feet of non-residential uses. In addition to the lower standard the CPSP SmartCode[®] provides flexibility in reducing parking requirements through alternative parking arrangements, shared on-site parking, parking waivers under certain circumstances, and off-site parking. Ultimately the CPSP provides a sunset clause eliminating parking requirements for any use based on a set of findings related to the establishment of adequate civic parking infrastructure.

Residential Development in Other Districts

Residential development is also allowed in three other zoning districts, all of which could accommodate the development of lower-income units.

- *P.U.D. Planned Unit District* allows any and all compatible uses, although a property's General Plan land use designation would determine its ultimate use and residential density.

Most recent residential development in the city has taken place in the PUD District in order to vary from the minimum site and yard standards outlined in the previous zoning ordinance (although the district's provisions do not specifically allow for such variations). For example, a single-family project used the PUD process to create 3,600-square foot "Z" lots with reduced side and rear yard setbacks.

However, all projects seeking variations from development standards must be rezoned to the PUD District, an expensive and lengthy process that requires project review by both the Planning Commission and City Council. Amending the PUD regulations to clarify what variations may be approved and under what circumstances would facilitate the review and approval process for both applicants and the City. The Implementing Zoning Ordinance and the proposed new Development Code address many of the site standards that had led to the need for PUDs and the City hopes to rely upon this district less in the future.

- *Commercial 1 (C1) and Commercial 2 (C2)* allow residential uses above the ground floor as permitted uses.

The process for approving residential uses in the C1 and C2 districts however is not straightforward because their corresponding General Plan land use designations (i.e., Neighborhood Commercial and Community Commercial) do not specifically allow dwelling units, and development standards, such as maximum densities, are not specified. However, the majority of sites appropriate to mixed use have been designated as such in the General Plan 2025 and CPSP. Creation of the new Development Code may consider

whether or not this provision is necessary in the future given the prominence of Mixed Use parcels.

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 affordable housing 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 current Implementing Zoning Ordinance allows such units subject to development standards that are common in suburban communities and are not overly restrictive (e.g., allows maximum size of 640 square feet, requires one additional parking space, allows use of setbacks for accessory structures.) The Ordinance also has no maximum lot coverage limitations, which are often a constraint for the development of in-fill second units in established neighborhoods.

In concert with the adoption of the General Plan 2025 the City of Petaluma updated its development impact fees to ensure that new development provide the necessary public facilities and infrastructure to support that development. An unintended consequence of that update is the assignment of impact fees to second units at the same rate as a traditional unit. The impact fees may amount to a cost similar to the second unit's actual construction cost creating a strong disincentive to developing second units. Consideration should be given to amending the impact fee resolutions to reduce or eliminate the majority of development impact fees for second units.

5.1.3 Density Bonuses and Other Incentives

State law requires the City to approve a minimum density bonus of 25 percent for lower-income and senior housing projects that meet certain criteria, as well as other incentives under specified circumstances. Housing Element Program 3.3 follows California Govt. Code Section 65915 to adopt an ordinance that specifies the method of providing state-required developer incentives, including a maximum density bonus of 35%. The maximum density in such cases is determined by the project's approving body on a case-by-case basis.

Although a number of projects with density bonuses have been reviewed and approved in the past, amending the Zoning Ordinance to include procedures and standards for density

bonuses and other incentives would facilitate the review and approval of projects proposing affordable and senior housing.

5.1.4 Residential Growth Management System

The City adopted a growth management system in 1972 to meet such objectives as maintaining a reasonable ratio of Eastside to Westside growth, encouraging infill and a mix of housing types, and matching essential public facilities and services to residential development. In general, the system allowed for allocations averaging 500 residential lots or units per year. The City's ability to provide its share of affordable housing was not affected due to exemptions for senior and lower-income housing as well as residential development projects having 30 or fewer units.

The growth management system has not been used since 1998 because developers have been requesting allocations amounting to fewer than 500 lots or units per year. This trend is expected to continue through the remainder of the planning period (mid-2014) and it is not anticipated that allocations under the system will be necessary. Therefore, the growth management system will not represent a constraint on residential development during the planning period.

Recently, however, the City Council has indicated a strong desire to enable the council to prioritize development. The manner in which this would occur is not known. The continued exemption of affordable housing from such a program should be continued.

5.1.5 Inclusionary Housing Program

The inclusionary housing requirement (Program 4.4) 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 of five 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 inclusionary requirement is also intended to offset the negative effects of new market-rate housing on the provision of non-market rate housing. 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.

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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

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

By limiting the inclusionary requirement to 15 percent and providing alternative means of compliance, such as land dedication or payment of an in-lieu fee, the program is not seen as an undue or onerous constraint on the provision of market-rate housing.

In the previous Housing Element, it was noted that the In-Lieu fees needed to be increased to a level that would generate enough funding to provide and sustain a higher percentage of affordable units. On December 1, 2003, the City Council adopted a resolution that increased the In-Lieu fees based on the square footage of the market rate units. (See Appendix E) Since the new increase in the In-Lieu fees, the City of Petaluma has added 202 units of affordable housing and built a homeless shelter utilizing those funds

Inclusionary Housing Implementation Framework

The developer's affordability requirements include the following:

- When providing rental units the developer, must target Extremely low income to Low income households.
- When providing for sale units, the developer must target Low to Moderate income households.

