

Annual Review 2016

General Plan Actions & Housing Element Update

City Council & Planning Commission Report

April 13, 2017



INTRODUCTION

The General Plan addresses issues related to the physical development and growth of Santa Rosa, and it represents the community's aspirations for the future. The General Plan is required by state law, and it has a long range focus, looking 20 years into the future. It is a blueprint for the future, guiding the City's planning and zoning functions as well as the funding of public improvement projects, such as parks and streets.

Santa Rosa General Plan 2035, adopted in November 2009, is the subject of this report. The State General Plan Guidelines were consulted in the development of the General Plan, and the document complies with those guidelines to a high degree.

Each year, the Planning Commission and City Council review the General Plan, consistent with General Plan policy and state planning and zoning law. State law directs that an annual report be provided to the City Council on the status of the plan and progress in its implementation, including meeting its share of regional housing needs. This report is developed to assist citizens and the Planning Commission and City Council in understanding recent decisions involving the General Plan.

This year's annual review report includes General Plan actions and a Housing element update. It is not a comprehensive report regarding implementation of General Plan elements, nor the yearly review of the Growth Management, Housing Allocation Plan Ordinances, or Climate Action Plan. Full reporting of these items is expected to resume in the next calendar year, along with the joint session of the Planning Commission and City Council.

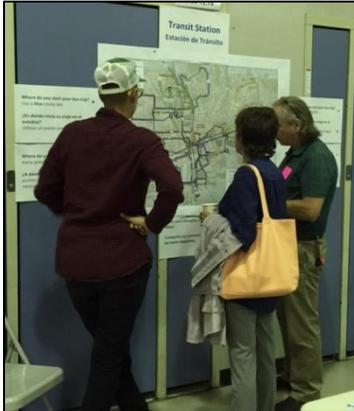
GENERAL PLAN ACTIONS IN 2016

According to City policy, the General Plan can be amended three times per year. Amendments to the land use diagram and the text can be considered. Any change to the General Plan requires a hearing before both the Planning Commission and the City Council. Three General Plan amendments were considered in 2016, and three General Plan amendments were initiated by the Council.

Dutton Avenue Industrial Buildings General Plan Amendment. The Planning Commission recommended approval on January 28, 2016 of an amendment to change the existing land use designation from General Industry to Light Industry for the 8.5-acre property located at 2960 and 2970 Dutton Avenue. The proposal created consistency between the previous zoning classification of Light Industrial and the proposed land use designation of Light Industry. The General Plan Amendment served the constructing two industrial buildings, although no formal development applications had yet been received. The Council approved the General Plan Amendment on March 29, 2016.

Marlow Road Development General Plan Amendment. The Planning Commission recommended approval on January 28, 2016 of an amendment to change the General Plan land use designation

from Low Density Residential (2-8 units per acre) to Medium Density Residential (8-18 units per acre) for three of the four subject parcels, and to Rezone all four parcels from the RR-40 (Rural Residential) and R-1-6 (Single family Residential) zoning districts to the R-3-18 (Multi-family) zoning district. By amending the land use designation of the 5-acre property to Medium Density Residential for the entire project area, a maximum of 91 units, or an increase of 87 dwelling units, becomes possible. The Council approved the General Plan Amendment on March 29, 2016.



Roseland Area Projects General Plan Amendment. On September 8, 2016 the Planning Commission recommended approval of an amendment for the Roseland Area/Sebastopol Road Specific Plan, amendments to the General Plan, Downtown Station Area Specific Plan, Zoning Code and Bicycle and Pedestrian Master Plan serving the eventual annexation of Roseland. The City Council approved the amendments and adopted the Specific Plan on October 18, 2016.

GROWTH AND DEVELOPMENT

The General Plan contains hundreds of policies which guide the daily decision making of City staff, the City Council and City boards and commissions. The following summarizes new development in the City, and addresses the progress in implementing the Housing policies of the General Plan.

Residential

Santa Rosa had 175,667 residents according to the State Department of Finance as of January 1, 2016. This represents an increase of 1.50 percent over the 2015 population of 173,071.