The following compliance options are available to developers:

- The developer may provide affordable units (See Program 4.4)
- The developer may provide In-Lieu funds (See Appendix E)
- The developer may provide an alternative method subject to review by staff and City Council.

The following incentives are provided by the City:

- Housing funds for site acquisition, pre-development, etc.

- Deferred or waived fees
- Fast-track processing

The In-Lieu fees can be used for the following:

- Site acquisition
- Pre-development
- Housing assistance

Due to the slow economic and residential development climate, staff is predicting minimal revenue for 2009-2010 through 2013.

5.1.6 Project Review and Approval

The length of time it takes the City to review and approve housing development applications can add to housing costs. If the developer is buying the land outright, there are monthly interest costs, and if they are working under an option to purchase, there are option costs to hold the land.

In recent years, varying amounts of time were taken to consider and approve housing construction proposals. Generally, projects that require environmental impact reports and/or are subject to public controversy have longer review periods. Project re-designs or additional studies may be required by environmental review. Each change in the project design can have associated architect and engineering fees, which grow with each revision. Projects that receive a negative declaration of environmental impact are typically approved within nine months; projects with environmental impact reports typically require one year.

Below-market-rate projects are fast-tracked through the City of Petaluma's approval process. All processing time limits required by state law are adhered to and the overall length of review is consistent with similar communities.

Processing delays for residential projects can result from incomplete submittals by project applicants, inadequate responses to staff requests for additional information and exhibits, and failure to design projects to city standards.

Review by the Petaluma Site Plan and Architectural Review Committee (SPARC) is required for residential projects involving more than one dwelling unit per lot (except for accessory buildings), and subdivisions with five or more single-family dwellings. According to Section 24.010 of the Implementing Zoning Ordinance, the intent of the review is to achieve a satisfactory quality of design in the individual building and its site, appropriateness of the building to its intended use, and the harmony of the development with its surroundings. Reviewers of residential projects are to be guided by the following standards to achieve these purposes:

- The appropriate use of quality materials and harmony and proportion of the overall design
- The architectural style which should be appropriate for the project in question, and compatible with the overall character of the neighborhood
- The siting of the structure on the property, as compared to the siting of other structures in the immediate neighborhood
- The bulk, height, and color of the proposed structure as compared to the bulk, height, and color of other structures in the immediate neighborhood

Residential projects typically receive input from SPARC during a preliminary review, followed by review by the Planning Commission and City Council, then a final SPARC review.

5.1.7 Adopted Codes

The City has adopted recent editions of the Uniform Building Code, Uniform Housing Code, National Electrical Code, Uniform Plumbing Code, Uniform Mechanical Code, and the Uniform Fire Code.

The City has amended these codes in a few instances when necessary to protect the health, safety, and welfare of its residents. 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. While these measures result in higher initial housing costs, they are offset over the long run by savings on homeowners' insurance and property damage.

The presence of an active code enforcement 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 Municipal Code also establishes standards for the maintenance of properties with three or more rental units regarding the accumulation of trash and debris, overgrown vegetation, and abandoned vehicles and equipment.

5.1.8 Required Fees and Improvements

Impact Fees

The City charges residential development a variety of development impact fees in order to pay for the increased system capacities and services required by that development. In parallel with the adoption of the General Plan 2025, the City updated its impact fee schedules based on a fee study completed by Sinclair and Associates. The study in

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accordance with CA Government Code Section 66001(a), has done the following for all established fees:

- Identified the purpose of the fee
- Identified the use to which the fee is to be put
- Determined 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
- Determined 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.

Table 22 – Development Impact Fees

Fee Type	Land Use	Fee/Unit	Land Use	Fee/Unit
Aquatics	SF	326	MF	220
Community Center	SF	1,376	MF	927
Fire Suppression	SF	761	MF	512
Law Enforcement	SF	1,149	MF	773
Library	SF	586	MF	395
Open Space	SF	5,950	MF	4,006
Park Land	SF	3,209	MF	2,174
Public Facilities	SF	1,309	MF	881
Traffic Impact	SF	15,370	MF	9,376
Waste Water	SF	7,855	MF	5,237
TOTAL		\$37,891		\$24,501

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The fees as shown in Table 22 were increased substantially reflective of the increased costs associated with major transportation improvements and water-capacity infrastructure needs. While these fees may affect housing prices, the only alternatives would be their payment by the existing Petaluma taxpayers or no further residential development, either of which are infeasible. While the existing fee schedule applies to the City's affordable housing developments (usually MF), it has been common practice to pay the fees from the Housing Fund so the fees are not a constraint to the production of low/mod housing.

Required Improvements

The City of Petaluma requires developers to provide on- and off-site improvements in association with residential development, e.g., streets, curbs, gutters, sidewalks, street trees, drainage, water, sewer, power and communications utilities. These requirements are comparable to provisions in neighboring cities.

All standards for public improvements (i.e., street widths, sidewalks, storm drains) are delineated in the Municipal Code. These standards may be modified if warranted by individual circumstances, and therefore are not a constraint on development.

The City's In-Lieu Housing Fund, Petaluma's Redevelopment Agency (PCDC) housing set-aside funds, Commercial Linkage Fee Fund, the California HOME Investment Partnership Act funds, and CDBG funds are routinely used to assist below-market-rate projects with:

- Construction of on- and off-site public improvements (including, but not limited to public utility extensions, public street improvements, traffic mitigation measures, storm drainage, and public landscaping)
- Construction of on-site improvements (including, but not limited to site preparation, grading, private utility extension, private street improvements and parking area development)
- Subsidies for impact, application processing, and building permit fees. City ordinances also permit the waiver of fees for senior and lower-income housing projects, especially fees for parks.

Proposals are solicited from housing developers and service providers at the beginning of each year for the use of these funds and are evaluated and presented by housing staff to the PCDC as part of the budget process.

Examples of funds that have been contributed by the City to the following projects for these purposes include:

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- \$810,000 to Lieb Senior Apartments for site acquisition, Pre-development and off-site improvements.
- \$480,200 to Boulevard Apartments for development costs to build 14 affordable units for persons with a mental disability
- \$3,662,000 to Downtown River Apartments for site acquisition, and pre-development and on-site development costs.
- \$1,656,000 to Casa Grande Senior Apartments for site acquisition and pre-development costs. Also, \$3,950,000 in HOME funds for construction costs.
- \$1,098,000 to PEP/Wood Sorrel Senior Apartments for site acquisition.
- \$1,432,000 to PEP/951 Petaluma Blvd. So., for site acquisition.
- \$2,000,000 to Burbank/Logan Place Apartments for site acquisition and pre-development costs.
- \$2,500,000 to Vintage Chateau II for site acquisition and pre-development costs.

Therefore, fees and improvements do not represent an undue constraint on the development of affordable housing.

Housing for the Disabled

A recent state law (Chapter 761, SB 520) requires the analysis of potential governmental constraints to the development, improvement and maintenance of housing for persons with disabilities. The analysis is to include an evaluation of existing land use controls, permit and processing procedures, and building codes.

In the history of the City's affordable housing program, housing for persons with a disability has always been one of the highest priorities. We have provided separate properties for specific disabilities as well as having set-aside units within multi-family and senior units. Some examples are Boulevard Apartments (persons with a mental disability) and Salishan Apartments (persons with a developmental disability) and Old Elm Village, set-asides for persons with a mental disability.

5.2 Non-Governmental Constraints

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

5.2.1 Market Conditions

Even though current market conditions have driven the housing prices 40% below the 2007 prices, it is difficult to purchase a house. The lending institutions are tightening up on their lending practices due to the economy. Market conditions, whether now or in the future, are always a factor in low income people being able to afford purchasing a house. The other factors are household income and the price of the housing unit. As stated earlier, incomes for our entry-level workforce have not kept pace with the cost of either rental or for-sale housing.

5.2.2 Fair Housing

As an entitlement jurisdiction under the Community Development Block Grant program, the City of Petaluma is required to prepare an Analysis of Impediments to fair housing. In October of 2005, the City of Petaluma, in conjunction with the City of Santa Rosa and the County of Sonoma, the three HUD-designated entitlement jurisdictions in Sonoma County, updated their Analysis of Impediments. The 2005 Analysis of Impediments identified the following impediments to Fair Housing:

Minorities

Impediments to fair housing choice in the City of Petaluma for minorities are primarily a product of insufficient income level to afford the higher housing costs; secondarily to a lack of sufficient housing subsidies.

It was noted that limited proficiency in the English language might cause difficulty for minorities finding housing. HUD/Office of Fair Housing has executed an Executive Order #13166, directing federal agencies that extend assistance, subject to Title VI, to publish a Guidance to clarify recipients' obligations to LEP persons (Limited English Proficient) HUD has published a Guidance as of January 22, 2007.

People with Disabilities

Impediments to fair housing choice in the City of Petaluma for persons with physical disabilities are landlords and managers who prohibit alterations or are reluctant to install alterations to rental property. The installation of wheelchair ramps, bathroom and kitchen modifications and doorway modifications may make all the difference in the world to persons with physical disabilities. Sometimes a lack of knowledge about the possibility of using these modifications, and where the funds may be obtained, are the impediment. Also, it was found that a lack of transportation both to housing and to jobs that can provide enough income to maintain their housing can be a barrier to persons with a disability

Families with Children

In compiling the data for our Analysis of Impediments, it was found that discrimination due to familial status had decreased, but was still an impediment. Impediments to fair housing choice for families with children are as follows:

- Restrictions by landlords and managers of the number of persons that can reasonably occupy a rental unit. The State Department of Fair Employment and Housing guideline is two person per bedroom plus one, or five persons for a two-bedroom apartment.
- The income levels of single parents with children. Single-parent household income, particularly for female heads of households, is at the lowest income levels. They fall below the affordability of local housing costs and have the most difficulty, combined with the previous concerns, in finding appropriate housing.

The City of Petaluma complies with all requirements of state and federal regulations applicable to fair housing in the projects it undertakes with its non-profit partners. The city's efforts to provide affordable housing also help address fair housing needs, as described above. Many of the City's policies were updated and articulated more clearly following a July 2008 Fair Housing monitoring by HUD.