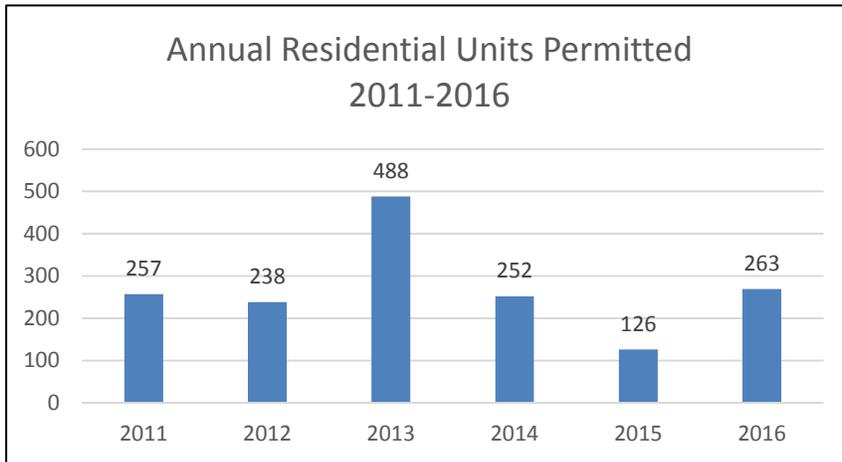
There were 130 residential building permits issued by the City of Santa Rosa for a total of **263 units in 2016**. Of the permits issued:

- 73 were for single family dwellings;
- 42 were for multifamily dwellings (totaling 175 units);
- 11 were for second dwelling units; and,
- 4 were for manufactured homes.

Of the 263 total units:

- 168 were permitted in northwest;
- 81 in northeast,
- 10 in southwest and;
- 4 in southeast Santa Rosa.

There was an overall increase of 108% in residential permitting from 2015, when 126 units were issued permits, and a 4% increase from 2014 when 252 units were issued permits.



Notable residential projects in 2016:

- North Street Apartments (building permits issued in 2016): The project consists of a 20-unit multi-family residential apartment building on a 1.2 acre site.
- Range Ranch II (under construction in 2016): Located on Jennings Avenue

south of Coddington in the North Santa Rosa Station Area Plan, the project includes the construction of 120 apartment units within 6 three-story buildings on an approximately 5-acre parcel, featuring several common areas, including a community building, pool, and play area.

Non Residential

A total of 637 commercial permits, and 68,740 square feet of new commercial space was approved in 2016. Notable non-residential development in 2016 include:

The approved **Nordstrom Rack** completed construction in 2016. The project consisted of a 31,023 square foot retail building, with updates to the existing landscaping, internal circulation, and parking areas. Phased construction of the **Epicenter** project on Coffey Lane continued through 2016. The project consists an approximately 15,754 square foot addition to an existing 118,000 square foot building to accommodate a multi-use health and fitness facility, including indoor sports fields, a bowling alley, arcade and a restaurant. The **Sonoma Academy** campus received permits to construct a 2-story grange and studio building with, offices, studios, dining areas, and teaching kitchen. The approved **Pollo Loco** on Cleveland Avenue has received permits to begin site preparation for the new 2,973 square foot drive-through restaurant and a separate 2,000 square foot retail space.



Annexations

In 2016, there was one annexation to the City of Santa Rosa of approximately 1.9 acres. The overall size of Santa Rosa increased slightly to 41.70 square miles.

As noted earlier in the report, substantial progress was made in 2016 in preparation for the annexation of Roseland. Staff expects to submit the City's application to the Sonoma Local Agency Formation Commission (LAFCO) in April 2017.

Housing Needs Information

On July 29, 2014, the Council adopted the Housing Element update, which addresses housing needs from 2015 to 2023. The City of Santa Rosa Regional Housing Needs Allocation (RHNA) goal is 4,662 units over an 8-year period (starting in 2015); representing an average of 583 units per year.

The need is broken down as follows:

- 2,287 units at moderate or below (49% of goal); or an average of 286 below moderate units per year
- 2,375 units at above moderate (51% of goal); or 297 above moderate units per year
- In the last two years, 2015 and 2016, the City has issued 428 units total (126 in 2015, and 302 in 2016*) **includes Crossroads project as described below*
- Of the 428 units, 88 units were moderate or below (20% of the total)

In 2016, the City Council held a series of public meetings designed to provide information on actions and opportunities specific to housing development, from the review process to funding. As a result, a major effort was made to create an environment where the City could enable development of the housing stock needed to address housing at all levels of affordability, or "Housing for All". The Planning & Economic Development Department released the results in the [Housing Year End Report](#).