Fair housing complaints are referred to the PPSC, which provides free, non-biased services to all tenants and landlords who live in or own property in the city of Petaluma. Approximately 3 discrimination claims were made to the PPSC in 2008. Problems relating to rental housing, such as eviction, three-day notice to vacate, rent increases, repairs, damages, and privacy are dealt with on a daily basis.

Written materials are distributed and annual training sessions are held to provide information and referral on fair housing issues, and mediation services are provided between tenants and landlords. PPSC will receive approximately \$50,000 in funding from the PCDC during FY 2008-2009 to support their efforts. An estimated 200 persons will receive fair housing services during this time.

5.2.3 Construction Costs

Construction Materials

Housing prices are influenced partly by the types of construction materials used. Homes in Petaluma 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.

Currently, the construction cost to build a residential home is approximately \$121.86 psf according to the National Assn. of Home Builders 2007. Prices for construction materials such as lumber, steel, insulation, drywall, cement, and concrete are affected by the demand for them. Higher prices can occur when increased levels of construction activity create materials shortages. Adversely, lower prices can occur when demand has decreased.

5.2.4 Land Costs

Land costs are affected by such factors as zoning density, the availability of infrastructure, the existence or absence of environmental constraints, land speculation and the relative amount of similar land available for development.

As reported in our prior Housing Element, land costs for residential projects have ranged from \$38,000 per multi-family unit to \$50,000 per single-family dwelling. This still holds true today according to recent site acquisitions from local non-profits.

The City has often assisted with pre-development costs for lower-income housing projects in the past, including the securing of property options and the purchase of land. Contributions from the In-Lieu Housing Fund and the PCDC affordable housing set-aside funds for the purchase of land within the last five years include \$1,098,000 for Wood Sorrel Senior Apartments; \$2,000,000 for Logan Place Apartments; \$2,500,000 for Vintage Chateau II; and \$1,400,000 for 951 Petaluma Blvd., So. Senior Apartments. Similar assistance in the future will likely prove critical to the development of such housing.

5.2.5 Financing Costs

Mortgage Interest Rates

Housing affordability increases as interest rates decrease and vice versa. Besides lowering monthly interest payments for new buyers and significantly decreasing the cost of a loan, lower interest rates allow existing homeowners to refinance their homes, thereby lowering monthly housing costs and perhaps preserving their ownership status.

In a strong financial market, lending practices tend to be more flexible with interest rates being determined by the U.S. Government. Mortgage interest rates by themselves are not a barrier to affordable housing. The price of the property is also a factor. In 2008, the price of an individual house has decreased 40% in the Bay Area, but lending practices have tightened up. Currently, interest rates are low, but low income people are having a hard time qualifying for a mortgage due to the tight credit market due to the abundance of foreclosures.

Construction Financing

Overall, construction financing usually represents a small contribution to total housing costs. 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 in-fill projects is generally harder to obtain than for conventional single-family construction.

Down Payments and Move-In Costs

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.

Low-income households may be unable to obtain rental housing because they cannot accrue the necessary security deposits and first and last months' rents. The Rental Assistance Program administered by Petaluma People Services Center and supported by the City provides loans to low-income renters for the up-front costs of renting an apartment. This program assists approximately 130 households per year.

5.2.7 Urban Growth Boundary

In 1998, the citizens of Petaluma overwhelmingly approved (by 80 percent of the vote) an urban growth boundary (UGB) that represents the limit of urban development and the provision of city water and sewer services until 2019. The UGB is intended to promote a compact urban form that ensures the efficient provision of services and infrastructure, and preserve agricultural and open space outside of the boundary. The boundary is essentially contiguous with the City’s Sphere of Influence except for a sewer service area that encompasses the Penngrove area, and a water service area that serves a small rural area on the western edge of the city. Although most amendments to the UGB require a popular vote, the City Council is empowered to amend the UGB to accommodate affordable housing projects under certain circumstances.

A study of Portland’s urban growth boundary (“Have Housing Prices Risen Faster in Portland Than Elsewhere?,” Anthony Downs, The Brookings Institution) drew attention to the fact that while a UGB directly limits the future supply of developable land in an area, it does not directly limit the future supply of housing units there. Consistent with this finding, the City of Petaluma is actively promoting the development of higher-density housing to maximize the number of units that can be built within its UGB.

The General Plan 2025 projected an additional potential for 6,005 housing units at plan buildout beyond the base year of 2005. The potential growth estimates were based on actual development that has occurred since 2001, approved projects, projects that are currently in the formal review process, and anticipated projects (see Section 6 for further details).

Because there are ample areas within the UGB to more than accommodate Petaluma’s regional “fair share” of new construction during the planning period (see Section 6), the UGB is not a constraint on the ability of the City to meet its housing needs. The City Council has recently directed staff to prepare an extension of the UGB to 2025, coterminous with the General Plan 2025’s planning horizon to be presented to the voters.

6. GOALS, POLICIES, AND PROGRAMS

The following goals, policies, and programs are designed to address the existing and projected housing needs of the City of Petaluma. Each program has one or more individuals, bodies, or agencies responsible for its implementation, along with a potential or committed funding source, and a schedule for its implementation during the 2009 – 2014 planning period.

Goal 1 Housing Supply

Provide adequate residential development opportunities to accommodate projected residential growth and facilitate mobility within the ownership and rental markets.

Policy 1.1 Promote residential development within the Urban Growth Boundary.

Programs:

1.1 Utilize sites within the UGB to accommodate anticipated long-term residential growth.

Responsibility: City Council and planning staff
Funding: General Fund
Schedule: Ongoing

Policy 1.2 Encourage the development of housing on underutilized land that is appropriately zoned.

Programs:

1.2 Utilize the Central Petaluma Specific Plan to facilitate the development of vacant and underutilized land at the heart of the City.

A key objective of the Specific Plan is to establish a significant component of new housing near the downtown and the transit center.

Responsibility: City Council and planning staff
Funding: General Fund
Schedule: Ongoing
Potential units: Up to 1,617 new multi-family units

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- 1.3** Allow more flexibility in parking requirements for mixed-use developments in order to promote the development of residential uses along mixed use corridors.

Responsibility: City Council and planning staff
Funding: General Fund
Schedule: Adoption of Development Code

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Goal 2 Housing Variety

Promote a range of housing types to meet the housing needs of all Petalumans.

Policy 2.1 Encourage a mix of housing design types.

Programs:

2.1 Provide developers with an inventory of sites with a wide range of densities that allows a variety of product types.

Responsibility: City Council and planning staff
Funding: General Fund
Schedule: Ongoing

2.2 Utilize the Central Petaluma Specific Plan to facilitate the development of rental and live/work units in the downtown, e.g., high density housing, relaxed parking requirements, requiring of on-site inclusionary units.

Responsibility: City Council and planning staff
Funding: General Fund
Schedule: July 1, 2009 – June 30, 2014
Outcome: 500 ELI - Mod units

Policy 2.2 **Allow flexibility within the City’s standards and regulations to encourage a variety of housing types.**

2.3 Ensure that the Development Code update defines transitional and supportive housing as residential uses, subject only to those restrictions on residential uses contained in each respective zone.

Responsibility: City Council and planning staff
Funding: General Fund
Schedule: July 1, 2009-June 30, 2014
Outcome: Increase number of units for transitional and special needs.

Goal 3 Development Constraints

Minimize constraints on housing development to expedite construction and lower development costs.

Policy 3.1 Review and adjust city residential development standards that are determined to be a constraint on the development of housing.

Programs:

3.1 Review and identify development standards that may be a constraint on the development of housing and amend the Development Code accordingly.

Responsibility: City Council and planning staff
Funding: General Fund
Schedule: July 1, 2009 – June 30, 2014

3.2 Ensure that the Development Code update identifies the “Mixed Use” and “Civic Facilities” zones as permitting emergency shelters without a Conditional Use Permit or other discretionary action.

Responsibility: City Council and planning staff
Funding: General Fund
Schedule: June 30, 2011
Outcome: Encouragement and facilitation of emergency shelters

Policy 3.2 Improve the city review and approval process for residential projects.

Programs:

3.3 Adopt procedures and standards for density bonuses and other incentives required by state law to facilitate the review and approval of projects proposing affordable housing.

California Govt. Code Section 65915 requires the City to adopt an ordinance that specifies the method of providing state-required developer incentives, including a maximum density bonus of 35%.

Responsibility: City Council, City Attorney, planning staff
Funding: General Fund
Schedule: Adoption of a Density Bonus Ordinance by 2014

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- 3.4** Continue to subsidize and defer application fees, development impact fees, and on- and off-site improvements for affordable housing projects.

\$480,000 has been awarded from the LMI Fund to cover fees for the Boulevard Apartments and \$1,656,000 was awarded to PEP Housing to cover pre-development fees for a 58-unit affordable senior housing development, part of those fees going to on and off-site improvements.

Responsibility: City Council
Funding: Housing Fund
Schedule: July 1, 2009 – June 30, 2014

- 3.5** Continue to give priority processing to affordable housing projects.

Responsibility: City Council and planning staff
Funding: General Fund
Schedule: July 1, 2009 – June 30, 2014

- 3.6** Adopt residential design guidelines for single- and multi-family development that provides clear guidance with regards to design standards for applicants.

Responsibility: City Council, SPARC and planning staff
Funding: General Fund
Schedule: July 1, 2009-June 30, 2014
(Specific timeline unknown due to organization re-alignment)

- 3.7** Provide continuing professional education for public officials and decision makers to improve skills in such areas as project evaluation and the conduct of public hearings.

Responsibility: City Council
Funding: General Fund
Schedule: July 1, 2009 – June 30, 2014

- 3.8** Actively participate in the Sonoma County Water Agency's project to increase the capacity of the City's water supply system in order to secure a safe, reliable imported water supply.

Responsibility: Department of Water Resources & Conservation
Funding: Water Resources
Schedule: July 1, 2009 – June 30, 2014

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- 3.9** Actively participate in the Sonoma County Water Agency's planning for a second Petaluma Aqueduct to influence the aqueduct alignment, capacity, and construction details to best reinforce the distribution system.

Responsibility:	Department of Water Resources & Conservation
Funding:	Water Resources
Schedule:	July 1, 2009 – June 30, 2014

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Goal 4 Affordable Housing

Promote the development of housing affordable to extremely low, very low, low- and moderate-income households.

Policy 4.1 Make the maximum use of resources available for the provision of housing affordable to extremely low (ELI) to moderate-income households.