In an effort to better close the gap between the construction of housing units and the City's needs, and to implement the City's General Plan Housing Element, the City prepared the [Housing Action Plan](http://www.srcity.org/HousingActionPlan) (www.srcity.org/HousingActionPlan). The Housing Action Plan contains five program categories: 1) increase inclusionary housing; 2) achieve "affordable by design" housing; 3) assemble and offer public land for housing development; 4) improve development readiness of housing opportunity sites; 5) increase housing investment and developer partnerships. Numerous actions are included in each of these programs, and work has commenced on the following policy efforts: Accessory Dwelling Units, Permit Streamlining for Planning Entitlements, Design Review Process Streamlining, Density Bonus Revision, Inclusionary Units in For-Sale Housing Projects, and Housing Impact Fee Revision.

The **263 units** permitted by the City of Santa Rosa in 2016 meet the following income categories: **Extremely Low – 0; Very Low - 1; Low - 0; Moderate - 16; Above Moderate -**

246. The 1 Very Low Income unit is under contract with the City for long term affordability. The following table compares the ABAG Regional Housing Needs Allocation (RHNA) numbers for Santa Rosa with building permit issuance by income category to illustrate the remaining need, at the end of this Housing Element reporting period:

Units Issued Building Permits by Income Category						
2015 – 2023						
Income Category	Extremely Low	Very Low	Low	Moderate	Above Moderate	TOTAL
ABAG RHNA Objectives	473	474	581	759	2,375	4,662
2015	0	0	24	8	94	126
2016*	26	11	3	16	246	302
Total Issued (2015+2016)	26	11	27	24	340	428
Remaining Need	447	463	554	735	2,035	4,234

*includes 39 units associated with Crossroads

The **Crossroads** housing project located on Burbank Avenue within unincorporated Sonoma County, is a 79-unit multifamily apartment complex consisting of 52 Extremely Low Income units, 20 Very Low Income units, 6 Low Income units, and one unrestricted manager’s unit. The Housing Authority committed \$2,300,000 in funding in 2015 and the project is now under construction. Because both jurisdictions have provided financial support to this project, the County and City will share the units for the purpose of RHNA accounting. While Sonoma County issued the building permits, Santa Rosa is including half of the units in its 2016 accounting 26 Extremely Low, 10 Very Low, and three Low income units.

General Plan Objectives

- 1) **Help facilitate the development of 56 extremely low income, 56 very low income, and 68 low income units annually to meet the ABAG Regional Housing Needs Allocation.**

In 2016, the Housing Authority committed \$3,131,941 in funding to the **Crossing on Aston** project, which is a 27-unit multifamily apartment complex consisting of 4 Extremely Low Income units, 17 Very Low Income Units, 5 Low Income units, and one unrestricted manager's unit located on Aston Avenue near Petaluma Hill Road.

The Housing Authority also committed \$180,000 in funding in 2016 in support of the **Comstock Place** housing project, a three-unit, Low Income, ownership project located on West Steele Lane.

- 2) ***Assist in the improvement and rehabilitation of 500 units annually (extremely low, very low, and low income housing units).***

A total of 352 units were rehabilitated in 2016. Of these, 114 units were rehabilitated through the City's Neighborhood Revitalization Program. The remaining 238 units were rehabilitated as a result of Housing Quality Standards inspection requirements of the Section 8 Rental Assistance Program. These improvements generally include upgraded electrical and plumbing, flooring, paint, new appliances and fixtures and removal of hazards and blight. The income levels of households rehabilitated were not recorded with the exception noted below.

Of the 352 units rehabilitated, 48 units in the Papago Court/Apple Valley apartment complex were rehabilitated utilizing Community Development Block Grant funds. These units consist of 3 Very Low Income units, 44 Low Income units, and one unrestricted manager unit.

- 3) ***Promote development of 30 second units annually.***

In 2016, 14 building permits were issued for second dwelling units. This is the ninth year in a row that permits for second units were less than 30 per year.

Over the past few years, staff has observed interest from applicants with approved projects including second units in revising those projects to remove some or all second units. Applicants indicate that financing for developers and potential buyers of projects/dwellings with second units is more challenging than it once was.