Programs:

4.1 Continue to ensure that at least 30 percent of all dwelling units developed by the Petaluma Community Development Commission (PCDC) are affordable to low- or moderate-income households, and that not less than 50 percent of these are affordable to very low-income households. Ensure that at least 15 percent of all dwelling units developed in the redevelopment project area by public or private entities or persons other than the agency are affordable to low- or moderate-income households, and that not less than 40 percent of these are affordable to very low-income households. Continue to allocate 100 percent of the Low/Moderate Income Housing Fund to housing projects within the city.

These requirements are consistent with California Community Redevelopment Law (Health and Safety Code Section 33413). They may also be satisfied by several alternative methods.

Responsibility: Housing Division
Funding: Housing Fund
Schedule: July 1, 2009 – June 30, 2014

4.2 Continue to work with other agencies to receive a reasonable share of federal, state and private funding for housing.

Examples of partnerships with other agencies include the Sonoma Co. Continuum of Care Committee (homeless issues); the Sonoma Co. Community Development Commission (Section 8 and other housing programs), ET AL.

Responsibility: Housing Division
Funding: Housing Fund
Schedule: July 1, 2009 – June 30, 2014

4.3 Continue to work with non-profit housing organizations to benefit from their expertise in and resources for developing and supporting affordable housing.

Nearly all of the affordable housing projects in the city have been developed in partnership with non-profit organization.

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Responsibility: Housing Division
Funding: Housing Fund
Schedule: July 1, 2009 – June 30, 2014

Policy 4.2 Assign a share of the responsibility for providing affordable housing to the developers of market-rate housing and non-residential projects.

Programs:

- 4.4** Continue to require residential projects of five or more units to contribute to the provision of below-market rate housing in one of the following ways:
- a. Within a half-mile radius of the planned SMART stations, the developer shall provide at least 15 percent of the units in a rental housing project at rents affordable to very low- and low-income households and 15 percent of the units in a for-sale project at prices affordable to low- and moderate-income households for a minimum period of 30 years.
 - b. Dedicate a portion of the project site or property elsewhere to the City or a non-profit organization for use as a site for affordable housing. This option is allowed only if the City or a non-profit agency has a pending project.
 - c. When the project is non-transit oriented, the developer can make an in-lieu payment to the City's Housing Fund.
 - d. Use alternative methods to meet the intent of the inclusionary requirement, subject to approval by the City Council.

Responsibility: City Council, Housing Division,
Funding: Housing Fund
Schedule: Ongoing

- 4.5** Continue to implement the Commercial Linkage Fee Program.

The Linkage Fee on certain commercial, industrial, and retail development partially offsets the impact on the need for affordable housing.

Responsibility: City Council, Housing Division,
Funding: Housing Fund
Schedule: Ongoing

Policy 4.3 Facilitate the entry of low- and moderate-income households into the housing market.

Programs:

- 4.6** Continue to support the Mortgage Credit Certificate Program administered by the Community Development Commission of Sonoma County.

Under this program, the IRS allows eligible homebuyers with a MCC to take 20 percent of their annual mortgage interest as a dollar-for-dollar tax credit against their federal personal income tax. This enables first-time buyers to qualify for a larger mortgage than otherwise possible, and can thus bring homeownership

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within their reach. Housing staff will coordinate with the County as lead agency all other Sonoma cities, and the MCC consultant. Housing staff will provide information about the program to all First time homeowner applicants.

Responsibility: Housing Division staff
Funding: Housing Fund (self-sustaining)
Schedule: July1, 2009 – June 30, 2014 (On-going)

- 4.7** Reinvent the First-Time Homebuyer Assistance Program aimed at low- and moderate-income households.

The existing program is ill-equipped to serve both the City and the potential homebuyer in a changing economic climate. The City instituted the use of the Housing land trust model in 2008 and plans to utilize this model for all future homeownership projects.

Responsibility: Housing Division staff in partnership with Sonoma County Housing Land Trust
Funding: As needed
Schedule: December 2008 to June 30, 2014
Outcome: 26 completed in 2008; 10 projected through 2014
Amend FTHB program by December 30, 2009

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Goal 5 Preservation of Affordability

Preserve the City's existing affordable housing and ensure the long-term affordability of new below-market rate units.

Policy 5.1 Preserve the affordability of the City's existing affordable housing stock.

Programs:

5.1 Continue to administer the Mobile Home Rent Stabilization Ordinance.

Responsibility: City Council, Housing Division
Funding: \$70,000 annually from Housing Fund
Schedule: July 1, 2009 – June 30, 2014

5.2 Deny conversions of rental apartments to condominiums if the proposed conversion significantly diminishes the existing supply of rental units or threatens to lower the rental vacancy rates within Petaluma.

The City allows conversion only when the rental vacancy rate is above three percent, or if one-for-one replacement of rental units of a similar type occurs, or if two-thirds of the adult tenants agree to the conversions in the city.

Responsibility: City Council
Funding: General Fund
Schedule: July 1, 2009 – June 30, 2014

Policy 5.2 Ensure the long-term affordability of units developed or provided with City assistance.

Programs:

5.3 Impose resale controls or rent restrictions on all units that receive state housing density bonuses and other incentives for not less than 30 years.

Responsibility: City Council, Housing Division
Funding Source: Housing Fund
Schedule: July 1, 2009 - June 30, 2014

5.4 Continue to impose long-term resale controls or rent restrictions on affordable units provided through the inclusionary housing program or city subsidies to ensure that they remain affordable to the targeted income groups.

Responsibility: City Council, Housing Division
Funding Source: Housing Fund
Schedule: July 1, 2009 - June 30, 2014

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Goal 6 Special Needs Housing

Promote housing opportunities for special needs groups.

Policy 6.1 Support efforts to prevent homelessness.

Programs:

- 6.1** Continue to support the Petaluma People Services Center (PPSC) Homeless Prevention Program, including the Mediated Assistance Program and the Renters Assistance Program.

The Rental Assistance Program assists Petaluma individuals and families seeking to retain affordable housing by making a one-time payment of rent or mortgage on their behalf. The Renters Assistance Program is a grant program for the up-front costs of renting a home. Clients also receive information, referrals and counseling services to prevent future threats to their stability.

Responsibility: City Council, Housing Division staff
Funding: Housing Fund/\$150,000 annually
Schedule: July 1, 2009 - June 30, 2014 (on-going)
Outcome: Assist 200 households annually from becoming homeless by assisting them with one-time emergency rental assistance.

Policy 6.2 Support efforts to provide housing and support services for the homeless.

Programs:

- 6.2** Continue to support the Mary Isaak Center

The Mary Isaak Center contains a 100-bed dormitory, a large dining area, a six-bed sick room, a large training/service kitchen, a living room, a conference/counseling room, a laundry room, offices, lockers, and men's and women's bathroom facilities with showers. All clients participate in a multi-level case management and goal-setting program that helps clients with basic needs and access to social services, including life skills workshops, counseling services, referrals, showers, lockers, mail, laundry facilities, telephone and message services.

Responsibility: City Council, Housing Division staff in partnership with COTS
Funding: Housing Fund/\$460,000 annually
Schedule: July 1, 2009 - June 30, 2014 (On-going)
Outcome: Emergency shelter and support services to 100 people per bed night

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6.3 Continue to support the COTS Family Center.

The year-round family shelter with 35 beds (that equates to 12,775 bed-nights annually) provides shelter, food, and staffed intensive case management services for up to 60 days.

Responsibility: City Council, Housing Division staff in partnership with COTS
Funding: Housing Fund/ \$260,000 annually
Schedule: July 1, 2009 - June 30, 2014 (on-going)
Outcomes: Emergency shelter and support services to 35 children and their families per bed night.

Policy 6.3 Support efforts to provide shared and transitional housing to those moving from homelessness to independent living.

Programs:

6.4 Continue to support the Salvation Army's Petaluma Area Transitional Housing program.

The PATH program includes private landlords willing to rent units to program. The Salvation Army provides intensive support activities and structure, with particular emphasis on assisting people in their transition from welfare-to-work and from homelessness to independent living.

Responsibility: City Council, Housing Division staff in partnership with Salvation Army
Funding: Housing Fund/ \$75,000 annually
Schedule: July 1, 2009 - June 30, 2014 (on-going)
Outcome: Rental assistance and support services to five families per month.

6.5 Continue to support the ongoing maintenance of COTS family transitional homes located throughout the community.

Responsibility: City Council, Housing Division staff in partnership with COTS
Funding: Housing Fund – in kind rental assistance equals \$25,000 per year.
Schedule: July 1, 2009 – June 30, 2014 (on-going)
Outcome: Rental assistance and support services 21 families/mo.

6.6 Continue to support the ongoing maintenance of a City-owned four-bedroom house on Rocca Drive, leased and operated by the Vietnam Veterans of California serving homeless male veterans who are enrolled in the Agency's Employment and Training Program.

Responsibility: City Council, Housing Division staff in partnership with VCC.

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Funding: Housing Fund/ in kind rental assistance equals \$25,000 per year.
Schedule: July 1, 2009 – June 30, 2014
Outcome: Housing and support services to 5 veterans per month.

- 6.7** Continue to participate in the Countywide Continuum of Care planning process as a “lead agency” along with the City of Santa Rosa and the County of Sonoma.

Responsibility: City Council, Housing Division
Funding: Housing Fund
Schedule: July 30, 2009 - June 30, 2014

Policy 6.4 Promote the construction and maintenance of housing for the elderly.

Programs:

- 6.8** Continue to support the construction of senior housing.

Responsibility: City Council, Housing Division staff in partnership with PEP Housing and USA Properties
Funding: Housing Fund- average of \$45,000 per unit
Schedule: July 1, 2009 - June 30, 2014
Outcome: 250 additional elderly and disabled units.

- 6.9** Continue to support the “Rebuilding Together – Petaluma” (RTP) program.

This non-profit, non-denominational volunteer organization provides home repair services to low-income Petalumans, many of whom are elderly, during its annual rebuilding day in April and throughout the year on an emergency basis and assist in the upgrade of the housing stock in targeted neighborhoods.

Responsibility: City Council, Housing Division staff in partnership with RTP staff and volunteers.
Funding: Housing Fund - \$250,000 annually
Schedule: July 1, 2009 - June 30, 2014 (monthly and annual workdays)
Outcome: Rehabilitation of 30 homes of low income and disabled persons per year.