Recent changes to California law supersede the City's Residential Second Dwelling Unit Zoning ordinance, allowing reductions in parking, setbacks and fees for certain second units. A process to revise the Zoning Code was initiated in 2016 to achieve consistency with State law as well as make adaptations based on local preferences, such as removing restrictions for owner occupancy requirements. The ordinance will be reviewed through a public review process that will include the Planning Commission and City Council.

- 4) ***Preserve the existing emergency shelter beds and units of transitional and supportive housing. This includes 504 beds in emergency shelters, 351 units of transitional housing and 385 units of permanent, supportive housing.***

No emergency or transitional beds for homeless persons were lost in 2016. Presently the City has 138 year-round beds and an additional 50 winter shelter beds between November and March. A City Council Emergency Declaration enabled Social Advocates for Youth (SAY) to open a 15-bed winter shelter for youth in early December at the Press Democrat Building on Mendocino Avenue in downtown Santa Rosa.

The Housing Authority provided \$833,641 to Community Housing Sonoma County for the development of **Benton Veterans' Village**, a 7-unit low income permanent, supportive housing facility. This project received funding previously.



Rendering of Benton Veterans' Village

- 5) ***Preserve the existing inventory of federally and locally funded affordable units including the units with the potential to lose affordability between 2015 and 2025.***

During 2016, 102 units lost affordability. These include 26 rental Low Income Bond units located at Village Square Apartments, and 76 rental Low Income Bond units located at Vista Sonoma Senior Living. The affordability term for these Bond units expired.

A total of three ownership units were lost and became market rate in 2016. Two Low Income units in the Woodbridge Subdivision paid their loan and the restrictions expired. The other unit was a Density Increase Program unit in the Westland Estates Subdivision; no federal or local subsidies had been provided for this unit.

Although the City did not assist in conserving any units that were at risk of losing their affordability in 2016, it did assist in ensuring continued housing quality standards for 48 multifamily rental units by providing funding for rehabilitation as described above.

- 6) ***Preserve the 2,198 existing mobile home spaces, which are largely occupied by lower-income seniors.***

There are 15 mobilehome parks in the City that are subject to the Mobilehome Rent Control Ordinance. No spaces were lost in 2016. Of the 2,198 spaces, 1,661 were subject to rent control during 2016—3 less than in 2015. The number of spaces subject to rent control fluctuates with tenants and lease changes.

In 2015, The Housing Authority received \$782,000 for the **CalHome Owner Occupied Program** that enables low income mobilehome owners to repair their homes, and entered into an agreement with Sonoma County Community Development Commission to administer the program in Santa Rosa. Approximately 9 loans were approved in 2016 and repair work is currently underway.

Housing Policy Implementation

The Housing Element identifies seven goals, 16 policies and 57 programs. Housing Element policies are unique among General Plan policies in that implementation dates and responsible entities are included. While some of the policies identify a specific year when the work is expected to be completed, other goals and policies are identified as ongoing.

Three items were identified to be completed in 2016. The items are listed below and a status is provided:

H-C-16 Evaluate, and consider action as appropriate, the use of “boomerang” funds, an allocation of increased property tax from former redevelopment project areas, for affordable housing projects and programs.

Status: The boomerang funding is held in the City’s General Fund. It is one component of a dedicated resource for the development and rehabilitation of affordable housing projects. The Housing and Community Services Department evaluates opportunities for advancing affordable housing projects and programs with general fund sources on an ongoing basis. This policy is addressed through existing efforts.

H-D-3 Evaluate issues of “visitability” in residential building design and develop a program for implementation of appropriate policies and/or standards.

Status: This work was not undertaken in 2016. Due to limited staff resources in the Planning and Economic Development Department and the focus of planning staff resources on the housing initiatives, Roseland Annexation, Zoning Code amendments in support of housing policy, and other priority projects, the City did not evaluate “visitability” issues or develop related policies or standards during the planning period. The City Building Division continues to implement the state and federal accessibility requirements for new residential construction.

H-D-4 Investigate and promote incorporation of universal design features in new residential construction by developing an ordinance based on the state’s voluntary model ordinance.

Status: This work was not undertaken in 2016. Due to limited staff resources in the Planning and Economic Development Department and the focus of planning staff resources as noted above, the City did not review universal design features or develop related policies or standards during the planning period. The City Building Division continues to implement the state and federal accessibility requirements for new residential construction.