- 6.10** Continue to support the Disability Services and Legal Center program to remove physical barriers in homes occupied by persons with a disability, many of whom are elderly.

DSCL evaluates homes for needed improvements, such as the construction of ramps, installation of grab bars, and installation of devices for people with hearing or sight impairments, and then contracts to have the work completed.

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Responsibility: City Council, Housing Division staff in partnership with DSLC.
Funding: CDBG - \$40,000 annually
Schedule: July 1, 2009 - June 30, 2014 (on-going)
Outcome: Rehabilitate 10 homes per years for persons with a disability.

Policy 6.5 Promote the provisions of disabled-accessible units and housing for developmentally, mentally and physically disabled.

Programs:

6.11 Continue to require the inclusion of disabled-accessible units in projects that receive city assistance.

All units developed with city assistance comply with Title VI (Civil Rights Act), Section 505 (Rehabilitation Act of 1973) and Section 109 (Housing and Community Development Act).

Responsibility: City Council, Housing Division
Funding: Housing Fund
Schedule: July 1, 2009 - June 30, 2014

6.12 Support the construction of housing specifically designed for persons with a developmental, mental, or emotional disability.

Responsibility: City Council, Housing Division staff in partnership with non-profit developers such as Buckelew Programs.
Funding: Housing Fund – average \$55,000 per unit
Schedule: July 1, 2009 to June 30, 2014
Outcome: The City has two existing special needs apartment complexes for people with mental illness and developmental disabilities.

Policy 6.6 Promote the construction of rental units for larger families.

Programs:

6.14 Continue to require apartment projects that receive city funding to include units with more than two bedrooms.

Responsibility: City Council, Housing Division
Funding: Housing Fund
Schedule: July 1, 2009 - June 30, 2014

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Goal 7 Fair Housing

Promote a choice of housing types and locations available to all persons, regardless of race, color, religion, sex, sexual orientation, national origin, ancestry, familial status, source of income, age, marital status, medical condition or disability.

Policy 7.1 Discourage discriminatory housing practices.

Programs:

7.1 Continue to refer fair housing complaints to the Mediation Assistance Program administered by the Petaluma People Service Center.

Responsibility: Housing Division staff in partnership with PPSC
Funding: Housing Fund - \$45,000 per year
Schedule: July 1, 2009 - June 30, 2014 (on-going)
Outcome: To assist any Petaluma resident in need of information or mediation regarding Fair Housing or tenant/landlord assistance.

7.2 Initiate actions to address any fair housing issues or constraints on housing for the disabled identified by the 2008 Fair Housing Audit and the Analysis of Impediments, including removing the constraints or providing reasonable accommodation for housing intended for persons with disabilities.

Responsibility: Housing Division
Funding: Housing Fund and Block Grant Fund
Schedule: July 1, 2009 – June 30, 2014

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Goal 8 Housing Maintenance

Preserve and improve the city's existing housing stock.

Policy 8.1 Promote the maintenance of existing residential units.

Programs:

8.1 Continue to support the “Rebuilding Together – Petaluma” program.

See Program 6.9 of the Housing Element for program details.

Coordinate with the City of Petaluma’s Code Enforcement staff to identify unsound or deteriorating housing conditions for possible rehabilitation.

Responsibility: Housing Division and Code Enforcement staff

Funding: Housing Fund

Schedule: July 1, 2009 – June 30, 2014

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Goal 9 Community Relations

Promote the integration of affordable and special needs housing with existing neighborhoods.

Policy 9.1 Minimize the impacts of affordable and special needs housing projects on existing neighborhoods.

Programs:

9.1 Continue to address the potential impacts of such projects on surrounding neighborhoods during the design review and approval process.

Responsibility: City Council, Planning Commission, Planning Commission, SPARC, planning staff

Funding: General and Housing Funds

Schedule: July 1, 2009 - June 30, 2014

9.2 Continue to work with the managers of affordable and special needs housing projects to minimize potential impacts on surrounding neighborhoods.

Responsibility: Housing Division and Police Department

Funding: Housing Fund

Schedule: July 1, 2009 - June 30, 2014

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Goal 10 Energy Conservation and Greenhouse Gas Emissions

Encourage energy conservation in housing and reduce the contribution to greenhouse gases from existing sources and minimize the contribution of greenhouse gases from new construction and sources.

Policy 10.1 Promote the use of energy conservation features in the design of residential development.

Programs:

10.1 Continue to evaluate residential projects for consistency with Section 66473.1 (Energy Conservation) of the Subdivision Map Act during the development review process.

Responsibility: City Council and planning staff
Funding: General Fund
Schedule: July, 2009 - June 30, 2014

10.2 Continue to require the planting of street and parking lot trees as part of residential projects to provide cooling during the summer months.

Responsibility: Tree Advisory Committee, Housing Division
Funding: General Fund
Schedule: July 1, 2009 - June 30, 2014

Energy Conservation and Greenhouse Gas Emissions are outlined in Chapter 2.3 – Green Building and Chapter 4.5 – Greenhouse Gas Emissions of the Petaluma General Plan 2025 that was adopted in May of 2008 and will apply to this Housing Element.

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